

# Investing in a sustainable future



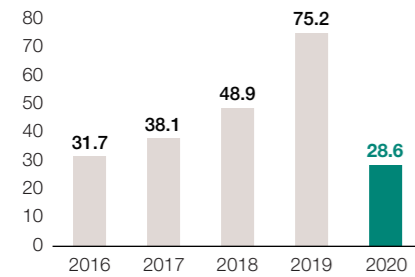
**ThomasLloyd Group Limited**  
Annual Report and Financial Statements  
31 December 2020

## Highlights



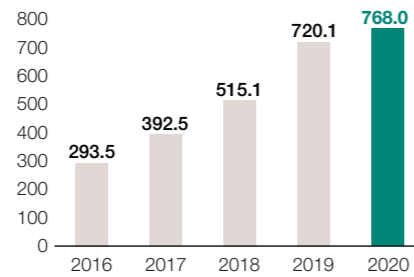
Group revenue

€28.6m



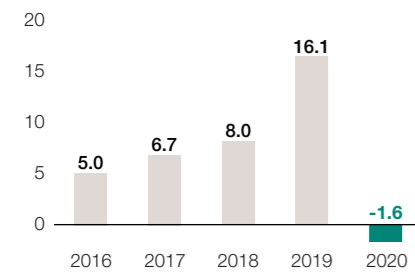
Capital managed in infrastructure

€768m



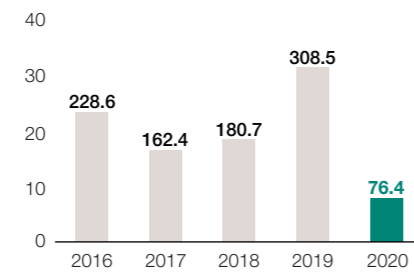
Adjusted operating profit/(loss)

-€1.6m



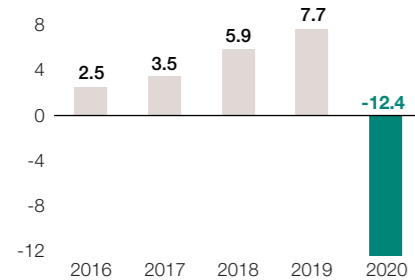
Capital raised in year

€76m



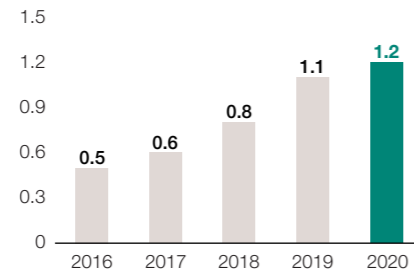
IFRS profit/(loss)

-€12.4m



Capital raised in aggregate

€1.2bn



## Our vision

To be the leading global impact-driven financial institution.

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## Our mission

To connect investors with purpose globally to sustainable projects, companies and communities with funding needs.

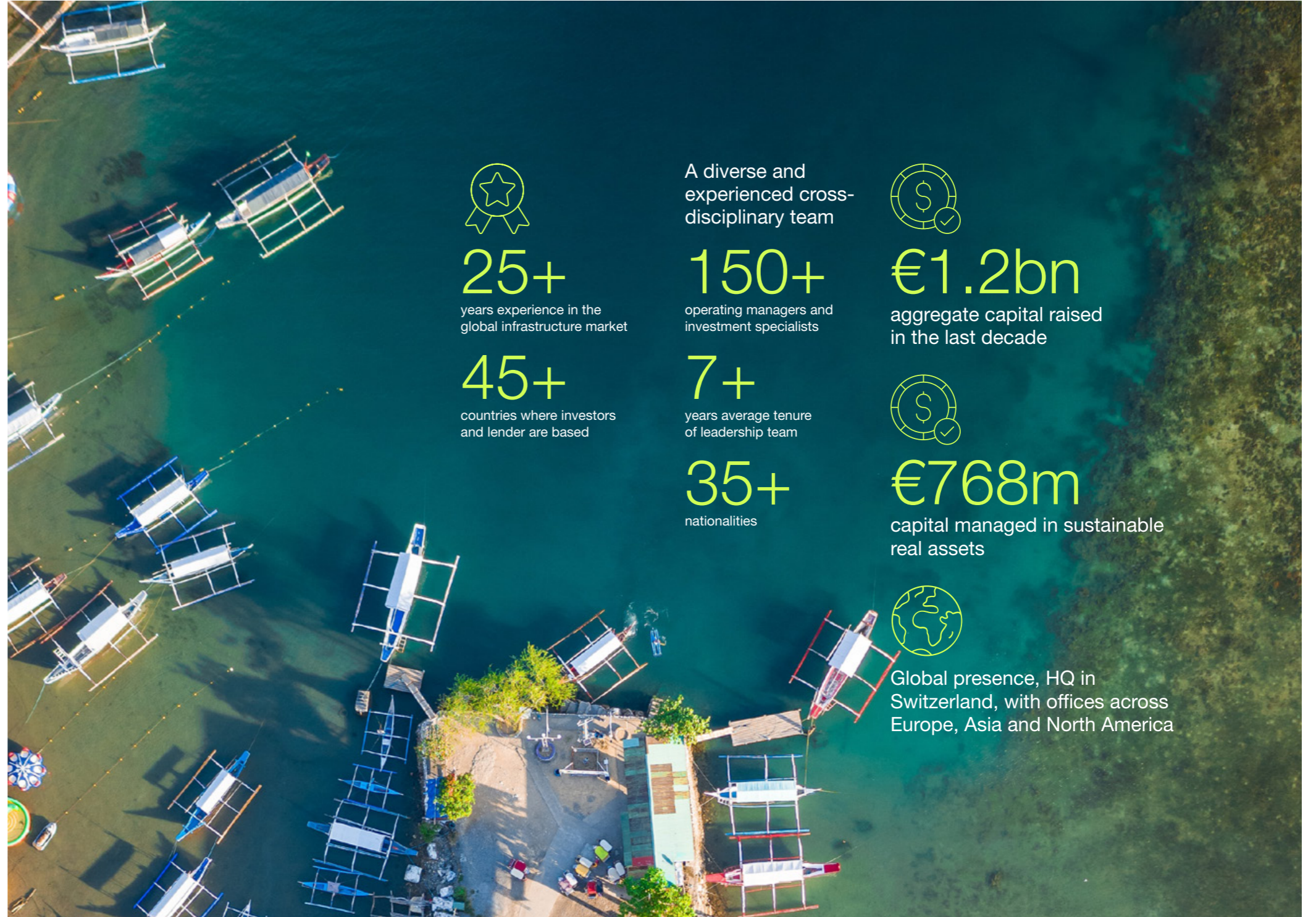
## At a glance

ThomasLloyd is an authentic pure-play impact investment solutions provider, advisor and asset manager in sustainable real assets.

Established in 2003 by its Founder and CEO, the Company has a management and senior leadership team with continuity, stability and substantial depth.

We deliver a holistic impact investment experience with:

- A modular end-to-end digital impact investment platform – a global connector for ESG investors with sustainable real asset projects and communities with funding needs.
- A proven track record of substantial capital raising from a diverse Pan-European client base
- Continued innovation in relation to impact investment solutions and funding offerings
- Extensive skills and experience in originating, managing and realising direct investments in and lending to sustainable infrastructure projects in fast growing economies
- Extensive commercial, legal and technical skills combined with an on-the-ground presence and hands-on problem solving experience.
- An accredited partner of the IFC (a member of the world Bank Group) and an authorised partner to the EIB.



