Generating responsible energy

Annual Report 2019

ContourGlobal

...powering the planet

Guided by our values, we help to power the planet by developing, acquiring, owning and operating electricity generation assets to the highest standards around the world.

We currently operate 107 Thermal and Renewable power generation assets in 18 countries across Europe, Latin America and Africa. Our assets have a total installed capacity of over 4.8 GW.

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

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

We're proud of the ever greater difference we make as we continue to grow well.

Our strategy

To achieve our ambitions, we have a highly disciplined, proven strategy with three key priorities:

1 **Operational excellence**

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2 **High growth**

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3 **Financial strength**

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Overview

Strategic report

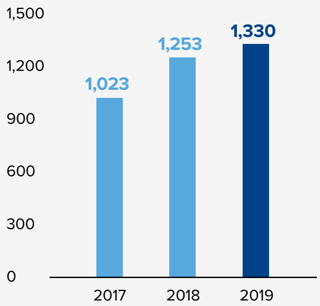
Governance

Financial statements

Financial and operational highlights

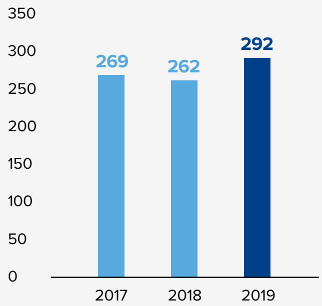
We aim to excel financially and operationally, meeting ambitious targets and outperforming our peers.

Revenue
2019 Change +**6%**



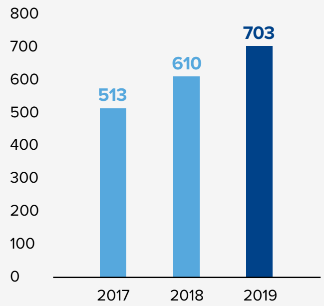
$1,330.2m

Income from Operations
2019 Change +**12%**



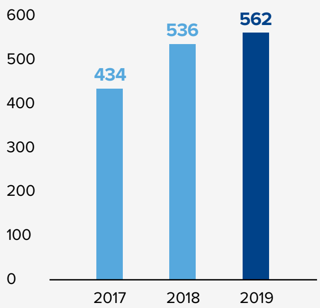
$292.1m

Adjusted EBITDA[1]
2019 Change +**15%**



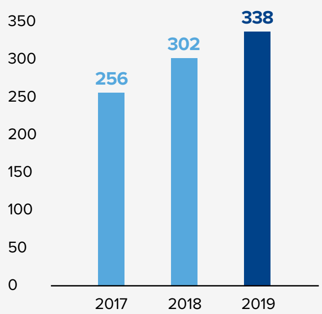
$702.7m

Proportionate Adjusted EBITDA[1]
2019 Change +**5%**



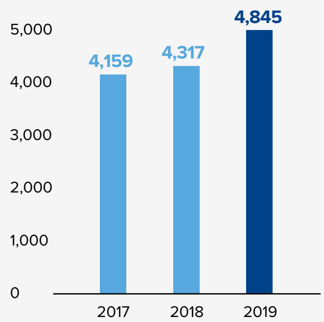
$561.6m

Funds from Operations[1]
2019 Change +**12%**



$337.9m

Installed Capacity
2019 Change +**12%**



4,845.4 MW

[1] Refer to page 26 for definition.

Strategic report

Strategic priority

Operational excellence

We have a culture of safety, operational excellence and continuous improvement through failure analysis that drives strong operational performance and continues to create significant value through operational improvements. We bring these capabilities to our growth activities.

0.03
Lost Time Incident Rate

94.3%
Availability Factor

26,944
Train hours

Our business at a glance

Our mission is to develop, acquire and operate electricity generation businesses worldwide, creating economic and social value through better operations, and assisting the communities where we work.

Founded in 2005, we have grown successfully to become a leading global platform of contracted Thermal and Renewable power generation.

We have 107 Thermal and Renewable power generation assets in Europe, Latin America and Africa with a total installed capacity of 4.8 GW.

We have a differentiated business model, with a proven track record of growth focused on long-term and wholesale contracted or regulated power generation across different technologies, geographies and stages of development.

Our Thermal portfolio uses conventional fossil fuels, specifically natural gas, biogas, coal and liquid fuels.

Our Renewable portfolio uses renewable resources of wind, photovoltaic solar, concentrated solar and hydropower, together with battery storage technology.

We actively manage risk by underpinning the vast majority of our revenues with long-term contracts or long-term regulated tariffs, with creditworthy counterparties. This approach delivers predictable cash flows (with over 87% of revenues contracted over the next five years).

Our core values and sustainability principles underpin everything we do.

They are the key drivers of our activities, from growth to employee empowerment, and ultimately create shareholder value.

Our values

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

Our four sustainability principles

Operate safely and efficiently and minimize environmental impacts.

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Grow well.

Page 16

Manage our business responsibly.

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Enhance our operating environment.

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4.8 GW
Total installed capacity

2,666 MW
Total installed capacity in Europe

1,952 MW
Total installed capacity in Latin America

228 MW
Total installed capacity in Africa

107
Assets

18
Operating countries, across three continents

1,490
Employees

82% male
18% female
Diversity – Total Gender Distrbution

0.58
CO_2 emissions intensity (net CO_2 emission tonnes/MWh)

Our business at a glance *continued*

Our portfolio and assets

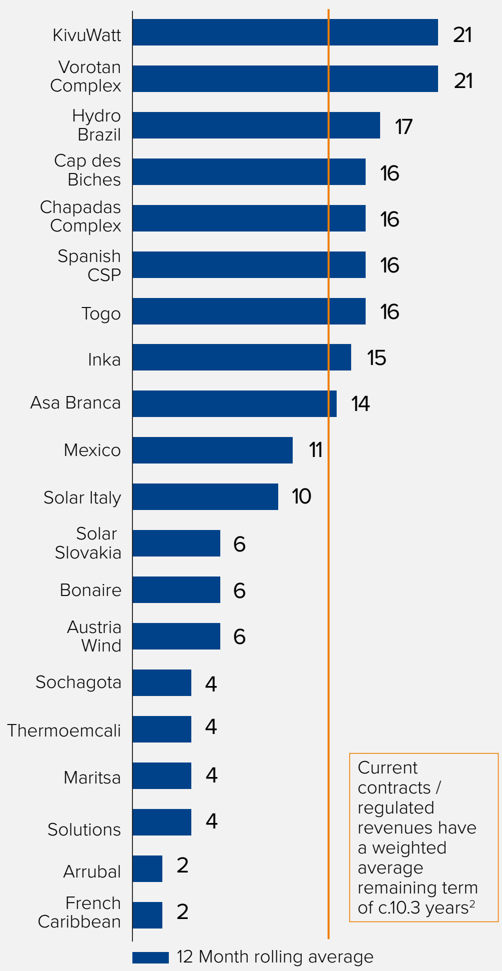
22
Thermal operational plants

85
Renewable operational plants

Key construction projects

Bonaire: page 36
Austrian repowering: page 37
Vorotan: page 38

Remaining Contracted / Regulated Life by Asset (Years)



	Operational plants	Geographic location	Energy type	Gross capacity (MW)
	Thermal			
1	Maritsa	Bulgaria	Coal	908
2	Arrubal	Spain	Natural Gas	800
3	Mexico CHP	Mexico	Natural Gas	518
4	Termoemcali	Colombia	Natural Gas	240
5	Sochagota	Colombia	Coal	165
6	Togo	Togo	Natural Gas	100
7	Cap des Biches I & II	Senegal	Liquid Fuels	86
8	Solutions Brazil	Brazil (4)	Natural Gas	76
9	Bonaire Engines	Dutch Antilles	Liquid Fuels	27
10	KivuWatt	Rwanda	Biogas	26
11	Guadaloupe	French Territory	Liquid Fuels	21
12	Knockmore Hill	Northern Ireland	Natural Gas	15
13	Saint Martin	French Territory	Liquid Fuels	14
14	Solutions Benin	Nigeria	Natural Gas	10
15	Solutions Nogara	Italy	Natural Gas	9
16	Solutions Ikeja	Nigeria	Natural Gas	7
17	Ploiesti	Romania	Natural Gas	6
18	Solutions Oricola	Italy	Natural Gas	3
				3,031
	Renewable			
19	Vorotan complex	Armenia	Hydro	404
20	CSP	Spain (5)	Solar	250
21	Chapada I	Brazil	Wind	205
22	Chapada II	Brazil	Wind	173
23	Hydro Brazil	Brazil (9)	Hydro	167
24	Asa Branca	Brazil	Wind	160
25	Austria Wind	Austria (10)	Wind	149
26	Inka	Peru	Wind	114
27	Solar Italy	Italy (48)	Solar	77
28	Chapada III	Brazil	Wind	60
29	Solar Slovakia	Slovakia (3)	Solar	35
30	Bonaire Wind	Dutch Antilles	Wind	11
31	Solar Romania	Romania	Solar	7
32	Italy Biogas	Italy (2)	Biogas	2
				1,815

Portfolio
Liquid Fuels · Coal · Natural Gas
Wind · Hydro · Biogas
Solar · (#) Number of power plants

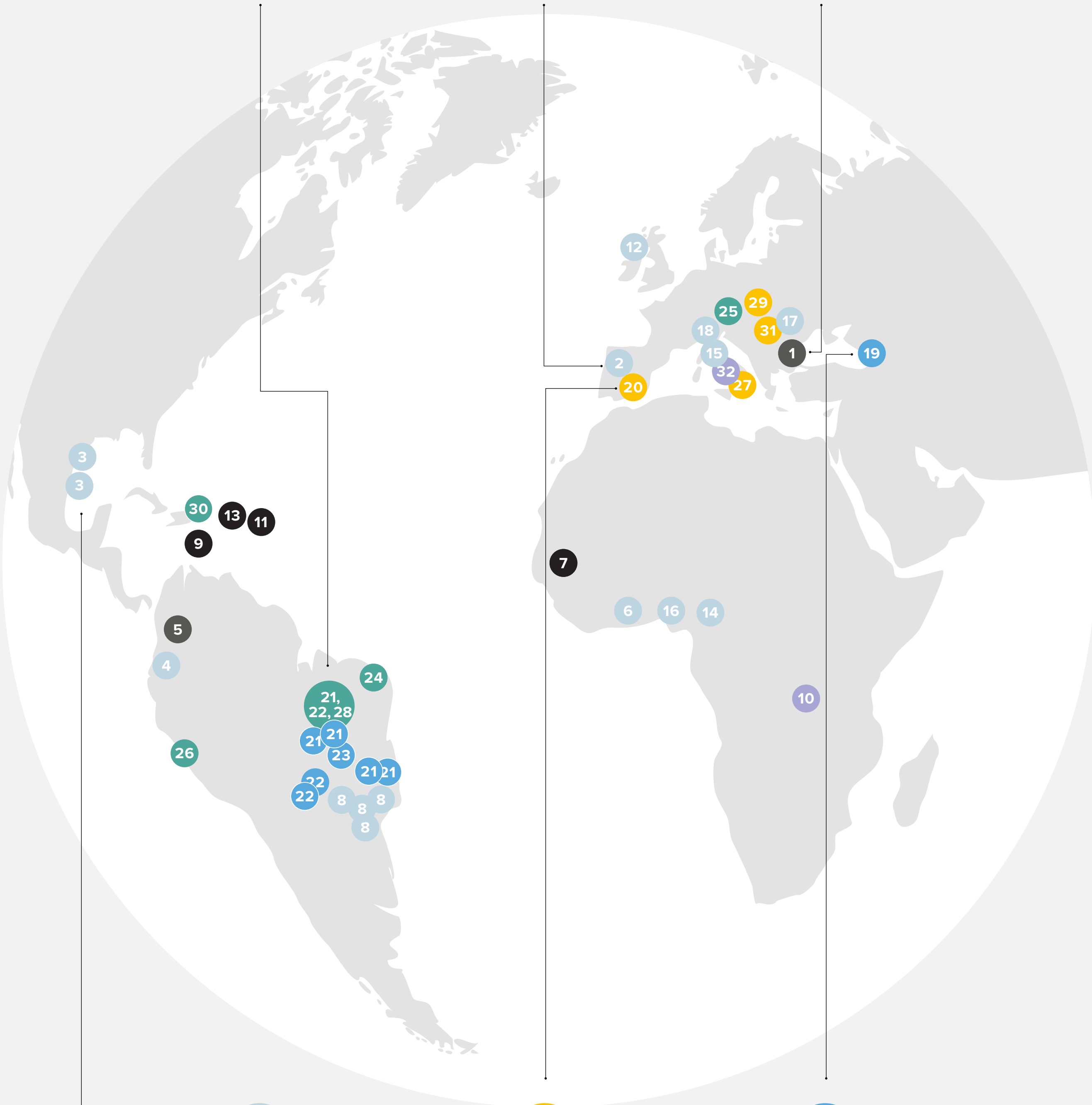
[1] For assets with multiple PPAs, numbers shown based on midpoint of the expiration dates for such PPAs.
[2] Weighted by 2019 adjusted EBITDA before corporate and holding company costs.

Our six largest assets

438 MW
CHAPADA COMPLEX (I, II & III)
BRAZIL – WIND

800 MW
ARRUBAL
SPAIN – NATURAL GAS

908 MW
MARITSA
BULGARIA – COAL



518 MW
MEXICO CHP
MEXICO – NATURAL GAS

250 MW
CSP
SPAIN – SOLAR

404 MW
VOROTAN
ARMENIA – HYDRO

Our business at a glance *continued*

Our role in the electricity value chain

We are a growth company that develops, acquires and operates power generation businesses. We operate two lines of business:

Renewable

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

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

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

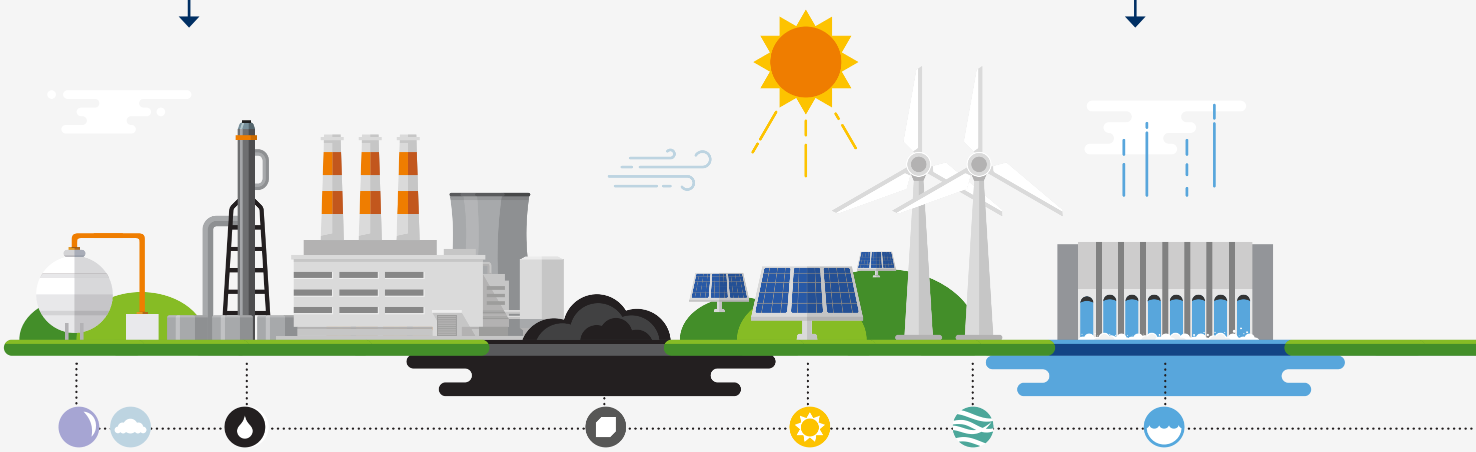
Thermal

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

Coal
Coal is burnt in a furnace to produce heat. This produces steam which is then piped to a turbo-generator. We will not be expanding further in this area.

Liquid fuels
Liquid fuels are used in reciprocating engines to produce electricity.

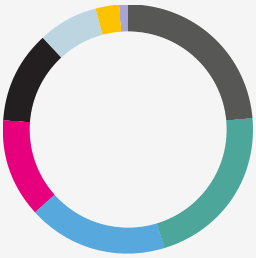
We focus on the wholesale power generation part of the electricity value chain



Power generation

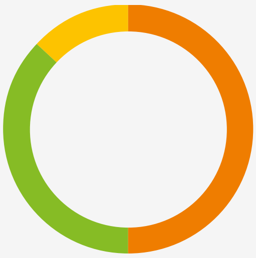
Capacity

Capacity split by source



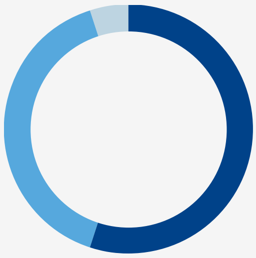
Breakdown[1]	Capacity
Natural gas	24%
Coal	22%
Wind	18%
High Efficiency Cogen	13%
Hydro	12%
Solar	8%
Liquid fuels	3%
Biogas	1%

Capacity split by energy type



Breakdown[1]	Capacity
Thermal	50%
Renewable	37%
High Efficiency Cogen	13%

Capacity split by geographic region

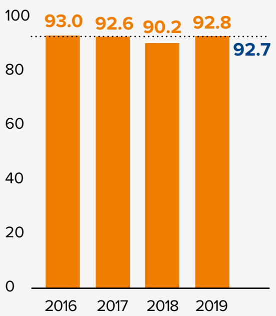


Breakdown	Capacity
Europe	55%
Latin America	40%
Africa	5%

[1] Capacity splits based on installed MWs

Reliability and efficiency

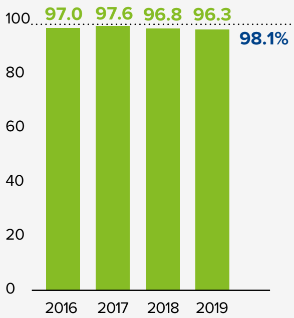
Thermal Fleet availability factor (%)



92.8%

Against a benchmark of 92.7%

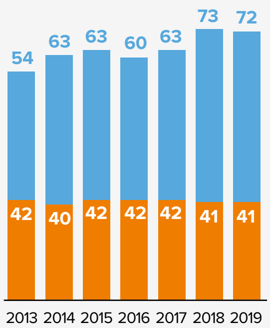
Renewable Fleet availability factor (%)



96.3%

Against a benchmark of 98.1%

Efficiency* Net efficiency (%)



- Total Thermal (excluding Solutions)
- Total Solutions

* Net energy produced by the plants / energy consumed

Power generation

The electricity supply chain has four main segments: generation, transmission, distribution and retail. We focus on the wholesale power generation segment, generating power using both thermal and renewable technologies.

Contracted

Power generation can be defined as either merchant or contracted. Contracted plants have minimal exposure to market prices for the duration of the underlying contract because the price is negotiated and fixed upfront. This is done either through long-term power purchase agreements (PPAs), which typically have more stable margins than projects fully exposed to market prices, or prices set under a regulatory regime and subject to periodic review. PPAs also typically de-risk the generator from demand volume volatility and other changes in market conditions such as changes in electricity, fuel and CO_2 prices.

Our portfolio

Our business is international with a concentration in three primary regions: Europe, Latin America and, to a lesser extent, sub-Saharan Africa. We operate in the electricity generation market and engage in all phases of a power plant's life. In the development of a project, we secure contracts, obtain permits, and arrange financing for assets that we will build or acquire. Once an asset has been constructed or purchased, we operate the power plant using either thermal or renewable fuel sources.

Our customers

Our customers include national grids and utilities that supply these grids, as well as commercial and industrial customers that receive electricity, steam, water, or CO_2 directly from on-site facilities.

OUR PARTICULAR FOCUS IN THE ELECTRICITY VALUE CHAIN ENABLES US TO COMBINE HIGH GROWTH WITH LONG-TERM STABILITY.

Chairman's letter

I am pleased to report another impressive set of results with sustained improvements in business operations, revenue growth and strong cash flows.

CONTOURGLOBAL IS A WORLD CLASS OPERATOR WITH AN INTERNATIONAL FOOTPRINT DIVERSIFIED ACROSS GEOGRAPHIES AND TECHNOLOGIES. THIS PROFILE ENABLES US TO DELIVER ROBUST AND RESILIENT FINANCIAL PERFORMANCE.

I am pleased to report another strong set of annual results in 2019 from both an operational and financial performance perspective. However, our stock price performance was frustrating, with ContourGlobal's stock trading at a meaningful discount to our view of intrinsic value. We are pursuing several key initiatives that we believe will help close this gap in 2020. These include the following: (a) monetizing the value-gap between private market values for renewable assets and how we are being valued in the public markets by accelerating our strategy of minority sales; (b) exploring a sale of our Brazilian portfolio - our only meaningful non-hard currency exposure; (c) not proceeding with any new coal investments; this likely includes Kosovo given opposition from the new government there; (d) investing in our low-carbon growth pipeline, focusing exclusively on renewable and low-carbon thermal assets in hard currency (US dollar or Euro) markets; and (e) returning excess capital to shareholders.

The year yielded an impressive set of results with sustained improvements in business operations, revenue growth and strong cash flows. ContourGlobal has continued to make meaningful operational progress in 2019 whilst maintaining excellent levels of safety and reliability, going 442 days with no Lost Time Incident ("LTI") until late November 2019. Our target remains zero LTIs.

Delivering on our growth strategy
ContourGlobal is a world class operator with an international footprint diversified across geographies and technologies. This profile enables us to deliver robust and resilient financial performance, evidenced by our track record of creating value through acquisitions by improving operational performance.

We announced on 25th November 2019 that we had closed the acquisition in Mexico of two natural gas-fired combined heat and power plants (CHP), together with development rights for a third plant. As of the closing date, approximately 98% of the CHP power together with all the steam generation are under long-term contract, an improvement on the 90% announced at signing. We expect the Mexico CHP business to generate approximately $110 million of Adjusted EBITDA on a full-year basis.

We also completed the acquisition of a 12.4 MW add-on rooftop PV solar portfolio in Italy with an average remaining feed in tariff period of 13 years. This portfolio is located near our existing Northern Italy hub. We continue to see attractive add-on solar growth opportunities in Italy.

During the year, the Board reviewed the Company's strategy as it continues to achieve its targets and evolve from the strategy it set at the time of its IPO. We are focused on renewable and low-carbon growth opportunities, and our pipeline remains robust.

Sustainability, compliance, health & safety
We remain equally focused on our sustainability agenda which forms part of our group strategy, and are constantly seeking new ways to further improve our practices. Consistent with our values, we continuously reiterate through internal compliance training and communication our commitment to transparency and responsible corporate behaviour. During the year, we carried out a corporate compliance survey which indicated that the overall Company demonstrates a culture of ethics and integrity and clearly communicates its expectations of ethical behaviour.

Our Group performance on Health and Safety continues to be industry leading and we remain focused on our zero target for LTIs. One of management's key priorities is to provide a safe working place for employees, contractors and sub-contractors as part of our Target Zero (zero harm, zero injuries) operational excellence program which is driven by a culture of continuous improvement. We will continue our efforts to better identify and mitigate risks in key compliance and health and safety areas.

People and culture
Significant effort is put into making ContourGlobal a great place to work, where talent and diversity thrive. The Board attaches high importance to employee engagement and recognizes the challenges in engaging with global employees. Local management engage their employees and keep them informed of business matters. At Group level, management continuously aims to improve communication and employee engagement through activities such as the Compliance Culture Survey, Townhall meetings and the Tuesday Talks when the CEO engages with employees on various issues.

Dividend Policy and dividends
Our dividend policy aims to grow the ordinary dividend per share at 10% annually for the foreseeable future. In 2019 we announced that we would move to paying our dividends in four quarterly installments. This commitment is supported by the Company's substantial and predictable cash generation. The total dividend amount for the full year of 2019 is USD 99 million. The fourth quarter dividend of USD 3.6901 cents per share, equivalent to USD 24.75 million will be paid on 9th April 2020.

The dividend receivable in pounds sterling will be calculated based on the exchange rate on the applicable announcement date. Further information on dividends can be found on page 175 of the Financial Statements and in the Shareholder information section on page 178.

Board changes
During the year, we announced the appointments of Stefan Schellinger as Global Chief Financial Officer and Executive Director with effect from 15th April 2019, and the strengthening of the Board with an additional independent Non-Executive Director, Mariana Gheorghe, with effect from 30th June 2019. Both appointments bring significant experience and diversity and are making valuable contributions. Following the resignation of Ruth Cairnie, we propose to appoint an additional independent Non-Executive Director. We have retained the services of an external search consultant with the remit to find the best balance of skills, experience and diversity to suit ContourGlobal's requirements.

I am excited by the significant opportunities ahead for ContourGlobal and I am confident that it is well positioned to continue to deliver predictable, sustainable cash flow growth for shareholders.

On behalf of the Board, I would like to thank management, all our staff, our contractors and suppliers for their dedication and hard work in delivering ContourGlobal's excellent performance in 2019.

Craig A. Huff
Chairman

Sustainable Development Goals

We continue to actively support the United Nations Sustainable Development Goals (SDGs), which call for action by all countries and provide opportunities for companies to align their own sustainability goals with these broader societal goals.

Our mission, and the way we go about achieving it, is firmly in line with the SDGs and our activities can be directly linked to most of the 17 goals.

www.un.org/sustainabledevelopment/

SUSTAINABLE DEVELOPMENT GOALS

WE REMAIN EQUALLY FOCUSED ON OUR SUSTAINABILITY AGENDA WHICH FORMS PART OF OUR GROUP STRATEGY, AND WE ARE CONSTANTLY SEEKING NEW WAYS TO FURTHER IMPROVE OUR PRACTICES.

CEO's review

ContourGlobal grew well in 2019 and capitalized on opportunities to recycle capital that had started to emerge as the year progressed.

Performance Review
Safety First. We had another extraordinary year for our most important objective –to work safely. We equaled our record year in 2018 and 2017 with our key lagging indicator, our Lost Time Incident Rate[1], ending the year at 0.03 despite over nearly 6 million hours worked including, as in 2018, at several recently acquired businesses.

We also, for the third year in a row, failed to achieve "Target Zero," our health and safety goal targeting zero LTI, adopted in December 2016. In a cruel and ironic twist(ed back) of fate, our sole LTI of the year occurred in late November, after 442 days and nearly 7.5 million hours worked without a lost time incident, during a emergency drill at one of our sites in Spain. Fortunately the injury was not severe. We "five whys'd" the problem and recommitted to Target Zero for 2020.

Great operating companies lead with great health & safety performance and Contour is no exception. When conducting diligence on potential M&A targets, we first look at the health & safety records and performance of the target company. 99% of the time this H&S diligence tells us all that we need to know about the quality of the target's operations. Not once have we seen a power generation business with poor health & safety performance but great operational performance. They go hand-in-hand. Health & Safety is hard. Get that right and the rest follows. Recognizing our commitment to H&S and our outstanding performance, in 2019 Contour was admitted as a member into the prestigious Campbell Institute, a leading Health and Safety organization dedicated to eliminate workplace injury and which brings together like minded leading companies to share best practices and data to continuously improve operational performance. Everyone at Contour takes great pride in having earned the right to affix the Campbell Institute logo onto our website.

For the second year in a row we were also included in the UK FTSE4Good Index, the responsible investment index of the FTSE group designed to help investors identify companies that meet globally recognized corporate responsibility standards and invest in them. Since 2010, our fifth year of operations and first year as a reporting member of the United Nations Global Compact, we have worked to integrate our sustainability commitments into our business strategy. In the decade since we have become sustainability and ESG leaders. In recent years the "E" has come to overwhelm the "S" and the "G", with the adverse result that most ESG attention paid to the company has narrowly focused on the lignite coal development project in Kosovo, a project which we informed the market during our IPO process would be our last coal project. As a result of the political situation in Kosovo since July, our development project is incapable of reaching its milestones prior to the required project completion date of 24th May 2020.

[1] Ref to page 27
[2] Ref to page 29

This past summer the previous government resigned. In October new elections were held but the result produced no new government for four months. The previous government would not engage with us about the project and the new government formed just in February is led by a prime minister who publicly opposes the project. As such, the project will not be realized by us.

One result is that we are able to move rapidly towards our objective of reducing CO_2 emissions in our portfolio, a portfolio which consists of only 1.5 coal plants accounting for approximately 17% of Adjusted EBITDA. Many people worked against very difficult odds to enable this project to move forward and with a better set of circumstances we would have brought the project into existence. The reality and paradoxical nature of the Kosovo project was that it would dramatically reduce CO_2 emissions in the country (38%), Particulate matter (93%), SO_x (85%) and NO_x (93%).

We had a very strong operating year in 2019. The year started with a continuation of the lackluster thermal performance that we saw in late 2018 and Karl Schnadt and Quinto di Ferdinando, our Chief Operating Officers for the Group and the Thermal division respectively, led a very impressive turnaround from mid-February such that by year-end we had recovered and then some from the rocky start and achieved better than plan Equivalent Availability Factors ("EAF") across the entire thermal fleet. Cost control and capex management were also excellent in 2019 and better than plan.

Operating performance in the renewable fleet was similarly strong with EAF better than plan on a portfolio basis across the fleet for all technologies with the exception of our Brazil wind farms. Renewable resource performance in 2019 was again mixed, as in 2018, but meaningfully better than last year. Solar resource was extraordinary in Spain with results equivalent to P3, and very strong in Italy and Slovakia. Hydrology resource was good in Brazil and Armenia, and wind was much better than in 2018 at approximately P57 for the wind fleet. Reflecting the strength in the diversification of our portfolio, overall resource detracted less than 1% from adjusted EBITDA. As in the thermal fleet, cost control and capex were excellent and better than plan. In both the renewable and thermal fleet fixed cost control was even better than in 2018 which was itself an excellent year.

Excellent operations would have produced extremely strong financial results in 2019 if our guidance had included only existing operations at a constant FX rate. Because our guidance and budget included a forecast of the acquisition closing date for two combined heat and power plants in Mexico, the delay of the acquisition by five months had a knock-on effect on financial results.

As we did last year, we also did a good job getting cash up to the parent company—the entity that pays dividends, interest and

ContourGlobal's 2019 highlights

1. Excellent Health & Safety Performance
2. Successful completion of largest acquisition in our history
3. Adjusted EBITDA growth
4. Excellent operations across entire fleet
5. Bond issuance at record low interest rate of 3%
6. Bonaire Integrated Hybrid Facility Upgrade

CEO's review *continued*

How we are making a positive impact around the world

Operate safely and efficiently and minimize environmental impacts

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Grow well

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Manage our business responsibly

Page 17

Enhance our operating environment

Page 17

provides capital for new investment. We believe that the cash distributions to the parent, and the ratio of those distributions to the recourse debt that is held there, is the best measure of our financial leverage. Reflecting the continued strength and resilience of our business model, we opportunistically entered the bond market in July pricing an addition to our 2025 notes with a record low coupon of 3% in Euros.

Growth, Capital and Market Outlook

We continued to execute well on our core strategy of growing well and creating meaningful additional value through the farm-down of minority interests in our plants and as a developer and operator of a diverse portfolio of power generating assets, including those we acquired in our largest ever transaction, the two high efficiency natural gas fired combined heat and power plants in Mexico which we closed in November 2019. This $724 million acquisition was supported by a very attractive project financing provided by a high quality and supportive consortium of banks led by The Bank of Nova Scotia. The larger of the two facilities, located in Altamira, was under construction at the time of the acquisition and we conditioned our obligation to close upon its successful completion of all construction and commissioning activities and its entry into commercial service. Delaying the acquisition until November and holding the seller to the letter of the contract enabled us to ensure that this asset over its 35 year life would perform as expected.

Operations of our plants in Mexico since the acquisition have been excellent and reinforce our expectation that natural gas fired power stations are a critical element of the transition to a lower carbon future. This is particularly the case when, as here, the assets are operated in combined-heat and power mode. It is increasingly recognized that energy efficiency is a key part of attaining medium-term climate goals. For industrial companies like Alpek, power plants like the ones we acquired from them achieve 30% more efficiency than if electricity, steam and heat were acquired from separate systems.

As we've seen with Coca Cola Hellenic who we serve throughout Europe and Africa, natural gas fired generation whether in co, tri or "quad"[1] mode materially reduces the carbon footprint of essential businesses. We look forward to continued low carbon growth in renewables and natural gas fired generation.

Covid-19

As I finalize this letter in mid March 2020, the world anxiously watches the spread of COVID-19. To date we have not experienced meaningful disruption to our operations resulting from COVID-19 and do not currently expect material disruption in 2020.

Our office-based employees have increasingly been working remotely since 20th February when we closed our Milan office. The group has traditionally had a distributed office strategy rather than a single headquarters and the company's nine senior executives are based in five different cities.

Power plant operations have to date been unaffected by the spread of COVID-19. The company has taken various proactive measures related to power plant shifts, remote monitoring and operating technology, and critical spares and inventory. Each of the company's power plants and offices are interconnected with video, audio and data.

We approach this epidemic with no near term refinancing requirements and ample liquidity at the parent company and in our projects. The vast majority of our debt, $3.1 billion, is at the project level and amortizes over time. There are only immaterial bullet maturities of our project financing debt due in the next several years. At the parent level the company has issued corporate notes, €450 million maturing in 2023 and €400 million maturing in 2025.

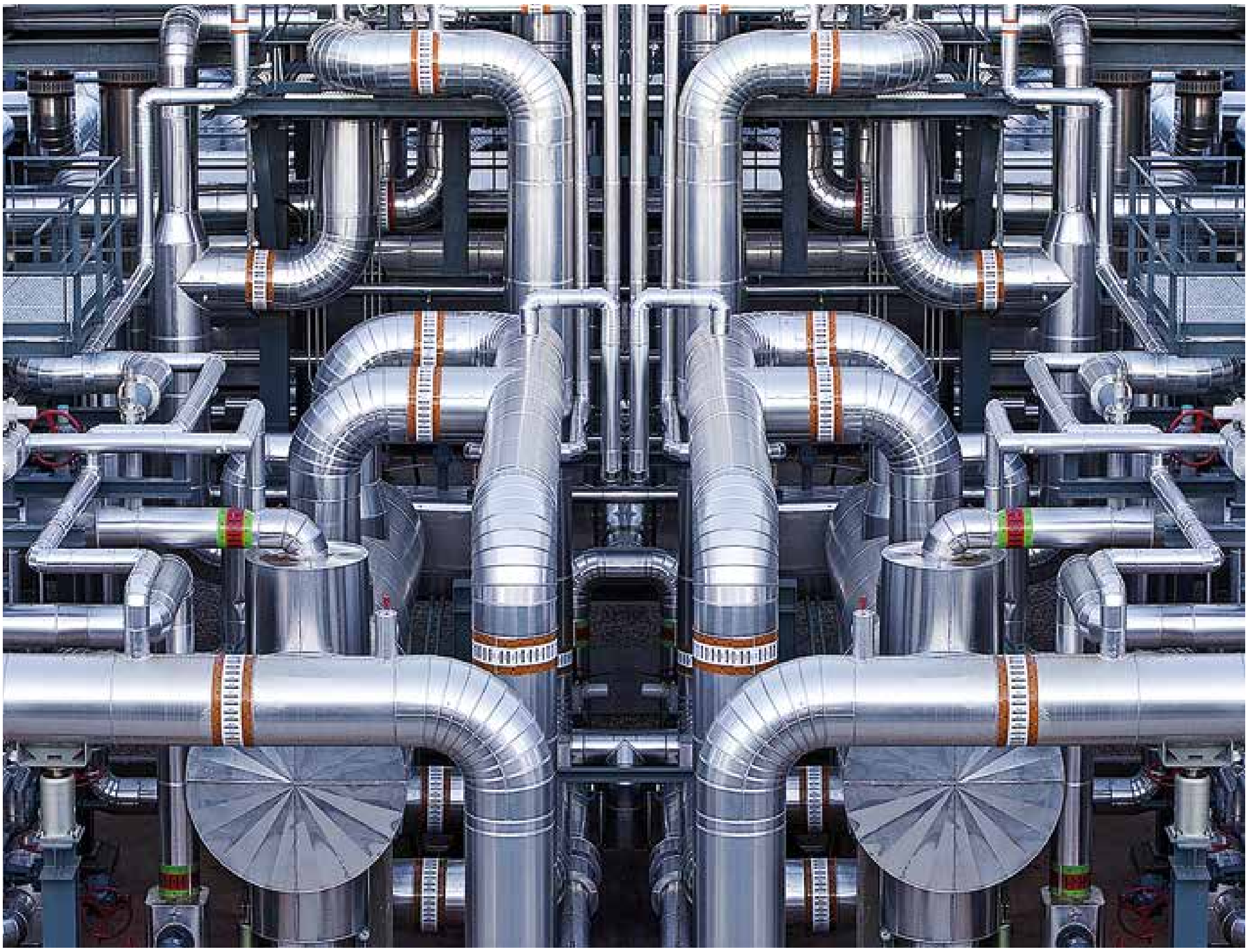
Outlook

2019 was a solid year for ContourGlobal and we continue to execute our plan and deliver significant and growing cash generation that simultaneously supports above market dividend growth, a robust credit profile enabling us to access low cost debt and growth investments in our key markets.

We are a strong and agile business which continues to demonstrate success with its operations led business model and shareholder value driven capital allocation. We expect 2020 to continue to reflect our meaningful growth and increase in shareholder remuneration.

Joseph C. Brandt.
Chief Executive Officer
16th March 2020

[1] "QuadGeneration" refers to the addition of CO_2 capture to the highly efficient production of electricity, steam and chilled water. We have been pioneers in this field since our deployment of these facilities for Coca Cola Hellenic beginning a decade ago.



Anonymous, Palma del Rio, CSP Spain

Our business model

1 Our aim

Our mission is to develop, acquire and operate electricity generation businesses worldwide, creating economic and social value through better operations, and assisting the communities where we work.

Inside cover

2 Our inputs

The resources we need.

Natural resources
Gas, solar power, wind, hydropower, liquid fuels, coal.

Talented people
With operational expertise and know-how.

Assets and financing
Long-term cash flows and financing provide opportunities for growth.

We anticipate changes in the world around us.

The ongoing industry transformation favors our disciplined growth strategy.

We engage with our stakeholders to understand what matters to them.

Investors
We adhere to the highest standards of corporate governance and business ethics. Growing well is one of our key principles.

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

Communities
Our community engagement takes place through all phases of the business life cycle, from development through operations, and includes a commitment to socially invest.

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

Customers
We constantly interact with our customers during the long-term contracts to ensure that we deliver energy in full accordance with our contracts.

3 Our way of creating value

We focus on long-term contracted or regulated wholesale power generation where there is real demand around the world, producing high value, low risk returns and employing an efficient capital structure.

Global
Our global footprint is concentrated in three core areas: Europe, Latin America and sub-Saharan Africa. We believe that geographical diversity produces superior risk-adjusted returns and enhanced operating practices.

Technologically diverse
Our portfolio is technologically diverse, balanced between Thermal and Renewable assets; we believe that diversification creates a more robust and stable cash flow.

Long-term
Our long-term contracts/regulated revenues have a weighted average remaining term of c.10.3 years, delivering stable cash flows. The stability of these cash flows enables us to incur greater leverage than uncontracted revenues and pay greater dividends.

Our values and principles underpin everything we do

Our values
- To care about our people's health, safety, well-being and development.
- To expect, embrace and enable excellence and continuous learning through humility, and knowledge that we will fail but when we do, we will learn.
- To act transparently and with moral integrity.
- To honor the commitments of those who have placed their trust in us.
- To work hard and without boundaries as a multinational, integrated team.

Our four sustainability principles

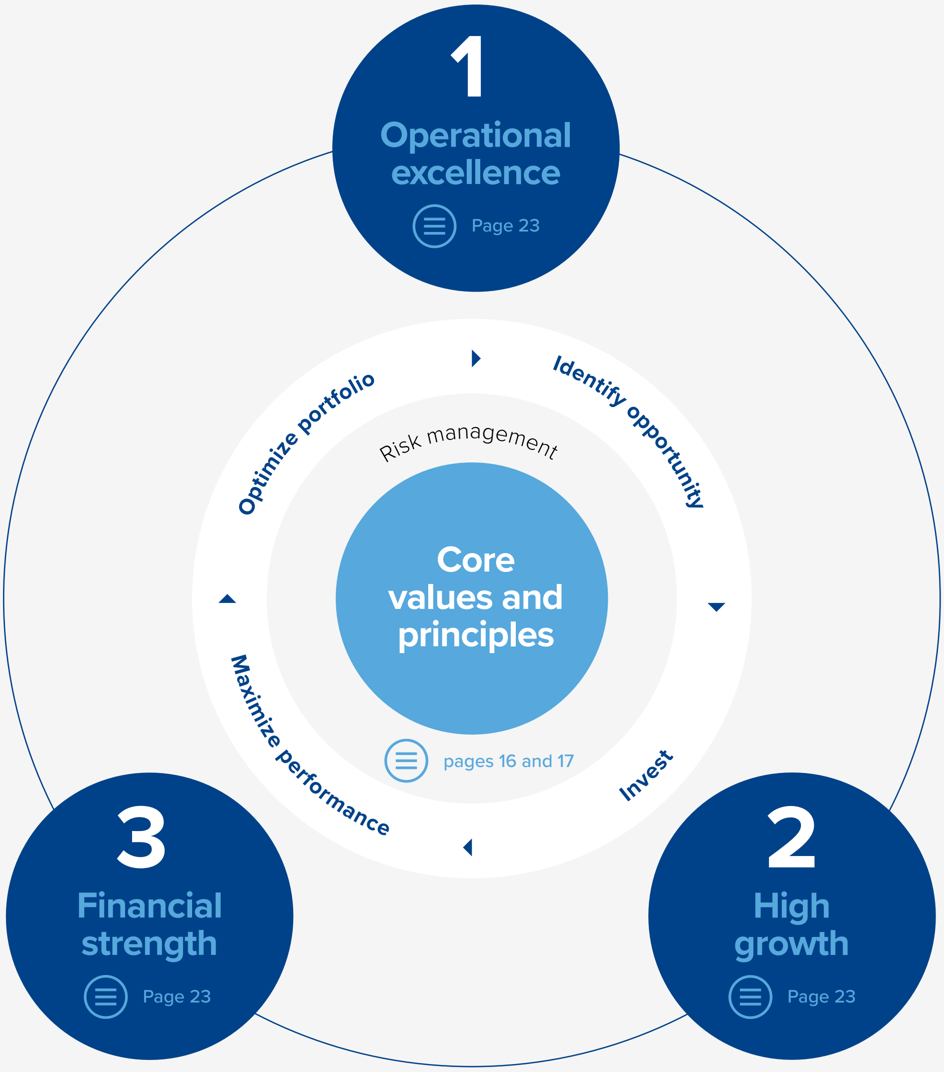
Operate safely and efficiently and minimize environmental impacts
Page 16

Grow well
Page 16

Manage our business responsibly
Page 17

Enhance our operating environment
Page 17

Our disciplined approach to executing our strategy



4

Our positive impact

We create a positive impact for...

...talented people

1,490

Employees engaged and motivated to reach their full potential.

...knowledge

26,944

Training hours to develop our employees.

...shareholders

$137.6m

Dividends paid in 2019.

...assets

4.8 GW

Installed capacity across 107 sites in 18 countries. +12% compared to 2018.

...community

300,326

Hours devoted to community education activities (considers only education and not engagement activities).

...environment

0.58

Net CO_2 emissions tonnes/MWh. Strongly reduced by -27% since 2015.

Our business performance is data-driven with KPIs measured

Financial
- Income from Operations
- Adjusted EBITDA
- Proportionate Adjusted EBITDA
- Funds from Operations
- Net Leverage ratio

Non-Financial
- Lost Time Incident Rate
- Availability Factor
- Equivalent Forced Outage Rate
- CO_2 emissions intensity
- Gender diversity

Linking to our three core strategic principles

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

1 **Operational excellence**

2 **High growth**

3 **Financial strength**

Our four sustainability principles

Four key sustainability principles drive our strong growth. Together with our values, they are at the heart of our ongoing success and continuous improvement.

Principle 1

Operate safely and efficiently and minimize environmental impacts

We embrace 'stretch' targets in our operations beginning with health and safety.

Safety is our number 1 priority. Our commitment to safety is absolute as evidenced by our global Target Zero program – zero harm, zero injuries.

We focus on efficiently managing our operations. To this end, we rigorously manage the performance and costs of our power plants, and we measure our performance against set targets and industry benchmarks.

We minimize our environmental impacts by carefully assessing our risks and managing these proactively. We set environmental objectives and report against these to ensure our targets are achieved.

0.03
Lost Time Incident Rate

130,190
Health & Safety training hours

0.58
CO_2 emissions intensity tonnes/MWh

Principle 2

Grow well

We are committed to growing our capacity around the world.

Growing well means prudently allocating capital and respecting rigorous targets for risk adjusted returns. Around the world, we actively seek strong growth opportunities where we are able to improve performance and add value over the long-term in line with our disciplined strategy and proven ways of acquiring, developing and operating power generation assets.

Our investment process has yielded strong growth throughout the company's history and in 2019 resulted in an additional 528 MW of capacity. We also saw 15% growth in our Adjusted EBITDA during the year.

1,970 MW
MW added to portfolio since 1st January 2015 (acquired or commenced operations)

530 MW
Growth in 2019

15%
Growth in Adjusted EBITDA in 2019

Principle 3

Manage our business responsibly

From the outset, we have been committed to managing our business responsibly.

We have always sought to set and live up to the highest standards of corporate governance and business ethics.

We benchmark our performance against other companies, to compare our performance and refocus our efforts when we discover gaps.

Our benchmarking is a dynamic process involving internal and external audits to actively seek out areas of underperformance and bring them into line with our standards. As we continue to grow, with the acquisition of new people and businesses, we will continue to manage our business responsibly.

225
Number of our new hire employees who completed our online anti-corruption training course in 2019 (99% of new hires)

1,308
Number of employees who completed our new online conflict of interest training course in 2019 (88%)

2,115
Number of third parties submitted to compliance for due diligence in 2019

Principle 4

Enhance our operating environment

As well as operating our business to the highest standards, we also seek to improve the regulatory, commercial and social environment we are in.

We look beyond our immediate operations to see where we can add value to the electricity sector and business environment. For example, by actively looking for ways to share health and safety best practices in our communities.

We strengthen institutions and the private sector, and also enter into strategic partnerships with NGOs, governments, and associations.

Our activities are designed to share our expertise and improve the quality of lives where we work through long-term sustainable improvement of the electricity sector, key organizations, and communities.

300,236
Hours devoted to community education activities

147
Number of social projects approved in 2019

$2.3m
Investment in social projects in 2019 (0.3% of Adjusted EBITDA)

The fast changing power market

As the power market continues to grow and fundamentally change at an accelerating rate, we are well-positioned to take advantage of the opportunities.

Key power market trends

Global power demand is set to increase by c.50% from 2020 to 2040

Massive investment is required – $9 trillion in generation capacity plus c$500 billion in batteries

Renewables is the fastest growing technology, with 1 TW of solar and wind expected to be added by 2040

Thermal remains crucial in the power generation mix, notably as a source of reliable base load and back up

Gas-fired installed capacity is expected to grow significantly to fulfil its role as a swing and transition fuel

Advances in battery storage technology will be key

Climate change

Growing energy demand
The long-term global trend of growing energy demand continues. This is driven by continuing economic growth, albeit at a relatively slower pace compared to previous years. Current macroeconomic and geopolitical uncertainties, for example uncertainty over global trade agreements and volumes, continue. But the underlying growth factors remain in play, notably industrialisation and modernisation in key regions and the accompanying growth of the world's middle class.

This global economic growth underpins growth in energy demand. The majority of the rise will occur in developing markets, especially in Asia, Latin America and parts of Africa that are experiencing urbanization, increasing electrification rates and economic and population growth. Lower growth in electricity demand is expected for developed markets such as Europe and the United States, due to lower economic growth, energy efficiency policies and stabilized energy consumption patterns.

With operations in 18 countries across Central and South America, Africa and Europe, we have a geographical footprint that enables us to benefit from changes in global demand, particularly the accelerated growth in developing markets.

ACCORDING TO THE INTERNATIONAL ENERGY AGENCY (IEA), GLOBAL RENEWABLE POWER CAPACITY IS SET TO EXPAND TO 1,200 GW, BY 2024. AROUND 60% OF THIS INCREASE WILL COME FROM SOLAR AND CLOSE TO 30% FROM WIND.

Mounting climate change evidence and pressure
The other big global theme is the mounting evidence and concern surrounding climate change. Within the scientific community there is consensus on the criticality of this issue, as exemplified by the 2018 Intergovernmental Panel on Climate Change (IPCC) report. As climate change increasingly comes in the foreground, so does the focus on decarbonisation and, in turn, renewable energy solutions as well as improved energy efficiency.

Accelerating transformation
As energy demand continues to grow, wind and solar's contribution to power supply is expected to increase three-fold, reaching 25% of global power output by 2040. This will be underpinned by the reduced levelized cost of electricity (LCOE) and power market policies.

In addition, storage costs are expected to continue to fall, supporting c600 GW of storage capacity in the next twenty years.

In major OECD markets in particular, grid stability and regulatory design needs to be fundamentally rethought to enable higher renewable energy penetration without disrupting the electric systems and markets.

The large deployment of lithium-ion batteries and gas-fired plants are expected to support this transition to renewables, providing the necessary energy storage and grid stability.

