The accompanying notes are an integral part of these consolidated financial statements

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion:

- ContourGlobal plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the consolidated statement of financial position and the company balance sheet as at 31 December 2020; the consolidated statement of income and other comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity and the company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 1 to the group financial statements, the group, in addition to applying international accounting standards in conformity with the requirements of the Companies Act 2006, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group.

Other than those disclosed in note 4.34 to the financial statements, we have provided no non-audit services to the group in the period under audit.

Our audit approach

Overview

Audit Scope

- We conducted our audit work over 11 components in 10 countries.
- 7 components were subject to an audit of their complete financial information due to their size.
- 4 components were subject to audit of specified financial statement line items reflecting either the financial significance of the balances or audit risk.
- Specific audit procedures were performed on certain material balances within cash and cash equivalents, and borrowings in out of scope components.
- In addition, centrally managed functions, including the group consolidation, were audited at the head office by the group engagement team.

Key audit matters

- Impairment of property, plant and equipment, intangible assets and financial and contract assets (group)
- Assessment of significant judgements relating to litigation and claims (group)
- Impact of Covid-19 (group)
- Impairment of investment in subsidiary company (parent)

Materiality

- Overall group materiality: US$18,000,000 (2019: US$16,250,000) based on approximately 2.5% of Adjusted EBITDA less cash gain on sale of minority interest in assets (where applicable).
- Overall company materiality: US$16,500,000 (2019: US$16,600,000) based on approximately 1% of total assets.
- Performance materiality: US$13,500,000 (group) and US$12,400,000 (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in the Auditors' responsibilities for the audit of the financial statements section, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of health and safety regulations, environmental regulations and unethical and prohibited business practises, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries and/or management exercising bias in accounting estimates that would result in the overstatement of Adjusted EBITDA. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Assessment of compliance with local laws and regulations by each component audit team.
- Review of board minutes, internal audit reports, compliance review reports and attendance at Audit and Risk Committee meetings where the heads of the compliance and internal audit functions present findings from their activities, which include any known or suspected instances of non-compliance with laws and regulations and fraud.
- Meeting with internal legal counsel and internal audit to confirm any known instances of non-compliance with laws and regulations.
- Identifying and testing journal entries that increased Adjusted EBITDA, in particular journal entries posted with unusual account combinations, or posted by members of senior management with a financial reporting oversight role.
- Challenging assumptions and judgements made by management in significant accounting estimates, including the disclosure of such matters in the financial statements.
- Incorporating elements of unpredictability into the audit procedures performed.
- Reviewing the presentation of Adjusted EBITDA in the Annual Report, including the disclosure of the reconciliation of Adjusted EBITDA to statutory profit, and ensuring that sufficient prominence was given to statutory profit measures in the Annual Report.
- Reviewing the disclosures in the Annual Report and financial statements against the specific legal requirements, and involving technical experts to help us assess compliance of the disclosures against relevant legislation, for example within the Directors' Remuneration Report and the Corporate Governance Report.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The impact of Covid-19 on the group and the impairment of investment in subsidiary company within the company financial statements are new key audit matters this year. Accounting for business combinations and power purchase agreements (PPA) in the year of acquisition including valuation of assets acquired and liabilities assumed, which was a key audit matter last year, is no longer included as there were no business combination transactions closed during the period. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment, intangible assets and financial and contract assets (group) The group has $3.5 billion of property, plant and equipment, the majority of which relates to power plant assets, $0.3 billion of intangible assets, the majority of which relates to legado rights in Mexico and $0.4 billion of financial and contract assets, the majority of which relate to service concession arrangements. The group is required to assess whether or not there are any indicators of impairment over these assets. In the event that an impairment trigger is identified, the recoverable value of property, plant and equipment and intangible assets are assessed by a calculation of the higher of value in use (which is based on future discounted cash flow forecasts) and fair value less costs to sell, and financial and contract assets by assessing the expected credit losses. Impairment assessments of this nature require significant judgement and there is the risk that potential impairment triggers are not identified by management and, in the event that there is an impairment trigger, there is a risk that the calculation of the recoverable amount of the asset is incorrect and therefore the value of the assets may be misstated. Forecasts and assumptions used in both value in use calculations and the estimation of fair value less costs to sell are inherently judgemental and therefore may give rise to increased risk of misstatement.	We evaluated the impairment triggers identified by management in their assessment by reviewing performance data by power plant, considering significant variances in performance against forecasts, and from meetings we held with divisional finance directors to discuss individual plant performance. We have also considered other information gathered during the course of our audits of components and assessed whether there are any other indicators of impairment, as well as considering other factors that could indicate increased impairment risk such as regulatory changes and potential impacts of climate change. In concluding on the audit risk that there could be further unidentified impairment triggers, we specifically evaluated the Mexico plants where the government in Mexico announced certain changes to the legado regime which would result in significant increases to wheeling charges. Management have filed a lawsuit and received an injunction suspending the application of these higher fees, and obtained legal advice from external legal counsel which supports their view that the changes are unconstitutional and therefore unlikely to be sustained. In evaluating this matter: • We reviewed the external legal opinion obtained by management which confirms management's view that the proposed changes are considered unconstitutional under Mexican laws; • We evaluated a recent ruling on the application of these increased wheeling charges in a case brought by another power generation company in Mexico which found in favour of the company, therefore further corroborating management's view that the proposed changes are unlikely to be sustained; and • We consulted with our own local energy sector specialists regarding their opinion on whether or not these changes in wheeling charges are likely to be sustained.

Key audit matter	How our audit addressed the key audit matter
Impairment indicators were identified in the current year for the Brazilian wind power plant, following lower than expected wind conditions. A calculation was therefore performed to estimate the recoverable amount of this asset which was based on a value in use calculation. In addition, whilst the expiry of relevant PPAs in 2021 and 2023 are not considered impairment triggers, management also performed an assessment of the future discounted cash flows for the Spain Arrubal and Bulgaria Maritsa plants given that the existing power purchase agreements for these plants are due to expire in mid-2021 and early-2024 respectively. These assessments took account of most likely scenarios at the end of the existing PPA arrangements. For each of the value in use calculations performed over the Brazilian wind power plants, Spain Arrubal and Bulgaria Maritsa, management performed sensitivity analysis on certain key variables in the calculations to understand the impact of changes in certain assumptions. No impairments in value were identified in the assets subject to impairment reviews. In relation to financial and contract assets, the majority of which relate to service concession arrangements, the group assesses the expected credit losses on a forward-looking basis and the impairment methodology applied depends on whether there has been a significant increase in credit risk	We therefore consider that management's conclusion that there is no impairment trigger to be reasonable. We also read the disclosures included in the financial statements in relation to this judgement and found these to be appropriate No impairment triggers other than the Brazilian wind power plants already noted by management were identified from our procedures. In relation to Brazilian wind power plants, we performed audit procedures over the value in use calculations prepared by management. We used PwC valuation specialists to assess the methodology applied in the valuation and the discount rate used. We benchmarked the discount rate to comparable assets and considered the underlying assumptions based on our knowledge of the group and its industry. We assessed the accuracy of management's forecasting by reference to the accuracy of historical forecasts compared to actual cash flows and tested the mathematical accuracy of the impairment model. A wind study which reflects more recent wind performance in the data, was performed by an external expert engaged by management. This forecasts the future expected wind performance which is a key assumption in the estimation of future cash flows from the operation of the plants in the value in use calculation. We evaluated the objectivity, independence and competence of the expert engaged by management. We validated the key assumptions related to future capacity by reference to resource forecast, board approved forecasts specific to wind assets, and comparability of expected wind conditions per the forecasts to actual conditions during the year. In respect of the Spain Arrubal plant and Bulgaria Maritsa plant, we used industry specialists to evaluate the market studies prepared by management's experts, which were used to determine likely future scenarios beyond the expiry of these PPAs and therefore the associated future cash inflows of these plants. We tested management's sensitivity analysis to ensure appropriate judgement has been applied. Based on our audit procedures performed we found the methodology and assumptions used in the calculation of value in use for the Brazilian wind, Spain Arrubal and Bulgaria Maritsa power plants and the conclusion that no impairment charges were required, were reasonable. We also assessed the disclosures in relation to the impairment assessments completed, the critical accounting judgements and estimates associated with impairment of property, plant equipment and intangible assets, and the associated sensitivity analyses and have found these to be appropriate. In concluding on the expected credit losses associated with service concession arrangements, mainly in Togo, Senegal and Rwanda, we performed an assessment of the financial results of these subsidiaries which did not indicate any specific impairment risk. We also reviewed the expected credit loss calculation which takes into account the risk of non-payment considering ageing, previous experience of collections, economic conditions, existing insurance policies and forward looking data. We found that management's conclusion that there is no material impairment loss to be reasonable.

Key audit matter	How our audit addressed the key audit matter
Assessment of significant judgements relating to litigation and claims (group) In the ordinary course of business, the group is subject to actual or potential liabilities arising from litigations and claims, including contractual disputes brought by government bodies (including regulators and tax authorities), off-takers and suppliers. Power Purchase Agreements (PPAs) are held with state owned, regulated bodies and other off-takers. Where disputes arise in connection with such agreements, there is usually a process of dialogue between the counterparties which can take place over an extended period of time. Management review such litigation and claims on a case-by-case basis to determine the likely outcome and to estimate the possible magnitude and timing of any resultant payments from adverse outcomes. Matters of this nature are inherently uncertain and as such management apply significant judgement in determining the likely outcome of such matters as well as the potential effect on future operations and the financial statements.	We met with Executive Vice President - General Counsel and other members of senior management to discuss ongoing and potential litigation and claims. We evaluated the significant judgements associated with each of these matters on a case-by-case basis including the likelihood of economic outflow to settle the obligation and whether a reliable estimate can be determined based on the facts of the case. Audit procedures performed to support our conclusions have included review and assessment of contracts, review of correspondence with counterparties and internal and external legal counsel, assessment of the local political climate (where relevant to the specific matter), and obtaining representation from management's external legal counsel on matters of significant judgement to evaluate management's views against those of external legal counsel. In certain cases, we have also discussed matters directly with external legal counsel and involved our own internal litigation specialists in evaluating the likely outcome of the cases. We have considered the completeness of litigation and claims identified to us by management by reference to other audit information obtained during the course of work, and specific procedures performed to identify matters, including review of board minutes. We did not identify any further litigation or claims that had not already been disclosed to us. Based on the evidence obtained we have evaluated the accounting for litigation and claims, including the determination of whether a provision should be recorded, or a contingent liability should be disclosed. We found that all items had been accounted for appropriately. We also assessed the disclosure for litigation and claims against the requirements of the relevant accounting standards and concluded that the disclosures were appropriate. Where significant judgements have been applied by management, we also found that these judgements are appropriately disclosed with the financial statements.
Impact of Covid-19 (group) The Covid-19 pandemic has caused significant global disruption and economic uncertainty. Management has assessed the impact of Covid-19 on the group, including any potential financial reporting implications. The group has proved highly resilient throughout the pandemic with no significant adverse impact on its financial performance. Management implemented a series of temporary measures to respond to the fast evolving situation, including personnel working remotely where possible, measures to change shift patterns and protect the wellbeing of staff, and reducing international travel. The group has continued to deliver in line with its obligations to supply power, both under power purchase agreements and regulated arrangements, with all power plant assets remaining operational throughout the pandemic. The nature of the group's power purchase agreements have protected the group from any material adverse financial effect of any changes in demand for power.	We have independently assessed the impact of Covid-19 on the group through discussion with both group and local management, review of board minutes, discussion with our component audit teams, consideration of financial performance and evaluation of the overall findings of audits across the group. We have specifically focussed on the impact on financial performance of the group, financial reporting risk and the effective operation of controls and processes. We have evaluated the ongoing effective operation of controls and processes to address the risk that a failure in key controls could result in material misstatement, either due to fraud or error, both through our own assessment of the control environment, and through our review of the work of internal audit. We have not identified any material weakness in financial controls as a result of actions management has taken to respond to the Covid-19 pandemic. We have assessed the financial performance of the group as a whole and the performance of significant power plants within the group to respond to any heightened risk surrounding going concern of the group or impairment of assets as a result of the impact of Covid-19. Our procedures have included an assessment of both the performance during 2020, as well as management's forecasts of future performance in light of the financial performance of the group during 2020. We have found that management's forecasts appear reasonable and support management's conclusion that the going concern basis is appropriate, and that there is no indication of any material impairment in assets as a result of Covid-19.

Key audit matter	How our audit addressed the key audit matter
Prior to the pandemic the group had existing systems and processes in place to enable employees to work from multi-locations across the world. As a consequence management have not identified any material weakness in controls and processes as a consequence of the different working practices enforced by remote working. Management has assessed the ongoing impact of the pandemic on the future performance of the group, the continued effective operation of controls and processes, and any further potential financial reporting risk, and have not identified any material risks.	We have read the disclosures made in the Annual Report in respect of Covid-19 and we are satisfied that they are consistent with our understanding of the impact of the global pandemic on the group based on the evidence obtained through our audit.
Impairment of investment in subsidiary company (parent) The company has an investment of $1,642.1 million in subsidiaries. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of the investment in subsidiaries may not be recoverable. If such circumstances are identified an impairment review is undertaken to establish whether the carrying amount of the investment exceeds its recoverable amount, being the higher of net realisable value or value in use. Impairment assessments of this nature requires significant judgement and there is the risk that a potential impairment trigger may not be identified by management and, in the event that there is an impairment trigger, there is a risk that the calculation of the recoverable amount of the investment is incorrect and therefore the value of the investment may be misstated. No such indicators of impairment have been identified.	We have evaluated management's consideration of impairment triggers through performing our own independent assessment, which has included: • Assessing the overall financial performance of the group, as well as larger and financially more significant assets within the group, to identify any indicators of impairment as a result of poor financial performance; Considering other information gathered during the course of our audits of components and assessing whether there are any other indicators of impairment, as well as considering other factors that could indicate increased impairment risk such as regulatory changes and potential impacts of climate change on the group; Comparing the market capitalisation of the group at year end, adjusted for the other net assets of the company, and comparing this to the carrying value of investments; and Comparing the carrying value of investments to an estimate of fair value by reference to earnings of the group multiplied by relevant market multiples for acquisition transactions of similar companies or groups. We found that management's conclusion that there are no impairment triggers in the investment carrying value was reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group financial statements are a consolidation of multiple reporting components, comprising the group's operating locations (including operating entities and their related financing entities) and other centralised functions.

The group's reporting components vary significantly in size and we identified seven components that, in our view, required an audit of their complete financial information due to specific risk criteria and/or their size and contribution to the group. A further three further reporting components were identified that required audit procedures over specified financial statement line items based on specific risks and/or the contribution of each to those financial statement line items. Specific audit procedures were also performed on certain material balances in out of scope components to ensure we have obtained sufficient coverage over all material financial statement line items.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in their audit work at those entities to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our

opinion on the group financial statements as a whole. The group engagement team performed virtual "site visits" for the seven full scope components. These virtual "site visits" involved conducting a series of video conference calls to discuss the audit approach and any issues arising from our work, as well as meeting local management. For all components, we received detailed reports on the findings of their audit work and held a number of calls with the component teams before, during and after the completion of their work. We also remotely reviewed certain working papers of all full scope component teams at the year end.

The group consolidation, including the consolidated financial statement disclosures and certain centrally managed functions and balances were audited at the head office by the group audit engagement team.

The company is principally a holding company and there are no branches or other locations to be considered when scoping the audit. There are no financial statement line items in scope for the group audit. The company is audited on a stand-alone basis, and hence, testing has been performed on all material financial statement line items.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	**Financial statements - company**
Overall materiality	US$18,000,000 (2019: US$16,250,000).	US$16,500,000 (2019: US$16,600,000).
How we determined it	Approximately 2.5% of Adjusted EBITDA less cash gain on sale of minority interest in assets (where applicable)	Approximately 1% of total assets
Rationale for benchmark applied	We applied Adjusted EBITDA as the benchmark for materiality and we consider that this is the key profit-based measure used by management in both assessing the performance of the business, and in reporting performance of the business to stakeholders. Management use this measure as it allows the underlying profitability of the group's core business activities, including the contribution from associates, to be assessed year on year. It eliminates transactions related to the initial acquisition of assets (which are not directly related to ongoing performance of the assets) and certain other items which give rise to fluctuations in results which are not directly linked to the performance of the asset. Where applicable, as was the case in 2019, we have removed the cash gain on minority sale from our benchmark which we believe is appropriate as it eliminates volatility and maintains the link between audit materiality and underlying business performance.	We believe that total assets is an appropriate benchmark for the company as the entity is principally a holding company.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between $1 million and $14 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was approximately 75% of overall materiality, amounting to US$13,500,000 for the group financial statements and US$12,400,000 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above $1 million (group audit) (2019: $1 million) and $0.8 million (company audit) (2019: $1 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's cash flow forecast performed at the group level, which sets out the expected distributions from subsidiaries to the holding companies, net of repayments of corporate debt and other cash outflows at the group level.
- Performing audit procedures over the group cash flow forecast, including inquiries with management over the preparation of the distribution forecast, agreeing cash flow distributions from subsidiaries to the underlying trading company cash flow forecasts for full scope components, agreeing existing cash balances in the holding companies to underlying financial records, assessing reasonableness of forecast cash outflows, testing the mathematical accuracy of the forecast model, assessing the adequacy of sensitivities applied based on expected significant outflows (e.g for acquisitions) and assessing whether the stress testing performed by management appropriately considers other risks such as covenant breaches and refinancing due within the next 12 months.
- Performing audit procedures at all full scope components to assess the ability of trading subsidiaries to make future distributions to the group in line with the group cash flow forecast.
- Evaluating the debt covenants including the assessment of any breaches or potential breaches and the impact this may have on management's cash flow forecast.
- Where debt finance is held at the component level, we have corroborated management's assessment of debt held as being "non recourse" to the parent entity to third party evidence, where applicable.
- Local component audit teams performing full scope audits have evaluated the going concern basis at the component level and where any risks have been identified these have been considered through sensitivities performed over the group cash flow forecast.
- We reviewed the board meeting minutes confirming that the going concern assumption was evaluated and confirmed as appropriate by the Board.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Annual Report and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the directors on 13 December 2017 to audit the financial statements for the year ended 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 31 December 2017 to 31 December 2020.

Matthew Hall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

19 March 2021

Consolidated statement of income and other comprehensive income

In $ millions	Note	Years ended December 31 2020	2019
Revenue	4.2	**1,410.7**	**1,330.2**
Cost of sales	4.3	(1,033.5)	(973.4)
Gross profit		**377.2**	**356.8**
Selling, general and administrative expenses	*4.3*	(36.8)	(34.6)
Other operating income		7.4	7.3
Other operating expenses	*4.3*	(19.7)	(14.2)
Acquisition related items	*4.5*	(20.2)	(23.2)
Income from Operations		**307.9**	**292.1**
Share of profit in associates	*4.12*	12.3	11.1
Finance income	*4.6*	4.4	11.2
Finance costs	*4.6*	(262.9)	(244.9)
Realized and unrealized foreign exchange gains and (losses) and change in fair value of derivatives	*4.6*	10.7	(10.1)
Profit before income tax		**72.3**	**59.4**
Income tax expenses	*4.7*	(43.7)	(36.3)
Net profit		**28.6**	**23.1**
Profit / (Loss) attributable to			
– Equity shareholders of the Company		16.0	27.7
– Non-controlling interests		12.6	(4.6)
Earnings per share (in $)			
– Basic		0.02	0.04
– Diluted		0.02	0.04

In $ millions	Years ended December 31 2020	2019
Net profit for the year	**28.6**	**23.1**
Changes in actuarial gains and losses on retirement benefit, before tax	0.2	(0.5)
Deferred taxes on changes in actuarial gains and losses on retirement benefit	–	–
Items that will not be reclassified subsequently to income statement	**0.2**	**(0.5)**
Loss on hedging transactions	(40.0)	(45.6)
Cost of hedging reserve	(1.5)	
Deferred taxes on loss on hedging transactions	27.9	(2.7)
Share of other comprehensive income of investments accounted for using the equity method	–	–
Currency translation differences	(97.1)	(9.3)
Items that may be reclassified subsequently to income statement	**(110.7)**	**(57.6)**
Other comprehensive loss for the year net of tax	**(110.5)**	**(58.1)**
Total comprehensive loss for the year	**(81.9)**	**(35.0)**
Attributable to		
– Equity shareholders of the Company	(74.8)	(29.2)
– Non-controlling interests	(7.1)	(5.8)

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statement of financial position

In $ millions	Note	December 31, 2020	December 31, 2019
Non-current assets		**4,375.7**	**4,636.0**
Intangible assets and goodwill	4.9	319.7	352.6
Property, plant and equipment	4.10	3,517.1	3,772.3
Financial and contract assets	4.11	408.3	417.5
Investments in associates	4.12	29.5	26.6
Derivative financial instruments	4.14	1.1	–
Other non-current assets	4.17	42.5	22.1
Deferred tax assets	4.7	57.5	44.9
Current assets		**1,995.1**	**1,203.4**
Inventories	4.18	247.4	229.6
Financial and contract assets	4.11	30.0	33.4
Trade and other receivables	4.19	264.0	343.6
Current income tax assets		21.3	14.1
Derivative financial instruments	4.14	0.4	0.3
Other current assets	4.20	35.1	23.9
Cash and cash equivalents	4.21	1,396.9	558.5
Total assets		**6,370.8**	**5,839.4**

In $ millions		December 31, 2020	December 31, 2019
Total equity and non-controlling interests		**337.7**	**550.1**
Issued capital	4.22	8.9	8.9
Share premium	4.22	380.8	380.8
Treasury shares	4.22	(30.4)	–
Retained earnings and other reserves		(176.9)	(4.9)
Non-controlling interests	4.23	155.3	165.3
Non-current liabilities		**4,492.2**	**4,414.0**
Borrowings	4.24	3,895.5	3,787.6
Derivative financial instruments	4.14	151.0	84.7
Deferred tax liabilities	4.7	269.0	263.4
Provisions	4.26	51.8	48.4
Other non-current liabilities	4.25	124.9	229.9
Current liabilities		**1,540.9**	**875.3**
Trade and other payables	4.28	333.7	336.1
Borrowings	4.24	934.8	302.9
Derivative financial instruments	4.14	41.0	25.2
Current income tax liabilities	4.7	24.3	20.5
Provisions	4.26	12.3	12.6
Other current liabilities	4.29	194.8	178.0
Total liabilities		**6,033.1**	**5,289.3**
Total equity and non-controlling interests and liabilities		**6,370.8**	**5,839.4**

The financial statements on pages 157 to 221 were approved by the Board of Directors and authorized for issue on 18th March 2021 and signed on its behalf by

Joseph C. Brandt
President & CEO

December 31, 2019 figures were amended (see note 2.3)

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statement of changes in equity

In $ millions	Share capital	Share premium	Treasury shares	Currency Translation reserve	Hedging reserve	Cost of hedging reserve	Actuarial reserve	Retained earnings and other reserves	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance as of January 1, 2019	**8.9**	**380.8**	**–**	**(92.3)**	**(34.0)**	**–**	**(1.8)**	**233.7**	**495.3**	**185.2**	**680.5**
Profit / (loss) for the year	–	–	–	–	–	–	–	27.7	**27.7**	(4.6)	**23.1**
Other comprehensive loss	–	–	–	(8.9)	(47.5)	–	(0.5)	–	**(56.9)**	(1.2)	**(58.1)**
Total comprehensive loss for the period	**–**	**–**	**–**	**(8.9)**	**(47.5)**	**–**	**(0.5)**	**27.7**	**(29.2)**	**(5.8)**	**(35.0)**
Transaction with non-controlling interests	–	–	–	–	–	–	–	–	**–**	(7.8)	**(7.8)**
Sale of non-controlling interest not resulting in a change of control	–	–	–	–	–	–	–	46.1	**46.1**	5.2	**51.3**
Employee share schemes	–	–	–	–	–	–	–	10.4	**10.4**	–	**10.4**
Dividends	–	–	–	–	–	–	–	(137.6)	**(137.6)**	(24.5)	**(162.1)**
Acquisition of and contribution received from non-controlling interest	–	–	–	–	–	–	–	–	**–**	12.9	**12.9**
Other	–	–	–	–	–	–	–	(0.2)	**(0.2)**	0.1	**(0.1)**
Balance as of December 31, 2019	**8.9**	**380.8**	**–**	**(101.2)**	**(81.5)**	**–**	**(2.3)**	**180.1**	**384.8**	**165.3**	**550.1**
Balance as of January 1, 2020	**8.9**	**380.8**	**–**	**(101.2)**	**(81.5)**	**–**	**(2.3)**	**180.1**	**384.8**	**165.3**	**550.1**
Profit for the year	–	–	–	–	–	–	–	16.0	**16.0**	12.6	**28.6**
Other comprehensive loss	–	–	–	(78.0)	(11.5)	(1.5)	0.2	–	**(90.8)**	(19.7)	**(110.5)**
Total comprehensive income / (loss) for the period	**–**	**–**	**–**	**(78.0)**	**(11.5)**	**(1.5)**	**0.2**	**16.0**	**(74.8)**	**(7.1)**	**(81.9)**
Purchase of treasury shares	–	–	(30.4)	–	–	–	–	–	**(30.4)**	–	**(30.4)**
Employee share schemes	–	–	–	–	–	–	–	8.5	**8.5**	–	**8.5**
Contribution received from non-controlling interest	–	–	–	–	–	–	–	–	**–**	3.4	**3.4**
Transaction with non-controlling interests	–	–	–	–	–	–	–	–	**–**	(1.0)	**(1.0)**
Dividends	–	–	–	–	–	–	–	(105.7)	**(105.7)**	(5.4)	**(111.1)**
Balance as of December 31, 2020	**8.9**	**380.8**	**(30.4)**	**(179.2)**	**(93.0)**	**(1.5)**	**(2.1)**	**98.9**	**182.4**	**155.3**	**337.7**

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statement of cash flows

In $ millions	Note	Years ended December 31 2020	2019
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit		**28.6**	**23.1**
Adjustment for:			
Amortization, depreciation and impairment expense	*4.3*	311.6	282.3
Change in provisions		(2.7)	0.2
Share of profit in associates	*4.12*	(12.3)	(11.1)
Realized and unrealized foreign exchange gains and losses and change in fair value of derivatives	*4.6*	(10.7)	10.1
Interest expenses – net	*4.6*	190.6	177.6
Other financial items	*4.6*	68.0	56.2
Income tax expense	*4.7*	43.7	36.3
Mexico CHP fixed margin swap	*4.1*	15.6	–
Change in finance lease and financial concession assets	*4.1*	31.7	26.4
Acquisition related items	*4.5*	20.2	23.2
Other items		12.2	10.5
Change in working capital		52.8	5.0
Income tax paid		(37.5)	(34.8)
Contribution received from associates	*4.12*	7.8	11.3
Net cash generated from operating activities		**719.6**	**616.3**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(77.0)	(102.1)
Purchase of intangibles		(3.8)	(1.4)
Acquisition of subsidiaries, net of cash received		–	(820.5)
Other investing activities		(24.5)	(0.9)
Net cash used in investing activities		**(105.3)**	**(924.9)**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		(105.7)	(137.6)
Purchase of treasury shares	4.22	(30.4)	–
Proceeds from borrowings	4.24	938.9	947.5
Repayment of borrowings	4.24	(323.4)	(428.2)
Debt issuance costs - net		(13.1)	(29.3)
Interest paid		(175.8)	(189.2)
Cash distribution to non-controlling interests	4.23	(18.5)	(15.0)
Dividends paid to non-controlling interest holders	4.23	(5.4)	(23.4)
Transactions with non-controlling interest holders, cash received	4.23	3.4	174.4
Transactions with non-controlling interest holders, cash paid	4.23	(57.5)	(91.5)
Other financing activities		(9.6)	(52.2)
Net cash generated from financing activities		**202.9**	**155.5**
Exchange gains on cash and cash equivalents		**21.2**	**14.7**
Net change in cash and cash equivalents		**838.4**	**(138.4)**
Cash & cash equivalents at beginning of the year		**558.5**	**696.9**
Cash & cash equivalents at end of the year		**1,396.9**	**558.5**

The accompanying notes are an integral part of these consolidated financial statements

1. General information

ContourGlobal plc (the 'Company') is a public listed company, limited by shares, domiciled in the United Kingdom and incorporated in the United Kingdom. It is the holding company for the group whose principal activities during the period were the operation of wholesale power generation businesses with thermal and renewables assets in Europe, Latin America and Africa, and its registered office is:

7th Floor
Park House
116 Park Street
London
W1K 6SS

United Kingdom

Registered number: 10982736

ContourGlobal plc is listed on the London Stock Exchange.