**25+**

years experience in the global infrastructure market

**45+**

countries where investors and lender are based

A diverse and experienced cross-disciplinary team

**150+**

operating managers and investment specialists

**7+**

years average tenure of leadership team

**35+**

nationalities



**€1.2bn**

aggregate capital raised in the last decade



**€768m**

capital managed in sustainable real assets



Global presence, HQ in Switzerland, with offices across Europe, Asia and North America

## Timeline

**2003**

ThomasLloyd established as a specialised alternative asset manager

**2008**

Sole financial advisor for Starwood Solar Sault Ste. Marie. 3rd largest solar facility globally (later acquired by KKR)

**2011**

Launch of 'ThomasLloyd Cleantech Infrastructure Fund'

**2014**

SaCaSol receives the silver Asian Power Award in the 'Solar Power Project of the Year', the IFC Sustainable Energy Finance Award and named 'Green Company of the Year'

**2016**

ThomasLloyd becomes accredited project financial sponsor by IBC (World Bank Group). Signs definitive loan agreements with the IFC for USD 161m for the refinancing of Philippine biomass portfolio

**2018**

Launch of 'ThomasLloyd SICAV-Sustainable Infrastructure Income Fund', the worlds first fully regulated open-ended public infrastructure fund

**2020**

Launch of ThomasLloyd's Digital Impact Investment Platform for sustainable real assets

**2006**

Launch of pioneering investment banking advisory boutique focused solely on clean technologies

**2010**

Consolidation into a specialised, integrated financial group focussed exclusively on sustainable projects in the infrastructure and agricultural sector

**2013**

Development and construction of SaCaSol, the first utility-scale renewable energy plant in the Philippines

Start of measuring the impact of investments through data such as job creation and tax filings

**2015**

Launch of 'ThomasLloyd Impact Bonds / Green Bonds'  
Sale of SaCaSol to the PINAI consortium of global institutional investors

**2018**

Acquisition of significant stake in Delhi-based SolarArise alongside EIB and Kotak Mhindra Bank

**2019**

ThomasLloyd's cumulative transaction volume in the infrastructure sector exceeds 1bn USD

**2020**

Listing of the ThomasLloyd SICAV-Sustainable Infrastructure Income Fund on the Luxembourg Bourse

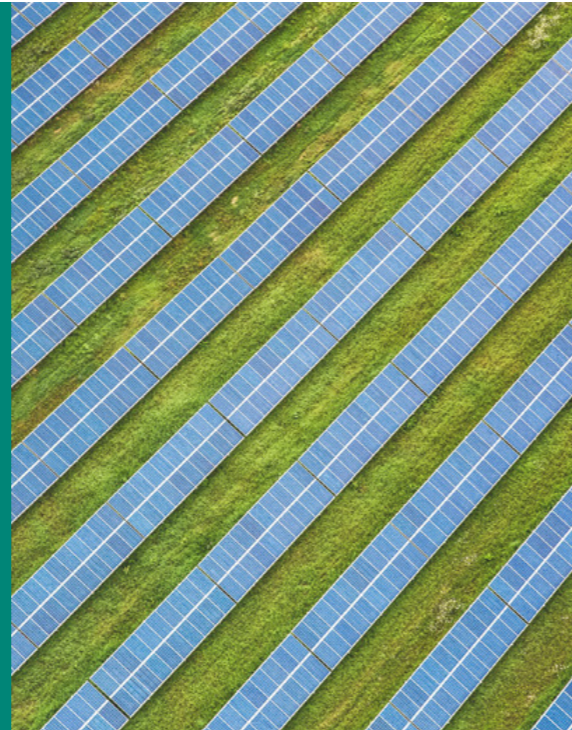
# Market overview

Climate crisis, economic inequality, gender disparity, racial injustice, and other crises—prime targets of solutions supported by impact investments—have been posing deep challenges globally for more than a decade.



## Impact investment is now the fastest growing sub segment of the global investment market

COVID-19 has shone a spotlight on the issue of climate change and social inequality and the impact investment market continues to gather pace. To solve these massive challenges there requires not insubstantial investment – to be deployed urgently in fast growing and emerging economies. The need far outstrips the financing available and the skill sets needed to deliver on such large and complex projects are also low on the ground. But the technologies and business processes now exist for society to achieve “net zero” emissions in due course. There are signs that investors are rapidly building their awareness of climate risks and are demanding investments which return financial, environmental and social returns.



## Climate crisis and COP-26 is a call to arms

COP26, which took place November 2021 after it was postponed from 2020 due to the Pandemic, was the latest meeting the group of nations that forged the UN Framework Convention on Climate Change (UNFCCC) in 1992, which commits them to act together to stabilize greenhouse gas concentrations “at a level that would prevent dangerous anthropogenic (human induced) interference with the climate system”.

COP26 has 4 stated goals, one of which is to get finance flowing for climate action. The financing need for sustainable infrastructure continues to grow globally, is \$51 trillion with an estimated spend between 2007 and 2040 of \$79 trillion. In India and the Philippines, this is \$4.5 trillion and \$498 billion respectively. This highlights that the need for funding is immediate, and that governments and public funds are insufficient to plug this gap. Now more than ever, international private finance is needed.



## Strive to address social inequality

The pandemic has exacerbated the divide between the wealthy and the poor, especially in lower and lower-middle income economies. There is a deep link between climate crisis and the increase in inequality in the countries with the widest equality gap. Rising temperatures have served to make the world's poorest countries poorer and where communities are dependent on agriculture, their lives and livelihoods are very attuned to the climate and rapidly changing environmental conditions.

Climate action and the transition to green economies create opportunities to reduce poverty and inequality through the creation of new jobs and increased employment.



## Investors continue to search for return in a low yield market

2020 saw a year of low if not negative yields exacerbated by the monetary policies pursued by central banks. For investors searching for mid-single digit return or more, investing in conventional liquid assets such as equities and bonds is not going to achieve targeted returns. Therefore such investors are looking further afield for investment opportunities which will meet their requirements.



## Continued currency volatility although general optimism for a global GDP recovery

While foreign exchange volatility decreased towards the end 2020, it was still significantly higher than the close of 2019 or indeed the start of 2020. The pandemic upset the worldwide economies and may have left some impact on foreign exchange trading. Additionally fast growing and emerging economies have generally lagged behind in relation to vaccine roll-out programs, with more activity seen in the second half of 2021 rather than the first. However, it is expected that fast growing and emerging markets economies will see higher growth in the short-term, though it may be lower than the pre-pandemic norm.



# Creating sustainable value

Our investment portfolio is not recognised within the Group’s Statement of Financial Position as the Group does not directly control, direct or operate these assets within the definition of IFRS 10 “Consolidated Financial Statements.”

The sustainable infrastructure portfolio includes three biomass plants in the Philippines, eight operational solar plants in India and the Philippines, one solar plant under construction and 200 MW of solar under development. The investment portfolio has a capacity of 535 MW, which can provide approximately 1.2 million people with a supply of clean energy annually.

Project	Sector	Power (MW)	Direct jobs created	Electricity reach (people)	CO <sub>2</sub> Avoided (tonnes p.a.)
Philippines	Biomass	70	1,790	540,468	345,274
Philippines	Solar	80	34	127,313	81,333
<b>Total Philippines</b>		<b>150</b>	<b>1,824</b>	<b>667,781</b>	<b>426,607</b>
India	Solar	434	351	573,675	637,560
<b>Total portfolio</b>		<b>534</b>	<b>2,175</b>	<b>1,069,167</b>	<b>1,241,456</b>



## Our investment philosophy

Our edge – not only do we provide the funding, we also actively manage the development, construction and operation of underlying assets.



We invest in fast-growing, emerging markets with stable political and legal systems; where demand for sustainable infrastructure is a key economic driver.