The energy transition is in turn driving fundamental changes in power generation pricing and contracts. Fixed prices and long-term contracts are giving way to more varied and flexible agreements.

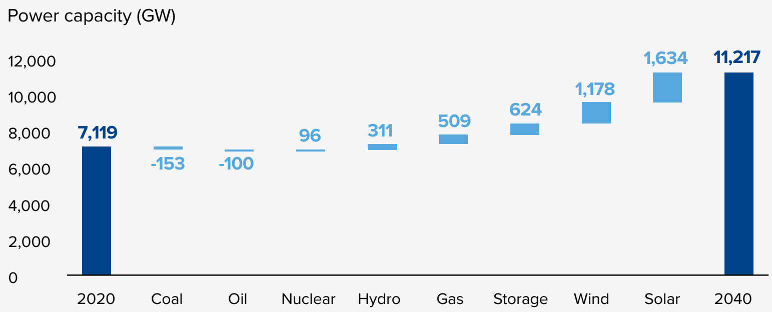
Advancing technology
Renewable energy technology continues to advance, helping to drive down costs and increase efficiency and capacity. Wind turbine technology, for example, has improved significantly in recent years, with taller towers, longer blades, better management systems and more efficient maintenance. At our Velm-Götzendorf windfarm repowering project in Austria, we have replaced 10 old turbines with four new turbines – increasing production by 63% due to more efficient turbines keeping the same capacity of the wind park. We are also in process of completing repowering for Scharndorf and plan to complete further repowerings of existing wind farms.

Increasing importance of battery storage

Advances in battery technology are also key to the renewable energy solution. Power storage is vital to complement green energy generation, which inevitably varies depending on the elements – wind, solar, water. In the next five years, $60 billion is expected to be invested in battery storage and the average duration is estimated to grow from around two hours in 2018 to around four hours in 2024.

We are making the most of the latest battery technology. On the island of Bonaire in the Caribbean for example, we have installed a state of the art battery system together with a new energy management system to increase the renewable generation, granting a high grid stability and reducing the cost of energy for the customer.

Global power capacity: net change by generation type, 2020 to 2040



Source: Wood Mackenzie

Developing hybrid solutions

Increasingly, innovative hybrid energy solutions will be the order of the day around the world. These solutions could, for example, include a growing amount of wind and/or solar energy combined with, say, dual fuel thermal for reliable backup, advanced battery storage and smart management systems. On Bonaire we are pioneering just such a hybrid solution to meet the island's growing energy needs – increasing capacity and reliability, reducing environmental impact and saving money, while reducing the cost of energy for the consumer.

Working directly with customers

Another trend gathering momentum is for more and more companies to source their electricity directly from power producers. We have been meeting this demand for some time, through our Solutions business. With our acquisition in November 2019 of Alpek's portfolio of two natural gas-fired combined heat and power (CHP) plants with a gross installed capacity of 518 MW, we succeeded in adding greatly to this side of our business. The two plants will provide electricity and steam under long-term contracts to subsidiaries of Alfa Group, a leading Mexican industrial conglomerate, and other commercial and industrial customers, with over 98% contracted energy at the two plants, as planned.

Making the most of our strengths

A number of other external factors are impacting the market, notably changing customer profiles and requirements; increasing regulation; the critical importance of operational know-how and capabilities; and the increasing emphasis on environmental, social and governance (ESG) issues. Our strengths play to all these factors. We have worked closely with different customers for a number of years, from governments to corporations – adapting our operations and solutions to their needs. We are also well versed in working with complex, dynamic regulatory frameworks. The breadth and depth of our portfolio and our highly disciplined way of working and improving ensures we focus on, and deliver, operational excellence. And our responsible values-driven business aligns naturally with ESG principles.

We see opportunities in this changing market

With our expertise and experience in renewables including wind, solar and hydro, we are well placed to contribute and capitalize on the growth of green energy. But equally importantly we also have considerable expertise and experience in thermal energy, which will continue to play a key role in the energy mix, not least as a reliable source of base load. Our 240 MW TermoemCali combined-cycle gas-turbine plant in Colombia, for example, helps to diversify the country's primarily hydroelectric generating portfolio where reliable power supplies during seasonal dry periods are critical to its vibrant and growing economy. Just as our geographical breadth gives us a key competitive advantage so too does our capability across different technologies.

We are disciplined and innovative in our growth strategy – looking for the strongest value-creating opportunities to meet the energy generation needs of people, businesses, communities and countries around the world.

The value of generation assets varies over time depending on numerous factors including size, geography, technology and the differing strategies of potential investors. Opportunities constantly evolve and the areas with the best risk-adjusted returns in the future are likely to be different from today. Our flexibility puts us at an advantage – enabling us to invest opportunistically across markets and technologies.

IN TODAY'S RAPIDLY CHANGING POWER MARKET, OPEN-MINDED AGILITY, DEEP AND BROAD EXPERIENCE, AN INNOVATIVE TECHNOLOGY-AGNOSTIC APPROACH AND OPERATIONAL EXCELLENCE ARE KEY COMPETITIVE ADVANTAGES.

We believe our strategy, together with our core values and principles, our experience and capabilities, puts us in an ideal position to continue making the most of underlying market trends and changing dynamics. In so doing, we will have an ever greater positive impact as leaders in the world's power generation.

Engaging with our stakeholders

As responsible leaders in power generation, we engage closely with all our key stakeholders in line with our commitment to make a positive long-term impact around the world.

Section 172 – compliance statement
The Board are fully aware of their obligations under, and both individually and together consider that they have acted in the way that would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31st December 2019.

This double page sets out details of key stakeholder engagements undertaken and/or supervised by the Board during the year.

We hope you find this section of the report to be a useful insight to how the Board engages with our key stakeholders and importantly how this impacts on the Board's ongoing and long term decisions.

Shareholders, investors & lenders

Our investors and lenders are critical partners in the long-term success of our business. We aim to maintain close relationships for mutual understanding and benefit.

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

How we engage
We engage with our investors, bond holders and lenders through many channels, including AGMs, roadshows, conferences and regular calls. We adhere to the highest standards of corporate governance and business ethics.

Growing well is one of our key sustainability principles. Key engagement activities include:

- Board approval of the half year and full year results.
- Board approval of the Annual Report and Accounts.
- Board approval of the Italy solar refinancing.
- Acquisition of CHP Mexico (see pages 25 and 35)
- Interporto acquisition (see pages 25 and 34)
- Change in dividend policy (see page 106)
- Successful additional corporate bond issuance in July 2019 (see page 54)
- Full Board attendance at the 2019 AGM
- Annual review meetings with large institutional shareholders
- Appointment of a dedicated full-time resource to investor relations
- Participation to High Yield conferences

2019 highlights
In 2019, we appointed a dedicated full-time resource to investor relations.

Looking ahead
In 2020, we will continue our engagement with the shareholders, through direct meetings and investor conferences.

Customers and clients

Our customers range from governments to industrial businesses and multinationals. We focus on ensuring we understand and meet their changing needs.

Key issues
- Top-tier availability of our power plants giving full satisfaction of our customers' needs (Refer to page 07 for more information.)
- Pricing
- Health and Safety
- Compliance and anti-corruption
- Procurement practices

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

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

- Bonaire innovation and growth (see pages 25 and 36)
- Arrubal improvements and upgrades (see page 32)
- Vorotan Refurbishment (see page 38)
- Significant investment in the Solutions business (see page 45)

2019 highlights
Highlights for 2019 include various upgrades for customers. For example, at our Togo power plant we upgraded engines to adapt to the gas quality received from our client and achieve full efficiency. (Refer to page 47 for more information.)

We also extended existing projects. In Bonaire for example, we extended the existing plant and battery project to improve energy produced from renewables and meet the growing energy needs of the island.

In addition we carried out significant investment in the Solutions business, where we meet the energy needs of industrial companies from inside their sites. Constant close interaction is a fundamental feature of these solutions, to ensure we satisfy the daily needs of our industrial customers and continue to partner with them long-term.

We also constantly interact with our customers to help us define the needs of the local communities where we operate and focus funds for sustainability projects for maximum positive impact. (Refer to page 48 for more information.)

Looking ahead
We will continue to engage closely with our customers to ensure we understand their needs fully and build ever stronger relationships with them.

Employees

Our outstanding employees are at the heart of ContourGlobal. We are committed to engaging closely and fully with all our employees so we can advance and succeed together.

Key issues
- Health and Safety
- Compliance and anti-corruption
- Grievance mechanisms
- Labor and human rights
- Training and education
- Freedom of association and collective bargaining
- Career development

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

- Board meetings held at a variety of sites, including company offices and visits to operational sites. Directors met a number of employees who had the opportunity to meet the Board and ask questions.
- Management presentation to the Board in regards to Continuous Improvement and 5 Whys statistics, which is a key element of employees development through failure analysis.
- Regular senior leader engagement with Executive Directors.
- Talent development considered by the Board.
- CEO 'Tuesday Talks', where every second Tuesday our CEO hosts a webinar with the entire company
- Relaunch of the company's online newsletter 'Plugged In'
- Re-vamp of the company's online and webinar training our e-learning platform
- Launch of an internal employee portal to increase the level, ease and efficiency of employee engagement, feedback and information sharing.
- Employee culture survey conducted in 2019 (page 40).
- Regular townhall meetings with all employees worldwide
- Encourage dialogue and share news on key events in the organization via modern technology and internal social media

2019 highlights
In 2019, we held four townhall meetings: 9th April, 16th July, 10th September, and 18th December.

During the year we introduced CEO Tuesday Talks, where our CEO hosts webinars on strategy every second Tuesday for all employees.

We also launched an employee portal to increase the level, ease and efficiency of our employee engagement, feedback and information sharing.

Looking ahead
We are always open to new ways to build ever stronger employee engagement across ContourGlobal. This includes exploring how best to use technology for more efficient information sharing and also to make it easier to communicate and collaborate.

For more information on our employee commitment see page 40 of this report.

Governments and regulators

We generally sell electricity under long-term contracts to a single customer or a national grid and the electricity industry as a whole is highly regulated.

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

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

- Our plant managers meet regularly with host government counterparts, including in the ministries of finance, energy and infrastructure and regular regulatory updates are provided and considered at Board meetings.
- We invite government officials to plant inaugurations and other public events, and organize private working events for visiting officials e.g. in New York on the margins of the UN General Assembly.
- Active participation in several industry associations (including ABEEólica, the Brazilian Association of Wind Power, the Bulgarian Energy Chamber to international organizations and the United Nations Development Program
- Bonaire innovation and growth (see pages 25 and 36)
- Arrubal improvements and upgrades (see page 32)
- Vorotan Refurbishment (see page 38)

2019 highlights
Through the year, we engaged with governments and regulatory authorities, including energy ministries, environmental authorities, Health and Safety agencies, governmental labor bodies, and other key government officials in a number of ways.

The engagement ranged from participating in senior level energy policy dialogue with presidents and ministers to discussing with local officials our performance and compliance.

The Board has been actively and regularly following topics related to these activities including regulatory matters.

Looking ahead
As energy requirements continue to grow and transition around the world and the regulatory environment becomes ever more complex, we will focus on ensuring we maintain a high degree of engagement with governments and regulators.

Communities

As a business deeply committed to making a positive long-term improvement wherever we operate, we engage closely with communities around the world.

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

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

- Board received updates on the Group's social investment program during the year which for 2019 included:
  - approval of 147 social projects
  - 348 employees involved in social investment
  - US$2.3m invested in social projects (0.3% of Adjusted EBITDA)
  - 300,236 hours devoted to community education activities during 2019 (210% increase on 2018
- Board approved and regularly followed up the Bonaire battery storage program: being the island main electricity provider we have a significant and positive impact on Bonaire's communities by providing more reliable renewable electricity
- Board site visits to operational sites
- Introduction of a financial target to invest at least 0.3% of our EBITDA in social projects, which we reached in 2019

2019 highlights
By switching from heavy fuel oil (HFO) to natural gas, our Togo power plant succeeded in generating 25% more energy in 2019 compared to 2018, while keeping the increase in CO2 emissions to 0.46% year-on-year.

In two of our hydro plants in Brazil, we have been carrying out a forest restoration in the area of permanent preservation surrounding the reservoirs. In 2019, we carried out maintenance on 200 hectares of planting, and planted 17,000 new seedlings. We also built 150 thousand meters of fences to protect these areas.

Since operating in Bulgaria, we have been developing, implementing and handing over a wide range of social projects. All in all, we have invested more than EUR 4,6m in social infrastructure, education and culture, environmental protection, healthcare and sport activities.

In the State of Piauí, Brazil, home to our Chapada do Piauí wind complex, we continued with our long-term partnership with the United Nations Development Programme (UNDP) and the Brazilian Development Bank (BNDES). It is designed to help the State of Piauí to integrate the UN Sustainable Development Goals into state and municipal policies and initiatives and, in turn, accelerate economic, social and environmental development in the state.

In Togo, we have been looking at ways to enhance our sustainability program in Africa.

Looking ahead
We will continue with our long-term commitment to social investment. In particular we will focus on community projects that are multi-year and that build on each other for greater impact.

Our strategy for growth

We have a highly disciplined, proven strategy that we apply to capital allocation. We seek out the highest risk-adjusted returns, competing projects against one another, and refuse to invest in growth opportunities that we do not believe appropriately reward the risks.

Our disciplined approach to executing our strategy

1 Operational excellence

2 High growth

3 Financial strength

We have a culture of operational excellence and safety that drives strong operational performance and continues to create significant value through operational improvements and fixed cost reduction. We bring these capabilities to our growth activities.

Our commitment to providing a safe working place for employees, contractors and sub-contractors is reflected in our Target Zero commitment (zero harm, zero injuries, tracked by our LTIR and other Health and Safety metrics – see pages 28 to 30.) and driven by a culture of continuous improvement.

Our relentless focus on continued cost reduction ensures a nimble corporate structure with low fixed costs:

- Businesses, acquisitions and developments are subject to continuous intense review
- Any position in a business must be justified on an ongoing basis in the annual budget process
- A lean and flat organization structure results in significantly reduced fixed costs, enhanced operational transparency and communication and a strengthened ability to recruit high quality talent

We continuously improve operational performance by benchmarking ourselves against top industry performers, intensely analyzing our failures, and communicating transparently. Senior management, for example, reports weekly about availability factor and equivalent forced outage rate against objectives.

In addition, we have made significant investments in corporate platforms to allow us to achieve greater scale with minimal incremental growth in selling, general and administrative (SG&A) expenses; minimize corporate costs, and enhance M&A integration.

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

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

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

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

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

5. Platform expansions
Developing expansion of existing projects leverages existing relationships with governments, off-takers, lenders and suppliers, replicating the same technology and structure. Platform expansions are typically low risk and high return, given the expertise already acquired, the synergies and cost reductions achieved by expanding the platform.

We focus on maximizing cash flow distributions from each of our projects to ensure that we can fund new greenfield developments, M&A opportunities, corporate costs and dividends organically without having to rely on capital markets funding. As a result, we benefit from strong and predictable cash flow generation.

We also benefit from a highly efficient capital structure with non-recourse project-level debt at each project company and attractive corporate level bond debt that maximizes the Company's financial flexibility.

We seek to maintain an efficient capital structure supporting our business model. Our key KPI here is net leverage – total net indebtedness to adjusted EBITDA. Together, these factors contribute to attractive shareholder returns.

Combining strong operational performance, flexible and agile corporate strategy and an efficient capital structure has enabled us to deliver superior project level returns.
As at 31st December 2019, our weighted average financing cost was 3.9%.

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

Our financial KPIs are detailed on pages 26 and 27.

Our strategy in action

In 2019 we continued to reap the rewards of consistently applying our proven growth strategy around the world. Here are a few highlights.

Worldwide

1

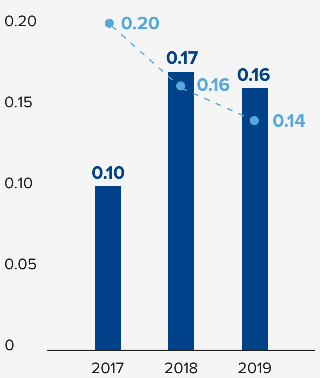
Strengthening our Health and Safety (H&S) culture

Safety is absolutely core to ContourGlobal. In 2019, we continued to strengthen our Health and Safety (H&S) culture – placing ever greater emphasis on leading indicators which, against our peers, are industry leading; and on embedding safety into every aspect of our day-to-day business.

In 2019, we put H&S first and maintained our demanding target of zero Lost Time Incidents (LTIs). Over the year, our H&S performance exceeded targets set for all except our key indicator zero LTI target, where we missed with one incident, after 442 days and 7.4 million hours of working around the world without an LTI.

Pages 28 to 30.

Total Recordable Incident Rate



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

An industry Leader in Health and Safety

0.03

Lost Time Incident Rate (Target Zero)

0.16

Total Recordable Incident Rate (target 0.14)

Bulgaria

1

Analyzing the root cause of problems to constantly improve

We never stop looking for ways to get better. To this end, we utilize the Five Whys root cause analysis problem-solving tool in 2019 with great success. From addressing outages at our Maritsa East 3 power plant in Bulgaria which impacted availability, to pinpointing technical upgrades at our Arrubal combined-cycle gas turbine plant in Spain, we tackled a number of different challenges through the year using this methodology to improve.

Pages 32 and 76

Intelligent technology

1 2

Investing in intelligent technology and talent

The business of power generation and the management of corporations is being transformed and disrupted by digitization, artificial intelligence and data analysis. In 2019, we invested in predictive artificial intelligence software for our Renewable and Thermal divisions. We have also created a dedicated Intelligence Center for our Renewable division, and a similar center of excellence is being developed for our Thermal division.

Together, smart technology and expert talent is helping us transform the way we work.

Page 33

Bonaire

1 2 3

Innovating and growing on the island of Bonaire

In 2019, we invested in a new battery system and a new energy management system to combine the battery power, charged by electricity generated from wind, with the grid. We also installed a new dual fuel thermal backup power plant with a total capacity of 9 MW. In 2020, we plan to add solar power to the mix and upgrade the wind farm we own and operate on the island. This landmark hybrid energy solution is meeting all the island's growing energy needs while minimizing environmental impacts and reducing costs.

Page 36

Training

1

Enhancing learning and development

We are deeply committed to enabling our people to learn and develop as much as possible. To this end, we provide a broad range of training courses and development opportunities. In 2019, we enhanced our use of online and webinar training by revamping our e-learning platform for all our employees. It offers training in multiple languages across a range of courses.

Pages 41 and 42

Mexico

2

Completing our largest ever acquisition

In November 2019, we successfully completed the acquisition of Alpek's portfolio of two natural gas-fired combined heat and power (CHP) plants with a gross installed capacity of 518 MW, for $724 million in cash plus $77 million of refundable VAT. The acquisition of the Mexican assets is the largest, to date, in ContourGlobal history.

This great new addition to our portfolio contributes to our strong growth. Our largest ever equity investment – it opens up a new market in Mexico and advances our business in terms of clean, efficient cogeneration solutions.

Page 35

Kalleb Oliveira, Chapada Complex, Brazil

Environment

1 2

Concentrating on carbon emissions

In line with our ongoing commitment to minimize impacts to the environment, we continue to focus on our target to maintain or reduce our intensity of carbon emissions – the total carbon emissions divided by total production. In 2019, although we grew our portfolio generation by 17% (predominantly in thermal assets), we limited the increase in our emissions intensity to 3.6%. We achieved this by increasing the efficiency of our power plant operations.

Page 45

518 MW

Operational capacity with potential to develop an extra 414 MW

Nicolas Clerc, Solar Italy, Sabaudia

Europe

1 2 3

Capitalizing on our operational and financial know-how

As our investments in our European solar power assets show, we draw on our combined operational and financial know-how to create greater value and generate funds for further acquisitions.

In May 2019, we completed an innovative 49% 'farm-down' agreement with Credit Suisse Energy Infrastructure Partners (CSEIP) for our five 250 MW concentrated solar power (CSP) plants in South-West Spain. This was the second such deal with our partner CSEIP, following the sale of 49% of our Italian and Slovakian solar photovoltaic portfolio to CSEIP at an attractive premium in 2018. In June 2019, we finalized the acquisition of Interporto Solare, a 12.4 MW photovoltaic (PV) portfolio in Padova, northern Italy. This latest acquisition fits neatly with our ongoing Solar Rollup strategy. Our total European solar portfolio is now 369 MW.

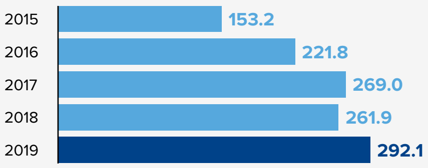
Page 34

Our KPIs

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

Financial KPIs

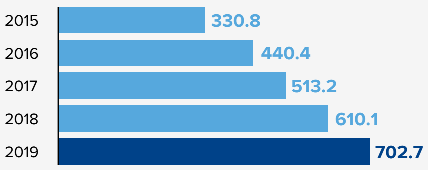
Income from Operations ($m)



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

This is a measure of profitability that includes depreciation and amortization expenses as well as development costs. IFO has increased by 16% mainly thanks to the full year impact of the acquisition of Spanish CSP assets.

Adjusted EBITDA ($m)

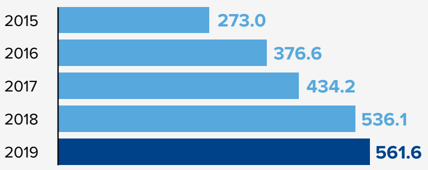


Adjusted EBITDA is the combined profit from continuing operations for all controlled assets before income taxes, net finance costs, depreciation and amortization, acquisition-related expenses, plus profit on sale of minority interest and specific items adjusted for their size, nature or incidence, less ContourGlobal's share of the profit from unconsolidated entities accounted for using the equity method, plus the Company's pro-rata portion of Adjusted EBITDA for such entities.

This is the key measure of the Company's profitability.

Adjusted EBITDA continued to grow significantly by 15% compared to last year. In addition to the IFO increase, sell down of Spanish CSP assets contributed to this improvement, however partially offset by negative foreign exchange rate impact from Euro and Brazilian reais.

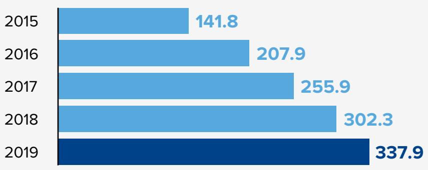
Proportionate Adjusted EBITDA ($m)



Proportionate Adjusted EBITDA is presented using Adjusted EBITDA calculated on a proportionally consolidated basis based on applicable ownership percentage of the assets.

In 2019, Proportionate Adjusted EBITDA grew by 5% for the similar reasons as Adjusted EBITDA, and in a lower proportion than Adjusted EBITDA due to the impact of the Spanish CSP sell down.

Funds from Operations ($m)

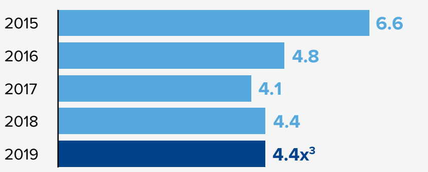


Funds from Operations is the cash flow from operating activities, excluding changes in working capital, less interest paid, maintenance capital expenditure[1] and distribution to minorities.

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

Strong operational performance and highly contracted cash flows allowed us to maintain the Group's cash conversion at a very high level. The growth of 12% compared to 2018 is mainly driven by the Adjusted EBIDTA positive variation, together with efficient management of project and corporate financings.

Net Leverage ratio[2] (x)



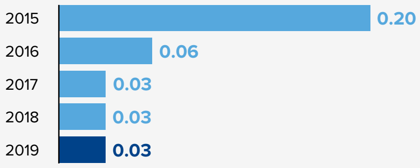
The Company net leverage ratio is measured as total net indebtedness (reported as the difference between Borrowings and Cash and Cash Equivalent under the IFRS statement of financial position) to Adjusted EBITDA.

This is the key credit measure of the Company. The Net Leverage ratio is in line with 2018, and remains within our indicated target range of 4.0-4.5.

1 Maintenance capital expenditure is defined on page 54.
2 IFRS net debt derived from consolidated statement of financial position, adjusted for the Company's share of net debt at Termoemcali and Sochagota.
3 Pro forma for full year Adjusted EBITDA of CHP Mexico.

Non-Financial KPIs

Lost Time Incident Rate



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

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

Our LTI rate of 0.03, corresponding to one LTI, is the lowest rate achieved, in line with 2018. However, we remain fully committed to Target Zero in the future.

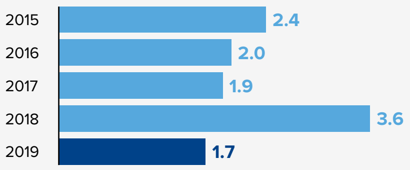
Availability Factor (%)

The Availability Factor (AF) is the percentage of time a power plant was available to generate electricity over a set time period.

It is widely used in the industry to track the technical performance of power plants and for benchmarking. We use it as a primary KPI for our assets.

The increase in the Availability Factor to 94.3% is linked to the improvement in the technical performance of the fleet and the reduction of the forced outages rate across the portfolio.

Equivalent Forced Outage Rate (%)

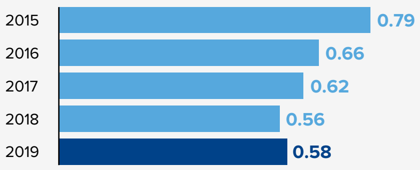


The Equivalent Forced Outage Rate (EFOR) is the ratio between hours of unit failure given as a percentage of the total hours in a set period.

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

We significantly improved the EFOR to 1.7%, from 3.6% in 2018. This resulted from the new predictive maintenance strategy deployed across the fleet and newly implemented innovative AI-based predictive tools and solutions within both renewables and thermal divisions.

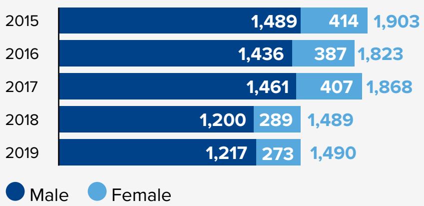
CO_2 emissions intensity



The most relevant greenhouse gas emissions in our portfolio are CO_2 emissions. Our target is to maintain or reduce our intensity of carbon emissions, i.e. the carbon emissions in tonnes/MW from our baseline set in 2014. Aligned with our sustainability principles, we have added this key metric in our 2019 KPIs.

We continue to promote the higher efficiency in power plant operations, even in our growth. In 2019, although we grew by 12% our installed capacity, predominantly in thermal generation (MW/h) which grew by 29%, we limited the increase in carbon emissions intensity to 3.6%.

Gender diversity (total employees)



We are committed to building a diverse workforce ensuring equal opportunities for all in the long-term. Aligned with our sustainability principles, we have added this key metric in our 2019 KPIs.

Women represented 18% of our workforce in 2019 and 60% of senior management.

Health and Safety

Health and Safety (H&S) is fundamental to ContourGlobal and we are proud of our performance. In 2019 we continued to advance our approach and improve on our world-class H&S standards.

1

Papa Mamadou Diack, Cap des Biches, Senega

Imen Turki, Togo

In line with our deep commitment to Health and Safety (H&S), we have a global Target Zero program – zero harm, zero injuries. Our goal is to ensure 'everyone goes home safe, every day, everywhere'.

Setting the highest standards
Building on our industry leading track record in H&S, we continue to set the highest standards. Recognizing our commitment to H&S and our outstanding performance, in 2019 ContourGlobal was admitted into the prestigious Campbell Institute, a leading Health and Safety organization dedicated to eliminate workplace injury and which brings together like minded leading companies to share best practices and data to continuously improve operational performance.

CAMPBELL INSTITUTE.

We apply our standards throughout ContourGlobal, managing and including all our contractors as part of our H&S practice, measurement and culture. For example, we include contractor data when reporting on Lost Time Incidents (LTIs).

During 2019, we passed In November 2019, we incurred one LTI after achieving 442 days and 7.4 million hours of working around the world without an LTI. Over the year, other H&S performance indicators were generally better than target.

Preventing problems
An emphasis on hazard reporting and other leading indicators allows us to identify and tackle potential problems and risks before they become major issues or incidents. A lot of our time and attention goes into hazard identification, which follows the US Occupational Safety & Health Administration (OSHA) reporting standard. The detailed information we gain helps us understand both the causes and effects of hazards so we can respond appropriately.

To ensure world-class H&S performance throughout ContourGlobal, we:

- Comply with the strictest regulations and standards
- Maintain a 'one company, one people, one standard' policy
- Train, train, train
- Ensure transparent communication inside and outside the organization
- Learn from mistakes
- Embrace a robust healthy H&S culture
- Make H&S an everyday part of our business

IN 2019, OUR H&S PERFORMANCE WAS ABOVE TARGET FOR OUR LEADING INDICATORS.

Ensuring safe planned outages
A key safety risk for us is planned outages – major, complex, high risk occasions involving intense work, time pressures and multiple contractors. They are part and parcel of operating our assets and we are working on new ways to ensure they are handled as safely, efficiently and effectively as possible.

At our Majadas concentrated solar power (CSP) plant in Spain we focused on contractor supervision. We introduced an online application where all supervisors undertake a pre-start check, to ensure they are ready to start work with the right people, tools, tasks and procedures, in the right environment and at the right time. By asking operational questions to identify the risks which might harm people, such risks are minimized.

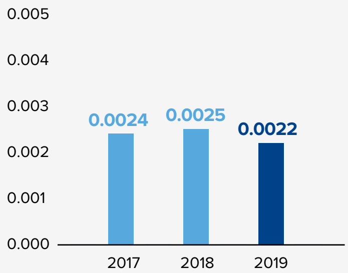
Following the successful pilot at Majadas, we rolled out this contractor engagement initiative to our other CSP assets in Spain in 2019. The data we gather via the application enables us to assess local teams and address safety shortcoming. It also helps us assess which contractors are better at planning, and improve how we can select and bring on board future contractors.

Innovating to enhance safe performance
We use innovative technologies to enhance safe performance throughout our business. At our Vorotan hydroelectric power stations in Armenia, for example, we use drones to carry out inspections of dam walls and other structures that are difficult and dangerous for people to reach. The drones take high definition images which can be analysed from a computer terminal – much quicker, more efficient and safer than having people carry out the inspections.

We are also using glasses with fitted cameras, that monitor the work and help to identify hazards, letting workers know to stop working if necessary. We piloted this technology in Togo and it will be launched at other sites. This is one of a number of wearable technology initiatives we have been exploring and implementing across our fleet.

Our performance in numbers
Health and Safety

Safety inspection per working hours

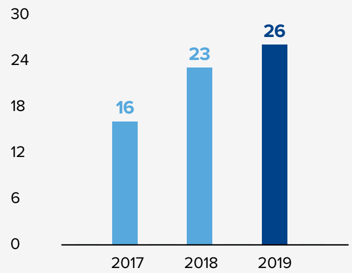


0.48

(2018 0.52)

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

Total near misses

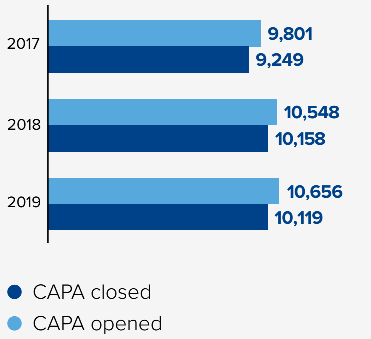


79%

(2018: 70%)

We achieved a Hazard Identification Rate of 79%, far exceeding the target of 40%.

Corrective and preventive actions – target exceeded



95%

We achieved a CAPA (Corrective and Preventive Actions) closure rate of 95% against our target of 85%.

Lost Time Incident Rate

0.03

Total Recordable Incident Rate

0.16

Reduction in TRIR from 2018

Health and Safety *continued*

WE ARE INCREASINGLY FOCUSING ON LEADING INDICATORS WHERE WE ANALYSE IN DETAIL HAZARDS AND NEAR MISSES TO SEE WHERE WE CAN INTERVENE AND IMPROVE. WE CONTINUE TO INTEGRATE OUR H&S PERFORMANCE INTO OUR EVERYDAY ACTIVITIES.

Audits and interventions

Audits	2019	2018
Balsa Nova (2019)	1	1
Termoemcali	1	1
Bahia PCH	1	
Italy Biogas	1	
Solar Slovakia	1	
Palma del Rio	1	
Knockmore Hill (Non-Announced)	1	
Cupisnique (Non-Announced)	1	
Vorotan (External)	1	
Maritsa (External)	1	
Mogi Guaçu		1
Arrubal		1
Asa Bianca		1
Inka		1
Ploïesti		1
Solar Italy		1
Togo		1
Rio PCH		1
Total:	**10**	10

Intervention	2019	2018
Chapada	1	1
CSPs	1	1
Total:	**2**	2

0.79

Hazard identification rate – target far exceeded

Number of hazards identified for each Safety Inspection Level 2. Target 0.40

2.17%

Training hours

Auditing and intervening
We continued our program of H&S audits through the year. We carried out two scheduled external H&S audits, six scheduled internal audits and two unannounced internal audits. We also performed two safety interventions.

Using the most helpful indicators
At the end of 2018, we identified new leading indicators to report in 2019, to give us even more insight into our H&S performance. These include, for example, the number of hazards identified internally compared to the number identified by visitors and the number of serious injuries and fatalities (SIFs) prevented. We reviewed the indicators at the end of the year as part of our ongoing work to ensure we have the most meaningful and helpful indicators.

Eliminating hazards and risks as quickly as possible
To live up to our commitment to ensure zero harm, zero injuries, we increased our focus on proactively preventing hazards and risks. This allows us to eliminate them as quickly and effectively as possible throughout our business.

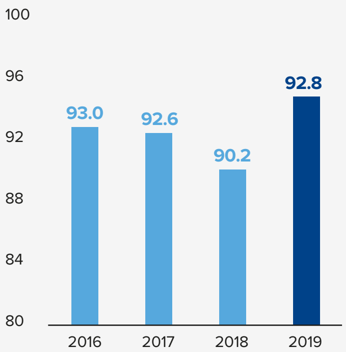
Business review

Operational capacity is central to the success of Contour Global. In 2019 our focus on continuous improvement was evident in our improved operational performance. We improved the overall availability of the fleet to 94.3% in 2019, compared to 92.9% in 2018. And we drove down the forced outage factor from 3.6% in 2018 to 1.7% in 2019.

Our performance in numbers
Business performance

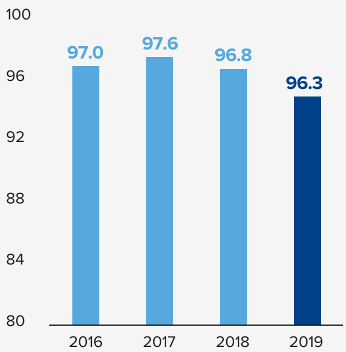
Availability

Thermal Fleet availability factor (%)



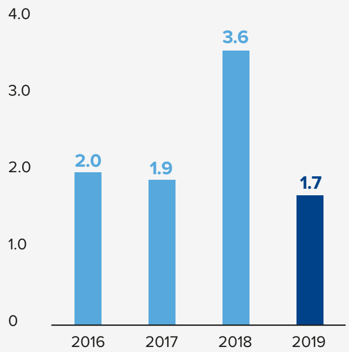
92.8%

Renewable Fleet availability factor (%)



96.3%

Equivalent Forced Outage Rate (%)



1.7%

Tackling challenges to keep getting better

1

Through the year we had a number of challenges across our portfolio. We viewed these as opportunities to quickly and effectively tackle the problems and to learn and improve.

Embracing problems with the help of Five Whys
We have a key tool that allows us to get to the heart of problems in order to make real lasting improvements – Five Whys. We use the Five Whys method of failure analysis throughout the Company to identify the root cause of issues so that they are not repeated. A powerful tool, it can be applied to any failure and over the years has helped us to become a better organization. This year was no exception.

Learning from failure
At our Palma CSP power plant in Spain, we had a blade failure in a low pressure turbine. By analysing both the root cause of the failure and our response, we were able to optimize the repair using a spare rotor, saving time and money.

Working together
At our Maritsa East 3 power plant in Bulgaria, we had difficulties at the beginning of the year with a number of outages. By forming a task force, including third parties, we focused on the issue and improved the situation.

Continually improving our performance
At Arrubal, our 800 MW combined-cycle gas turbine plant in northern Spain, we analyzed the root cause of technical performance problems to address them properly. As a result, we performed a number of upgrades to equipment, removing old parts not available on the market any more. Our improvement work will continue through 2020. We will, for example, perform a substantial upgrade to the power plant's control system to improve long-term reliability.

The "5 Whys" underpin our Culture of Continuous Improvement

Introduction:
The "5 Whys" is a technique used in the Analyze phase of the Six Sigma DMAIC (Define, Measure, Analyze, Improve, Control) methodology and helps us peel away the layers of symptoms that can lead to the root cause of a problem. When a problem occurs, we drill down to its root cause by asking "Why?" five times and its effectiveness lies in the fact that the answers come from people who have hands-on experience of the process or problem in question.

Investing in technology and talent

1 2 3

In 2019, we invested heavily in intelligent technology and talent to transform the way we keep on improving and outperforming as a business.

Capitalizing on predictive artificial intelligence
We have invested in deploying a series of software packages that provide substantial artificial intelligence and predictive analytics capabilities for both our Renewable and Thermal Divisions.

The software analyzes the performance of our assets, including millions of data points, and combines the performance trends. Based on the pattern of this collected data, the system learns for itself and is able to predict with a high degree of accuracy the future failure of equipment – giving early advance warning so we can act quickly to prevent a major issue or failure, and plan and carry out more effective maintenance. In addition, the software can analyze the day-to-day operations of an asset, such as a particular wind turbine, and identify ways to improve performance. An example of this is using the software to pinpoint and eliminate yaw or pitch misalignment to increase efficiency.

These software solutions were successfully piloted in 2019 and are being rolled out across the Group. They will drive our technical and financial performance across our assets.

The Renewable division's Retina software is already proving its worth. At our Chapada I wind farm in Brazil for example, the software was instrumental in discovering that lightning damage on 26 turbines was causing a 1.7% drop in energy production on the affected machines. We prioritized scheduling the repair to avoid higher damage and boost performance. The asset's efficiency improved in the following months.

Centralizing expertise
Hand in hand with this investment in advanced software, we have created a dedicated Intelligence Center in Natal, Brazil, where our Asa Branca power plant is located. The Center is home to specialists who are experts in analysis and leveraging specific software. They analyze the performance of our Renewable fleet and provide various reports and recommendations to help operational personnel optimize and improve their assets, for example by reducing costs and increasing reliability. A similar Intelligence Center is planned for the Thermal fleet in 2020.

WITH OUR NEW PREDICTIVE SOFTWARE AND INTELLIGENCE CENTER, WE HAVE SMART TECH AND EXPERT PEOPLE WORKING TOGETHER TO HELP OPTIMIZE THE PERFORMANCE OF OUR ASSETS.

Victor Brito, Intelligence Center, Natal, Brazil

Business review *continued*

Setting the highest standards with the help of benchmarking

1

As part of our ongoing commitment to keep advancing, we carried out extensive benchmarking this year.

Through the year we undertook a comprehensive set of benchmarking exercises across the fleet. This enabled us to compare our performance and costs. This is a valuable way for us to gauge how well we are doing against top competitors to ensure consistent target-setting and identify areas for improvement.

We have also been actively assessing our KPIs, including identifying potential new KPIs to help us evaluate our performance more effectively and challenge ourselves constantly to keep improving.

ACROSS CONTOURGLOBAL, WE CHALLENGE OURSELVES CONSTANTLY TO KEEP ON GETTING BETTER.

Capitalizing on operational and financial know-how

1 2 3

As our investments in our European solar power assets show, we draw on our combined operational and financial know-how to create greater value and generate funds for further acquisitions.

Forging a strong partnership as part of our Solar Rollup strategy
Our agreement with Credit Suisse Energy Infrastructure Partners (CSEIP) has generated €134m cash proceeds and allowed us to crystallize significant value less than a year after acquiring the assets in the first half of 2018. Under the agreement, we continue to provide asset management and O&M services to the power plants.

This was the second such deal with our partner CSEIP. In October 2018, we sold 49% of our Italian and Slovakian solar photovoltaic portfolio to them at an attractive premium. We also signed an asset management agreement for existing and prospective facilities, and a development agreement with a view to seeking new acquisition opportunities.

CSEIP is one of the European leaders in direct energy infrastructure investment and our partnership marks the next milestone in our Solar Rollup strategy. Our collaboration with a long-term financial partner who values our world-class asset management and O&M capabilities provides us with the opportunity to create further value through asset management and development fees.

Adding again to our solar portfolio
In June 2019, we finalized the acquisition of Interporto Solare, a 12.4 MW photovoltaic (PV) portfolio built on the rooftops and shelters of a major logistics center in Padova, northern Italy. The total investment was €15.4m. The acquisition fits neatly with our Solar Rollup strategy and increases our Italian platform from 43 plants with 65 MW capacity to 48 plants with 77.1 MW, which positions us favourably for further add-on acquisitions. As ever, our plan post-acquisition is to drive up operational performance and drive down costs.

Our total European PV portfolio is now 119 MW and our total European solar portfolio is 369 MW. We plan to keep on growing. Our objective is, for example, to grow the European PV portfolio to 250 MW over the next five years.

Acquiring key new assets in Mexico

2

We successfully completed our acquisition of new combined heat and power (CHP) assets in Mexico. The largest acquisition in the history of ContourGlobal, this is a great new addition to our portfolio contributing to our ongoing good growth.

Completing on a key acquisition
In November 2019, we completed the acquisition of Alpek's portfolio of two natural gas-fired combined heat and power (CHP) plants with a gross installed capacity of 518 MW, for $724 million in cash plus $77 million of refundable VAT. The closing was conditioned on the commissioning of CGA 1, the plant which was still under construction. This was delayed by 7 months due to the seller resolving technical issues related to testing of the power plant which, once successfully resolved, enabled closing to happen.

Securing multiple contracts
The two plants will provide electricity and steam under long-term contracts to subsidiaries of Alfa Group, a leading Mexican industrial conglomerate, and other commercial and industrial customers. We have made good progress on additional contracts and are now more than 98% contracted on the overall heat, steam and electricity at the two plants, as planned.

Expanding further
The expansion of our cogeneration Solutions business into Mexico is another big step forward in our strategy to pursue high quality growth around the world using 'corporate PPAs'. We expect the acquisition to add approximately $110 million to our Adjusted EBITDA in the first full year of operations. In addition, it provides an exciting platform for us to grow further both in terms of cogeneration and regional presence.

THIS IS OUR LARGEST EVER INVESTMENT OF EQUITY – OPENING UP A NEW MARKET IN MEXICO AND ADVANCING OUR BUSINESS IN TERMS OF CLEAN, EFFICIENT COGENERATION SOLUTIONS.

Business review *continued*

Implementing an innovative hybrid power system for the island of Bonaire

1 2 3

For the past seven years we have been working closely with Water-en Energiebedrijf Bonaire (WEB), the island's electricity and water utility, to tackle a critical challenge common throughout the Caribbean: how best to provide more renewable energy, lower costs, and around-the-clock reliability. In 2019, we invested in and extended our innovative hybrid power system.

Ensuring reliable supply

The island of Bonaire enjoys strong seasonal winds, peaking from December to June. We harness this extraordinary wind resource to deliver electricity that is lower in cost and carbon emissions than liquid fuel-based alternatives. Despite the intermittency of wind and solar resources, we ensure a reliable uninterrupted electricity supply through an innovative hybrid solution that keeps the lights on even when wind speeds drop.

Reducing costs and CO_2 emissions

Using a new state-of-the-art Li-Ion battery with a 6MW/6MWh capacity and power management system supplied by Wärtsilä Greensmith, we are able to maximize wind generation. As a result, we have been able to reduce costs for WEB by 36% over the last seven years, decrease CO_2 emissions and improve engine efficiency. Moreover, we have delivered these results while maintaining unprecedented levels of reliability including zero blackouts for five straight years.

Enhancing the solution

Our improvements in 2019 included a new battery and digital power management system, and newly expanded dual-fuel engines. The new battery storage system supports Bonaire's grid by injecting active and reactive current to balance decreases in wind speed with a rapid response time of 50-100 milliseconds. The newly enhanced electricity production system also eliminates the need for the engines to operate at costly low levels of output to support the reliability needs of the electricity grid. Instead, the battery itself can maintain a reliable electricity supply on a second-by-second basis so that during high wind periods the engines can be shut down or used only as a last resort.

Championing sustainability

Bonaire, the world's first Blue Destination, is committed to sustainable tourism and has undertaken an ambitious plan to promote 100% sustainable electricity production, including the maximum possible contribution from renewable electricity. Our contribution to this plan was recently recognized by the Caribbean Renewable Energy Forum (CREF), which awarded ContourGlobal Bonaire “Best Microgrid Project” for 2019.

OUR NEW INNOVATIVE BATTERY-LED HYBRID SYSTEM WILL MOVE BLUE BONAIRE ONE STEP CLOSER TO ITS AMBITION OF A FULLY SUSTAINABLE BUT STILL RELIABLE GRID.

Pressing on with repowering our wind plants in Austria

1

We have been forging ahead with the repowering of our Austrian wind plants in order to substantially increase their capacity and efficiency while also reducing their environmental impact.

Making the most of our Austrian assets
Our Austrian wind farm fleet consists of both old and new turbines. Our wind farms have an industry-leading high average availability of around 98%, including the ramping up period of the newly commissioned wind farms.

We are always looking to optimize the performance of our assets, for example by repowering them. For the past two years we have been focusing on repowering our Velm-Götzendorf and Scharndorf wind farms, which were acquired in 2014.

Completing Velm
Ahead of time and below budget, our four new Vestas V126 turbines at Velm-Götzendorf began commercial operations on 31st January 2019. Each turbine has a capacity of 3.3 MW and together they have a total annual production of 34.2 GWh, which can provide electricity for 8,525 households. The new turbines replaced 10 old DeWind D6 turbines which had a capacity of 1.25 MW each and a total capacity of 12.5 MW. The average annual production was 20.9 GWh, providing electricity for 5,300 households.

This fast, efficient repowering, successfully completed with no Lost Time Incidents (LTIs), has reduced the number of turbines from ten to four – minimizing the wind farms' footprint while significantly increasing production by 63%.

Continuing with Scharndorf
Our Scharndorf wind park consisted of 12 turbines with a capacity of 2 MW each and a total capacity of 24 MW. The average annual production of old Scharndorf turbines was 23.9 GWh, enough to provide electricity to 5,900 households. Our plan for this repowering project was to replace five old turbines with five new Senvion M122 turbines with a capacity of 3.4 MW each, providing a total annual energy production of 46.8 GWh. However, in April 2019 Senvion insolvency proceedings started. We were quick to react – reaching an agreement with the administrator to complete work on three of the five new turbines so they could commence commercial operations in November 2019. In the meantime, we have also been developing a solution for the other two turbines involving a different turbine producer.

Focusing on Phase II of our repowering
Under Phase II, the development of four additional repowering projects is currently ongoing. Net capacity is expected to be 53-60 MW after repowering. Based on the current regulation these repowering projects will benefit from a 13 year feed in tariffs (FiT) contract. The total investment is estimated to be between €71-82 million.

If we see the right opportunities, we will add to the portfolio in line with our Group-wide commitment to continuous improvement and high growth. We are currently exploring a number of additional projects in Austria in pre-feasibility phase.

WE CURRENTLY HAVE A TOTAL INSTALLED WIND CAPACITY IN AUSTRIA OF 149.45 MW – 4.7% OF THE OVERALL TOTAL IN THE COUNTRY.

Bruno Andrade, Asa Branca Complex, Rio Grande do Norte, Brazil

Business review *continued*

Progressing with the refurbishment of our hydro asset in Armenia

1

In 2019, we made significant progress in refurbishing our Vorotan hydroelectric facility in Armenia. This is in line with the commitment we made when we acquired the asset and our ongoing drive for continuous improvement.

Aram Arekhtsyan, Vorotan, Tatev Reservoir, Armenia

Modernizing a major asset
We acquired the Vorotan hydro cascade in 2015, a 404 MW hydro cascade that dates back to the 1970s and plays a critical part in Armenia's energy. Vorotan is the main contributor to Armenia's energy system, which provides about a third of the country's total energy production. ContourGlobal Armenia Hydropower's yearly energy production is 1.0 TWh, approximately 15% of the total production in the country.

The refurbishment began in 2018 as planned and has continued intensely through 2019. The work covers two aspects of the plant – the mechanical and electrical systems. Each element is being undertaken by a different world-class specialist contractor. Voith is responsible for the mechanical refurbishment; the electrical systems refurbishment is being carried out by Efacec.

There are three plants with a total of seven units in the Vorotan cascade. All seven units will be refurbished as part of the plan, which is due to be completed in 2020. The €62.9 million investment includes civil works, rehabilitating turbines, generators, auxiliary systems, main transformers, auxiliary transformers, as well as replacing control and protection systems, switchgear equipment and cabling and auxiliary electrical systems.

Staying on track
The work has been progressing well – on time and on budget and in accordance with our high quality standards. Unit 1 of Tatev hydro plant was the first of the seven units to be refurbished, in 2018. The second unit of Tatev was successfully refurbished in 2019, as well as the Spandaryan hydro plant. In 2020, the third and final Tatev unit and the two turbines of the Shamb hydro plant are due to be refurbished, completing the project.

Overcoming challenges
During the year we faced a number of key challenges with the refurbishment, which required additional work. Working closely with our contractors we tackled these challenges and learned from them to make the most of improvements. An issue with one of the Tatev turbines, for example, led us to schedule risk-reducing maintenance work on other turbines to improve overall safety and performance.