Basis of preparation

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The consolidated financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The financial information is presented in millions of U.S. dollars, with one decimal. Thus numbers may not sum precisely due to rounding.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out in note 2.3. These policies have been consistently applied to the periods presented, unless otherwise stated.

The financial information presented is at and for the financial years ended 31 December 2020 and 31 December 2019. Financial year ends have been referred to as 31 December throughout the consolidated financial statements as this is the accounting reference date of ContourGlobal plc. Financial years are referred to as 2020 and 2019 in these consolidated financial statements.

The preparation of the IFRS financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates, as noted in the critical accounting estimates and judgements in note 2.4.

Impact of Covid-19

The Company has considered the impact of the new coronavirus ('COVID-19' or 'the virus') on the financial statements for the year ended 31 December 2020. This analysis included the potential accounting impacts under IFRS on non-financial assets, financial instruments, leases, revenue recognition, non-financial obligations, going concern and events after the reporting period.

During the year ended 31 December 2020, the Company experienced no material operational or financial impact as a result of COVID-19. Action was taken around the health of employees, critical spares and inventory to ensure continued reliability of operations. To date, the disruption in spares and supply chain has been insignificant.

The Company is not involved in the distribution of power and has limited exposure to merchant markets and energy pricing. The Company has received force majeure notices from some suppliers and commercial customers, but these have not been material and are not expected to impact future operations. In addition, the Company has not faced any significant delays in payments from off-takers as a result of the COVID-19.

The Company has also reviewed its forecasts and projections, taking into account possible changes in operating performance due to COVID-19 and possible impact on liquidity and concluded that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for a period of at least 12 months. For this reason, the Group continues to adopt the going concern basis in preparing the Group financial statements.

2. Summary of significant accounting policies

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

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2020:

Definition of a Business – Amendments to IFRS 3

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

There were no acquisitions during the year and therefore the amendment has no impact on these financial statements. Going forwards, it is expected that the amendment could likely result in more acquisitions being accounted for as asset acquisitions.

2.2 New standards and interpretations not yet mandatorily applicable

A number of additional new standards and amendments and revisions to existing standards have been published which will apply to the Group's future accounting periods. None of these are expected to have a significant impact on the consolidated results, financial position or cash flows of the Group when they are adopted.

The replacement of benchmark interest rates such as LIBOR and other interbank offered rates (IBORs) is a priority for global regulators and is expected to be largely completed in 2021. To prepare for this, the Group early adopted the Phase 1 amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' in 2019. These amendments provide relief from applying specific hedge accounting requirements to hedge relationships directly affected by IBOR reform and have the effect that the reform should generally not cause hedge accounting to terminate. There was no financial impact from the early adoption of these amendments. Further amendments (Phase 2) were issued on 27 August 2020 and the Group will apply these in 2021.

The Group has IFRS 9 designated hedge relationships that is impacted by IBOR reform including interest rate swap contracts and cross currency swap that qualifies as cash-flow hedge with a nominal value amounted to $1,213.4 million as of 31 December 2020, used to hedge a proportion of our external borrowings. These swaps reference six-month EURIBOR, three-month USD LIBOR and six-month USD LIBOR and uncertainty arising from the Group's exposure to IBOR reform will cease when these swaps matures by 2030, 2031 and 2034 respectively. The uncertainty arising from the Group's exposure to IBOR reform on the wider business will be assessed during 2021.

2.3 Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include both the assets and liabilities, and the results and cash flows, of the Group and its subsidiaries and the Group's share of the results and the Group's investments in associates.

Inter-company transactions and balances between Group companies are eliminated.

(a) Subsidiaries

Entities over which the Group has the power to direct the relevant activities so as to affect the returns to the Group, generally through control over the financial and operating policies, are accounted for as subsidiaries. Interests acquired in subsidiaries are consolidated from the date the Group acquires control.

(b) Associates

Where the Group has the ability to exercise significant influence over entities, generally from a shareholding of between 20% and 50% of the voting rights, they are accounted for as associates. The results and assets and liabilities of associates are incorporated into the consolidated financial statements using the equity method of accounting. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is objective evidence that the investment in the associate is impaired. If there is evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value and recognizes this amount as a reduction to the amount of 'Share of profit of associates' in the consolidated statement of income.

Business combinations

The acquisition consideration is measured at fair value which is the aggregate of the fair values of the assets transferred, the liabilities incurred or assumed and the equity interests issued in exchange for control. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in the consolidated statement of income. Where the consideration transferred, together with the non-controlling interest, exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill. Acquisition related costs are expensed as incurred and classified as "Acquisition related items" in the consolidated statement of income.

Goodwill is capitalized as a separate item in the case of subsidiaries and as part of the cost of investment in the case of associates. Goodwill is denominated in the functional currency of the operation acquired.

Changes in ownership interests in subsidiaries without change of control
In line with IFRS 10 "Consolidated financial statements", transactions with non-controlling interests that do not result in a gain or loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners.

In the case of an acquisition of non-controlling interest that does not result in a gain of control, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

In the case of a sale of non-controlling interests that do not result in a loss of control ("sell-down"), the net cash gain on sale of these assets are recorded as an increase in the equity attributable to owners of the parent and corresponds to the difference between the consideration received for the sale of shares and of the carrying amount of non-controlling interest sold. Consistent with this approach, subsequent true-ups to earn-outs in the context of sell-down transactions are also recorded in equity. The net cash gain or loss on sell-down is presented in Adjusted EBITDA, as disclosed in the note 4.1.

Functional and presentation currency and currency translation

The assets and liabilities of foreign undertakings are translated into US dollars, the Group's presentation currency, at the year-end exchange rates. The results of foreign undertakings are translated into US dollars at the relevant average rates of exchange for the year. Foreign exchange differences arising on retranslation of opening net assets, and the difference between average exchange rates and year end exchange rates on the result for the year are recognized directly in the currency translation reserve.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized at period end exchange rates in the consolidated statement of income line which most appropriately reflects the nature of the item or transaction.

The following table summarizes the main exchange rates used for the preparation of the consolidated financial statements of ContourGlobal:

	CLOSING RATES		AVERAGE RATES	
	Year ended 31st December		Year ended 31st December	
Currency	2020	2019	2020	2019
EUR / USD	1.2216	1.1213	1.1413	1.1195
BRL / USD	0.1925	0.2481	0.1960	0.2540
BGN / USD	0.6246	0.5733	0.5835	0.5725
MXN / USD	0.0501	0.0531	0.0469	0.0520

Operating and reportable segments

The Group's reporting segments reflect the operating segments which are based on the organizational structure and financial information provided to the Chief Executive Officer, who represents the chief operating decision-maker ("CODM"). The Group's organizational structure reflects the different electricity generation methods, being Thermal and Renewables. A third category, Corporate & Other, primarily reflects costs for certain centralized functions including executive oversight, corporate treasury and accounting, legal, compliance, human resources, IT and facilities management and certain technical support costs that are not allocated to the segments for internal management reporting purposes.

The principal profit measure used by the CODM is "Adjusted EBITDA" as defined in note 4.1. A segmented analysis of "Adjusted EBITDA" is accordingly provided in the notes to the consolidated financial statements (see note 4.1).

Revenue recognition

The Group revenue is mainly generated from the following:

(i) revenue from power sales;
(ii) revenue from operating leases;
(iii) revenue from financial assets (concession and finance lease assets); and
(iv) other revenue such as environmental, operational and maintenance services rendered to offtakers.

Revenue from operating leases is recognized under IFRS 16, Revenue from financial assets is recognized under IFRS 16 and IFRIC 12, and Revenue from power sales and other revenue are recognized under IFRS 15.

IFRS 15, Revenues from contracts with customers, revenue recognition is based on the transfer of control, i.e. notion of control is used to determine when a good or service is transferred to the customer. In accordance with this, the Group has adopted a single comprehensive model for the accounting for revenues from contracts with customers, using a five-step approach for revenue recognition: (1) identifying the contract; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to the performance obligations in the contract; and (5) recognizing revenue when the Group satisfies a performance obligation.

Based on this recognition model, sales are recognized when goods are delivered to the customer and have been accepted by the customer, even if they have not been invoiced, or when services are rendered, and it is probable that the economic benefits associated with the transaction will flow to the entity. Revenue for the year includes the estimate of the energy supplied that has not yet been invoiced.

When determining the transaction price, the Group consider the effects of the variable consideration, the constraining estimates of variable consideration, the existence of a significant financing component in the contract, the non-cash consideration and consideration payable to a customer.

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items.

Certain of the Group power plants sell their output under Power Purchase Agreements ("PPAs") and other long-term arrangements. Under such arrangements it is usual for the Group to receive payment for the provision of electrical capacity or availability whether or not the offtaker requests the electrical output (capacity payments) and for the variable costs of production (energy payments). In such situations, revenue is recognized in respect of capacity payments as:

(a) Service income in accordance with the contractual terms, to the extent that the capacity has been made available to the contracted offtaker during the period and / or energy produced and delivered in the period. This income is recognized as part of revenue from power sales;

(b) Financial return on the operating financial asset where the PPA is considered to be or to contain a finance lease or where the contract is considered to be a financial asset under interpretation IFRIC 12: "Service Concession Arrangements".

(c) Service income related to environmental, operational and maintenance services rendered to offtakers are presented as part of Other revenue.

Under finance lease arrangements, those payments which are not included within minimum lease payments are accounted for as service income (outlined in (a) above).

Energy payments under PPAs are recognized in revenue in all cases as the contracted output is delivered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Concession arrangements

The interpretation IFRIC 12 governs accounting for concession arrangements. An arrangement within the scope of IFRIC 12 is one which involves a private sector entity (known as "an operator") constructing infrastructure used to provide a public service, or upgrading it (for example, by increasing its capacity) and operating and maintaining that infrastructure for a specified period of time.

IFRIC 12 applies to public-to-private service concession arrangements if:

(a) The "grantor" (i.e. the public sector entity – the offtaker) controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price, and

(b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement. Infrastructure used in a public-to-private service concession arrangement for its entire useful life (a whole of life asset) is within the scope of IFRIC 12 if the conditions in a) are met.

Under concession arrangements within the scope of IFRIC 12, which comply with the "financial asset" model requirements, the operator recognizes a contract asset, attracting revenue in consideration for the services it provides (design, construction, etc.), to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if payment is contingent on the Group ensuring that the infrastructure meets specified quality or efficiency requirements. This model is based on input assumptions such as budgets and cash flow forecasts. Any change in these assumptions may have a material impact on the measurement of the recoverable amount and could result in reducing the value of the asset. Such contract assets are recognized in the consolidated statement of financial position in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortized cost less impairment losses. The receivable is settled by means of the grantor's payments being received. The financial income calculated on the basis of the effective interest rate, equivalent to the project's internal rate of return, is reflected within the "Revenue from concession and finance lease assets" line in the note 4.2 "Revenue" to the consolidated financial statements. Cash outflows relating to the acquisition of contract assets under concession agreements are presented as part of cash flow from investing activities. Net cash inflows generated by the contract assets' operations are presented as part of cash flow from operating activities.

Under arrangements within the scope of IFRIC 12 which complies with the "intangible asset" model requirements, the operator recognizes an intangible asset in accordance with IAS 38 to the extent that it has a right to charge users of the public service. Such intangible asset is recognized in the consolidated statement of financial position at cost on first recognition and subsequently measured over its useful economic life at cost less accumulated amortization and impairment losses. Net cash inflows generated by the intangible asset's operations are presented as part of Cash Flow from operating activities.

For purchase power arrangements, revenue for service income is generally recognized as billed after excluding the portion of the payment that is allocated to cover the return on financial assets arising from service concession arrangements as described above. We have therefore not disclosed the transaction price allocated to unsatisfied contracts based as permitted by paragraph 121 of IFRS 15.

Share-based compensation plans

The share-based payment charge arises from the Long Term Incentive Plan (LTIP) and the Private Incentive Plan (PIP). The PIP scheme is applicable to senior executives whilst the LTIP scheme is applicable to senior executives and senior and middle management. Shares issued under the schemes vest subject to continued employment within the Group and satisfaction of the non-market performance conditions. Employees leaving prior to the vesting date will normally forfeit their rights to unvested share awards. The fair value of the awards is measured using the market value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis together with a corresponding increase in equity over the vesting period, based on the Group's estimate of the number of awards that will vest, and adjusted for the effect of non-market-based vesting conditions.

Acquisition related items

Acquisition related items include pre-acquisition costs such as various professional fees and due diligence costs, earn-outs and other related incremental costs incurred as part of completed or contemplated acquisitions.

Finance income and finance costs

Finance income primarily consists of interest income on funds invested. Finance costs primarily comprise interest expense on borrowings, unwinding of the discount/step up on financial and contract assets and provisions, interests and penalties that arise from late payments of suppliers or taxes, swap margin calls, bank charges, changes in fair value of the debt payable to non-controlling interests in our Bulgarian power plant, changes in the fair value of derivatives not qualifying for hedge accounting and unrealized & realized foreign exchange gains and losses.

Intangible assets and goodwill

Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. A CGU is determined as a group of assets at a country level using shared technology which is typically the case for Solar and Wind assets.

The reporting units (which generally correspond to power plants) or group of reporting units have been identified as its cash-generating units.

Goodwill impairment reviews are undertaken at least annually.

Intangible assets

Intangible assets include licenses, permits and project development rights when specific rights and contracts are acquired. Intangible assets separately acquired in the normal course of business are recorded at historical cost, and intangible assets acquired in a business combination are recognized at fair value at the acquisition date. When the power plant achieves its commercial operations date, the related intangible assets are amortized using the straight-line method generally over the life of the PPA or over the duration of the permits and licenses granted, generally over 15 to 20 years (excluding software). Software is amortized over 1 to 3 years.

Property, plant and equipment

Initial recognition and subsequent measurement

Property, plant and equipment are stated at historical cost, less depreciation and impairment, or at fair value if acquired in the context of a business combination. Historical cost includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present legal or constructive obligation to do so. In the context of a business combination the fair value valuation is usually based on an income-approach based method.

Property, plant and equipment recognized as right-of-use assets under IFRS 16 are measured at cost less depreciation, impairment and adjustments to certain remeasurements of the lease liability.

Costs relating to major inspections and overhauls are capitalized and any remaining carrying amount of the cost of the previous overhaul is derecognized when new expenditure is capitalized. Minor replacements, repairs and maintenance, including planned outages to our power plants that do not improve the efficiency or extend the life of the respective asset, are expensed as incurred.

The Group capitalizes certain direct pre-construction costs associated with its power plant project development activities when it has been determined that it is more likely than not that the opportunity will result in an operating asset. Factors considered in this determination include (i) the availability of adequate funding, (ii) the likelihood that the Group will be awarded with the project or the barriers are not likely to prohibit closing the project, and (iii) there is an available market and the regulatory, environmental and infrastructure requirements are likely to be met. Capitalized pre-construction costs include initial engineering, environmental and technical feasibility studies, legal costs, permitting and licensing and direct internal staff salary and travel costs, among others. Pre-construction costs are charged to expense if a project is abandoned or if the conditions stated above are not met. Construction work in progress ("CWIP") assets are transferred out of CWIP when construction is substantially completed and the power plant achieves its commercial operations date ("COD"), at which point depreciation commences.

Borrowing costs directly attributable to construction of a qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Depreciation

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

	Useful lives as of December 31, 2019 and 2020
Generating plants and equipment	
Lignite, coal, gas, oil, biomass power plants	12 to 30 years
Hydro plants and equipment	25 to 40 years
Wind farms	16 to 25 years
Tri and quad-generation combined heat power plants	15 to 20 years
Solar plants	14 to 20 years
Other property, plant and equipment	3 to 10 years

Useful economic lives have been updated to reflect the lives of plants from the date of acquisition by the Group.

'Generation plants and equipment' and 'Other property, plant and equipment' categories are presented respectively under 'Power plant assets' and 'Other' in note 4.10 Property, plant and equipment.

See below for depreciation policy on right-of-use assets.

The range of useful lives is due to the diversity of the assets in each category, which is partly due to acquired assets and from assets groupings.

The residual values and useful lives are reviewed at least annually taking into account a number of factors such as operational and technical risks, and risks linked to climate change (for example from emerging government policies) and if expectations differ from previous estimates, the remaining useful lives are reassessed and adjustments are made. The remaining useful lives are assessed when acquisitions are made by performing technical due diligence procedures. The remaining useful economic life of the Group's largest asset, the Maritsa East 3 power plant in Bulgaria, is approximately 9 years.

Leases

The Group applies IFRS 16 "Leases" and leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Accounting for a lease as a lessee – Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Group is exposed to potential future increases in variable lease payments which are linked to gross revenues or based on an index or rate. No right of use assets or corresponding lease liability is recognized in respect of variable consideration leases which are linked to gross revenues. Variable lease payments that depend on gross revenues are recognized in the statement of income in the period in which the related revenue is generated.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in the statement of income.

Accounting for arrangements that contain a lease as lessor – Power purchase arrangements ("PPA") and other long-term contracts may contain, or may be considered to contain, leases where the fulfilment of the arrangement is dependent on the use of a specific asset such as a power plant and the arrangement conveys to the customer the right to use that asset. Such contracts may be identified as either operating leases or finance leases.

(i) Accounting for finance leases as lessor

Where the Group determines that the contractual provisions of a long-term PPA contain, or are, a lease and result in the offtaker assuming the principal risks and rewards of ownership of the power plant, the arrangement is a finance lease. Accordingly the assets are not reflected as PP&E and the net investment in the lease, represented by the present value of the amounts due from the lessee is recorded within financial assets as a finance lease receivable.

The capacity payments as part of the leasing arrangement are apportioned between minimum lease payments (comprising capital repayments relating to the plant and finance income) and service income. The finance income element is recognized as revenue, using a rate of return specific to the plant to give a constant rate of return on the net investment in each period. Finance income and service income are recognized in each accounting period at the fair value of the Group's performance under the contract.

(ii) Accounting for operating leases as lessor

Where the Group determines that the contractual provisions of the long-term PPA contain, or are, a lease, and result in the Group retaining the principal risks and rewards of ownership of the power plant, the arrangement is an operating lease. For operating leases, the power plant is, or continues to be, capitalized as property, plant and equipment and depreciated over its useful economic life. Rental income from operating leases is recognized on a straight-line basis over the term of the arrangement.

Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that carrying values may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal (market value) and value in use determined using estimates of discounted future net cash flows of the asset or group of assets to which it belongs. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

Financial assets

Classification of financial assets

The Group classifies its financial assets in the following categories: at fair value through statement of income and at amortized costs.

(a) Financial assets at fair value through statement of income

Financial assets have been acquired principally for the purpose of selling, or being settled, in the short term. Financial assets at fair value through statement of income are "Cash and cash equivalents" which includes restricted cash and derivatives held for trading unless they are designated as hedges.

(b) Financial assets at amortized costs

Financial assets at amortized costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those that mature greater than 12 months after the end of the reporting period, which are classified in non-current assets. The Group's Financial assets and amortized costs comprise "Trade and other receivables" and "Financial and contract assets" in the consolidated statement of financial position.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and measurement

Purchases and sales of financial assets are recognized on trade date (that is, the date on which the Group commits to purchase or sell the asset).

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through income are expensed in the consolidated statement of income and other comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(a) Financial assets at fair value through statement of income

Gains or losses on financial assets at fair value through statement of income are recognized in the consolidated statement income and other comprehensive income. These are presented within finance income and finance costs respectively.

(b) Loans and receivable

These financial assets are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, and are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognized is recognized directly in profit or loss and presented in finance income or finance costs.

Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Allowances for expected credit losses are made based on the risk of non-payment taking into account ageing, previous experience, economic conditions, existing insurance policies and forward looking data. Political risk insurance (PRI) policies are factored into this assessment due to being closely related insurance policies for which cash flows have been factored into the expected credit loss calculations (including risk of default on insurance provider) and presented on a net basis. Such allowances are measured as either 12-months expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

While the financial assets of the Company are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The group has three types of financial assets that are subject to the expected credit loss model:

(1) Trade and other receivables

(2) Financial and contract assets

(3) Loans

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss has been identified.

Derivative financial instruments and hedging activities

Derivative instruments are measured at fair value upon initial recognition in the consolidated statement of financial position and subsequently are re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Derivative instruments are presented according to their maturity date, regardless of whether they qualify for hedge accounting under IFRS 9 (hedging instruments versus trading instruments). Derivatives are classified as a separate line item in the consolidated statement of financial position.

As part of its overall foreign exchange and interest rate risk management policy, the Group enters into various hedging transactions involving derivative instruments.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

In connection with the Group's hedging policy, the Group uses forward exchange contracts for currency risk management as well as foreign exchange options.

The Group also hedges particular risks associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges). Notably, the Group uses interest rate swap contracts for interest rate risk management in order to hedge certain forecasted transactions and to manage its anticipated cash payments under its variable rate financing by converting a portion of its variable rate financing to a fixed rate basis through the use of interest rate swap agreements, and a cross currency swap contract for both currency and interest rate risk management.

The Group can also hedge specific risks identified such as exposure to energy spot price for example in the case of the CHP Mexico fixed margin swap which protects certain power purchase agreements against variations in the CFE tariffs.

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

When derivative instruments qualify as hedges for accounting purposes, as defined in IFRS 9 "Financial instruments", they are accounted for as follows:

(a) Cash flow hedges that qualify for hedge accounting

- The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity and through the consolidated statement of other comprehensive income ("OCI"). The gain or loss relating to the ineffective portion is recognized immediately within the consolidated statement of income. Amounts recognized directly in OCI are reclassified to the consolidated statement of income when the hedged transaction affects the consolidated statement of income.

- If a forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in OCI are reclassified to the consolidated statement of income as finance income or finance costs.

If a hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in OCI remain in accumulated OCI until the forecast transaction or firm commitment occurs, at which point they are reclassified to the consolidated statement of income.

(b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in realized and unrealized foreign exchange (losses) and gains and change in fair value of derivatives.

In connection with the Group's hedging policy, the Group uses forward exchange contracts for currency risk management as well as foreign exchange options, interest rate swap contracts for interest rate risk management in order to hedge certain forecasted transactions and to manage its anticipated cash payments under its variable rate financing by converting a portion of its variable rate financing to a fixed rate basis through the use of interest rate swap agreements, and a cross currency swap contract for both currency and interest rate risk management.

Inventories

Inventories consist primarily of power generating plant fuel, non-critical spare parts that are held by the Group for its own use and Emission quotas (see below). Inventories are stated at the lower of cost, using a first-in, first-out method, and net realizable value, which is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Emission quotas

Some companies of the Group emit CO_2 and have as a result obligations to buy emission quotas on the basis of local legislation. The emissions made by the companies emitting CO_2 which are in excess of any allocated quotas are purchased at free market price and shown as inventories before their effective use. If emissions are higher than allocated quotas, the companies recognizes an expense and respective liability for those emissions at prevailing market value. At the end of each reporting period, CO_2 quotas that remain available to the companies are revalued at the lower of costs or prevailing market value.

The Group presents the quotas in Inventory which reflects the fact that the cost to purchase the quotas is part of the production cost and linked to the production output rather than the plant itself. The quotas directly contribute to revenue as the cost of quotas is billed on to the customer as a pass-through cost. The Group expects to realize the asset within twelve months after the year end.

Trade receivables

Trade receivables are recognized initially at fair value, which is usually the invoiced amount, and subsequently carried at amortized cost using the effective interest method, less provision for impairment. Details about the Group's impairment policies on financial assets and the calculation of the provision for impairment are provided on note 4.10.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions and short-term investments, all of which are readily convertible to cash and are subject to insignificant risk of changes in value and have an original maturity of three months or less. Bank overdrafts are included within current borrowings. Cash and cash equivalents also includes cash deposited on accounts to cover for short-term debt service of certain project financings and which can be drawn for short term related needs. Money market funds comprise investment in funds that are subject to an insignificant risk of changes in fair value.