We only invest in projects where our capital can have a substantial and measurable positive impact.



We focus on building long-term partnerships with local developers and communities.



We invest to ensure efficient and sustainable infrastructure for the general benefit of the whole community



The ThomasLloyd triple return is recognised as a market differentiator.

Investment in India

Overview of the Indian infrastructure portfolio

In December 2018, the Group made its first investment in India and acquired an interest in SolarArise India Projects Pvt Ltd ("SolarArise"). SolarArise is a Delhi-based company, established in 2015, investing in the development, construction and operation of large-scale solar power plants. The current solar platform of 434 MW (DC) comprises five operating plants in three Indian states, a sixth plant in late construction phase and 200 MWs in late stage development. All plants benefit from long-term power purchase agreements with Indian federal or state government entities.

The founding management team consists of experienced specialists who have been pioneers in the Indian solar market since 2009. They were instrumental in developing and shaping the first solar legislation in India and in supporting technical innovations. With a combined experience of several decades in the industry, SolarArise has a well-established network of suppliers, contractors and lenders.

In addition to the founding management team, we have the following co-investors:

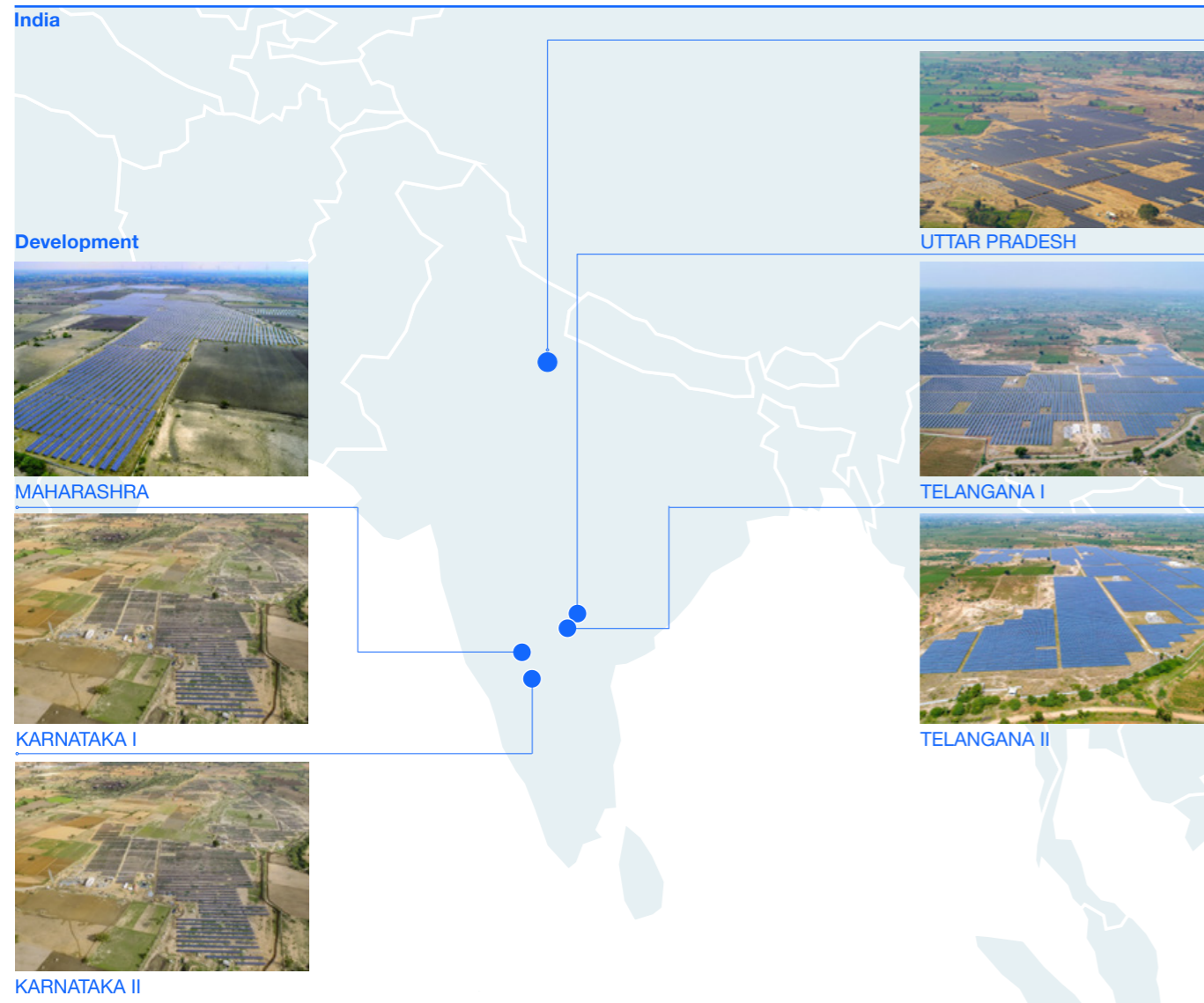
- the Core Infrastructure India Fund ("CIIF"), a specialised infrastructure fund in India managed by Kotak Mahindra Bank; and
- Global Energy Efficiency and Renewable Energy Fund ("GEEREF"), advised by the European Investment Bank and financed by the European Union

The ThomasLloyd related party holding is the largest single shareholding, 43% stake as of 31 December 2019 and 2020.

The strategy so far has been to invest in high quality solar projects with selected power purchase agreements ("PPAs") which have a comparatively low acceptance risk. The offtakers of the current portfolio plants are the Indian state and federal states, which have long-term contracts with a term of 25 years with the respective individual power plants.

The SolarArise team actively manages the development, design, construction, operation and maintenance of each project. The construction of a facility is contracted under internationally-recognised Engineering, Procurement and Construction ("EPC") contracts with market leaders of international repute. Once a plant is commissioned, the operation and management is also contracted out to the same EPC company that built the plant, to ensure that the agreed performance criteria of the plant are met. In the short to medium term, value added is increased by achieving operational efficiency at project level and refinancing the accumulated project costs.

Our solar power plants are currently located in the states of Maharashtra, Karnataka, Telangana and Uttar Pradesh.



Project

Project	Type	Capacity (MW)	Direct jobs created	Electricity reach (people)	CO <sub>2</sub> Avoided (tonnes p.a.)
Telangana I	Solar	12	12	15,480	17,204
Telangana II	Solar	12	12	15,480	17,204
Maharashtra I	Solar	67	104	95,861	106,536
Karnataka I	Solar	41	39	52,318	58,144
Karnataka II	Solar	27	24	36,589	40,664
Uttar Pradesh a)	Solar	75	55	93,295	103,684
In development b)	Solar	200	105	264,652	294,124
<b>Total<sup>(3)</sup></b>		<b>434</b>	<b>351</b>	<b>573,675</b>	<b>637,560</b>

a) Represents projects under construction as at 31 December 2020

b) Represents projects under development



Philippines



ISLASOL I A



ISLASOL II



ISLASOL I B



NORTH NEGROS BIO POWER



SAN CARLOS BIO POWER



SOUTH NEGROS BIO POWER



Investment in the Philippines

Our involvement in the Philippines dates back to 2009. As of 31 December 2020 and at the date of this report, ThomasLloyd related parties are the sole financier/investor for the development, construction and working capital of three biomass power plants on Negros Island in the Philippines.

As of 31 December 2020, all three biomass power plants in the Philippines have completed the construction phase and have reached the operational phase.