Maximizing availability
Given the critical role our asset plays in providing energy for Armenia, it is vital we ensure maximum availability throughout the refurbishment. To this end, we align the refurbishment work with the day-to-day operations of the three plants, so the country continues to receive the energy it needs as we modernize Vorotan.

THE WORK HAS BEEN PROGRESSING WELL – ON TIME AND ON BUDGET AND IN ACCORDANCE WITH OUR HIGH QUALITY STANDARDS.

Delivering a positive impact for everyone involved
Our refurbishment of Vorotan is delivering a positive impact for Armenia and for us. Everybody involved stands to gain. Once we have completed the refurbishment of the three plants, they will be the most modern hydro facilities in Armenia. They will not only be more reliable, with fewer forced outages and unpredictable trips and stops. They will also be more efficient, so we will be able to produce more power with the same amount of water. They will be more environmentally friendly, too. By increasing the lifetime of the assets in this way, we are delivering benefits for the company, the country and the planet.

Building on our success
We aim to build on our success at Vorotan to grow further in Armenia, for example through new hydro projects and other renewable and thermal energy opportunities. Our key role in the country's energy solutions, our strong partnership with the Government and our capabilities and commitment provide a firm foundation for us to do more and go further in helping Armenia secure the reliable, affordable energy it needs.

Advancing in Colombia

1

As the move to renewables gathers pace around the world, gas-fired power plants continue to provide a reliable source of energy that supports the transition.

The 240 MW TermoemCali combined-cycle gas-turbine plant in Colombia plays a key role in diversifying the country's primarily hydroelectric generating portfolio where reliable supply during seasonal dry periods is critical to its vibrant and growing economy. In 2019 we received an extension of our capacity payment to late 2023. This enabled us to carry out an advantageous financing on the asset. We see natural gas-fired power plants as an important swing factor as markets embrace more renewable energy. We are looking to make the most of this opportunity in our markets going forward.

Luis Alberto Jimenez Cruz, Arrubal Spain

Working on a modern energy solution for Kosovo

1 2

Through 2019 we continued to work on developing a modern 500 MW lignite power plant for Kosovo that would provide much needed reliable and affordable energy to fuel the growth of the country and significantly reduce the current emission levels which are hazardous to health.

In 2019 we made significant progress and the project was on-track to close and start construction as per the agreements with the Government of Kosovo. The political situation in Kosovo resulting from the unexpected resignation of the Prime Minister and the follow-up creation of a new Government that is reassessing energy policy priorities has brought uncertainties to the project and its timeline. This significant political evolution has led us to record an impairment charge, detailed in page 146.

Our people

Our talented dedicated people are at the heart of our success – living our values and applying our principles around the world to great effect. In 2019, we continued to encourage, develop and reward our people.

1

Key issues that matter to us

- Employing and developing great people
- Cultivating a culture that is: open, performance oriented and collaborative
- Further strengthening our senior leadership
- Promoting and encouraging mobility
- Enhancing learning and development
- Learning and improving through rigorous failure analysis

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

Cultivating an open collaborative culture
We focus on cultivating a very open and transparent work environment across ContourGlobal. It is exemplified by our 3Cs: communication, collaboration, coordination, and 2Ts (Timely Transparency). In 2019 for example, we introduced the CEO Tuesday Talks, where our CEO hosted a webinar with the entire company. It is a great opportunity for all our people to enter into a dialogue with the CEO on strategic topics such as leadership, technology, growth and Health and Safety.

We are using technology to help reinforce our close, collaborative culture. In 2019, we launched an internal employee portal to increase the level, ease and efficiency of our employee engagement, feedback and information sharing. We are also looking at technology tools to help us reinforce quick and effective team communication, rather than relying on one-to-one emails for example. Wherever we can reinforce engagement, transparency and collaboration, we will.

Towards the end of the year, we also carried out an employee survey, with a focused on ethics and integrity. The findings of this survey are informing the development of a new Code of Conduct in 2020 and, more broadly, how we continue to enhance our learning and development initiatives. This is part of our wider ContourGlobal commitment to constantly keep setting new standards across every aspect of our business.

WE REALLY WANT TO ENCOURAGE EVERYONE IN CONTOURGLOBAL TO COLLABORATE AS CLOSELY AND EFFECTIVELY AS POSSIBLE, AND WE'RE USING INNOVATIVE TECHNOLOGY TO HELP US DO THIS.

Further strengthening our senior leadership
In 2019, we further strengthened the senior management team, with a number of key hires, including a new Chief Financial Officer (CFO), and new Chief of Compliance Officer, in addition to our Head of Internal Audit, who joined in late 2018.

Making the most of our diverse workforce

We have a very diverse workforce, representing 18 countries. It's one of our great strengths – the positive energy and fresh thinking that comes from different people all working together for the same shared objectives.

We hire people that possess strong technical skills but also fit in the organization culturally. While we emphasize hiring locally at our power plants and often implement robust training initiatives so that we can hire within a country rather than employ an expatriate, many of our offices are populated with many different nationalities intentionally to better serve the regional businesses.

We have a good balance of diverse skills, experience and backgrounds on our executive leadership. In 2019, women represented 60% of our senior management.

We are committed to building on our diverse workforce, ensuring equal opportunities for all and encouraging the close collaboration and appreciation of all.

Enhancing learning and development
We are deeply committed to enabling our people to learn and develop as much as possible. To this end, we provide a broad range of training courses and development opportunities. In 2019, we enhanced our use of online and webinar training by revamping our e-learning platform for all our employees. It offers training in multiple languages across a range of courses.

In 2019, our managers and non-manager employees received 21.85 hours of training on average per person and over 26,943 hours of training in total. Some of our training programs addressed key compliance areas such as Health and Safety, anti-corruption, environmental protection, and other business subjects.

Learning and improving together
We encourage our people to learn and improve together. One of the ways we do this is by enabling our people to participate in intercultural and cross-country exchanges, so they can broaden their experience and share best practices with colleagues around the world.

Our people *continued*

Papa Mamadou Diack, Cap des Biches, Senegal

Through our Worker Exchange Program (WEP) for example, our people undertake limited duration assignments at another ContourGlobal site. Launched in 2012, the WEP enables participants to transfer their knowledge and provide expert support on a particular activity or a project under development. It is a great way to boost learning and cross-fertilize ideas for improvement. In 2019, 10 participants engaged in assignments in 8 different countries.

Recruiting the right people

Our workplace is demanding and requires people who are involved, motivated, self-starters with a strong will to learn and develop. We seek out people who are experts in their role, have a bias for action and have the capability to collaborate fluidly with other functions, other languages and other time zones. People with the right skills and potential who are also a good cultural fit. So, we are particularly vigilant in the recruiting process to make sure we attract employees that are able to succeed in our fast-paced environment.

Giving our people the best start at ContourGlobal

We place great emphasis on integrating new employees into the ContourGlobal way of doing things. This is increasingly important as we continue to grow and expand. We have a comprehensive onboarding program, including giving new hires significant exposure to other employees throughout the organization, and training that includes topics on anti-corruption and human rights. In 2019, we conducted onboarding training for 222 new employees. We are a unique company and are committed to ensuring that everyone who joins us has the best start, and can make great contributions and enjoy great success.

Respecting and rewarding our people

We respect and reward our people for the great work they do and the difference they make. We are committed to establishing constructive relationships between employees and managers, viewing these relationships as a key component of our success. We embrace fair hiring, employee rights, training, development and retention and a positive corporate culture, while adhering to all international labor standards and local labor laws.

Assessing performance
We assess the performance of our employees regularly, to both receive and provide feedback. This is especially crucial in a multinational workplace where integration is a priority and the global workforce must consistently adhere to our standards. Our performance review process helps us establish development objectives for our people. It has two phases – a mid-year and year-end review. The mid-year phase gives managers and employees opportunities to discuss progress toward annual goals and exchange views on performance. The year-end review is more structured and includes a review of annual objectives and a review of whether employees embrace ContourGlobal values and principles. The manager and employee also set objectives for the upcoming year, including performance development opportunities.

82%

of our employees participated in our year-end performance review in 2019.

Ensuring employee rights are respected
We have adopted policies and procedures, including our Code of Conduct and Business Ethics, to ensure employee rights are respected and these are aligned with our commitments to the UN Global Compact. Where permitted, we support freedom of association and collective bargaining. In our business with unions and collective bargaining, we value our relationships with worker representatives. In 2019, we had 787 employees participating in collective bargaining agreements and we fully support our employees' right to do so.

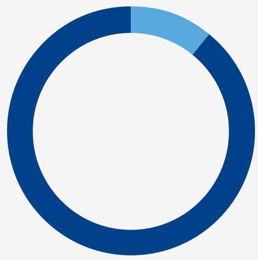
Dealing with concerns
Our employees are encouraged to raise any labor concerns during the course of day-to-day conversations or during more formal processes such as performance reviews. However, employees can also use our formal grievance mechanism in the Stakeholder Engagement Plan, report concerns through our Ethics Line or employ legal remedies. In practice, most labor grievances with our employees are resolved through constructive dialogue.

Our managers and employees are trained to be aware of situations where work undertaken by us or our supply chain does not comply with our policies. Where labor practice issues in the supply chain are identified, our legal and human resources teams actively work with our contract managers to remedy the situation.

Our diversity in numbers
Our people

Board

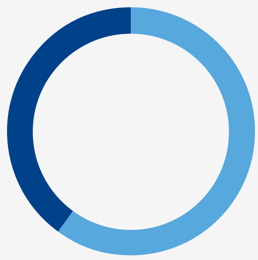
89%
8 Male in the Board of Directors



11%
1 Female in the Board of Directors

Executive management

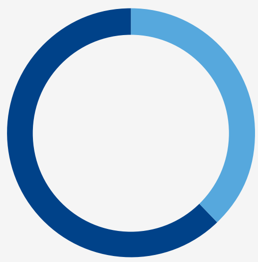
40%
4 Male in executive management



60%
6 Female in executive management

Executive Management and their direct reports

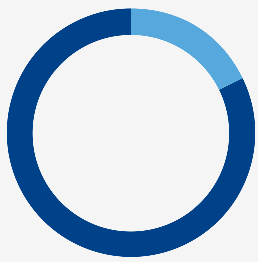
62%
25 Male in executive management and direct reports



38%
15 Female in executive management and direct reports

Total company

82%
1,217 Male Total Company



18%
273 Female Total Company

Looking ahead
In 2020, we will have a number of new initiatives. These include implementing a more systematic approach to succession planning and development of high potential employees. We will also strengthen our integration capabilities, to allow us to continue to successfully row through acquisition. This includes developing replicable integration playbooks and processes and building highly trained integration champions across the organization. These and other initiatives are part of our continued focus on developing the skills and capabilities of our people and fostering our open and collaborative high performance culture.

Bring our story to life through our people's images

A photography competition, started in 2018, allows all our employees around the world to share their own ContourGlobal story.

It is another occasion for the Board to engage with employees, acknowledge the value they bring to our business on the field and demonstrate their pride in running assets. A company-wide vote was organized and we are proud to feature the winning, 2nd and 3rd place entries here.

Winner

Photographer:
Ian Farias

Location:
Talara Proyecto,
Inka, Peru

"6.00pm sunset view from the tower, all the wind turbines and substations are visible."

193
pictures received

17
different locations covered

319
Total number of voters

Second place

Photographer:
Imen Turki

Location:
Energies Antilles
(French Caribbean)

"Providing support and school supplies in Saint Martin to the families stricken with Hurricane Irma."

Third place

Photographer:
Aram Arekhtsyan

Location:
Tatev Reservoir, Voratan, Armenia

"A water drainage system, a part of Vorotan Hydro Cascade, located in Tatev (Shamb) Reservoir, in Syunkin region of Armenia."

Participants
- Andre Botao
- Andre Ricardo Coelho de Souza
- Aram Arekhtsyan
- Boni Rubio Chaves
- Bruno Andrade
- Flavio Gonçalves
- Gustavo Siqueira
- Ian Farias.
- Imen Turki
- Javier Diaz
- Kalleb Oliveira
- Lucas Rodrigues
- Luis Alberto Jiménez Cruz
- Nerses Zalyan
- Nicolas Clerc
- Papa Mamadou Diack
- Rondinei Loiola
- Tiago Siqueira
- Victor Brito

Environment

Generating electricity has many environmental impacts and we seek to minimize these where possible.

1

Our environmental commitments

Complying with all environmental regulations and world-class best practices

Striving towards reducing our environmental footprint

Training and developing our workforce to understand our environmental and social responsibilities

Executing targeted social investments aligned with our core business

Strategic framework
Our Policy on Social Responsibility and Environmental Sustainability and our social and environmental strategy frameworks set out our framework for meeting our environmental commitments.

Day-to-day responsibilities
Our divisional COOs have overall responsibility for environmental activities, with Environmental and Social Responsibility Managers assuming the day-to-day responsibility. In addition, regional environmental managers provide technical support to our plant personnel, consolidate and review environmental reporting, and interface with stakeholders as needed. Each business also has an environmental sponsor to represent the business on environmental issues within the organization.

Targeting on carbon emissions
ContourGlobal set a target to maintain or reduce the intensity of carbon emissions, which has been achieved through growth in our Renewable portfolio and promoting efficiency in power plant operations.

In 2019, we grew our portfolio predominantly in thermal generation by 29%. Due to higher power demand from our customers in 2019 in the thermal fleet, this increased our carbon emissions by 22%. This produced a higher level of emissions in proportion, but is balanced by a higher overall generation of electricity: emissions intensity (tons of CO_2 by MW/h) was limited to a 3.6% increase compared to 2018.

Evaluating the carbon footprint of new investments
When considering new investments, we evaluate the project's carbon footprint, alternative technologies to reduce it, and whether installing a new fossil fuel burning power plant may actually reduce emissions while improving outcomes – principles that are central to our sustainability strategy. At many of our Solutions facilities, for example, we have installed systems to capture our CO_2 emissions for use in the beverage production process.

Managing air emissions
In addition to carbon emissions, we carefully manage other atmospheric emissions, such as nitrogen oxide (NO_X), sulfur oxide (SO_X), and particulate matter (PM), to reduce health risks and environmental impacts. We do this by increasing our use of renewable energy, by selecting advanced thermal power technologies, and by investing in power plant improvement such as combustion control systems.

Using water responsibly
We manage a variety of environmental impacts at our hydroelectric facilities, such as the ecological flow of rivers (the minimum water needed to maintain the ecosystems), sedimentation, vegetation, drainage and biodiversity impacts.

Our thermal plants use water from varying sources including rivers, lakes, wells, reservoirs, and we also purchase water from municipalities. Our businesses undertake extensive monitoring and risk mitigation activities related to water withdrawal, use and discharge.

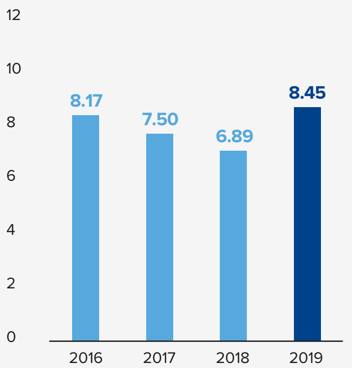
Limiting waste
We focus our waste management on cost-effective reuse and recycling. Our Maritsa plant in Bulgaria, for example, sells its gypsum by-product to third parties where it is used in drywall manufacturing. In 2019, recycling at our sites increased by 32%. We also emphasize reduction of waste altogether. In 2019, waste generation was contained, increasing in proportion less than the growth in generation (+18% in waste generation for a +19% increase in power generation).

We sort and track our waste categories, follow the laws of the countries where we

Environment *continued*

Our performance in numbers
Environment

CO_2 emissions
(tonnes millions)



WE CONTINUE TO FOCUS ON ENVIRONMENTAL AWARENESS AT ALL OF OUR BUSINESSES – RECORDING 106,124 ENVIRONMENTAL TRAINING HOURS IN 2019.

operate, comply with lender and investor requirements and best practices and contract with reputable waste collectors ensure the waste is properly treated throughout its lifecycle.

Focusing on biodiversity
Our biodiversity plans seek to protect ecosystems from unwanted impacts, but where we cannot achieve that objective entirely, we seek to rehabilitate, restore and offset. Some of our restoration initiatives include reforestation programs and relocating impacted flora or fauna. In 2019, we increased by 14% the reforestation effort, mainly thanks to programs under the Austrian wind farm repowering projects (ref page 37). We have also shared our monitoring results with NGOs and universities for research and study.

Our biodiversity impacts vary significantly among our businesses, so we identify all impacts before making site location decisions, equipment selection and operational management.

Focusing on spills and grievances
We take preventive actions and ensure awareness of environmental risks to minimize incidents such as spills and environmental grievances. While we aim to prevent an incident or grievance, we also want to be fully prepared to deal with emergencies, unexpected environmental impacts and complaints from our stakeholders.

All businesses have adopted emergency response plans and our Power for HSE Excellence program provides a road map for our businesses to adopt procedures to minimize incidents and grievances. Our businesses have also adopted Stakeholder Engagement Plans (SEPs) that provide guidance on how to respond to all grievances, including those related to the environment.

Environmental incidents are reported in our global tracking system and, as in other areas of operations, we conduct a full root cause analysis on each incident to learn from our mistakes. Grievances are reported in the monthly management reports and action plans are developed to address them.

Alvarado

Reducing water and chemicals consumption

In September 2019, a Reverse Osmosis plant was installed to directly treat water from cooling towers of Alvarado CSP. This improvement reduces in around 25% the raw water consumption and the chemical consumption associated with the treatment of cooling water.

Transitioning to Electric Vehicles

In June 2019, a charging point for electric vehicles was installed to reduce both emissions and fuel consumption. This action is intended to encourage the acquisition of this type of vehicle by CSP Alvarado workers and also in the perspective of replacing progressively the fleet vehicles used for plant transfers by electrical vehicles.

Majadas

Enhancing our operating environment with reforestation

In June 2019 as part of the Environmental Day initiatives, Majadas CSP Team carried out the plantation of trees of the local typical variety (pine pinaster) in one of the reforested areas of the solar field..

Togo

Generating more energy for Togo in a responsible way

By switching from heavy fuel oil (HFO) to natural gas, our Togo power plant succeeded in generating 25% more energy in 2019 compared to 2018, while keeping the increase in CO_2 emissions to 0.46% year-on-year. We planned this flexibility in as part of a long-term strategy by installing duel-fuel technology when we built the plant years ago. Although more expensive in terms of construction and operations, this technology enables us to switch from HFO when gas is available locally – so we can make the most of every opportunity to use cleaner fuel while meeting growing energy needs.

Hydro Brazil

Helping to preserve forests in Brazil

In two of our hydro plants in Brazil, we have been carrying out a forest restoration in the area of permanent preservation surrounding the reservoirs. Since 2012, approximately 500 hectares have been recovered, equivalent to more than 500,000 seedlings. In 2019, we carried out maintenance on 200 hectares of planting, and planted 17,000 new seedlings. We also built 150 thousand meters of fences to protect these areas.

Communities

We believe in social investment to improve the communities where we live and work. The two go hand in hand and in 2019, as our business grew so did our community impact.

1

Our approach to social investment

1. **Identify community needs:** we ensure our social investments meet the needs of the communities and desired impacts and outcomes are defined and measured
2. **Development:** we develop social projects in the same way as business projects – following our corporate governance, with budget and progress control and reporting. We have developed a specific tool to track all phases of the social projects, the Social Tracker
3. **Review and approval:** the Sustainability Committee is responsible for ensuring that all social projects are aligned with CG's sustainability principles and policies (including anti bribery) and manages the social project approval process, tracks execution and guarantees regular reporting progress
4. **Implementation:** we professionally execute our social investment plan, working closely with the communities
5. **Project Impact Assessment:** We access project impact and apply lessons learned to continuously improve our social investment strategy and future projects

We are a long-term investor committed to being a socially responsible company. We prioritize our people's health and safety and that of the people in the communities where we operate. We believe in fostering positive relationships with our stakeholders and local communities where we work. This includes promoting social responsibility activities and social investments that demonstrate our commitment to these communities.

Supporting sustainable development
We continue to actively support the United Nations Sustainable Development Goals (SDGs). Our mission and the way we go about achieving it is firmly in line with the SDGs and through 2019 we have aligned our social investment initiatives to the different goals. See the diagram page 53.

Through the year, we had a particular focus on projects supporting two of the seventeen goals: gender equality (goal 5) and sustainable cities and communities (goal 11).

Growing social investment
We expect all our businesses to engage with the communities around us and promote social investment or volunteering projects. In the past we established a target of 2 projects per business however, aiming to expand our social investment program, starting in 2019 we established a target of investing at least 0.3% of each business EBITDA in social projects.

We invested in 2019 $2.3m, compared to a $702.7m Adjusted EBITDA, achieving our target. And as we grow, so will do our social investment program.

Investing for maximum social impact
We focus our investment around five main themes aligned with our business strategy and aims: education, health and safety, environment, human rights and anti-corruption. This global strategy enables our businesses to select, implement and track specific projects that make a real difference locally while making the best use of our resources globally.

IN 2019, WE INVESTED OVER $2.3M IN SOCIAL PROJECTS ACHIEVING OUR 0.3% EBITDA TARGET.

Reviewing past investments
This year, we looked at the projects we selected in previous years to make sure they still fit their designed purpose and benefit the community, and to see if we need to provide additional support. For example, in the last years, we significantly invested in education projects in Peru, and this year, we went back to those schools and invested $50k in maintenance and refurbishment of those projects.

Making a big difference in Bulgaria
Our Maritsa East 3 thermal power plant in Bulgaria is a great example of our long-term social investment in action. In 2019 we reviewed our social investment performance since becoming the owner, manager and operator of the asset in 2011. We reviewed and celebrated the social investments we have made, the relationships we have built with the local community and the difference we have made.

Since operating in Bulgaria, we have been developing, implementing and handing over a wide range of social projects in the region of Stara Zagora, with a focus on the Galabovo municipality. In total, we have invested more than EUR 4,6m in social infrastructure, education and culture, environmental protection, healthcare and sport activities.

In the city of Galabovo and the villages of Obrutchiste, Mednikarovo and Iskritsa we have renovated municipal and health services buildings, financed the full overhaul of three kindergartens, renovated a village square and cemetery, and constructed a new city park and playgrounds.

We invested EUR 370,000 in renovating the sports hall in Galabovo, including providing full access for disabled people. The hall now hosts regional, national and international sports events, as well as the unique Sports Games for Disabled People, which we have sponsored for the past five years.

We focus on the future of the local community – the youth. In the Regional Library in Stara Zagora for example, we have built the Teen Zone – an attractive area for the 11 000 teenagers from the regional center, fully equipped with technology to meet their needs for both an educational and social interaction space.

For the past four years we have supported the English Teaching Assistants (ETA) program – funding an English teacher for the Vocational School of Energy and Electrotechnics in Galabovo benefiting more than 250 students. We were the first corporate sponsor of the program in Bulgaria, leading other businesses to adopt it.

Bulgaria Social projects

Since operating in Bulgaria, we have been developing, implementing and handing over a wide range of social projects. All in all, our Maritsa plant has invested more than EUR 4,6m, EUR 370k in 2019, in social infrastructure, education and culture, environmental protection, healthcare and sport activities.

€4.6m

Invested in Bulgaria since 2011

Communities *continued*

Sport for the young is one of our priorities too. We invested in three sports centers in Galabovo and Obruchiste, providing accessible space for activities varying from football and table tennis to beach volleyball and street fitness.

To support the cultural life of the local community, we have sponsored the Stara Zagora Jazz Forum since 2013 along with various other initiatives to sustain the folklore traditions of the region.

We help to look after the well-being of our neighbors. Through the years we have donated Medical Equipment for the Municipal hospital in Galabovo, for the Stara Zagora Oncology Hospital and the Neonatology in Stara Zagora, serving the needs of more than 250,000 citizens.

In acknowledgement of our commitment and impact, we received the "Largest Corporate Donor" award from the Bulgarian Donors' Forum in 2018. We have also received numerous other recognitions from national and local authorities, educational and healthcare institutions, NGOs and business partners.

Working together for greater impact in Brazil

In the State of Piauí, Brazil, home to our Chapada do Piauí wind complex, we have been working in partnership with the United Nations Development Programme (UNDP) and the Brazilian Development Bank (BNDES) to promote dialogue, policy strengthening and alignment of strategies to promote and achieve the sustainable development goals.

This innovative four-year partnership aims to help the State of Piauí to integrate the SDGs into state and municipal policies and initiatives and, in turn, accelerate economic, social and environmental development in the state.

Since the beginning of the project, we funded UNDP with BRL 2.1m, being BRL 417k in 2019. UNDP started the project creating a detailed database and diagnosis of the current status of the 16 municipalities in the State, in the Vale do Itaim region where our windfarms are located, its capital and certain surrounding cities. Based on this information, the UNDP reviewed the alignment of the municipal and state strategic planning to the SDGs and made recommendations on what to prioritize to promote sustainable development. In this effort, 31 municipalities, including the state capital and surroundings cities had their multiannual strategic planning reviewed against to the SDG and a diagnosis was prepared and shared with the authorities. 11 Seminars were organized to foster the integration of the SDGs in the municipalities plans that involved 220 participants. Methodological guides were also shared to help the municipalities replicate and incorporate changes into their plans.

In 2019, we promoted three workshops; trained 80 government managers; structured a state commission including citizens, academia, government and private investors; and organized five conferences to inform and disseminate knowledge about the project in the Vale do Itaim region.

The UNDP diagnosis for the state of Piaui based on the SDGs also identified accelerators for state development, supported the construction of the State Multiannual Strategic planning for the period 2020/2023, and promoted two large conferences with approximately 450 participants to engage the private sector in a new model for Piauí sustainable development.

Translation of the sign in front of the building is 'Infrastructure Project for life improvement'

Social investment

Our Social Investment Strategy, provides guidance to our businesses on the successful implementation of such projects. The key factors for assessing and managing the social environment where we work are:

- Enlist the communities, where our businesses are inserted in, as partners in our projects
- Understand their specific environmental needs and concerns
- Share information about our projects
- Invite social dialogue and solicit ideas for creative social investments

As a great example of social proactivity and volunteering stewardship, CG Sofia Office Staff, from Bulgaria, adhered to 2016 CG Global Volunteer Day. On 2nd December, the team went proactively to the Bulgarian Food Bank to dedicated their time and energy to social ends, managing to save nearly 1,500 kg of apples and contributing to the provision of 6,700 meals of needed people.

WE BELIEVE IN FOSTERING POSITIVE RELATIONSHIPS WITH OUR STAKEHOLDERS AND LOCAL COMMUNITIES WHERE WE WORK.

In addition, the project is focusing on gender equality. A program is being developed in partnership with the state government to support the development of young women. It will encompass a range of issues including health, violence against women and professional training.

Investing in sustainable development in Togo
In 2017, together with the Initiative for Global Development (IGD) we organized a workshop in Togo to brainstorm and propose recommendations to enhance our sustainability program in Africa. IGD is a non-profit organization that engages the power of the private sector to create sustainable development and inclusive growth in Africa. The focus of the workshop was to understand the impacts of our activities in the region, the risks we face and how to align our social projects to the region's needs.

In line with the objectives, we have carried out a number of actions in Togo, with the longer-term aim of applying the same plan and methodologies to other African countries. One important focus area has been our alignment to the Government of Togo's Electrification Strategy, which includes the development of 315 solar mini grids and 108 MW of additional generation capacity to achieve 100% country electrification by 2030. We have, for example, organized roundtable on "Sharing ContourGlobal Togo expertise in the field of renewables energies" with key stakeholders. During this event we have shared insights and our ambitions for Togo and Africa in renewable energy, including PV off-grid systems, wind technology and mini-hydros.

18 media organizations were present to cover the event and later produced various pieces and articles on TV, radio channels, print media and websites.

Looking ahead
Looking ahead, we will continue with our long-term commitment to social investment. In particular we will focus on projects that are multi-year and that build on each other for greater impact. We will also continue to build on aligning our social investment to the UN SDGs. Our aim is to create ever greater, enduring positive change in communities around the world.

Our performance in numbers
Community

$2.3m
Amount of social investment

348
Number of employees involved in social investment

147
Number of social investment projects

0.3%
2019 social investment as a % of Adjusted EBITDA

Making an impact

Our mission is to improve lives by offering reliable and accessible electricity, to promote economic growth and social well-being through the elimination of poverty, and to make the places where we work better because we are there. To accomplish this, we are committed to engaging and consulting all relevant stakeholders, including communities and investing in social projects. We therefore look to align our social investment with the sustainable development goals that align best with that aim.

Our 2019 support for the Sustainable Development Goals

We defined five objectives which we have been implementing through 2018 and 2019:

- Sharing knowledge in renewable energy with key stakeholders to lead in creating new business opportunities.
- Creating capacity building programs with government bodies and other leading companies, focusing on key areas including sustainability, environment, health and safety, energy and social responsibility.
- Partnering with other energy companies to create wider access to affordable energy.
- Partnering with other organisations to co-manage social investment projects in order to create greater social impacts for beneficiaries, such as the partnership with other 2 private sponsors to reconstruct the public primary school of Kangnikope built in 1980.
- Developing a sustainability communication strategy to report our measurable impacts and influence.

Finance Director's report

LOOKING AHEAD, WE WILL REMAIN VERY ACTIVE IN DEVELOPING AND ACQUIRING NEW PROJECTS TO DELIVER ATTRACTIVE RISK ADJUSTED RETURNS FOR OUR SHAREHOLDERS.

Indicator	
Revenue	2019 **$1,330.2m** 2018: $1,253.0m
Income from Operations	2019 **$292.1m** 2018: $261.9m
Adjusted EBITDA	2019 **$702.7m** 2018: $610.1m
Proportionate Adjusted EBITDA	2019 **$561.6m** 2018: $536.1m
Fund from Operations	2019 **$337.9m** 2018: $302.3m
Leverage ratio	2019 **4.4x**[1] 2018: 4.4x

[1] On the basis of a $110 million full year Adjusted EBITDA of Mexico CHP (excluding full year effect, leverage ratio is 5.1x).

Revenue
Revenue continued to grow in 2019 to reach $1,330.2 million (+6%) mainly resulting from the full year impact of the acquired Spanish CSP assets in 2018 (+$63.7 million) and the impact of the Mexican CHP acquisition completed in November 2019 (+$23.4 million), as well as increased revenue from higher dispatch of some of our thermal power plants (+$42.2 million) partially offset by negative foreign exchange impact of $67.9 million mainly due to higher average level of Eur/USD (1.12) in 2019 than in 2018 (1.18).

Income from Operations (IFO)
IFO is a measure derived from the IFRS audited consolidated statement of income.
IFO increased in 2019 by $30.2 million or 12% to reach $292.1 million as compared to $261.9 million in 2018, mainly as a result of the following effects:
- Full year impact of the acquisition of the Spanish CSP assets (+$22.5 million), and the impact of the acquisition of the Mexican CHP assets in November 2019 (+$5.4 million).
- Partially offset by a non-cash $9.1 million charge in 2019 ($4.1 million in 2018) related to the Private Incentive Plan which does not constitute a liability for the Company (refer to the remuneration report for more details).
- One-off exceptional restructuring costs in 2018 related to the reorganization of the corporate offices in the Group ($6.7 million).
- Increased acquisition related costs of $3.6m as a result of the closing of the Mexican CHP transaction in 2019.

Adjusted EBITDA

In $ millions	2019	2018	Var
Thermal	**335.9**	327.1	3%
Renewable	**397.0**	309.4	28%
Corporate and Other	**(30.2)**	(26.4)	14%
Adjusted EBITDA	**702.7**	610.1	15%

In 2019, we saw another year of strong Adjusted EBITDA growth with an increase of 15% to $702.7 million. Adjusted EBITDA benefited from the strong performance of our existing assets at $620.5 million (+$10.4 million), to which we added the full year impact of the acquisition of Spanish CSP assets (+$48.2 million), the impact of the acquisition of the Mexican CHP in November 2019 (+$10.2 million), a net gain of $51.9 million from the sale of a stake in our Spanish CSP asset, and $8.3 million positive impact of IFRS 16 implementation, partially offset by a negative foreign exchange impact of $36.4 million mainly due to higher average level of Eur/USD (-$25.0 million) and a weaker Brazilian real/USD (-$10.1 million).

Thermal Adjusted EBITDA increased by $8.8 million, or 3%, to $335.9 million for the year ended 31st December 2019 from $327.1 million for the previous year. The scope of the Thermal segment has remained unchanged during the year until the Mexican CHP acquisition closed on 25th November 2019 (+$10 million). This demonstrates the stability of the underlying earnings and cash flows of the portfolio, based on its contracted business model protecting the segment from fluctuations in demand, fuel prices, electricity prices and CO_2 prices. The Thermal fleet is also highly diversified in terms of geography and technology, which significantly limits its overall market exposure. The Thermal fleet reached an average annual availability factor of 92.8% in 2019 (90.2% in 2018) demonstrating a meaningful improvement in its operational performance during the year.

Renewable Adjusted EBITDA increased by $87.6 million, or 28%, to $397.0 million for the year ended 31st December 2019 from $309.4 million for the year ended 31st December 2018. In 2019, we benefited from the full-year impact of the acquisition of Spanish CSP in 2018, as well as from the small Interporto acquisition, a portfolio of photovoltaic solar assets in Italy in 2019. The CSP plants contributed +$48.2 million to Adjusted EBITDA growth in 2019, while Italian and Romanian solar and biogas plants contributed +$3.8 million to Adjusted EBITDA growth in 2019.

In 2019, the Renewable segment also benefited from the performance of our Wind assets in Brazil, Peru and Austria which contributed a total of $120.9 million to 2019 Adjusted EBITDA as compared to $108.6 million in 2018. This growth was mainly due to better resource than in 2018, as well as improved operational management despite a weakening of the Brazilian real against the US dollar. The remaining negative foreign exchange on the Renewable impact totals $15.0 million on the Renewable portfolio, mainly due to higher average level of Eur/USD.

In 2019, we closed the sell-down of a 49% stake in our Spanish CSP portfolio at a substantial premium to our original investment. The sell-down resulted in a $51.9 million gain recorded directly in equity under IFRS rules and contributed to 2019 Renewable Adjusted EBITDA for the same amount. Sell downs demonstrate the underlying fundamental value of our portfolio, optimize the efficiency of our capital deployment process and we will seek further opportunities in the future. In 2018, the sell-down of a 49% stake in our Slovakia and Italy solar assets portfolio of $20.9 million gain, subsequently adjusted for $(5.8) million[3] in 2019.

ContourGlobal's business model does not only generate stable and predictable earnings and cash flows it is also based on significant risk mitigation as a result of various key components:
- Limited currency exposure: 80% of 2019 Adjusted EBITDA is denominated either in Euros or US dollars, and a portion of the small Brazilian reais exposure is hedged.
- Regional and technology diversification: No technology cluster represents more than 25% of 2019 Adjusted EBITDA, and the acquisition of a 518 MW concentrated heat power ('CHP') portfolio in Mexico further diversifies the technology and regional profile.
- Long term contracts with strong and creditworthy counterparties: Approximately 85% of 2019 Adjusted EBITDA is generated under PPA concluded with Investment Grade offtakers or non-Investment Grade offtakers under political risk insurance.

We believe that the presentation of Adjusted EBITDA enhances the understanding of ContourGlobal's financial performance, in regards to understanding our ability to generate stable and predictable cash flows from operations.

'Adjusted EBITDA' is defined as combined profit from continuing operations for all controlled assets before income taxes, net finance costs, depreciation and amortization, acquisition-related expenses, plus profit on sale of minority interest and specific items which have been identified and adjusted by virtue of their size, nature or incidence, less ContourGlobal's share of profit from unconsolidated entities accounted for on the equity method, plus ContourGlobal's pro rata portion of Adjusted EBITDA for such entities.

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

Proportionate Adjusted EBITDA

Considering the decision to strategically sell down minority stakes of certain of our assets at a significant premium, we have included Proportionate Adjusted EBITDA as part of our core financial metrics since 2018.

Proportionate Adjusted EBITDA is calculated using Adjusted EBITDA calculated on a proportionally consolidated basis based on applicable ownership percentage. Proportionate Adjusted EBITDA increased from $536.1 million in 2018 to $561.6 million in 2019 (+5%), a lower increase than Adjusted EBITDA mostly explained by the sell down of 49% of the Spanish CSP portfolio.

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

	Years ended 31st December	
In $ millions	**2019**	2018
Proportionate Adjusted EBITDA	**561.6**	536.1
Minority interest	**141.1**	74.0
Adjusted EBITDA	**702.7**	610.1
Reconciliation to profit before income tax		
Depreciation and amortization and impairment expense	**(282.3)**	(239.3)
Finance costs net	**(243.8)**	(236.6)
Share of adjusted EBITDA in associates	**(21.7)**	(21.2)
Share of profit in associates	**11.1**	2.9
Acquisition-related items	**(23.2)**	(19.6)
Costs related to CG plc IPO	**–**	(0.4)
Cash gain on sale of minority interest in assets	**(46.1)**	(20.9)
Restructuring costs	**–**	(6.7)
Private incentive plan[1]	**(9.1)**	(4.1)
Other[2]	**(28.1)**	(36.3)
Profit before income tax	**59.4**	27.8

1 Refer to note 4.26 of the consolidated financial statements.
2 Refer to note 4.1 of the consolidated financial statements.

In relation to the 2019 and 2018 financial years, these adjustments included non-recurring and non-cash items. They also included a cash gain on the sale of minority interests in the Slovakia and Italy solar assets portfolio in 2018 of $20.9 million, and the sale of minority interests in the Spanish CSP assets in 2019 of $51.9 million together with an adjusted related to the 2018 Slovakian and Italy portfolio sell-down of $(5.8) million[3], all booked directly in equity under IFRS.

3 Refer to note 3.2 of the consolidated financial statements.

Finance Director's report *continued*

Funds from Operations

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

In $ millions	2019	2018
Cash flow from operations	**616.3**	**578.2**
Change in working capital	(5.0)	(50.9)
Interest paid	(189.2)	(180.9)
Maintenance capital expenditure[1]	(40.1)	(24.6)
Cash distributions to minorities	(44.2)	(19.5)
Funds From Operations (FFO)	**337.9**	**302.3**
Cash conversion rate (%)	*48%*	*50%*

1 Maintenance capital expenditures is defined as funds employed by us to maintain the operating capacity, asset base and/or operating income of the existing power plants. It excludes growth and development capital expenditures, which are discretionary investments incurred to sustain our revenue growth (including construction capital expenditures).

Funds from operations is a key metric for ContourGlobal and gives and indication of the strength and predictability of our cash generation and how much of our Adjusted EBITDA we convert into cash flow.

Funds from operations significantly improved in 2019 to $337.9 million, a 12% growth rate compared to 2018. This performance is the consequence of the continuous growth of Adjusted EBITDA explained above earlier and a results of the efficient capital structure implemented by ContourGlobal through a mix of deleveraging project financing debt and refinanced corporate level debt at lower cost of capital.

The cash conversion rate, which compares FFO to Adjusted EBITDA, slightly decreased at 48% in 2019 (50% in 2018) due to the increase of the cash distributions to minorities and maintenance capital expenditure in 2019.

Leverage ratio

Leverage ratio table

Year	
2018	4.4x[1]
2019	**4.4x**[2]

1 Including pro forma adjustment for full year of Spain CSP acquisition.
2 Including pro forma adjustment for full year of Mexican CHP acquisition.

The Group leverage ratio is measured as total net indebtedness (reported as the difference between 'Borrowings' and 'Cash and Cash Equivalent' under IFRS statement of financial position) to Adjusted EBITDA. Whenever the impact would be significant, such a ratio is adjusted to reflect full-year impact of acquisitions or for financial debt of projects under construction which do not generate EBITDA.

In 2019, the Mexican CHP acquisition contributed $10 million to 2019 Adjusted EBITDA from 25th November 2019 to 31st December 2019 as compared to an expected $110 million full year contribution. In 2018 the Spanish CSP acquisition contributed $89 million to 2018 Adjusted EBITDA from 10th May 2018 to 31st December 2018 as compared to an expected $130 million full year contribution.

Adjusted for the full year contribution of Spanish CSP in 2018 and Mexican CHP in 2019, leverage ratio reached 4.4x in 2019 as compared to 4.4x in the previous year. The leverage ratio is in our indicated target range of 4.0-4.5x Net debt / Adjusted EBITDA in spite of the recent completion of the Mexican CHP acquisition.

As of 31st December 2019, ContourGlobal has a total of $558.5 million of cash and cash equivalents, with around 32% of which at corporate level and available to finance the future growth of the Group.

Finance costs – net

Finance costs – net increased from $236.6 million in 2018 to $243.8 million in 2019 (-3%).

Interest expense decreased to $201.2 million in 2019 from $202.0 million in 2018 (-$0.8 million), largely due to the decrease of interest on the corporate bond refinanced in 2018 (-$7.4m), the natural deleveraging of the project financings (mainly in Brazil -$9.7m) at asset level offset by the Spanish CSP full year impact (+$19.1 million).

One off impacts include premium paid in July 2018 to prior bondholders of $21.9 million, and the impact of the Italian refinancing (+$4.0m of deferred financing costs) and the incremental interest from the EUR 100m add on bond issuance in July 2019 ($1.9 million).

The Realized and unrealized foreign exchange gains and (losses) and change in fair value of derivatives decreased by -$18.6 million primarily attributable to a negative impact in fair value of derivatives (-$13.4 million in 2019 as compared to a gain of $11.4 million in 2018) partially offset by a favorable change of the US dollar against the Euro which resulted in a positive revaluation of cash amounts held in USD.

Profit before tax

Profit before tax increased by $31.6 million to $59.4 million in 2019 as a result of the factors previously explained.

Taxation

The Group recognized a tax charge of $36.3 million in 2019 as compared to $17.4 million in 2018. This increase in the tax charge between periods was driven by the profit mix between territories with different income tax rates. The main jurisdictions contributing to the income tax expense in 2019 are Bulgaria, Brazil and Spain.

Adjusted Net Income

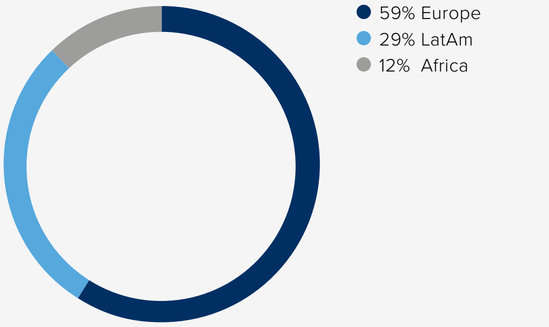
Adjusted Net Income is defined as Net income excluding one-off items for the year. Reconciliation of Net income to Adjusted Net Income is as follows:

In $ millions	2019	2018
Net income	**23.1**	**10.4**
Bond refinancing one-off costs[1]	–	21.9
ContourGlobal plc IPO costs	–	0.4
Acquisition-related items[2]	23.2	19.6
Restructuring costs[3]	–	6.7
Private Incentive Plan[4]	9.1	4.1
Italian / Slovakian refinancing[5]	15.4	–
Adjusted Net Income	***70.8***	***63.1***
Adjusted Net Income attributable to shareholders	***75.4***	***67.7***

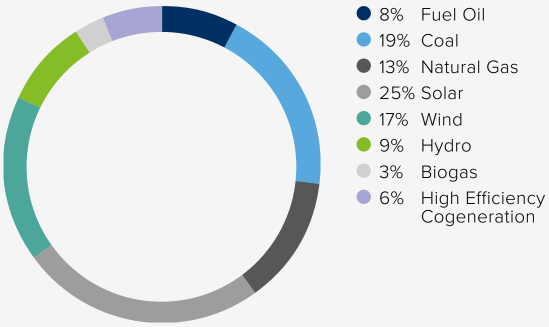
1 Exceptional premium paid to previous bondholders in relation to the refinancing of the corporate bond in July 2018;
2 Includes pre-acquisition costs and other incremental costs incurred as part of completed or contemplated acquisitions. ContourGlobal incurred exceptional high amounts of such costs in 2019 and 2018 while signing and/or closing acquisitions in Mexico, Italy and Spain in particular.
3 Costs incurred as part of corporate offices ongoing reorganization;
4 Non-cash impact of the Private Incentive Plan implementation, which does not constitute a liability for the Company as it is issued through existing Reservoir Capital shares.
5 Costs incurred as part of the Slovakian and Italian refinancings which required early settlement of the existing swaps and immediate recycling to profit and loss of deferred financing costs.

Large global footprint diversified across geographies and technologie

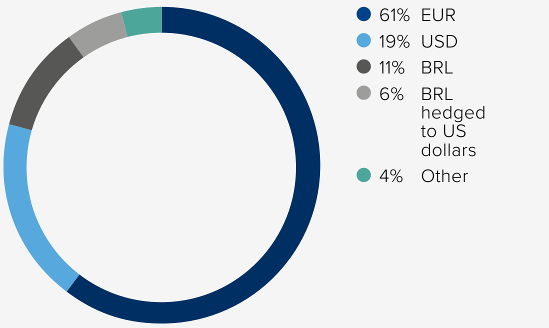
2019 Adjusted EBITDA by Geography[1,2]



2019 Adjusted EBITDA by Technology[1,2]



2019 Adjusted EBITDA by Currency[1]



1 Based on 2019 Adjusted EBITDA.
2 Excluding Corporate and Holding company costs.

Non-current assets
Non-current assets mainly comprise property, plant and equipment and financial and contract assets. The increase of non-current assets by $732.0 million to $4,701.8 million as of 31st December 2019 was mainly due to the acquisition of the Mexican CHP, impact of IFRS 16 implementation, partially offset by depreciation, change in foreign exchange during the period.

Borrowings
Current and non-current borrowings increased by $530.5 million to $4,090.5 million as of 31st December 2019, mainly as a result of new or acquired borrowings (+$947.5 million, including financing drawn as part of the Mexican CHP acquisition in November 2019 for $535 million, the bond tap in July 2019 for $118.1 million, and refinancing of the Italian and Slovakian portfolio for $280.1 million), partially offset by project financing repayment (-$428.2 million, including -$180.7 million scheduled repayment and -$247.5 million for Slovakian, Italian and Bonaire repayments) and currency translation differences and other ($71.9 million).

Equity and non-controlling interests
Equity and non-controlling interests decreased by $130.4 million to $550.1 million as of 31st December 2019 mainly due to the following factors: dividends paid to shareholders (-$137.6 million), dividends paid to non-controlling interests (-$24.5 million) and negative change in hedging and actuarial reserves (-$48.8 million). These decreases were partially offset by the positive contribution of the sell-down of 49% of Spanish CSP net of the Italy and Slovakia photovoltaic portfolio adjustment recorded directly in equity ($46.1 million), Private Incentive scheme ($9.1 million) and profit for the period ($23.1 million).

Dividend
The Board recognizes the importance of paying a regular dividend to shareholders. The underlying business generates secure, highly visible, long term cash flows, and it is the Board's intention that dividends will be paid quarterly, at the beginning of April and the end of June, September, and December.

Reflecting the growth potential of the business, since listing in 2017 the Board has targeted a high single digit annual dividend increase, which was raised to a 10% annual target in 2019. At times the Board may approve additional returns of capital, arising from surplus generation of cash or corporate transactions.

The Board periodically reviews the dividend policy, considering overall prospects, conditions and capital requirements of the Group.

The Company paid a dividend of $63.3 million in May 2019 corresponding to the final dividend for the year ended 31st December 2018 and three interim dividends for the year ended 31st December 2019 of $24.75 million in June, September and December 2019. The Directors expect to pay a total dividend of approximately $99.0m for the year ended 31st December 2019.

The Parent Company free cash flow totals $213 million ($251 million CFADS as defined in the Corporate Bond indenture, less $38 million Corporate Bond interest costs), 2.2x the total declared dividend for the year ended 31st December 2019.

Outlook
We remain heavily focused on developing, acquiring and operating power generation assets under long-term contracts providing significant protection from the risks associated with volumes, commodity prices or merchant energy prices. As we continue to pursue our growth strategy, we are active on both construction and acquisition projects.

Looking ahead, we see further opportunities to develop and acquire new projects which will deliver attractive shareholder returns.

Stefan Schellinger
Global Chief Financial Officer

Managing our principal risks

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

The Board of Directors has overall responsibility for the Company's risk appetite, risk management and ensuring that there is an effective risk management strategy and framework. The Audit & Risk Committee assists the Board with monitoring the Company's risk management framework, identifying areas of risk, challenging control weaknesses and providing independent assessment and opinion on the effectiveness and efficiency of the Company's internal controls and risk management systems. This also includes reviewing the risk register and providing regular updates to the Board on actions taken to mitigate the risks faced by the Group. Details of the Audit & Risk Committee's composition, responsibilities and activities can be found in the Audit & Risk Committee Report on pages 83 to 88.

Enhancing our risk management
We actively focus on assessing and reviewing key risks and hot topics such as cyber security and climate change to ensure we stay on top of the evolving risk landscape. To help us further strengthen our approach, we launched an online risk management portal in 2019. Developed in-house and available to all the risk owners and working groups, the portal enables us to monitor and manage our risks more efficiently and effectively. The 2019 risk campaign was fully managed using this portal.

WE NEVER STOP LOOKING FOR WAYS TO ENHANCE OUR RISK MANAGEMENT. IN 2019 FOR EXAMPLE, WE INVESTED IN AN ONLINE RISK MANAGEMENT PORTAL WHICH IS HELPING US INCREASE OUR EFFICIENCY AND EFFECTIVENESS.