Maintenance reserves held for the purpose of covering long-term major maintenance and long-term deposits kept as collateral to cover decommissioning obligations are excluded from cash and cash equivalents and included in non-current assets.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

The premium received on the issue of shares in excess of the nominal value of shares is credited to the share premium account and included within shareholders' equity.

Treasury shares

At year end, the Group's treasury shares are included under "Treasury shares" in the consolidated statement of financial position and are measured at acquisition cost.

The gains and losses obtained on disposal of treasury shares are recognized in "Other reserves" in the consolidated statement of financial position. There has been no disposal of treasury shares during the years ended 31 December 2020 and 2019.

The Group buys and sells treasury shares in accordance with the prevailing law and the resolutions of the General Shareholders' Meeting. Such transactions include sale and purchase of company shares.

Financial liabilities

(a) Borrowings

Borrowings are recognized initially at fair value of amounts received, net of transaction costs. Borrowings are subsequently measured at amortized cost using the effective interest method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(b) Trade and other payables

Financial liabilities within trade and other payables are initially recognized at fair value, which is usually the invoiced amount, and subsequently carried at amortized cost using the effective interest method.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

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

Provisions

Provisions principally relate to decommissioning, maintenance, environmental, tax and legal obligations and which are recognized when there is a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are re-measured at each statement of financial position date and adjusted to reflect the current best estimate. Any change in present value of the estimated expenditure attributable to changes in the estimates of the cash flow or the current estimate of the discount rate used are reflected as an adjustment to the provision. The increase in the provisions due to passage of time are recognized as finance costs in the consolidated statement of income.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Restatements

The prior year comparatives have been restated in the consolidated statement of financial position and the relevant notes as follows:

(a) Trade and other receivables have been further disaggregated into trade and other receivables and current income tax assets. The total current assets remain unchanged.

(b) Financial and contract assets have been disaggregated into financial and contract assets non-current and financial and contract assets current. The financial and contract assets current was $22.0 million as at 1 January 2019.

(c) In accordance with IFRS 3 Business Combinations, the measurement period adjustments identified prior to November 25, 2020 and resulting in changes to the fair value of assets and liabilities acquired in Mexico, have also been reflected in the prior year balance sheet. Total equity and non-controlling interests has not changed as a result of this restatement. See note 3.2 for further details.

(d) The fair value of the CHP Mexico fixed margin swap was presented in Other non-current liabilities as of December 31, 2019 for a total amount of $82.8 million. In 2020, the Group has re-reviewed the terms of the instruments and determined that they should be classified as derivatives and not as other liabilities. The fair value of the CHP Mexico fixed margin swap was reclassified in December 31, 2019 from “other financial liabilities at amortized cost” to “liabilities at fair value through profit and loss”.

(e) Debt to Maritsa non-controlling interests presented in other non-current liabilities was reclassified in December 31, 2019 from “liabilities at fair value through profit and loss” to “other financial liabilities at amortized cost” reflecting the correct and applied accounting treatment for the instrument.

2.4 Critical accounting estimates and judgments

The preparation of the consolidated financial statements in line with the Group’s accounting policies set out in note 2.3 involves the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience, and are regularly reviewed and revised as necessary. Actual results may differ from the amounts included in the consolidated financial statements. The estimates and judgments that have the most significant effect on the carrying amounts of assets and liabilities are presented below.

Critical accounting judgments

Accounting for long-term power purchase agreements and related revenue recognition

When power plants sell their output under long-term power purchase agreements (“PPA”), it is usual for the operator of the power plant to receive payment (known as a capacity payment) for the provision of electrical capacity whether or not the offtaker requests electrical output. In assessing the accounting for the PPA, there may be a degree of judgement as to whether a long-term contract to sell electrical capacity constitutes a service concession arrangement, a form of lease, or a service contract. This determination is made at the inception of the PPA, and is not required to be revisited in subsequent periods under IFRS, unless the agreement is renegotiated.

Given that the fulfilment of the PPAs is dependent on the use of a specified asset, the key judgement in determining if the PPA contains a lease is the assessment of whether the PPA conveys a right for the offtaker to obtain substantially all the power output from the asset and whether the offtaker has the right to direct the use of the asset throughout the period of use.

In assessing whether the PPA contains a service concession, the Group considers whether the arrangement (i) bears a public service obligation; (ii) has prices that are regulated by the offtaker; and (iii) the residual interest is transferred to the offtaker at an agreed value.

All other PPAs are determined to be service contracts.

Concession arrangements – For those agreements which are determined to be a concession arrangement, there are judgements as to whether the infrastructure should be accounted for as an intangible asset or a financial asset depending on the nature of the payment entitlements established in the agreement.

Concession arrangements determined to be a financial asset – The Group recognizes a financial asset when demand risk is assumed by the grantor, to the extent that the contracted concession holder has an unconditional right to receive payments for the asset. The asset is recognized at the fair value of the construction services provided. The fair value is based on input assumptions such as budgets and cash flow forecasts, future costs include maintenance costs which impact the overall calculation of the estimated margin of the project. The inputs include in particular the budget for fixed and variable costs. Any change in these assumptions may have a material impact on the measurement of the recoverable amount and could result in reducing the value of the asset. The financial asset is subsequently recorded at amortized cost calculated according to the effective interest rate method. Revenue for operating and managing the asset is recorded as revenue in each period.

Leases – For those arrangements determined to be or to contain leases, further judgement is required to determine whether the arrangement is finance or operating lease. This assessment requires an evaluation of where the substantial risks and rewards of ownership reside, for example due to the existence of a bargain purchase option that would allow the offtaker to buy the asset at the end of the arrangement for a minimal price. Judgement has been applied based on the significance of the life of the asset remaining and the remaining net book value of the asset at the end of the lease term.

Assessing property, plant and equipment and intangible assets for impairment triggers

The Group's property, plant and equipment and intangible assets are reviewed for indications of impairment (an impairment "trigger"). Judgement is applied in determining whether an impairment trigger has occurred, based on both internal and external sources. External sources may include: market value declines, negative changes in technology, markets, economy, impact of climate changes or laws. Internal sources may include: obsolescence or physical damage, or worse economic performance than expected, including from adverse weather conditions for renewable plants.

The Group considers the end date of the power purchase agreements as part of the analysis and assesses if the market conditions are significantly adverse such that the expiry of the power purchase agreement indicates an impairment trigger. The Group has notably considered the ending date of the PPAs in Arrubal and Maritsa ending in July 2021 and February 2024 respectively and concluded that they do not constitute an impairment indicator considering the current economic conditions in their respective market.

In the current year, impairment triggers were noted for Brazilian wind power plants (see note 4.10).

Provisions for claims

The Group receives legal or contractual claims against it from time to time, in the normal course of business. The Group considers external and internal legal counsel opinions in order to assess the likelihood of loss and to define the defense strategy. Judgements are made as to the potential likelihood of any claim succeeding when making a provision or disclosing a contingent liability. The timeframe for resolving legal or contractual claims may be judgmental, as is the amount of possible outflow of economic benefits.

The main judgments are related to the litigations disclosed in the Note 4.32 Contingent liability, such as the Kivuwatt arbitration, and those disclosed below related to Mexico and Kosovo.

Functional currency of the assets

The Group operates in different countries and performs an analysis of the functional currency of each operating asset considering the IAS21 standard requirements. In some countries, the functional currency of the operating asset may differ from the local currency when the primary indicators (such as sales and cash inflows and expenses and cash outflows) are influenced by a currency which is not the local currency. For example, this is the case of the Peru, Rwanda and the CHP Mexico assets that have a USD functional currency despite being located in such countries due to USD being the currency that influences prices in the local market.

Cash generating units ("CGUs")

A cash generating unit ("CGU") is defined as the asset or smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In the case of Solar and Wind assets, typically a group of assets at a country level using shared technology is identified as a CGU.

Judgments are made in allocating each reporting unit (which generally correspond to power plants) or group of reporting units to CGUs. The Group notably consider that the assessment of the independence of cash flows involves consideration of the business transactions or financing relationship between the reporting units, or how management makes decisions about continuing or disposing of the entity's assets and operations.

The definition of the CGU is critical for the purpose of assessing impairment indicators and performing impairment testing.

Regulatory changes in Mexico

Change in wheeling charges

During June 2020 the government in Mexico announced certain changes to the legado regime which would result in significant increases to wheeling fees. The Company filed an Amparo lawsuit against these changes, claiming the increases to be unconstitutional, and received an injunction suspending the application of these higher wheeling fees until final judgement (expected in 2021). Under the majority of the current PPAs in place, these increased charges would be passed through to offtakers, however, if the final judgement approves these changes to legado rights, such increases in charges would impact the cash flows generated in Mexico at the time these PPAs are renewed. The Company analyzed these potential changes to the legado rights, and, based on an external legal opinion that confirmed the changes as unconstitutional and therefore unlikely to be sustained, concluded that those changes do not constitute an indication of impairment (impairment "trigger") as per IAS 36 as of December 31, 2020. The Group will continue to monitor future changes in regulation in Mexico and the potential impact on its operations.

Amendment to permit modification

On October 2020, CRE (Energy Regulatory Commission) issued a new resolution amending the general administrative rules to modify and transfer the "Legado" Permits. This amendment included additional restrictions on including new Offtakers in the "Legado" Permits. The Resolution 1094 is expected to be used by CRE to reject the permit modifications required for expanding the Off-takers and the load points in the "Legado Permits". The Company filed an Amparo against these changes, claiming them to be unconstitutional. This new resolution could generate a delay in the interconnections expected in 2021 which would adversely impact revenue and profits. Management's judgement is that these interconnections will be completed by mid-2021.

Kosovo e Re project arbitration

On 24 May 2020, ContourGlobal Kosovo LLC ("CG Kosovo"), a wholly-owned subsidiary within the ContourGlobal Group, sent a notice of termination to the government of Kosovo (represented by the Ministry of Economy and Environment of the government of Kosovo) (the "GoK") and other publicly owned entities, namely Kosovo Energy Corporation, J.S.C., New Kosovo Electric Company J.S.C., HPE Ibër-Lepenc, J.S.C. and Operator Sistemi, Transmission Dhe Tregu – KOSTT, SH.A., under various project documents entered into with each of those entities in respect of a project whereby CG was to build a coal-fired power plant in Kosovo. The notice of termination was sent as a result of the failure of the above-mentioned entities to meet certain obligations and conditions precedent under such project documents, which prevented the project from meeting certain required milestones by its scheduled closing date and therefore meant the project could not go forward.

On 25 September 2020, CG Kosovo sent a formal written notice of dispute under the project documents seeking recovery of recovery of costs incurred to date, as anticipated and set out in the project contract document and capped a €19.7 million ($22.1 million) plus interest for late payment, to which CG Kosovo is entitled where the termination of the project is attributable to failures by GoK and/or the relevant publicly owned entities. On 19 November 2020, CG Kosovo filed a request for arbitration with ICSID. The arbitration proceedings are not expected to conclude before the end of 2021.

As of 31 December 2019, the €19.7 million ($24.0 million) in recoverable development costs were presented as Property, plant and equipment. No additional costs have been capitalized during the year ended 31 December 2020. During 2020, given the termination of the project agreements, the €19.7 million ($24 million) recoverable development costs have been derecognized from Property, plant and equipment and recognized as a contract asset arising from a revenue arrangement in line with IFRS 15, which is presented in Other non-current assets. The derecognition of PPE and subsequent recognition of revenue from the contract asset is disclosed net within the consolidated statement of income.

The recovery of this asset is likely to depend on the outcome of the arbitration proceedings and so is subject to some degree of judgement. The Group believes it will be able to demonstrate that the project failed to close for reasons attributable to the GoK and/or the relevant publicly owned companies, which is the key judgement that supports the recognition of the asset.

Critical accounting estimates

Estimation of useful lives of property, plant and equipment

Property, plant and equipment represents a significant proportion of the asset base of the Group, primarily due to power plants owned, being 55.3% (2019: 64.3%) of the Group's total assets. Estimates and assumptions made to determine their carrying value and related depreciation are significant to the Group's financial position and performance. The annual depreciation charge is determined after estimating an asset's expected useful life and its residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The Group derives useful economic lives based on experience of similar assets, including use of third party experts at the time of acquisition of assets, and these lives may exceed the period covered by contracted power purchase agreements. Emerging governmental policies relating to climate change are also considered when reviewing the appropriateness of useful economic lives. A decrease in the average useful life by one year in power plant assets would result in a decrease in the net book value by $13.8 million (2019: $10.8 million).

Recoverable amount of property, plant and equipment and intangible assets

Where an impairment trigger has been identified (see critical accounting judgements section), the Group makes significant estimates in its impairment evaluations of property, plant and equipment and intangible assets. The determination of the recoverable amount is typically the most judgmental part of an impairment evaluation. The recoverable amount is the higher of (i) an asset's fair value less costs of disposal (market value), and (ii) value in use determined using estimates of discounted future net cash flows ("DCF") of the asset or group of assets to which it belongs.

Management applies considerable judgment in selecting several input assumptions in its DCF models, including discount rates and capacity / availability factors. These assumptions are consistent with the Group's internal budgets and forecasts for such valuations. Examples of the input assumptions that budgets and cash-flow forecasts are sensitive to include macroeconomic factors such as growth rates, inflation, exchange rates, and, in the case of renewables plants, environmental factors such as wind, solar and water resource forecast. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairing the tested assets. See note 4.10 for further information on the impairment tests performed, and relevant sensitivity analysis.

Fair value of assets acquired and liabilities assumed in a business combination

Business combinations are recorded in accordance with IFRS 3 using the acquisition method. The Group estimates the excess purchase price in accordance with IFRS3 as the difference of the consideration paid for the acquisition (including potential contingent consideration) and the net asset of the target company at the acquisition date.

Under this method, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date.

Therefore, through a number of different approaches and with the assistance of external independent valuation experts for acquisitions as considered appropriate by management, the Group identifies what it believes is the fair value of the assets acquired and liabilities assumed at the acquisition date. These valuations involve the use of judgement and include a number of estimates. Judgement is exercised in identifying the most appropriate valuation approach which is then used to determine the allocation of fair value. The group typically uses one of the cost approach, the income approach and the market approach.

Judgement is as well exercised in identifying intangible assets, separately from the power purchase agreements and property plant and equipment.

Each of these valuation approaches involve the use of estimates in a number of areas, including the determination of cash flow projections and related discount rates, industry indices, market prices regarding replacement cost and comparable market transactions. While the Group believes that the estimates and assumptions underlying the valuation methodologies are reasonable, different assumptions could result in different fair values.

Fixed margin swap

Certain estimates are made in relation to the valuation of the fixed margin swap agreements held by CHP Mexico which protect certain power purchase agreements against variations in the CFE tariffs. The valuation of this derivative is based on a number of datapoints, which includes both factual inputs and estimates. Refer to note 4.15 for sensitivity analysis of this instrument.

3 Significant changes in the reporting period

3.1 2020 transactions

Corporate bond

See note 4.24 Borrowings for a description of the two new Corporate bond issued on December 17, 2020.

Acquisition in the United States of America and Trinidad and Tobago

On December 7th, 2020, the Group entered into an agreement to acquire a 1,502 MW portfolio of six contracted operating power plants located in the United States and Trinidad and Tobago from Western Generation Partners, LLC. The consideration for the Acquired Assets is $837.0 million on a debt free, cash free basis. The Group will assume approximately $207.3 million of existing project net debt with the Acquired Assets. The closing of the transaction was on February 18, 2021. Preliminary determination of fair value of assets acquired and liabilities assumed as at acquisition date is underway and will be disclosed in the first half of 2021 as disclosure is impracticable at this time due to the limited amount of time between closing the acquisition and the financial statements being finalized.

3.2 2019 transactions

Sale of non-controlling interest which did not result in a change of control

Spanish CSP portfolio

In December 2018, the Group signed an agreement to sell 49% minority interest of the Spanish CSP portfolio with Credit Suisse Energy Infrastructure Partners for an amount of €134.2 million ($150.5 million). The sale closed on 20 May 2019 and the cash received amounted to €128.4 million or $144.0 million (net of €5.8 million or $6.5 million pre-closing distribution), €51.0 million ($57.1 million) was for the sale of shares and €77.4 million ($86.9 million) was for the sale of existing shareholder loans.

In line with IFRS 10 “Consolidated financial statements”, this transaction is considered as an equity transaction as it does not result in a loss of control. Therefore, the net cash gain on sale of these assets, which represented an amount of €46.3 million or $51.9 million, was recorded as an increase in the equity attributable to owners of the parent, and reflected in Adjusted EBITDA as a gain in the year ended December 31, 2019. It corresponds to the difference between the consideration received for the sale of shares (€51.0 million or $57.1 million) and of the carrying amount of non-controlling interest sold (€4.7 million or $5.2 million).

Solar portfolio acquisition – Italy

In February 2019, the Group entered into an agreement for the acquisition of Interporto, a 12.4 MW Solar Photovoltaic portfolio in northern Italy.

This transaction closed on June 11, 2019. The total consideration amounted to €28.3 million ($32.0 million) including €21.1 million ($23.9 million) for the acquisition of 100% of the shares and €7.2 million (or $8.1 million) for the repayment of shareholders loans.

The Group and Credit Suisse Energy Infrastructure Partners have a 51% and a 49% interest in the shares of the acquired entity respectively, and have paid their share of the consideration.

On a consolidated basis, had these acquisitions taken place as of 1st January 2019, the Group would have recognized 2019 consolidated revenue of $1,331.1 million and consolidated net profit of $25.5 million.

Determination of fair value of assets acquired and liabilities assumed as at acquisition date is as follows. This was finalized in the prior year and has not been subject to any adjustment.

In $ millions	Solar portfolio
Intangible assets	–
Property, plant and equipment	53.7
Other assets	4.6
Cash and cash equivalents	4.9
Total assets	**63.2**
Borrowings	22.1
Other liabilities	17.3
Total liabilities	**39.4**
Total net identifiable assets	**23.9**
Net purchase consideration	**23.9**
Goodwill	–

From the acquisition date to 31st December 2019, this acquisition contributed to consolidated revenue and net result of $3.5 million and $0.2 million respectively.

Acquisition of two CHP plants in Mexico

On 6th January 2019, the Group signed an agreement to acquire two natural gas-fired combined heat and power ('CHP') plants, together with development rights and permits for a third plant, in Mexico from Alpek. The CHP plants have a gross installed capacity of 518 MW. The transaction closed on 25 November 2019.

The total consideration amounted to $814.5 million, including $232.0 million for the shares and $582.5 million for the plants net assets.

Since December 31, 2019 the final working capital adjustment has been reduced by $1.5 million impacting the total consideration by the same amount and the preliminary determination of the fair value of assets has been updated accordingly.

On a consolidated basis, had these acquisitions taken place as of 1st January 2019, the Group would have recognized 2019 consolidated revenue of $1,568.9 million and consolidated net profit of $52.4 million.

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

	Mexican CHP		
In $ millions	**Preliminary**	**Update**	**Final**
Intangible assets	247.2	–	247.2
Property, plant and equipment	661.4	(37.5)	623.9
Other assets	134.7	–	134.7
Cash and cash equivalents	16.5	–	16.5
Total assets	**1,059.8**	**(37.5)**	**1,022.3**
Deferred tax liabilities	136.4	(36.0)	100.4
Accounts payables	582.5	–	582.5
Other liabilities	107.5	–	107.5
Total liabilities	**826.4**	**(36.0)**	**790.4**
Total net identifiable assets	**233.4**	**(1.5)**	**231.9**
Net purchase consideration	**233.4**	**(1.5)**	**231.9**
Goodwill	–	–	–

Since December 31, 2019, the Group has completed the purchase price allocation and updated the fair value of the assets acquired and liabilities assumed leading to the following adjustments:

- Deferred tax liabilities have been reduced by $24.8 million due to the recognition of future tax benefits in respect of the $82.8 million fixed margin liabilities following the conclusion of work undertaken by the group's tax advisors that has confirmed that this liability is deductible under Mexican tax rules.
- The book value of the PP&E was reduced by $37.5 million and the corresponding deferred tax liability by $11.2 million, following a final external valuation of the fair value of assets and liabilities acquired. The resulting impact on depreciation was immaterial.

Due to these measurement period adjustments, in line with IFRS 3 Business Combinations it has been necessary to present a restated 2019 balance sheet and related notes to the accounts for those balances affected.

After consideration of those measurement period adjustments, the updated fair value of assets acquired and liabilities assumed at acquisition date as of December 31, 2020 notably includes the following adjustments that have been recognized following an external independent valuation:

- An intangible asset of $232.5 million representing the fair value of the Legado rights based on an income approach based method.
- An increase to the book value of the PP&E of $157.2 million to reflect the fair value of these assets at acquisition based on an income approach method.

In finalizing the purchase price allocation, management applied certain estimates in calculating the fair value of net assets acquired, including the rate used to discount future cash flows in calculating the value of intangible assets and PP&E. A 1% increase in the discount rate used in the valuation of the Legado rights would result in a $22.6 million decrease in the fair value of the intangible asset and a 1% increase in the discount rate used in the valuation of the property, plant and equipment would result in a $41.1 million decrease in property, plant and equipment.

From the acquisition date to 31 December 2019, this acquisition contributed to consolidated revenue and net loss of $23.4 million and $11.3 million respectively.

4. Notes to the consolidated financial statements

4.1 Segment reporting

The Group's reportable segments are the operating segments overseen by distinct segment managers responsible for their performance with no aggregation of operating segments.

Thermal Energy for power generating plants operating from coal, lignite, natural gas, fuel oil and diesel. Thermal plants include Maritsa, Arrubal, Togo, Cap des Biches, KivuWatt, Energies Antilles, Energies Saint-Martin, Bonaire, Mexican CHP and our equity investees (primarily Termoemcali and Sochagota). Our thermal segment also includes plants which provide electricity and certain other services to beverage bottling companies and other industries.

Renewable Energy for power generating plants operating from renewable resources such as wind, solar and hydro in Europe and Latin America. Renewables plants include Asa Branca, Chapada I, II, III, Inka, Vorotan, Austria Portfolio 1 & 2, Spanish Concentrated Solar Power and our other European and Brazilian plants.

The Corporate & Other category primarily reflects costs for certain centralized functions including executive oversight, corporate treasury and accounting, legal, compliance, human resources, IT and facilities management and certain technical support costs that are not allocated to the segments for internal management reporting purposes.

The Group's reporting segments reflect the operating segments which are based on the organizational structure and financial information provided to the Chief Executive Officer, who represents the chief operating decision-maker ("CODM").

The CODM assesses the performance of the operating segments based on Adjusted EBITDA which is defined as profit for the year from continuing operations before income taxes, net finance costs, depreciation and amortization, acquisition related expenses, plus net cash gain or loss on sell down transactions (in addition to the entire full year profit from continuing operations for the business the sell down transaction relates to) and specific items which have been identified and material items where the accounting diverges from the cash flow and therefore does not reflect the ability of the assets to generate stable and predictable cash flows in a given period, less the Group's share of profit from non-consolidated entities accounted for on the equity method, plus the Group's prorata portion of Adjusted EBITDA for such entities. In determining whether an event or transaction is adjusted, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

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

The Group considers that the presentation of Adjusted EBITDA and Proportionate Adjusted EBITDA enhances the understanding of ContourGlobal's financial performance, in regards to understanding its ability to generate stable and predictable cash flows from operations. The cash gain on sell down is also included to demonstrate the ability of the Group to sell down assets at a significant premium, which is a distinct activity from operational performance of the power plants. The Group also believes Adjusted EBITDA is useful to investors because it is frequently used by security analysts, investors, ratings agencies and other interested parties to evaluate other companies in our industry and to measure the ability of companies to service their debt.

The Chief Operating Decision-Maker does not review nor is presented a segment measure of total assets and total liabilities.

All revenue is derived from external customers.

Geographical information

The Group also presents revenue in each of the geographical areas in which it operates as follows:

- Europe (including our operations in Austria, Armenia, Northern Ireland, Italy, Romania, Poland, Bulgaria, Slovakia, Spain and Ukraine)
- Latin America which includes South America (including Brazil, Peru, Colombia), Mexico and Caribbean Islands (including Dutch Antilles and French Territory)
- Africa (including Nigeria, Togo, Senegal and Rwanda)

	Years ended December 31	
In $ millions	**2020**	**2019**
Revenue		
Thermal Energy	963.3	859.7
Renewable Energy	447.4	470.6
Total revenue	**1,410.7**	**1,330.2**
Adjusted EBITDA		
Thermal Energy	420.9	335.9
Renewable Energy	332.0	397.0
Corporate & Other [1]	(30.9)	(30.2)
Total adjusted EBITDA	**722.0**	**702.7**
Proportionate adjusted EBITDA	**568.7**	**561.6**
Non-controlling interests (note 4.23)	153.3	141.1
Total adjusted EBITDA	**722.0**	**702.7**
Reconciliation to profit before income tax		
Depreciation, amortization and impairment (note 4.3)	(311.6)	(282.3)
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives (note 4.6)	(247.8)	(243.8)
Share of adjusted EBITDA in associates [2]	(19.9)	(21.7)
Share of profit in associates (note 4.12)	12.3	11.1
Acquisition related items (note 4.5)	(20.2)	(23.2)
Cash gain on sale of minority interest in assets [3]	–	(46.1)
Restructuring costs (note 4.27) [4]	(5.2)	–
Private incentive plan [5]	(6.6)	(9.1)
Mexico CHP fixed margin swap [6]	(15.6)	–
Change in finance lease and financial concession assets [7]	(31.7)	(26.4)
Other	(3.4)	(1.7)
Profit before income tax	**72.3**	**59.4**

(1) Corporate costs correspond to selling, general and administrative expenses before depreciation and amortization of $5.3 million (December 31, 2019: $4.6 million).

(2) Corresponds to our share of Adjusted EBITDA of plants accounted for under the equity method (Sochagota and Termoemcali) which are reviewed by our CODM as part of our Thermal Energy segment.