Through the issuance of a variety of investment products, the Group has invested in the entire life cycle of the biomass power plants, from project development to construction and through to operation. The Group's partners and co-shareholders in the biomass power plants are Zabaleta & Co and Ayala Corporation, through one of its subsidiaries. Ayala Corporation, a company listed on the Philippine Stock Exchange. Ayala is one of the oldest and largest conglomerates in the country and invests only in companies that have a significant and lasting impact on the local economic and social landscape.

The Group entered into a partnership agreement in 2011 with Bronzoak Philippines Inc., owned by Zabaleta & Co., the company that manages the business interests of the local Zabaleta family. The Zabaleta family has been deeply rooted in the Philippine sugar industry

for generations and the family has held senior positions in key trade organizations in the industry. They have also been at the forefront of renewable energy project development and have helped make Negros Island a centre of excellence for renewable energy in the region.

The local partner is remunerated by the economic rights assigned to its founder shares (carried interest), a pre-negotiated development fee for projects which continues through to the construction and then operating agreements for operational management.

The Group's managed funds have provided financing in the development phase of each project through loans secured by the developer's shares and all licences and permits of the project company. When the construction phase is reached, these project development financings are then repaid and construction financing is granted, with the collateral package being transferred between the various financing phases. Once construction is complete, long-term operating loans are made available to replace the construction financing. In addition, there is a US\$ 161 million refinancing facility from the International Finance Corporation ("IFC"), a subsidiary of the World Bank Group, for all three biomass power plants.

All three biomass power plants and solar power plants are located on the Philippine island of Negros. Details of the plants are summarised below.

Project	Type	Capacity (MW)	Direct jobs created	Electricity reach (people)	CO <sub>2</sub> Avoided (tonnes p.a.)
San Carlos Bio Power	Biomass	20	558	158,082	100,990
South Negros Bio Power	Biomass	25	646	191,193	122,142
North Negros Bio Power	Biomass	25	586	191,193	122,142
ISLASOL I A	Solar	18	7	27,906	17,827
ISLASOL I B	Solar	14	7	21,704	13,866
ISLASOL II	Solar	48	20	77,703	49,640
<b>Total</b>		<b>150</b>	<b>1,824</b>	<b>667,781</b>	<b>426,607</b>

# Sustainability Snapshot

The green transition that has triggered the sustainability revolution is one the largest investment opportunities in history. Regulatory developments in sustainable finance reached new levels in Europe in 2020.

Environmental, Social and Governance (ESG) and sustainability now form a central plank of the European approach to financial regulation. Financial services firms, particularly asset managers, must now play a key role in the allocation of capital to businesses that will drive the transition to a low carbon and more sustainable economy.

The policy agenda, known as the EU Sustainable Finance Action Plan, includes mandatory reporting and disclosure regulations in the form of the Sustainable Finance Disclosure Regulations (SFDR) was a year in the making with these regulations coming into force in early 2021.

SFDR requires asset managers to categorise each fund into a different sustainability category depending on the product's characteristics.

- Article 8 funds must have environmental or social characteristics among other objectives
- Article 9 funds must have sustainable investment as their explicit objective.

## ThomasLloyd definition of impact

We define impact as:

- Injecting new money into the economy;
- Investing this into real assets (e.g.: infrastructure);
- In high growth and emerging markets;
- That has a positive, intentional and measurable impact on the environment and society

## What does SFDR mean for ThomasLloyd?

- For us, there were no changes needed to our investment style but we have further enhanced our reporting to meet the Article 9 criteria.
- For more than a decade, we have been investing with impact at the core of everything we do. If an investment does not have a positive impact on the climate and on social inequality as well as making a financial return on our investment, we will not invest.
- There is 100% alignment of our current, and future product portfolio, with Article 9 of SFDR – the highest sustainability category. This is what we have been doing since we were established.

<https://www.thomas-lloyd.com/en/social-responsibility/responsible-investing/sfdr-sustainable-finance-regulation/>



# Our employees

Our ThomasLloyd team reacted quickly and efficiently to the pandemic and pivoted easily to remote working. Our strong operational framework and technology infrastructure ensured a seamless transition – resulting in continuity for our teams and clients.

We continued to support the communities in which we invest and operate in – both through financial and in-kind donations from the ThomasLloyd Foundation.

## Philippines

In the Philippines and alongside our partners, BioPower Group, we provided financial donations to support in the following three areas:

**Two Mobile Swabbing Units** – creating additional mobile laboratory testing capacity for use on the island of Negros. This mobile unit helped to enhance the turn-around time of swab testing in the local community

**Building and Emerging Infectious Disease facility** – due to the high number of cases, our funding built an infectious disease facility that was adjacent to the Bacolod City Regional Hospital. This new facility that was built with the support of donors from St. Scholastica's Bacolod Alumnae and Negrense Volunteers for Change Foundations created additional capacity for 22 extra patients, medical workers and equipment.

**Medical supplies** – our funding also allowed us to purchase and distribute critical medical supplies ranging from personal protective equipment and medical supplies for local medical clinics and quarantine centres.



## India

Surrounding Maharashtra I, which is part of ThomasLloyd's Solar Portfolio Indian Subcontinent, are four villages Bhopa, Chatgaon, Bodkha and Kothimbir Wadi.

Each of these villages has a public primary school which is attended by a total of 414 pupils (204 girls and 210 boys) up to the age of 14. To date these schools have not had access to reliable, external power supplies. The classrooms had no lighting and there were no ventilators or air-condition with temperatures often exceeding 45 degrees Celsius. The primary students also lacked access to basic sanitary facilities.

Prior to the travel restrictions and national lock downs, in early 2020 ThomasLloyd alongside our partner SolarArise, installed 10.56 Kwp of rooftop solar and building sanitation facilities at the four Zilla parishad prathamika schools in the local villages of Chatgaon, Bodkha, Bhopa and Kothimbirwadi in Beed district of Maharashtra.

As a result of this donation:

- A total solar capacity of 13.1 kWh was installed on the roofs of the schools and the necessary equipment, such as batteries for storing electricity, were purchased and installed.
- In addition, a total of 25 ventilators and 34 lights were fitted in the classrooms.
- Run-down sanitary facilities were also refurbished and new bathrooms built.

Put simply, this financial donation from the ThomasLloyd Foundation ensured that children had access to stable and reliable electricity for the devices such as:

- Laptops and projectors, enabling the transmission of global knowledge.
- Basic lighting – enabling children to read their text books during the morning / evening
- Ventilators and air-conditioning which created tolerable conditions for learning – even in a heatwave.
- Access to bathrooms with improved hygienic conditions which help prevent diseases.

The donation made by the ThomasLloyd Foundation has meant that education in the four municipalities has now been lifted to a much higher level.



€'000s and % as shown	2020	2019	€'000s movement	% movement
<b>Revenue</b>				
Advisory and structuring fees	14,497	62,133	(47,636)	(77%)
Management and performance fees	12,244	11,104	1,140	10%
Other revenue	1,888	1,993	(105)	(5%)
<b>Total revenue</b>	<b>28,629</b>	<b>75,230</b>	<b>(46,601)</b>	<b>(62%)</b>
<b>Sales, general and administrative expenses</b>				
Sales and distribution expenses	(9,201)	(38,622)	29,421	(76%)
Other income	–	572	n/a	n/a
Personnel costs	(15,934)	(12,328)	(3,606)	29%
General and administrative expenses	(14,146)	(10,744)	(3,402)	32%
<b>Operating (loss)/profit</b>	<b>(10,652)</b>	<b>14,108</b>	<b>(24,760)</b>	<b>(176%)</b>
Interest income	742	660	82	12%
Interest expense	(2,437)	(2,487)	50	(2%)
<b>(Loss)/profit before taxation</b>	<b>(12,347)</b>	<b>12,281</b>	<b>(24,628)</b>	<b>(201%)</b>
Adjusted operating profit	(1,631)	16,068		
Adjusted operating profit margin (%)	(6%)	21%		

Revenue

€'000s	2020	2019	€'000s movement	% movement
<b>Revenue</b>				
Advisory and structuring fees	14,497	62,133	(47,636)	(77%)
Management fees	11,776	10,465	1,311	13%
Performance fees	468	638	(170)	(27%)
Other revenue	1,883	1,993	(110)	(6%)
<b>Total revenue</b>	<b>28,629</b>	<b>75,230</b>	<b>(46,601)</b>	<b>(62%)</b>

Revenue generated in the year ended 31 December 2020 decreased by €46.6 million, or 62%, to €28.6 million from €75.2 million in 2019. The decrease is primarily driven primarily by both a decrease in advisory and structuring fees earned from the issuance of investment products by related parties.