Focusing on the uncertainty driven by climate change, we have implemented weather forecasting intelligence that provides medium to long range forecasts for our Renewable assets in Latin America. In addition, an artificial intelligence platform has been rolled out across the Renewable fleet to help improve data analytics and forecasting. These two solutions are helping us to better anticipate and manage events related to climate change so we can optimize and improve our operations.

Making the most of a robust framework
The Company's risk management framework consists of a risk register of all key risks, a risk map and risk ID cards detailing elements such as qualitative analysis of the main causes and impacts. The register details the management action plans in place to minimize the chance of a risk crystalizing. Our risk management approach is based on the three lines of defense model which ensures the Company allocates responsibilities and provides reasonable assurance over the effectiveness of controls, procedures and relevant systems.

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

The **second line of defense** comprises Group functions such as compliance, risk and internal control, IT and quality. It focuses on monitoring and compliance with risk control systems and processes implemented by the business. Starting in Q3 of 2019, a risk and internal control director position was established to strengthen the focus on the risk management framework and initiatives.

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

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

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

The viability statement can be found on page 65.

Reducing uncertainties
The Company's diversified geographical and technological approach to contracted and regulated power generation, as well as political risk insurance coverage of high-risk assets, reduces uncertainties relating to medium-term operational results. We closely monitor residual risks related to governmental regulations, macroeconomic uncertainties and changes in market conditions through the risk management framework. We are actively tracking the risk related to uncertainty surrounding Brexit and, currently, we do not anticipate that Brexit will have a material impact on our operations or our financial results.

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

The Internal Audit function conducted ten audits in 2019, including contract management, information & cyber security, HR/payroll process and GDPR, tax risk management strategy, combined compliance/finance, treasury, shared service centers operations and benchmarking, and two assets-focused audits. These audits are directly or indirectly related to ContourGlobal's major risks and allow us to detect areas of improvement. The cyber security audit, for example, helped us improve a robust action plan implemented in 2019 and allowed us to strengthen the level of control in place and reduce the significance of residual risk.

In December 2019, the Audit & Risk Committee approved the 2020 Internal Audit risk-based plan. Internal Control and Internal Audit carried out a two-day strategic meeting to align on the 2020 roadmap.

Further information can be found in the Audit & Risk Committee report on page 83.

Managing emerging risks and opportunities
We recognize that the global landscape is constantly evolving and generating emerging risks. We incorporated the identification, review and assessment of the emerging risks in our annual risk campaign. Several emerging risks have already been identified and included in the register in the past, for example macroeconomic and political conditions, climate change and cyber security.

This year we followed a robust process to carry out our emerging risks review and identification and concluded that no additional emerging risks need to be added to the register.

Online Survey conducted through new risk management portal

Emerging risks proposals discussed during risk working groups meetings

Emerging risks presented to the Executive Management

Existing and proposed emerging risks reviewed by Audit and Risk Committee

Final review conducted by the Board

As part of ongoing emerging risks identification process, we started to closely monitor the evolution of pandemic virus (COVID-19) and implemented immediate measures to protect our employees and mitigate potential impact on company's operations in 2020.

We also realize that changes in the global landscape can generate opportunities for the business. Therefore, as part of our long-term strategic planning we constantly monitor opportunities as well as risks.

Looking ahead to next year, we are going to further strengthen our approach by engaging a third party and using external software to help us better understand our emerging risks and opportunities. We also plan to explore opportunities mapping to complement risk mapping as a great way to generate ideas for innovation. Our aim is not just to identify, manage and mitigate risks more effectively but also to make the most of new opportunities for the business.

INCREASINGLY WE ARE FOCUSING ON THE OPPORTUNITIES THAT COME WITH EMERGING RISKS. WE WANT TO DO EVERYTHING WE CAN NOT ONLY TO REDUCE RISKS BUT ALSO TO TURN THEM TO OUR ADVANTAGE.

Our framework for managing risk
Roles and responsibilities

Board

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

Audit and Risk Committee

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

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

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

Senior management team

Monitoring the risk management governance framework and policy

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

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

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

Third line of defense
Internal Audit

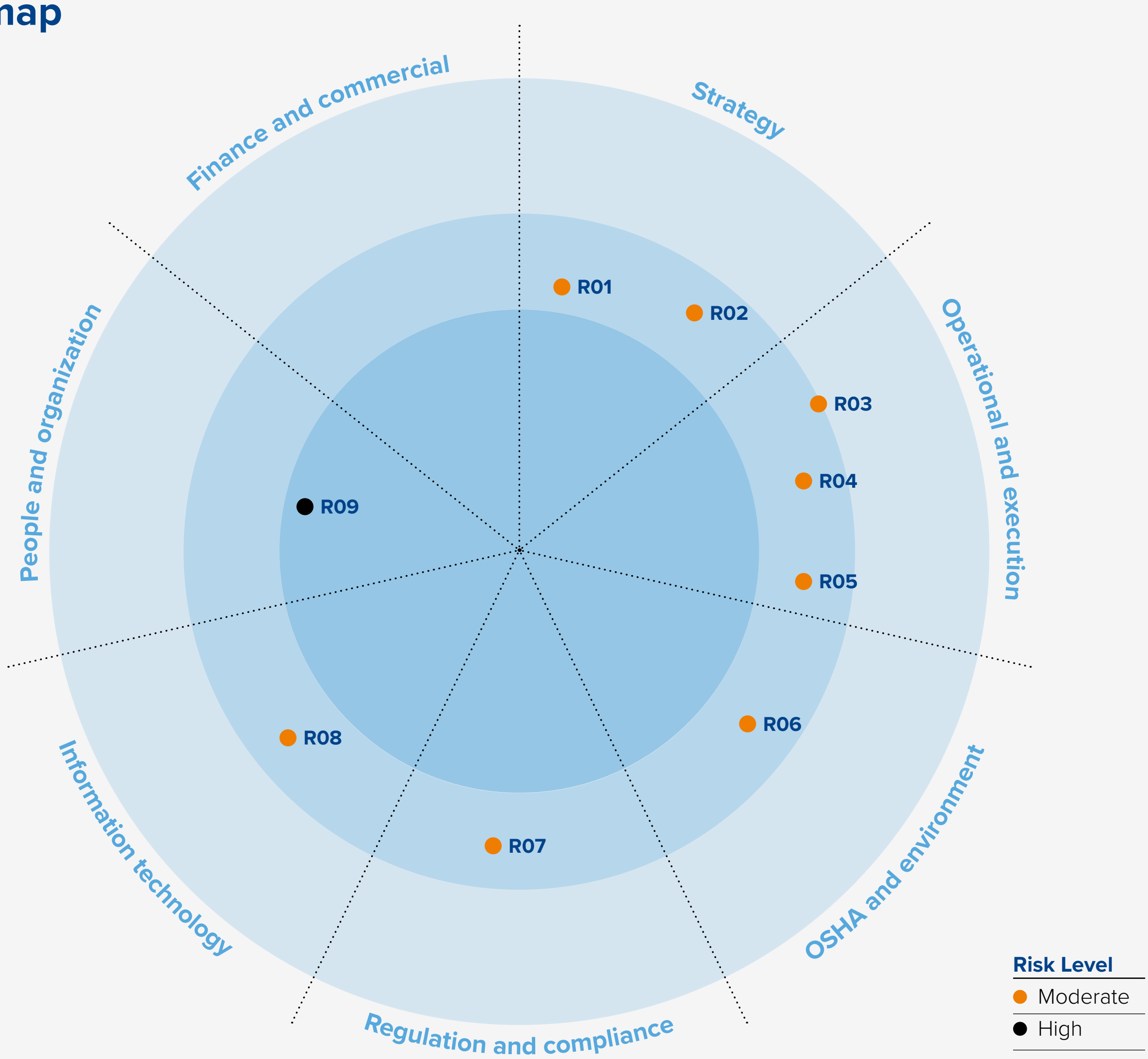
Risk ownership and control ensuring day-to-day risk management controls are implemented and monitored and systems are in place to identify, evaluate and mitigate Company's business risks

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

Independent assurance of risk management, internal controls and governance

Managing our principal risks *continued*

Risk map



R01 – Impact of governmental actions and regulations (including climate change initiatives)
R02 – Macroeconomic, political and other global conditions
R03 – Project execution (CAPEX)
R04 – Asset integrity (OPEX)
R05 – Resources/Climate change
R06 – Health, Safety and Environment (HSE) and food: prevention and regulation
R07 – Fraud, bribery and corruption
R08 – Cyber security and systems integrity
R09 – Key people (senior executive management) succession planning

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

Our Risk Radar maps the top nine risks ContourGlobal is facing. They are all major risks for the Group. The risk radar has three levels of residual risk: high, moderate and low.

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

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

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

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

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

Risk Factor	Main impact	Risk Response (management and mitigation)
R01 – Strategy – Impact of governmental actions and regulations (including climate change initiatives) 1 2 3		
The risk that governmental actions or changes in (1) taxes or (2) regulations of our non-PPA long-term fixed rate arrangements (i.e. feed-in-tariffs) and Power Purchase Agreements (PPAs) including investigations by regulatory or competition law authorities, as well as (3) restrictive regulation of Thermal generation as the result of climate change initiatives and transition to low carbon economy, without regulatory risk pass-through mechanisms will have a negative impact on our results of operation and growth prospects. ←→ Risk unchanged Included in the sensitivity analysis on principal risks for viability and going concern assessment.	Deterioration of financial performance including loss of revenue and an increase in expenses (including fossil fuel cost). Loss of business/growth opportunities: – Termination of agreements – Inability to obtain, maintain or renew required governmental permits/Licenses – Inability to receive permits for extension of existing capacities. Financing impact: – Limited access to capital for Thermal power generation projects Major Asset impact: Maritsa anticipates that in the near term it will engage in discussions with the government of Bulgaria related to the Bulgarian energy regulator's complaint to the EU Commission that the Maritsa PPA contains elements of state aid. While we cannot predict the outcome of such negotiations, any resolution could nonetheless contain terms that adversely affect the Maritsa PPA and have a material adverse impact on Maritsa's and ContourGlobal's business.	PPAs are held with state-owned, regulated or other off-takers, the majority of which are rated by Standard & Poor's, with a weighted average credit rating of BBB- (weighted by EBITDA). PRI policies (from commercial insurers) are in place for several projects in case of events that can affect our assets, in particular the loss of invested capital. In some cases, these cover a return on our capital. These include: Maritsa, Vorotan, KivuWatt, Togo, Nigeria, Cap des Biches, TermoemCali, Sochagota, Slovakia and Kosovo. Close relationships are maintained with energy lawyers and associations to anticipate any potential changes in regulation and express our interests. Partnerships are fostered with multilateral development banks for both equity and debt which makes governments reticent to renegotiate. Investment is placed in local communities and hiring locally. The business has a sovereign credit rating of A post PRI impact (based on the individual sovereign ratings determined by Standard & Poor's). Close monitoring of global climate change initiatives and taking them into account in our medium and long term operations and growth strategy. Proactive engagement and communication.

1 2 3 Please see page 23 for more information on ContourGlobal's three strategic principles

Risk Factor	Main impact	Risk Response (management and mitigation)
R02 – Macroeconomic, political and other global conditions 1 2 3		
The risk that macroeconomic, political and other global conditions such as geopolitical uncertainty, social instability, pandemics, sanctions and trade war will create additional uncertainty for our international operations and have a negative impact on the business model and supply chain limiting our flexibility in cross-border investments. ←→ Risk unchanged	Deterioration of financial performance: – Increase in operational costs (including additional costs associated with supply chain disruptions) – Higher financing transaction costs – Disruption of operation of one or more of our assets – Increase in Opex and Capex – Loss of invested capital – Adverse effect on results of operation – Unforeseen additional recurring costs vs. financial model projections (project IRR and cash flow) – Charges and penalties due to non-compliance with external requirements Loss of business / growth opportunities: – Inability to operate effectively – Termination of agreements – Fewer opportunities for growth Business disruption: – Inability to procure required equipment – Impact on EAF and EFOR	PRI policies (from commercial insurers) are in place for several projects in case of events that can affect our assets in particular in Africa and Eastern Europe. In some cases we can recover a return on our capital: Maritsa, Vorotan, KivuWatt, Togo, Nigeria, Cap des Biches, TermoemCali, Sochagota, Slovakia and Kosovo. Our diversified operations limit the downside as the impact of a localized geopolitical effect is unlikely to have a significant effect on the full portfolio. Diversification of jurisdictions and technologies minimizes the risk. Access to several financial markets allow the business to choose the most opportune sources of transactional financing. Investment in local communities and hiring locally creates goodwill with local governments and populations. Reduced risk mitigation in place through diversified business. Regular analysis of suppliers and supply chain.
R03 – Operation and execution – Project execution (CAPEX) 1 2 3		
The risk that inefficient contractors' selection, contracting, project management and execution of greenfield construction or refurbishment investment projects will result in delays or unanticipated cost overruns. Included in the sensitivity analysis on principal risks for viability and going concern assessment. ←→ Risk unchanged	Financial impact e.g.: – Overrun of project costs (including financing fees) vs. investment case impacting projected cash flows and IRR – Liquidated damages/penalties/ litigation – Reduced revenue due to construction delays – Potential defaults on financing and debt repayment before COD Image and reputation impact resulting from a loss of credibility with counterparties, lenders and other stakeholders.	Controlling methodology: specific internal resource is dedicated to provide guidance and best practice to ensure strict and real time project cost control, enabling cost overruns to be identified early and mitigation actions put in place. Minimizing the risk of exceeding construction budgets by entering into fixed price contracts with engineering, procurement and construction (EPC) contractors with proven track records. EPC contracts contain back-to-back liquidated damages provisions which protect ContourGlobal against construction delays and other breaches by EPC contractors. Contract monitoring and management with legal support. External support to obtain permits. Project Review Procedure: monthly review of the projects organized by the Project Management Team (including the Group COO) and presented to the Project Steering Committee. Regular analysis of suppliers and supply chain.

1 2 3 Please see page 23 for more information on ContourGlobal's three strategic principles

Risk Factor	Main impact	Risk Response (management and mitigation)
R04 – Operation and execution – Asset integrity (OPEX) 1 2 3		
The risk that asset maintenance processes are not managed in line with the O&M plan and quality standards will prevent the power plants from delivering electricity and ensuring availability at the levels defined in the long-term PPAs. ←→ Risk unchanged	Deterioration of operational performance: – Business interruption and power outages – Performance below expected efficiency and output levels – Inability to deliver electricity or ensure availability defined in long-term PPAs Reduced profitability and cash flows: – Increase of expenses (OPEX & CAPEX): – Unplanned O&M and capital expenditures – Loss of revenue and PPA penalties – Liquidated damages – Reduction in distribution and inability to service debt Reputational impact.	Business interruption insurance. O&M strategy focusing on HSE, O&M Organization, O&M performance management, benchmarks and KPIs. Maintenance strategy including hydro and civil structures. O&M IT systems (including remote monitoring control room). Maintenance activities with regular KPIs for control, and timely corrective actions. Daily KPIs and improvement meetings between local plant managers and operators. Regular analysis of suppliers and supply chain.
R05 – Operation and execution – Resources/Climate change 1 2 3		
The risk that climate change (e.g. changes in temperature, wind patterns and hydrological conditions) will affect the certainty of our forecasts, will impact our operations and adversely affect our financial performance. ←→ Risk unchanged Included in the sensitivity analysis on principal risks for viability and going concern assessment.	Deterioration of financial performance including a loss of revenue and/or an increase in expenses (O&M costs). Impact on the operational performance with a strong deviation of actual renewable generation vs. projections in the investment case specifically for wind and hydro.	Diversified geographical and technological portfolio of assets. Extensive weather phenomena studies and due diligence before acquisitions. Sign-off on all investment case assumptions by a reputable advisory firm. Scenario analysis carried out across the portfolio. StormGeo forecasting service has been implemented that provides medium to long range prognostics for LATAM assets Retina IA platform for Renewable businesses to improve data analytics and forecasting as well as integrated forecasting service that does medium to long range prognosticating.

1 2 3 Please see page 23 for more information on ContourGlobal's three strategic principles

Risk Factor	Main impact	Risk Response (management and mitigation)
R06 – Health, safety and environment (HSE) and food – prevention and regulation 1		
The risk that failure to prevent major health, safety, environmental and food (CO_2 production for human consumption) incidents and/or comply with relevant regulations due to inherent risks related to our activities (fuel types, technology, equipment in more than 20 countries) will have a material adverse impact in our operations, financing conditions and reputation. ←→ Risk unchanged	Human and environmental impact: – LTIs (Lost Time Incidents) and fatalities of ContourGlobal employees, contractors or people in local communities around the facilities due to incidents at the power plants – Environmental accidents on site and in local communities – Contamination of food supply Reputational impact. Financial and operational impact: – Increase in liabilities and compliance costs – Business interruption – Loss of efficiency/productivity – Breach of loan covenants – Non-compliance with applicable HSE legal requirements and potential sanctions	Health and Safety Policy reviewed annually and communicated Company-wide. Health and Safety and Environmental management system is aligned with H&S 18001, ISO 14001 standards, and also with World Bank guidelines, namely the IFC Performance Standards. Monitoring of reactive indicators (such as responses to accidents) and proactive indicators (including known hazards, inspection quality and number of training hours). Intense regular training. Strong environmental policies and procedures: – each business's compliance with applicable policies, local laws and permit requirements is managed directly by the business – oversight and audit through operations, environmental, health and safety departments Third-party contractors' environmental audits, including Coca Cola audits of food grade CO_2. Arrubal, Togo and Knockmore Hill have achieved ISO 14001 certification. Adherence to a Company-wide environmental policy, reflecting the business commitment to the United Nations Global Compact.

1 2 3 Please see page 23 for more information on ContourGlobal's three strategic principles

Risk Factor	Main impact	Risk Response (management and mitigation)
R07 – Regulation and compliance – Fraud, bribery and corruption 1		
The risk that lack of transparency, threat of fraud, public sector corruption, money laundering and other forms of criminal activity involving government officials or suppliers will result in a failure to comply with anti-corruption legislation, including the UK Bribery Act 2010 and other international anti-bribery laws. ←→ Risk unchanged Included in the sensitivity analysis on principal risks for viability and going concern assessment.	Financial impact: – Financial losses as a result of fraudulent activities – Violations of anti-corruption or other laws – Criminal and/or civil sanctions against individuals and/or the Company – Loss of trust by key stakeholders – Debarment by multilateral development banks and international financial institutions Reputation impact and loss of trust. Exclusion from government funding programs.	A strong anti-bribery compliance program that reflects the components of an 'effective ethics and compliance program' as set forth by various international conventions and enforcement authorities, which is reviewed at least quarterly. Policies and procedures include: – Code of Conduct and Business Ethics – Anti-Corruption Policy – Anti-Corruption Compliance Guide – Policy for Engaging Supplier and Third-Party Service Providers – Gifts & Hospitality Policy – Compliance Transactional Due Diligence Protocol – Business Development Consultant Compliance Protocol Regular certification by employees. Risk-based due diligence, including for third parties and transactions. Online portals: – Third-Party Service Provider and Supplier Portal – Gifts & Hospitality Portal – Document Review and Signature Approval Procedure (cross-functional) – EthicsLine Regular checks and audits: – Bi-annual combined Compliance and Finance Audits – Internal spot checks Tailored, risk-based training according to a yearly training plan.

1 2 3 Please see page 23 for more information on ContourGlobal's three strategic principles

Risk Factor	Main impact	Risk Response (management and mitigation)
R08 – Information technology – Cyber security and system integrity 1		
The risk that insufficient IT security or maintenance of systems will expose the Company to data corruption. This could have a negative impact on information systems as well as electronic control systems used at the generating plants, and could disrupt business operations, resulting in loss of service to customers, expense to repair security breaches and/or system damage. ←→ Risk unchanged	Organizational and operational impact: – Disruptions to business operations – Compromise of data integrity in core systems Financial impact: – Potential for fraudulent activity due to segregation of duties conflicts – Penalties related to non-compliance with data-related laws and regulations – Loss of revenue due to disruptions to operations Impact on reputation due to breach of confidentiality.	Dedicated security function established for corporate and Operations. **Plants** – Physical access controls – Dedicated plant IT functions established to consolidate IT management approach in the plants under a global framework of IT/OT security policies and procedures. This local segregated approach to the management of plants minimizes risk. **Corporate** – Security governance controls in place (including security policies, security training, security reviews) – Security systems implemented (e.g. anti-virus, web filtering, firewalls, multifactor authentication, encryption) – Security information and event management system (SIEM) – Infrastructure hosting security in place (ISO-27001 compliant data centers) – User provisioning process for key financial accounting and reporting systems, and segregation of duties where applicable – Governance processes in place (e.g. change management, incident management) – Restricted USB access – Centralized administrative access restricting any changes introduced by individual users – Annual external audits of financial systems and IT security
R09 – People and organization – Key people (senior executive management) succession planning 1		
The risk that a combination of key people's (senior executive management) departure at short notice may affect the Company's ability to deliver its strategic objectives and the overall Company performance and availability of talent to support long term growth plans. ←→ Risk unchanged	Removal or departure of key individuals could result in operational disruption, while competition for employees could lead to higher than expected increases in the cost of recruitment, training and employee costs. Loss of key management members could have a reputational impact.	Focused action to attract, retain and develop high caliber employees. Managing organizational capability and capacity to meet our customers' needs. Effective remuneration arrangements to promote effective employee behaviors. Clear succession plans in place.

1 2 3 Please see page 23 for more information on ContourGlobal's three strategic principles

Viability statement

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

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

i) the assessment of the prospects of the Group through the review of the Group's current position, strategy and business model, financial projections and principal risks. In particular, the Group's financial performance has been assessed as relatively predictable given more than 90% of revenue and related cash flows are fully contracted or regulated, with no material contracts expiring during this period other than Arrubal (PPA expiring in July 2021). In addition, the resources available considering the financial projections provide sufficient headroom to serve its financing commitments.

ii) the assessment of the viability of the Company through the preparation of the most severe but plausible scenarios applied on these principal risks, the analysis of their financial impact (on revenue, profitability, cash generation and cash distribution), and the review of the mitigation factors that management reasonably believes would be available to the Company over this period.

Each of the risks presented on pages 61 to 66 have been assessed in terms of their potential financial impact. Out of those, the most severe but plausible scenarios (individual or combination) are presented in the following table.

Risk scenario tested	Linked to the principal risk
Changes in governmental regulations, and commercial market conditions – Financial impact of no post-PPA business for a material asset	R01 – Governmental regulations page 61 R02 – Macroeconomic and political conditions page 62
Construction and refurbishment activities – Financial impact of significant cost overruns	R03 – Project execution (CAPEX) page 62
Reduction of solar/ wind/hydro resource due to climate change – Financial impact resulting from the loss of revenue of the selected renewable assets	R05 – Resource climate change page 63
Significant compliance breach – Financial impact in the form of hypothetical fines and associated reputational damage	R07 – Fraud, bribery and corruption page 65
Cyber-attack stopping a major asset for two weeks – Financial impact of revenue loss from a major asset in that period	R08 – Cyber security and system integrity page 66

The results of the risk scenarios modelled showed that neither an individual risk nor a combination of the plausible risk events would have significant enough financial impact to endanger the viability of the Company over the period assessed. In addition, the geographical spread of the Group, present in 18 countries with 107 operating plants and the significant portion of non-recourse financing arrangements at the asset level, mitigate the impact at Group level.

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

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

Going concern statement

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

In reaching this conclusion, the Directors have considered:
- The financial position of the Group as set out in the Annual Report and additional information provided in the financial statements including note 4.13 (Management of financial risk), notes 4.21 and 4.23 (Cash and cash equivalents and Borrowings) and note 4.14 (Derivative financial instruments)
- The resources available to the Group taking account of its financial projections and existing headroom against committed debt facilities and covenants
- The principal risks and uncertainties to which the Group is exposed, as set out on pages 61 to 66, the likelihood of them arising and the mitigating actions available.

Non-Financial Information Statement

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

Reporting requirement	Relevant information	Policies, Standards and Commitments
Business Model	Page 14 Our business model	Our values: • To care about our people's health, safety, well-being and development. • To expect, embrace and enable excellence and continuous learning through humility, and knowledge that we will fail but when we do, we will learn. • To act transparently and with moral integrity. • To honor the commitments of those who have placed their trust in us. • To work hard and without boundaries as a multinational, integrated team.
Principal risk and impact of business activity	Page 56 Managing our principal risks Page 65 Viability statement	
Environmental Matters	Page 45 Environment	Our environmental commitments include: • Complying with all environmental regulations and world-class best practices. • Striving towards reducing our environmental footprint. • Training and developing our workforce to understand our environmental and social responsibilities. • Executing targeted social investments aligned with our core business. We are also a signatory of the United Nations Global Compact • Code of Conduct and Business Ethics* • Supplier Code of Conduct* • Policy on Social Responsibility & Environmental Sustainability
Employees	Page 40 Our People	• Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics*
Social Matters	Page 48 Communities	• Code of Conduct and Business Ethics*
Human Rights	Page 40 Our people continued	• Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics* • Supplier Code of Conduct* • ContourGlobal Modern Slavery Statement 2018*
Anti-Corruption and anti-bribery	Page 88 Whistleblowing Policy Page 88 Bribery and corruption policy Page 63 Risk Factor – Regulation and Compliance – Fraud, bribery and corruption	• Code of Conduct and Business Ethics* • Anti-Corruption Policy* • Anti-Corruption Compliance Guide* • Supplier Code of Conduct* • Policy for Engaging Supplier and Third-Party Service Providers • Gifts & Hospitality Policy • Compliance Transactional Due Diligence Protocol • Business Development Consultant Compliance Protocol • ContourGlobal Modern Slavery Statement 2018*

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

Governance

Ana Isabel Sancho Nunez, Termosolar Majadas, Cacares, Spain

Strategic priority

High growth

To achieve high growth, we adopt five core investment approaches, all focused on contracted or regulated wholesale power generation across different technologies and geographies.

4.8 GW
Installed capacity

530 MW
Committed growth in 2019

Board of Directors

Executive Directors

Craig A. Huff

Chairman

Committee membership

2

Mr. Huff co-founded ContourGlobal in 2005 and serves as the Chairman of the Board of Directors.

Mr. Huff co-founded Reservoir Capital in 1998 and is a member of all fund Investment Committees. He currently serves on the boards of many of Reservoir Capital's portfolio companies in industries such as energy, power, aircraft leasing, and insurance.

He has also been instrumental in the formation and development of a variety of hedge funds and private investment firms.

Mr. Huff is the President of the Board of Trustees of St. Bernard's School and serves as a Trustee of the Princeton Theological Seminary.

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

Joseph C. Brandt

President and Chief Executive Officer

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

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

Prior to co-founding ContourGlobal in 2005, Mr. Brandt worked at The AES Corporation, an international power company, from 1999 to 2005, serving as Executive Vice President, Chief Operating Officer and Chief Restructuring Officer. At AES, Mr. Brandt's responsibilities included management of the company's global utility operations. He served on the board of directors of many of AES's key subsidiaries, including AES Gener in Chile where he was Chairman of the Board.

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

Stefan Schellinger

Chief Financial Officer and Executive Director

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

Prior to joining Stefan was Group Finance Director and Executive Director of Essentra plc from 2015 until 2018, having joined the company as Corporate Development Director and Group Management Committee member in 2013. Prior to this, Stefan spent 8 years with Danaher Corporation, as Corporate Development Director and as Finance Director – Emerging Markets at Gilbarco Veeder Root. Stefan has previously worked as Vice President in investment banking at J.P. Morgan in London with a focus on strategic advisory and M&A. He started his career in accountancy in Germany at Arthur Andersen.

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

Non-Executive Directors

Alejandro Santo Domingo

Non-Executive Director

2

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

Mr Santo Domingo is a member of the board of Anheuser-Busch Inbev (ABI). He was a member of the Board of Directors of SABMiller Plc, where he was also Vice-Chairman of SABMiller Plc. for Latin America. Mr. Santo Domingo is Chairman of the Board of Bavaria S.A. in Colombia. He is Chairman of the Board of Valorem, a company which manages a diverse portfolio industrial and media assets in Latin America. He is also a director of JDE (Jacobs Douwe Egberts), Florida Crystals, the world's largest sugar refiner, Caracol TV, Colombia's leading broadcaster, El Espectador, a leading Colombian Daily, and Cine Colombia, Colombia's leading film distribution and movie theater company.

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

Mr. Santo Domingo is a graduate of Harvard College,

Mariana Gheorghe

Independent Non-Executive Director

Committee membership

1 2

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

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

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

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

Dr. Alan Gillespie

Senior Independent Director

Committee membership

1 2 3

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

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

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

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

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

Daniel Camus

Independent Non-Executive Director

Committee membership

1 2 3

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

He most recently served as Chief Financial Officer of the humanitarian finance organization The Global Fund, based in Geneva and was in that position since 2012. Mr. Camus also serves on the board of directors of Cameco Corp (Canada) and is a member of the Board of directors of Find Diagnostics in Geneva (Switzerland).

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

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

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

Ronald Trächsel

Independent Non-Executive Director

Committee membership

3

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

He currently serves as the Chief Financial Officer of the BKW Group and has been in that position since 2014. From 2007 to 2014, Mr. Trächsel served as the Chief Financial Officer of Sika Group, and from 1999 to 2000, he held several positions at Vitra Group, including Chief Financial Officer and Chief Executive Officer.

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

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

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

Gregg M. Zeitlin

Non-Executive Director

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

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

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

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

Committee Membership

1 Remuneration
2 Nomination
3 Audit & Risk
Chair

Corporate governance report

THE BOARD IS RESPONSIBLE FOR THE LONG-TERM SUCCESS OF THE COMPANY AND OUR GOVERNANCE FRAMEWORK HELPS TO ENSURE THAT SUCCESS.

Meeting attendance shown on page 71

Focus areas in 2020

- Complete the implementation of the UK Corporate Governance Code 2018
- Monitor the progress of our acquisitions and the integration of new businesses
- Review the Group's strategy, plan and budget
- Monitor the success of initiatives which aim to improve our business operations
- Complete the search for an additional independent non-executive director

Dear Shareholder,

On behalf of the Board, I am pleased to introduce the Group's corporate governance statement for 2019.

Governance
During the year ended 31st December 2019, we have been subject to the provisions and principles of good governance contained in the 2018 UK Corporate Governance Code (the Code). We welcome the simplification of the Code and the additional direction contained in the FRC's Guidance on Board Effectiveness. The Board and its Committees have spent considerable time reviewing the Code.

Management and Board changes
Stefan Schellinger joined us earlier in the year as our Chief Financial Officer and Executive Director and I am pleased to report that he has settled into his role and brought added value to the Company. We also welcomed Mariana Gheorghe who joined us as independent Non-Executive Director at the end of June 2019 and will be offering herself for election at the AGM in 2020.

Ruth Cairnie resigned as a non-executive director in September 2019 and a Nomination Committee process remains ongoing to appoint an additional independent non-executive director who will bring the right balance of skills, experience and diversity to complement the existing Board.

Board Effectiveness
This year, as in 2018, we held an internal Board review, based around several key areas and specific questions aimed at teasing out what we do best as a Board and how we can improve our effectiveness. We believe that we have a strong Board with all Executive and Non-Executive Directors working well together and contributing effectively to Board discussions. We identified opportunities to improve the Board's effectiveness which are further set out in the Corporate Governance Report. We hope to undertake an external review in respect of the year ending 2020.

Stakeholders
The Board takes seriously its responsibility for ensuring the Group can deliver on our strategic objectives and operate in the best interests of our stakeholders over the long-term and discussions remain ongoing on how best this is achieved including the strengthening our oversight of environmental and social issues, corporate responsibility, sustainability and stakeholder engagement activities. We are finalising how to improve our engagement with the workforce in a way that continues to comply with the Code and builds on the people and culture activities already in place.

Diversity
The Board is committed to ensuring that the Group is free of discrimination and is equitable to all employees. It has been a Board priority during the year to monitor the initiatives to improve diversity across the Group and reassess our targets and focus areas.

Corporate Culture
In a fast-changing environment, it is important as a Board that we continually test, challenge and develop our strategy. The Group's culture is one of hard work with a drive for compliance and excellence. Management lead by example and employees work to achieve high standards in all areas of the business. The Group has an entrepreneurial spirit within a structure of centralised control and a meritocratic environment.

Annual General Meeting
I would encourage you to attend the Company's Annual General Meeting on 27th May 2020 where you will have the opportunity to meet the Chairs of the Board Committees and members of senior management.

Craig A Huff
Chairman

Board members and attendance

	Board meeting (5)[1]	Audit & Risk Committee (5)[4]	Remuneration Committee (3)	Nomination Committee (2)[5]
Craig Huff	5			2
Joseph Brandt	5			
Daniel Camus	5	5	3	2
Ruth Cairnie[2]	4(5)		2(3)	1(2)
Mariana Gheorghe[3]	3(5)		1(3)	1(2)
Alan Gillespie	5	5	3	2
Alejandro Santo Domingo	5			2
Stefan Schellinger[3]	4(5)			
Ron Träschel	5	5		
Gregg Zeitlin	5			

1 In addition to the scheduled board meetings, there were seven ad hoc Board meetings and written resolutions.
2 Ruth Cairnie attended all possible scheduled Board meetings prior to her resignation on 30th September 2019.
3 Mariana Gheorghe and Stefan Schellinger attended all possible scheduled meetings following their respective appointments to the Board.
4 There was one other meeting in addition to the five scheduled Audit & Risk Committee meetings.
5 There were two other meetings in addition to the two scheduled Nomination Committee meetings.

The importance of purpose, values and culture

Purpose: why we do what we do

Values: the qualities we embody

Culture: how we work together

Purpose and values

The Board has established the Group's purpose and values which are disclosed on page 03.

The Group's purpose was reviewed by the Board during its strategy day in October 2019

Culture

Our culture is a key strength of our business and we see the benefits of our strong culture in our employees' engagement, risk management, internal control and our H&S and compliance performance. Our culture is described on pages 09, 24 and 32.

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

Our intranet is used as a platform for employees to access our policies and be kept fully informed of the latest Group news and receive update on business related training such as our Tuesday Talks

If the Board is concerned or dissatisfied with any behaviours or actions, it seeks assurance from the Executive Management Board that corrective action is being taken. The Board did not have to seek corrective action during 2019.

Corporate governance report *continued*

Governance at a glance

The Board has taken steps during the year under review to further strengthen its governance framework and processes including:

- Considered the best approach for gathering the views of the workforce.
- Appointed Deloitte to act as an outsourced internal audit/business assurance function.
- Noted the changes required for the Code particularly the Board's responsibility for culture
- Acknowledged that diversity and independence remains a priority for the Board.

Major board decisions during 2019
The Board factored the needs and concerns of our stakeholders into its decisions in accordance with s172 of the Companies Act 2006. An impact assessment tool has been developed to assist in formalizing the process which is being applied to decision-making. This will include how the Board considers in particular the impact on its key stakeholders including employees, customers and suppliers and will involve a formal reporting line.

The major decisions taken by the Board and its Committees during 2019 include:

- Acquisition of CHP Mexico (see pages 25 and 35)
- Interporto acquisition (see pages 25 and 34)
- Change in dividend policy (see page 106)
- Successful add on issuance of the Senior Secured notes maturing 2025 in July 2019 (see page 54)
- Refinancing of Solar Italy and Solar Slovakia (see page 55)

The impact on all stakeholders was an integral part of these decisions.

Governance highlights

Governance

- Total dividend of $137.6m for the year 2019 – an increase of 10%
- Scheduled Board and Committee meetings 100% attendance for the year ended 31st December 2019
- Board independence (excluding Chairman) 50% as at 31st December 2019
- 11% Female representation on our Board as at 31st December 2019. This should increase to 20% following the planned appointment of an additional Independent non-executive director to replace Ruth Cairnie who resigned in September 2019.
- 60% female representation on the Executive Management Board (level below Board) as at 31st December 2019

Corporate governance statement

Board leadership and company purpose

An effective Board
Our Board is composed of highly skilled professionals who bring a range of skills, perspectives and corporate experience to our Boardroom (biographies are on pages 68 to 69). It is through this diversity, its deep understanding of our business, culture and stakeholders, that the Board generates sustainable long-term value.

Matters reserved for the Board
The Board is responsible for the long-term sustainable success of the Company by setting its strategy and purpose, promoting the desired culture, and ensuring that an appropriate risk management framework is in place. The Board maintains a formal schedule of matters which are reserved solely for its approval which includes:

Strategic Issues
- Leadership of the Company, setting values and standards
- Approving the strategic plan and objectives
- Approving the Group's annual budget
- Review performance of the Group in the light of strategic aims, business plans and budget

Financial
- Approval of annual and half-year financial statements
- Approval of dividend policy Approval of the annual budget

Structure and Capital
- Approval of changes and recommendations of changes to capital structure
- Approval of changes to corporate structure

Risk and Internal Controls
- Ensuring maintenance of a sound internal control and risk management systems
- Reviewing the effectiveness of risk management and internal control
- Assessing the principal risks facing the Group

Board Membership
- Approval of changes to the structure, size and composition of the Board
- Succession planning

Corporate Governance
- Reviewing the Group's overall governance arrangements
- Determining the independence of directors
- Considering the balance of stakeholder interests

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

Through its review, the Board can assess and identify changing or emerging risks which could impact on the Group in the short and medium-term (further information on our principal risks is on pages 56 to 64). Our risk management procedures are discussed on page 83 to 88 of the Audit & Risk Committee's report.

The Board met in October 2019 to review, discuss and challenge the strategy. The discussion included:

- the impact of key industry trends and drivers on the Company's strategy and the risk and opportunities of its strategic positioning
- the political environment in the markets in which the Company operates
- how new technologies may impact on our business
- review of current financial framework and capital allocation and the financial implications of the various strategic alternatives
- Impact and implications of ESG perspectives on the Group's strategy and portfolio composition.

Information sharing
The Directors use an electronic Board paper system which provides immediate and secure access to papers. The Chairman of the Board and the chairs of the Committees set the agendas for upcoming meetings with support from the Company Secretary.

Management aims to ensure that the information shared with our Board is of enough depth to facilitate debate and to fully understand the content without becoming unwieldy and unproductive.

Stakeholder engagement
We recognise the importance of clear communication and proactive engagement with all our stakeholders. A summary of our stakeholder engagement programmes is provided on pages 20 to 21.

Corporate governance report *continued*

How do we generate value for our stakeholders?
Through our core activities, illustrated in our business model, we add value and deliver long-term benefits to our stakeholders (more on our business model on pages 14 to 15).

Further information on value creation for our other key stakeholders is on pages 20 to 21 of the Strategic report.

How do we engage with our employees?
We have an experienced, diverse and dedicated workforce which is recognised as a key asset of our business. The Board and its Committees routinely invite members of the management team to attend meetings to present on the matters being discussed, enabling their input into discussions. In order to reach all employees, the Company utilises the following additional engagement methods:

- Various employee wide surveys for which outcomes are discussed at Board level such as Compliance Culture, Internal Audit, Employee Engagement etc.
- The Directors host a small number of senior employees to share ideas and to gather feedback.
- Our whistleblowing system includes an anonymous reporting line for employees to raise any concerns directly with the Compliance team
- Weekly 'Tuesday Talk' interactive web meetings are hosted by our Chief Executive to discuss and share business knowledge and ideas. Employees are invited to ask question and respond to instant surveys and the recorded talks are available to the whole workforce
- Other activities undertaken by management the outcomes of were shared with the Board include global webinars such as Townhalls (Americas and Europe & Africa) and Safety Focus days, World Environment day, Values day and International Volunteer day. Other activities include various business offsite sessions.

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

Shareholder consultation
We will always seek to engage with shareholders when considering material changes to either our Board, strategy or remuneration policies. In 2020, the Remuneration Committee will reassess the Remuneration Policy for Executive Directors and shareholders will be consulted on any proposed changes in advance of its submission for shareholder approval at the 2021 AGM.

Investor meetings, presentations and asset tours
Investor meetings are predominantly attended by our CEO, Chief Financial Officer and at least one other senior executive. Where significant views were expressed, either during or following the meetings, these were recorded and circulated to all Directors.

During 2020, management intends to continue to regularly engage with our stakeholders.

Annual General Meeting (AGM)
Our 2019 AGM was held on 21st May 2019 and we were delighted to receive in excess of 97% independent votes (99% all votes) in favour for all our resolutions. In total, 97% of our shareholders (voting capital) voted at the 2019 AGM.

The 2020 AGM is to be held in London on 27th May and we encourage our shareholders to attend. The AGM provides a key opportunity for private shareholders to meet the Directors and the chairs of each of the Board Committees.

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

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

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

Other contacts
Contact details for our Investor Relations team, Company Secretary and our Registrars are available on page 178.

Factoring our stakeholders into our decisions
By thoroughly understanding our key stakeholder groups, we can factor their needs and concerns into Board discussions (further information on our stakeholders is on pages 20 and 21). The Board's procedures are being updated to require a stakeholder impact analysis to be completed for all material decisions requiring its approval that could impact on one or more of our stakeholder groups.

The analysis will assist the Directors in performing their duties under s172 of the Companies Act 2006 and provide the Board with assurance that the potential impacts on our stakeholders are being carefully considered by management when developing plans for Board approval.

Key activities of the Board during 2019

Overview

The Board or a committee of the Board met twelve times during the year (including the Annual General Meeting). One meeting every year is arranged specifically to consider the Group's strategy. Additional meetings are arranged, if necessary, for the Board to properly discharge its duties. An overview of key activities of the Board during the year is provided below.

Acquisitions and disposals

- Acquisition of combined heat and power portfolio in Mexico from Alpek comprising the purchase of two natural gas-fired combined heat and power plants which was a class I transaction requiring a circular to be approved by the UK Listing Authority and Shareholder approval.
- Acquisition of Interporto, 12.5 MW Solar PV assets in Italy
- Received regular updates on the key acquisition and disposal projects and pipeline prospects
- Reviewed quarterly investor engagement reports

Strategy and financing

- Agreed the financing arrangements in connection with material acquisitions
- Adopted a progressive dividend policy intended to grow the dividend each year comprising a move to quarterly dividend payouts and an increased dividend growth guidance to 10% per annum
- Approved the refinancing of existing loan facilities of the Italy Solar portfolio to also cover the financing for the Interporto acquisition
- Approved the €100m add on issuance of Senior Secured Notes Offering in July 2019
- Regular review of the business development pipeline, including Kosovo, and the strategic cohesion of acquisitions
- Ongoing updates from the Executive Management Board on the implementation of strategy throughout the year
- Regularly considered litigation and regulatory issues and approved the litigation strategy where and as needed
- Considered the emerging risks and scenarios which could impact on the Group over the long-term
- Regularly reviewed the Group's financial structure and position
- In-depth strategic review in October 2019

Risk management and internal control

- Regularly reviewed the Group's principal risks and considered emerging risks which could impact on the Group's plans
- Received updates from the Chairman of the Audit & Risk Committee on key internal control issues including the results of the Internal Control Questionnaire campaign
- Approved the appointment of Deloitte to support the Group's internal audit function
- Received regular reports on health and safety matters being a focus area for the business. Before an incident in November, the Group had 442 days without an LTI. This was a great achievement and demonstrates how committed the Group is to health and safety and its target Zero objective.

Corporate reporting and performance monitoring

- Reviewed regular updates on the operations and business performance for both the thermal and renewable portfolios
- Reviewed the rolling forecast and approved the 2020 budget
- Received updates from the chair of the Audit & Risk, Nomination and Remuneration committees on the key areas discussed
- Reviewed the Principal Risks and Uncertainties disclosure in the Annual Report
- Approved the going concern and the viability statements for inclusion in the Annual Report
- Approved the year end and interim results and related announcements
- Approved the Q1 and Q3 business updates
- Reviewed the 2019 Annual Report to check it is fair, balanced and understandable and approved the statement of directors' responsibilities

Stakeholder engagement

- Annual review meetings with large institutional shareholders. One of the benefits of such engagement is the feedback received which indicated that the move to quarterly dividends was shareholder-friendly
- Met shareholders at the Annual General Meeting (AGM) held on 21st May 2019
- Received regular updates on our investor engagement and regular investor relations reports
- Received updates on the Group's environmental and sustainability initiatives

Engaging with our employees – Compliance Culture Survey

A robust and transparent Compliance culture has never been so important. In November 2019 we launched our first Compliance Culture Survey. The survey (made up of 18 questions and available in 9 languages) was conducted to better understand how our employees view our compliance culture. The survey was anonymous and was completed by 584 employees. Key findings included:

- **88%** of those who took the survey either 'strongly agreed' or 'agreed' that the Company demonstrates a culture of ethics and integrity
- **91%** either 'strongly agreed' or 'agreed' that ContourGlobal clearly communicates its expectations of ethical behaviour
- **83%** either 'strongly agreed' or 'agreed' that their manager sets a good example of ethical behaviour and communicates in an open and honest way

Overall the results were encouraging, however there is always room for improvement. We have used the findings from the survey to identify key focus areas.

Governance

- Appointment of Mariana Gheorghe as an additional independent non-executive director
- Approved updates to the Company Dealing Code and Dealing Procedure Manual
- Appointment of Stefan Schellinger as Chief Financial Officer and executive director
- Reviewing improvement data on the Group's "5Whys" – these are significant accomplishments that speak to the growth of Continuous Improvement culture at ContourGlobal
- Reviewed a Benchmark of the Group's compliance program against the updated DOJ Guidance on Corporate Compliance Programs and approved continuous measures to ensure that a 'best-in-class' compliance program was maintained.
- Approved the 2019 Modern Slavery Statement
- Evaluated the performance of the Board, its Committees and all Directors

Corporate governance report *continued*

The "5 Whys" underpin our Culture of Continuous Improvement

Introduction:

The "5 Whys" is a technique used in the Analyze phase of the Six Sigma DMAIC (Define, Measure, Analyze, Improve, Control) methodology and helps us peel away the layers of symptoms that can lead to the root cause of a problem. When a problem occurs, we drill down to its root cause by asking "Why?" five times and its effectiveness lies in the fact that the answers come from people who have hands-on experience of the process or problem in question.

Some of the other Special Projects considered during the Year

- Austria Wind Repowering
- Kosovo development project
- Vorotan Refurbishment
- Bonaire Hybrid Expansion

Division of responsibilities

Board roles

There is clear division between executive and non-executive responsibilities which ensure accountability and oversight. The roles of Chairman and Chief Executive are separately held, and their responsibilities are well defined, set out in writing and regularly reviewed by the Board.

Chairman

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

Senior Independent Director

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

Non-Executive Directors

- Provide constructive challenge to our executives, help to develop proposals on strategy and monitor performance against our KPIs
- Ensure that no individual or group dominates the Board's decision making
- Promote the highest standards of integrity and corporate governance throughout the Company and particularly at Board level
- Determine appropriate levels of remuneration for the senior executives
- Review the integrity of financial reporting and that financial controls and systems of risk management are robust

Chief Executive

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

Chief Financial Officer

- Supports the CEO in developing and implementing strategy
- Oversees the day-to-day activities of the Group
- Manages, motivates and develops staff
- Develops business plans in collaboration with the CEO and the Board
- Ensures that the policies and practices set by the Board are adopted at all levels of the Group

Company Secretary

- Responsible for compliance with Board procedures and supporting the Chairman
- Ensures the Board has high quality information, adequate time and appropriate resources to function effectively
- Advises and keeps the Board updated on corporate governance developments
- Considers Board effectiveness in conjunction with the Chairman Facilitates induction programmes and assists with professional development
- Provides advice, services and support to all Directors as required

Executive Management Board

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

Board independence

Chairman

As a representative of the Company's largest shareholder, our Chairman, Craig Huff is deemed as non-independent under the Code.

Non-Executive Directors

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

Any Director who has concerns about the running of the Group or a proposed course of action is encouraged to express those concerns for further discussion and minuted if consensus is not reached. No such concerns were raised during 2019. All Directors have confirmed (as they are required to do annually) that they have been able to allocate sufficient time to discharge their responsibilities effectively.

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

Conflict of interests

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

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

Other external appointments

Our Directors are required to notify the Chairman of any alterations to their external commitments that arise during the year with an indication of the time commitment involved. Directors are required to notify our Chairman in advance of any additional external appointments and, in December 2019, the Nomination Committee, on behalf of the Board, reviewed the directors' current list of external appointments and confirmed that it does not believe any current directorships will affect our Non-Executive Directors' commitment to, or involvement with, the ContourGlobal Board nor will it give rise to a potential conflict of interest which cannot be effectively managed by recusal.

Executive Directors

Executive Directors may accept a non-executive role at another company with the approval of the Board. Currently, none of our Executive Directors are directors of other listed companies.

Composition, succession and evaluation

Composition

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

Succession

The Code recommends that at least half of the Board, excluding the Chairman, should be composed of independent Non-Executive Directors. Our Board is composed of 50% independent Non-Executive Directors (excluding the Chairman) as at 31st December 2019. We are currently in the process of recruiting another independent non-executive director following the resignation of Ruth Cairnie, and following this appointment, the Board will be composed of 55.5% independent Non-Executive Directors (excluding the Chairman) as at 31st December 2020.

Evaluation

As part of the Board's annual effectiveness review, described on page 78, the Nomination Committee considers the composition of the Board and its Committees in terms of its balance of skills (detailed in the table below), experience, length of service, knowledge of the Group and wider diversity considerations. The Nominations Committee has confirmed that the membership of the Committees continues to be appropriate and in accordance with best practice and the UK Corporate Governance Code.