(3) Represents in 2019 the cash gain on the divestment of 49% stake of our CSP Portfolio in Spain and the adjustment to the earnout calculation on the divestment of 49% stake of our Italian and Slovakian solar portfolio.

(4) Represents redundancy and staff-related restructuring costs.

(5) Represents the private incentive plan as described in note 4.27 share-based compensation plan of the annual accounts.

(6) Reflects an adjustment to align the recognized earnings with the cash flows generated under the CHP Mexico fixed margin swap during the year ($15.6 million) as presented in the consolidated statement of cash flow as "Change in CHP Mexico fixed margin swap".

(7) Reflects an adjustment to align the recognized earnings with the cash flows generated under finance lease and financial concession arrangements ($31.7 million in December 31, 2020 and $26.4 million in December 31, 2019) which is presented in the consolidated statement of cash flow as "Change in finance lease and financial concession assets". This was previously presented within Other.

Cash outflows on capital expenditure

In $ millions	Years ended December 31 2020	2019
Thermal Energy	27.2	48.9
Renewable Energy	47.4	49.6
Corporate & Other	2.4	3.6
Total capital expenditure	**77.0**	102.1

Geographical information

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

In $ millions	Years ended December 31 2020	2019
Europe [1]	840.9	899.6
Latin America [2]	444.5	290.1
Africa	125.3	140.5
Total revenue	**1,410.7**	1,330.2

(1) Revenue generated in 2020 in Bulgaria and Spain amounted to $406.3 million and $296.9 million respectively (December 31, 2019: $403.0 million and $351.5 million respectively).

(2) Revenue generated in 2020 in Brazil and Mexico amounted to $142.0 million and $211.5 million respectively (December 31, 2019: $164.3 million and $23.4 million respectively).

In $ millions	Years ended December 31 2020	2019
Europe [1]	402.5	454.6
Latin America [2]	273.2	199.4
Africa	77.2	78.9
Corporate & Other	(30.9)	(30.2)
Total adjusted EBITDA	**722.0**	**702.7**

(1) Adjusted EBITDA generated in 2020 in Bulgaria and Spain amounted to $121.6 million and $189.0 million respectively (December 31, 2019: $120.4 million and $193.9 million respectively). Adjusted EBITDA generated from Spain CSP sell down transaction in 2019 of $51.9 million is recorded within an intermediate holding company in Luxembourg.

(2) Adjusted EBITDA generated in 2020 in Brazil and Mexico amounted to $94.7 million and $104.9 million respectively (December 31, 2019: $118.4 million and $10.2 million respectively).

The geographic analysis of non-current assets, excluding derivative financial instruments and deferred tax assets, based on the location of the assets, which are not presented to the CODM, is as follows:

In $ millions	Years ended December 31 2020	2019
Europe	2,151.1	2,148.9
Latin America	1,761.6	2,028.0
Africa	405.4	414.1
Total non-current assets	**4,318.1**	**4,591.0**

4.2 Revenue

In $ millions	Years ended 31st December 2020	2019
Revenue from power sales	1,191.4	1,078.8
Revenue from operating leases [1]	85.6	108.5
Revenue from concession and finance lease assets [2]	34.6	38.0
Other revenue [3]	99.1	104.9
Total revenue	**1,410.7**	1,330.2

Revenue from power sales and other revenue are recognized under IFRS 15 and total $1,290.5 million in December 31, 2020 (December 31, 2019: $1,183.7 million). Revenue from operating leases and revenue from concession and finance lease assets are recognized under IFRS 16 and IFRIC 12 respectively.

(1) Revenue from operating leases mainly includes $43.2 million relating to our Solutions plants, $25.9 million relating to our Bonaire plant and $16.6 million relating to our Energie Antilles plant in December 31, 2020 (December 31, 2019: $50.9 million, $26.1 million and $31.5 million respectively)

(2) Some of our main plants are operating under specific arrangements for which certain other accounting principles are applied as follows:

- Our Togo, Rwanda (Kivuwatt) and Senegal (Cap des Biches) plants are operating pursuant to concession agreements that are under the scope of IFRIC 12.
- Our Energies Saint Martin plant is operating pursuant to power purchase agreements that are considered to contain a finance lease

(3) Other revenue primarily relates to environmental, operational and maintenance services rendered to offtakers in our Bulgaria, Togo, Rwanda and Senegal power plants and CO2 quota recharges to customers.

The Group has two customers contributing more than 10% of Group's revenue (2019: two customers).

	Years ended December 31 2020	2019
Customer A	28.8%	30.3%
Customer B	9.8%	10.7%

4.3 Expenses by nature

In $ millions	Years ended 31st December 2020	2019
Fuel costs	270.2	227.0
Depreciation, amortization and impairment	311.6	282.3
Operation and maintenance costs	77.7	74.7
Employee costs	88.7	83.8
Emission allowance utilized [1]	153.7	151.2
Professional fees	19.1	19.7
Purchased power	29.6	52.5
Transmission charges	33.2	27.5
Operating consumables and supplies	24.4	22.4
Insurance costs	23.7	20.3
Other expenses [2]	38.4	46.6
Total cost of sales and selling, general and administrative expenses	**1,070.3**	1,008.0

(1) Emission allowances utilized corresponds mainly to the costs of CO2 quotas in Maritsa which are passed through to its offtaker, and includes any write-downs to net realizable value.

(2) Other expenses include facility costs of $12.7 million in December 31, 2020 (December 31, 2019: $13.2 million). In the current year, other expenses have been further disaggregated into transmission charges and operating consumables and supplies.

Variable lease payments amounts to $0.8 million in December 31, 2020 ($0.2 million in December 31, 2019). The future cash outflows due to variable lease payments to which the group is potentially exposed are estimated at $12 million over the next fifteen years, and are mainly related to our Brazilian wind farms.

	Years ended 31st December	
In $ millions	**2020**	**2019**
Private Incentive Plan [1]	6.6	9.1
Restructuring costs [2]	5.2	0.1
Other	7.9	5.1
Total other operating expenses	**19.7**	**14.3**

(1) Represents the private incentive plan as described in note 4.27 share-based compensation plan of the annual accounts.

(2) Represents redundancy and staff-related restructuring costs.

4.4 Employee costs and numbers

	Years ended December 31	
In $ millions	**2020**	**2019**
Wages and salaries	(67.8)	(63.0)
Social security costs	(14.1)	(13.5)
Share-based payments [1]	(1.9)	(1.3)
Pension and other post-retirement benefit costs	(0.9)	(0.7)
Other	(4.0)	(5.2)
Total employee costs before private incentive plan	**(88.7)**	**(83.8)**
Private incentive plan [1]	(6.6)	(9.1)
Total employee costs	**(95.3)**	**(92.9)**
Monthly average number of full-time equivalent employees	1,435	1,431
– Thermal	822	824
– Renewable	425	411
– Corporate	**188**	**196**

(1) See note 4.27 Share-based compensation plans for a description of the private incentive plan and long term incentive plan.

4.5 Acquisition related items

	Years ended December 31,	
In $ millions	**2020**	**2019**
Acquisition costs [1]	(20.2)	(20.9)
Earn-out [2]	–	(2.3)
Acquisition related items	**(20.2)**	**(23.2)**

(1) Acquisition costs include notably pre-acquisition costs such as due diligence costs and professional fees and other related incremental costs incurred as part of completed acquisitions or contemplated acquisitions. In 2020, costs incurred primarily related to a contemplated acquisition in the United States (subsequently completed on February 18). In 2019, costs incurred primarily related to completed acquisition of CHP assets in Mexico.

(2) Earn-out related to adjustments to previously estimated earn-outs.

4.6 Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives

In $ millions	Years ended December 31, 2020	2019
Finance income	**4.4**	**11.2**
Net change in fair value of fixed margin derivative [1]	56.1	–
Net change in fair value of other derivatives [2]	14.4	(13.4)
Net realized foreign exchange differences [3]	(33.3)	7.0
Net unrealized foreign exchange differences [3]	(26.5)	(3.6)
Realized and unrealized foreign exchange gains and (losses) and change in fair value of derivatives	**10.7**	**(10.1)**
Interest expenses on borrowings	(195.0)	(188.8)
Amortization of deferred financing costs	(13.2)	(12.5)
Unwinding of discounting [4]	(15.9)	(15.9)
Other [5]	(38.8)	(27.8)
Finance costs	**(262.9)**	**(244.9)**
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives	**(247.8)**	**(243.8)**

(1) Net change in fair value of derivative related to the CHP Mexico fixed margin liability.

(2) The Group recognized a profit of $5.6 million in the twelve months ended December 31, 2020 in relation to its interest rate, cross currency, financial swaps, options, foreign exchange options and forward contracts (December 31, 2019: loss of $0.4 million) and a profit of $8.8 million in the twelve months ended December 31, 2020 in relation with settled positions (December 31, 2019: loss of $13.0 million). Change in fair value of derivatives relates primarily to interest rate swaps, options and forward contracts.

(3) Net realized foreign exchange differences include realized foreign exchange gains and losses related to conversion of foreign currency denominated cash balances recorded as fair value through profit or loss. Unrealized foreign exchange differences primarily relate to subsidiaries and loans in subsidiaries that have a functional currency different to the currency in which the loans are denominated.

(4) Unwinding of discounting mainly effects related to Maritsa debt to non-controlling interests and other long-term liabilities in the twelve months ended December 31, 2020 and 2019.

(5) Other mainly includes costs associated with other financing, finance costs of leases, as well as income and expenses related to interests and penalties for late payments.

4.7 Income tax expense and deferred income tax

Income tax expense

In $ millions	Years ended December 31, 2020	2019
Current tax		
– *current tax expense of the year*	(33.7)	(32.2)
– *prior year adjustment*	*0.9*	(1.7)
Total current tax expense	**(32.8)**	**(33.9)**
Deferred tax		
– *deferred tax expense of the year*	(17.9)	(8.0)
– *prior year adjustment*	7.0	5.6
Total Deferred tax expense	**(10.9)**	**(2.4)**
Income tax expense	**(43.7)**	**(36.3)**

The main jurisdictions contributing to the income tax expense for the year ending December 31, 2020 are i) Mexico, ii) Brazil and iii) Bulgaria.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise from applying the statutory tax rate of the parent company (2020: 19%, 2019: 19%) to the results of the consolidated entities as follows:

Effective tax rate reconciliation

In $ millions	Years ended December 31, 2020	2019
Profit before income tax	**72.3**	**59.4**
Profit before income tax at statutory tax rate	**(13.7)**	**(11.3)**
Tax effects of:		
Differences between statutory tax rate and foreign statutory tax rates [1]	(0.4)	9.6
Changes in unrecognized deferred tax assets [2]	(19.5)	(23.2)
Reduced rate and specific taxation regime [3]	6.2	6.9
Foreign exchange movement[4]	(3.7)	1.6
Prior year adjustment - current tax	0.9	(1.7)
Prior year adjustment - deferred tax	7.0	5.6
Permanent differences and other items [5]	(20.4)	(23.8)
Income tax expense	**(43.7)**	**(36.3)**
Effective rate of income tax	**60.4%**	**61.1%**

(1) Includes the effect of recognizing net income of investments in associates in the profit before income tax.

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

(3) Relates to specific tax regimes and some of the Brazilian entities being taxed by reference to revenue rather than accounting profits.

(4) Mainly driven by difference between functional currency of statutory entities and currency used for local tax reporting and non-deductibility of foreign exchange movements in certain jurisdictions.

(5) This category includes a number of individually immaterial items such as non-deductible group costs, withholding taxes or inflation adjustments.

Net deferred tax movement

The gross movements of net deferred income tax assets (liabilities) were as follows:

In $ millions	December 31, 2020	2019
Net deferred tax assets (liabilities) as of January, 1	**(218.5)**	**(112.2)**
Statement of income	(10.9)	(2.4)
Deferred tax recognized directly in other comprehensive income	27.9	(2.7)
Acquisitions	–	(139.7)
Currency translation differences and other	(9.9)	2.5
Net deferred tax assets (liabilities) as of December, 31	**(211.4)**	**(254.5)**
Restatement for finalization of fair values on acquisition		**36.0**
Net deferred tax assets (liabilities) as of December, 31 (restated)	**(211.4)**	**(218.5)**
Including net deferred tax assets balance of:	*57.5*	*44.9*
Deferred tax liabilities balance of:	*(268.9)*	*(263.4)*

Analysis of the net deferred tax position recognized in the consolidated statement of financial position

The net deferred tax positions and their movement can be broken down as follows:

In $ millions	Tax losses	Tangible assets [1]	Intangible assets [2]	Derivative financial instruments [3]	Other [4]	Total
As of January 1, 2019	**16.6**	**(149.6)**	**5.2**	**12.3**	**3.3**	**(112.2)**
Statement of income	(2.3)	(19.3)	3.5	(2.1)	17.8	(2.4)
Other comprehensive income	–	–	–	(2.7)	–	(2.7)
Acquisitions	14.0	(52.2)	(108.0)	0.5	6.0	(139.7)
Currency translations and other	(0.2)	3.4	–	(0.3)	(0.4)	2.5
As of December 31, 2019	**28.1**	**(217.7)**	**(99.4)**	**7.7**	**26.7**	**(254.5)**
Restatement for finalization of fair values on acquisition	–	(23.1)	39.5	–	19.6	36.0
As of January 1, 2020 (restated)	**28.1**	**(240.8)**	**(59.9)**	**7.7**	**46.3**	**(218.5)**
Statement of income	88.7	(95.1)	9.6	(1.4)	(12.6)	(10.9)
Other comprehensive income	–	–	(0.1)	28.0	–	27.9
Acquisitions	–	–	–	–	–	–
Currency translations and other	0.8	(13.5)	0.8	0.8	1.1	(10.0)
As of December 31, 2020	**117.6**	**(349.4)**	**(49.5)**	**35.1**	**34.7**	**(211.4)**

(1) 2019 figures are represented to show property, plant and equipment separately.

(2) 2019 figures are represented to show acquired intangible assets separately.

(3) $25.8 million of the current year movement through other comprehensive income represents the recognition of deferred tax assets on hedging expenses in Mexico incurred in both 2020 and 2019, following the conclusion that such derivative costs should be deductible under Mexican tax rules.

(4) This category is made up of various items, the main material items are in respect of deferred financing costs of $28.1 million (2019: $19.5 million), finance lease capitalization of -$16.0 million (2019: -$16.8 million) and Mexico fixed margin swap provision of $13.0 million (2019 restated: $24.8 million).

Analysis of the deferred tax position unrecognized in the consolidated statement of financial position

Unrecognized deferred tax assets amount to $268.2 million as of December 31, 2020 (December 31, 2019: $242.3 million) and can be broken down as follows:

	December 31,	
In $ millions	2020	2019
Unrecognized deferred tax assets on tax losses [1]	245.9	231.8
Unrecognized deferred tax assets on deductible temporary differences	22.3	10.5
Total unrecognized deferred tax assets	**268.2**	**242.3**

The total amount of deductible temporary differences and unused tax losses for which no deferred tax asset is recognized amounts to $1,067.0 million (2019: $946.9 million) and is broken down as follows:

	December 31,	
	2020	2019
Tax losses – no deferred tax asset recognized	969.7	896.4
Deductible temporary differences – no deferred tax asset recognized	97.3	50.5
Total	**1,067.0**	**946.9**

Deferred tax assets that have not been recognized mainly relate to amounts in Luxembourg and Brazil where it is not probable that future taxable profit will be available against which the temporary differences can be utilized. The amounts unrecognized for deferred tax purposes generally do not expire with the exception of in Luxembourg.

With respect to Luxembourg, tax losses of $331.6m arising prior to 31 December 2016 can be carried forward without time limit. As from January 1, 2017, new tax losses expire after 17 years and therefore tax losses of $55.2 million, $103.5 million, $159.2 million and $87.9 million expire on December 31, 2034, 2035, 2036 and 2037, respectively.

The group accrues deferred tax liabilities for the withholding tax that will arise on the future repatriation of undistributed earnings. There are no undistributed earnings with material unrecognized temporary differences.

4.8 Earnings per share

	Years ended December 31,			
	2020		2019	
	Basic	Diluted	Basic	Diluted
Profit attributable to CG plc shareholders (in $ millions)	16.0	16.0	27.7	27.7
Number of shares (in millions)				
Weighted average number of shares outstanding	666.6	666.6	670.7	670.7
Potential dilutive effects related to share-based compensation		2.3		1.7
Adjusted weighted average number of shares		**668.9**		**672.4**
Profit attributable to CG plc shareholders per share (in $)	**0.02**	**0.02**	**0.04**	**0.04**

There is no dilutive impact from the Private Incentive Plan (PIP) on the earnings per share as the shares are settled in full by existing shares held by Reservoir Capital Group.

4.9 Intangible assets and goodwill

In $ millions	Goodwill	Work in progress	Legado rights	Permits, licenses and other project development rights	Software and Other	Total
Cost	0.5	–	–	149.0	18.7	168.2
Accumulated amortization and impairment	–	–	–	(37.8)	(13.0)	(50.8)
Carrying amount as of December 31, 2018	**0.5**	**–**	**–**	**111.2**	**5.7**	**117.4**
Additions	–	–	–	2.0	0.5	2.5
Disposals	–	–	–	–	(0.2)	(0.2)
Acquired through business combination	–	–	233.3	–	13.9	247.2
Currency translation differences	–	–	–	(3.3)	–	(3.3)
Reclassification	–	–	–	(0.2)	0.1	(0.1)
Amortization charge	–	–	(1.1)	(8.2)	(1.6)	(10.9)
Closing net book amount	**0.5**	**–**	**232.2**	**101.5**	**18.4**	**352.6**
Cost	0.5	–	233.3	145.8	34.6	414.2
Accumulated amortization and impairment	–	–	(1.1)	(44.3)	(16.1)	(61.6)
Carrying amount as of December 31, 2019	**0.5**	**–**	**232.2**	**101.5**	**18.4**	**352.6**
Additions	–	–	–	2.2	3.5	5.7
Disposals	–	–	–	–	–	–
Currency translation differences	0.1	–	–	(16.6)	–	(16.5)
Reclassification	–	1.5	–	(1.1)	3.8	4.2
Amortization charge	–	–	(13.7)	(6.4)	(6.0)	(26.2)
Closing net book amount	**0.6**	**1.5**	**218.4**	**79.4**	**19.7**	**319.7**
Cost	0.6	1.5	233.3	122.8	40.9	399.1
Accumulated amortization and impairment	–	–	(14.9)	(43.4)	(21.1)	(79.4)
Carrying amount as of December 31, 2020	**0.6**	**1.5**	**218.4**	**79.4**	**19.7**	**319.7**

Legado rights relates to Mexico CHP fair value of the Legado rights.

Permits, licenses and other project development rights relate to the fair value of licenses acquired from the initial developers for our wind parks in Peru and Brazil.

Assets acquired through business combination in 2019 relate to the Mexican CHP acquisition, detailed in note 3.2.

Amortization included in 'cost of sales' in the consolidated statement of income amounted to $24.2 million in the period ended December 31, 2020 (December 31, 2019: $9.9 million) and amortization included in 'selling, general and administrative expenses' amount to $2.o million in the period ended December 31, 2020 (December 31, 2019: $1.0 million).

For the years ended December 31, 2019, and 2020, certain impairment triggering events were identified in the Brazilian wind power plants, and the related intangible assets (principally project development rights) were tested for impairment. These impairment tests did not result in any impairment (refer to note 4.10).

4.10 Property, plant and equipment

The power plant assets predominantly relate to wind farms, natural gas plants, fuel oil or diesel plants, coal plants, hydro plants, solar plants and other buildings.

Other assets mainly include IT equipment, furniture and fixtures, facility equipment, asset retirement obligations and vehicles, and project development costs.

Assets acquired through business combinations are explained in Note 3 Significant changes in the reporting period.

Assets held for use in operating leases as a lessor are included in note 4.32 Financial commitments and contingent liabilities.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	68.6	5,187.1	61.5	43.7	325.8	5,686.7
Accumulated depreciation and impairment	(0.5)	(1,736.7)	–	(8.3)	(131.4)	(1,876.9)
Carrying amount as of January 1, 2020	**68.1**	**3,450.5**	**61.5**	**35.4**	**194.4**	**3,809.8**
Restatement for finalization of fair values on acquisition [1]	–	(37.5)	–	–	–	(37.5)
Carrying amount as of January 1, 2020 (restated)	**68.1**	**3,413.0**	**61.5**	**35.4**	**194.4**	**3,772.3**
Additions	–	17.4	59.3	4.2	9.8	90.6
Disposals	–	(5.8)	(4.6)	(1.1)	–	(11.5)
Reclassification [2] [3]	–	42.7	(36.9)	–	(30.7)	(24.9)
Currency translation differences	3.6	(20.1)	(2.4)	2.0	(7.2)	(24.1)
Depreciation charge	(0.1)	(263.1)	–	(6.0)	(16.1)	(285.3)
Closing net book amount	**71.6**	**3,184.1**	**76.8**	**34.5**	**150.2**	**3,517.1**
Cost	72.2	5,172.5	76.8	47.6	285.2	5,654.4
Accumulated depreciation and impairment	(0.6)	(1,988.5)	–	(13.1)	(135.0)	(2,137.3)
Carrying amount as of December 31, 2020	**71.6**	**3,184.0**	**76.8**	**34.5**	**150.2**	**3,517.1**

(1) IFRS 3 remeasurement adjustment on assets acquired through business combination relate to our Mexican CHP portfolio, detailed in note 3.2.

(2) Mainly relates to project development costs in Kosovo of €19.7 million ($22.5 million). Given the termination of the Kosovo project agreements in May 2020, the recoverable costs have been derecognized from Property, plant and equipment and recognized as a contract asset arising from a revenue arrangement presented in line with IFRS 15 in Other non-current assets.

(3) Reclassification includes previous year's non-material reallocations between assets categories to reflect current positions.

Construction work in progress as of December 31, 2020 predominantly related to our Vorotan refurbishment project, our Austria Wind project repowering, our Mexico CHP and our Maritsa plants.

As of December 31, 2020, the Other category mainly related to $62.1 million of instruments and tools, $48.7 million of facility equipment, $29.7 million of assets retirement obligations.

Depreciation included in 'cost of sales' in the consolidated statement of income amounted to $282.0 million in the period ended December 31, 2020 (December 31, 2019: $255.1 million) and depreciation included in 'selling, general and administrative expenses' amount to $3.3 million in the period ended December 31, 2020 (December 31, 2019: $3.6 million).

In the period ended December 31, 2020, the Group capitalized $1.1 million of borrowing costs in relation to project financing.

Audited In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	68.2	4,440.8	60.6	–	333.5	4,903.1
Accumulated depreciation and impairment	(0.5)	(1,532.5)	–	–	(116.9)	(1,649.9)
Carrying amount as of January 1, 2019	**67.7**	**2,908.3**	**60.6**	**–**	**216.6**	**3,253.1**
Effect of change in accounting standard [1]	–	–	–	31.0	–	31.0
Carrying amount as of January 1, 2019 (restated)	**67.7**	**2,908.3**	**60.6**	**31.0**	**216.6**	**3,284.1**
Additions	0.1	58.5	45.0	13.2	14.6	131.4
Disposals	–	(7.9)	(4.3)	–	(2.0)	(14.2)
Reclassification	–	38.5	(40.9)	–	2.4	–
Acquired through business combination [2]	2.0	711.2	1.9	–	0.1	715.2
Effect of change in classification of contract [3]	–	42.1	–	–	–	42.1
Currency translation differences	(1.7)	(69.7)	(0.9)	(0.5)	(4.9)	(77.7)
Depreciation charge	–	(230.4)	–	(8.3)	(20.0)	(258.7)
Impairment charge [4]	–	–	–		(12.4)	(12.4)
Closing net book amount	68.1	3,450.5	61.5	35.4	194.4	3,809.8
Cost	68.6	5,187.1	61.5	43.7	325.8	5,686.7
Accumulated depreciation and impairment	(0.5)	(1,736.7)	–	(8.3)	(131.4)	(1,876.9)
Carrying amount as of December 31, 2019	**68.1**	**3,450.5**	**61.5**	**35.4**	**194.4**	**3,809.8**

(1) With the implementation of IFRS 16 on 1 January 2019, right of use assets amounting to $31.0 million were recognized. The right of use assets mainly relates to office space and land.

(2) Assets acquired through business combination relate to an additional solar portfolio and the Mexican CHP acquisitions, detailed in note 3.2.

(3) The effect of change in classification of contract corresponds to the change in the Bonaire power purchase agreement, which resulted in the recognition of property, plant and equipment and the derecognition of a financial asset of the same value under IFRS 16.

(4) Given the uncertainty regarding the future of this project created by the local political climate in Kosovo, an impairment trigger was identified and a charge of $12.1m was recorded as of 31 December 2019. The terms of the agreement with the Government of Kosovo ("GoK") requires, among other things, the GoK to reimburse development costs up to the value of €19.7 million ($22.1 million) in the event of certain defaults by the GoK. In 2020, this amount was subsequently derecognized from Property, plant and equipment and instead recognized as a contract asset as described in note 4.17. Development costs in excess of the reimbursement cap were impaired; other property plant and equipment were also impaired resulting in a charge of $0.3 million.

Construction work in progress as of December 31, 2019 predominantly related to our Vorotan refurbishment project, our Austria Wind project repowering, Bonaire and Maritsa plants.

Other as of December 31, 2019 mainly relate to $61.4 of facility equipment, $60.9 million of instruments and tools, $33.6 million of project development costs, $18.0 million of assets retirement obligations. Project development costs mainly relate to the Kosovo project and are not depreciated.

Depreciation included in 'cost of sales' in the consolidated statement of income amounted to $255.1 million in the period ended December 31, 2019 (December 31, 2018: $229.4 million) and depreciation included in 'selling, general and administrative expenses' amount to $3.6 million in the period ended December 31, 2019 (December 31, 2018: $0.2 million).

In period ended December 31, 2019, the Group capitalized $0.5 million borrowing costs in relation to project financing.