Advisory and structuring fees decreased by €47.6 million or 77% to €14.5 million in 2020 in comparison to €62.1 million in 2019. Issuances during 2020 decreased to €88 million from €300 million in the prior year as certain products were discontinued and the impact of the COVID-19 pandemic.

Management fees increased by €1.3 million or 13% to €11.8 million in 2020 in comparison to €10.5 million in 2019. Performance fees were €0.5 million in both years.

Sales, general and administrative expenses

€'000s	2020	2019	€'000s movement	% movement
<b>Sales, general and administrative expenses</b>				
Sales and distribution expenses	(9,201)	(38,622)	29,421	(76%)
Other income	–	572	n/a	n/a
Personnel costs	(15,934)	(12,328)	(3,606)	29%
General and administrative expenses	(14,146)	(10,744)	(3,402)	32%
<b>Total sales, general and administrative expenses</b>	<b>(39,281)</b>	<b>(61,122)</b>	<b>21,841</b>	<b>(36%)</b>

Sales and distribution expenses decreased by €29.4 million or 76% in 2020 to €9.2 million from €38.6 million in 2019 in line with the decrease in revenue from advisory and structuring fees.

Other income of €0.6 million in 2019 related to the income received on the disposal of a 10% holding in an affiliate in 2019.

Personnel costs increased by €3.6 million or 29% in 2020 to €15.9 million from €12.3 million in 2019. This increase is related to an increase in wages and salary expenses, as head count increased, coupled with an increase in recruitment and contractor costs, offset by a decrease in travel and accommodation expenses.

General and administrative expenses increased by €3.4 million or 32% in 2020 to €14.1 million from €10.7 million in 2019 due to investment in the digital Impact Investment platform and other compliance costs.

Adjusted operating profit and adjusted operating profit margin

Adjusted operating profit before tax is the Group's non-GAAP alternative performance measure, which complements IFRS profit before tax and is key to decision-making and the internal performance management of the Group. Certain adjustments that are considered to be non-recurring or strategic, or due to short-term movements not reflective of longer-term performance are made to IFRS profit before tax. Adjustments are in respect of costs associated with fundamental one-off Group-wide transformation projects, depreciation and amortisation, profits or losses arising on corporate transactions, foreign exchange gains and losses and other non-recurring expenses. It is adjusted to include cash payments in relation to rental payments on right to use assets.

The Directors believe that this alternative performance metric ("APM") assists in providing additional useful information on the underlying trends, performance and position of the Group. APMs are also used to enhance the comparability of information between reporting periods, by adjusting for nonrecurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Group's performance. Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business

€'000s	2020	2019
<b>Adjusted operating profit</b>		
Operating (loss)/profit	(10,652)	14,108
Adjusted for certain non-recurring expenses and income and rental payments:		
Depreciation and amortisation	2,059	1,188
IT expenses <sup>(1)</sup>	1,853	–
Other income <sup>(2)</sup>	–	(572)
Non-recurring personnel expenses <sup>(3)</sup>	1,063	878
Foreign exchange gains and losses <sup>(4)</sup>	997	466
Non-recurring legal and professional <sup>(5)</sup>	3,048	–
<b>Total adjusted operating profit</b>	<b>(1,631)</b>	<b>16,068</b>

(1) IT expenses which are non-recurring in nature includes €1.9 million in relation to third party expenses in relation to the implementation of a finance system and consulting and pre-design costs of the Digital Impact Investment Platform which were not capitalised

(2) Other income which relates to the proceeds from the disposal of a 10% holding in an affiliate

(3) Non-recurring personnel expenses are non-recurring contractual bonuses and recruitment costs.

(4) Foreign exchange gains and losses on trading and intercompany balances which are unrealised

(5) Non-recurring legal and professional fees which relate to digital platform set-up and compliance expenses which are non-recurring in nature.

### Investment in our infrastructure

Capital expenditure increased in 2020 to €3.9 million (2019: €0.5 million) as we continued to enhance our investment systems and processes, and will ultimately increase our ability to offer digital customer services, increase internal efficiencies and ultimately increase customer satisfaction.

Over the same period, we have steadily grown our research skills and capability, which now represents a strong backbone to our investment process and a considerable source of investment intellectual property. Like many other businesses, we continue to strive to make all our desired improvements to our client relationship management systems and will continue to work diligently this year to achieve our goals. We continue to invest in our other operational systems to create a technology infrastructure that is considered resilient and suitable for the business we aim to be in 2025.

### Liquidity and capital resources

As at 31 December 2020 the Group had €0.9 million of cash and cash equivalents and €29.7 million of net debt.

The following table shows the movement in cash and cash equivalents during the year:

€'000s	2020	2019
<b>Cash and cash equivalents at the beginning of the year</b>	4,710	482
Cash flows from operations	11,023	7,351
Cash flows used in investing activities	(3,997)	(543)
Cash flows from investing activities	(10,531)	(2,582)
Foreign exchange	(326)	-
<b>Cash and cash equivalents at the end of the year</b>	<b>877</b>	<b>4,710</b>

Movements in cash and cash equivalents primarily represents remittances and payments made in the normal course of business and redemptions of debt instruments issued by a subsidiary.

### Events after the balance sheet date

On 14 December 2021, a related party of the Company, ThomasLloyd Energy Impact Trust PLC, raised US\$150 million by way of a placing, offer for subscription and intermediaries offer of ordinary shares. ThomasLloyd Energy Impact Trust PLC's shares were admitted to trading on the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's Main Market. As part of the listing process, the Group has entered into an Investment Management Agreement with ThomasLloyd Energy Impact Trust Plc.

### Outlook

Sustainable opportunities for the Group arise primarily from the long-term infrastructure trends described above, which show that energy demand continues to grow significantly, especially in the emerging markets of Asia. It is also expected that demand and pricing of renewable electricity generated will continue apace, which would further increase the ongoing profitability of existing and planned plants. Furthermore, these trends in the medium and long-term framework conditions improve the market opportunities with regard to the intended sale of the completed power plants as an overall portfolio. Overall, the Group will benefit significantly from its market leading knowledge and experience in fast growth and emerging economies, specifically in Asia, which is one of the Group's differentiating factors.

Additionally, it is expected that investor demand for attractive, sustainability-oriented real assets will continue to increase, as the market volatility and current credit squeeze makes it increasingly difficult to find profitable financial investments with an attractive risk/return profile. Overall, the growth potential of infrastructure investments remains, especially in fast growth and emerging markets. The returns that can be achieved in the medium and long term are significantly higher than those of comparable investments in more developed economies. These positive prospects clearly support the expectation of a positive medium to long-term business trend.