Training and development

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

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

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

Corporate governance report *continued*

Directors' skills and experiences

An effective Board requires the right mix of skills and experience. Our Board is a diverse and effective team focused on promoting the long-term success of the Group. The table below provides an overview of the skills and experience of our Directors as at 31st December 2019.

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

* Includes partial knowledge.

Review of Board effectiveness

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

2018 Board Evaluation

The recommendations arising from the 2018 internal Board evaluation conducted by the Chairman and Company Secretary together with the actions implemented in response are:

Recommendations	Action taken and outcome
Board composition: appoint an additional independent Non-Executive Director	Mariana Gheorghe was appointed as an independent Non-Executive Director in June 2019. However, Ruth Cairnie resigned in September 2019 and the Board is looking to appoint another independent Non-Executive Director
Board meetings: provide regular updates on significant M&A projects	Board members now receive regular updates on both active and pipeline projects to ensure early input is received from all directors
Board materials: ensure that key issues are clearly flagged in executive summaries	This is a key area of improvement that was clearly acknowledged in the feedback from the results of the 2019 Board evaluation
Strategy and training: update the structure of the Board strategy meeting	The 2019 Board strategy meeting was run in a new format which all Board members agreed was extremely beneficial

2019 Board Evaluation

The 2019 evaluation of the Board and its Committees was conducted in December 2019. It was an internal self-evaluation facilitated by the Company Secretary using the online tool Thinking Board® from Independent Audit Limited.

Process steps for the 2019 Board Evaluation

Step 1 →

Company Secretary and Chairman agreed to utilise the online tool, Thinking Board®. The Chairman agreed all the questions to be asked and the questionnaire was tailored to the Company's specific circumstances.

Step 2 →

The Company Secretary subsequently finalized the online questionnaire as agreed with chairman to cover the review of Board, chair and individual performances.

The anonymity of all respondents was ensured throughout the process to encourage open feedback.

Step 3 →

The Company Secretary agreed a report of the evaluation with Chairman for discussion at the meeting.

Additionally, pertinent information was provided to the Chairman only.

Areas addressed for the evaluation

- How the Board made a difference and work together with trust and openness
- Confirm that the Group's culture is as intended by the Board
- Is the composition of the Board right for the Company and are the right steps being taken for the Company?
- Ensuring the Leadership team stays effective
- How clear is the company purpose and objectives and how does the Board contribute to strategy?
- Is the Board considering the big trends and weighing short-term performance and long-term consequences?
- Focus on the impact of people and technology on strategy
- Assessment of underlying financial health
- Clarity on picture of the big risks and uncertainties
- Thinking through pressure points and crisis management preparations
- Focus on compliance and ensuring organization is under control including IT security issues
- How the meeting arrangements and Board papers facilitate discussion
- Chairing of the meetings and agenda management
- Contributions from individual directors and working with management

Outcomes from the 2019 Board evaluation

The result of this evaluation demonstrated that the Board undertakes effective assessment of the Company's financial health, focusses on compliance, effectively uses meeting arrangements to facilitate discusses and benefits from effective management of the agenda. The Board has identified several areas which it wishes to focus upon during 2020:

- People strategy and ensure that the Group has the skills and characteristics needed to underpin its strategy;
- Ensuring the leadership team stays effective and maintaining a clear management succession and development plan;
- Tackle the IT security challenge and ensuring the Board asks the right questions on cyber risks; and
- Crisis management and knowing that there is a response plan that will stand up to stress.

The Board is satisfied that its structure, balance of skills and operation continues to be satisfactory and appropriate for the Group. As recommended by the Code, the Board intends to conduct an externally facilitated review at least every three years. Consequently, we anticipate that first externally facilitated review following the Company's listing in 2017 will be for the year ending 31st December 2020.

Compliance statement

This corporate governance statement, together with the Nomination Committee report on pages 80 to 82, the Audit & Risk Committee report on pages 83 to 88, and the Directors' Remuneration report on pages 89 to 105, provide a description of how the main principles of the UK Corporate Governance Code 2018 (the Code) have been applied by the Company during 2019. The Code is published by the Financial Reporting Council and is available on its website at www.frc.org.uk. It is the Board's view that, throughout the year ended 31st December 2019, the Company fully complied with the relevant provisions set out in the Code. This statement complies with sub-sections 2.1, 2.2(1), 2.3(1), 2.5, 2.7, 2.8A and 2.10 of Rule 7 of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The information required to be disclosed by sub-section 2.6 of Rule 7 is shown on pages 106 and 107.

DETAILS ON OUR COMPLIANCE, GOVERNANCE AND EFFECTIVENESS INCLUDING OUR APPROACH TO S172 OF THE COMPANIES ACT 2006 ARE SHOWN ON PAGES 20 AND 21 IN THIS REPORT. AS A BOARD, WE ALWAYS WANT TO IMPROVE ENGAGEMENT WITH ALL OUR STAKEHOLDERS AND WILL DEEPEN OUR ENGAGEMENT OVER THE NEXT 12 MONTHS TO COMPLEMENT EXISTING RELATIONSHIPS WITH OUR STAKEHOLDERS.

Report of the Nomination Committee

Nomination Committee Members

Craig Huff (Chair)
Daniel Camus
Mariana Gheorghe
Alan Gillespie
Alejandro Santo Domingo

Meeting attendance shown on page 71

Quick facts

- Craig Huff has chaired the Committee since the IPO. He is a representative of ContourGlobal LP, the Company's major shareholder.
- All members of the Committee are non-executive directors and the majority are independent.
- Other attendees at meetings at the invitation of the Committee include the CEO and the company secretary, neither of whom are members of the Committee.
- Neither the Chairman nor the CEO would participate in the recruitment of their own successor.
- The Committee is authorised to seek outside legal or other independent professional advice and the Committee had the support of external search consults for the appointments during the year.

2019 Highlights

- Appointment of Stefan Schellinger as Executive Director and Chief Financial Officer.
- Appointment of Mariana Gheorghe as an independent Non-Executive Director.
- Review of the membership of Board committees following Ruth Cairnie's resignation and recommending changes to the Remuneration and Nomination Committees.

Dear shareholders,

The Committee delivered on its responsibilities this year by overseeing a couple of appointments to the Board, continuing its search for an additional independent non-executive director with the right skills to complement the existing Board and monitoring corporate governance developments as they affect ContourGlobal.

Roles and responsibilities

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

Main responsibilities of the Nomination Committee include:

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

Meetings

The Nomination Committee will normally meet at least twice per year and otherwise as required in order to discharge its duties. It met four times in 2019. Only members of the Nomination Committee have the right to attend meetings, but other Directors, executives or advisers may be invited to attend all or part of any meeting as appropriate.

Committee composition

During the year, the Committee considered the composition of the Remuneration and Nomination Committees. It reviewed the balance of skills and experience on the Board and, following the resignation of Ruth Cairnie, determined that Mariana Gheorghe would be a valuable addition to the both the Nomination and Remuneration Committees. The Committee's recommendation to the Board was approved and Mariana became a member of both the Nomination and Remuneration Committees in October 2019.

Board composition
During the year, the Committee appointed Spencer Stuart to begin the recruitment process for a Chief Financial Officer and a brief was provided on preferred attributes which led to the successful recruitment of Stefan Schellinger as Executive Director and Chief Financial Officer with effect from 15th April 2019.

Additionally, Mariana Gheorghe was appointed to the Board with effect from 30th June 2019. In recommending Mariana for appointment to the Board, several factors were taken into account such as the relevance of her experience, including her strategic and operational experience as Chief Executive Officer and President of OMV Petrom, a Romanian oil and gas company, and her financial experience gained through a number of senior finance roles, and the benefits of diversity that she would bring to the Board in terms of skills, industry experience, gender and nationality. Egon Zehnder supported the Committee as search consultants. Neither Egon Zehnder nor Spencer Stuart has any other connection with ContourGlobal.

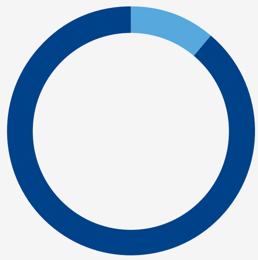
Following the announcement of Ruth Cairnie's resignation, the Committee reviewed the balance and composition of the Board and determined that an additional independent Non-Executive Director would add value. A role specification was drawn up which included knowledge of, and experience in, one of the Group's key growth regions; global power sector knowledge; and experience in mergers and acquisitions. A couple of external search consultants were considered, and we initially selected one the Committee had not previously used. Following an initial period, it was apparent that the required support was not being received. Egon Zehnder was subsequently appointed as external search consultant to assist with the selection and recruitment process which is ongoing.

Diversity and inclusion
Having a diverse, highly talented and skilled group of people at all levels at ContourGlobal is fundamental to our business success and a key part of the business model. Diversity and inclusion bring new ideas and fresh perspectives which fuel creativity and innovation. Therefore, the Group works to attract, retain and develop employees to improve the talent pipeline. Across the Group employees are geographically diverse and Group offices are populated with many nationalities.

Diversity at ContourGlobal

Board

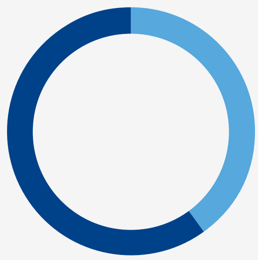
8
men on the Board at 31st December 2019



1
woman on the Board at 31st December 2019

Executive management

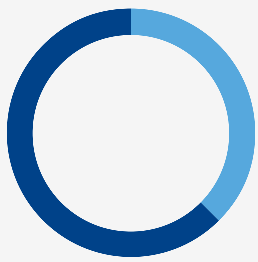
4
men in executive management at 31st December 2019



6
women in executive management at 31st December 2019

Executive Management and their direct reports

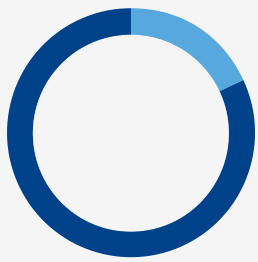
25
men in executive management and direct reports at 31st December 2019



15
women in executive management and direct reports at 31st December 2019

Total company

1,217
male employees in ContourGlobal at 31st December 2019



273
female employees in ContourGlobal at 31st December 2019

Report of the Nomination Committee *continued*

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

The Nomination Committee and the Board ensure that, together, the Directors possess the appropriate diversity of skills, experience, knowledge and perspectives to support the long-term success of the Company. Whilst the Board believes, that all appointments should be made on merit, it fully understands and appreciates the role of diversity in promoting balanced and considered decision-making which aligns with ContourGlobal's purpose, values and strategy.

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

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

Annual evaluation
The Committee undertook an internal self-evaluation facilitated by the Company Secretary as part of the 2019 Board evaluation.

The results demonstrated that members were confident that the Committee ensured that core skills were covered, had good discussion and debate, and benefited from good committee support. Committee members felt that more consideration needed to be given to talent management and executive succession.

Craig A. Huff
Chairman of the Nomination Committee

16th March 2020

Report of the Audit & Risk Committee

Members of the Audit and Risk Committee

Ronald Trächsel (Chairman)

Daniel Camus

Alan Gillespie

Meeting attendance shown on page 71

Quick facts

- Ronald Trächsel has chaired the Audit & Risk Committee since the IPO. He is currently the chief financial officer of a Swiss publicly listed power production and distribution company and is considered by the Board to have recent and relevant financial experience.
- All members of the Committee are independent non-executive directors and the Board is satisfied that the Committee as a unit has competence relevant to the sector and its members have an appropriate level of experience of corporate financial matters.
- Other regular attendees at Committee meetings by invitation include other non-executive directors, the CEO, the CFO, the Company Secretary, the Head of Internal Audit, the Chief Compliance Officer, the General Counsel, the Group Controller, and representatives from PricewaterhouseCoopers LLP (PwC), the external auditor. None of these attendees are members of the Committee.
- The representatives from PwC and the head of internal audit are each afforded time with the Committee and the company secretary to freely raise any concerns they may have without management being present.
- The Committee is authorised to seek outside legal or other independent professional advice though this was not required during the year.
- The Committee's terms of reference were updated during the year to better align it with the UK Corporate Governance Code 2018 (the Code) and can be found at: www.contourglobal.com/investor-relations

Dear shareholders,

My report seeks to provide you with an understanding of the Committee's work during the year and with assurance on the integrity of the 2019 annual report and financial statements.

The directors' responsibility statement in respect of the annual report and financial statements can be found on page 109.

The role of the Committee is to ensure that the interests of shareholders are properly protected in relation to the Company's financial reporting and internal control arrangements and to provide challenge to the decisions and approach taken by management in relation to the content, accounting judgements and disclosures within the Company's financial reports.
The Code requires the Board to "present a fair, balanced and understandable assessment of the Company's position and prospects". The Board has asked the Committee to advise whether the annual report and accounts, taken as a whole, is fair balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Committee's role is to ensure that management's disclosures reflect the supporting detail or challenge them to explain and justify their interpretation and, if necessary, re-present the information. The Committee reports its findings and makes recommendations to the Board accordingly. The Committee is supported in this role by the external auditor, who in the course of the statutory audit, reviews the accounting records kept by the Company to test whether information is being recorded in line with agreed accounting practices. The external auditor presents its findings to the shareholders, and their audit report is set out on pages 111 to 118.

The Committee is responsible for ensuring that the three-way relationship between the Committee, the auditor and the Company's management is appropriate. The external auditor must be independent of the Company. Independence is a key focus for both the external auditor, whose staff must comply with their firm's own ethics and independence criteria which must be consistent with the FRC's Revised Ethical Standard 2016, in order to ensure the integrity of the auditing process and the annual report and financial statements. Information on how the Committee assesses the independence of the external auditor is set out on page 86.

Report of the Audit & Risk Committee *continued*

All members contribute to the work of the Committee and have the skills and necessary financial experience. As non-executive directors, my colleagues and I are of an independent mindset and would have no hesitation in seeking clarification and a full explanation from management or the external auditor on any matter we feel necessary. We remain committed to providing meaningful disclosure of the Committee's activities. As chair of the Committee, I am intent on ensuring that the Committee's agenda is kept under review and it keeps abreast of relevant developments.

Further details on the activities of the Committee during the year and how it has discharged its responsibilities are provided in the report below.

Ronald Trächsel
Chairman of the Audit and Risk Committee

16th March 2020

THE COMMITTEE HAS CONTINUED ITS RIGOROUS OVERSIGHT OF THE GROUP'S RISK ASSESSMENT AND MANAGEMENT, INTERNAL CONTROL FRAMEWORK, EXTERNAL AUDIT, INTERNAL AUDIT ACTIVITIES, COMPLIANCE ACTIVITIES, AND REPORTING PROCESS AND FINANCIAL MANAGEMENT.

Principal duties of the Committee

The principal duties of the Committee are to:
- Oversee the integrity of the group's financial statements and announcements relating to financial performance
- Assess significant judgements
- Review the Group's strategic risk register, principal risks and the going concern and viability statements
- Monitor the effectiveness of internal controls and the risk management framework
- Oversee the internal audit function and process including the findings of internal audit reports
- Monitor the effectiveness of financial controls and the process for identifying and managing risk
- Monitor the financial reporting process and make recommendations
- Monitor the statutory audit of the annual report and financial statements
- Manage the relationship with the external auditor and oversee the external audit process
- Review and monitor the external auditor's independence and the provision of additional services

Structure and operations

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

All members of the Committee are independent Non-Executive Directors with a wide range of skills and experience that enables them to provide oversight of both financial and risk matters, and to advise the Board accordingly. In the Board's view, the Committee has competence relevant to ContourGlobal's sector; Ronald Trächsel and Daniel Camus have extensive experience of international energy companies and Alan Gillespie has a significant amount of experience in industrial development and development finance. Ronald Trächsel is determined by the Board as having recent and relevant financial experience for the purposes of satisfying the UK Corporate Governance Code. Details of the experience of all members of the Committee can be found on pages 68 and 69.

To maintain effective communication between all relevant parties, and in support of its activities, the CEO, CFO, General Counsel, Chief Compliance Officer, Head of Internal Audit, senior members of the finance team and representatives of PwC, our external auditor, regularly attend Committee meetings. Other members of the Board also attend as guests on an ad hoc basis. Additionally, the Committee has private sessions with the internal and external audit teams.

The Committee works to a structured programme of activities and meetings to coincide with key events around our financial calendar. Following each meeting, the Committee chairman reports on the main discussion points and findings to the Board. The Committee will normally meet no fewer than three times a year. It met six times during 2019 and attendance at those meetings can be found on page 71.

Outside of the formal meeting programme, the Committee chairman will maintain a dialogue with key individuals involved in the Company's governance, including the Chairman, CEO, CFO, Company Secretary, the external audit lead partner and the Head of Internal Audit together with Deloitte who provide additional support on internal audit matters.

Audit & Risk Committee activity

The main areas of Committee activities during 2019 were:

Financial reporting	• The quality, appropriateness and integrity of the half-yearly and full year financial statements • The information, underlying assumptions and stress test analysis presented in support of going concern and the viability statements • The consistency and appropriateness of the financial control and reporting environment • The dividend policy and the move to quarterly dividends • Review of the strategic report and approval of this Audit & Risk Committee report • The fair, balanced and understandable assessment of the Annual Report (and any other financial statements such as the half-yearly statement)
Financial accounting matters	• IFRS 16 (lease) implementation • Change in classification of Bonaire power purchasing agreement from finance to operating lease • Review of impairment tests and potential triggering events during 2019 • Update of the CSP, Italian and Slovakian earn-out calculations • Spanish CSP – impact of the 49% sale to Credit Suisse and end of purchase price allocation period • Update on Maritsa NOx Receivable recoverability assessment • Maritsa EU Directorate General Competition matter discussions and termination threat • KivuWatt arbitration with Energy Utility Corporation Limited and, separately, termination risk relative to PPA • Togo customs tax audit assessment • Mexico CHP purchase price allocation and fair market value
Risk management and internal control	• The scope of the internal control and risk management programme and the internal control roadmap for 2019 which included a mid-year review, an internal self-assessment and the PwC external audit • The rollout of the risk governance policy and management framework and the online risk management portal • The review of the results of the Internal Control Questionnaire campaign • The results of internal audit reviews and the progress made against agreed management action • Quarterly reports on investigated internal control issues significant to the Group • Quarterly reports on the Group's risk register, including significant and emerging risks • The implications and management of the General Data Protection Regulation (GDPR), data governance and information security • The adequacy and effectiveness of the Group's internal control and risk management processes. • The review of principal risks and uncertainties and the risk register of top risks

Report of the Audit & Risk Committee *continued*

Internal audit	• The internal audit methodology, processes and report template, KPIs and targets and tracking tools • The scope of the internal audit plan and resourcing requirements including the selection of Deloitte LLP as a co-sourcing partner • The independence, appropriateness and effectiveness of internal audit including the co-sourcing partner • Risk-based internal audits of specific Group companies, business units and global processes. 2019 audits included cyber and operational security, contract management, Treasury, CSP compliance and finance, tax and payroll audits, anti-bribery and corruption compliance and financial controls, and two overall site reviews (Inka and KivuWatt)
External audit	• The external audit plan • The independence and objectivity of PwC • The quality and effectiveness of PwC's audit services • The level of fees paid to PwC in accordance with the policy for the provision of non-audit services • PwC's reappointment to office as external auditor
Compliance and other matters	• Quarterly compliance reports from the Compliance Function including updates on investigations for the quarter as well as the status of the compliance objectives and KPIs. • The Committee's terms of reference and performance effectiveness • Compliance with the Code and the Group's regulatory and legislative environment.
Significant accounting judgments	• The appropriateness of significant accounting judgments made in connection with the financial statements as set out on page 87

External auditor, tenure and Audit plan
PwC is engaged to conduct a statutory audit and express an opinion on the Company and the Group's financial statements. Their audit includes an assessment of the systems of internal controls that produce the information contained in the financial statements to the extent necessary to express an audit opinion.

PwC presented their proposed audit plan (reviewed by senior management) to the Committee for discussion. The objective was to ensure that the focus of their work remained aligned to the Group's structure and strategy as well as the risk profile. The audit plan was again risk and materiality focused, challenge-based and designed to provide valuable insights beyond the audit.

Objectivity and independence
The Committee is responsible for monitoring and reviewing the objectivity and independence of the external auditor. In undertaking its annual assessment, the Committee has reviewed:

- the confirmation from PwC that they maintain appropriate internal safeguards in line with applicable professional standards
- the mitigation actions taken to safeguard PwC's independent status, including the operation of policies designed to regulate the amount of non-audit services provided by PwC and the employment of former PwC employees
- the tenure of the audit partner (not being greater than five years); and
- the internal performance and effectiveness review of PwC referred to above.

Taking the above review into account, the Committee concluded that PwC remained objective and independent in their role as external auditor.

Effectiveness of the external audit
It is the responsibility of the Audit & Risk Committee to assess the effectiveness of the external audit process. Following the issue of our Annual Report, the Chairman of the Committee leads the conduct of a performance evaluation and effectiveness review of the external audit which covered aspects including:

- The quality of reports provided to the Committee and the Board and the quality of advice given;
- The level of understanding demonstrated by the audit team of the Group's businesses and the energy sector; and
- The objectivity of the external auditor's views on the controls around the Group and the robustness of challenge and findings on areas which required management judgement.

The Committee believe that PwC have performed their audit services effectively and to a high standard. Areas identified for development will be shared with them for inclusion in their audit and service delivery plans going forward.

Audit tendering
The French firm of PwC was first appointed as the external auditors of the Group in 2013. The UK firm was first appointed at the time of the IPO and hence the UK firm was the first appointee to the audit of ContourGlobal plc. Matthew Hall is the current lead audit partner. Under current regulations, we will be required to retender the audit by no later than the 2027 financial year. Matthew Hall would need to be rotated off as audit partner by 2022. The Board believes that, having regard to the quality, stability and continuity of the relationship with PwC as the current auditor, it is in the best interests of the Company and shareholders to tender the audit contract by a date no later than that stipulated by the current regulations. On the recommendation of the Audit & Risk Committee, the Board is proposing a resolution at this year's Annual General Meeting that PwC will be reappointed to office for a further year.

The Company confirms that it has complied with the provisions of the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit & Risk Committee Responsibilities) Order 2014 for the financial year under review.

Audit fee
The fees payable to PwC for the audit 2019 are $2.7 million ($2.6 million in 2018).

Non-audit services
During the year, PwC UK made a voluntary commitment to stop providing non-audit services (other than ones which are closely related to the audit) directly to the FTSE350 companies that it audits. This is expected to significantly reduce the volume of non-audit services performed by PwC in respect of the Company and all its subsidiaries, and related entities worldwide. It also includes non-audit services provided by all PwC member firms. PwC UK will continue to provide assurance services to the Company in accordance with the Revised Ethical Standard, which is the independence rules that will apply to UK audit clients with accounting periods beginning after 15th March 2020.

Management and the Committee discussed the decision with PwC, and it was implemented in the Company with effect from May 2019. A completion timeline of 31st December 2019 was agreed for ongoing non-audit services that were not closely related to the audit. For all non-audit services provided during the year, PwC acted only in an advisory capacity to provide management with the necessary information to enable them to evaluate, and to make judgements and decisions over, the treatment of specific matters.

The non-audit fees paid to PwC for 2019 were $1.5 million ($1.5 million in 2018), including $0.2 million for half-year review ($0.3 million in 2018).

Significant accounting judgements
The Committee reviewed three significant financial matters in connection with the financial statements, namely management override of controls, risk of fraud in revenue recognition, accounting for business combinations and power purchase agreements in the year of acquisition. In addition, management considered impairments in PPE or financial assets which it deemed was an elevated risk. Further details are set out in the table below.

These items were considered significant considering the level of materiality and the degree of judgement exercised by management. The Committee discussed these with management and PwC. The Committee was satisfied that all issues had been fully and adequately addressed and that the judgements made were reasonable and appropriate and had been reviewed and debated with the external auditor who concurred with the approach taken by management.

In addition, the Committee considered, acted and made onward recommendations to the Board, as appropriate, in respect of other key matters including the viability statement, the going concern basis on which the financial statements are prepared and other specific areas of audit focus.

Risk management framework and internal control
The Board is responsible for determining both the nature and extent of the Group's risk management framework and the risk appetite that is acceptable in seeking to achieve its strategic objectives. The Committee supports the Board in the management of risk and is responsible for reviewing the effectiveness of risk management and internal control processes during the year.

An overview of the risk management process explaining the key elements of the approach to risk, any changes to the process over the course of the current year and the key risk management priorities for 2020 are described on pages 56 to 65.

Primary responsibility for operation of the Company's internal control and risk management systems, which extend to include financial, operational and compliance controls (and accord with the FRC's 2014 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'), has been delegated to management. These systems have been designed to manage, rather than eliminate, the risk of failure to achieve the Group's business goals and can provide only reasonable, not absolute, assurance against material misstatement or loss.

Under the overall supervision of the Committee, the Group has a Head of Internal Audit as well as the co-sourcing partner (with direct access to the Committee chairman) who provide regular oversight of risk matters, evaluates emerging risks that may affect the business and monitor compliance to ensure that any mitigating actions are properly managed and completed. The Committee, in consultation with management, agrees the annual internal audit work plan (including any assistance that may be required from external specialists) of the internal audit function to ensure alignment with the needs of the business and compliance with its governance charter.

The Audit & Risk Committee, on behalf of the Board, has reviewed the effectiveness of the internal control systems and risk management processes in place, taking account of any material developments since the year end. The Committee has not identified, nor been advised of, any failings or weaknesses that it has determined to be significant. As part of its review, the Committee noted that no significant internal control matters had been raised by PwC in the context of the annual audit.

Significant accounting judgements

Significant financial matters considered	How the Committee addressed the matters
Accounting for business combinations and power purchase agreements in the year of acquisition (including renegotiation of existing agreements)	
In November 2019, the Group acquired two Combined Heat and power assets in Mexico. Consideration was given to the allocation of the purchase price for the Mexico CHP assets.	In relation to the acquisition, the Committee considered the appropriateness of the items to which the purchase price has been allocated as well as main assumptions used in relation with discount rates and future cash flows.
Impairment of property, plant and equipment, and financial and contract assets	
At 31st December 2019, the Group had $3,691.5 million of property, plant and equipment, the majority of which related to power plant assets, and $445.8 million of financial and contract assets, the majority of which related to concession arrangements. Impairment assessments of these assets requires significant judgment including assumptions of future cash flows, discount rates and inflation which are by essence judgmental.	The Committee has reviewed the indicators of impairment and main assumptions retained and described in the financial statements. The Audit & Risk Committee concurred with the testing performed with regards to wind farms in Brazil and agreed with management's judgment that no impairment charge was necessary.
Provisions for claims and contingent liabilities	
31st December 2019, the Group had $17.1 million of legal provisions and other. Legal and other provisions include amounts arising from claims, litigation and regulatory risks which will be utilized as the obligations are settled and includes sales tax and interest or penalties associated with taxes. Legal and other provisions have some uncertainty over the timing of cash outflows.	The Committee has reviewed the main legal or contractual claims. As part of its review, the Committee has considered the judgments from external or internal counsels made as to the potential likelihood of any claim succeeding when making a provision or disclosing a contingent liability.
Sell down and Adjusted EBITDA	
In May 2019 the Group closed the sell-down of the Spanish CSP assets. Minority sell-downs occur at a significant premium and are part of the core strategy of the Group.	The Committee understood the sell-down strategy and reviewed the integration within Adjusted EBITDA of the net gain of sell-down of assets, considering (i) it reflects the capacity of the Group to sell at a significant premium, (ii) it is part of the core strategy of the Group since 2018 and, (iii) certain competitors include such gain in EBITDA calculation. On that basis the Committee concurred with the analysis and recommended to transparently disclose the reconciliation of Adjusted EBITDA to GAAP metrics and has added Proportionate Adjusted EBITDA as a key KPI considering the new sell-down strategy.

Report of the Audit & Risk Committee *continued*

Internal control

The key elements of the Group's internal control are as follows:

- The company has developed and implemented a detailed internal control management system and has a dedicated internal control function within the Group Finance function
- An established organisation structure with clear lines of responsibility, approval levels and delegated authorities
- A disciplined management and Committee structure which facilitates regular performance review and decision-making
- A comprehensive strategic review and annual planning process
- A robust budgeting, forecasting and financial reporting process
- Various policies, procedures and guidelines underpinning the development, asset management, financing and main operations of the business, together with professional services support including legal, human resources, information services, tax, company secretarial and health, safety and security
- A compliance certification process from management conducted in relation to the half-yearly and full year results, and business activities generally
- A quarterly self-certification by management confirming that key internal controls within their area of responsibility have been operating effectively
- An internal audit function whose work spans the whole Group with assurance support from Deloitte LLP who provide the team with additional resource and skills
- A focused post-acquisition review and integration programme to ensure the Group's governance, procedures, standards and control environment are implemented effectively and on time
- A financial and property information management system.

On a quarterly basis, the Committee receives and discusses the Group's risk register, including significant and emerging risks, and how exposures have changed during the period, summary reports of findings and recommendations from completion of the internal audit plan, progress against completion of agreed actions from internal audit on their review of the effectiveness of various elements of the internal control system maintained by the Group. The Board is satisfied that the system of risk and internal control management accords with the UK Corporate Governance Code and satisfies the requirements for internal controls over financial reporting.

Effectiveness

The Board has undertaken a robust assessment of the principal and emerging risks faced by the Group, including those that could threaten the business model, future performance, solvency or liquidity. Assisted by the Committee, the Board also reviewed the effectiveness of the systems of internal control and risk management in place throughout the year and up to the date of this report. This considered the valuable assurance work undertaken by the internal audit function (which is supplemented by external specialist resource as necessary) and the relevant process, controls and testing work undertaken by PwC as part of their half-yearly review and full year audit. No weaknesses or control failures significant to the Group were identified. Where areas for improvement were identified, new procedures have been introduced to strengthen the controls and will themselves be subject to regular review as part of the ongoing assurance process.

Fair, balanced and understandable

The Committee applied the same due diligence approach adopted in previous years in order to assess whether the Annual Report taken as a whole is fair, balanced and understandable. The Committee received assurance from the verification process carried out on the content of the Annual Report by the Executive Directors to ensure consistent reporting and the existence of appropriate links between key messages and relevant sections of the Annual Report and this was supported by a robust schedule of review and verification by senior management and external advisors to ensure disclosures are accurate.

Taking the above into account, together with the views expressed by PwC, the Committee recommended, and in turn the Board confirmed, that the 2019 Annual Report, taken as a whole, is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position, performance, business model and strategy.

Whistleblowing mechanism

On behalf of the Board, the Committee reviews the Group's whistleblowing mechanism which allows employees to report concerns about suspected impropriety or wrongdoing (whether financial or otherwise) on a confidential basis, and anonymously if preferred. This includes an independent third-party reporting facility comprising a telephone hotline and an online process. Any matters reported are investigated by the Chief Compliance Officer and escalated to the Committee, as appropriate.

The Group also runs whistleblowing awareness campaigns, reminding employees that a dedicated hotline exists should they ever need to 'blow the whistle'. The arrangements also form part of the induction programme for new employees

Bribery and corruption policy

The Board has a zero-tolerance policy for bribery and corruption of any sort. We give regular training to staff on the procedures, highlighting areas of vulnerability, and the policy is being reinforced in early 2020 through the relaunch of our updated Code of Conduct. Our third party providers are required to comply with our policies, or evidence that they have similar policies and practices in place within their own businesses.

Annual evaluation

The Committee undertook an internal self-evaluation facilitated by the Company Secretary using Thinking Board®, a web-based evaluation tool provided by Independent Audit Limited.

The evaluation demonstrated that the Committee reports well on its activities and, it further agreed to assess the performance of the external auditors rigorously and to maintain focus on the Committee's concerns which were the two issues with the most improvement opportunities.

Ronald Trächsel
Chairman of the Audit & Risk Committee

16th March 2020

Report of the Remuneration Committee

Members of the Remuneration Committee

Daniel Camus (Chairman)

Mariana Gheorghe

Alan Gillespie

Meeting attendance shown on page 71

Key areas of focus in the year

Appointment of senior management

- Reviewed and approved remuneration arrangements for a number of new senior hires, including the CFO

Incentive arrangements

- Reviewed and approved annual bonus pay-outs and targets
- Approved the grant of performance share, restricted share, and deferred bonus awards under the long term incentive plan

Reporting

- Considered our remuneration disclosures in light of the new regulations and the new UK Corporate Governance Code

Compliance and governance

- Reviewed practices and changes to corporate governance environment with regards to remuneration arrangements and the Committee's remit

Dear shareholder,

I am pleased to present the Directors' Remuneration Report for 2019.

Last year a thorough review of the Directors' Remuneration Report was undertaken with the aim of enhancing transparency of our remuneration arrangements. We significantly improved retrospective disclosure of annual bonus targets and outcomes as well as providing more detail on the legacy arrangements that our President & CEO participates in. The Committee was therefore pleased that our report received the support of 99.9% of our shareholders.

Performance in 2019

ContourGlobal delivered a strong set of results in 2019, with sustained improvements in our key financial and operational metrics. We delivered an adjusted EBITDA performance of $703m, an increase of 15% on prior year, whilst maintaining excellent levels of safety and reliability. In terms of our growth strategy, in November we successfully completed the acquisition of the Mexican assets, our largest acquisition to date, and our M&A and development pipeline remains robust.

Following a strong financial year, our annual bonus out-turns were 59.5% of maximum for the President & CEO and 57.2% of maximum for the Chief Financial Officer, reflecting the stretch targets set at the beginning of the year. The Executive Directors have voluntarily agreed to defer 20% of their annual bonus for 2019 into shares for two years.

Executive remuneration framework

The Committee considers that overall our existing remuneration framework continues to incentivise appropriately the Executive Directors and wider executive team to deliver our strategy, thereby generating long-term sustainable returns for shareholders. We are therefore not proposing to make any substantive changes to the operation of our Policy.

For 2019, we refined how we measured operational performance under the Total Fleet Availability Factor and Total Fleet Equivalent Forced Outage Rate elements of the annual incentive. Individual targets were set for each sector, rather than simply an aggregate Group figure. The Committee considered this to be a more robust approach to measurement as maximum vesting requires strong performance against all sectors within the Group. It also better reflects how performance is measured and reported within the business.

For 2020, we have further evolved our annual incentive framework. While the overall structure of the corporate scorecard remains 50% financial performance, 30% operational performance and 20% growth opportunities, the specific measures within the operational component will better reflect our sustainability principles of minimising environmental impacts and growing well. For 2020, the annual incentive will therefore include targets related to CO_2 capture from our new Mexican assets and operational cost across both our thermal and renewable sectors. Additionally, in order to simplify the framework, we have removed Total Fleet Equivalent Forced Outage Rate in favour of Total Fleet Availability Factor, a key measure of reliability.

We are making no changes to executive director salaries for 2020, and our LTIP award opportunity and performance framework will be consistent with prior years.

Report of the Remuneration Committee *continued*

Shortly after our IPO, our current Remuneration Policy was approved by shareholders at our AGM in 2018. We were pleased to receive 99.8% support. At that time, we set out our intention to amend the LTIP rules to reflect the policy maximum of 200% for executive directors excluding the President & CEO. As an administrative matter, we are seeking shareholder approval for this amendment to the rules.

UK Corporate Governance Code
Fostering a culture of share ownership within the business is a key part of our remuneration approach. Ahead of our remuneration policy next year, we are therefore increasing the value of the shareholding in the Company that Executive Directors are required to build and retain from 200% to 250% of salary. This year, we will also be introducing a new post-employment shareholding guideline for Executive Directors. This guideline will apply for one year following cessation of employment and will require Executive Directors to retain 100% of their shareholding guideline, or 100% of their actual shareholding of relevant shares if lower, for a period of 6 months post-cessation of employment, reducing to 50% for a further six months. The guideline will apply to shares delivered via deferred bonus and performance share awards following adoption of this new policy.

During the year, the Committee was provided with various updates on UK governance practice and market developments. The Committee is therefore aware that executive director pensions is a key area of focus for shareholders. Our President & CEO is not currently provided with a pension provision, and our new Chief Financial Officer has been appointed with a pension aligned to the workforce rate. We therefore consider that we are fully aligned with the Code and shareholder expectations in this area.

Remuneration reporting
Further to the enhancements we made to our remuneration reporting last year, we remain committed to providing transparent disclosures.

Last year, as part of establishing and strengthening transparency, we provided significantly more detail on the legacy equity arrangements in which our President & CEO participates, including illustrations of the possible value receivable. We continue to provide this legacy information in this report. ContourGlobal plc is not a party to these arrangements and has no financial obligation to pay cash or issue shares. Consequently, the Committee has no authority over these plans.

Workforce pay and culture
The Committee reviews the overall approach to remuneration and incentives across the organisation and considers in particular how these can drive culture. During the year, the Committee took time to review the incentive framework for those employees in key business development roles to ensure they were appropriately aligned to the strategic priorities of the Group, whilst also aligning to ContourGlobal's culture and values.

In line with the scope of its responsibilities, the Committee approved remuneration arrangements for the wider executive team, with a number of new hires during 2019. On reviewing the organisation structure at year end, the Committee was also pleased to note that the gender balance of our executive management team was 60% female.

Appointment of Chief Financial Officer
We appointed our new Chief Financial Officer, Stefan Schellinger, in April 2019. His remuneration arrangements, as set out within this report, took account of the provisions within the new UK Corporate Governance Code.

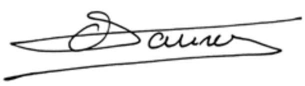
He was appointed on a salary of £375,000 and will receive a pension contribution of 11% of salary in line with other employees based in the UK (excluding Northern Ireland). For 2019, Stefan participated in the annual bonus with a maximum opportunity of 115% of salary (with any pay-out calculated pro-rata for his salary and service in the year) and was granted an LTIP award with a maximum opportunity of 200% of salary.

Looking ahead to 2020
Over the next year, the Committee will be reviewing our Remuneration Policy ahead of its renewal at our 2021 AGM in line with the normal three-year cycle. As part of this process, the Committee will consult with shareholders on any major changes.

Following the decision by Ruth Cairnie to step down from the Board of ContourGlobal plc, Mariana Gheorghe was appointed to the Committee in October 2019. I would like to thank Ruth Cairnie for her contribution to the Committee during her tenure. I am delighted to welcome Mariana to the Committee. Her insight, informed by her extensive international experience, will be invaluable as we look to renew our Remuneration Policy in 2021.

In line with the remuneration reporting regulations, this report will be subject to an advisory shareholder vote at our forthcoming AGM, and I hope you will continue to support our approach to executive remuneration.

Yours sincerely



Daniel Camus
Chairman of the Remuneration Committee

Index to the Remuneration report

Remuneration at a glance

Our Remuneration Policy for Executive and Non-Executive Directors was presented and approved by shareholders at our 2018 AGM receiving 99.8% support. It is intended that the Remuneration Policy will apply for three years following approval. The full Remuneration Policy can be found in the 2017 annual report available on our website at www.contourglobal.com.

<table>
<tr><th>Remuneration component</th><th>Summary of Remuneration Policy</th><th>Remuneration for Executive Directors for 2020</th></tr>
<tr><td>Salary</td><td>• Normally reviewed annually, with any changes taking effect from 1st January.
• Set taking into account a number of factors including individual and Company performance, an individual's skills and experience, the responsibilities of the role.
• When considering any increase, the Committee is guided by the general increase for the broader employee population.</td><td><table>
<tr><th></th><th>Base salary effective 1st January 2020</th><th>Increase from 2019</th></tr>
<tr><td>President & CEO</td><td>$1,200,000</td><td>–</td></tr>
<tr><td>Chief Financial Officer</td><td>£375,000</td><td>–</td></tr>
</table></td></tr>
<tr><td>Pension and benefits</td><td>• The Company may make contributions, or payment in lieu of contributions, to a pension scheme up to the value of 20% of base salary per annum.
• Benefits may include, but are not limited to, private medical insurance, dental insurance, Company car or allowance, life assurance and income protection. Benefits in relation to relocation or expatriation may be provided.</td><td>• The current President & CEO does not receive any pension contributions.
• The Chief Financial Officer receives a pension allowance of 11% of salary, which is in line with other UK employees (excluding Northern Ireland).
• Executive Directors receive benefits in line with the Remuneration Policy.</td></tr>
<tr><td>Annual performance bonus</td><td>• Maximum opportunity of 100% of base salary for the President & CEO.
• For new Executive Director appointments, maximum opportunity of 150% of base salary.
• Subject to stretching performance conditions, set by the Committee at the start of each financial year.
• At least 70% of the bonus will be subject to corporate objectives with the balance based on individual objectives.
• The Committee may adjust the bonus outcome taking into account any relevant factors, including the Company's underlying performance.
• Any bonus earned in excess of 50% of maximum is deferred into shares for a period of two years.
• Malus and clawback provisions apply.</td><td>• The overall framework of the annual bonus for 2020 is consistent with 2019.
• The maximum opportunity will be 100% of salary for the President & CEO and 115% of salary for the Chief Financial Officer.
• Bonus will be based on achievement of corporate objectives (70%) and individual objectives (30%).
• Performance measures for 2020 are:<table>
<tr><th>Performance Metrics</th><th>% of Opportunity</th></tr>
<tr><td>Adjusted EBITDA</td><td>17.5%</td></tr>
<tr><td>Adjusted FFO</td><td>17.5%</td></tr>
<tr><td>Operational metrics</td><td>21%</td></tr>
<tr><td>Growth metrics</td><td>14%</td></tr>
<tr><td>Sub-Total</td><td>70%</td></tr>
<tr><td>Individual objectives</td><td>30%</td></tr>
</table>• Targets and performance against these will be disclosed retrospectively.</td></tr>
</table>

Remuneration at a glance *continued*

Remuneration component	Summary of Remuneration Policy	Remuneration for Executive Directors for 2020
Long-Term Incentive Plan (LTIP)	• Maximum opportunity of 100% of base salary for the President & CEO. • For new Executive Director appointments, maximum opportunity of 200% of base salary. • Performance measured over three years. • The Committee has the flexibility to vary the performance measures and weightings for each award taking into account the business priorities at the time of grant. • The Committee may reduce the vesting outcome if it considers that it is not consistent with the Company's overall performance. • An additional two-year holding period applies post-vesting. • Malus and clawback provisions apply.	• The overall framework of LTIP awards granted to Executive Directors in 2020 will be consistent with last year's grant and the Remuneration Policy. • The maximum opportunity will be 100% of salary for the President & CEO and 200% of salary for the Chief Financial Officer. • Performance measures and targets for the 2020 LTIP award are as follows.

	Adjusted EBITDA per share growth % pa (50%)	Health and Safety Lost Time Incident Rate (25%)	Growth Internal Rate of Return (12.5%)	Growth Milestones (12.5%)
100% vesting	25% and above	Zero	All IRR for qualifying projects met	All milestones for qualifying projects met
25% vesting	10%	0.09	IRR for qualifying projects at 90%	90% of milestones for qualifying projects met
0% vesting	Below 10%	Above 0.09	IRR for qualifying projects below 90%	Less than 90% of milestones for qualifying projects met

• Awards vest on a straight-line basis between 25% and 100% achievement.

Remuneration component	Summary of Remuneration Policy	Remuneration for Executive Directors for 2020
Share ownership guidelines	• Under the current remuneration policy, Executive Directors are required to build and retain a shareholding in the Company equivalent to at least 200% of salary. • This year, this guideline is being increased to 250% salary.	• The President & CEO has met the guideline in full. • Given his recent appointment, the Chief Financial Officer has yet to meet the guideline. However, he will be required to retain at least half of any share awards vesting (net of tax) under the Company's discretionary share-based employee incentive schemes until the guideline is met. • Any new Executive Director, including the Chief Financial Officer, is expected to meet their share ownership guideline within five years of appointment. • For 2020, the Committee has introduced a post-employment shareholding guideline for Executive Directors which will apply for one year following cessation of employment. They will be required to retain 100% of their shareholding guideline, or 100% of their actual shareholding of relevant shares if lower, for a period of 6 months post-cessation of employment, reducing to 50% for a further six months.
Legacy arrangements	• The President & CEO has interests in a 'Private Incentive Plan' (PIP). These relate to legacy commitments prior to ContourGlobal's listing, reflecting that the President & CEO co-founded the Company in 2005. • The Company is not a party to the PIP and has no financial obligation in connection with it. • The President & CEO also has a carried interest arrangement which was established in 2008 and which is funded by a minority co-owner of certain assets of the Company. The Company has no financial obligation in relation to these interests.	• These arrangements do not form part of ContourGlobal plc's ongoing policy.

Remuneration strategy and alignment with our core principles

ContourGlobal's core business principles guide our day-to-day operations and our sustainable business strategy, driving positive, long-term and measurable business impacts.

The Committee was cognisant of these principles when designing and implementing the Directors' Remuneration Policy and considers that the current executive remuneration framework appropriately addresses the following factors, as set out in the UK Corporate Governance Code.

Clarity	The Committee is committed to providing open and transparent disclosures with regards to executive remuneration arrangements, and last year we made significant enhancements to our disclosures throughout the Directors' Remuneration Report. The Committee provides additional information on legacy arrangements. The Company is not party to these arrangements and does not have any financial obligation in connection with them.
Simplicity	Our ongoing executive remuneration arrangements are in line with typical practice for a UK-listed company and are well understood by both participants and shareholders.
Risk	The Committee has discretion to adjust annual bonus and LTIP outcomes if it considers these to be inconsistent with overall Company performance, taking into account any relevant factors. Malus and clawback provisions apply for both the annual bonus and LTIP. Post-employment shareholding requirements support a focus on long-term stewardship of the Company.
Predictability	The Directors' Remuneration Policy contains details of maximum opportunity levels for each component of pay, with actual incentive outcomes varying depending on the level of performance achieved against specific measures. As part of our transparent approach, we provide details of legacy PIP and carried interest arrangements, including illustrative potential values.
Proportionality	Our Directors' Remuneration Policy has been designed to provide an appropriate balance between short- and long-term performance targets linked to the delivery of the Company's strategic plan and aligned with the Company's risk appetite. ContourGlobal operates across 18 countries. When determining remuneration arrangements for Executive Directors the Committee considers broader workforce remuneration and related policies across the global business. The Group only has 15 permanent employees in the UK and therefore falls below the threshold required to disclose pay ratios. The Committee considers that remuneration arrangements for Executive Directors are appropriate taking into account the principles, policy and practice for workforce remuneration and the locality of the relevant Executive Director.
Alignment to culture	The metrics used within our incentive arrangements for Executive Directors are aligned to ContourGlobal's core principles, with the aim of driving behaviours consistent with the Company's purpose, values and strategy. One of our key values relates to our employee's health and safety, and this is reflected in our incentive framework. Fostering a culture of share ownership within the business is a key part of our remuneration approach.

Alignment of performance measures with core principles

Our core principles are aligned with the metrics used under our remuneration approach for Executive Directors, as illustrated below.

	ContourGlobal – our core business principles			
Measures used in incentive schemes	**Operate safely and efficiently and minimize environmental impact**	**Grow well**	**Manage our business responsibly**	**Enhance our operating environment**
Adjusted EBITDA growth		🔵 ⚫		
Adjusted Funds From Operations (FFO)	🔵	🔵		
Lost Time Incidents	🔵 ⚫		🔵 ⚫	🔵 ⚫
Fleet Availability	🔵			
Refurbishment milestones	🔵			🔵
CO_2 capture	🔵	🔵	🔵	
Non-fuel operations and maintenance cost	🔵	🔵		
M&A milestones (project completion; incremental EBITDA)		🔵		
Project Internal Rate of Return and milestones		⚫	⚫	
Strategic personal objectives	🔵	🔵	🔵	🔵

🔵 Annual bonus metric ⚫ LTIP metric

Annual Report on Remuneration

Governance

Membership of the Remuneration Committee during the year is shown below. The Board considers each of the Committee members to be independent in accordance with the Code.

Members:	Daniel Camus (Chairman) Ruth Cairnie (stepped down from the Committee on 30th September 2019) Dr Alan Gillespie Mariana Gheorghe (appointed to the Committee on 10th October 2019)
Company Secretary:	Kerry Watson (until 26th June 2019) and Lola Emetulu (from 25th June 2019)
External advisers:	Deloitte has been advisers to the Committee from November 2018.
Internal advisers:	Joseph C. Brandt (President & CEO), Sarah Flanigan (Executive Vice President) and, following their appointments, Barbara Greutter (Executive Vice President, Chief Human Resources Officer) and Robert Head (Head of Total Rewards) were consulted and invited to attend meetings as necessary. Care was taken to ensure there were no conflicts of interest when consulting with senior management and no director or member of management was present when matters relating to their own remuneration were discussed.
Meetings held:	The Committee held five meetings during 2019. See page 71 for attendance at Committee meetings.
Role:	The Board has delegated responsibility to the Committee for: • setting, approving and implementing the remuneration policy, including pension arrangements and any compensation payments, for the Executive Directors, the Company Chairman, Senior Managers and Company Secretary • within the terms of the agreed remuneration policy and in consultation with the Chairman of the Board and/or President & CEO, as appropriate, determining the total individual remuneration package of each Executive Director and the Chairman of the Board and other senior management including bonuses, incentive payments and share option or other share awards • approving the design of, and determining targets for, any performance-related pay schemes operated by the Company • monitoring the operation of performance-approved pay schemes and approving the total annual payments made under such schemes • ensuring that contractual terms on termination, and any payments made, are fair for the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized. The Committee's terms of reference are available on our website at www.contourglobal.com.

Introduction

This section sets out details of the remuneration of the Executive Directors and Non-Executive Directors (including the Chairman) earned between 1st January 2019 and 31st December 2019 and also describes the operation of the Remuneration Committee.