Impairment tests on tangible and intangible assets

For the years ended December 31, 2020 and 2019 certain triggering events were identified related to the Brazilian wind power plants primarily driven by lower performance of the assets and environmental factors impacting resource level, requiring an impairment test of the relevant assets.

The recoverable amount is determined as the higher of the value in use determined by the discounted value of future cash flows (discounted cash flow method or "DCF", determined by using cash flow projections consistent with the following year budget and the most recent forecasts prepared by management and approved by the Board) and the fair value (less costs to sell), determined on the basis of market data (comparison with the value attributed to similar assets or companies in recent transactions).

Impairment tests were performed for the year ended December 31, 2020 using the following assumptions and related sensitivity analysis:

In $ million	Net book value	Valuation approach	Discount rate	Generation	Sensitivity analysis
Brazilian wind power plants	458.2	DCF	11.46%	2,178 Gwh average	Discount rate increased by 1% 4% decrease in generation

The sensitivity calculations show that an increase by 1% of the discount rate and a 4% decrease in generation for Brazilian wind power plants assets would not have a material impact on the results of impairment tests or, therefore, on the Group's consolidated financial statements as of December 31, 2020.

There are no reasonably possible changes to the key impairment test assumptions that would result in an impairment charge.

Impairment tests were performed for the year ended December 31, 2019 over the same assets using the following assumptions and related sensitivity analysis.

In $ million	Net book value	Valuation approach	Discount rate	Generation	Sensitivity analysis
Brazilian wind power plants	607.2	DCF	10%	2,186 Gwh average	Discount rate increased by 1% 5% decrease in generation

The sensitivity calculations show that an increase by 1% of the discount rate and a 5% decrease in generation for Brazilian wind power plants assets would not have a material impact on the results of impairment tests or, therefore, on the Group's consolidated financial statements as of December 31, 2019.

There are no reasonably possible changes to the key impairment test assumptions that would result in an impairment charge.

4.11 Financial and contract assets

	December 31	
In $ millions	2020	2019
Contract assets – Concession arrangements [1]	416.5	425.6
Finance lease receivables [2]	15.2	18.9
Other	6.6	6.4
Total financial and contract assets	**438.3**	**450.9**
Total financial and contract assets non-current portion	408.3	417.5
Total financial and contract assets current portion	30.0	33.4

(1) The Group operates plants in Togo, Rwanda and Senegal which are in the scope of the financial model of IFRIC 12 'Service Concession Arrangements'.

Our Togo power plant was commissioned in 2010 and is operated under a power purchase agreement with a unique offtaker, Compagnie Energie Electrique du Togo ("CEET") which has an average remaining contract life of approximately 14.8 years as of December 31, 2020 (December 31, 2019: 15.8 years). At expiration, the Togo plant, along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Togo. This arrangement is accounted for as a concession arrangement and the value of the asset is recorded as a financial asset. The all-in base capacity tariff under the Togo power purchase agreement is adjusted annually for a combination of US$, Euro and local consumer price index related to the cost structure.

Our Rwanda power plant consists of the development, construction and operation of Gas Extraction Facilities ("GEF") and an associated power plant. The GEF is used to extract methane and biogas from the depths of Lake Kivu in Rwanda and deliver the gas via submerged gas transport pipelines to shore-based power production facilities totaling 26 MW of gross capacity. The PPA runs for 25 years starting on the commercial operation date and ending in 2040, date when the GEF along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Rwanda.

Our Cap des Biches power plant in Senegal consists of the development, construction and operation of five engines with a flexi-cycle system technology based on waste heat recovery totaling about 86MW. A PPA integrating all the Cap des Biches requirements and agreements on price was signed for 20 years starting on the commercial operation date of the project and ending in 2036, the date when the power plant along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Senegal.

(2) Relates to finance leases where the Group acts as a lessor, and includes our Saint Martin plant in the French Territory. Saint Martin has an average remaining contract life of approximately 2.3 years as of December 31, 2020 (December 31, 2019: 3.3 years).

No losses from impairment of contracted concessional assets and finance lease receivables in the above projects were recorded during the years ended December 31, 2020 and 2019.

Net cash inflows generated by the financial assets under concession agreements amounted to $70.6 million as of December 31, 2020 (December 31, 2019: $74.7 million).

4.12 Investments in associates

Set out below are the associates of the Group as of December 31, 2020:

Operational plant		Country of incorporation	Ownership interests 2020	2019	Date of acquisition
Sochagota	Associate	Colombia	49.0%	49.0%	2006 and 2010
Termoemcali	Associate	Colombia	37.4%	37.4%	2010
Productora de Energia de Boyaca	Associate	Colombia	–	50.0%	2016
Evacuacion Villanueva del Rey, S.L.	Associate	Spain	39.9%	39.9%	2018

Set out below is the summarized financial information for the investments which are accounted for using the equity method (presented at 100%):

In $ millions	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Net income
Year ended December 31, 2019						
Sochagota	51.8	13.5	9.1	0.8	99.4	18.7
Termoemcali	20.5	49.1	12.6	46.6	28.2	6.5
Productora de Energia de Boyaca	0.2	–	0.1	–	–	(1.1)
Evacuacion Villanueva del Rey, S.L.	0.1	2.9	0.2	2.8	–	–
Year ended December 31, 2020						
Sochagota	79.1	33.8	22.9	35.8	93.7	16.4
Termoemcali	24.4	48.4	17.0	35.9	27.8	11.5
Productora de Energia de Boyaca	–	–	–	–	–	–
Evacuacion Villanueva del Rey, S.L.	0.1	3.0	0.2	2.9	0.3	–

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

In $ millions	Years ended 31st December 2020	2019
Balance as of January 1,	**26.6**	**26.6**
Share of profit	12.3	11.1
Dividends	(7.8)	(11.3)
Other	(1.6)	0.2
Balance as of December 31,	**29.5**	**26.6**

4.13 Management of financial risk

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Interest Rate Risk

Interest rate risk arises primarily from our long-term borrowings. Interest cash flow risk arises from borrowings issued at variable rates, partially offset by cash held at variable rates. Typically for any new investments, the Group hedges variable interest risk on newly issued debt in a range of 75% to 100% of the nominal debt value. Interest rate risk is managed on an asset by asset basis through entering into interest rate swap agreements, entered into with commercial banks and other institutions. The interest rate swaps qualify as cash flow hedges. Their duration usually matches the duration of the debt instruments. Approximately 11.5% of the Group's existing external debt obligations carry variable interest rates in 2020 (2019: 19.8%) (taking into account the effect of interest rate swaps).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. To hedge interest rate exposures, the group enters into interest rate swaps and cross currency swaps that have similar critical terms to the hedged items, such as the notional amounts, payment dates, reference rate and maturities. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of outstanding loans up to the notional amount of the swaps. As all critical terms matched, there is an economic relationship and the hedge ratio is established as 1:1. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness.

The main sources of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap and cross currency swap contracts, which are not reflected in the fair value of the hedged item attributable to changes in underlying rates, and the risk of over-hedging where the hedge relationship requires re-balancing. No other material sources of ineffectiveness emerged from these hedging relationships. Any hedge ineffectiveness is recognized immediately in the income statement in the period that it occurs.

The following table presents a reconciliation by risk category of the cash-flow hedge reserve and analysis of other comprehensive income in relation to hedge accounting:

	Years ended December 31	
In $ millions	**2020**	**2019**
Brought forward cash-flow hedge reserve	(86.0)	(41.3)
Interest rate and cross currency swap contracts:		
Net fair value gain/(loss) on effective hedges	(40.8)	(52.9)
Amounts reclassified to Net finance cost	(0.7)	8.2
Carried forward cash-flow hedge reserve [1]	**(127.5)**	**(86.0)**

(1) Above table show pre-tax cash flow hedge positions, including non-controlling interest. The amounts on balance sheet include $31.4 million deferred tax (2019: $3.5 million).

The debit value adjustment on the interest rate swaps and cross currency swaps in the interest rate hedge amounts to $3.7m (2019: $4.7 million). These amounts are recognized on the financial statements against the fair value of derivative (note 4.16). Aside from the IFRS 13 credit/debit risk adjustment, cash-flow hedges generated immaterial ineffectiveness in FY2020 which was recognized in the income statement through finance costs.

The following tables set out information regarding the change in value of the hedged item used in calculating hedge ineffectiveness as well as the impacts on the cash-flow hedge reserve:

In $ millions

Hedged item	Hedged exposure	Hedging instrument	Change in value of hedged item for calculating ineffectiveness	Change in value of hedging instrument for calculating ineffectiveness
As of December 31, 2019				
Cash flows payable on a proportion of borrowings	Interest rate risk	Interest rate swaps	(182.4)	182.6
Cash flows payable on a proportion of borrowings	Interest rate risk and foreign currency risk	Cross currency swaps	(7.5)	7.5
As of December 31, 2020				
Cash flows payable on a proportion of borrowings	Interest rate risk	Interest rate swaps	(185.8)	185.9
Cash flows payable on a proportion of borrowings	Interest rate risk and foreign currency risk	Cross currency swaps	(7.6)	7.6

Hedged cash flows are contractual such that the maturity dates on the IRS are aligned to the hedged item, except for hedged cash flows on $509m principal, with swap maturing in 2031, in relation to CHP assets in Mexico that are subject to refinancing after 2026. Refinancing for an additional five years to match the term of the swap is considered highly probable since the Group will continue to maintain significant levels of US$ debt in relation to the CHP assets in Mexico through to 2031.

These agreements involve the receipt of variable payments in exchange for fixed payments over the term of the agreements without the exchange of the underlying principal amounts. The main interest rate exposure for the Group relates to the floating rates with the TJLP, EURIBOR and LIBOR (refer to note 4.24). A change of 0.5% of those floating rates would result in an increase in interest expenses by $2.8 million in the year ended December 31, 2020 (2019: $3.7 million).

Foreign Currency Risk

Foreign exchange risk arises from various currency exposures, primarily with respect to the Euro, Brazilian Real and Bulgarian Lev. Currency risk comprises (i) transaction risk arising in the ordinary course of business, including certain financial debt denominated in a currency other than the currency of the operations; (ii) transaction risk linked to investments or mergers and acquisition; and (iii) translation risk arising on the consolidation in US dollars of the consolidated financial statements of subsidiaries with a functional currency other than the US dollar.

To mitigate foreign exchange risk, (i) most revenues and operating costs incurred in the countries where the Group operates are denominated in the functional currency of the project company, (ii) the external financial debt is mostly denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk, and (iii) the Group enters into various foreign currency sale / forward and / or option transactions at a corporate level to hedge against the risk of lower distribution. Typically, the Group hedges its future distributions in Brazil through a

combination of forwards and options for any new investment in the country. The analysis of financial debt by currency is presented in note 4.24.

Potential sensitivity on the post-tax profit result for the year linked to financial instruments is as follows:

- if the US dollar had weakened/strengthened by 10% against the Euro, post-tax profit for the year ended December 31, 2020 would have been $4.7 million higher/lower (2019: $4.2 million higher/lower).
- if the US dollar had weakened/strengthened by 10% against the Brazilian Real, post-tax profit for the year ended December 31, 2020 would have been $0.5 million higher/lower (2019: $0.8 million higher/lower).

The exposure to the Bulgarian Lev is considered remote due to the pegging mechanism of the Lev on the Euro. The exposure to the Mexican peso is limited to the Fixed margin swap derivative sensitivity as disclosed in Note 4.15. The Group hedge policy states that the exposure between US dollar and Euros will not be hedged, both currencies being considered as more stable currencies.

Commodity and electricity pricing risk

The Group's current and future cash flows are generally not impacted by changes in the prices of electricity, gas, oil and other fuel prices as most of the Group's non-renewable plants operate under long-term power purchase agreements and fuel purchase agreements and other commercial agreements such as the fixed margin swap arrangement. These agreements generally mitigate against significant fluctuations in cash flows as a result in changes in commodity prices by passing through changes in fuel prices to the offtaker.

In the particular case of the Brazilian hydro power plants, the Group hedges most of its exposure against the change in local electricity price in case of low generation. In such a case, Brazilian hydro power plants may be required to buy electricity on the market.

Credit risk

Credit risk relates to risk arising from customers, suppliers, partners, intermediaries and banks on its operating and financing activities, when such parties are unable to honor their contractual obligations. Credit risk results from a combination of payment risk, delivery risk (failure to deliver services or products) and the risk of replacing contracts in default (known as mark to market exposure – i.e. the cost of replacing the contract in conditions other than those initially agreed). The Group analyzes the credit risk for each new client prior to entering into an agreement. In addition, in order to minimize risk, the Group contracts Political Risk Insurance policies from multilateral organizations or commercial insurers which usually provide insurance against government defaults. Such policies cover project companies in Armenia, Bulgaria, Colombia, Nigeria, Rwanda, Togo, Senegal and Kosovo.

Where possible, the Group restricts exposure to any one counterparty by setting credit limits based on the credit quality as defined by Moody's and S&P and by defining the types of financial instruments which may be entered into. The minimum credit ratings the Group generally accepts from banks or financial institutions are BBB- (S&P) and Baa3 (Moody's). For offtakers, where credit ratings are CCC+ or below, the Group generally hedges its counterparty risk by contracting Political Risk Insurance.

If there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

For trade receivables, financial and contract assets, the group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2020 or 1 January 2020 respectively and the corresponding historical credit losses experienced within this period. In this context, the Group has taken into account available information on past events (such as customer payment behavior), current conditions and forward-looking factors that might impact the credit risk of the Group's debtors.

Trade receivables can be due from a single customer or a few customers who will purchase all or a significant portion of a power plant's output under long-term power purchase agreements. This customer concentration may impact the Group's overall exposure to credit risk, either positively or negatively, in that the customers may be affected by changes in economic, industry or other conditions.

Ageing of trade receivables – net are analyzed below:

In $ millions	December 31 2020	2019
Trade receivables not overdue	68.9	89.5
Past due up to 90 days	17.3	11.4
Past due between 90 – 180 days	2.1	1.3
Past due over 180 days	19.7	16.4
Total trade receivables	**108.0**	**118.6**

As of December 31, 2020, $31.1 million (December 31, 2019: $47.4 million) of trade receivables were outstanding in connection with our Bulgarian power plant, Maritsa East 3. The trade receivables include around €14.6 million ($17.8 million) as of December 31, 2020 that are subject to an ad hoc arbitration under the arbitration rules of the United Nation Commission on International Trade Law (UNCITRAL) between Maritsa and its off-taker NEK in relation to environmental capex reimbursement that the Group considers recoverable under the terms of the PPA and signed contract amendments.

The trade receivables include an expected credit loss of $3.1 million (December 31, 2019: $2.7 million) on the Past due over 180 days category with an increase in allowance recognized in profit and loss of $0.4 million in 2020, $0.0 million in 2019.

There were immaterial credit losses and no overdue balances identified on financial and contract assets. The Group deems the associated credit risk of the trade receivables not overdue to be suitably low.

Liquidity risk

Liquidity risk arises from the Group not being able to meet its obligations. The Group mainly relies on long-term debt obligations to fund its acquisitions and construction activities with Corporate bond issued in the corporate Luxembourg holdcos and project financing arrangement at the assets level. All significant long-term financing arrangements are supported locally and covered by the cash flows expected from the power plants when operational. The Group has, to the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire its electric power plants and related assets.

On December 12, 2020, the Group also entered into a €120 million revolving credit facility available for general corporate purposes, maturing in November 2023, and which remains undrawn as of December 31, 2020.

A rolling cash flow forecast of the Group's liquidity requirements is prepared to confirm sufficient cash is available to meet operational needs and to comply with borrowing limits or covenants. Such forecasting takes into consideration the future debt financing strategy, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements – for example, cash restrictions.

The subsidiaries are separate and distinct legal entities and, unless they have expressly guaranteed any of the holding company indebtedness, have no obligation, contingent or otherwise, to pay any amounts due pursuant to such debt or to make any funds available whether by dividends, fees, loans or other payments.

Some of the Group's subsidiaries have given guarantees on the credit facilities and outstanding debt securities of certain holding companies in the Group.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date:

In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Year ended December 31, 2019	**810.2**	**1,755.6**	**2,425.3**	**4,991.1**
Borrowings [1]	269.4	1,521.3	2,345.0	4,135.7
Trade and other payables	336.1	–	–	336.1
Derivative financial instruments	25.2	54.0	30.7	109.9
IFRS 16 lease liabilities	5.3	21.2	6.8	33.3
Other current liabilities	174.2	–	–	174.2
Other non-current liabilities	–	159.1	42.8	201.9
Year ended December 31, 2020	**1,469.2**	**1,580.0**	**2,668.0**	**5,717.2**
Borrowings [1]	899.7	1,379.6	2,592.5	4,871.8
Trade and other payables	333.7	–	–	333.7
Derivative financial instruments	41.0	106.2	44.8	192.0
IFRS 16 lease liabilities	4.3	17.2	11.4	32.9
Other current liabilities [2]	190.5	–	–	190.5
Other non-current liabilities [2]	–	77.0	19.3	96.3

(1) Borrowings represent the outstanding nominal amount (note 4.24). Short-term debt of $899.7 million as of December 31, 2020 relates to the short-term portion of long-term financing that matures within the next twelve months, that we expect to repay using cash on hand and cash received from operations.

(2) Other current liabilities and Other non-current liabilities as presented in notes 4.29 and 4.25 respectively, excluding IFRS16 lease liabilities.

The table below analyses the Group's forecasted interest to be paid into relevant maturity groupings based on the interest's maturity date:

Year ended December 31, 2019

In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Forecast interest expense to be paid	**209.3**	**643.2**	**502.9**	**1,355.4**

Year ended December 31, 2020

In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Forecast interest expense to be paid	**196.0**	**634.3**	**444.6**	**1,274.9**

The Group's forecasts and projections, taking into account reasonably possible changes in operating performance, indicate that the Group has sufficient financial resources, together with assets that are expected to generate free cash flow to the Group. As a consequence, the Group has reasonable expectation to be well placed to manage its business risks and to continue in operational existence for the foreseeable future (at least for the twelve month period from the approval date of these financial statements). Accordingly, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

Capital risk management

The Company considers its capital and reserves attributable to equity shareholders to be the Company's capital.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while providing adequate returns for shareholders and benefits for other stakeholders and to maintain a capital structure to optimize the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or implement a share buyback programme (note 4.22). It may also increase debt provided that the funded venture provides adequate returns so that the overall capital structure remains supportable.

4.14 Derivative financial instruments

The Group uses interest rate swaps to manage its exposure to interest rate movements on borrowings, foreign exchange forward contracts and option contracts to mitigate currency risk, a financial swap in our Mexican CHP business to protect power purchase agreements and cross currency swap contracts in Cap des Biches project in Senegal to manage both currency and interest rate risks. The fair value of derivative financial instruments are as follows:

	December 31, 2020		December 31, 2019	
In $ millions	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps – Cash flow hedge [1]	–	120.9	–	86.0
Cross currency swaps – Cash flow hedge [2]	–	26.2	0.3	14.1
Foreign exchange forward contracts – Trading [3]	–	0.6	–	4.3
Option contracts – not in hedge relationships [4]	1.5	1.6	–	5.3
Financial swap on commodity [5]	–	0.1	–	0.2
Fixed margin swap[6]	–	42.6	–	–
Total	**1.5**	**192.0**	**0.3**	**109.9**
Less non-current portion:				
Interest rate swaps – Cash flow hedge	–	92.7	–	65.9
Cross currency swaps – Cash flow hedge	–	24.2	–	14.1
Foreign exchange forward contracts – Trading	–	0.1	–	1.8
Option contracts – not in hedge relationships	1.1	–	–	2.9
Financial swap on commodity	–	0.1	–	–
Fixed margin swap	–	33.9	–	–
Total non-current portion	**1.1**	**151.0**	**–**	**84.7**
Current portion	**0.4**	**41.0**	**0.3**	**25.2**

(1) Interest Rate swaps are used to hedge floating rate borrowings such that in effect the Group will be paying interest at a fixed rate. The decrease in LIBOR floating rates over the period to December 31, 2020 has contributed to an increase in the fair value liability of these instruments. The fair value of the interest rate swaps mostly relate to contracts in Mexico for $83.4 million (December 31, 2019: $50.7 million) maturing in November 2031, Armenia for $16.8 million (December 31, 2019: $10.2 million) maturing in November 2034 and Spain for $14.5 million (December 31, 2019: $18.7 million) maturing in June 2023. Hedge accounting is applied related to the interest rate hedged therefore recognized in the consolidated statement of income.

(2) In 2015, the Group entered into cross currency swaps in our Cap des Biches project in Senegal. The fair value of the instruments as of December 31, 2020 amounts to $27.4 million (December 31, 2019: $14.8 million) maturing in July 2033. Credit value adjustment amounts to $1.2 million as of December 31, 2020 and $1.0 million as of December 31, 2019. Hedge accounting is applied related to the interest rate hedged and currency swap therefore recognized in the consolidated statement of income.

(3) The Group has executed a series of offsets to protect the value, in USD terms, of the BRL-denominated expected distributions from the Brazilian portfolio, the MXN-denominated expected distributions from the Mexican portfolio, and of the COP-denominated distributions from the Colombian portfolio. The BRL-denominated 2022 distributions have been hedged using a forward exchange contract with a fair value of liability $0.1 million and maturity in December 2022 (2019: $1.8 million). The MXN-denominated distributions had been economically hedged using forward contracts that have been closed during the period ended December 31, 2020 (2019: $2.5 million). The COP-denominated distributions have been economically hedged using a forward with a fair value of liability $0.5 million maturing in January 2021. Hedge accounting is not applied to BRL/USD, MXN/USD and COP/USD foreign exchange forward contracts, change in fair value is therefore recognized in the consolidated statement of income.

(4) The Group has executed a series of offsets to protect the value, in USD terms, of the BRL-denominated expected distributions from the Brazilian portfolio and the MXN-denominated expected distributions from the Mexican portfolio. The distributions expected in 2020 were protected against material depreciation of the BRL using option contracts which have been closed in the period ended December 31, 2020, distributions expected in 2021 have been protected against material depreciation of the BRL using option contracts with fair values of liability $1.6 million maturing in December 2021 (2019: $2.4 million and $2.9 million maturing in December 2020 and 2021 respectively). The MXN-denominated distributions were protected against material depreciation of the MXN using a new option contract in place with a fair value of asset $0.4 million maturing in November 2021. The Group entered into an option allowing the possibility to enter into an underlying swap with the objective to protect the Group against changes on the interest rates over our financing projects with a fair value of asset $1.1 million and available until May 2031.

(5) The Group entered into a financial swap related to our Mexican CHP business to protect one purchase power agreement against the variations of the natural gas price maturing in April 2024.

(6) CHP Mexico entered into fixed margin swap agreements with the Seller's affiliates in order to protect certain power purchase agreements against variations in the CFE tariffs (electricity prices). The cash flows hedged amount to around $45 million of annual revenue over the next 9 years. The fair value of the liability from those instruments was presented in Other non-current liabilities as of December 31, 2019 for a total amount of $82.8 million. During 2020, the Group has re-reviewed the terms of the instruments and determined that they should be classified as derivatives and not as other liabilities. However, the comparative as of December 31, 2019 has not been restated as the Group considers the change in classification to be immaterial to the users of the financial statements, in the context of the size of total non-current liabilities.

The notional principal amount of:

- the outstanding interest rate swap contracts and cross currency swap qualified as cash-flow hedge amounted to $1,213.4 million as of December 31, 2020 (December 31, 2019: $1,231.1 million).
- the outstanding foreign exchange forward and option contracts amounted to $161.8 million as of December 31, 2020 (December 31, 2019: $251.4 million). The new outstanding option giving the Group the possibility to enter into an underlying swap on our financing projects amounted to $200.0 million as of December 31, 2020 (December 31, 2019: nil).
- the swap on commodity related to our Mexican CHP amounted to $3.0 million as of December 31, 2020 (December 31, 2019: $4.0 million).

The Group recognized in Finance costs net a profit in respect of changes in fair value of derivatives listed above of $61.7 million in the twelve months ended December 31, 2020 (December 31, 2019: loss $0.4 million) and a profit of $8.8 million in the twelve months period ended December 31, 2020 in relation to settled positions (December 31, 2019: loss of $13.0 million).

4.15 Fair value measurements

Fair value measurements of financial instruments are presented through the use of a three-level fair value hierarchy that prioritizes the valuation techniques used in fair value calculations. The Group's policy is to recognize transfers into and out of fair value hierarchy levels as at the end of the reporting period.

The levels in the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

There were no transfers between fair value measurement levels between December 31, 2019 and December 31, 2020.

When measuring our interest rate, cross currency swaps and foreign exchange forward and option contracts at fair value on a recurring basis at both December 31, 2020 and December 31, 2019, we have measured these at level 2 in the fair value hierarchy with the exception of the fixed margin swap which are level 3. The fair value of those financial instruments is determined by using valuation techniques. These valuations techniques maximize the use of observable data where it is available and rely as little as possible on entity specific estimates.

The Group uses a market approach as part of their available valuation techniques to determine the fair value of derivatives. The market approach uses prices and other relevant information generated from market transactions.

The Group's finance department performs valuation of financial assets and liabilities required for financial reporting purposes as categorized at levels 2 and 3. The Group's only derivatives are interest rate swaps, foreign exchange forward contracts, option contracts, commodity swap contract, fixed margin swap in our Mexican CHP business and cross currency swap contracts in our Cap des Biches project in Senegal.

The change in the fair value of the fixed margin swap since December 31, 2020 of $56.1 million is driven by the movement of market inputs, in particular the USD/MXN spot exchange rate, accounting for $48.4 million of the total.

The sensitivity calculations on the CHP Mexico fixed margin swap liability show that (i) for an increase/decrease of 5% in the USD/MXN exchange rate, the fixed margin swap liability will increase/decrease by $10.9 million, (ii) for an increase/decrease of 5% in the Natural Gas cost, the fixed margin swap liability will decrease/increase by $5.7 million (iii) and for an increase/decrease of 25% in discount rates, the fixed margin swap liability will decrease/increase by $1.3 million, (iv) for an increase/decrease of 5% in the CFE tariff, the fixed margin swap liability will increase/decrease by $13.7 million.