As of the end of 2020, the investments are relatively broadly diversified across biomass and solar energy technologies and also geographically across the Philippines and several states in India. In the Philippines, the three biomass power plants have completed the construction phase and reached the operational phase. This is clearly a proven track record of successfully completing large-scale development and construction projects in a relatively complex technology.

The three biomass power plants, together with the eight solar power plants already in operation in the Philippines and India, one solar plant in construction and an additional 200MW of solar power under development, provide the Group with a scalable business model and a clear blueprint for developing and building additional power plants in fast-growing markets and emerging economies.

The COVID-19 pandemic was unprecedented as governments and economies around the world struggle against shutdowns, rising unemployment and slumping sales. In the short term, this is expected to have a negative impact on our business, as we, like many other companies, have experienced a slowdown in capital inflows and a less dynamic development of demand for electricity worldwide.

We expect demand for private sector investment in infrastructure in India and the Philippines and other fast growing economies to increase in 2021 and beyond. Both the Indian and Philippine governments have made public commitments to implement these agendas, even though COVID-19 had necessarily put this initiative on hold. Moving forward, it will be necessary to increase investment and activities to meet these promises and commitments. Our proven track record in renewable energy should facilitate the diversification of our investment opportunities into other infrastructure segments and regions.

As interest rates and yields have fallen around the world, investors must now look hard for returns. Investing in sustainable opportunities in emerging markets offers a degree of security with attractive risk-return profiles that are not readily available elsewhere.

Against this background, we remain cautiously optimistic that investor demand will continue to increase and pipeline opportunities will crystallize.

**Society is now demanding that investments serve a social and environmental purpose. To remain relevant, and to prosper, we must not only deliver financial performance but also environmental and social returns. Our ThomasLloyd triple return methodology model gives us a differentiator in a rapidly growing ESG investment market”**

We focus exclusively on the active ownership and active management of direct investments in sustainable real assets in the infrastructure and agriculture sectors. ESG considerations underlie all our corporate and investment decisions, and have done throughout our history. We aim to deliver transparency, mitigate investment risk and to enhance investment returns in the best interests of our clients, other stakeholders and investee communities. Our Triple Return model promises and delivers on enhanced financial returns as well as environmental and social change.

### Living the Sustainable Development Goals (the “SDG’s”)

The Group maps impact outcomes against the UN’s seventeen Sustainable Development Goals (SDG’s), and measures contribution to environmental improvements using internationally agreed standards. The Group plays an active part in the transition to a low-carbon future and fully support the aims of the Intergovernmental Panel on Climate Change (IPCC).

As one of the earliest signatories to the Principles for Responsible Investment (PRI), an investor initiative in partnership with the United Nations Global Compact and the UNEP Finance Initiative, and its six principles for incorporating ESG issues into investment practice, the Group:

- Incorporates ESG issues into investment analysis and decision-making processes
- Is an active owner, incorporating ESG issues into its ownership policies and practices
- Seeks appropriate disclosure on ESG issues by the entities in which it invests
- Promotes acceptance and implementation of the Principles within the investment industry
- Works collaboratively to enhance effectiveness in implementing the Principles
- Reports on and promotes transparency in activities and progress towards implementing the Principles

### Our core values

The approach to ESG factors is encapsulated in the statement of core values and the Group is committed to:

- Investing responsibly with the primary objective of creating lasting value both for investors and investee communities
- Realising sustainable value, building long-term sustainable businesses, which provide employment and economic growth in partnership with social transformation and environmental protection
- Integrating material ESG factors into all corporate and investment decisions, so as to deliver transparency, mitigate investment risk and to enhance investment returns in the best interests of clients, other stakeholders and investee communities

### ENVIRONMENTAL FACTORS

ThomasLloyd must adhere to the legal, regulatory and governance frameworks of the investment jurisdiction and to regulatory compliance in the environmental domain. We must also adhere to the IFC/World Bank performance standards and to the eligibility criteria of the LuxFlag Environment Label. ThomasLloyd must evidence plans to prevent, mitigate and control serious environmental damage resulting from accidents and incidents related to all activities, including immediate reporting to the relevant authorities.

We work with our management teams to attain the sustainability objective which is a primary focus for our funds. Practically speaking, reporting at a company or project level is based on a range of 10 key ESG sustainability indicators, selected after analysis by internal and/or external experts and consultation with third-party assurance providers. Materiality analysis helps identify the most important issues, manage risk effectively, and agree priorities with management. Within the environmental domain, this includes carbon reduction, biodiversity & land use and water management. Realistic targets are agreed with management whilst validation is sought from external experts where required.

### SOCIAL FACTORS

ThomasLloyd must adhere to the legal, regulatory and governance frameworks of the investment jurisdiction and to regulatory compliance in the social domain. ThomasLloyd must also adhere to the IFC/World Bank performance standards.

ThomasLloyd must respect and secure labour rights, maintain safe working conditions and develop diverse human capital through training and education programmes. ThomasLloyd must avoid exploitation of child labour, reject all forms of discrimination and embed equality and diversity in our employment policies.

### GOVERNANCE FACTORS

ThomasLloyd must adhere to the legal, regulatory and governance frameworks of the investment jurisdiction and to regulatory compliance in the governance domain. ThomasLloyd must also adhere to the IFC/World Bank performance standards.

ThomasLloyd applies and evidences a code of conduct and a risk management system to prevent all forms of bribery, corruption and money laundering.

ThomasLloyd reports on a range of 10 key ESG metrics, selected after discussions with third-party assurance providers. Materiality analysis helps identify the most important issues, manage risk effectively, and agree priorities with management. Within the governance domain, this includes bribery & corruption and money laundering. Realistic targets are agreed with management whilst validation is sought from external experts where required.

The below table displays the broad set of ESG factors which we monitor. The impacts of our investment are measured through the use of Sustainability Indicators which we use to measure progress in addressing each ESG factor.

The EU Sustainable Finance Disclosure Regulation (SFDR) is designed to improve and standardise ESG disclosure. SFDR requires investment managers with financial products targeting sustainable investments as part of their investment objective to disclose how the sustainable investment objective is met and provide details on the “Sustainability Indicators” used to measure this. ThomasLloyd will under Article 9 regulation, which is the most stringent in terms of pre-contractual disclosures and ongoing transparency. We have adopted the Principal Adverse Impacts framework and a set of sustainability indicators that are utilised to measure the ESG performance of our investee companies and the attainment of the sustainable investment objectives of our financial products. We work with investment company management teams to analyse and monitor the risks in the framework and will report these for 2021.

### Our ESG policies

We are committed to the integration of material ESG factors into all corporate and investment decisions, so as to deliver transparency, mitigate investment risk and to enhance investment returns in the best interests of our clients, other stakeholders and investee communities.

We believe that ESG issues impact the value and reputation of ThomasLloyd, in addition to driving systemic risks and opportunities. An ESG framework embeds our philosophy of ‘Realising Sustainable Value’ in all our processes and investments.

Our ESG Policies establishes a framework for all Group companies and affiliates, within which each must conform. These policies designed to establish our credentials in ESG ‘best practice’. These are not absolute concepts, are continually open to challenge, and are designed to make all management, staff and associated parties constantly seek to improve. These are therefore the minimum current standards. There is no conflict between doing well and doing good. By reducing risk, driving innovation and enhancing reputation, the incorporation of wider goals of society into the operating models brings real benefits. An ESG framework embeds this philosophy in all processes and investments to deliver the impact investors demand. These policy will not only provide a framework for the way the company and its members conduct themselves, but also forms an active part of business management. It constitutes a key criterion for selection of service providers, a basis for all investments, and a key tool in monitoring performance.