This Annual Report on Remuneration will, together with the Annual Statement of the Remuneration Committee Chairman on pages 89 and 90, be proposed for an advisory vote by shareholders at the forthcoming Annual General Meeting (AGM). Where required, data has been audited by the external auditors, PricewaterhouseCoopers LLP, and this is indicated where appropriate.

Single total figures of remuneration (audited information)

The table below sets out a single figure for the total remuneration received by the Executive Directors and Non-Executive Directors for the year 1st January to 31st December 2019.

	Base salary and fees[1] $000		Taxable Benefits[2,3] $000		Annual bonus $000		Long-term incentives[4] $000		Pension $000		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Executive Directors												
Joseph C Brandt	1,200	1,200	30	30	714	624	–	–	–	–	**1,944**	1,854
Stefan Schellinger[5]	332	–	9	–	225	–	–	–	37	–	**603**	–
Total	**1,532**	**1,200**	**39**	**30**	**939**	**624**	**–**	**–**	**37**	**–**	**2,547**	**1,854**
Non-Executive Directors												
Craig A. Huff	319	333	1	–	–	–	–	–	–	–	320	333
Daniel Camus	86	89	1	–	–	–	–	–	–	–	87	89
Ruth Cairnie[6]	53	73	1	–	–	–	–	–	–	–	54	73
Mariana Gheorghe[7]	35	–	–	–	–	–	–	–	–	–	35	–
Dr Alan Gillespie	96	100	2	–	–		–	–	–	–	98	100
Ronald Trächsel	86	89	1	–	–	–	–	–	–	–	87	89
Alejandro Santo Domingo	70	73	–	–	–	–	–	–	–	–	70	73
Gregg M. Zeitlin	70	73	–	–	–	–	–	–	–	–	70	73
Total	**815**	**830**	**6**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**821**	**830**
Grand Total	**2,347**	**2,030**	**45**	**30**	**939**	**624**	**–**	**–**	**37**	**–**	**3,367**	**2,684**

1 The Chief Financial Officer and Non-Executive Directors are paid in GBP. The numbers in the table have been converted to USD using the average exchange rate for 2019 of $1.2775:£1.

2 Benefits for Executive Directors include medical insurance, dental insurance, income protection, life assurance, and disability cover.

3 Benefits for Non-Executive Directors comprise travel and other expenses incurred in the discharge of their duties including attendance at Board meetings which are deemed taxable by the relevant authority. The figures for taxable benefits comprise expenses paid during 2019 including expenses for 2018 which were deemed taxable during 2019. In accordance with the Remuneration Policy, the Company will reimburse Non-Executive Directors for any tax thereon.

4 There were no long-term incentive awards vesting based on performance ending in 2019. The first LTIP award was granted in 2018 with performance period ending 31st December 2020.

5 Stefan Schellinger was appointed as Chief Financial Officer with effect from 15th April 2019. The numbers included in the table for base salary, taxable benefits, annual bonus and pension are therefore part-year figures relating to the period during which he served as a Director of the Company. His annualised salary for 2019 was £375,000.

6 Resigned from the Board on 30th September 2019.

7 Appointed to the Board on 30th June 2019.

The Committee considers that the Remuneration Policy operated as intended and that remuneration outcomes were consistent with overall Company performance and the shareholder experience.

2019 Annual Bonus (audited information)

In 2019, the bonus opportunity depended on achievement of corporate objectives (70%) and individual objectives (30%). Maximum opportunity for the President & CEO was 100% of salary and for the Chief Financial Officer 115% of salary. Full disclosure of the specific Group performance metrics, targets and achievement against these is provided page 96. Targets for Total Fleet Availability Factor and Total Fleet Equivalent Forced Outage Rate were set individually for each of the sectors (Turbines, Engines, Solutions, Wind, Hydro, Solar PV and Solar CSP) rather than on an aggregate Group basis. The Committee considers this to be a more robust approach to measurement as maximum vesting requires strong performance against all sectors within the Group. It also better reflects how performance is measured and reported within the business. Although, under this more granular approach, we do not provide the specific target for each sector, we provide the indicative weighted average Group target.

Annual Report on Remuneration *continued*

Group scorecard (70% of bonus opportunity)

Performance target	Weighting	0% of element	25% of element	50% of element	75% of element	100% of element	Performance achieved[1]	Bonus award
Financial metrics (50%)								
Adjusted EBITDA	25%	Less than $700m	$712.5m	$725m	–	$750m	$730.5m	61.0% of element
Adjusted Funds From Operations	25%	Less than $364m	$371.5m	$379m	–	$394m	$349.5m	0.0% of element
Operations metrics (30%)								
Health and safety – Lost Time Incident Rate	15%	0.09	0.06	–	0.03	0.00	0.032	72.3% of element
Total Fleet Availability Factor	2.5%	Less than target	Based on the weighted average achievement against individual EAF targets for each of the sectors. The weighted average target is 94.8.				See below	85.7% of element
Total Fleet Equivalent Forced Outage Rate	2.5%	Greater than target	Based on the weighted average achievement against individual EFOR targets for each of the sectors. The weighted average target is 1.5.				See below	71.4% of element
Vorotan refurbishment schedule	2.5%	Milestone not met	100% awarded if Unit 1 and 2 of the Spandaryan HPP and Unit 2 of the Tatev HPP are completed to schedule				Milestone met	100.0% of element
Vorotan refurbishment budget	2.5%	Milestone not met	100% awarded if Unit 1 and 2 of the Spandaryan HPP and Unit 2 of the Tatev HPP are completed to budget				Milestone met	100.0% of element
Austria Wind Repowering (Velm) schedule	1.25%	Milestone not met	100% awarded if Velm project is on schedule				Milestone met	100.0% of element
Austria Wind Repowering (Scharndorf) schedule	1.25%	Milestone not met	100% awarded if Scharndorf project is on schedule				Milestone not met	0.0% of element
Austria Wind Repowering budget	2.5%	Milestone not met	100% awarded if Velm and Schharndorf projects are on budget				Milestone not met	0.0% of element
Growth metrics (20%)								
Growth metrics	20%	Milestone not met	100% awarded if relevant milestones met: Completion of Mexican CHP; Spanish CSP Sell Down; Additional EBITDA from M&A Transactions or Commercial Close of Greenfield Projects				Spanish CSP Sell Down completed; Mexican CHP closed; other milestones not met	66.7% of element
Total								**49.6% of Group element**

[1] Performance achieved against the financial metrics is stated at 2019 budget exchange rates to align with the performance targets set and to negate the impact of exchange rate movements in determining the outcome of the annual bonus for the year.

Sector performance – Total Fleet Availability Factor and Total Fleet Equivalent Forced Outage Rate

Based on the achievement (100% of element) or not (0% of element) of individual EAF and EFOR targets for each of the sectors.

	Total Fleet Availability Factor – achievement by sector	Total Fleet Equivalent Forced Outage Rate – achievement by sector
Turbines	100% of element	100% of element
Engines	100% of element	100% of element
Solutions	100% of element	100% of element
Wind	0% of element	0% of element
Hydro	100% of element	100% of element
Solar PV	100% of element	100% of element
Solar CSP	100% of element	0% of element
Overall outcome	**85.7% of element**	**71.4% of element**

Personal performance (30% of bonus opportunity)

The remaining 30% of the bonus is based on the delivery of key individual objectives. Achievement for the year was assessed by the Committee based on the following performance.

President & CEO

Performance areas	Key achievements
People	• Implemented new organisational structure, following a number of senior appointments during the year including CCO, CFO, CHRO, Head of Investor Relations, and Company Secretary • Integrated new senior leadership team. All roles now embedded within the organisation • Progression of succession plan and recruitment activity for other key roles within the business • Successful roll-out of "CEO Tuesday Talks" – CEO hosted webinars on strategy every second Tuesday for all employees
Strategic and operational excellence	• Implemented strategic review of portfolio with potential opportunities for operational improvement identified and presented to the Board • Successfully met an objective of providing the board with a programme of external speakers and external input, including sector specialists and financial experts • Better than plan EAF across the entire thermal fleet. Renewable EAF better than plan on a portfolio basis with the exception of Wind Farms • Excellent fixed cost control in both the renewable and thermal fleet • Strong performance against "5 Whys", the continuous improvement tool to tackle problems and learn and improve. The CEO met his personal "5 Whys" target at 100%. Across the organization "5 Whys" analysis resulted in significant optimization and improvement at Palma CSP, Marista East 3 and Arrubal. • Excellent health and safety record – 442 days with no Lost Time Incident (LTI) until last November 2019 • In 2019 Contour Global was admitted into the prestigious Campbell Institute, a leading Health and Safety organization dedicated to eliminate workplace injury and bringing together leading companies
Long-term value creation	• Successful completion of largest acquisition in ContourGlobal's history – combined heat and power (CHP) assets in Mexico. More than 98% contracted on the overall heat, steam and electricity at the two plants, with an expectation that this will add approximately $110m to ContourGlobal's Adjusted EBITDA in the first full year of operations • Completed acquisition of add-on Solar Italy asset providing a strong Solar Europe pipeline for future growth • Launched a broad Brazil sales process which is on track to realize its objectives in 2020 • For second year in a row included in the UK FTSE4Good Index, the responsible investment index of the FTSE companies
Shareholder relations	• Strong programme of communications with key shareholders during the year – roadshows, conferences and calls

Taking into account the above performance the Committee determined that 82.5% of this element of the annual bonus was achieved for the President & CEO.

Chief Financial Officer

The Chief Financial Officer was appointed to the Board in April 2019, and his personal objectives for the year therefore primarily related to embedding the Finance function and developing his role within the organisation.

Performance areas	Key achievements (from appointment 15th April 2019)
Finance function	• Filled key open positions in the Finance function during the year • Successful additional corporate bond issuance during 2019 • Contribution and leadership in key areas of Finance function and Audit Committee progress during the year, including: – internal control and tax risk management program and internal control roadmap – rollout of risk governance policy, the risk management portal, and tax risk review
Executive management	• Review of and engagement with ContourGlobal operations and key management members • Rapid familiarization and learning of overall business and value drivers
Investor relations	• Development of Investor Relations function including key IR related hire

Taking into account the above performance the Committee determined that 75.0% of this element of the annual bonus was achieved for the Chief Financial Officer.

Overall bonus award

Executive Director	Group scorecard element (70% of maximum)	Personal objectives element (30% of maximum)	Total bonus earned (% of maximum)	Total bonus earned
Joseph C. Brandt President & CEO	49.6%	82.5%	59.5%	$713,724
Stefan Schellinger Chief Financial Officer	49.6%	75.0%	57.2%	£175,797

The Committee considered the Company's underlying performance prior to finalization of the annual bonus and was satisfied that it reflected the overall performance of the Company.

In excess of the Remuneration Policy which requires any bonus in excess of 50% of maximum to be deferred into shares which vest after at least two years subject to continued employment, the Executive Directors have voluntarily agreed to defer 20% of their annual bonus for 2019. For 2019, this means that the $142,744 of the total bonus earned will be deferred for the President & CEO and £35,159

Annual Report on Remuneration *continued*

of the total bonus earned will be deferred for the Chief Financial Officer. Deferred Bonus Awards will be made under the Long Term Incentive plan and set out in the Annual Report on the Remuneration for 2020.

Appointment of Chief Financial Officer
Stefan Schellinger was appointed as Chief Financial Officer with effect from 15th April 2019. His remuneration arrangements, as set out within this Annual Report on Remuneration, were determined in line with our Remuneration Policy and took into account provisions within the new UK Corporate Governance Code.

His salary on appointment was £375,000. For 2019, the Chief Financial Officer had an annual bonus with a maximum opportunity of 115% of salary and an LTIP award with a maximum opportunity of 200% of salary. Incentives for the President & CEO are lower, as a percentage of salary, than those for the Chief Financial Officer given the President & CEO's subsisting legacy arrangements. The Chief Financial Officer will not participate in the Private incentive Plan (PIP) nor any other legacy incentive arrangements.

Long-term incentive awards with performance periods ending in the year (audited information)
There were no long-term incentive awards capable of vesting in relation to performance in the year.

Long term incentive awards granted in 2019 (audited information)
In line with our Remuneration Policy, the President & CEO and Chief Financial Officer were granted performance share awards under our LTIP of 100% and 200% of base salary respectively in 2019.

Executive Director	Date of award	Form of award	Number of LTIP shares awarded	Value of awards at date of grant[1]	Value % of salary[1]	Performance period
Joseph C. Brandt President & CEO	17th June 2019	Conditional award	482,183	£946,043	100%	1st Jan 2019 – 31st Dec 2021
Stefan Schellinger Chief Financial Officer	17th June 2019	Nil-cost option	382,262	£749,998	200%	1st Jan 2019 – 31st Dec 2021

[1] The award value and number of shares was calculated by reference to the closing price of ContourGlobal shares of 196.2p on 14th June 2019, the dealing day immediately prior to the date of grant, and base salary converted where appropriate to GBP using the exchange rate on that date of $1.2684:£1.

LTIP awards granted during 2019 were subject to the following performance conditions.

	Adjusted EBITDA per share growth % p.a.	Health and safety Lost time incident rate	Growth Internal Rate of Return (IRR)[1]	Growth milestones[1]
Weighting	50%	25%	12.5%	12.5%
100% vesting	25% and above	Zero	All IRR for qualifying projects met	All milestones for qualifying projects met
25% vesting	10%	0.09	IRR for qualifying projects at 90%	90% of milestones for qualifying projects met
0% vesting	Below 10%	Above 0.09	IRR for qualifying projects below 90%	Less than 90% of milestones for qualifying projects met

[1] Qualifying projects are those projects approved by the Board as such during the performance period and in respect of which the Board has specified (a) a target IRR for the performance period and/or (b) milestones for the performance period.

Awards vest on a straight-line basis between 25% and 100% achievement.

In line with our Remuneration Policy, a two-year additional holding period will apply to any shares vesting for Executive Directors.

Deferred bonus awards granted in 2019 (audited information)
During the year, the Company also granted a deferred bonus award to the President & CEO in respect of a deferral of 20% of the bonus amount for the 2018 bonus year, as voluntarily agreed by the President & CEO.

Executive Director	Date of award	Form of award	Number of shares awarded[1]	Value of awards at date of grant[1]	Vesting date
Joseph C. Brandt President & CEO	21st May 2019	Deferred Bonus Award	50,028	$124,800	27th March 2021

[1] The award value and number of shares was calculated by reference to the mid-market price of ContourGlobal shares of 195.9p on 20th May 2019, the dealing day immediately prior to the date of grant, and the amount deferred converted where appropriate to GBP using the exchange rate on that date of $1.2734:£1.

Pension and benefits (audited information)
The President & CEO does not currently receive any pension contributions.

On appointment, it was determined that the Chief Financial Officer would receive a pension allowance of 11% of salary, which is in line with other UK employees (excluding Northern Ireland).

Other benefits received include medical insurance, dental insurance, income protection, life assurance, and disability cover.

Implementation of Non-Executive Director Remuneration Policy in 2020

The annual fees for serving as the Chairman or a Non-Executive Director were last reviewed by the Board on 4th April 2019. They remain unchanged for 2020.

	Fees effective from 1st January 2019	Fees effective from 1st January 2020
Chairman	£250,000	**£250,000**
Non-Executive Director	£55,000	**£55,000**
Additional fees		
Senior Independent Director	£20,000	**£20,000**
Audit & Risk Committee Chairman	£12,000	**£12,000**
Remuneration Committee Chairman	£12,000	**£12,000**

Each Non-Executive Director will also be entitled to reimbursement of reasonable business-related expenses, including any tax thereon.

Statement of Directors' shareholdings and share interests (audited information)

The Remuneration Committee has approved share ownership guidelines which require Executive Directors to accumulate and maintain a holding in ordinary shares in the Company equivalent to no less than 250% of salary, an increase from the 200% of salary guideline in the remuneration policy. At least 50% of any vested share awards (net of tax) must be retained until the guideline is achieved.

For 2020, the Committee has introduced a post-employment shareholding guideline for Executive Directors which will apply for one year following cessation of employment. They will be required to retain 100% of their shareholding guideline, or 100% of their actual shareholding of relevant shares if lower, for a period of 6 months post-cessation of employment, reducing to 50% for a further six months. The guidelines will apply to shares delivered via deferred bonus and performance share awards following adoption of this policy.

The share interests of the Executive Directors and their connected persons as at 31st December 2019 are as follows:

Executive Director	Total number of beneficially owned shares at 31st December 2019	Interest in shares arising from holdings of Class S units in ContourGlobal LP[1]	Unvested interests in share schemes awarded without performance conditions at 31st December 2019	Unvested interests in share incentive schemes awarded subject to performance conditions as at 31st December 2019[2]	Shareholding requirement (% of base salary)	Current shareholding (% of base salary)[3]
Joseph C. Brandt President & CEO	1,736,927	6,943,864	105,269	873,829	250%	397%
Stefan Schellinger Chief Financial Officer	–	–	0	382,262	250%	–[4]

1 The Private Incentive Plan comprises an interest in Class S units, Class C units and Class B units. The interest in shares shown is for the Class S units only. The number of shares delivered through the Class B and Class C units is uncapped and could be substantial depending upon levels of return to Reservoir Capital Group.

2 Unvested interests in share incentive schemes awarded subject to performance conditions comprise Performance Share Awards under the ContourGlobal Long Term Incentive Plan and are structured as Conditional Awards (President and CEO) or Nil Cost Options (Chief Financial Officer).

3 The value of the Executive Directors' shareholdings was calculated by reference to the closing price of ContourGlobal shares of 207.0p on 31st December 2019 and base salary converted where appropriate to GBP using the exchange rate on that date of $1.3262:£1.

4 Stefan Schellinger has five years from the date of his appointment as an Executive Director to reach the shareholding guideline. In accordance with the policy for Executive Directors, he is required to retain at least half of any share awards vesting (net of tax) under the Company's discretionary share-based employee incentive schemes until the guideline is met.

The President & CEO participates in the Private Incentive Plan (PIP), a legacy arrangement under which he holds an interest in shares. Further details on the PIP and the allocation of shares under award for the President & CEO are provided on page 103.

There were no changes to the Executive Directors' interests in the Company's shares during the period between 31st December 2019 and 16th March 2020.

Annual Report on Remuneration *continued*

Non-Executive Directors' shareholdings (audited information)
The share interests of the Non-Executive Directors and their connected persons as at 31st December 2019 are as follows:

Non-Executive Director	Shareholding as at 31st December 2019
Craig A. Huff[1]	–
Daniel Camus	35,000
Ruth Cairnie[2]	–
Mariana Gheorghe	–
Dr Alan Gillespie	200,000[4]
Alejandro Santo Domingo[3]	–
Ronald Trächsel	24,000[4]
Gregg M. Zeitlin[1]	–

1 Craig A. Huff and Gregg M. Zeitlin each has an indirect interest in ordinary shares as a result of their interests in entities controlled by Reservoir Capital that in turn have indirect interests in the Company.
2 Shareholding as at 30th September 2019 when Ruth Cairnie stepped down from the Board.
3 Alejandro Santo Domingo has an indirect interest in ordinary shares as a result of having a discretionary shared interest in certain entities which have indirect interests in the Company. Alejandro Santo Domingo disclaims all beneficial interests and control in respect to such ordinary shares.
4 As disclosed in the Prospectus, at Admission Dr. Alan Gillespie and Ronald Trächsel were issued ordinary shares in the Company at the offer price, by way of private subscription.

There are no share ownership guidelines for Non-Executive Directors. However, Non-Executive Directors are encouraged to purchase shares in the Company annually to the value of 25% of their gross fees. There were no changes to the Non-Executive Directors' interests in the Company's shares during the period between 31st December 2019 and 16th March 2020.

Service contracts
Executive Directors have a service contract as follows:

Executive Director	Date of service contract	Notice period
Joseph C. Brandt, President & CEO	14th November 2017	6 months either party
Stefan Schellinger, Chief Financial Officer	15th April 2019	12 months either party

All Non-Executive Directors have letters of appointment with the Company for a three-year term. Each appointment is terminable by either party on one month's written notice. All Non-Executive Directors are subject to annual re-election at each AGM.

The dates of appointment of each of the Non-Executive Directors serving at 31st December 2019 are summarized in the table below.

Non-Executive Director	Date of service contract	Date of appointment
Craig A. Huff (Chairman)	3 years	23rd October 2017
Daniel Camus	3 years	23rd October 2017
Mariana Gheorghe	3 years	30th June 2019
Alan Gillespie	3 years	23rd October 2017
Ronald Trächsel	3 years	23rd October 2017
Alejandro Santo Domingo	3 years	23rd October 2017
Gregg M. Zeitlin	3 years	23rd October 2017

Executive Director service contracts and the Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the AGM.

Payments to past Directors and payments for loss of office (audited information)
During the year, the Company has not made any payments to past Directors; neither has it made any payments to Directors for loss of office.

Policy on external appointments
The Board believes that it may be beneficial to the Group for executives to hold Non-Executive Directorships outside the Group. Any such appointments are subject to approval by the Board, and will be determined based on the impact on their role within the Company. The Board will determine on a case-by-case basis whether the Directors will be permitted to retain any fees arising from such appointments. Neither Executive Director currently holds any external directorships.

Percentage change in remuneration
The following table shows the movement in the salary, benefits and annual bonus of the President & CEO from 2018 to 2019, compared with that of the UK employees. While the Committee reviews base salary for the CEO relative to the broader employee population and all employees are eligible for an annual performance bonus, benefits are driven by local practices and eligibility for annual bonus and benefits is determined by level and individual circumstances which do not lend themselves to comparison.

	Percentage change in remuneration from 2018 to 2019		
	Percentage change in salary	Percentage changes in benefits	Percentage change in annual bonus
President & CEO	0%	0%	14%
UK employees[1]	0%	0%	23%

[1] The figures shown for UK employees are the average percentage increases/decreases for employees employed for the whole of 2018 and 2019 calculated by reference to base salary, benefits and annual bonus received in respect of those years.

Broader executive team and workforce remuneration
In line with the UK Corporate Governance Code, the Committee has responsibility for determining remuneration arrangements for the broader executive team. In order to ensure all members of the global executive team are focused on the delivery of ContourGlobal's strategic priorities, all participate in the annual bonus scheme and long-term incentive on a similar basis to the Executive Directors. During the year, the Committee also considered bonus deferral arrangements and share ownership guidelines for this employee population to strengthen the link between their interests and those of our shareholders.

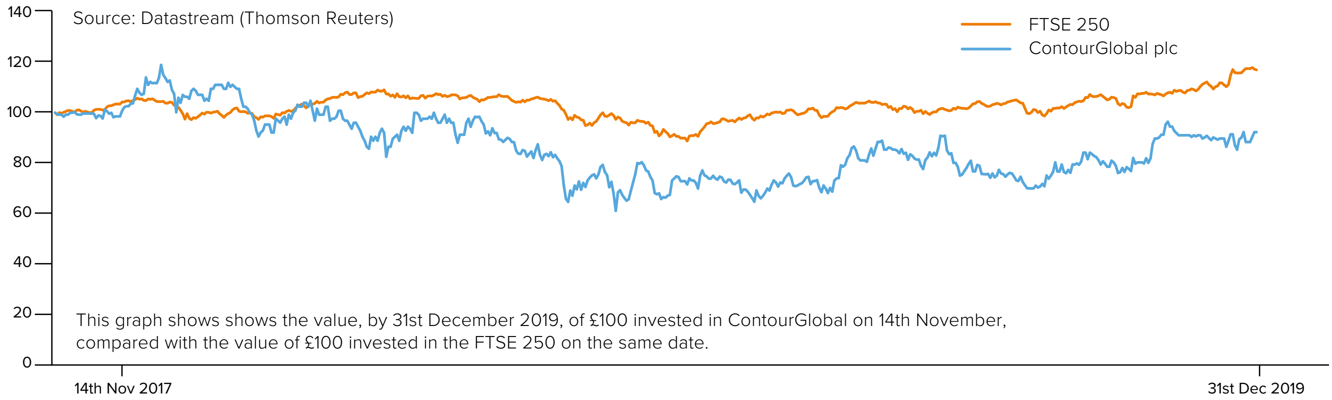
The Committee also took steps to strengthen the information provided to the Committee regarding broader workforce remuneration and related policies to ensure that these are fully considered when determining the remuneration arrangements for Executive Directors and that the principles, policy and practice for executive and workforce remuneration are aligned.

The Committee continues to develop its approach to engagement with the workforce in the area of executive remuneration, recognising the global reach of the Company and its employee population.

As ContourGlobal only has 15 permanent employees in the UK, the number of employees in the UK falls below the threshold for the requirement to disclose the CEO pay ratio.

Comparison of overall performance and pay
The chart below shows the Company's total shareholder return performance compared with that of the FTSE 250 over the period from the date of the Company's admission onto the London Stock Exchange to 31st December 2019. The FTSE 250 Index has been chosen as an appropriate comparator as it is the index of which the Company is a constituent. TSR is defined as the return on investment obtained from holding a company's shares over a period. It includes dividends paid, the change in capital value of the shares and any other payments made to or by shareholders within the period.

The total remuneration of the President & CEO along with the value of bonuses paid and LTIP vesting, as a percentage of the maximum opportunity, is provided for the same period.



Annual Report on Remuneration *continued*

Joseph C. Brandt, President & CEO

	2017[1]	2018	2019
Total remuneration (000)	$443	$1,854	**$1,944**
Actual bonus (% of maximum)	75%[2]	52%	**59.5%**
LTIP vesting (% of maximum)	N/A[3]	N/A[3]	**N/A[3]**

1 The figure for 2017 represents the remuneration earned in the period from 14th November 2017, being the date of listing, to 31st December 2017.
2 The President & CEO voluntarily agreed to a cap of 100% on his annual bonus for 2017.
3 There were no LTIP awards vesting based on a performance period ending in 2017, 2018 or 2019.

Relative importance of the spend on pay

The following table shows the Company's total spend on pay for all employees compared to Group performance and dividend distribution in 2018 and 2019.

	2018	2019	% change
Employee costs ($m)	76.1	83.8	**10.1%**
Average number of employees	1,472	1,431	**(2.8%)**
Adjusted EBITDA ($m)[1]	610.1	702.7	**15.2%**
Dividend distributions ($m)	44.1	137.6	**212.0%**

1 Adjusted EBITDA is a key indicator of ContourGlobal performance.

External advisors to the Committee

Deloitte LLP were appointed as advisors to the Remuneration Committee in November 2018 following a competitive tender process. Details of the advice and services provided by Deloitte LLP are set out in the table below.

Advisor	Area of advice/services provided
Deloitte LLP	Provided guidance and advice in respect of corporate governance developments, best practice in remuneration arrangements, external benchmarking data relating to senior hires, increased transparency relating to legacy arrangements, remuneration disclosures and shareholder communications. Deloitte received fees of £102,345 in respect of this advice. Deloitte also provided tax advisory services and internal audit co-sourcing support to ContourGlobal in 2019.

Deloitte LLP is a member of the Remuneration Consultants Group and is a signatory to its voluntary Code of Conduct, which requires their advice to be objective and independent. The Committee is satisfied that this is the case and that the provision of other services in no way compromised their independence.

Statement of voting on the Remuneration Report at the AGM

The table below provides details on the 2019 AGM voting result for our Annual Report on Remuneration. Our Remuneration Policy was approved at our 2018 AGM, our first as a public company. The voting result for this resolution is also provided below.

	% of votes cast in favour	% of votes cast against	Number of votes withheld
Remuneration Policy (2018 AGM)	99.82%	0.18%	3,884,676
Annual Report on Remuneration (2019 AGM)	99.90%	0.10%	0

Prior to the 2019 AGM, the Chairman of the Remuneration Committee wrote to shareholder bodies and proxy voting agencies to provide further context on the Directors' Remuneration Report and remuneration arrangements for the newly appointed Chief Financial Officer.

During 2020, the Chairman of the Remuneration Committee will engage with the Company's major investors concerning the Company's approach to remuneration and will report back to the other members of the Remuneration Committee on such dialogue as necessary.

Legacy equity arrangements – the Private Incentive Plan (PIP)
The President & CEO, along with certain members of the ContourGlobal plc management team, have interests in a 'Private Incentive Plan' (PIP). As disclosed at the time of IPO and in last year's Directors' Remuneration report, the PIP is a legacy equity arrangement established by Reservoir Capital Group (the major shareholder in the Company) in connection with its original investment in the business.

The Company is not a party to the PIP and has no financial obligation to pay cash or issue shares to settle the PIP. All shares that might be delivered to the President & CEO under the award would be funded by Reservoir Capital Group. Consequently, the Remuneration Committee has no authority over the plan, or the allocation and release of awards.

The PIP is not an ongoing element of the executive remuneration policy at ContourGlobal plc, and no new allocations will be made under the plan.

History
Joseph C. Brandt, the current President & CEO, founded the Company together with Reservoir Capital Group in 2005. Around that time, incentive arrangements were established which enabled the President & CEO, along with other senior management, to participate in the return on invested capital above a required return hurdle. To date participants have not received any payments as a result of these arrangements.

The PIP therefore relates to legacy commitments connected with the founding of ContourGlobal and the growth of the Company in the years prior to its listing on the London Stock Exchange, and modified in anticipation of the listing.

As disclosed in the 2017 DRR, the allocation and terms of the award remained subject to finalization. The allocations and terms of the President & CEO's award were substantially agreed prior to listing. Reservoir Capital finalized the implementation of his allocation on 27th December 2018.

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

Under the terms of the PIP, these units entitle the award-holder to receive from Contour Management Holdings LLC cash or shares in the Company if certain financial performance conditions are achieved.

	Basis of awards
Class S Units	These units are similar in nature to a restricted stock award of 6,943,864 ContourGlobal plc shares, subject to an underpin share price.
Class C Units	These units represent a value share between management and Reservoir Capital Group.
Class B Units	

Illustration of value receivable under the PIP for Joseph C Brandt
The value of Class C and Class B Units will be dependent on the timing of the disposal of Reservoir Capital Group's holding in ContourGlobal plc, the share price at that time as well as any dividends received in the interim. The table below illustrates the value to Joseph C Brandt under various sale price scenarios, assuming Reservoir Capital Group will have disposed of its shareholdings within three years following Admission.

Average sale price	Shares related to Class C units and Class B units (m)[1]	Shares related to Class S units (m)	Total value (£m)[2]
£3.00	Nil	6.9	**20.8**
£3.50	0.4	6.9	**25.8**
£4.00	3.2	6.9	**40.4**
£5.00	6.0	6.9	**64.8**
£5.50	12.77	6.9	**108.4**

1 Assumes USD/GBP rate of $1.275, no dividends on ContourGlobal plc shares and that ContourGlobal's shares are sold or valued on 1st November 2020.
2 Total value has been calculated using the average sale price in each scenario.
3 The number of shares delivered under the Class C units and Class B units increases above 12.8m in higher sale price scenarios.

Annual Report on Remuneration *continued*

PIP interests awarded (audited information)

While the allocations and terms of the President & CEO's award were substantially agreed prior to listing, Reservoir Capital finalized the implementation of his allocation on 27th December 2018. Details of the award are as follows:

	Date of award		Form of award	Value of award at date of grant	Vesting date
Joseph C. Brandt	27th December 2018	Class S units	Up to 6,943,864 ContourGlobal plc shares	£12,228,145	Units vest in equal tranches over the three-year period from IPO. The date of full vesting is 27th December 2020
		Class C units	Value share between management and Reservoir Capital Group (see below)		Units vest in equal tranches over the three-year period from IPO. The date of full vesting is 27th December 2020
		Class B units			Fully vested

Additional information on PIP awards

Class S units deliver an award of shares in ContourGlobal plc subject to certain thresholds. These units are similar in nature to a restricted stock award of 6.9m ContourGlobal plc shares, subject to an underpin share price. At final implementation Reservoir Capital Group set the underpin share price for the Class S units at $2.23 (c.£1.75) (threshold) to $2.28 (c.£1.79) (maximum), assuming no dividends, to reflect the share price at the time of final allocation rather than the £2.57 threshold referred to in the Prospectus. This underpin may be tested at any time from December 2020.

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 B units are fully vested and are not forfeitable. Class C units and Class S units vest in equal tranches over the three year period from IPO. Two-thirds of the units are therefore already vested, subject to the achievement of thresholds, and the full vesting date is 27th December 2020. Unvested units will ordinarily be forfeited in the event of resignation or termination for cause.

Carried interest in Brazilian assets (unaudited)

On 30th June 2008, Joseph C. Brandt was awarded a carried interest, funded by Aguila Ltd, a minority shareholder in Kani LP, which is an entity formed to develop and acquire hydroelectric and associated cogeneration assets in Brazil. The Company is not party to the carried interest and has no financial obligation in relation to the interest.

Under the arrangement, funded by Aguila Ltd, management receive in aggregate 18% of the value created above an IRR hurdle of 9%. Payments would be made on the occurrence of a final liquidity event in respect of the assets.

The President & CEO's carried interest amounts to 46% of the 18% total carried interest. No service conditions apply.

These interests are not considered to relate to director 'qualifying services' in the period prior to IPO.

Payments from the carried interest are uncapped. The value to the President & CEO will depend on a number of factors, including the timing of any sale, the sale price achieved and the extent to which the IRR 9% hurdle has been met. The table below illustrates possible value to the President & CEO under this arrangement assuming various sale price scenarios of the Brazilian assets.

Illustrative sale price achieved in relation to the sale of the assets (shown as a multiple of 2019 EBITDA of the assets)	Illustrative value realised by Joseph C Brandt (US$m)
8.0x	0.8
9.0x	1.3
10.0x	1.7
11.0x	2.1
12.0x	2.6
13.0x	3.0

Statement of compliance

The report has been prepared in accordance with the provisions of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also meets the requirements of the UK Listing Authority's Rules and the Disclosure and Transparency Rules and has been prepared considering the recommendations of the UK Corporate Governance Code and the voting guidelines of major UK institutional investor bodies.

Approval

This report was approved by the Board of Directors, on the recommendation of the Remuneration Committee, on 16th March 2020, and signed on its behalf by:

Daniel Camus
Chairman of the Remuneration Committee

16th March 2020

Directors' report

In accordance with section 415 of the Companies Act 2006, the Directors of ContourGlobal plc present their report to shareholders on the audited consolidated financial statements for the year ended 31st December 2019.

Strategic report
As permitted by section 414C of the Companies Act 2006, certain information required to be included in the Directors' report has been included in the strategic report, or as set out below.

Dividend
The Company announced in April 2019 that it expected to increase its annual dividend by 10% per year, in line with the Company's operational scale and, at the same time, move to a quarterly distribution of dividends from 2019. The total dividend paid for the year ended 2018 was $90 million ($13.4 cents per share).

With the 10% annual increase, the total dividend for the year ended 31st December 2019 was $99 million equating to four quarterly payments of $3.6901 cents per share, equivalent to $24.75 million per quarter. Quarterly dividends for 2019 were paid on 21st June 2019, 6th September 2019, 31st December 2019 and on 9th April 2020.

The declaration and payment by the Company of any future dividends and the amounts of any such dividends depend on the Company's ability to maintain its credit rating, its investments, results, financial condition, future prospects, profits being available for distribution, consideration of certain covenants under the terms of outstanding indebtedness, and any other factors deemed by the Directors to be relevant at the time, subject always to the requirements of applicable laws.

Relations with other capital providers
The Board recognizes the contribution made by other providers of capital to the Group and welcomes the views of such providers in relation to the Group's approach to corporate governance.

Share capital and voting rights
Details of the Company's share capital are set out in Note 4.22 to the Consolidated Financial Statements, including details on the movements in the Company's issued share capital during the year.

Additional information incorporated by reference into this Directors' report, including information required in accordance with the Companies Act 2006, can be found as follows:

Disclosure	Location
Financial risk management objectives and policies (including hedging policy and use of financial instruments)	Notes 4.13, 4.14 and 4.16 to the consolidated financial statements
Future business developments	Strategic report pages 31 to 39
Going concern	Strategic report page 65
Greenhouse gas emissions	Strategic report page 27
Directors' responsibility	page 109
Events since the reporting date	No event disclosed in the consolidated financial statements
Diversity policy	Nomination Committee report

For the purposes of LR 9.8.4CR, the information required to be disclosed by LR 9.8.4R can be found in the following locations:

Disclosure	Location
Interests capitalized	Note 4.10 to the consolidated financial statements
Detail of long-term incentive schemes	Directors' Remuneration report on page 92 and Note 4.26 to the consolidated financial statements
Contracts of significance with a controlling shareholder	Relationship Agreement on page 108
Agreements with controlling shareholder	Relationship Agreement on page 108
Stakeholder engagement	Engaging with our Stakeholders pages 20 & 21

Directors
The Directors of the Company who held office during the year and up to the date of this report, unless otherwise stated, are:

	Service in the year ended 31st December 2019
Craig A. Huff	Served throughout the year
Joseph C. Brandt	Served throughout the year
Ruth Cairnie	Served until 30th September 2019
Daniel Camus	Served throughout the year
Mariana Gheorghe	Appointed 30th June 2019
Alan Gillespie	Served throughout the year
Alejandro Santo Domingo	Served throughout the year
Stefan Schellinger	Appointed 15th April 2019
Ronald Trächsel	Served throughout the year
Gregg M. Zeitlin	Served throughout the year

Biographies of the Directors are provided in the Governance section on pages 68 and 69.

As at 31st December 2019, the Company's issued share capital consisted of 670,712,920 ordinary shares of £0.01 each. No shares are held in treasury. Therefore, the total number of voting rights in the Company is 670,712,920.

The Company's issued ordinary share capital ranks equally in all respects and carries the right to receive all dividends and distributions declared, made or paid on or in respect of the ordinary shares.

Ordinary shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. On a show of hands every shareholder present in person or by proxy (or being a corporation represented by a duly authorized representative) shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

Other than the general provisions of the Articles of Association (and prevailing legislation), there are no specific restrictions on the size of a holding or on the transfer of the ordinary shares.

The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying any special rights or control over the Company's share capital.

Authority to purchase own shares
Subject to authorization by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase.

Prior to listing, the Company was generally and unconditionally authorized by its shareholders to make market purchases (within the meaning of section 693 of the Companies Act 2006) of up to a maximum of 67,071,292 of its ordinary shares. The Company has not repurchased any of its ordinary shares under this authority, which is due to expire at the 2020 AGM, and accordingly has an unexpired authority to purchase up to 67,071,292 ordinary shares with a nominal value of £670,712.92.

Articles of Association
The Company's Articles of Association were adopted pursuant to a resolution passed at a general meeting of the Company held on 8th November 2017. The Articles of Association may only be amended by special resolution at a general meeting of the shareholders. The Company's current articles are available on our website at www.contourglobal.com.

Directors' appointment and re-election
The Board has the power at any time to elect any person to be a Director.

Under the Relationship Agreement, ContourGlobal LP is entitled to appoint two Non-Executive Directors to the Board while it continues to control 25% or more of the Company's shares. Further details of the Relationship Agreement can be found on page 108. The appointees by Reservoir Capital are Craig A. Huff and Gregg M. Zeitlin.

In accordance with the Company's Articles of Association, the Directors are subject to annual re-election by shareholders. As this is Mariana Gheorghe's first general meeting, she will stand for election, and all other Directors will stand for re-election at the Annual General Meeting to be held on 27th May 2020.

Powers of Directors
Subject to the Company's Articles of Association, the Companies Act 2006 and to any authorities provided by special resolution, the business of the Company is managed by the Board, which may exercise all the powers of the Company.

Directors' interests
Information on share ownership by Directors can be found in the Remuneration report on page 99.

Directors' and officers' liability insurance
Directors and Officers of the Company and its subsidiaries have been and continue to be covered by director and officer liability insurance.

Research and development
ContourGlobal plc is constantly engaged in process and product innovation. For examples of the Company's R&D activities, please refer to the business review.

Sustainable development
The business review section of this report, on pages 27 to 51, focuses on the Company's health and safety, environmental compliance and employment performance and outlines the Company's core values and commitment to the principles of sustainable development and the development of community relations programmes.

Financial instruments
Details of the Group's use of financial instruments can be found in Notes 4.14 and 4.16 to the financial statements.

Political donations
It is the Company's policy not to make political donations. No political contributions were made in 2019 (2018: £nil).

Charitable donations
Please refer to page 51.

Overseas branches
ContourGlobal plc does not have any branches. A full list of the Group's controlled subsidiaries is disclosed in Note 4.29 of the Consolidated Financial Statements.

Major shareholding
The table below shows the interests in ordinary shares notified to the Company in accordance with the Disclosure Guidance and Transparency Rules as at 31st December 2019 and 16th March 2020.

	31st December 2019		16th March 2020	
	Number of shares	% of shares	Number of shares	% of shares
ContourGlobal LP[1]	478,932,408	71.41	478,932,408	71.41

[1] The Reservoir Funds own approximately 99.6% of ContourGlobal LP and are themselves ultimately managed and controlled by Reservoir Capital. The managing member of Reservoir Capital is RCGM, LLC.

Directors report *continued*

Significant contractual arrangements

Relationship Agreement

In November 2017, the Company, ContourGlobal LP, the Reservoir Funds, Reservoir Capital and the Company President and Chief Executive Officer, Joseph C. Brandt entered into a Relationship Agreement. The principal purpose of the Relationship Agreement is to ensure that the Company can carry on an independent business as its main activity. The Relationship Agreement contains, among others, undertakings from ContourGlobal LP (the 'Major Shareholder'), the Reservoir Funds and Reservoir Capital that: (i) transactions and agreements with it (and/or any of its controlled affiliates) will be conducted at arm's-length and on normal commercial terms; (ii) neither it nor any of its controlled affiliates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and (iii) neither it nor any of its controlled affiliates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules (the 'Independence Provisions'). Furthermore, Reservoir Capital has agreed to procure the compliance of its associates with the Independence Provisions. The Company's President and Chief Executive Officer, Joseph C. Brandt, has given similar undertakings.

The Relationship Agreement will continue for so long as: (i) the shares are listed on the premium listing segment of the Official List and traded on the London Stock Exchange's Main Market for listed securities; and (ii) the Reservoir Funds and the Major Shareholder and their controlled affiliates hold an interest in 10% or more of the issued ordinary share capital of the Company (or which carries 10% or more of the aggregate voting rights in the Company from time to time). The Directors believe that the terms of the Relationship Agreement will enable the Group to carry on its business independently of Reservoir Capital, the Reservoir Funds and the Major Shareholder.

The Company has complied with the undertakings of the Relationship Agreement throughout the period under review and, so far as it is aware, the major shareholder and its associates have also complied with the provisions including any procurement obligation.

Revolving Credit Facility

CG Power Holdings, the Company (together with its permitted successors and assignees, the 'Parent Guarantor'), ContourGlobal Worldwide Holdings S.à.r.l., ContourGlobal Terra Holdings S.à.r.l. and certain other subsidiaries of the Company entered into a €75 million senior secured revolving credit facility (RCF) with BNP Paribas Securities Corp., Credit Suisse AG, London Branch and Goldman Sachs Bank USA as lenders, the effective date of which is 9th November 2018. The guarantees and all the obligations under the RCF are secured by a first-priority lien on the shares of CG Power Holdings and on the capital stock of each RCF guarantor (other than the Parent Guarantor), subject to certain exceptions and release under certain circumstances. The RCF is scheduled to mature three years after the effective date. Borrowings under the RCF bear interest at floating rates equal to either LIBOR plus 2.25% margin or Alternate Base Rate plus 1.25% margin.

Euro Bonds

On 26th July 2018, CG Power Holdings issued the Euro Bonds in a private offering exempt from the registration requirements of the Securities Act 1933, as amended. The Euro Bonds had an aggregate principal amount of €750 million split between two tranches: €450 million of 3.375% Senior Secured Notes due 2023 and €300 million of 4.125% Senior Secured Notes due 2025. On 30th July 2019, CG Power Holdings completed an add-on offering of €100 million of 4.125% Senior Secured Notes due 2025. As a result of the add-on offering, the Euro Bonds have an aggregate principal amount of €850 million split between two tranches: €450 million of 3.375% Senior Secured Notes due 2023 and €400 million of 4.125% Senior Secured Notes due 2025.

The Euro Bonds were issued pursuant to the Euro Bond Indenture. The Euro Bond Indenture provides that ContourGlobal may:

(a) prior to 1st August 2020 for the 2023 Notes and prior to 1st August 2021 for the 2025 Notes, redeem all or part of the Euro Bonds by paying 100% of the principal amount of the Euro Bonds redeemed plus a make-whole premium and accrued and unpaid interest, if any, to, but not including, the redemption date;

(b) prior to 1st August 2020 for the 2023 Notes and prior to 1st August 2021 for the 2025 Notes, on one or more occasions, redeem through the use of net proceeds of specified equity offerings up to 40% of the principal amount of the Euro Bonds, upon giving prior notice, at a redemption price equal to 103.375% for the 2023 Notes and 104.125% for the 2025 Notes of the aggregate principal amount of the Euro Bonds being redeemed, plus accrued and unpaid interest and additional amounts, if any, to, but not including, the redemption date, provided that at least 60% of the original aggregate principal amount of the Euro Bonds remains outstanding after the redemption and the redemption occurs within 180 days of the date of the closing of such equity offering; and

(c) redeem all or part of the Euro Bonds on or after 1st August 2020 for the 2023 Notes and 1st August 2021 for the 2025 Notes at the redemption prices set forth in the Offering Memorandum.

If ContourGlobal sells certain of its assets or experiences specific kinds of changes in control (as defined in the Euro Bond Indenture), ContourGlobal must offer to purchase the Euro Bonds at a purchase price equal to 100% and 101% respectively of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the date of purchase.

Annual General Meeting (AGM)

The 2020 AGM will be held on 27th May 2020 in London. At the AGM, shareholders will have the opportunity to ask questions of the Board, including the Chairmen of the Board Committees.

Full details of the AGM, including explanatory notes, are contained in the Notice of the AGM. The Notice sets out the resolutions to be proposed at the AGM and an explanation of each resolution. All documents relating to the AGM are available on the Company's website at www.contourglobal.com.

The strategic report, comprising the inside front cover and pages 1 to 67, and the Directors' report, comprising pages 68 to 106, which together form the management report as required under the Disclosure Guidance and Transparency Rules 4.1.8R, have been approved 2019 and are signed on its behalf by

Joseph C. Brandt
President, Chief Executive Officer and Executive Director
ContourGlobal plc

16th March 2020

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group and parent company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The Directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' declaration in relation to relevant audit information
The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group and parent company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in Directors' Report confirm that, to the best of their knowledge:

- the parent company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the company;
- the group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the group and parent company, together with a description of the principal risks and uncertainties that it faces.

This responsibility statement has been approved and is signed by order of the Board by:

Joseph C. Brandt

Joseph C. Brandt
President, Chief Executive Officer and Executive Director
ContourGlobal plc

16th March 2020

Financial statements

Strategic priority

Financial strength

We focus on maximizing cash flow distributions from each of our projects to ensure that we can fund new greenfield developments, M&A opportunities, corporate costs and dividends organically without having to rely on capital markets funding.

$702.7m
Adjusted EBITDA

$292.1m
Income from operations

4.4x
Net leverage ratio

Independent auditors’ report to the members of ContourGlobal plc

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 31st December 2019 and of the Group’s profit and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- 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 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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 31st December 2019; 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 Committee.

Basis for opinion

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

Independence

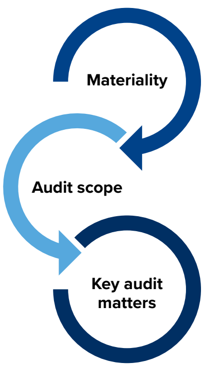
We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities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

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

Other than those disclosed in note 4.33 to the financial statements, we have provided no non-audit services to the Group or the Company in the period from 1st January 2019 to 31st December 2019.

Our audit approach

Overview



- Overall Group materiality: $16.25 million (2018: $15 million), based on 2.5% of Adjusted EBITDA less cash gain on sale of minority interest in assets.
- Overall Company materiality: $16.6 million (2018: $16.5 million), based on 1% of total assets.

- We conducted our audit work over 9 components located in 8 countries.
- We visited component auditors in 5 locations, covering all the financially significant components and 2 further components.
- 7 components were subject to an audit of their complete financial information due to their size.
- Specific audit procedures were performed on certain material balances within Cash and cash equivalents, Borrowings, and Property, plant and equipment in out of scope components.

The key audit matters are:

- Accounting for business combinations and power purchase agreements (PPA) in the year of acquisition including valuation of assets acquired and liabilities assumed (Group).
- Impairment of property, plant and equipment and financial and contract assets (Group).
- Assessment of significant judgements relating to litigation and claims (Group).

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.