Money market funds comprise investment in funds that are subject to an insignificant risk of changes in fair value. The fair value of money market funds is calculated by multiplying the net asset value per share by the investment held at the balance sheet date, we have measured these at level 2 in the fair value hierarchy.

4.16 Financial instruments by category

In $ millions	Financial asset category			
As at December 31, 2019	Financial assets at amortized costs	Assets at fair value through profit and loss	Derivative used for hedging	Total net book value per balance sheet
Derivative financial instruments	–	–	0.3	0.3
Financial and contract assets	450.9	–	–	450.9
Trade and other receivables	226.3	–	–	226.3
Other non-current assets [1]	18.6	–	–	18.6
Cash and cash equivalents [2]	–	558.5	–	558.5
Total	**695.8**	**558.5**	**0.3**	**1,254.6**

In $ millions	Financial asset category			
As at December 31, 2020	Financial assets at amortized costs	Assets at fair value through profit and loss	Derivative used for hedging	Total net book value per balance sheet
Derivative financial instruments	–	1.5	–	1.5
Financial and contract assets	438.3	–	–	438.3
Trade and other receivables	228.0	–	–	228.0
Other non-current assets [1]	41.1	–	–	41.1
Cash and cash equivalents [2]	–	1,396.9	–	1,396.9
Total	**707.4**	**1,398.4**	**–**	**2,105.8**

In $ millions	Financial liability category			
As at December 31, 2019	Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Derivative used for hedging	Total net book value per balance sheet
Borrowings	–	4,090.5	–	4,090.5
Derivative financial instruments	9.8	–	100.1	109.9
Trade and other payables	–	336.1	–	336.1
Other current liabilities [1]	–	144.5	–	144.5
Other non-current liabilities [3]	82.8	147.1	–	229.9
Total	**92.6**	**4,718.2**	**100.1**	**4,910.9**

In $ millions	Financial liability category			
As at December 31, 2020	Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Derivative used for hedging	Total net book value per balance sheet
Borrowings	–	4,830.3	–	4,830.3
Derivative financial instruments	44.8	–	147.2	192.0
Trade and other payables	–	333.7	–	333.7
Other current liabilities [1]	–	154.6	–	154.6
Other non-current liabilities	–	124.9	–	124.9
Total	**44.8**	**5,443.5**	**147.2**	**5,635.5**

(1) These balances exclude receivables and payables balances in relation to taxes and deferred revenue balance of $5.6 million. Other current liabilities were amended by $1.5 million in December 31, 2019 following a restatement for finalization of fair values on acquisition, refer to note 3.2 2019 transactions.

(2) These balances include money market funds, which comprise investment in funds that are subject to an insignificant risk of changes in fair value.

(3) Mexico CHP fixed margin liability, presented in other non-current liabilities, for $82.8 million was reclassified in December 31, 2019 from "other financial liabilities at amortized costs" to "liabilities at fair value through profit and loss" after the terms of the instrument were re-reviewed during the measurement period. Debt to Maritsa non-controlling interest was reclassified in December 31, 2019 from "liabilities to fair value through profit and loss" to "other financial liabilities at amortized cost" reflecting the correct and applied accounting treatment for the instrument.

4.17 Other non-current assets

In $ millions	December 31 2020	2019
Kosovo receivables [1]	24.1	–
Advance to supplier [2]	1.4	3.5
Other	17.0	18.6
Total other non-current assets	**42.5**	**22.1**

(1) Mainly relates to project development costs in Kosovo, which were presented in Property, Plant and Equipment in December 31, 2019. Given the termination of the project agreements in May 2020, the recoverable development costs have been derecognized from Property, plant and equipment and recognized as a contract asset arising from a revenue arrangement in line with IFRS 15, which is presented in Other non-current assets. The recoverability of the contract asset has been assessed under IFRS 9 and in the context of the arbitration disclosed in Note 2.4.

(2) Advance payment to supplier relates to Vorotan EPC (engineering, procurement and construction) contract as part of the refurbishment program.

4.18 Inventories

In $ millions	December 31 2020	2019
Emission allowance	165.8	161.1
Spare parts	54.6	46.9
Fuel	14.8	12.9
Other	17.0	13.1
Total	**252.2**	**234.0**
Provision	(4.8)	(4.4)
Total inventories	**247.4**	**229.6**

4.19 Trade and other receivables

In $ millions	December 31 2020	2019
Trade receivables – gross	111.0	121.3
Accrued revenue (unbilled)	113.1	91.9
Provision for impairment of trade receivables	(3.1)	(2.7)
Trade receivables – Net	**221.0**	**210.5**
Other taxes receivables	36.0	122.4
Other receivables	7.0	10.7
Trade and other receivables	**264.0**	**343.6**

All trade and other receivables are short term and the net carrying value of trade receivables is considered a reasonable approximation of the fair value. The ageing of trade receivables – net is presented in note 4.13.

All trade and other receivables are pledged as security in relation with the Group's project financings.

The increase in accrued revenue (unbilled) is primarily related to CO_2 quotas in connection with our Maritsa plant which are passed through to the offtaker and a decrease in our Arrubal plant.

The decrease in other taxes receivable is primarily related to the Mexican VAT receivable which was refunded in 2020. Other taxes receivable correspond to indirect tax receivables, mainly in our power plants in Senegal, Brazil, Italy and our Luxemburg holdcos.

4.20 Other current assets

In $ millions	December 31 2020	2019
Prepaid expenses	17.4	11.7
Advances to suppliers	7.9	6.3
Other	9.8	5.9
Other current assets	**35.1**	**23.9**

4.21 Cash and cash equivalents

Certain restrictions on our cash and cash equivalents have been primarily imposed by financing agreements or long term obligations. They mainly include short-term security deposits kept as collateral and debt service reserves that cover short-term repayments and which meet the definition of cash and cash equivalents. Money market funds comprise investments in funds that are subject to an insignificant risk of changes in fair value. 22.0% of our cash and cash equivalents as of December 31, 2020 is pledged as security in relation with the Group's project financings (December 31, 2019: 67.4%); cash and cash equivalents includes $117.3 million as of December 31, 2020 (December 31, 2019: $154.6 million) of cash balances relating to debt service reserves required by project finance agreements and $1,011.9 million in money market funds (December 31, 2019: $80.3 million). Additional cash held as a result of the refinancing detailed in note 4.24 Borrowings was used on January 6, 2021 to redeem the €450 million ($549.7 million) aggregate principal amount of its 3.375% senior secured notes due 2023.

4.22 Issued capital

Issued capital

Issued capital of the Company amounted to $8.9 million as at 31 December 2020, with no changes in the years ended 31 December 2019.

Allotted, authorized, called up and fully paid	Number	Nominal value	£ million	$ million
As at 31 December 2019	670,712,920	0.01	6.7	8.9
As at 31 December 2020	**670,712,920**	**0.01**	**6.7**	**8.9**

During the year the Company paid dividends of $105.7 million (2019: $137.6 million).

	Years ended December 31	
In $ millions	2020	2019
Declared during the financial year:		
Final dividend for the year ended 31 December 2018: 9.4000 US cents per share		63.3
Three interim dividends for the year ended 31 December 2019: 11.0703 US cents per share in total		74.3
Final dividend for the year ended 31 December 2019: 3.6901 US cents per share	24.8	
Interim dividends for the year ended 31 December 2020: 12.1773 US cents per share	80.9	
Total dividends provided for or paid	**105.7**	**137.6**

Share repurchases

On 1 April 2020 ContourGlobal announced a buyback programme of up to £30 million of ContourGlobal plc ordinary shares of £0.01 each ("Shares"), to initially run from 1 April 2020 to 30 June 2020, subsequently extended to 30 September 2020 and then further extended to December 31, 2020.

During the year ended December 31, 2020, the Company repurchased 12,374,731 treasury shares at an average price of 188.4 pence per share for an aggregate amount of GBP23.4 million ($30.4 million), representing 1.85% of its share capital.

On January 11, 2021 the Company announced the continuation of the buyback programme from 11 January 2021 to 31 March 2021 for a maximum number of shares of 2,700,000, based on closing share price of 215 pence on 8 January 2021, but in any event not to exceed a cumulative amount of £30 million including the share buy backs competed in 2020.

4.23 Non-controlling interests

The tables below provide summarized financial information for each subsidiary that has non-controlling interests that are material to the group. These new disclosures were added following FRC review.

The amounts disclosed for each subsidiary are before inter-company eliminations.

In $ millions		Year ended December 31, 2019					
Non-controlling interest	CG assets	Acc. NCI	(Loss)/Profit allocated to NCI	Dividends paid to NCI	Distribution paid to NCI	Contribution received from NCI	Proportionate adjusted EBITDA NCI[1]
Electrobras (49%)	Chapadas I (Wind Brazil)	26.7	(4.9)	–	–	6.7	9.9
Electrobras (49%)	Chapadas II (Wind Brazil)	49.5	(1.9)	–	–	6.2	11.5
NEK (27%)	Maritsa (Bulgaria)	53.0	–	–	15.0[2]	–	32.5
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	17.4	4.1	3.6	–	–	13.4
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	(1.5)	(7.1)	–	31.9	16.0	14.0
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	7.5	1.1	–	48.0	144.0	44.7
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	6.8	0.2	–	–	–	1.7
Other		5.9	3.9	19.8	11.6	1.5	13.3
Total		**165.3**	**(4.6)**	**23.4**	**106.5**	**174.4**	**141.1**

(1) Represents the non-controlling interest portion included in the Adjusted EBITDA, ie, the difference between the Adjusted EBITDA and Proportionate adjusted EBITDA.

(2) Only reflects the payments of the Debt to NCI in our Maritsa asset disclosed in the Note 4.25 Other non-current liabilities.

In $ millions		Year ended December 31, 2020					
Non-controlling interest	CG assets	Acc. NCI	(Loss)/Profit allocated to NCI	Dividends paid to NCI	Distribution paid to NCI	Contribution received from NCI	Proportionate adjusted EBITDA NCI[1]
Electrobras (49%)	Chapadas I (Wind Brazil)	21.5	(2.7)	–	–	3.4	6.6
Electrobras (49%)	Chapadas II (Wind Brazil)	37.3	(1.1)	–	–	–	8.7
NEK (27%)	Maritsa (Bulgaria)	53.3	–	–	18.5[2]	–	32.8
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	13.7	4.5	–	2.6	–	11.5
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	(4.5)	2.6	–	8.4	–	17.0
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	20.0	4.1	–	46.2	–	61.9
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	6.8	0.1	0.2	0.3	–	1.5
Other		7.2	5.1	5.2	–	–	13.1
Total		**155.3**	**12.6**	**5.4**	**76.0**	**3.4**	**153.3**

(1) Represents the non-controlling interest portion included in the Adjusted EBITDA, ie, the difference between the Adjusted EBITDA and Proportionate adjusted EBITDA.

(2) Only reflects the payments of the Debt to NCI in our Maritsa asset disclosed in the Note 4.25 Other non-current liabilities.

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

In $ millions		Year ended December 31, 2019					
Non-controlling interest	CG assets	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit or (Loss)
Electrobras (49%)	Chapadas I (Wind Brazil)	198.9	27.6	127.5	45.9	26.7	(10.1)
Electrobras (49%)	Chapadas II (Wind Brazil)	219.9	29.1	110.6	37.1	29.2	(3.8)
NEK (27%)	Maritsa (Bulgaria)	341.7	336.1	125.2	268.2	403.0	59.6
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	274.5	39.1	171.0	70.4	76.4	15.6
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	226.3	43.3	238.7	29.0	34.6	(12.4)
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	1,085.7	72.7	1,072.8	66.0	167.3	6.2
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	25.0	3.5	21.8	3.3	5.1	0.7

In $ millions		Year ended December 31, 2020					
Non-controlling interest	CG assets	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit or (Loss)
Electrobras (49%)	Chapadas I (Wind Brazil)	151.6	25.8	97.4	37.5	20.1	(5.6)
Electrobras (49%)	Chapadas II (Wind Brazil)	165.1	22.3	80.5	30.4	27.0	(2.3)
NEK (27%)	Maritsa (Bulgaria)	333.1	330.8	99.6	264.4	406.3	58.5
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	212.9	27.7	126.7	55.1	64.2	18.1
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	225.6	39.4	237.8	30.5	40.7	5.5
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	1,120.5	77.6	1,087.1	65.9	161.8	8.4
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	24.8	3.2	21.1	3.5	4.6	0.3

In $ millions		Year ended December 31, 2019		
Non-controlling interest	CG assets	Net cash generated by operating activities	Net cash generated by investing activities	Net cash generated by financing activities
Electrobras (49%)	Chapadas I (Wind Brazil)	21.1	(1.4)	(8.6)
Electrobras (49%)	Chapadas II (Wind Brazil)	24.2	(1.1)	(9.7)
NEK (27%)	Maritsa (Bulgaria)	103.4	(12.7)	(75.1)
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	38.9	(6.6)	(40.4)
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	25.5	3.7	(26.8)
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	128.0	(6.1)	(180.2)
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	4.3	–	(5.4)

In $ millions		Year ended December 31, 2020		
Non-controlling interest	CG assets	Net cash generated by operating activities	Net cash generated by investing activities	Net cash generated by financing activities
Electrobras (49%)	Chapadas I (Wind Brazil)	16.5	(3.6)	(9.5)
Electrobras (49%)	Chapadas II (Wind Brazil)	17.6	(1.9)	(16.1)
NEK (27%)	Maritsa (Bulgaria)	80.2	(11.3)	(79.4)
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	43.6	(4.5)	(38.3)
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	30.2	(0.4)	(39.7)
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	115.4	(6.9)	(113.6)
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	3.9	–	(4.2)

Considering the different natures of cash transactions with Non controlling interests ("NCI"), different categories are presented in the Consolidated statement of cash flows:

- Cash distribution to non-controlling interests: only reflects the payments done as payment of the Debt to NCI in our Maritsa asset disclosed in the Note 4.25 Other non-current liabilities.
- Dividends paid to NCI: reflects the payments to NCI in the form of dividends payments.

- Transactions with NCI (cash received): reflects the cash received from NCI usually in the form of capital contributions and proceeds from sell down transactions.
- Transactions with NCI (cash paid): reflects the payments/distributions to NCI in a form other than dividends (principally as capital reduction or shareholders' loans principal and interests repayments).
- Transactions with NCI are presented as financing activities in accordance with IAS 7.

4.24 Borrowings

Certain power plants have financed their electric power generating projects by entering into external financing arrangements which require the pledging of collateral and may include financial covenants as described below. The financing arrangements are generally non-recourse (subject to certain guarantees) and the legal obligation for repayment is limited to the borrowing entity.

The Group's principal borrowings with a nominal outstanding amount of $4,871.8 million in total as of December 31, 2020 (December 31, 2019: $4,135.7 million) primarily relate to the following:

Type of borrowing	Currency	Project Financing	Issue	Maturity	Outstanding nominal amount December 31, 2020 ($ million)	Outstanding nominal amount December 31, 2019 ($ million)	Rate
Corporate bond [1]	EUR	Corporate Indenture	2018	2023 2025	1,038.4	953.1	3.375%, 4.125%
Corporate bond [1]	EUR	Corporate Indenture	2020	2026 2028	867.3	–	2.75%, 3.125%
Loan Agreement [2]	USD	Mexican CHP	2019	2026	508.5	535.0	LIBOR + 2.5%
Loan Agreement	EUR	Spanish CSP	2018	2026 2038	392.5	387.7	Fixed 5.8% and 6.7%
Loan Agreement	EUR	Spanish CSP	2018	2036	348.4	339.3	3.438%
Loan agreement [3]	EUR	Solar Italy	2019	2030	215.5	214.8	EURIBOR 6M + 1.7%
Project bond	USD	Inka	2014	2034	173.2	179.5	6.0%
Loan Agreement	EUR	Spanish CSP	2009	2029	152.2	153.1	EURIBOR 6M + Variable
Loan Agreement	USD	Vorotan	2016	2034	121.5	128.4	LIBOR + 4.625%
Loan Agreement / Debentures [6]	BRL	Chapada I	2015	2032 2029	115.5	155.2	TJLP + 2.18% / IPCA + 8%
Loan Agreement	EUR	Maritsa	2006	2023	109.1	130.6	EURIBOR + 0.125%
Loan Agreement [5]	EUR	Austria Wind	2013 2020	2027 2033	105.2	71.7	EURIBOR 6M + 2.45% and 4.305% / EURIBOR 3M+1.95% and 4.0% / EURIBOR 6M +1.55%
Loan Agreement	EUR	Arrubal	2011	2021	98.9	128.6	4.9%
Loan Agreement	USD	Cap des Biches	2015	2033	96.3	101.1	USD-LIBOR BBA (ICE)+3.20%
Loan Agreement [4]	BRL	Chapada II	2016	2032	84.8	118.8	TJLP + 2.18%
Loan Agreement	USD	Togo	2008	2028	80.8	88.7	7.16% (Weighted average)
Loan Agreement [4]	BRL	Asa Branca	2011	2030	58.5	83.6	TJLP+ 1.92%
Loan Agreement	USD	KivuWatt	2011	2026	57.2	66.0	LIBOR plus 5.50% and mix of fixed rates
Debentures	BRL	Hydro Brazil Portfolio II	2018	2026	49.9	69.8	CDI +3%, 4.2%
Loan Agreement [6]	EUR	Solar Slovakia	2019	2025	44.4	49.4	Mix of fix and variable rates
Other Credit facilities (individually < $50 million)	Various	Various	2012–2013	2021–2034	153.7	181.3	Mix of fix and variable rates
Total					**4,871.8**	**4,135.7**	

(1) Corporate bond issued by ContourGlobal Power Holdings S.A. in July 2018 for €750 million dual-tranche, it includes €450 million bearing a fixed interest rate of 3.375% maturing in 2023 and €300 million bearing a fixed interest rate of 4.125% maturing in 2025. In July 2019, a new €100 million corporate bond tab was added to the €300 million tranche bearing the same fixed interest rate of 4.125% maturing also in 2025. On December 17, 2020 two new Corporate bond were issued by ContourGlobal Power Holdings S.A. for €410 million aggregate principal amount of 2.75% senior secured notes due in 2026 and €300 million aggregate principal amount of 3.125% senior secured notes due in 2028. On January 6, 2021 the Group redeemed the €450 million ($549.7 million) aggregate principal amount of its 3.375% senior secured notes due 2023.

(2) On 25th November 2019, the Group acquired a Thermal portfolio in Mexico representing a total of 518 MW, new debt was issued at acquisition due in 2026 with an outstanding nominal of $508.5 million at 31st December 2020. The loan bears an interest rate of LIBOR +2.5% maturing in 2026.

(3) On June 20, 2019, ContourGlobal Mediterraneo S.r.l. entered into a €196.0 million facilities agreement with Banco BPM S.p.A., Bayerische Landesbank Anstalt des öffentlichen Rechts, BNP Paribas, Italian Branch, Crédit Agricole Corporate and Investment Bank, Société Générale, Milan Branch and UBI Banca S.p.A. (the "Mediterraneo Facility"), refinancing all the existing Italian Solar Plants facilities. The Facility bears interest at EURIBOR 6-month plus 1.70% per year and matures on December 31, 2030.

(4) Taxa de Juros de Longo Prazo ("TJLP") represents the Brazil Long Term Interest Rate, which was approximately 4.55% at December 31, 2020 (December 31, 2019: 5.57%).

(5) On February 18, 2020, the group signed a loan agreement to refinance our Austria Wind portfolio. The new loan agreement was issued for €35.9 million bearing a rate of 6M EURIBOR + 1.55% maturing in 2033.

(6) On January 26, 2019, the group signed a loan agreement to refinance our Solar Slovak portfolio. The new loan agreement was issued for €51.1 million bearing a mix of fix rate of 0.161% + 1.4% with a variable part bearing a rate of EURIBOR 6M +1.4% maturing in 2025.

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

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

	Years ended December 31	
In $ millions	**2020**	**2019**
US Dollars	1,056.1	1,099.5
Euros [1]	3,382.2	2,442.5
Brazilian Reals	392.0	548.5
Total	**4,830.3**	**4,090.5**
Non-current borrowings	3,895.5	3,787.6
Current borrowings	934.8	302.9
Total	**4,830.3**	**4,090.5**

(1) €450 million corporate bond maturing in 2023 ($549.7 million) shown as current as a result of the refinancing in December 2020 which resulted in a commitment to repay these bonds in January 2021.

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

	Carrying amount		Fair Value	
	Years ended December 31,		Years ended December 31,	
In $ millions	**2020**	**2019**	**2020**	**2019**
Credit facilities	2,720.2	2,909.1	2,817.9	3,005.3
Bonds	2,110.1	1,181.4	2,191.3	1,274.4
Total	**4,830.3**	**4,090.5**	**5,009.2**	**4,279.7**

Net debt as of December 31, 2020 and 2019 is as follows:

	Years ended December 31	
In $ millions	**2020**	**2019**
Cash and cash equivalents	1,396.9	558.5
Borrowings - repayable within one year	(899.7)	(269.4)
Borrowings - repayable after one year	(3,972.1)	(3,866.3)
Interests payable, deferred financing costs and other	41.5	45.2
IFRS 16 liabilities	(32.9)	(33.3)
Net debt	**(3,466.3)**	**(3,565.3)**
Cash and cash equivalents	1,396.9	558.5
Borrowings - fixed interest rates [1]	(4,306.6)	(3,386.3)
Borrowings - variable interest rates	(565.2)	(749.4)
Interests payable, deferred financing costs and other	41.5	45.2
IFRS 16 liabilities	(32.9)	(33.3)
Net debt	**(3,466.3)**	**(3,565.3)**

(1) Borrowings with fixed interest rates taking into account the effect of interest rate swaps.

IFRS 16 lease liabilities were previously not included within the above reconciliation and has been restated accordingly.

In $ millions	Cash and cash equivalents	Borrowings	IFRS 16 liabilities	Total net debt
As of January 1, 2019	**697.0**	**(3,560.1)**	**(27.5)**	**(2,890.6)**
Cash-flows	(174.6)	–	–	(174.6)
Acquisitions / disposals	21.4	(22.0)	–	(0.6)
Proceeds of borrowings	–	(947.5)	–	(947.5)
Repayments of borrowings	–	428.2	–	428.2
Currency translations differences and other [1]	14.7	10.9	–	25.6
IFRS 16 liabilities net movement [3]	–	–	(5.8)	(5.8)
As of December 31, 2019	**558.5**	**(4,090.5)**	**(33.3)**	**(3,565.3)**
Cash-flows	810.6	–	–	810.6
Acquisitions / disposals	–	–	–	–
Proceeds of borrowings	–	(938.9)	–	(938.9)
Repayments of borrowings	–	323.4	–	323.4
Repayments of borrowings and interests to NCI[2]	-	49.5	-	49.5
Currency translations differences and other	27.8	(173.8)	–	(146.0)
IFRS 16 liabilities net movement [3]	–	–	0.4	0.4
As of December 31, 2020	**1,396.9**	**(4,830.3)**	**(32.9)**	**(3,466.3)**

(1) Includes $48 million repayment of shareholders loans principal and interests with NCI presented in the consolidated statement of cash flows on the line "Transactions with non-controlling interest holders, cash paid" related to CSP Spain (note 4.23).

(2) Refers to repayment of shareholders loans principal and interests with NCI included in the consolidated statement of cash flows on the line "Transactions with non-controlling interest holders, cash paid" related to CSP Spain (note 4.23).

(3) IFRS 16 liabilities net movement includes -$3.6 million lease additions (2019: -$13.1 million), $6.8 million lease payments (2019: $7.8 million) and -$2.8 million currency translation adjustment (2019: -$0.5 million). IFRS 16 lease liabilities were previously not included within the above reconciliation and has been restated accordingly.

Debt Covenants and restrictions

The group's borrowing facilities are subject to a variety of financial and non financial covenants. The most significant financial covenants include Debt service coverage ratio; Leverage ratio; Debt to equity ratio; Equity to assets ratio; Loan life coverage ratio and decreasing senior debt to total debt ratio.

Non-financial covenants include the requirement to maintain proper insurance coverage, enter into hedging agreements, maintain certain cash reserves, restrictions on dispositions, scope of the business, and mergers and acquisitions.

These covenants are monitored appropriately to ensure that the contractual conditions are met.

A technical breach in a minor condition regarding the number of authorized offshore bank accounts has been identified in relation to the financing of our Cap des Biches asset. The Company has performed a technical analysis and concluded that it has an unconditional right to defer payment for at least 12 months and hence $96.3 million of debt is presented as non current in line with the contracted repayment schedule.

Securities given

Corporate bond and Revolving Credit Facility at CG Power Holdings level are secured by pledges of shares of certain subsidiaries (ContourGlobal LLC, ContourGlobal Spain Holding Sàrl, ContourGlobal Bulgaria Holding Sàrl, ContourGlobal Latam Holding Sàrl, ContourGlobal Hummingbird UK Holdco I Limited, ContourGlobal Hummingbird US Holdco Inc., ContourGlobal Terra Holdings Sàrl and ContourGlobal Worldwide Holdings Sàrl), and guarantees from ContourGlobal plc, and the above subsidiaries.