Policy type	Areas of focus	Our policies
<b>Environmental</b> <i>Environmental sustainability requires careful stewardship of natural resources, the avoidance of pollution, improved energy efficiency and a reduction in carbon and greenhouse gas emissions.</i>	Climate change	— Ensure compliance with all local and national laws and regulations
	Natural resources	— Identify the actual and potential risks, impact and issues and implement appropriate management and mitigation measures especially with regard to:
	Pollution	— Carbon and greenhouse gas emissions — Biodiversity — Waste Management — Supply chains — Use of scarce resources — Embed environmental sustainability in all our operations — Report on performance and progress
<b>Social</b> <i>The social aspects of a company's operations are increasingly – and correctly – under scrutiny. Issues of human capital include human rights, diversity and equality as well the safety, attraction and retention of employees. Broader community issues surround local economic development, health &amp; welfare and social inclusion.</i>	Human capital	— Ensure compliance with all local and national laws and regulations
	Community	— Identify the actual and potential risks, impact and issues and implement appropriate management and mitigation measures especially with regard to: — Working conditions — Equality and diversity — Human rights — Stakeholder engagement — Social inclusion — Create long-term sustainability in the communities in which we operate — Report on performance and progress
<b>Governance</b> <i>Corporate values and policies go beyond statutory compliance with the legal and regulatory framework. Governance comprises rights and responsibilities, values and policies, setting behaviours from the top with a leadership team committed to their ongoing delivery.</i>	Values	— Ensure compliance with all local and national laws and regulations on transparency, reporting and corporate governance
	Policies	— Identify the actual and potential risks, impact and issues and implement appropriate management and mitigation measures especially with regard to: — Bribery & corruption — Money Laundering — Transparency — Report on performance and progress

**Memberships, voluntary commitments and affiliations**

The Group seeks to work with and support organisations and institutions, who share the same values and approach. This may include from time to time, lobby groups, trade associations and sponsor groups. At present this list includes:



**Investment Process**

ThomasLloyd applies an in-house developed structured approach to sourcing, analysing, acquiring, managing and selling infrastructure assets, the ThomasLloyd Investment Process (TIP). Thereby we take a responsible, long-term view to build sustainable value throughout the investment cycle by investing forward-looking, managing with discipline and exiting at the right time. TIP is based on a sophisticated due diligence process that measures risk while identifying the catalysts for increased value.

To set our eligible investment universe, we identify those countries with the greatest investment potential in the prevailing market environment and define the infrastructure sectors and technologies likely to offer higher value relative to other segments.

**Our investment selection criteria**

ThomasLloyd adopts a 'top down, bottom up' approach to transaction screening. The 'top down' is a review of macro-economic and political attributes, including but not limited to political risk, economic performance, sovereign reputation and tax structure. We utilise publicly available information, current documentation and an initial assessment of the jurisdiction's ability and commitment, to achieving and maintaining a tolerant ESG environment. The 'bottom-up' review focuses on the specific investment opportunity including but not limited to the good standing of the local sponsor, the project economics, technical and financial reviews of the proposed investment. There is a four-step quality control process.

1. The country review must reflect a positive investment climate. All proposed parties to the investment must also pass all KYC and AML checks, including a review of all parties through the US-government OFAC list. We also screen based on the UN anti-corruption list, Transparency International CPI Index, World Bank Ease of Doing Business and Bertelsmann Stiftung's Transformation Index (BTI)
2. Then a detailed review of the financial, legal and technical aspects of the proposed investment is undertaken. This includes:
  - Extensive Due diligence:
    - Business plan including planned expansions and acquisitions
    - Financial review and stress-testing of financial models
    - Legal review including compliance with laws and regulations
    - Technical review including engineering evaluation of projects
    - Investor disclosures, media coverage and reputational risks
  - Company's ESG performance and measurement systems, awards and certifications
  - Site visits to projects and to corporate headquarters
  - Transaction structuring

3. Then specialist external consultants with appropriate local and technical skills are engaged to assist with the due diligence and validate the work completed in the second phase. At all times, the information provided by the investee is reviewed for compliance with the ESG policy, and, where appropriate, an ESG action plan is created and agreed.
4. Finally, the investment must be made on appropriate terms and conditions with adequate legal protection and rights, as well as expected returns.

Our 2020 real impact through our investments



**Affordable and clean energy**

- Philippines – We produce clean, renewable energy
- Philippines – Renewable energy supplied to more than 1.2 million people in 2020
- Philippines – CO<sub>2</sub> reduction of 212,720 tonnes per annum in 2020
- India – We produce clean, renewable energy
- India – renewable energy supplied to more than 275 thousand people in 2020
- India – CO<sub>2</sub> reduction of 98,853 tonnes per annum in 2020



**Reduce inequalities**

- Philippines – Direct jobs, taxes paid and donations and supplies provided have improved lives of all residents
- Philippines – More opportunities created for women
- Philippines – Jobs in biomass plants are advertised across the region, providing all residents with the same opportunities
- India – skilled and unskilled workers hired across each solar plant
- India – Distributed more than 400 bicycles to the locals, to facilitate commuting



**Decent work and economic growth**

- Philippines – Our power plants and associated services are now one of the largest employers in Negros
- Philippines – At peak times, 1,800 employees are working at each solar farm
- Philippines – We estimate that GDP in Negros Occidental increased by more than 1 percentage point
- India – At peak times, 1,800 employees are working at each biomass plant
- India – Post completion, 210 direct full-time jobs created and contributed to a permanent boost of c. 1,050 jobs



**Sustainable cities and communities**

- Philippines – our biomass plants contribute to the security and sustainability of the Negros Island's power supply
- Philippines – Real property tax revenue has allowed cities to grow, increasing their urban populations
- India – solar plants contribute to the security and sustainability of the power supply
- India – Real property tax revenue has allowed cities to grow, increasing their urban populations



Our business relies on sustaining strong relationships with our clients, our portfolio companies and other stakeholders and these relationships are built on trust and ongoing communication and consideration.

### Our culture and values

Our teams and our values are inextricably linked to the long-term performance of our business and our continued growth.

Our culture programme is sponsored by our CEO, led by our CPO and includes workstreams headed by senior leaders to provide additional support and direction. During 2020, we launched a new Code of Conduct, based on our values of care and integrity, setting out the high standards of behaviour that we expect from all employees – from interns to the Board Directors. Our leaders are key to creating a unified and appropriate culture, with the right mind-sets in place.

We remain committed to maintaining a diverse team and we made pleasing progress on many aspects of diversity and inclusion over the last year and to the date of this report including:

- 50% female Board representation in March 2021;
- 36% of our senior leaders are female; and
- More than 50% of our Group-wide team is female

We are committed to an active inclusion, diversity and equal opportunities policy: from recruitment and selection, through training and development, performance reviews and promotion, to retirement. The Group's policy is to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, health condition, age, marital or civil partner status, sexual orientation, gender identity or faith. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit. The Group is responsive to the needs of its employees, contractors and the community at large. We are an organisation which uses everyone's talents and abilities and where inclusion and diversity are valued.

The Group is clear in its policy that people with health conditions, both visible and non-visible, should have full and fair consideration for all vacancies. We continue to demonstrate its commitment to interviewing those applicants with disabilities who fulfil the minimum criteria, and endeavouring to retain employees in the workforce if they become disabled during employment. We are committed to actively retraining and adjusting employees' environments where possible to allow them to maximise their potential.

### Developing and supporting our teams

Our success depends on our people, and we work hard to make sure we give them the skills to support our business objectives and enable them to enjoy fulfilling and rewarding careers. We are re-invigorating our performance assessment and development programme in 2021 to ensure that we are providing the correct support, advice and opportunity to our entire team – leaders, people managers and colleagues alike – with the aim that all learning and development becomes more tailored to the individuals responsibilities and likely career path.