Independent auditors' report to the members of ContourGlobal plc *continued*

Capability of the audit in detecting irregularities, including fraud

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 practices, 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 and the Listing Rules and UK and international tax legislation. 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 included:

- Assessment of compliance with local laws and regulations by each component audit team;
- Review of board minutes and attendance at Audit Committee meetings where Compliance and Internal Audit present findings from their reviews, which would include any known or suspected instances of non-compliance with laws and regulations and fraud;
- Meeting with internal legal counsel 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;
- 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; and
- Reviewing the disclosures in the Annual Report and financial statements against the specific legal requirements and involving technical experts to help us assess the compliance of 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 and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

Key audit matter	How our audit addressed the key audit matter
Accounting for business combinations and power purchase agreements (PPA) in the year of acquisition including valuation of assets acquired and liabilities assumed (notes 2.3, 2.4, 3.1, 4.5, 4.9, 4.10 and 4.11) The Group acquired new power plant assets in Mexico and Italy during the year. Accounting for acquisitions can be complex, with judgement required in both the identification of assets acquired (including any intangible assets), and the valuation of those assets and liabilities assumed, in accordance with IFRS 3 'Business Combinations'. The calculation of fair value is subjective due to the inherent uncertainty involved in the valuation of assets and liabilities, and this requires the application of judgement by management and technical expertise. In particular the method of valuation, future forecasts (including cash-flow forecasts) and underlying assumptions may all have a material impact on the valuation of assets and liabilities, notably on the valuation of intangible assets and property, plant and equipment, which typically represents the most significant assets acquired. Under IFRS 3, an intangible asset must be recognised on an acquisition where it arises from contractual or legal rights acquired and is separable from the business. Due to the complex nature of the acquisition agreements and related power purchase agreements there is often judgement in determining the legal and contractual rights associated with the PPA and therefore there is a risk that intangible assets acquired may not be recognised.	During the year, the Group acquired the shares and assets of 2 plants in Mexico together with development rights and permits for a third plant for consideration of $815.9 million, and a portfolio of assets in Italy for consideration of $32.0 million. We read the sale and purchase agreements ("SPAs") associated with the acquisitions in both Mexico and Italy and performed audit procedures over both the identification of assets acquired (including any potential intangible assets) and the valuation of assets acquired and liabilities assumed. We considered the completeness of the intangible assets identified by management with reference to the specific legal and contractual rights associated with the SPAs. From our review and assessment of the SPAs, and audit procedures performed over the valuation of assets acquired and liabilities assumed, we found that the judgments made surrounding the identification of assets and liabilities acquired were appropriate. We involved our specialists in our audit of the valuation of assets acquired and liabilities assumed. Our work included assessment of the appropriateness of the valuation models used, assessment of the discount rate used in the models by reference to comparable assets, and the evaluation of future cash flow forecasts for each of the power plants acquired. We found that the valuation models used, and the judgments and estimates made surrounding the valuation of assets and liabilities acquired to be reasonable.

Key audit matter	How our audit addressed the key audit matter
Following acquisition, the Group's power plants typically sell their output under Power Purchase Agreements ('PPAs') and/or other long-term arrangements. Accounting for PPAs can be complex, with a number of judgements required to assess the accounting standards applicable to each agreement. These include whether the arrangement contains a lease under IFRS 16 'Leases' or constitutes a service concession to be accounted for under IFRIC 12 'Service concession arrangements'. These judgements impact the measurement and classification of assets, the basis for revenue recognition under the PPA, and the related disclosures in the financial statements. Once the basis of accounting has been initially determined, this does not change over time.	We assessed the completeness of disclosures for each acquisition against the requirements of the relevant accounting standards and found that there were no omissions of disclosures. We have evaluated management's assessment of the PPAs in Mexico and Italy, including agreeing key terms to the contractual arrangements. Management have reached the conclusion that there are no terms or conditions within the PPAs that would result in the PPAs being treated as lease arrangements or service concession arrangements. From our audit procedures over these PPAs we found that the judgments made in determining the appropriate accounting framework for the PPAs were reasonable, and the associated measurement and classification of related balances and disclosures in the financial statements were consistent with the requirements of the relevant accounting standards.
Impairment of property, plant and equipment and financial and contract assets (notes 2.3, 2.4, 4.10 and 4.11) The Group has $3.7 billion of property, plant and equipment, the majority of which relates to power plant assets, and $0.4 billion of financial and contract assets, the majority of which relate to concession arrangements. Impairment assessments of these assets requires 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. In the event that an impairment trigger is identified, the recoverable value of property, plant and equipment is assessed by a value in use calculation (which is based on future discounted cash flow forecasts) and for financial and contract assets, by assessing expected credit losses. Forecasts and assumptions used in value in use calculations are inherently judgemental and therefore may give rise to increased risk of misstatement. Impairment indicators were identified in the current year for the Brazilian wind power plant, following lower than expected wind conditions and technical performance issues. In addition, management performed an assessment of the future discounted cash flows for the Spain Arrubal and Bulgaria Maritsa plants given that the relevant PPAs are due to expire in 2021 and 2023 respectively. This assessment took account of different possible scenarios at the end of the existing PPA arrangements. Management performed sensitivity analyses on certain key variables in the value in use calculations to understand the impact of changes in certain assumptions. No material impairments were identified in the assets subject to impairment reviews.	We evaluated 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. No impairment triggers other than the Brazilian Wind power plants already noted by management were identified from our assessment. 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 in the valuation. We benchmarked the discount rate to comparable assets and considered the underlying assumptions based on our knowledge of the Group and its industry. We tested the accuracy of management's forecasting by reference to the accuracy of historical forecasts compared to actual cash flows. In relation to Brazilian Wind power plants, an update to the previous wind study which reflects more recent wind performance in the data was undertaken by an external expert engaged by management. This forecasts the future wind which in turn drives the cash flows from those operations, a key input in the value in use calculation. We evaluated the objectivity, independence and competency of the expert engaged by management. We validated key assumptions related to future capacity by reference to resource forecasts, board approved forecasts specific to wind assets and comparability of expected wind conditions per forecasts to actual wind conditions during the year. In respect of the Spain Arrubal plant and Bulgaria Maritsa plant, we used industry specialists to evaluate 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 analyses to ensure appropriate judgement had 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 around the impairment assessments completed and the associated sensitivity analyses and have found these to be appropriate.

Independent auditors' report to the members of ContourGlobal plc *continued*

Key audit matter	How our audit addressed the key audit matter
Assessment of significant judgements relating to litigation and claims (notes 2.3, 2.4, 4.25 and 4.31) In the ordinary course of business, the Group is subject to actual or potential liabilities arising from litigation and claims, including contractual disputes, brought by governmental bodies (including regulators and tax authorities), off-takers and suppliers. Power Purchase Agreements (PPAs) are held with state owned, regulated bodies or other off-takers. Where disputes arise in connection with such agreements, there is usually a process of dialogue between the counter parties which takes 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 on-going 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 any such litigation or claims succeeding, 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 counter parties and 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. 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 of claims that had not already been disclosed to us. Based on the evidence obtained we have considered the appropriateness of accounting for such litigation and claims, in particular 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 disclosures for litigation and claims against the requirements of the relevant accounting standards and found that the disclosures were appropriate.

We determined that there were no key audit matters applicable to the Company to communicate in our report.

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 and 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. Specific risk-based audit procedures were performed two further reporting components, based on the contribution of each to specific financial statement line items.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the 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 visited the four largest components (in three countries) and two further full scope components. These visits involved discussing 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 the 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. As a single entity, 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:

	Group financial statements	**Company financial statements**
Overall materiality	$16.25 million (2018: $15 million).	$16.6 million (2018: $16.5 million).
How we determined it	2.5% of Adjusted EBITDA less cash gain on sale of minority interest in assets.	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 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 balances 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. Additionally, 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 the materiality and underlying business performance.	We believe that total assets is an appropriate benchmark for the Company as this entity is principally a holding company.

Independent auditors' report to the members of ContourGlobal plc *continued*

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 $3 million and $14 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $1 million (Group audit) (2018: $750,000) and $1 million (Company audit) (2018: $750,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Group's and the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Group's trade, customers, suppliers and the wider economy.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to 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 the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31st December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the Group and 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. (CA06)

The directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 88 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 65 of the Annual Report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the Group and statement in relation to the longer-term viability of the Group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the Group and company and their environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 109, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Group and Company obtained in the course of performing our audit.
- The section of the Annual Report on pages 85 and 86 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- 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.

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. (CA06)

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 set out on page 109, 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.

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.

Independent auditors' report to the members of ContourGlobal plc *continued*

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 received 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 committee, we were appointed by the directors on 13th December 2017 to audit the financial statements for the year ended 31st December 2017 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 31st December 2017 to 31st December 2019.

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

16th March 2020

Consolidated financial statements

Consolidated statement of income and other comprehensive income

Year ended 31st December 2019

In $ millions	Note	Years ended 31st December 2019	2018
Revenue	4.2	**1,330.2**	1,253.0
Cost of sales	4.3	**(973.4)**	(933.5)
Gross profit		**356.8**	319.5
Selling, general and administrative expenses	4.3	**(34.6)**	(28.3)
Other operating income	4.3	**7.3**	6.9
Other operating expenses	4.3	**(14.2)**	(16.6)
Acquisition related items	4.5	**(23.2)**	(19.6)
Income from Operations		**292.1**	261.9
Other expenses		**–**	(0.4)
Share of profit in associates	4.12	**11.1**	2.9
Finance income	4.6	**11.2**	10.6
Finance costs	4.6	**(244.9)**	(255.7)
Realized and unrealized foreign exchange (losses) and gains and change in fair value of derivatives	4.6	**(10.1)**	8.5
Profit before income tax		**59.4**	27.8
Income tax expenses	4.7	**(36.3)**	(17.4)
Net profit		**23.1**	10.4
Profit/(Loss) attributable to			
• Equity shareholders of the Company		**27.7**	15.0
• Non-controlling interests		**(4.6)**	(4.6)
Earnings per share (in $)			
• Basic		**0.04**	0.02
• Diluted		**0.04**	0.02

In $ millions	Years ended 31st December 2019	2018
Net profit for the year	**23.1**	10.4
Changes in actuarial gains and losses on retirement benefit, before tax	**(0.5)**	(0.2)
Deferred taxes on changes in actuarial gains and losses on retirement benefit	**–**	–
Items that will not be reclassified subsequently to income statement	**(0.5)**	(0.2)
Loss on hedging transactions	**(45.6)**	(2.7)
Deferred taxes on loss on hedging transactions	**(2.7)**	(1.7)
Share of other comprehensive income of investments accounted for using the equity method	**–**	–
Currency translation differences	**(9.3)**	(54.2)
Items that may be reclassified subsequently to income statement	**(57.6)**	(58.6)
Other comprehensive loss for the year, net of tax	**(58.1)**	(58.8)
Total comprehensive loss for the year	**(35.0)**	(48.4)
Attributable to		
• Equity shareholders of the Company	**(29.2)**	(25.6)
• Non-controlling interests	**(5.8)**	(22.8)

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

Consolidated financial statements *continued*

Consolidated statement of financial position

Year ended 31st December 2019

In $ millions	Note	31st December 2019	31st December 2018
Non-current assets		**4,701.8**	3,969.8
Intangible assets and goodwill	4.9	**352.6**	117.4
Property, plant and equipment	4.10	**3,809.8**	3,253.1
Financial and contract assets	4.11	**445.8**	498.2
Investments in associates	4.12	**26.6**	26.6
Other non-current assets	4.17	**22.1**	22.9
Deferred tax assets	4.7	**44.9**	51.6
Current assets		**1,175.1**	1,178.1
Inventories	4.18	**229.6**	112.8
Trade and other receivables	4.19	**362.8**	337.3
Derivative financial instruments	4.14	**0.3**	1.1
Other current assets	4.20	**23.9**	30.0
Cash and cash equivalents	4.21	**558.5**	696.9
Total assets		**5,876.9**	5,147.9

In $ millions		31st December 2019	31st December 2018
Total equity and non-controlling interests		**550.1**	680.5
Issued capital	4.22	**8.9**	8.9
Share premium	4.22	**380.8**	380.8
Retained earnings and other reserves		**(4.9)**	105.6
Non-controlling interests		**165.3**	185.2
Non-current liabilities		**4,450.0**	3,701.2
Borrowings	4.23	**3,787.6**	3,286.8
Derivative financial instruments	4.14	**84.7**	53.0
Deferred tax liabilities	4.7	**299.4**	163.8
Provisions	4.25	**48.4**	41.2
Other non-current liabilities	4.24	**229.9**	156.4
Current liabilities		**876.8**	766.2
Trade and other payables	4.27	**336.1**	292.9
Borrowings	4.23	**302.9**	273.2
Derivative financial instruments	4.14	**25.2**	16.8
Current income tax liabilities	4.7	**20.5**	17.4
Provisions	4.25	**12.6**	17.4
Other current liabilities	4.28	**179.5**	148.5
Total liabilities		**5,326.8**	4,467.4
Total equity and non-controlling interests and liabilities		**5,876.9**	5,147.9

The financial statements were approved by the Board of Directors and authorized for issue on 16th March 2020 and signed on its behalf by

Joseph C. Brandt
Chief Executive Officer

16th March 2020

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

Consolidated statement of changes in equity

Year ended 31st December 2019

In $ millions	Share capital	Share premium	Currency Translation Reserve	Hedging reserve	Actuarial reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as of 31st December 2017	**8.9**	**380.8**	**(55.9)**	**(30.0)**	**(1.6)**	**274.8**	**577.0**	**196.5**	**773.5**
Balance as of 1st January 2018	**8.9**	**380.8**	**(55.9)**	**(30.0)**	**(1.6)**	**274.8**	**577.0**	**196.5**	**773.5**
Effect of changes in accounting standards (IFRS 15)	–	–	–	–	–	(38.1)	(38.1)	(9.1)	(47.2)
Balance as of 1st January 2018 (restated)	**8.9**	**380.8**	**(55.9)**	**(30.0)**	**(1.6)**	**236.7**	**538.9**	**187.4**	**726.3**
Profit / (loss) for the period	–	–	–	–	–	15.0	15.0	(4.6)	10.4
Other comprehensive (loss)	–	–	(36.4)	(4.0)	(0.2)	–	(40.6)	(18.2)	(58.8)
Total comprehensive income / (loss) for the period	–	–	**(36.4)**	**(4.0)**	**(0.2)**	**15.0**	**(25.6)**	**(22.8)**	**(48.4)**
Transaction with non-controlling interests	–	–	–	–	–	–	–	(5.9)	(5.9)
Sale of non-controlling interest not resulting in a change of control	–	–	–	–	–	20.9	20.9	28.0	48.9
Employee share schemes	–	–	–	–	–	4.1	4.1	–	4.1
Dividends	–	–	–	–	–	(44.1)	(44.1)	(1.1)	(45.2)
Other	–	–		–	–	1.1	1.1	(0.4)	0.7
Balance as of 31st December 2018	**8.9**	**380.8**	**(92.3)**	**(34.0)**	**(1.8)**	**233.7**	**495.3**	**185.2**	**680.5**
Balance as of 1st January 2019	**8.9**	**380.8**	**(92.3)**	**(34.0)**	**(1.8)**	**233.7**	**495.3**	**185.2**	**680.5**
Profit / (loss) for the period	–	–	–	–	–	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 income / (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 31st December 2019	**8.9**	**380.8**	**(101.2)**	**(81.5)**	**(2.3)**	**180.1**	**384.8**	**165.3**	**550.1**

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

Consolidated financial statements *continued*

Consolidated statement of cash flows

Year ended 31st December 2019

In $ millions	Note	Years ended 31st December 2019	2018
Cash flow from operating activities			
Net profit		**23.1**	10.4
Adjustment for:			
Amortization, depreciation and impairment expense	4.3	**282.3**	239.3
Change in provisions		**0.2**	(2.2)
Share of profit in associates	4.12	**(11.1)**	(2.9)
Realized and unrealized foreign exchange gains and losses and change in fair value of derivatives	4.6	**10.1**	(8.5)
Interest expenses – net	4.6	**177.6**	181.8
Other financial items	4.6	**56.2**	63.3
Income tax expense	4.7	**36.3**	17.4
Change in finance lease and financial concession assets		**26.4**	35.9
Acquisition related items	4.5	**23.2**	19.6
Other items		**10.5**	4.9
Change in working capital		**5.0**	50.9
Income tax paid		**(34.8)**	(35.1)
Contribution received from associates		**11.3**	3.4
Net cash generated from operating activities		**616.3**	578.2
Cash flow from investing activities			
Purchase of property, plant and equipment		**(102.1)**	(81.1)
Purchase of intangibles		**(1.4)**	(1.2)
Acquisition of financial assets under concession agreements		**–**	–
Acquisition of subsidiaries, net of cash received	3.1	**(820.5)**	(910.4)
Sale of subsidiaries, net of divested cash		**–**	3.0
Other investing activities		**(0.9)**	(6.5)
Net cash used in investing activities		**(924.9)**	(996.2)
Cash flow from financing activities			
Dividends paid	4.22	**(137.6)**	(44.1)
Proceeds from borrowings	4.23	**947.5**	1,792.0
Repayment of borrowings	4.23	**(428.2)**	(1,151.1)
Debt issuance costs – net		**(29.3)**	(16.1)
Interest paid		**(189.2)**	(180.9)
Cash distribution to non-controlling interests		**(15.0)**	(19.5)
Dividends paid to non-controlling interest holders		**(23.4)**	(0.7)
Transactions with non-controlling interest holders, cash received		**174.4**	71.9
Transactions with non-controlling interest holders, cash paid		**(91.5)**	(4.0)
Other financing activities		**(52.2)**	(72.1)
Net cash generated from financing activities		**155.5**	375.4
Exchange gains / (losses) on cash and cash equivalents		**14.7**	(41.6)
Net change in cash and cash equivalents		**(138.4)**	(84.2)
Cash & cash equivalents at beginning of the year		**696.9**	781.1
Cash & cash equivalents at end of the year		**558.5**	696.9

The prior year comparative transactions with non-controlling interests have been restated to present separately the dividends paid to non-controlling interests, transaction with non-controlling interest holders, cash received and transactions with non-controlling interest holders, cash paid.

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

Consolidated financial statements *continued*

Notes to the 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 England and Wales. 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 Financial Reporting Standards (IFRS) as endorsed by and adopted for use by the European Union (EU), IFRS Interpretation Committee (IFRS IC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. 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. In particular, as the Group adopted IFRS 16 "Leases" retrospectively with the cumulative effect of initially applying the Standard recognized at the date of initial application of 1st January 2019, related amounts in the consolidated statement of income and comprehensive income and the consolidated statement of financial position for 2019 are not comparable with the corresponding amounts in 2018. (See note 2.1 for further details).

The financial information presented is at and for the financial years ended 31st December 2019 and 31st December 2018. Financial year ends have been referred to as 31st December throughout the consolidated financial statements as this is the accounting reference date of ContourGlobal plc. Financial years are referred to as 2019 and 2018 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.

2. Summary of significant accounting policies

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

IFRS 16 Leases

The Group adopted IFRS 16 "Leases" by applying the modified retrospective approach with the cumulative effect of initially applying the Standard recognized at the date of initial application of 1st January 2019.

IFRS 16 primarily changes lease accounting for lessees; lease agreements give rise to the recognition of an asset representing the right to use the leased item, and a loan liability for future lease payables. Lease costs are recognized in the form of depreciation of the right of use asset and interest on the lease liability. Lessee accounting under IFRS 16 is similar in many respects to existing IAS 17 accounting for finance leases, but is substantively different to existing accounting for operating leases where rental charges are currently recognized on a straight-line basis and no lease asset or related lease creditor is recognized.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1st January 2019.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.

The Group also reviewed its power purchase agreements and whether such arrangements contain a lease (with the Group acting as a lessor), considering IFRS 16 introduced new criteria. Under such analysis, the Vorotan (Armenia) contract is deemed to no longer contain a lease (previously it contained an operating lease as of 1st January 2019). This has not resulted in a change in the asset value or revenue recognition methodology, however revenues are now presented as Revenue from power sales line rather than Revenue from operating leases as described in note 4.2 Revenue.

(i) Practical expedients applied

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1st January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1st January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

(ii) Measurement of lease liabilities

In $ millions	
Operating lease commitments disclosed as at 31st December 2018	239.2
(Less): long-term leases not recognised as a liability [1]	(198.3)
Operating lease commitments disclosed as at 31 December 2018 – restated	**40.9**
Discounted using the lessee's incremental borrowing rate at the date of initial application [2]	(12.1)
Add: finance lease liabilities recognised as at 31st December 2018	5.0
(Less): Pre-paid lease contracts	(3.5)
(Less): short-term leases not recognised as a liability	(0.2)
Add/(less): adjustments as a result of a different treatment of extension and termination options	(0.7)
Add/(less) other	(1.9)
Lease liability recognised as at 1st January 2019	**27.5**
Of which are:	
Current lease liabilities	6.6
Non-current lease liabilities	20.9

1 Operating lease commitments disclosed as at 31st December 2018 under IAS 17 'Leases' included estimated commitments for variable future lease payments over the life of the lease. These arise mainly on long-term land leases in our Renewables division. Prior to transition to new IFRS 16 'Leases' standard, lease commitments was restated by -$198.3 million to exclude estimated commitments. Operating lease commitments as restated amounts to $40.9 million. Under IFRS 16, no lease liability is recognised relating to variable lease payments.

2 The weighted average lessee's incremental borrowing rate applied to the lease liabilities at 1st January 2019 was 5.2%.

(iii) Adjustments recognized in the balance sheet on 1st January 2019

The impacts of IFRS 16 implementation are described below.

(1) As a result of the adoption of IFRS 16, $31.0 million of right of use assets and $27.5 million of lease liabilities have been included in the Group statement of financial position as of 1st January 2019. $35.4 million of right-of-use assets and $33.3 million of lease liabilities have been included in the Group statement of financial position as of 31st December 2019.

(2) An increase in depreciation of $8.3 million from recognizing right of use assets and interest of $1.0 million on the lease liabilities.

(3) In prior years, operating lease payments were presented as operating cash flows in the consolidated statement of cash flows. Lease payments are now recorded as cash flows from financing activities reflecting the repayment of lease liabilities (borrowings) and related interest and amount to $7.8 million.

(iv) Measurements of right of use of assets

The associated right of use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31st December 2018. There were no onerous lease contracts that would have required an adjustment to the right of use assets at the date of initial application.

IFRIC 23 Uncertainty Over Income Tax Treatments

IFRIC 23 uncertainty over Income Tax Treatment has no material impact on the Group accounts.

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 Group has early adopted the amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments': Disclosures'. These relate to IBOR reform and were endorsed by the EU on 6th January 2020. The replacement of benchmark interest rates such as LIBOR and other interbank offered rates ('IBOR') is a priority for global regulators. The amendments provide relief from applying specific hedge accounting requirements to hedge relationships directly affected by IBOR reform and have the effect that IBOR reform should generally not cause hedge accounting to terminate. There is no financial impact from early adoption of these amendments.

The Group has IFRS 9 designated hedge relationships that are potentially impacted by IBOR reform. These include interest rate swap contracts and cross currency swap qualified as cash-flow hedge with a nominal value amounted to $1,231.1 million as of 31st December 2019, 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 implications on the wider business of IBOR reform will be assessed during 2020.

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 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 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 do 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, since such sell-down transactions are part of the core strategy of the Group going forward.

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 recognised 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	**2019**	2018	**2019**	2018
EUR / USD	**1.1213**	1.1467	1.1195	1.1811
BRL / USD	**0.2481**	0.2581	0.2540	0.2756
BGN / USD	**0.5733**	0.5863	0.5725	0.6040

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, political risk insurance 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

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 recognised 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.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

2. Summary of significant accounting policies *continued*

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.

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.

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. 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. 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.

Government grants

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

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.

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

Goodwill impairment reviews are undertaken at least annually.

Intangible assets

Intangible assets include licenses and permits when specific rights and contracts are acquired. Intangible assets 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 over the life of the PPA, generally over 15 to 20 years (excluding software). Software is amortized over 3 years. A different amortization method may be used if it better reflects the pattern of economic benefits derived from the asset over time.

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.

Property, plant and equipment recognised 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. 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.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

2. Summary of significant accounting policies *continued*

Depreciation

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

	Useful lives as of 31st December 2018 and 2019
Generating plants and equipment	
Lignite, coal, gas, oil, biomass power plants	12 to 40 years
Hydro plants and equipment	25 to 75 years
Wind farms	16 to 25 years
Tri and quad-generation combined heat power plants	15 years
Solar plants	14 to 22 years
Other property, plant and equipment	3 to 10 years

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 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.

Leases

Until 1st January 2019, leases of property, plant and equipment were classified as either finance leases or operating leases, see note 4.31 of the 2018 financial statements for details. From 1st January 2019, the Group adopted IFRS 16 "Leases" and leases are recognised 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 payment 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 recognised 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.

The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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 loans and receivables.

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 at 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 recognised 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 derecognised 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 recognised 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 amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in finance income.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

2. Summary of significant accounting policies *continued*

Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised 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 as well 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.

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 recognised immediately in profit or loss and are included in finance income / finance costs.

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 Company 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 Company recognises an expense and respective liability for those emissions. At the end of each reporting period, CO_2 quotas that remain available to the Company are revalued at the lower of costs or prevailing market value.

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 4.13.

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.

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.

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 recognised 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.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

2. Summary of significant accounting policies *continued*

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 recognised 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred 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 profit 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 following notes to further disaggregate certain line items within the note:

- Other expenses within the expenses by nature note have been further disaggregated into transmission charges and other consumables and supplies
- Other within the finance costs – net note have been further split out into Amortisation of deferred financing costs and unwinding effects
- Other within inventories have been further split out into emission allowance
- Other receivables within the trade and other receivables note have been further split into income tax receivables and other taxes receivables
- Within the provision note, an amount of $9.6m in the current liabilities balance as at 31st December 2018 has been reclassified from the legal and other category to the decommissioning, environmental and maintenance provision.
- The totals of the above notes remain unchanged.

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 judgements

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. There is 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 recognises 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 recognised 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.

Assessing property, plant and equipment for impairment triggers

The Group's property, plant and equipment 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, 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 that it would be considered as an impairment trigger. 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. Judgments 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.

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. This is for example the case of the CHP Mexico assets acquired in November 2019 that have an USD functional currency despite being located in Mexico.

Cash generating units ("CGUs")

A cash generating unit ("CGU") is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Judgments are made as to allocate each reporting units (which generally correspond to power plants) or group of reporting units to the CGUs and group of CGUs. Are notably considered the independence of cash flows that will be indicated by various factors, including but not limited to individual locations, energy categories, level at which prices are determined, 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.

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 63.9% (2018: 63.2%) 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, which may exceed the period covered by contracted power purchase agreements. 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 $10.8 million (2018: $10.7 million).

Recoverable amount of property, plant and equipment

Where an impairment trigger has been identified (see critical accounting judgements section), the Group makes significant estimates in its impairment evaluations of long-lived 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.

The Group generally uses value in use to derive the recoverable amount of property, plant and equipment. 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.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

2. Summary of significant accounting policies *continued*

Provisions

The Group makes provisions when an obligation exists, resulting from a past event and it is probable that cash will be paid to settle it, but the exact amount of cash required can only be estimated on a reliable basis. Major provisions are detailed in note 4.25. The main estimates relate to site decommissioning and maintenance costs, and environmental remediation for various sites owned.

Site decommissioning, maintenance and environmental provisions are recognized based on management's assessment of future costs which would need to be incurred in accordance with existing legislation or contractual obligations to restore the sites or make good any environmental damage. These costs are measured at the present value of the future expenditures expected to be required to settle the obligation using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the obligation. Management apply judgement in the estimation of future cash flows to settle these obligations and in the estimation of an appropriate pre-tax discount factor. The pre-tax discount rate used varies from 2.0% to 11.0%. If this was to decrease by 1% it would increase decommissioning, environmental and maintenance provisions by $2.8 million and $3.5 million for the years ended 31st December 2019 and 31st December 2018.

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.

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.

As an example, as of 31st December 2019, an income approach based method has been used to estimate the Fair Value of the main intangible asset (Legado rights) allocated as per the purchase price allocation of the CHP Mexico.

A 1% increase in the discount rate used in the valuation of the Legado right would result in a $22.6 million decrease in the fair value of the intangible asset and a corresponding increase in the PPE step up.

3. Significant changes in the reporting period

3.1. 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 20th 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. 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 11th June 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 at acquisition date are:

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 the acquisition of 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 25th November 2019.

The total consideration amounted to $815.9 million, including $233.4 million for the shares and $582.5 million for the plants assets.

The acquisition generated a $77 million value added tax credit that is expected to be refunded in full within 12 months of closing.

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.

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

In $ millions	Mexican CHP
Intangible assets	247.2
Property, plant and equipment	661.4
Other assets	134.7
Cash and cash equivalents	16.5
Total assets	**1,059.8**
Deferred tax liabilities	136.4
Accounts payables	582.5
Other liabilities	107.5
Total liabilities	**826.4**
Total net identifiable assets	**233.4**
Net purchase consideration	**233.4**
Goodwill	-

The Group has performed a preliminary determination of fair value of assets acquired and liabilities assumed at acquisition date with the support of an external independent valuation expert leading to the following recognition:

- An intangible asset of $232.5 million representing the fair Value of the Legado rights based on an income approach based method.
- A financial asset of $12.9 million representing the tax savings asset (the "TSA") arising from the time value of the tax shield related to the accelerated depreciation of the plant assets allowed under Mexican tax regulations.
- A step-up to the book value of the PP&E of $194.7 million, as part of the allocation of the excess purchase price.

In 2020, as the Group finalises its assessment of the acquisition accounting and determines the final fair value of assets acquired and liabilities assumed, it intends to perform more work around the cash flows related to property, plant and equipment and how these interact with cash flows from other regulatory rights, before concluding on the purchase price allocation.

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

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

3. Significant changes in the reporting period *continued*

3.2. 2018 transactions

Sale of Ukrainian assets

On 26th February 2018, the Group sold 100% of its stake in Ukrainian power plant Kramatorsk representing a total of 120 MW for a cash amount of $3.0 million. This asset was presented as an asset held for sale as of 31st December 2017. The sale has no material impact on the 2018 financial statements.

Solar portfolio acquisition – Italy and Romania

On 23rd December 2017, the Group signed the acquisition of a 23 MW renewable portfolio consisting of 10 photovoltaic plants in Italy (15 MW), one photovoltaic plant in Romania (7 MW) and two biogas plants in Italy (2 MW).

The transaction closed on 22nd March 2018 for the Italian plants. The total consideration amounts to €22.6 million (or $27.7 million) including €17.0 million ($20.8 million) for the acquisition of 100% of the shares and €5.6 million ($6.9 million) for the repayment of shareholders' loans.

The transaction closed on 26th June 2018 for the Romania plant. The total consideration amounts to €7.7 million (or $9.0 million) including €0.3 million ($0.4 million) for the acquisition of 100% of the shares and €7.4 million (or $8.6 million) for the repayment of shareholders loans.

On a consolidated basis, had these acquisitions taken place as of 1st January 2018, the Group would have recognized 2018 consolidated revenue of $1,256.1 million and consolidated net profit of $14.5 million.

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

In $ millions	Solar portfolio
Intangible assets	2.6
Property, plant and equipment	53.9
Other assets	13.8
Cash and cash equivalents	6.0
Total assets	**76.2**
Borrowings	27.4
Other liabilities	27.6
Total liabilities	**55.0**
Total net identifiable assets	**21.2**
Net purchase consideration	**21.2**
Goodwill	–

From the acquisition date to 31st December 2018, these acquisitions contributed to consolidated revenue and net result respectively of $8.4 million and $0.3 million.

Acquisition of Spanish CSP portfolio

On 27th February 2018, the Group signed the acquisition of Acciona Energia's 250 MW portfolio of five 50 MW Concentrating Solar Power plants ("CSP") in South-West Spain. The total enterprise value amounts to €962.8 million, including an amount payable to Acciona Energía of approximately €806.8 million ($956.6 million) and existing net debt (including adjustment for working capital) of €156.0 million ($184.4 million). The acquisition agreement also includes earn-out payments to Acciona Energía of up to €27 million ($32 million). As of 31st December 2018 a €9.4 million ($10.8 million) earn-out liability was recognized. Following the announcement in 2019 of the regulatory rate of return in Spain, this earn-out liability was trued up to €12.0 million ($13.5 million).

The acquisition combines the Group's solar and Spanish thermal operating expertise into a sizable portfolio of assets enabling synergies with existing European operations.

The acquisition closed on 10th May 2018.

On a consolidated basis, had this acquisition taken place as of 1st January 2018, the Group would have recognized 2018 consolidated revenue of $1,316.8 million and consolidated net profit of $16.0 million.

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

In $ millions	**Spanish CSP portfolio**
Intangible assets	–
Property, plant and equipment	1,202.8
Other assets	89.2
Cash and cash equivalents	76.1
Total assets	**1,368.1**
Borrowings	186.4
Other liabilities	225.2
Total liabilities	**411.5**
Total net identifiable assets	**956.6**
Net purchase consideration	**956.6**
Goodwill	–

From the acquisition date to 31st December 2018, this acquisition contributed to consolidated revenue and net loss respectively of $112.8 million and $6.6 million.

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

Solar Italy and Slovakia portfolio

In October 2018, the Group completed the sale of 49% minority interest of the Italian and Slovakian portfolio with Credit Suisse Energy Infrastructure Partners for an amount of €63.4 million ($73.1 million), of which €3.3 million ($3.8 million) consists of working capital adjustments. Cash amount received at closing amounted to €60.1 million ($69.3 million), of which €42.4 million ($48.9 million) was for the sale of shares and €17.7 million ($20.4 million) was for the repayment of existing shareholder loans. The acquisition agreement also included earn-out payments paid in advance by Credit Suisse and recognized as of 31st December 2018.

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 €18.2 million or $20.9 million, was recorded as an increase in the equity attributable to owners of the parent. It corresponds to the difference between the consideration received for the sale of shares (€42.4 million or $48.9 million) and of the carrying amount of non-controlling interest sold (€24.2 million or $28.0 million). During the period ended 31st December 2019, the earn-out calculation has been updated down by $5.8 million, recorded as a decrease in the equity attributable to owners of the parent.

3.3. Other accounting matters

Change in the classification of the Bonaire power purchase agreement

The Bonaire power purchase agreement is considered to be an arrangement containing a lease (with the group acting as lessor). Historically, this lease has been classified as a finance lease. During the first quarter of 2019, modifications were agreed to the power purchase price agreement which included the Group investing to enhance the asset. Under IFRS 16, the terms of this modification are not considered to be a separate lease and so the entire agreement has been treated as a new lease from the date of modification. This new lease is classified as an operating lease from 1st January 2019 due to the significant remaining life of the asset and significant remaining net book value at the end of the agreement. As a result, during the year ended 31st December 2019, the group has recognised property, plant and equipment with a value of $42.1 million and derecognised a finance lease asset of the same amount. There was no impact on profit for the period.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

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, Kramatorsk (sold in February 2018), 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 South 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 Chief Operating Decision-Maker assesses the performance of the operating segments based on Adjusted EBITDA which is defined as profit for the period from continuing operations before income taxes, net finance costs, depreciation and amortization, acquisition related expenses and specific items which have been identified and adjusted by virtue of their size, nature or incidence, 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 specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

The Group also believe 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. Finally, the Group consider that the presentation of 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 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)
- South America (including Brazil, Peru, Colombia and Mexico) and Caribbean Islands (including Dutch Antilles and French Territory)
- Africa (including Nigeria, Togo, Senegal and Rwanda)

In $ millions	Years ended 31st December 2019	2018
Revenue		
Thermal Energy	**859.7**	850.1
Renewable Energy	**470.6**	402.9
Total revenue	**1,330.2**	1,253.0
Adjusted EBITDA		
Thermal Energy	**335.9**	327.1
Renewable Energy	**397.0**	309.4
Corporate & Other[1]	**(30.2)**	(26.4)
Total adjusted EBITDA	**702.7**	610.1
Reconciliation to profit before income tax		
Depreciation, amortization and impairment (note 4.3)	**(282.3)**	(239.3)
Finance costs net (note 4.6)	**(243.8)**	(236.6)
Share of adjusted EBITDA in associates[2]	**(21.7)**	(21.2)
Share of profit in associates	**11.1**	2.9
Acquisition related items (note 4.5)	**(23.2)**	(19.6)
Costs related to CG Plc IPO[3]	**–**	(0.4)
Cash gain on sale of minority interest in assets[4]	**(46.1)**	(20.9)
Restructuring costs[5]	**–**	(6.7)
Private incentive plan[6]	**(9.1)**	(4.1)
Other[7]	**(28.1)**	(36.3)
Profit before income tax	**59.4**	27.8

1 Includes corporate costs of $30.0 million (31st December 2018: $26.9 million) and other costs for $0.2 million (31st December 2018: other income of $0.5 million). Corporate costs correspond to selling, general and administrative expenses before depreciation and amortization of $4.6 million (31st December 2018: $1.4 million).

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

3 The Group successfully completed the Initial Public Offering in the United Kingdom of ContourGlobal Plc in the year ended 31st December 2017. Costs associated with this project were separately analyzed by our CODM.

4 Represents in 2019 the cash gain on the divestment of 49% stake of our CSP Portfolio in Spain and the adjustment to the earn-out calculation on the divestment of 49% stake of our Italian and Slovakian solar portfolio. Represents in 2018 the cash gain on the divestment of 49% stake of our Italian and Slovakian solar portfolio.

5 Represents redundancy and staff-related restructuring costs.

6 Represents the private incentive plan as described in note 4.26 share-based compensation plan.

7 Mainly reflects an adjustment to recognized profits earned under finance lease and financial concession arrangements in line with the cash flows generated by these assets.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

Cash outflows on capital expenditure

In $ millions	Years ended 31st December 2019	2018
Thermal Energy	**48.9**	31.2
Renewable Energy	**49.6**	49.9
Corporate & Other	**3.6**	–
Total capital expenditure	**102.1**	81.1

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 31st December 2019	2018
Europe[1]	**899.6**	864.3
South America and Caribbean[2]	**290.1**	250.0
Africa	**140.5**	138.7
Total revenue	**1,330.2**	1,253.0

[1] Revenue generated in 2019 in Bulgaria and Spain amounted to $403.0 million and $351.5 million respectively (31st December 2018: $383.0 million and $333.8 million respectively).
[2] Revenue generated in 2019 in Brazil amounted to $164.3 million (31st December 2018: $163.4 million).

In $ millions	Years ended 31st December 2019	2018
Europe[1]	**454.6**	374.3
South America and Caribbean[2]	**199.4**	180.8
Africa	**78.9**	81.4
Corporate & Other	**(30.2)**	(26.4)
Total adjusted EBITDA	**702.7**	610.1

[1] Adjusted EBITDA generated in 2019 in Bulgaria and Spain amounted to $120.4 million and $193.9 million respectively (31st December 2018: $120.5 million and $152.2 million respectively). This line as well includes the $46.1 million of cash gain on the divestment of 49% stake of our CSP Portfolio in Spain and adjustment to the earn-out calculation on the divestment of 49% stake of our Italian and Slovakian solar portfolio that occurred in 2018.
[2] Adjusted EBITDA generated in 2019 in Brazil amounted to $118.4 million (31st December 2018: $112.9 million).

4.2. Revenue

In $ millions	Years ended 31st December 2019	2018
Revenue from power sales[1]	**1,078.8**	965.2
Revenue from operating leases[1]	**108.5**	104.0
Revenue from concession and finance lease assets[2]	**38.0**	60.5
Other revenue[3]	**104.9**	123.3
Total revenue	**1,330.2**	1,253.0

Revenue from power sales and Other revenue are recognised under IFRS 15 and total $1,183.7 million (2018: $1,088.5 million). Revenue from operating leases and revenue from concession and finance lease assets are recognised under IFRS 16 and IFRIC 12 respectively.

1 Revenue from power sales includes $29.5 million relating to Vorotan for the year ended 31st December 2019 following IFRS 16 "Leases" adoption, for which $28.5 million was recognised within Revenue from operating leases in the year ended 31st December 2018. See Note 2 Basis of preparation for further details.
Revenue from operating leases includes $26.1 million relating to Bonaire for the year ended 31st December 2019, for which $19.7 million was recognised within Revenue from concession and finance lease assets in the year ended 31st December 2018. See Note 2 Basis of preparation for further details.

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.

The Group has two customers contributing more than 10% of Group's revenue.

	Years ended 31st December 2019	2018
Customer A	**30.3%**	30.6%
Customer B	**10.7%**	7.5%

4.3. Expenses by nature

In $ millions	Years ended 31st December 2019	2018
Fuel costs	**227.0**	244.9
Depreciation, amortization and impairment	**282.3**	239.3
Operation and maintenance costs	**74.7**	77.8
Employee costs	**83.8**	76.1
Emission allowance utilized[1]	**151.2**	138.9
Professional fees	**19.7**	19.6
Purchased power	**52.5**	64.9
Transmission charges	**27.5**	19.7
Operating consumables and supplies	**22.4**	15.8
Insurance costs	**20.3**	20.9
Other expenses[2]	**46.6**	43.9
Total cost of sales and selling, general and administrative expenses	**1,008.0**	961.8

1 Emission allowances utilized corresponds mainly to the costs of CO_2 quotas in Maritsa which are passed through to its offtaker, as well as changes in fair value of CO_2 quotas in the period.

2 Other expenses include facility costs of $13.2 million in 31st December 2019 (31st December 2018: $16.5 million). Facility costs include certain operating leases expenses of $0.3 million in 31st December 2019 (31st December 2018: $4.1 million) which have decreased following the implementation of IFRS 16 in the period.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

In $ millions	Years ended 31st December 2019	2018
Private Incentive Plan[1]	**9.1**	4.1
Restructuring costs[2]	**–**	6.7
Other	**5.1**	5.8
Total other operating expenses	**14.2**	16.6

[1] Represents the private incentive plan as described in note 4.26 share-based compensation plan.
[2] Represents redundancy and staff-related restructuring costs.

The other operating income totals $7.3 million in 31 December 2019 (31st December 2018: $6.9 million).

In the current year, the other operating income and the other operating expenses have been presented gross on the consolidated statement of income and other comprehensive income. The comparatives have been restated accordingly.

4.4. Employee costs and numbers

In $ millions	Years ended 31st December 2019	2018
Wages and salaries	**(63.0)**	(57.8)
Social security costs	**(13.5)**	(12.0)
Share-based payments[1]	**(1.3)**	(0.7)
Pension and other post-retirement benefit costs	**(0.7)**	(0.8)
Other	**(5.2)**	(4.9)
Total employee costs before private incentive plan	**(83.8)**	(76.1)
Private incentive plan[1]	**(9.1)**	(4.1)
Total employee costs	**(92.9)**	(80.2)
Monthly average number of full-time equivalent employees	**1,431**	1,472
• Thermal	**824**	930
• Renewable	**411**	341
• Corporate	**196**	201

[1] See note 4.26 Share-based compensation plans for a description of the private incentive plan and long term incentive plan.

4.5. Acquisition related items

In $ millions	Years ended 31st December 2019	2018
Acquisition costs[1]	**(20.9)**	(19.6)
Earn-out[2]	**(2.3)**	–
Acquisition related items	**(23.2)**	(19.6)

[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 2019, costs incurred primarily related to completed acquisition in Mexico. In 2018, costs incurred primarily related to completed acquisitions in Spain and Italy and contemplated acquisition in Mexico.
[2] Earn-out related to adjustments to previously estimated earn-outs.

4.6. Finance costs – net

In $ millions	Years ended 31st December 2019	2018
Finance income	**11.2**	10.6
Net change in fair value of derivatives[1]	**(13.4)**	11.4
Net realized foreign exchange differences	**7.0**	1.4
Net unrealized foreign exchange differences[2]	**(3.6)**	(4.3)
Realized and unrealized foreign exchange gains and (losses) and change in fair value of derivatives	**(10.1)**	8.5
Interest expenses on borrowings	**(188.8)**	(192.4)
Finance charges related to corporate bond refinancing[3]	**–**	(21.9)
Amortization of deferred financing costs	**(12.5)**	(9.6)
Unwinding effects[4]	**(15.9)**	(9.8)
Other[5]	**(27.8)**	(22.0)
Finance costs	**(244.9)**	(255.7)
Finance costs – net	**(243.8)**	(236.6)

1 The Group recognized a loss of $0.4 million in the year ended 31st December 2019 in relation to its interest rate, cross currency swaps, foreign exchange options and forward contracts (31st December 2018: profit of $23.9 million) and a loss of $13.0 million in the year ended 31st December 2019 in relation with settled positions (31st December 2018: loss of $12.5 million). The $0.4 million loss includes a $5.4 million loss related to hedged cash flows no longer expected to occur on an interest swap on the CHP Mexico acquisition financing. Change in fair value of derivatives relates primarily to interest rate swaps and interest rate options.

2 Unrealized foreign exchange differences primarily relate to loans in subsidiaries that have a functional currency different to the currency in which the loans are denominated.

3 Fees in conjunction with the refinancing of our initial €750 million bond in July 2018.

4 Unwinding effects mainly related to Maritsa debt to non-controlling interests and other long-term liabilities.

5 Other mainly includes costs associated with other financing, fair valuation of debt to non-controlling interests, 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 31st December 2019	2018
Current tax expense	**(33.9)**	(34.6)
Deferred tax (expense) benefit	**(2.4)**	17.1
Income tax expense	**(36.3)**	(17.4)

The main jurisdictions contributing to the income tax expense for the year ending 31st December 2019 are i) Spain, ii) Bulgaria and iii) Brazil. 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 applicable to the results of the consolidated entities as follows:

Effective tax rate reconciliation

In $ millions	Years ended 31st December 2019	2018
Profit before income tax	**59.4**	27.8
Profit before income tax at statutory tax rate	**(11.3)**	(5.3)
Statutory tax rate (UK)	**19.0%**	19.0%
Tax effects of:		
Differences between statutory tax rate and foreign statutory tax rates[1]	**9.6**	9.8
Changes in unrecognized deferred tax assets[2]	**(23.2)**	(17.4)
Reduced rate and specific taxation regime[3]	**6.9**	6.1
Foreign exchange movements[4]	**1.6**	(0.3)
Permanent differences and other items[5]	**(19.9)**	(10.3)
Income tax expense	**(36.3)**	(17.4)
Effective rate of income tax	**61.1%**	62.6%

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.

5 This category included a number of individually immaterial items such as non-deductible group costs, withholding taxes and prior year adjustments.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

Net deferred tax movement

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

In $ millions	Years ended 31st December 2019	2018
Net deferred tax assets (liabilities) as of 1st January	**(112.2)**	(23.7)
Effects of change in accounting standards (IFRS 15)	**–**	13.6
Net deferred tax assets (liabilities) as of 1st January (restated)	**(112.2)**	(10.1)
Statement of income	**(2.4)**	17.1
Deferred tax recognized directly in other comprehensive income	**(2.7)**	(1.7)
Acquisitions	**(139.7)**	(120.9)
Currency translation differences and other	**2.5**	3.4
Net deferred tax assets (liabilities) as of 31st December	**(254.5)**	(112.2)
Including net deferred tax assets balance of:	**44.9**	51.6
Deferred tax liabilities balance of:	**(299.4)**	(163.8)

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	Non-current assets[1]	Derivative financial instruments	Other[2]	Total
As of 1st January 2018	**19.7**	**(58.9)**	**8.3**	**7.2**	**(23.7)**
Effect of changes in accounting standards (IFRS 15)	–	18.9	–	(5.3)	13.6
As of 1st January 2018 (restated)	19.7	(40.0)	8.3	1.9	(10.1)
Statement of income	(11.3)	14.4	(1.1)	15.1	17.2
Other comprehensive income	–	–	(1.7)	–	(1.7)
Acquisitions	8.7	(143.8)	7.8	6.4	(120.9)
Currency translations and other	(0.5)	5.8	(1.0)	(0.9)	3.4
As of 31st December 2018	**16.6**	**(163.6)**	**12.3**	**22.5**	**(112.2)**
Statement of income	**(2.3)**	**(8.8)**	**(2.1)**	**10.8**	**(2.4)**
Other comprehensive income	**–**	**–**	**(2.7)**	**–**	**(2.7)**
Acquisitions	**14.0**	**(160.2)**	**0.5**	**6.0**	**(139.7)**
Currency translations and other	**(0.2)**	**3.4**	**(0.3)**	**(0.4)**	**2.5**
As of 31st December 2019	**28.1**	**(329.2)**	**7.7**	**39.0**	**(254.5)**

[1] Mainly relates to property, plant and equipment and acquired intangible assets.
[2] This category mainly includes deferred financing costs, investment tax credits and foreign currency differences.

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

Unrecognized deferred tax assets amount to $242.3 million as of 31st December 2019 (31st December 2018: $190.9 million) and can be broken down as follows:

In $ millions	Years ended 31st December 2019	2018
Unrecognized deferred tax assets on tax losses[1]	**231.8**	168.8
Unrecognized deferred tax assets on deductible temporary differences	**10.5**	22.1
Total unrecognized deferred tax assets	**242.3**	190.9

[1] The increase mainly relates to current year losses in Luxembourg and Brazil, prior year adjustments reflecting updates to tax estimates, and Luxembourg tax impact of a group internal restructuring.