Project financing	Facility	Maturity	Security / Guarantee given
CSP Spain (excluding Alvarado)	Long Term Facility	2036	First ranking security interest in the shares of all the entities in the borrower group plus pledge of receivables and project accounts. Assignment of insurances.
CSP Spain Alvarado	Long Term Facility	2029	First ranking security interest in the shares of the borrower group plus pledge of project accounts. Assignment of rights under project contracts.
Inka	Senior secured notes	2034	Pledge of shares of Energia Eolica SA, EESA assets, accounts, assignment of receivables of the project contracts and insurances.
Inka	Letter of Credit Agreement	2021	$8.5m ContourGlobal Plc guarantee to Credit Suisse.
Chapada I	Long Term Facility	2032	Pledge of shares of Chapada I SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances.
Arrubal	Arrubal Term Loan	2021	Pledge of (i) the shares of CG La Rioja, (ii) project accounts, (iii) insurance policies, (iv) receivables on project documents (PPA, Operations & Maintenance, Gas Supply Agreement...), (v) mortgage over the power station and industrial items.
Maritsa	Credit Facility	2023	Pledge of the shares, any dividends on the pledged shares and the entire commercial enterprise of ME-3, including the receivables from the ME-3 PPA.
Vorotan	Long Term Facility	2034	Pledge of shares of ContourGlobal HydroCascade CSJC assets and project accounts, assignment of receivables arising from the project contracts and insurances.
Chapada II	Long Term Facility	2032	Pledge of shares of Chapada II SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances.
Cap des Biches	Credit Facility	2033	Pledge over CG Senegal and CG Cap des Biches Sénégal shares, pledge over the project accounts, charge over the assets of CG Cap des Biches Sénégal, assignment of receivables of CG Cap des Biches Sénégal and the insurance policies, direct agreement on the project contracts.
Togo	Loan agreement	2028	ContourGlobal Plc guarantee on cash shortfall for Debt service, and (i) a pledge of CG Togo LLC and CG Togo SA capital stock, (ii) a charge on equipment, material and assets of CG Togo SA, (iii) the assignment of receivables of CG Togo SA, (iv) the assignment of insurance policies, and (v) a pledge on the project accounts.
Asa Branca	Credit facility	2030	Pledge of shares of Asa Branca Holding SA, pledge of the receivables under the Asa Branca PPA, pledge on certain project accounts, mortgage of assets of the Asa Branca Windfarm Complex, assignment of credit rights under project contracts (EPC, land leases, O&M...).
Energie Europe Wind & Solar	Credit Facilities	2025-30	Pledge of the shares, assets, cash accounts and receivables.
Kivuwatt	Financing Arrangement	2026	– Secured by, among others, (i) KivuWatt Holdings' pledge of all of the shares of KivuWatt held by KivuWatt Holdings, (ii) certain of KivuWatt's bank accounts and (iii) KivuWatt's movable and immovable assets. – ContourGlobal Plc $1.2 million guarantee for the benefit of KivuWatt under the PPA and Gas – Concession to the Government of Rwanda and to Electrogaz (outside of the loan guarantee). – $8.5million UK Plc guarantee to cover DSRA as of December 31,2019.
Hydro Brazil Portfolio II and Solutions Brazil	Debentures	2026	First ranking security interest in the shares of all the entities in the borrower group (ex-minorities) plus pledge of receivables. ContourGlobal plc BRL 60 million guarantee to cover Brasil hydro injunctions risk on ContourGlobal do Brasil Participaçoes SA
Sunburn	Letter of Credit Agreement	2021	On December 22, 2010, a €1.2 million letter of credit facility was entered into to fund obligations under the debt service reserve account (in accordance with the Saint Martin loan agreement). This letter of credit expires in June 2021. No amounts have been recognized in relation to letter of credit in either period.
Chapada III	Long Term Facility	2032	Pledge of shares of Chapada III SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances. Corporate guarantee from ContourGlobal do Brazil Holding Ltda until Financial Completion.
Mexican CHP	Long Term Facility	2026	Pledge of the CGA I and CELCSA shares, assets and accounts, assignment of receivables and insurance policies.

4.25 Other non-current liabilities

In $ millions	December 31 2020	2019
Debt to non-controlling interest [1]	28.6	58.1
Deferred payments on acquisitions [2]	33.5	38.0
Fixed margin liability [3]	–	82.8
IFRS 16 lease liabilities	28.6	28.0
Other [4]	34.2	23.0
Total other non-current liabilities	**124.9**	**229.9**

(1) Debt to non-controlling interests: in 2011, the Group purchased a 73% interest in the Maritsa power plant. NEK owns the remaining 27% of the Maritsa power plant. The shareholders' agreement states that all distributable results available should be distributed to their shareholders, with no unconditional right to avoid dividends. Consequently and in accordance with IAS 32 'Financial Instruments: presentation', shares held by NEK do not qualify as equity instruments and are recorded as a liability to non-controlling interests in the Group's consolidated statement of financial position. The debt to non-controlling interests was recorded at fair value at the date of acquisition (in accordance with IFRS 3) using a discounted cash flow method based on management's best estimate at that date of the future distributable profits to the minority shareholder NEK over the period of the PPA. This debt is discounted using a European risk free rate adjusted for the credit default swap (CDS) spread for Bulgaria. The debt is subsequently held at amortized cost.

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

In $ millions	December 31 2020	2019
Beginning of the year	58.1	69.2
Dividends	(18.9)	(15.0)
Unwinding of discount	3.1	5.4
Reclassification in current liabilities	(17.7)	–
Currency translation adjustments	4.0	(1.5)
End of the year	**28.6**	**58.1**

(1) (2) As of December 31, 2020, deferred payments and earn-outs on acquired entities relate to deferred payments to be made to initial developers of certain Wind Brazil assets ($15.2 millions) and Spain CSP previous owner ($18.3 million). For the Brazil wind assets, the liability is reviewed at each reporting date and is based on a percentage of the projected revenue generated under the current power purchase agreements and for CSP Spain the liability is based on a pre-defined amount.

(2) (3) As of December 31, 2019 a liability was recognized by CHP Mexico representing the estimated net present value of the amounts due to Seller's affiliates in relation to the CFE fixed margin mechanism on certain power purchase agreements. As of December 31, 2020 this liability is recorded in derivative financial instruments.

(3) (4) Mainly relates to contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA for $15.4 million in December 31, 2020 (December 31, 2019: $10.1 million).

4.26 Provisions

In $ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
As of January 1, 2019	**42.7**	**15.9**	**58.6**
Acquired through business combination	0.2	–	0.2
Additions	3.0	5.5	8.5
Unused amounts reversed	(3.3)	(2.8)	(6.1)
Amounts used during the period	(0.1)	(0.3)	(0.4)
Currency translation differences and other	1.4	(1.2)	0.2
As of December 31, 2019	**43.9**	**17.1**	**61.0**
Additions	2.1	3.7	5.8
Unused amounts reversed	(3.1)	(1.4)	(4.5)
Amounts used during the period	–	(1.3)	(1.3)
Currency translation differences and other	2.9	0.2	3.1
As of December 31, 2020	**45.8**	**18.3**	**64.1**

Provisions have been analyzed between current and non-current as follows:

In $ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
Current liabilities	4.6	8.0	12.6
Non-current liabilities	39.3	9.1	48.4
As of December 31, 2019	**43.9**	**17.1**	**61.0**
Current liabilities	1.9	10.4	12.3
Non-current liabilities	43.9	7.9	51.8
As of December 31, 2020	**45.8**	**18.3**	**64.1**

Site decommissioning provisions are recognized based on assessment of future decommissioning costs which would need to be incurred in accordance with existing legislation to restore the sites and expected to occur between 1 and 20 years.

Legal and other provisions include amounts arising from claims, litigation and regulatory risks which will be utilized as the obligations are settled and includes sales tax and interest or penalties associated with taxes.

Legal and other provisions have some uncertainty over the timing of cash outflows.

4.27 Share-based compensation plans

ContourGlobal long-term incentive plan

On 11 August 2020, a third grant of performance shares was made under the long term incentive plan ("LTIP") with awards over a total of 2,137,665 ordinary shares of 1 pence in ContourGlobal plc granted to eligible employees (the "participants"). These shares will vest on 11 August 2023 subject to the participant's continued service and to the extent to which further performance conditions set out below for the awards are satisfied over the period of three years commencing on 1 January 2020 and, ordinarily, ending on 31 December 2022 (the "Performance Period"):

(i) EBITDA condition: 50.0 % of award to the compounded annual growth rate of the Company's EBITDA over the Performance Period.
(ii) IRR condition: 12.5 % of award to the internal rate of return on qualifying Company projects over the Performance Period.
(iii) LTIR condition: 25.0 % of award to the lost time incident rate of the Company over the Performance Period.
(iv) Project milestones condition: 12.5 % of award to the number of corporate milestones completed on qualifying projects conditions over the Performance Period.

The long term incentive plans are considered as equity-settled share-based incentives, with the related share based payment expense presented within selling, general and administrative expenses in the consolidated statement of income.

These LTIP awards have been valued using the Monte Carlo model and the resulting share-based payments charge is being spread evenly over the period between the grant date and the vesting date (36 months). The fair value of the award at the grant date was estimated to be $0.94 per share.

Key assumptions valuing these awards were:

Vesting period	3 years
Expecting vesting	75%
Expected volatility	2020: 23.1%
Risk-free interest rate	2020: (0.05)%

Dividend yield of 0% has been assumed since grantees are compensated for dividends under clause 6.3 of the Long-Term Incentive Plan.

Expected volatility is a measure of the amount by which the Group's shares are expected to fluctuate during the life of an option.

Including in this grant, restricted shares were granted under the long term incentive plan ("LTIP") with awards over a total of 41,496 ordinary shares of 1 pence in ContourGlobal plc granted to eligible employees (the "participants"). These shares will vest on 11 August 2023 subject to the participant's continued service.

The Group's total charge for equity-settled share-based incentives for the year of $1.9 million (2019: $1.3 million) has been included within selling, general and administrative expenses in the consolidated statement of income.

The movements on awards made under the LTIP are as follows:

	Number of shares
Outstanding as of December 31, 2018	**1,553,753**
Granted during the year	**2,486,318**
Forfeited	**(415,619)**
Vested	**–**
Outstanding as of December 31, 2019	**3,624,452**
Granted during the year	2,137,665
Forfeited	(334,551)
Vested	**–**
Outstanding as of December 31, 2020	**5,427,566**

Deferred bonus

Certain employees of the group are eligible to receipt of deferred bonus awards as determined by the Remuneration Committee representing 20% of the individual's total bonus based on performance in the previous year. These awards have a normal vesting period of two to three years with the recipient required to remain with the company over the vesting period otherwise leading to forfeiture of the award in the event of termination of employment. On 11 August 2020, a total of 120,628 deferred bonus shares were awarded to employees with a vesting date of 9 March 2022.

Private Incentive Plan

The President & CEO ("CEO"), along with certain members of the ContourGlobal management team, have interests in a 'Private Incentive Plan' (PIP). This is a legacy equity arrangement established by Reservoir Capital (the major shareholder in the Company) and no new allocations will be made under this plan. The Company is not a party to the PIP and has no financial obligation, or obligation to issue shares, in connection with it, although it is required to recognize the plan as an expense in accordance with IFRS 2. All shares that might be delivered under the award will be funded by Reservoir Capital.

While the allocations and terms of the President & CEO's award were substantially agreed prior to IPO, Reservoir Capital finalized the implementation of the CEO award on 27 December 2018 and of other managers awards in January 2019. The charge is recognized in the consolidated statement of income within the line item "Other operating income/expense – net" and is excluded from the Adjusted EBITDA calculation as it does not constitute a present or future liability nor a cash out for the Company and will be fully funded or settled through existing Reservoir Capital shareholdings in the Company.

The award is in the form of partnership units in Contour Management Holdings LLC which is a partner in ContourGlobal L.P. (the limited partnership through which Reservoir Capital owns shares in the Company). The award comprises Class S units, Class C units and Class B units. All units deliver an award of shares in ContourGlobal plc.

Under the terms of the PIP, those units entitle the award-holders to have shares in the Company delivered to them if certain financial performance conditions are achieved.

The CEO's and other beneficiaries' holding of units in ContourGlobal L.P. is as follows:

Basis of awards	
Class S Units	Up to 10,475,657 ContourGlobal plc shares (excluding the impact of any accrued dividends)
Class C Units Class B Units	Value share between management and Reservoir Capital Group

The terms of the value share between management and Reservoir Capital are based on a "waterfall" which operates broadly as follows:

(i) Class S Units are similar in nature to a restricted stock award, subject to an underpin share price. At final allocation, Reservoir Capital Group set the underpin share price for the Class S units at $2.23 (£1.74), rather than the £2.57 threshold referred to in the Prospectus, to reflect the share price at the time of final allocation.
(ii) Class C Units are based on sharing 12% of value above a 6% p.a. threshold on $2.0 billion of total value to ContourGlobal L.P., but after deducting value arising from Class S Units.
(iii) Class B Units are based on sharing 18% of value above a 9% p.a. threshold on $2.4 billion of total value to ContourGlobal L.P., but after deducting value arising from Class C Units and Class S Units. The Class B Units also have a catch-up feature that, at valuations significantly above the threshold value, allow management to receive additional value.

The Company was notified that the financial performance condition in respect of the Class S Units was tested on 27 December 2020 (based on closing share price of 207p on the 24th December) and consequently shares were transferred from Reservoir Capital Group's holding of shares in ContourGlobal plc (through ContourGlobal L.P.) to Contour Management Holdings LLC.

The Class S unit financial performance condition was a share price underpin of $2.23 (threshold) to $2.28 (maximum), assuming no dividends. The number of shares transferred relevant to Mr Brandt's Class S Unit award (including the impact of accrued dividends) was determined to be 7,403,453. ContourGlobal L.P also transferred cash to Contour Management Holdings LLC relating to the dividend payable on 29 December 2020 for these shares. Transfers from Contour Management Holdings LLC are conditional on Reservoir Capital disposing of all its ordinary shares in ContourGlobal plc. Other transfers of shares in the Company totaling 3,339,531 shares were also made by ContourGlobal L.P. to Contour Management Holdings LLC in connection with the vesting of Class S units held by other current and former members of management of the Company.

Class C units and Class B units are structured as a value share between management and Reservoir Capital Group, and deliver an award of ContourGlobal plc shares subject to certain thresholds after deducting the value arising from the Class S units. Distributions from Class C units and Class B units are subject to Reservoir Capital Group realizing value from its investment in ContourGlobal plc, and the scheme stays in effect until Reservoir Capital Group has disposed of all its ordinary shares in ContourGlobal plc. Class C and Class B units are fully vested and are not forfeitable

Further details of the PIP and of the award can be found in the Company's 2020 Directors' Remuneration Report.

As of 31 December 2020, in accordance with IFRS 2, the Company recognized an expense of $6.6 million in relation with the PIP ($9.1 million in 2019) recognized within other operating expense in the income statement.

4.28 Trade and other payables

	December 31	
In $ millions	**2020**	**2019**
Trade payables	67.6	77.3
Accrued expenses	266.1	258.8
Trade and other payables	**333.7**	**336.1**

4.29 Other current liabilities

	December 31	
In $ millions	**2020**	**2019**
Deferred revenue	5.6	6.1
Deferred payment on acquisition [(1)]	1.2	21.6
Other taxes payable	34.6	33.5
IFRS 16 lease liabilities	4.3	5.3
Other [(2)]	149.1	111.5
Other current liabilities	**194.8**	**178.0**

(1) Relates to the deferred payment of the renewable portfolio in Brazil as of December 31, 2020 and to deferred payment of the renewable portfolio in Europe, Brazil and Mexico as of December 31, 2019.

(2) Mainly relates to contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA for $47.1 million in December 31, 2020 (December 31, 2019: $44.2 million), other regulatory obligations for hydro assets related to the Generation scaling factor (GSF) for $18.2 million in December 31, 2020 (December 31, 2019: $18.9 million), Maritsa current portion of the non-controlling interest debt for $17.7 million in December 31, 2020 (December 31, 2019: nil) and Maritsa CO2 quota for $28.0 million in December 31, 2020 (December 31, 2019: $20.3 million).

(3) In the case of the shortfall and penalties for the Brazilian wind assets, there is limited estimation uncertainty as the shortfall and penalties are calculated based on factual information on actual power generated.

4.30 Group undertakings

ContourGlobal PLC owns (directly or indirectly) only ordinary shares of its subsidiaries. There are no preferred shares scheme in place in the Group.

ContourGlobal plc		United Kingdom	116 Park Street 7th Floor, London, United Kingdom, W1K 6SS

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal Hydro Cascade CJSC	100%	Armenia	AGBU building; 2/2 Meliq-Adamyan str.,0010 Yerevan, Armenia
ContourGlobal erneuerbare Energie Europa GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark HAGN GmbH	95%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark HAGN GmbH & Co KG	95%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark Deutsch Haslau GmbH	62%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Zistersdorf Ost GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Berg GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Scharndorf GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Trautmannsdorf GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Velm GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Management Europa GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Wind Holding GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Development GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Maritsa East 3 AD	73%	Bulgaria	48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
ContourGlobal Operations Bulgaria AD	73%	Bulgaria	TPP ContourGlobal Maritsa East 3, Mednikarovo village 6294, Galabovo District, Stara Zagora Region, Bulgaria
ContourGlobal Management Sofia EOOD	100%	Bulgaria	48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
Galheiros Geração de Energia Elétrica S.A.	77%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, São Paulo 04542-000, Brazil
Santa Cruz Power Corporation Usinas Hidroelétricas S.A.	72%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, Itaim Bibi , São Paulo 04542-000, Brazil
Contour Global Do Brasil Holding Ltda	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Contour Global Do Brasil Participações Ltda	80%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Abas Geração de Energia Ltda.	100%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, São Paulo 04542-000, Brazil
Ventos de Santa Joana IX Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Calcedônia Geração de Energia Ltda.	100%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, São Paulo 04542-000, Brazil
Ventos de Santa Joana X Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XI Energias Renováveis S.A	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Ventos de Santa Joana XII Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XIII Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XV Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XVI Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Asa Branca Holding S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Tespias Geração de Energia Ltda.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Asa Branca IV Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Asa Branca V Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Asa Branca VI Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Asa Branca VII Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Asa Branca VIII Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Ventos de Santa Joana I Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santa Joana III Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santa Joana IV Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km 08 ,Sala 182 , Distrito Industrial – Maracanaú – CE
Ventos de Santa Joana V Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santa Joana VII Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santo Augusto IV Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Chapada do Piauí I Holdings S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Ventos de Santo Augusto III Energias Renováveis S.A.	100%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santo Augusto V Energias Renováveis S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
ContourGlobal Desenvolvimento S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31 São Paulo 04542-000, Brazil
Chapada do Piauí II Holding S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Chapada do Piauí III Holding S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Capuava Energy Ltda	80%	Brazil	Av. Presidente Costa e Silva, 1178, parte, Santo André/
Afluente Geração de Energia Eletrica S.A.	80%	Brazil	Praia do Flamengo, 70 – 1º andar Rio de Janeiro – RJ
Goias Sul Geração De Energia S.A.	80%	Brazil	Praia do Flamengo, 70 – 2º andar, parte. Rio de Janeiro – RJ
RIO PCH I S.A.	56%	Brazil	Praia do Flamengo, 70 – 4º andar Rio de Janeiro – RJ
Bahia PCH I S.A.	80%	Brazil	Praia do Flamengo, 70 – 6º andar, parte. Rio de Janeiro – RJ
ContourGlobal LATAM S.A.	100%	Colombia	Carrera 7 No. 74-09, Bogota, Colombia
ContourGlobal Solutions Holdings Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
ContourGlobal Solutions Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
Selenium Holdings Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
ContourGlobal La Rioja, S.L	100%	Spain	Arrúbal Power Plant, Polígono Industrial El Sequero, 26150 Arrúbal, La Rioja, Spain.

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Contourglobal Termosolar Operator S.L.	100%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
ContourGlobal Termosolar, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Rústicas Vegas Altas, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Termosolar Majadas, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Termosolar Palma Saetilla, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Termosolar Alvarado, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Crasodel Spain SL	100%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Energies Antilles	100%	France	8, Avenue Hoche 75008 Paris
Energies Saint-Martin	100%	France	8, Avenue Hoche 75008 Paris
ContourGlobal Saint-Martin SAS	100%	France	5 Rue du Gal de Gaulle, 8 Immeuble le Colibri Marigot,97150 Saint-Martin
ContourGlobal Management France SAS	100%	France	Immeuble Imagine 20-26 boulevard du Parc 92200 Neuilly-sur-Seine
ContourGlobal Worldwide Holdings Limited	100%	Gibraltar	Hassans, Line Holdings Limited, 57/63 Line Wall Road, Gibraltar
ContourGlobal Helios S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Solar Holdings (Italy) S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Oricola S.r.l.	100%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Solutions (Italy) S.R.L.	100%	Italy	Via Cusani 5, Milan 20121, Italy
Portoenergy S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Barone S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Camporeale S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Contourglobal Mediterraneo S.r.l	51%	Italy	Via Cusani 5, Milan 20121, Italy
PVP 2 S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Sarda S.r.l	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Kaggio S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Aquila S.r.l.	51%	Italy	Contrada Piana del Signore s.n.c. 93012 Gela (CL)
ContourGlobal Energetica S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Eight Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Green Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Industrial Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Light Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal One Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Sole Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Tracker Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Sungea S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Rinnovabili Bari Max S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Solar 6 S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Solar Realty S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Solar 5 S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
BS Energia New S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Campoverde Societa' Agricola S.R.L.	100%	Italy	Via Cusani 5, Milan 20121, Italy
Ecoenergia S.R.L. - Societa' Agricola	100%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Management Italy S.R.L.	100%	Italy	Via Cusani 5, Milan 20121, Italy
Interporto Solare S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Kosovo L.L.C.	100%	Kosovo	Anton çeta 5a 1000 Pristina Republic of Kosovo

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal Luxembourg S.àr.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
Kani Lux Holdings S.à r.l.	80%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Africa Holdings S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Bulgaria Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Latam Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
Vorotan Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 2 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 3 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Development Holdings S.à r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 5 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 6 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Solutions Holdings S.a.r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Senegal Holdings S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra Holdings S.à r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Power Holdings S.A.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Worldwide Holdings S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 1 S.à.r.l	51%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 2 S.à.r.l	51%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 3 S.à.r.l	51%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain O&M HoldCo S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Intermediate O&M S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Ursaria 3 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 7 S.à.r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal Mirror 4 S.à.r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
Aero Flash Wind, S.A.P.I. DE C.V.	75%	Mexico	Mexico City, Mexico / Tax Address : Ciudad de Tecate, Baja California
ContourGlobal holding de generación de energía de México	100%	Mexico	Monterrey, Estado de Nuevo Leon, Mexico
ContourGlobal Servicios Administrativos de generación	100%	Mexico	Monterrey, Estado de Nuevo Leon, Mexico
ContourGlobal Servicios Operacionales de México	100%	Mexico	Monterrey, Estado de Nuevo Leon, Mexico
Cogeneración de Altamira, S.A. DE C.V.	100%	Mexico	San Pedro Garza Garcia, Nuevo Leon, Mexico
Cogeneración de Energía Limpia De Cosoleacaque S.A De C.V.	100%	Mexico	San Pedro Garza Garcia, Nuevo Leon, Mexico
KivuWatt Holdings	100%	Mauritius	4th Floor, Tower A, 1CyberCity, c/o Citco (Mauritius) Limited, Ebene, Mauritius
ContourGlobal Solutions (Nigeria) Ltd	100%	Nigeria	St. Nicholas House, 10th Floor, Catholic Mission Street, Lagos, Nigeria
ContourGlobal Solutions Nigeria Holdings B.V.	100%	Netherlands	Keplerstraat 34, Badhoevedorp 1171CD, Netherlands
Contourglobal Bonaire B.V.	100%	Netherlands	Kaya Carlos A. Nicolaas 3 , Bonaire, Netherlands
Energía Eólica S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
ContourGlobal Peru SAC	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
Energía Renovable Peruana S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
Energía Renovable del Norte S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
ContourGlobal Solutions (Poland) Sp. Z o.o.	100%	Poland	ul. Przemyslowa 2A, Radzymin 05-250 - Poland
ContourGlobal Paraguay Holdings SA	100%	Paraguay	Simon Bolivar, # 914 casi Parapiti, Asuncion, Paraguay
ContourGlobal Solutions (Ploiesti) S.R.L.	100%	Romania	Ploeisti, 285 Gheorge Grigore, Cantacuzino street, Prahova County, Ploeisti, Romania
Petosolar S.R.L.	100%	Romania	7 Ghiocei street, ap. 1, Panciu locality, Panciu city, Vrancea county, Romania
Kivu Watt Ltd	100%	Rwanda	Plot 9714, Nyarutarama, P. O. Box 6679, Kigali, Rwanda
RENERGIE Solarny Park Holding SK I a.s.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
PV Lucenec S.R.O.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Rimavské Jánovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Dulovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Gemer s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Hodejov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Jesenské s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Nižná Pokoradz s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Riečka s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Rohov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Starňa s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Včelince 2 s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Hurbanovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
AlfaPark s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Druhá slnečná s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
SL03 s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Bánovce nad Ondavou s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Bory s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Budulov s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Kalinovo s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
ZetaPark Lefantovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny Lefantovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
RENERGIE Solárny park Michalovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Nižný Skálnik s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Otročok s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Paňovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Gomboš s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Rimavská Sobota s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Horné Turovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Uzovská Panica s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Zemplínsky Branč s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
ZetaPark s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
ContourGlobal Cap des Biches Senegal S.à r.l.	100%	Senegal	2, Place de L'Indépendance, Dakar, BP 23607, Senegal
ContourGlobal Togo S.A.	80%	Togo	Route D'Aného, Baguida, BP 3662 , Lomé - Togo
ContourGlobal Services Africa S. à r.l.	100%	Togo	Immeuble SCI – Direction de l'administration pénitentiaire & de la réinsertion – Angle Rue Agbata, Boulevard du 13 Janvier – 01 BP 3662, Lomé -TOGO
AMC Energy LLC	75%	Ukraine	02125 ,1 Prospect Vyzvolyteliv, Kiev, Ukraine
ContourGlobal Solutions Ukraine LLC	100.0	Ukraine	32, Konstantiniska street, 04071 Kiev, Ukraine
ContourGlobal Solutions (Northern Ireland) Limited	100%	United Kingdom	6th Floor Lesley Tower, 42-26 Fountain Street, Belfast BT1 5EF, Ireland
ContourGlobal Europe Limited	100%	United Kingdom	116 Park Street 7th Floor, London, United Kingdom, W1K 6SS
Contour Global Hummingbird UK Holdco I Ltd	100%	United Kingdom	116 Park Street 7th Floor, London, United Kingdom, W1K 6SS
Contour Global Hummingbird UK Holdco II Ltd	100%	United Kingdom	116 Park Street 7th Floor, London, United Kingdom, W1K 6SS
Contour Global LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
Contour Global Management Inc	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
ContourGlobal Services Brazil LLC	100%	US	650 Fifth Ave - 17th Fl., New York, New York 10019
ContourGlobal Togo LLC	100%	US	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808
ContourGlobal A Funding LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
ContourGlobal Senegal Holdings LLC	100%	US	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808
ContourGlobal Senegal LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
CG Solutions Global Holding Company LLC	100%	US	Corporation Trust Center, 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
Contour Global Hummingbird US Holdco Inc	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711

Investments in associates accounted

under the equity method:	Ownership	Country of incorporation	Registered address
TermoemCali I S.A. E.S.P.	37%	Colombia	Carrera 5A Nº 71-45, Bogotá, Colombia
Compañía Eléctrica de Sochagota S.A. E.S.P.	49%	Colombia	Carrera 14 No. 20-21 Local 205A, Plaza Real, Tunja, Colombia
Evacuacion Villanueva des Rey, S.L.	18%	Spain	Calle Orense 34, 7ª planta, 28020 Madrid, Spain

Related party disclosure

ContourGlobal L.P. and Reservoir Capital Group

As of December 31, 2020 ContourGlobal plc and its subsidiaries have no significant trading relationship with the Group's main shareholder, ContourGlobal L.P., and Reservoir Capital Group which ultimately controls ContourGlobal L.P.

Key management personnel

Compensation paid to key management (executive and non-executive committee members) amounted to $15.2 million in December 31, 2020 (December 31, 2019: $16.1 million).

	Years ended December 31	
In $ millions	**2020**	**2019**
Salaries and short term employee benefits	4.6	4.8
Termination benefits		-
Post employment benefits	0.1	-
Profit-sharing and bonus schemes	2.0	1.2
Private incentive plan [(1)]	6.6	9.1
Non-executive Directors' emoluments	0.8	0.8
Other share based payments	1.1	0.2
Total	**15.2**	**16.1**

(1) Refer to note 4.27 Share-based compensation plans

4.32 Financial commitments and contingent liabilities

a) Commitments

The Group has contractual commitments with, among others, equipment suppliers, professional service organizations and EPC contractors in connection with its power projects under construction that require payment upon reaching certain milestones.

As of December 31, 2020, the Group has completed its Maritsa construction projects and had $1.2 million of firm purchase commitments of property plant and equipment outstanding in connection with its facilities. The Group has also contractual arrangements with Operating and Maintenance (O&M) providers and transmission operators as it relates to certain of its operating assets. Maritsa has a long-term Lignite Supply Agreement (LSA) with Maritsa Iztok Mines (MMI) for the purchase of lignite. According to the agreement, Maritsa has to purchase minimum monthly quantities, amounting to 6,187 thousand standard tons per calendar year. The total commitment through the remaining term of the LSA (February 2024) is 19,077 thousand standard tons, equal to $196.6 million at December 2020 prices ($10.31 per standard ton), as compared to 25,264 thousand standard tons equal to $239.0 million at the end of 2019 ($9.46 per standard ton). In the event of a failure on the part of CG Maritsa East 3 AD (ME-3) to take a minimum monthly quantity in any month, ME-3 shall, except in cases caused by Force Majeure and certain actions of Bulgarian authorities as described in the contract, pay to MMI an amount equal to the difference between (i) the aggregate amount paid or payable in respect of lignite delivered during such month and (ii) the aggregate amount that would have been payable had the minimum monthly quantity been taken during such month.

Pursuant to Vorotan acquisition, the Group has agreed to refurbish the hydro power plants and intends to invest approximately €71.8 million ($87.7 million) over four years in a refurbishment program started in 2017 to modernize Vorotan and improve its operational performance, safety, reliability and efficiency. As of December 31, 2020 Vorotan disbursed €37.7 million ($46.1 million) out of the €51.0 million ($62.3 million) of loan of which €0.9 million ($1.1 million) was an advance payment to the EPC contractors.

The Group has also agreements related to our Austria Wind project repowering started in 2017. As of December 31, 2020 we are committed to purchase €45.7 million ($55.8 million) worth of equipment and installation in the years 2021 and 2022.

b) Contingent liabilities

The Group has contingent liabilities in respect of legal and tax claims arising in the ordinary course of business. The Group reviews these matters in consultation with internal and external legal counsel to make a determination on a case-by-case basis whether a loss from each of these matters is probable, possible or remote. These claims involve different parties and are subject to substantial uncertainties.

Operation & Maintenance contractor litigation (Energies Antilles)

In 2015, a €5 million legal claim was brought against EA by the O&M contractor in relation to cost overruns following changes in French labor laws ("IEG status"—Industries Electriques et Gazières). On 21st September 2018, judgment was rendered by the Commercial Court of Paris in favor of the O&M contractor. The Commercial Court appointed an expert to determine the amount of costs for which EA should be liable, as opposed to those costs that were attributable to the O&M contractor's management decisions. Several meetings with the expert have already taken place. In parallel with the expert proceeding, EA appealed before the Paris Court of Appeal against the Commercial Court's decision on legal grounds. To date, the expert has

not yet issued his report as to the costs for which EA should be liable and the decision of the Appeal is expected in the first half of 2021. No provision has been recorded as of 31st December 2020 in relation to the above claim as the Group considers it is not possible to make a reliable estimate of amounts that may be due to the O&M contractor and there is also a possibility of no liability occurring.

Kivuwatt arbitration (KivuWatt Ltd)
REG, which replaced its subsidiary Energy Utility Corporation (EUCL) as the claimant in an ad hoc arbitration under the arbitration rules of the United Nation Commission on International Trade Law (UNCITRAL), claims damages provisionally quantified at approximately $80 million allegedly arising from KivuWatt's alleged delay in entering into commercial service.

KivuWatt contests REG's right to any damages over and above the $1.2 million cap in liquidated damages provided for in the Power Purchase Agreement and already paid by KivuWatt.

No provision has been recorded as of 31st December 2020 in relation to the above claims as the Group considers that it is less than probable that liabilities will arise from these claims.

Solar Italy insurance claim
A fire occurred in September 2018 on a portion of a photovoltaic plant owned by the Group in Italy located on the rooftop of an industrial building owned by a third-party and caused damage to the facility below. In 2019, the third-party's insurers have claimed €6.9 million ($8.3 million).

No provision has been recorded as of 31st December 2020 in relation to the above claim as the Group considers that it is less than probable that the Group could be held liable and there are reasonable grounds to believe that any such liability will be covered by the insurance policy.

Mexico CHP wheeling charges
The injunction granted in the context of the Amparo lawsuit in Mexico described in note 2.4 was conditional upon submission of monthly guarantees (bonds) to the court to cover the difference between the former wheeling fees and the new ones. These guarantees amount to $15.9 million as of December 31, 2020.

As an unfavorable outcome is considered unlikely, a contingent liability has been disclosed in relation to the guarantees opposed to a provision. Further, in the unlikely event that the wheeling fees increase is confirmed in the final judgement, the Company will recharge most of the increased fees to the related offtakers and will incur additional wheeling fees below $2 million in relation to the year ended 31 December 2020.

Togo new claim
ContourGlobal Togo received in late December 2020 a notification from CEET (offtaker of the power purchase agreement) and the Republic of Togo regarding certain alleged breaches of the power purchase agreement and concession agreement, respectively, questioning the performance of the Togo Plant and alleging overpayment of $34 million under "take or pay" provisions. The risk of a liability to CEET is assessed as possible and no provision has been recognized as of 31 December 2020.

Taxes
Judgement is sometimes required in determining how to account for indirect or direct tax positions where the ultimate tax determination is uncertain. These positions include areas such as the tax deductibility or treatment of certain costs (in particular, of one-off items that might arise on an acquisition, disposal or internal restructuring), the pricing of goods or services provided between group companies and the application of local tax law within each territory in which the group operates. Liabilities are recognized in accordance with relevant accounting standards based on management's best estimate of the outcome, having taken advice where it is considered appropriate to do so. However, if the Group is challenged by local tax authorities, it is possible that the final outcome of these matters may be different from the amounts recorded and additional expenses may be recognized in later periods. The Group is not currently subject to any tax audit where it is considered there is a more than remote probability of a material tax adjustment where we have not provisioned and the risk of a material adjustment to tax provisions within the next 12 months is not considered to be significant.

c) Leasing activities

Operating lease as a lessor

The Group is lessor under non-cancellable operating leases. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

In $ millions	Years ended December 31 2020	2019
Minimum lease payments receivable		
No later than 1 year	21.9	32.7
Later than 1 year and no later than 5 years	61.6	79.3
Later than 5 years	13.4	23.2
Total	**96.9**	**135.2**

The property, plant and equipment related to the assets as the operating lease as a lessor relates to Solutions plants and Energie Antilles on the year ended December 31, 2020 as follows.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	6.2	228.6	0.2	0.2	60.4	295.6
Accumulated depreciation and impairment	–	(121.9)	–	(0.1)	(21.1)	(143.1)
Carrying amount as of January 1, 2020	**6.2**	**106.7**	**0.2**	**0.1**	**39.3**	**152.5**
Additions	–	0.8	1.1	0.1	0.9	2.9
Disposals	–	(0.9)	–	–	–	(0.9)
Reclassification	–	0.9	(0.6)	–	0.5	0.8
Currency translation differences	(1.4)	(18.6)	–	–	(8.3)	(28.3)
Depreciation charge	–	(5.6)	–	(0.1)	(3.4)	(9.1)
Closing net book amount	4.8	83.3	0.7	0.1	29.0	117.9
Cost	4.8	208.9	0.7	0.1	50.0	264.5
Accumulated depreciation and impairment	–	(125.6)	–	–	(21.0)	(146.6)
Carrying amount as of December 31, 2020	**4.8**	**83.3**	**0.7**	**0.1**	**29.0**	**117.9**

The property, plant and equipment related to the assets as the operating lease as a lessor relates to Solutions plants and Energie Antilles on the year ended December 31, 2019 as follows.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	6.5	232.0	0.6	–	57.6	296.7
Accumulated depreciation and impairment	–	(116.9)	–	–	(17.4)	(134.3)
Carrying amount as of January 1, 2019	**6.5**	**115.1**	**0.6**	**–**	**40.2**	**162.4**
Effect of change in accounting standard [1]	–	–	–	0.2	–	0.2
Carrying amount as of January 1, 2019 (restated)	6.5	115.1	0.6	0.2	40.2	162.6
Additions	–	1.4	0.3	–	4.7	6.4
Disposals	–	(0.5)	(0.1)	–	(0.5)	(1.1)
Reclassification	–	0.8	(0.6)	–	0.8	1.0
Currency translation differences	(0.3)	(3.6)	–	–	(1.5)	(5.4)
Depreciation charge	–	(6.5)	–	(0.1)	(4.4)	(11.0)
Closing net book amount	6.2	106.7	0.2	0.1	39.3	152.5
Cost	6.2	228.6	0.2	0.2	60.4	295.6
Accumulated depreciation and impairment	–	(121.9)	–	(0.1)	(21.1)	(143.1)
Carrying amount as of December 31, 2019	**6.2**	**106.7**	**0.2**	**0.1**	**39.3**	**152.5**

(1) With the implementation of IFRS 16 on 1 January 2019, right of use assets amounting to $0.2 million were recognized. The right of use assets mainly relates to office space.

Finance lease as a lessor

The future aggregate minimum lease payments under non-cancellable finance leases (relating to our operation of Energies Saint Martin) are as follows:

	Years ended December 31	
In $ millions	**2020**	**2019**
Minimum lease payments receivable		
No later than 1 year	6.0	5.5
Later than 1 year and no later than 5 years	12.1	16.6
Later than 5 years	–	–
Gross investment in the lease	**18.1**	**22.1**
Less: unearned finance income	(2.9)	(4.4)
Total	**15.2**	**17.7**

	Years ended December 31	
In $ millions	**2020**	**2019**
Analyzed as:		
Present value of minimum lease payments receivable:		
No later than 1 year	5.6	5.1
Later than 1 year and no later than 5 years	9.6	12.6
Later than 5 years	–	–
Total	**15.2**	**17.7**

4.33 Guarantees and letters of credit

The Group and its subsidiaries enter into various contracts that include indemnification and guarantee provisions as a routine part of the Group's business activities. Such contracts generally indemnify the counterparty for tax, environmental liability, litigation, and other matters, as well as breaches of representations, warranties, and covenants set forth in the agreements. In many cases, the Group's maximum potential liability cannot be estimated, since some of the underlying agreements contain no limits on potential liability. The Group considers outflow relating to these guarantees to be remote and therefore no fair value liability has been recognized.

The Group also acts as guarantor to certain of its subsidiaries and obligor with respect to some long-term arrangements contracted at project level.

For the financial guarantees and letters of credit, refer to note 4.24 Borrowings.

4.34 Statutory Auditors' fees

In $ millions	Years ended December 31 2020	2019
Fees payable to the Group's auditors for the audit of the Group's annual accounts and consolidated financial statements	1.3	1.3
Fees payable to the Group's auditors and its associates for other services:		
– The audit of the Group's subsidiaries	1.0	1.4
– Audit- related assurance services	0.4	1.1
– Other assurance services	0.6	0.4
– Tax compliance services	–	–
– Tax advisory services	–	–
– Other non-audit services	–	–
Total (net of out of pocket expenses)	**3.3**	**4.2**

4.35 Subsequent events

On January 6, 2021 the Group redeemed the €450 million ($549.7 million) aggregate principal amount of its 3.375% senior secured notes due 2023, refer to note 4.24 Borrowings.

On February 18, 2021 the group announced the closing of the acquisition of the 1,502 MW portfolio of six contracted operating power plants located in the United States and Trinidad and Tobago from Western Generation Partners, LLC. The consideration for the Acquired Assets is $837 million on a debt free, cash free basis and the Group will assume approximately $207.3 million of existing project net debt with the Acquired Assets.

On 29 January 2021, the president of the United Mexican States submitted before the Mexican Chamber of Representatives (Cámara de Diputados) a preferential initiative intended to modify several provisions of the Power Industry Law (Ley de la Industria Eléctrica) ("LIE"). One of the proposed changes is to modify the order in which electricity is dispatched to the system, which would favor the State-owned power plants and may have an adverse impact on future revenues and profits in our Mexican assets, and the LIE would also allow for CRE to revoke self supply permits benefitting legado generators in cases where they were fraudulently procured. After an express parliamentary process, the reform has been enacted on 10 March 2021. The Group has engaged external advisors who have indicated that the proposed changes are unconstitutional and are preparing amparo claims to challenge the reform. The Group is currently assessing the potential financial impacts for our CHP Mexico assets.

Company balance sheet

At 31st December 2020

In $ millions	Note	2020	2019
Fixed assets			
Investments	6	1,642.1	1,642.1
Current assets			
Debtors	7	3.9	6.1
Cash at bank and in hand		5.0	12.9
		8.9	**19.0**
Creditors: amounts falling due within one year	8	(3.7)	(3.8)
Net current assets		**5.2**	**15.2**
Net assets		**1,647.3**	**1,657.3**
Capital and reserves	9		
Called-up share capital		8.9	8.9
Share premium account		380.8	380.8
Treasury shares		(30.4)	–
Retained earnings and other reserves		1,288.0	1,267.7
Total shareholders' funds		**1,647.3**	**1,657.3**

The Company's profit for the year ended 31 December 2020 was $124.2 million (2019: $147.3 million).

The financial statements on pages 222 to 227 were approved and authorized for issue by the board and were signed on its behalf by:

Joseph C. Brandt
Director

18 March 2021

Registered Number: **10982736**

Company statement of changes in equity

For the year ended 31 December 2020

in $ millions	Called-up share capital	Share premium account	Treasury shares	Retained earnings and other reserves	Total
At 31st December 2018	8.9	380.8	–	1,256.6	**1,646.3**
Share based payments [1]	–	–	–	1.3	1.3
Dividends distribution [2]	–	–	–	(137.6)	(137.6)
Profit for the year	–	–	–	147.3	147.3
At 31st December 2019	**8.9**	**380.8**	**–**	**1,267.6**	**1,657.3**
Share based payments [1]	–	–	–	1.9	1.9
Dividends distribution [2]	–	–	–	(105.7)	(105.7)
Treasury shares [3]	–	–	(30.4)	–	(30.4)
Profit for the year	–	–	–	124.2	124.2
At 31st December 2020	**8.9**	**380.8**	**(30.4)**	**1,288.0**	**1,647.3**

(1) Includes CEO deferred bonus award and Long Term Investing Plan impact on equity.

(2) During the year ended 31 December 2020 the Group paid dividends of $24.8 million on April 9, 2020, $27.1 million on June 26, 2020, $27.0 million on September 25, 2020 and $26.8 million on December 29, 2020. During the year ended 31st December 2019 the Group paid dividends of $63.3 million on 24th May 2019, $24.75 million on each of the following dates 18th June 2019, 3rd September 2019 and 24th December 2019. For further details on dividends paid, refer to page 200 of the Group's financial statements.

(3) See note 10.

Notes to the Company financial statements

1. General information

ContourGlobal plc is a public limited company which is listed on the London Stock Exchange and is domiciled in the United Kingdom and incorporated in England and Wales under the Companies Act 2006. The Company was incorporated on 26 September 2017 and adopted FRS 102 from that date.

2. Statement of compliance

The financial statements of ContourGlobal plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied throughout the period presented.

3.1. Basis of preparation

The Company financial statements have been prepared under the historical cost convention. The current year financial information presented is for the year ended 31 December 2020, and the comparative for the year ended 31 December 2019.

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are set out below. The financial statements have been prepared on the going concern basis under the historical cost convention.

As permitted by Section 408 of the Companies Act 2006, an entity profit and loss account is not included as it is part of the published consolidated financial statements of ContourGlobal plc.

3.2 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following FRS 102 disclosure exemptions available to qualifying entities:

- The requirements of Section 4 Statement of Financial Position 4.12 (a) (iv);
- The requirements of Section 7 Statements of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d); and
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41 (f), 11.42, 11.44, 11.47, 11.48(a)(iii), 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

3.3 Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is the US Dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the dates of the transactions.

At each period end foreign currency non-monetary items measured at historical cost are translated using the exchange rate on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognized in profit or loss.

3.4 Investments in subsidiaries

Investments in subsidiaries are held at cost, less any provision for impairment. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of fixed asset investments may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of net realizable value or value in use. If this is the case, an impairment charge is recorded to reduce the carrying value of the related investment. Distributions from subsidiaries are treated as dividend income through the profit or loss account where they relate to returns from underlying trading entities. Alternatively, distributions are treated as a reduction of the cost of the investment where it relates to a return of the original capital contribution.

3.5 Share capital

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

Treasury shares

At year end, the Group's treasury shares are included under "Treasury shares" in the consolidated statement of financial position and are measured at acquisition cost.

The gains and losses obtained on disposal of treasury shares are recognized in "Other reserves" in the consolidated statement of financial position. There has been no disposal of treasury shares during the years ended 31 December 2020 and 2019.

The Group buys and sells treasury shares in accordance with the prevailing law and the resolutions of the General Shareholders' Meeting. Such transactions include the sale and purchase of company shares.

3.6 Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Unrecognized deferred tax assets as at 31 December 2020 were $3.6 million ($2.1 million in 2019).

3.7 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

a) Financial assets

Financial assets including amounts owed by group undertakings and other receivables and cash at bank and in hand are initially recognized at transaction price and are subsequently carried at amortized cost using the effective interest method.

At the end of each reporting period financial assets measured at amortized cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed.

The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

Financial assets are derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

Financial liabilities include trade and other payables (including from intercompany Group companies).

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method.

3.8 Dividend distribution

Dividends to the Company's shareholders are recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders in the case of final dividends. In respect of interim dividends, these are recognized in the period in which they are paid.

3.9 Critical accounting judgements and estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Company's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements is:

- Carrying value of investments.

The Company considers annually whether there is any indication of impairment in the carrying value of investments in accordance with the accounting policy stated.

In the event that there is an indicator of impairment, the Company performs an impairment assessment to determine if the carrying value of the investment is supported by its recoverable amount. The determination of the recoverable amount requires estimation to be applied. The recoverable amount is the higher of (i) an investment's fair value less costs of disposal (market value), and (ii) value in use determined using estimates of discounted future net cash flows ("DCF") of the investment.

The Company uses a fair value less costs of disposal model, being the higher of the previously mentioned metrics, in estimating the recoverable value, with the key assumption being the EBITDA multiple applied to the actual cash flows for the year. These EBITDA multiples are highly variable by nature and are determined based on external market transactions in comparable entities.

4. Directors' Emoluments and employees

The Company had nine Directors and an average of 4 employees in the year to 31 December 2020 (The Company had nine Directors and an average of five employees in the year to 31 December 2019). Of the nine Directors, one was remunerated by the Company. The other eight Directors were remunerated by another company in the Group. The amount of employees charges, including Directors, recognized in the Company's profit and loss statement in 2020 amounted to $3.7 million (2019: $3.2 million).

in $ millions	**2020**	2019
Wages and salaries	**(1.4)**	(1.6)
Social security costs	**(0.3)**	(0.2)
Other pension costs	**(0.1)**	(0.1)
Share-based payments	**(1.9)**	(1.3)
Total employee costs	**(3.7)**	**(3.2)**

Full details of the Directors' remuneration and interests are set out in the Directors' remuneration report on page 110 to 140.

5. Auditors' fees

The amounts payable to the Company's auditors in respect of the statutory audit were $24,000 (2019: $24,000).

6. Investments in Subsidiaries

in $ millions	**2020**	2019
At 1st January	**1,642.1**	1,642.1
Net variation	**–**	–
At 31 December	**1,642.1**	1,642.1

In 2020 the Company received $137.9 million of dividends from ContourGlobal Worldwide Holdings SARL (2019: $154.7).

The Company's directly wholly owned subsidiary is ContourGlobal Worldwide Holdings SARL. A full list of indirect subsidiaries and other undertakings as required by Section 409 of the Companies' Act 2006 is shown on pages 211 to 216 of the Group's financial statements.

7. Debtors

In $ millions	2020	2019
Amounts owed by Group undertakings	2.9	5.1
VAT recoverable	0.5	0.6
Prepayments and accrued income	0.5	0.4
	3.9	**6.1**

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Creditors: amounts falling due within one year

In $ millions	2020	2019
Trade payables	0.7	0.3
Accrued expenses	2.4	3.2
Amounts owed to Group undertakings	0.4	0.3
Other	0.2	–
	3.7	**3.8**

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. Called-up share capital

Issued capital of the Company amounted to $8.9 million as at 31 December 2020 and 31 December 2019.

As of 31 December 2020 and 2019, the Company has issued 670,712,920 shares of £0.01 each, corresponding to an allotted, called up and fully paid capital of £6.7 million, or $8.9 million. There has been no change in the called-up share capital in both years.

10. Treasury shares

On 1 April 2020 ContourGlobal announced a buyback programme of up to £30 million of ContourGlobal plc ordinary shares of £0.01 each ("Shares"), to initially run from 1 April 2020 to 30 June 2020, subsequently extended to 30 September 2020 and then further extended to December 31, 2020.

During the year ended December 31, 2020, the Company repurchased 12,374,731 treasury shares at an average price of 188.4 pence per share for an aggregate amount of GBP23.4 million ($30.4 million), representing 1.85% of its share capital.

On January 11, 2021 the Company announced the continuation of the buyback programme from 11 January 2021 to 31 March 2021 for a maximum number of shares of 2,700,000, based on closing share price of 215 pence on 8 January 2021, but in any event not to exceed a cumulative amount of £30 million including the share buy backs competed in 2020.

11. Contingent Liabilities

The Company acts as a guarantor to certain of its subsidiaries with respect to various financial obligations and project financing agreements entered into by its subsidiaries. The Company considers outflow relating to these guarantees to be remote and therefore no fair value liability has been recognized. The main financial obligations are listed below:

- $8.5 million guarantee to Credit Suisse for Inka letter of credit;
- $8.5 million guarantee to cover Kivuwatt debt service reserve account;
- Guarantee on cash shortfall for debt service in ContourGlobal Togo; the loan balance as at 31 December 2020 is $80.8 million;
- Guarantee to Goldman Sachs, Credit Suisse International, Citibank Europe plc, HSBC Bank USA National Association, JP Morgan Securities plc, and Mizuho Capital Markets LLC in relation with the hedging instruments existing at ContourGlobal Power Holdings S.A. As at 31 December 2020 this related to instruments with a nominal value of $231.8 million and a fair value as at year-end of $1.1 million.
- Parent guarantor (as defined in the indenture) under the €850 million bond indenture dated 19 July 2018 (out of which €400 million are outstanding) and under the €710 million bond indenture dated 17 December 2020;
- Guarantor under the $175 million Western Generation Portfolio Acquisition in North America bridge facility dated 10 December 2020. This acquisition was closed on February 18th and nothing was drawn at year end;
- Guarantor under the corporate level revolving credit facility of €120 million dated 10 December 2020 (nothing was drawn against this credit facility as of 31 December 2020);
- Guarantor under the corporate level letter of credit facility of €75.75 million dated 29 March 2019;
- Guarantor under the corporate level letter of credit facility of €50 million dated 10 March 2020;
- BRL 60 million guarantee to debenture holders to cover Brasil hydro injunctions risk on ContourGlobal do Brasil Participaçoes SA.
- BRL 64,5 million guarantee to Chapada I letters of credit providers;
- Completion guarantee to Mexican CHP lenders to cover expenses required for the project completion.

12. Related Parties

In 2019 and 2020 none of the Company or its subsidiaries have contracted with related parties. As of 31 December 2020, the Company has no balance due or to be received from related parties other than amounts due to and from subsidiary undertakings.

The directors' emoluments are disclosed on page 110 to 140 within the Annual Report on Remuneration for the years ended 31 December 2020 and 2019.

13. Controlling party

The Company is majority owned by ContourGlobal L.P. The ultimate controlling party of ContourGlobal L.P. is Reservoir Capital funds.

The Relation Agreement is disclosed on page 141 to 145 within the Annual Report on Directors' report for the years ended 31 December 2020 and 2019.

14. Subsequent events

On February 18, 2021 the group announced the closing of the acquisition of the 1,502 MW portfolio of six contracted operating power plants located in the United States and Trinidad and Tobago from Western Generation Partners, LLC. The consideration for the Acquired Assets is $837 million on a debt free, cash free basis and the Group will assume approximately $207 million of existing project net debt with the Acquired Assets.