4.8. Earnings per share

	Years ended 31st December			
	2019		2018	
	Basic	Diluted	Basic	Diluted
Profit attributable to CG plc shareholders (in $ millions)	**27.7**	**27.7**	15.0	15.0
Number of shares (in millions)				
Weighted average number of shares outstanding	**670.7**	**670.7**	670.7	670.7
Potential dilutive effects related to share-based compensation		**1.7**		0.8
Adjusted weighted average number of shares		**672.4**		671.5
Profit attributable to CG plc shareholders per share (in $)	**0.04**	**0.04**	0.02	0.02

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	Project development rights	Software and Other	Total
Cost	0.6	166.2	16.7	**183.5**
Accumulated amortisation and impairment	–	(34.6)	(11.7)	**(46.3)**
Carrying amount as of 31st December 2017	**0.6**	**131.6**	**4.9**	**137.1**
Additions	–	0.5	0.8	**1.3**
Disposals	–	(0.1)	–	**(0.1)**
Acquired through business combination	–	2.6	–	**2.6**
Currency translation differences	(0.1)	(15.8)	(0.2)	**(16.1)**
Reclassification	–	0.4	1.8	**2.1**
Amortisation charge	–	(8.0)	(1.6)	**(9.6)**
Closing net book amount	**0.5**	**111.2**	**5.7**	**117.4**
Cost	0.5	149.0	18.7	**168.2**
Accumulated amortisation and impairment	–	(37.8)	(13.0)	**(50.8)**
Carrying amount as of 31st December 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)**
Amortisation charge	–	(8.2)	(2.7)	**(10.9)**
Closing net book amount	**0.5**	**334.8**	**17.3**	**352.6**
Cost	0.5	379.1	34.6	**414.2**
Accumulated amortisation and impairment	–	(44.3)	(17.3)	**(61.6)**
Carrying amount as of 31st December 2019	**0.5**	**334.8**	**17.3**	**352.6**

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

Assets acquired through business combination relate to the Mexican CHP acquisition, detailed in note 3.1. Assets acquired through business combinations in 2018 mainly related to green certificates in Romania.

For the years ended 31st December 2018, and 2019, certain impairment triggering events were identified, and the related intangible assets were tested for impairment. These impairment tests did not result in any impairment (refer to note 4.10).

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

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 Major events and changes in the scope of consolidation.

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 1st January 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 1st January 2019 (restated)	**67.7**	**2,908.3**	**60.6**	**32.9**	**216.6**	**3,286.0**
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 31st December 2019	**68.1**	**3,450.5**	**61.5**	**35.4**	**194.4**	**3,809.8**

1 With the implementation of IFRS 16 on 1st January 2019, right of use assets amounting to $31.0 million were recognized (see note 2 Basis of preparation). 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 3.1.

3 The effect of change in classification of contract corresponds to the change in the Bonaire power purchase agreement (see note 2 Basis of preparation), 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 The Group decided to partially impair the project development costs related to our Kosovo project resulting in a charge of $12.1 million due to the uncertainties related to the continuation of the project; other property plant and equipment were also impaired resulting in a charge of $0.3 million.

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

Other as of 31st December 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 31st December 2019 (31st December 2018: $229.4 million) and depreciation included in 'selling, general and administrative expenses' amount to $3.6 million in the period ended 31st December 2019 (31st December 2018: $0.2 million)

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

In $ millions	Land	Power plant assets	Construction work in progress	Other	Total
Cost	27.7	3,194.9	26.5	216.6	**3,465.6**
Accumulated depreciation and impairment	(0.5)	(1,028.2)	-	(86.6)	**(1,115.3)**
Carrying amount as of 1st January 2018	**27.2**	**2,166.7**	**26.5**	**130.1**	**2,350.3**
Additions	–	10.7	66.8	26.3	**103.8**
Disposals	(0.2)	(0.3)	(0.6)	(0.1)	**(1.2)**
Reclassification	–	10.1	(12.7)	2.6	**–**
Acquired through business combination[1]	44.4	1,141.6	-	70.7	**1,256.7**
Currency translation differences	(3.7)	(204.4)	(19.4)	0.6	**(226.9)**
Depreciation charge	–	(216.0)	-	(13.6)	**(229.6)**
Closing net book amount	**67.7**	**2,908.3**	**60.6**	**216.6**	**3,253.1**
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 31st December 2018	**67.7**	**2,908.3**	**60.6**	**216.6**	**3,253.1**

[1] Assets acquired through business combination mainly relate to the acquisition of a Spanish CSP portfolio and are detailed in note 3.2.

Construction work in progress in 2018 predominantly related to our Austria Wind project repowering, our Vorotan refurbishment project and our Bonaire and Maritsa plants, and project development costs related to our Kosovo project.

Depreciation included in 'cost of sales' in the consolidated statement of income amounted to $229.4 million in the period ended 31st December 2018 and depreciation included in 'selling, general and administrative expenses' amount to $0.2 million in the year ended 31st December 2018.

In 2018, the Group did not capitalise any significant borrowing costs in relation to project financing.

Impairment tests on tangible and intangible assets

For the years ended 31st December 2019 and 2018 certain triggering events were identified 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 flows 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 31st December 2019 using the following assumptions and related sensitivity analysis:

In $ millions	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 31st December 2019.

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

Impairment tests were performed for the year ended 31st December 2018 using the following assumptions and related sensitivity analysis:

In $ millions	Net book value	Valuation approach	Discount rate	Generation	Sensitivity analysis
Brazilian wind power plants	655.9	DCF	10%	2,281 Gwh average	Discount rate increased by 1% 4% decrease in generation

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Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

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 31st December 2018.

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

4.11. Financial and contract assets

	31st December	
In $ millions	**2019**	2018
Contract assets – Concession arrangements[1]	**425.6**	437.6
Finance lease receivables[2]	**13.8**	54.3
Other	**6.4**	6.3
Total financial and contract assets	**445.8**	498.2

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 15.8 years as of 31st December 2019 (31st December 2018: 16.8 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 U.S., 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 totalling 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 totalling about 86 MW. 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, 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 Bonaire plant in the Dutch Caribbean (in 2018) and our Saint Martin plant in the French Territory. Saint Martin has an average remaining contract life of approximately 3.3 years as of 31st December 2019 (31st December 2018: 4.3 years). As describe in section 2.1 "Application of new and revised International Financial Reporting Standards (IFRS)" our Bonaire plant is now classified in property, plant and equipment. No losses from impairment of contracted concessional assets and finance lease receivables in the above projects were recorded during the years ended 31st December 2019 and 2018.

Net cash inflows generated by the financial assets under concession agreements amounted to $74.7 million as of 31st December 2019 (31st December 2018: $83.1 million).

4.12. Investments in associates

Set out below are the associates of the Group as of 31st December 2019:

Operational plant		Country of incorporation	Ownership interests	Date of acquisition
Sochagota	Associate	Colombia	49.0%	2006 and 2010
Termoemcali	Associate	Colombia	37.4%	2010
Productora de Energía de Boyacá	Associate	Colombia	50.0%	2016
Evacuacion Villanueva del Rey, S.L.	Associate	Spain	20.4%	2018

Evacuacion Villanueva del Rey, S.L. is a facility designated to evacuate solar energy from the Spain CSP plants acquired in 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 31st December 2018						
Sochagota	38.0	13.4	12.7	1.0	29.8	(0.7)
Termoemcali	23.2	47.3	12.2	24.2	33.5	9.3
Productora de Energia de Boyaca	0.3	–	0.7	–	–	(0.5)
Evacuacion Villanueva del Rey, S.L.	0.3	3.2	0.4	3.1	–	–
Year ended 31st December 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**	**–**	**–**

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

	Years ended 31st December	
In $ millions	2019	2018
Balance as of 1st January	**26.6**	27.1
Share of profit	**11.1**	2.9
Dividends	**(11.3)**	(3.4)
Other	**0.2**	–
Balance as of 31st December	**26.6**	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 matches the duration of the debt instruments. Approximately 19.8% the Group's existing external debt obligations carry variable interest rates in 2019 (2018: 22.9%) (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. 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, 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. Therefore, there is an economic relationship and the hedge ratio is established as 1:1.

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 recognised immediately in the income statement in the period that it occurs.

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Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

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

In $ millions	Years ended 31st December 2019	2018
Brought forward cash-flow hedge reserve	**(41.3)**	(38.5)
Interest rate and cross currency swap contracts:		
Net fair value gain/(loss) on effective hedges	**(52.9)**	20.0
Amounts reclassified to Net finance cost	**8.2**	(22.8)
Carried forward cash-flow hedge reserve[1]	**(86.0)**	(41.3)

[1] Above table show pre-tax cash flow hedge positions, including non-controlling interest. The amounts on balance sheet include $3.5 million deferred tax (2018: $13.3 million).

The debit value adjustment on the interest rate swaps and cross currency swaps in the interest rate hedge amounts to $4.7m (2018: $2.0 million). These amounts are recognised 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 FY2019 which was recognised 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 31st December 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

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 4.23). A change of 0.5% of those floating rates would result in an increase in interest expenses by $3.7 million in the year ended 31st December 2019 (2018: $4.1 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 4.22.

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 31st December 2019 would have been $4.2 million higher/lower (2018: $5.4 million higher/lower).
- if the US dollar had weakened/strengthened by 10% against the Brazilian Real, post-tax profit for the year ended 31st December 2019 would have been $0.8 million higher/lower (2018: $1.8 million higher/lower).

The exposure to the Bulgarian Lev is considered remote due to the pegging mechanism of the Lev on the Euro. The Group hedge policy states that the exposure between US dollar and Euros will not be hedged, both currency 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. 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 honour 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, Peru, Rwanda, Togo, Senegal and Slovakia.

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 31st December 2019 or 1st January 2019 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 behaviour), 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:

	Years ended 31st December	
In $ millions	**2019**	2018
Trade receivables not overdue	**89.5**	97.7
Past due up to 90 days	**11.4**	11.5
Past due between 90 – 180 days	**1.3**	0.7
Past due over 180 days	**16.4**	15.6
Total trade receivables	**118.6**	125.5

As of 31st December 2019, $47.4 million (31st December 2018: $49.3 million) of trade receivables were outstanding in connection with our Bulgarian power plant, Maritsa East 3.

The trade receivables include an allowance for doubtful accounts of $2.7 million (31st December 2018: $2.5 million) with an increase in allowance recognized in profit and loss of $0.0 million in 2019 and an unused amount reversed in the profit and loss of $0.2 million in 2018.

No overdue identified on financial and contract assets.

The Group deems the associated credit risk of the trade receivables not overdue to be suitably low.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

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. 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 9th November 2018, the Group also entered into a €75 million revolving credit facility available for general corporate purposes, maturing in November 2021, and which remains undrawn as of 31st December 2019. A $7.5 million letter of credit was issued but not drawn under this facility.

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 31st December 2018	**702.9**	**1,716.9**	**1,864.1**	**4,283.9**
Borrowings[1]	244.7	1,532.8	1,838.8	3,616.3
Trade and other payables	292.9	–	–	292.9
Derivative financial instruments	16.8	35.7	17.3	69.8
Other current liabilities	148.5	–	–	148.5
Other non current liabilities	–	148.4	8.0	156.4
Year ended 31st December 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[2]	174.2	–	–	174.2
Other non current liabilities[2]	–	159.1	42.8	201.9

1 Borrowings represent the outstanding nominal amount (note 4.23). Short-term debt of $269.4 million as of 31st December 2019 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 4.28 and 4.24 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 31st December 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**

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 optimise 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 or sell assets to reduce debt. 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, a foreign exchange forward contract to mitigate currency risk and cross currency swap contracts in Cap des Biches project in Senegal to manage both currency and interest rate risks. The fair value of derivative financial instruments are as follows:

	Years ended 31st December			
	2019		2018	
In $ millions	**Assets**	**Liabilities**	Assets	Liabilities
Interest rate swaps – Cash flow hedge	**–**	**86.0**	–	49.0
Cross currency swaps – Cash flow hedge	**0.3**	**14.1**	1.1	14.0
Foreign exchange forward contracts – Trading[1]	**–**	**4.3**	–	1.3
Foreign exchange option contracts – Trading[1]	**–**	**5.3**	–	5.4
Financial swap on commodity[2]	**–**	**0.2**		
Total	**0.3**	**109.9**	1.1	69.8
Less non-current portion:				
Interest rate swaps – Cash flow hedge	**–**	**65.9**	–	33.8
Cross currency swaps – Cash flow hedge	**–**	**14.1**	–	14.0
Foreign exchange forward contracts – Trading	**–**	**1.8**	–	1.3
Foreign exchange option contracts – Trading	**–**	**2.9**	–	3.9
Financial swap on commodity	**–**	**–**	–	–
Total non-current portion	**–**	**84.7**	–	53.0
Current portion	**0.3**	**25.2**	1.1	16.8

[1] 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 first two years of BRL-denominated distributions have been hedged using a series of forward exchange contracts with a fair value of $1.8 million and maturity in December 2022 (2018: $1.3 million); and the distributions expected in years three to five have been protected against material depreciation of the BRL using option contracts with fair values of $2.4 million and $2.9 million maturating in December 2020 and 2021 respectively (2018: $1.5 million and $3.9 million maturing in December 2019 and December 2020, 2021 respectively). Hedge accounting is not applied to BRL/USD foreign exchange forward and options contracts, therefore the change in fair value is recognized in the consolidated statement of income.

Additionally and following the acquisition of our Mexican CHP business, the Group has also executed offset to protect the value, in USD terms, of the MXP-denominated expected distributions from the Mexican portfolio. The first year of the MXP-denominated distributions have been hedged using a forward contract with a fair value of $2.5 million maturing in November 2020. Hedge accounting is not applied to MXP/USD foreign exchange forward contract, change in fair value is therefore recognized in the consolidated statement of income.

[2] The Group entered into a financial swap on commodity related to our Mexican CHP business to protect us against the cost variations of the natural gas.

The notional principal amount of:

- the outstanding interest rate swap contracts and cross currency swap qualified as cash-flow hedge amounted to $1,231.1 million as of 31st December 2019 (31st December 2018: $645.2 million).
- the outstanding foreign exchange forward and option contracts amount to $251.4 million as of 31st December 2019 (31st December 2018: $71.8 million).
- the swap on commodity related to our Mexican CHP amount to $4.0 million as of 31st December 2019.

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 31st December 2019 amounts to $14.8 million (31st December 2018: $12.8 million).

The Group recognized in Finance costs net a loss of $0.4 million in the year ended 31st December 2019 in relation to its interest rate, cross currency swaps, foreign exchange options and forward contracts (31st December 2018: profit of $23.9 million) and a loss of $13.0 million in the year ended 31st December 2019 in relation with settled positions (31st December 2018: loss of $12.5 million).

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

4.15. Fair value measurements

Fair value measurements of financial instruments are presented through the use of a three-level fair value hierarchy that prioritises the valuation techniques used in fair value calculations. The Group's policy is to recognise 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 31st December 2019 and 31st December 2018.

When measuring our interest rate, cross currency swaps and foreign exchange forward and option contracts at fair value on a recurring basis at both 31st December 2019 and 2018, we have measured these at level 2 in the fair value hierarchy with the exception of the debt to non-controlling interests which is level 3. The fair value of those financial instruments is determined by using valuation techniques. These valuations techniques maximise 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 level 2. The Group's only derivatives are interest rate swaps, foreign exchange forward contracts, commodity swap contracts and cross currency swap contracts in our Cap des Biches project in Senegal.

4.16. Financial instruments by category

	Financial asset category			
In $ millions **Year ended 31st December 2018**	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	–	–	1.1	1.1
Financial and contract assets	498.2	–	–	498.2
Trade and other receivables	284.5	–	–	284.5
Other non-current assets[1]	2.6	–	–	2.6
Cash and cash equivalents	–	696.9	–	696.9
Total	785.3	696.9	1.1	1,483.3

	Financial asset category			
In $ millions **Year ended 31st December 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	**445.8**	**–**	**–**	**445.8**
Trade and other receivables	**226.3**	**–**	**–**	**226.3**
Other non-current assets[1]	**18.6**	**–**	**–**	**18.6**
Cash and cash equivalents	**–**	**558.5**	**–**	**558.5**
Total	**690.7**	**558.5**	**0.3**	**1,249.5**

In $ millions **Year ended 31st December 2018**	Financial liability category Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Derivative used for hedging	Total net book value per balance sheet
Borrowings	–	3,560.0	–	3,560.0
Derivative financial instruments	6.7	–	63.1	69.8
Trade and other payables	–	292.9	–	292.9
Other current liabilities[1]	–	100.5	–	100.5
Other non-current liabilities	69.2	87.2	–	156.4
Total	75.9	4,040.6	63.1	4,179.6

In $ millions **Year ended 31st December 2019**	Financial liability category Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Derivative used for hedging	Total net book value per balance sheet
Borrowings	**–**	**4,090.5**	**–**	**4,090.5**
Derivative financial instruments	**9.8**	**–**	**100.1**	**109.9**
Trade and other payables	**–**	**336.1**	**–**	**336.1**
Other current liabilities[1]	**–**	**146.0**	**–**	**146.0**
Other non-current liabilities	**58.1**	**171.8**	**–**	**229.9**
Total	**67.9**	**4,744.4**	**100.1**	**4,912.4**

[1] These balances exclude receivables and payables balances in relation to taxes disclosed in notes 4.18, 4.20 and 4.28 respectively.

4.17. Other non-current assets

In $ millions	**Years ended 31st December** **2019**	2018
VAT receivables[1]	**–**	6.0
Advance to supplier[2]	**3.5**	9.7
Other	**18.6**	7.2
Total other non-current assets	**22.1**	22.9

[1] VAT receivables mainly relate to the Vorotan project. The amount is expected to be recovered over a five-year period from the acquisition date in 2015 and was discounted using a rate of 10.0%. A current portion of $2.8 million is presented in “trade and other receivables” in the consolidated statement of financial position as of 31st December 2019 ($3.4 million as of 31st December 2018).

[2] Advance payment to supplier relates to Vorotan EPC contract as part of the refurbishment program.

4.18. Inventories

In $ millions	**Years ended 31st December** **2019**	2018
Emission allowance	**161.1**	62.3
Spare parts	**46.9**	35.6
Fuel	**12.9**	13.0
Other	**13.1**	6.4
Total	**234.0**	117.3
Provision	**(4.4)**	(4.5)
Total inventories	**229.6**	112.8

Increase mainly relates to emission allowances purchased and in transit by our Maritsa business.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

4.19. Trade and other receivables

In $ millions	Years ended 31st December 2019	2018
Trade receivables – gross	**121.3**	127.9
Accrued revenue (unbilled)	**91.9**	145.2
Provision for impairment of trade receivables	**(2.7)**	(2.5)
Trade receivables – Net	**210.5**	270.6
Income tax receivables	**14.1**	8.1
Other taxes receivables	**122.4**	44.7
Other receivables	**15.8**	13.9
Trade and other receivables	**362.8**	337.3

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 decrease 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.

Other taxes receivables primarily correspond to indirect tax receivables, mainly in our power plants in Mexico, Senegal and Armenia.

4.20. Other current assets

In $ millions	Years ended 31st December 2019	2018
Prepaid expenses	**11.7**	15.4
Advances to suppliers	**6.3**	4.6
Other	**5.9**	10.0
Other current assets	**23.9**	30.0

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. 67.4% of our cash and cash equivalents as of 31st December 2019 is pledged as security in relation with the Group's project financings (31st December 2018: 49.2%); cash and cash equivalents also includes $154.6 million as of 31st December 2019 (31st December 2018: $212.9 million) of cash balances relating to debt service reserves required by project finance agreements.

4.22. Issued capital

Issued capital of the Company amounted to $8.9 million as at 31st December 2019, with no changes in the years ended 31st December 2018 and 2019.

Allotted, authorized, called up and fully paid	Number	Nominal value	£ million	$ million
As at 31st December 2017	**670,712,920**	**0.01**	**6.7**	**8.9**
As at 31st December 2018	**670,712,920**	**0.01**	**6.7**	**8.9**
As at 31st December 2019	**670,712,920**	**0.01**	**6.7**	**8.9**

During the year the Group paid dividends of $137.6 million on. (2018: $44.1 million)

	Years ended 31st December	
In $ millions	2019	2018
Declared during the financial year:		
Final dividend for the year ended 31st December 2018: 9.4000 US cents per share	**63.3**	–
Three interim dividends for the year ended 31st December 2019: 11.0703 US cents per share in total	**74.3**	–
Final dividend for the year ended 31st December 2017: 2.6000 US cents per share	**–**	17.3
Interim dividend for the year ended 31st December 2018: 3.9659 US cents per share	**–**	26.7
Total dividends provided for or paid	**137.6**	44.1

4.23. Borrowings

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

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

The Group's principal borrowings with a nominal outstanding amount of $4,135.7 million in total as of 31st December 2019 (31st December 2018: $3,616.3 million) primarily relate to the following:

Type of borrowing	Currency	Project Financing	Issue	Maturity	Outstanding nominal amount 12.31.19 ($ million)	Outstanding nominal amount 12.31.18 ($ million)	Rate
Corporate bond[1]	EUR	Corporate Indenture	2018	2023 – 2025	**953.1**	860.0	3.375%, 4.125%
Loan Agreement[2]	USD	Mexican CHP	2019	2026	**535.0**	–	LIBOR +2.5%
Loan Agreement[4]	EUR	Spanish CSP	2018	2026 – 2038	**387.7**	–	Fixed 5.8% and 6.7%
Loan Agreement[3]	EUR	Spanish CSP	2018	2036	**339.3**	722.1	3.438%
Loan agreement[5]	EUR	Solar Italy	2019	2030	**214.8**	–	EURIBOR 6M + 1.7%
Project bond	USD	Inka	2014	2034	**179.5**	184.6	6.0%
Loan Agreement / Debentures[6]	BRL	Chapada I	2015	2032 – 2029	**155.2**	166.2	TJLP + 2.18% / IPCA + 8%
Loan Agreement	EUR	Spanish CSP	2009	2029	**153.1**	168.0	EURIBOR 6M + Variable
Loan Agreement	EUR	Maritsa	2006	2023	**130.6**	163.3	EURIBOR + 0.125%
Loan Agreement	EUR	Arrubal	2011	2021	**128.6**	165.8	4.9%
Loan Agreement	USD	Vorotan	2016	2034	**128.4**	142.0	LIBOR + 4.625%
Loan Agreement[6]	BRL	Chapada II	2016	2032	**118.8**	132.1	TJLP + 2.18%
Loan Agreement	USD	Cap des Biches	2015	2033	**101.1**	105.5	USD-LIBOR BBA (ICE)+3.20%
Loan Agreement	USD	Togo	2008	2028	**88.7**	96.1	7.16% (Weighted average)
Loan Agreement[6]	BRL	Asa Branca	2011	2030	**83.6**	95.0	TJLP+ 1.92%
Loan Agreement	EUR	Austria Wind	2013	2027	**71.7**	83.6	EURIBOR 6M + 2.45% and 4.305% / EURIBOR 3M+1.95% and 4.0%
Debentures	BRL	Hydro Brazil Portfolio II	2018	2026	**69.8**	72.7	CDI +3%, 4.2%
Loan Agreement	USD	KivuWatt	2011	2026	**66.0**	74.1	LIBOR plus 5.50% and mix of fixed rates
Loan Agreement[7]	EUR	Solar Slovak	2019	2025	**49.4**	–	Mix of fixed and variable rates
Debentures	BRL	Hydro Brazil portfolio I	2013	2027	**39.3**	43.2	8.8%
Loan Agreement / Corp. Financing[5]	EUR	Solar Italy	2017	2024-2028	**–**	116.3	Mix of fixed and variable rates
Loan Agreement[7]	EUR	Solar Slovak	2009 – 2015	2023 – 2026	**–**	41.0	Mix of fixed and variable rates
Other Credit facilities (individually < $40 million)[8]	Various	Various	2012 – 2013	2019 – 2034	**142.0**	184.7	
Total					**4,135.7**	3,616.3	

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.

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 $535.0 million at 31st December 2019. The loan bears an interest rate of LIBOR +2.5% maturing in 2026.

3 On 6th December 2018, an agreement to sell a 49% minority interest of the Spanish CSP portfolio to Credit Suisse Energy Infrastructure Partners ("CSEIP") was signed (see note 3.1). Following the sell-down, 49% of the debt held in the project financing was transferred to a subsidiary of the acquiring entity ("CSEIP").

4 Debt to affiliate Credit Suisse Energy Infrastructure Partners ("CSEIP") as a result of the agreement to sell 49% minority interest of the Spanish CSP portfolio (see note 3.1 and (3) above). The facility bears a fixed rate of 5.8% and 6.7% maturing in 2026 and 2038.

5 On 20th June 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 31st December, 2030.

6 Taxa de Juros de Longo Prazo ("TJLP") represents the Brazil Long Term Interest Rate, which was approximately 5.57% at 31st December 2019 (31st December 2018: 6.98%).

7 On 26th January 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.

8 In August 2019, the group repaid in full its debt in ContourGlobal Bonaire.

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

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

In $ millions	Years ended 31st December 2019	2018
US Dollars	**1,099.5**	625.4
Euros	**2,442.5**	2,338.8
Brazilian Reals	**548.5**	595.8
Total	**4,090.5**	3,560.0
Non-current borrowings	**3,787.6**	3,286.8
Current borrowings	**302.9**	273.2
Total	**4,090.5**	3,560.0

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

	Carrying amount		Fair Value	
	Years ended 31st December		Years ended 31st December	
In $ millions	2019	2018	2019	2018
Credit facilities	**2,909.1**	2,472.0	**3,005.3**	2,617.9
Bonds	**1,181.4**	1,088.0	**1,274.4**	1,058.8
Total	**4,090.5**	3,560.0	**4,279.7**	3,676.7

Net debt as of 31st December 2019 and 2018 is as follows:

In $ millions	Years ended 31st December 2019	2018
Cash and cash equivalents	**558.5**	696.9
Borrowings – repayable within one year	**(269.4)**	(244.7)
Borrowings – repayable after one year	**(3,866.3)**	(3,371.6)
Interests payable, deferred financing costs and other	**45.2**	56.3
Net debt	**(3,532.0)**	(2,863.1)
Cash and cash equivalents	**558.5**	696.9
Borrowings – fixed interest rates[1]	**(3,386.3)**	(2,790.3)
Borrowings – variable interest rates	**(749.4)**	(826.0)
Interests payable, deferred financing costs and other	**45.2**	56.3
Net debt	**(3,532.0)**	(2,863.1)

[1] Borrowings with fixed interest rates taking into account the effect of interest rate swaps

In $ millions	Cash and cash equivalents	Borrowings	Total net debt
As of 1st January 2018	**781.1**	**(2,890.1)**	**(2,109.0)**
Cash flows	(124.7)	–	(124.7)
Acquisitions/disposals	82.1	(213.8)	(131.7)
Proceeds of borrowings	–	(1,792.0)	(1,792.0)
Repayments of borrowings	–	1,151.1	1,151.1
Currency translations differences and other	(41.6)	184.8	143.2
As of 31st December 2018	**697.0**	**(3,560.1)**	**(2,863.1)**
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	14.7	10.9	25.6
As of 31st December 2019	**558.5**	**(4,090.5)**	**(3,532.0)**

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

Debt Covenants and restrictions

The principle long-term financial debt facilities include certain financial covenants, principally as follows:

- Debt Service Coverage Ratio greater than 1.0, 1.05, 1.10, 1.15, 1.20, 1.25, 1.30 depending on borrowings,
- Net debt/EBITDA lower than 5.5 (São Domingo II), 3.25 (Brazil Hydro and Solutions),
- decreasing Senior Debt and Total Debt (Arrubal),
- Debt / Equity ratio: 85/15, 80/20, 75/25, 64.16/35.84, 60/40 depending on borrowings,
- Equity / Asset ratio above 15% or 25% depending on borrowings,
- Loan Life Coverage Ratio greater than 1.05 (Solar Italy) or 1.35 (Projected – KivuWatt).

Non-financial covenants includes 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 has been identified in relation to the financing of our Cap de 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 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.

Project financing	Facility	Maturity	Security/Guarantee given
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 31st December 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 22nd December 2010, a €2.4 million letter of credit facility was entered into to fund obligations under the debt service reserve account (in accordance with the Saint Martin loan agreement). This letter of credit expires in June 2021. No amounts have been 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.

4.24. Other non-current liabilities

	Years ended 31st December	
In $ millions	2019	2018
Debt to non-controlling interest[1]	**58.1**	69.2
Deferred payments on acquisitions[2]	**38.0**	40.4
Fixed margin liability[3]	**82.8**	
IFRS 16 lease liabilities[4]	**28.0**	–
Other[5]	**23.0**	46.8
Total other non-current liabilities	**229.9**	156.4

1 Debt to non-controlling interests: in 2011, the Group purchased a 73% interest in Maritsa power plant. NEK owns the remaining 27% of Maritsa power plant. 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 fair value of the debt to non-controlling interest is determined using a discounted cash flow method based on management's current best estimate of the future distributable profits to the minority shareholder NEK over the PPA period. This debt is discounted using a European risk free rate and adding the credit default swap ("CDS") spread for Bulgaria.

2 As of 31st December 2019, deferred payments and earn-outs on acquired entities mainly relate to deferred payments to be made to initial developers.

3 A liability is recognized by CHP Mexico representing the estimated net present value of the amounts due to Seller's affiliates in relation with the CFE fixed margin mechanism on certain power purchase agreements.

4 IFRS 16 lease liabilities are described in note 2.1.

5 Mainly relates to contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA for $10.1 million in 31st December 2019 (31st December 2018: $28.1 million).

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

	Years ended 31st December	
In $ millions	2019	2018
Beginning of the period	**69.2**	85.0
Dividends	**(15.0)**	(19.5)
Change in fair value recognized in profit and loss	**5.4**	7.2
Currency translation adjustments	**(1.5)**	(3.5)
End of the period	**58.1**	69.2

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

4.25. Provisions

In $ millions	Decommissioning/ Environmental/ Maintenance provision	Legal and other	Total
As of 1st January 2018	**53.4**	**19.6**	**73.0**
Effect of changes in accounting standards (IFRS 15)	(28.3)	–	(28.3)
As of 1st January 2018 as restated	**25.1**	**19.6**	**44.7**
Acquired through business combination	9.8	–	9.8
Additions	10.2	2.6	12.8
Unused amounts reversed	–	(4.9)	(4.9)
Amounts used during the period	–	(0.1)	(0.1)
Currency translation differences and other	(2.5)	(1.3)	(3.8)
As of 31st December 2018	**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 31st December 2019	**43.9**	**17.1**	**61.0**

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

In $ millions	Decommissioning/ Environmental/ Maintenance provision	Legal and other	Total
Current liabilities	9.6	7.8	**17.4**
Non-current liabilities	33.1	8.1	**41.2**
As of 31st December 2018	**42.7**	**15.9**	**58.6**
Current liabilities	4.6	8.0	**12.6**
Non-current liabilities	39.3	9.1	**48.4**
As of 31st December 2019	**43.9**	**17.1**	**61.0**

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.

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.

4.26. Share-based compensation plans

ContourGlobal long-term incentive plan

On 17th June 2019, a second grant of performance shares was made under the long term incentive plan (“LTIP”) with awards over a total of 2,486,318 ordinary shares of 1 pence in ContourGlobal plc granted to eligible employees (the “participants”). These shares will vest on 17th June 2022 subject to the participant’s continued service and to the extent to which the performance conditions set for the awards are satisfied over the period of three years commencing on 1st January 2019 and, ordinarily, ending on 31st December 2021 (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.

This 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 (30 months). Fair value at the grant date was estimated to be $0.98.

Key assumptions used in valuing this plan were:

Expected life	2 years
Vesting period	3 years
Expecting vesting	75%
Expected volatility	2019: 13.2%
Risk-free interest rate	2019: 0.40%

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 246,350 ordinary shares of 1 pence in ContourGlobal plc granted to eligible employees (the "participants"). These shares will vest on 17th June 2022 subject to the participant's continued service.

In addition, on 21st May 2019, a grant of deferred bonus shares was made under the long term incentive plan ("LTIP") with awards over a total of 85,200 ordinary shares of 1 pence in ContourGlobal plc granted to eligible employees (the "participants"). These shares will vest on 27th March 2021 subject to the participant's continued service.

The Group's total charge for equity-settled share-based incentives for the year of $1.3 million (2018: $0.7) 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 31st December 2017	–
Granted during the year	**1,818,441**
Forfeited	**(264,688)**
Vested	–
Outstanding as of 31st December 2018	**1,553,753**
Granted during the year	**2,486,318**
Forfeited	**(415,619)**
Vested	–
Outstanding as of 31st December 2019	**3,624,452**

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 CEO award on 27th December 2018 and of other managers awards in January 2019. As a result, the PIP charge recognized in personnel expenses in 2018 line relates only to the CEO and has therefore increased in 2019. The charge is recognized in the consolidated statement of income with line item "Other operating income/expense – net" and is excluded from 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 by Reservoir Capital.

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-holder to have shares in the Company delivered to him if certain financial performance conditions are achieved.

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

4. Notes to the consolidated financial statements *continued*

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	Value share between management and Reservoir Capital Group
Class B Units	

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.

Distributions from Class B and C Units are subject to Reservoir Capital realising value from its investment in ContourGlobal, and the scheme stays in effect until Reservoir Capital has disposed of all its Ordinary Shares in the Group. Class B Units are fully vested and are not forfeitable. Class C and S Units vest in equal tranches over the three-year period from IPO. The date of full vesting is 27th December 2020. Unvested units will ordinarily be forfeited in the event of resignation or termination for cause.

As of 31st December 2019, in accordance with IFRS 2, the Company recognized a personnel charge of $9.1 million in relation with the PIP ($4.1 million in 2018).

4.27. Trade and other payables

	Years ended 31st December	
In $ millions	**2019**	2018
Trade payables	**77.3**	98.2
Accrued expenses	**258.8**	194.7
Trade and other payables	**336.1**	292.9

The increase in trade and other payables mainly comes from CO_2 emission quotas purchased in our Maritsa power plant, as well as trade payables acquired within our Mexican CHP.

4.28. Other current liabilities

	Years ended 31st December	
In $ millions	**2019**	2018
Deferred revenue	**6.1**	10.1
Deferred payment on acquisition[1]	**21.6**	23.3
Other taxes payable	**33.5**	48.0
IFRS 16 lease liabilities	**5.3**	–
Other[2]	**113.0**	67.1
Other current liabilities	**179.5**	148.5

1 Relates to the deferred payment of the renewable portfolio in Europe, Brazil and Mexico as of 31st December 2019 and to deferred payment of the renewable portfolio in Europe, Brazil and Peru as of 31st December 2018.

2 Mainly relates to contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA for $44.2 million in 31st December 2019 (31st December 2018: $21.7 million), and other regulatory obligations for hydro assets for $18.9 million in 31st December 2019 (31st December 2018: $18.1 million).

4.29. 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	15 Berkeley Street 6th Floor, London, United Kingdom, W1J 8DY

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, São Paulo 04542-000, Brazil
Contour Global Do Brasil Participações Ltda	80%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, São 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
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, São Paulo 04542-000, Brazil
Asa Branca VII Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, São Paulo 04542-000, Brazil

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Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
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.
Contourglobal Termosolar Operator S.L.	100%	Spain	Calle Orense, número 34, 7º piso – 28020 Madrid, Spain
ContourGlobal Termosolar, S.L.	51%	Spain	Calle Orense, número 34, 7º piso – 28020 Madrid, Spain
Rústicas Vegas Altas, S.L.	51%	Spain	Calle Orense, número 34, 7º piso – 28020 Madrid, Spain
Termosolar Majadas, S.L.	51%	Spain	Calle Orense, número 34, 7º piso – 28020 Madrid, Spain
Termosolar Palma Saetilla, S.L.	51%	Spain	Calle Orense, número 34, 7º piso – 28020 Madrid, Spain
Termosolar Alvarado, S.L.	51%	Spain	Calle Orense, número 34, 7º piso – 28020 Madrid, Spain
Crasodel Spain SL	100%	Spain	Calle Orense, número 34, 7º 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

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
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.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Ecoenergia S.R.L. – Societa' Agricola	51%	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
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

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
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
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

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
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
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	15 Berkeley Street, 6th Floor, London, United Kingdom, W1J 8DY
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

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

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
Productora de Energía de Boyacá S.A.S. E.S.P	50%	Colombia	Cr. 9 No. 74-08 Of. 105, Bogotá, Colombia
Evacuacion Villanueva des Rey, S.L.	20%	Spain	Calle Orense 34, 7ª planta, 28020 Madrid, Spain

4.30. Related party disclosure

ContourGlobal L.P. and Reservoir Capital Group

As of 31st December 2019 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 committee members) amounted to $15.3 million in 31st December 2019 (31st December 2018: $15.9 million).

	Years ended 31st December	
In $ millions	2019	2018
Salaries and short-term employee benefits	**4.8**	5.9
Termination benefits	**–**	2.8
Post employment benefits	**–**	0.1
Profit-sharing and bonus schemes	**1.2**	2.8
Private incentive plan[1]	**9.1**	4.1
Other share-based payments	**0.2**	0.2
Total	**15.3**	15.9

[1] Refer to note 4.26 Share-based compensation plans

Directors' emoluments are disclosed within the Annual Report on Remuneration for the years ended 31st December 2019 and 2018.

4.31. 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 31st December 2019, the Group has completed all its construction projects and had $3.3 million of firm purchase commitments of property plant and equipment outstanding in connection with its Maritsa facilities. The Group has also contractual arrangements with Operating and Maintenance (O&M) providers and transmission operators as it relates to certain of its operating assets. 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 25,264 thousand standard tons, equal to $239.0 million at December 2019 prices ($9.46 per standard ton), as compared to 31,451 thousand standard tons equal to $304.3 million at the end of 2018 ($9.67 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 €62.9 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 31st December 2019 Vorotan disbursed €27.9 million of which €2.4 million was an advance payment to the EPC contractor.

b) Contingent liabilities

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

Operation & Maintenance contractor litigation (Energies Antilles)

In 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. To date, 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. The expert proceeding is not expected to conclude before the first half of 2020 and the decision of the Appeal was postponed to 2020, without specified date.

Kivuwatt arbitration (KivuWatt Ltd)

The Energy Utility Corporation Limited (EUCL) continues to claim damages of approximately $80 million arising from KivuWatt's delay in entering into commercial service through an arbitration submitted to the United Nation Commission on International Trade Law (UNCITRAL).

KivuWatt contests EUCL right to damages over and above the $1.2 million in liquidated damages provided for in the Power Purchase Agreement and already paid by KivuWatt.

No provision has been recorded as of 31st December 2019 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 $7.4 million and reserved their right to claim an amount not lower than around $9.0 million.

No provision has been recorded as of 31st December 2019 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.

Taxes

Judgement is sometimes required in determining how to account for tax positions where the ultimate tax determination is uncertain. These positions include areas such as the deductibility of certain costs, the pricing of goods or services provided between group companies, the application of local tax law within each territory in which the group operates and the outcome of any tax audits therein. Liabilities are recognised in accordance with relevant accounting standards and the Group considers these to be materially appropriate, having taken advice where it is considered appropriate to do so. However, the final outcome of these matters may be different from the amounts recorded and additional expenses may be recognised in later periods.

c) Lease 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 31st December 2019	2018
Minimum lease payments receivable		
No later than 1 year	**32.7**	62.1
Later than 1 year and no later than 5 years	**79.3**	231.4
Later than 5 years	**23.2**	527.6
Total	**135.2**	821.1

Finance lease as a lessor

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

In $ millions	Years ended 31st December 2019	2018
Minimum lease payments receivable		
No later than 1 year	**5.5**	11.6
Later than 1 year and no later than 5 years	**16.6**	45.8
Later than 5 years	**–**	26.5
Gross investment in the lease	**22.1**	83.9
Less: unearned finance income	**(4.4)**	(20.2)
Total	**17.7**	63.7

Consolidated financial statements *continued*

Notes to the Consolidated financial statements *continued*

In $ millions	Years ended 31st December 2019	2018
Analysed as:		
Present value of minimum lease payments receivable:		
No later than 1 year	**5.1**	11.0
Later than 1 year and no later than 5 years	**12.6**	35.4
Later than 5 years	**–**	17.3
Total	**17.7**	63.7

4.32. 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 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 4.23 Borrowings.

4.33. Statutory Auditors' fees

In $ millions	Years ended 31st December 2019	2018
Fees payable to the Group's auditor for the audit of the Group's annual accounts and consolidated financial statements	**1.3**	1.2
Fees payable to the Group's auditor and its associates for other services:		
• The audit of the Group's subsidiaries	**1.4**	1.4
• Audit- related assurance services	**1.1**	0.3
• Other assurance services	**0.4**	1.1
• Tax compliance services	**–**	–
• Tax advisory services	**–**	–
• Other non-audit services	**–**	0.1
Total (net of out of pocket expenses)	**4.2**	4.1

Company financial statements

Company balance sheet

At 31st December 2019

In $ millions	Note	2019	2018
Fixed assets			
Investments	6	**1,642.1**	1,642.1
Current assets			
Debtors	7	**6.1**	7.9
Cash at bank and in hand		**12.9**	0.4
		19.0	8.3
Creditors: amounts falling due within one year	8	**(3.8)**	(4.1)
Net current assets		**14.0**	4.2
Net assets		**1,657.3**	1,646.3
Capital and reserves	9		
Called-up share capital		**8.9**	8.9
Share premium account		**380.8**	380.8
Retained earnings and other reserves		**1,267.7**	1,256.6
Total shareholders' funds		**1,657.3**	1,646.3

The Company's profit for the year ended 31st December 2019 was $147.3 million. Company's loss for the year ended 31st December 2018 was $(6.3) million.

The financial statements on pages 173 to 177 were approved and authorised for issue by the board and were signed on its behalf by:

Joseph C. Brandt
Director

16th March 2020

Registered Number: **10982736**

Company statement of changes in equity

As at 31st December 2019

In $ millions	Called-up share capital	Share premium account	Retained earnings and other reserves	Total
At 31st December 2017	8.9	380.8	1,306.3	1,696.0
Share based payments[1]	–	–	0.7	0.7
Dividends distribution[2]	–	–	(44.1)	(44.1)
Loss for the year	–	–	(6.3)	(6.3)
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**	**1,267.7**	**1,657.3**

[1] Includes CEO deferred bonus award and Long Term Investing Plan impact on equity.

[2] 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. During the year ended 31st December 2018 the Group paid dividends of $17.3 million on 31st May 2018 and $26.7 million on 7th September 2018. For further details on dividends paid, refer to page 122 of the Group's financial statements.

Company financial statements *continued*

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 26th 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, as modified for the revaluation of certain financial assets and liabilities through profit or loss. The current year financial information presented is for the year ended 31st December 2019, and the comparative for the year ended 31st December 2018.

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 modified for the revaluation of certain financial assets and liabilities through profit or loss.

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 the profit and loss account.

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 realisable 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.

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 31st December 2019 were $2.1 million ($1.4 million in 2018).

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 recognised at transaction price and are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised 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 recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, 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 recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised 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 recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3.8. Dividend distribution
Dividends to the Company's shareholders are recognised 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 recognised once 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. Assessments of this nature involve judgement over the economic performance of individual investments, changes in the market in which they operate or where there are indications that the value of the underlying assets have declined during the period which are significantly more than expected as a result of the passage of time or normal use.

In the event that there is an indicator of impairment, the Company performs an impairment assessment to determine if the carrying value of the investment is supported by its recoverable amount. The determination of the recoverable amount is typically the most judgmental part of an impairment evaluation. The recoverable amount is the higher of (i) an investments'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 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.

Company financial statements *continued*

Notes to the Company financial statements *continued*

4. Directors' Emoluments and employees

The Company had nine Directors and an average of five employees as at 31st December 2019 (The Company had seven Directors and an average of four employees as at 31st December 2018). 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 2019 amounted to $3.2 million (2018: $1.5 million).

In $ millions	2019	2018
Wages and salaries	**(1.6)**	(0.6)
Social security costs	**(0.2)**	(0.2)
Pension costs	**(0.1)**	–
Share-based payments	**(1.3)**	(0.7)
Total employee costs	**(3.2)**	(1.5)

Full details of the Directors' remuneration and interests are set out in the Directors' remuneration report on pages 83 to 105.

5. Auditors' fees

The amounts payable to the Company's auditors in respect of the statutory audit were $24,000 (2018: $24,000).

6. Investments in Subsidiaries

In $ millions	2019	2018
At 1st January	**1,642.1**	1,620.7
Capital increase of CG Worldwide Holdings S.à.r.l	**–**	48.0
Capital repayment of CG Worldwide Holdings S.à.r.l	**–**	(26.6)
At 31st December	**1,642.1**	1,642.1

On 20th February 2018, the Company contributed an additional $48 million in ContourGlobal Worldwide Holdings S.à.r.l equity via a cash injection. On 21st August 2018, ContourGlobal Worldwide Holdings S.à.r.l repaid $26.6 million equity to the Company.

In 2019 the Company received $154.7 million of dividends from ContourGlobal Worldwide Holdings S.à.r.l.

The Company's directly wholly owned subsidiary is ContourGlobal Worldwide Holdings S.à.r.l. A full list of indirect subsidiaries and other undertakings as required by Section 409 of the Companies' Act 2006 is shown on pages 166 to 171 of the Group's financial statements.

7. Debtors

In $ millions	2019	2018
Amounts owed by Group undertakings	**5.1**	7.2
VAT recoverable	**0.6**	0.2
Prepayments and accrued income	**0.4**	0.5
	6.1	7.9

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	2019	2018
Trade payables	**0.3**	0.4
Accrued expenses	**3.2**	2.1
Amounts owed to Group undertakings	**0.3**	1.6
	3.8	4.1

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

9. Called-up share capital

Issued capital of the Company amounted to $8.9 million as at 31st December 2019 and 31st December 2018.

As of 31st December 2019 and 2018, 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. Contingent Liabilities

The Company acts as a guarantor to certain of its subsidiaries with respect to various financial obligations and project financing agreements entered into by its subsidiaries. The main financial obligations are listed below:

- 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);
- $8.5 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 31st December 2019 is $88.7 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.;
- Parent guarantor (as defined in the indenture) under the €850 million bond indenture dated 19th July 2018;
- Guarantor under the corporate level revolving credit facility of €75 million dated 9th November 2018;
- Guarantor under the corporate level letter of credit facility of €75.75 million dated 29th March 2019;
- BRL 60 million guarantee to debenture holders to cover Brasil hydro injunctions risk on ContourGlobal do Brasil Participações S.A.

With regards to the above, no amounts have been drawn down as at year end.

11. Related Parties

In 2018 and 2019 none of the Company or its subsidiaries have contracted with related parties. As of 31st December 2019, the Company has no balance due or to be received from related party other than amounts due to and from subsidiary undertakings.

The directors' emoluments are disclosed on pages 86 to 103 within the Annual Report on Remuneration for the years ended 31st December 2019 and 2018.

12. Controlling party

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

Shareholder information

Warning about unsolicited approaches to shareholders and 'Boiler Room' scams
In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in UK investments. These operations are commonly known as 'boiler rooms'.

These 'brokers' can be very persistent and persuasive. ContourGlobal plc shareholders are advised to be extremely wary of such approaches and advised to only deal with firms authorized by the FCA. You can check whether an enquirer is properly authorized and report scam approaches by contacting the FCA on www.fca.org.uk/scams (where you may also review the latest scams) or by calling the FCA Consumer Helpline: 0800 111 6768.

If you have already paid money to share fraudsters then contact Action Fraud on 0300 123 2040.

Registrar
The Company's register of shareholders is maintained by our Registrar, Equiniti Limited. All enquiries regarding shareholder administration including lost share certificates or changes of address should be communicated to the Registrar in writing or by calling 0871 384 2030 for callers from the UK[1] or +44 (0)121 415 7047 for callers from outside the UK.

Shareholders can also view and manage their shareholdings online by registering at www.shareview.co.uk/myportfolio.

Forward Looking Statements
This Annual Report has been prepared for, and only for, the members of ContourGlobal plc ('the Company') as a body, and for no other persons. The Company, its Directors, employees, agents or advisors do not accept or assume responsibility to any other person who receives or sees this document and any such responsibility or liability is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Group in this Annual Report involve uncertainty because future events and circumstances can cause results and developments to differ materially from those anticipated. Forward-looking statements in this annual report reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update these forward-looking statements after publication. Nothing in this Annual Report should be construed as a profit forecast.

Directors
Craig A. Huff
Joseph C. Brandt
Daniel Camus
Mariana Gheorghe
Alan Gillespie
Alejandro Santo Domingo
Ronald Trächsel
Gregg M. Zeitlin

Company Secretary
Penny Thomas
penny.thomas@contourglobal.com

Investor relations contact
John Smelt
john.smelt@contourglobal.com

Registered Office
7th Floor
Park House
116 Park Street
London
W1K 6SS
United Kingdom

Company Number
10982736

Auditor
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH
United Kingdom

Registrar
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
United Kingdom

1 Calls to this number are charged at 10 pence per minute plus network extras. Lines are open 8.30am to 5.30pm Mondays to Fridays, excluding Bank Holidays in England and Wales.

ContourGlobal photographic competition

As a tradition, we wanted to engage our employees and ran a photography competition to showcase our global operations. We were overwhelmed with the response and the quality of the imagery. Some of the amazing images we received have been included throughout the report:

Page 13: Anonymous, Palma del Rio, CSP Spain
Page 25: Kalleb Oliveira, Chapada Complex, Brazil
Page 25: Nicolas Clerc, Solar Italy, Sabaudia
Page 28, top picture: Papa Mamadou Diack, Cap des Biches, Senegal
Page 28: Imen Turki, Togo
Page 33: Victor Brito, Intelligence Center, Natal, Brazil
Page 37: Bruno Andrade, Asa Branca Complex, Rio Grande do Norte, Brazil
Page 38: Aram Arekhtsyan, Vorotan, Tatev Reservoir, Armenia
Page 39: Luis Alberto Jimenez Cruz, Arrubal Spain
Page 42, top picture: Papa Mamadou Diack, Cap des Biches, Senegal
Page 44, top picture: Ian Farias, Talara Proyecto, Inka, Peru
Page 44, bottom left picture: Imen Turki, Saint Martin, French Caribbean
Page 44, bottom right picture: Aram Arekhtsyan, Vorotan, Armenia
Page 67: Ana Isabel Sancho Nunez, Termosolar Majadas, Cacares, Spain

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www.merchantcantos.com

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

www.contourglobal.com