### Supporting our colleagues and communities

As one of the largest investors in the infrastructure sector in South East Asia, we have a strong sense of affiliation with the local people. Above and beyond our infrastructure projects, we assume a clear responsibility to alleviate hardship, to assist with the establishment of elementary living conditions, and to further lasting social progress.

In early 2020, we provided both funding and team time to supporting a key initiative in the Philippines which supported the local fight against the impacts of the COVID-19 pandemic. We contributed directly to the provision of protective clothing and medical equipment for clinics and quarantine centers to the creation of additional laboratory capacity through the provision of a mobile test station.

*"ThomasLloyd is proud to stand side by side with our local partners and all of the people of Negros Occidental, as we face the challenge of the pandemic. Together, we will come through this successfully,"*  
*Mike Airey, CEO Asia.*

In the second half of 2020 we, with the support of donors from St. Scholastica's Bacolod Alumnae and Negrense Volunteers for Change Foundations, donated an Emerging Infectious Disease (EID) facility to the Bacolod City Regional Hospital. The air-conditioned facility can accommodate 22 extra patients, equipment, and medical worker facilities. The medical unit was built under the direction of doctors and is adjacent to the regional hospital to augment the original bed capacity and facilitate patient management and work of the nursing staff.

We have also continued to donate solar panels to schools and communities in the areas where we invest in order that we continue to support and take an active role.

### Anti-corruption and bribery

We are committed to the highest levels of integrity and business conduct and have a zero tolerance approach to bribery and corruption. We require all employees to adhere to our Code of Conduct and to carry out their duties with openness and transparency. Periodic training and reporting requirements will ensure that employees are aware of their obligations this policy as well as its supporting standards.

### Human rights

As a global group, we operate within many countries and communities. We aim to comply with local laws and regulations in every jurisdiction where we operate. We are committed to working with all our suppliers and stakeholders to help end slavery, human trafficking, child labour or any other abuse of human rights.

We recognise our responsibility to comply with all relevant legislation and will publish our Modern Slavery Transparency Statement in 2022. This will demonstrate the steps we have taken to assess and mitigate against the risk of modern slavery and human rights violations within our business and supply chains, as well as how we've managed and will continue to proactively monitor those risks.

### Looking forward

Moving forward, the following policies were or are to be published and implemented:

- Bribery, Corruption and Tax Evasion Risk Policy
- Statement of Human Rights
- Whistleblowing Policy
- Supplier Code of Conduct
- ThomasLloyd Code of Conduct

We will be able to report further on implementation of these policies and frameworks in the 2021 Annual Report.

**Developing and embedding a culture of effective risk management is key to managing our risks, and represents a pre-condition to the Group's long-term success and the attainment of its strategic, business, environmental and social goals.**

The Board has set out a clear goal of establishing and constantly developing a risk management framework that is underpinned by a strong control culture with clear oversight and responsibilities. The Group's processes and risk management framework are adaptable, appropriate and relevant to cover a variety of wide-ranging scenarios.

The Group has operated globally for a number of years, advising clients in Europe and managing investments in fast growing and emerging economies. Therefore the Group's processes and risk management framework has had to be adaptable, appropriate and relevant to cover such wide ranging scenarios.

**Risk Culture and Governance**

The Board of Directors has the ultimate responsibility and accountability for the oversight of the Risk Management Framework, the determination of the overall risk appetite and the assignment of responsibilities for controls and reporting.

The Board promotes a responsible culture of risk management by emphasizing and embedding the importance of balancing risk with profitability, growth, and sustainability in the decision-making process, while also ensuring compliance with regulatory requirements and internal policies.

**Risk Appetite and Limits**

During the year, the Board considered the nature and extent of the Principal Risks faced by the Group and set the below strategic risk appetite objectives. By aligning the strategic risk appetite objectives with the strategic and financial and operational business plans, and providing boundaries to the acceptability for Principal Risks, the Board has laid out a clear risk appetite for the Group. The Board reviews and monitors its risk appetite on an annual basis.

The strategic risk appetite objectives are:

1. Deliver economic, social, and environmental returns to our clients and to the regions where our investments take place.
2. Deliver stable earnings growth to our investors
3. Striving to adhere to the highest global standards of corporate governance and of beneficial social and environmental impact
4. Protect the interests of all our stakeholders, including our employees

**How we manage risk**

A system of *Three Lines of Defense* has been established to address the Principal Risks

**First Line of defense – Risk Identification and Management**

The business functions across the Group represent the first line of defense against unwanted outcomes. Divisional and functional heads are expected to play a leading role with respect to identifying potential risks in their area and implementing and maintaining appropriate controls to manage and communicate these risks.

The first line of defense is expected to:

1. Identify, own, manage and report risks
2. Execute the business plan and strategy
3. Establish and maintain controls
4. Operate within systems and controls

**Second Line of defense – Oversight and advice**

The first line of defense is supplemented by oversight functions, including Finance and HR, which constitute the second line of defense.

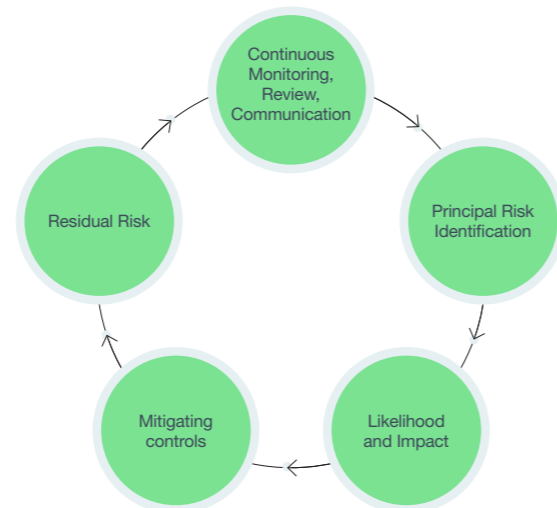
**Third Line of defense – Assurance**

The Group currently does not have an internal audit function although it reviews all risks and processes to identify any areas which would benefit from external independent assurance. Examples of such areas are the Group's ESG reporting and contract management.

**Principal Risks and uncertainties**

In assessing the Principal Risks the Executive Committee has taken into consideration the views of the risk owners within the business, as well as the current environment, geopolitical factors, market conditions, changing client demand and global regulatory changes.

**Risk Assessment Process**



**Reputation Risk**

**Outlook:** ⬇️  
**Change:** ↔️  
**Likelihood of materializing and impact:** High

**Description**  
 Reputational risks can arise with poor conduct/judgement or materialize following weaknesses in the systems or controls in the three lines of defense mechanism. The Group's reputation can be negatively impacted by any of the Principal Risks.

The public perception of the Group's governance can be severely impacted by outcomes that negatively affect its reputation. A deterioration in reputation can lead to a decreasing ability to attract and retain capital, as well as talent.  
**Control, Management, and Mitigation**  
 A strong control culture with clear oversight and responsibilities has been established to address the risks faced by the Group and attain the corporate objectives. The system of three lines of defense is applied group wide.

**Investor Risk Appetite**

**Outlook:** ⬇️  
**Change:** ↔️  
**Likelihood of materializing and impact:** Medium

**Description**  
 Client risk appetite and requirements are ever-evolving and rapidly adapting to trends and innovation.  
 Failing to adapt the business model and the product offering to these changes may lead to a failure to attract and retain capital.

We have a dedicated business unit, Investment Solutions, which is focused on developing our product strategy and offering.

**Control, Management, and Mitigation**  
 Close collaboration with the distribution and client relations department and external distribution partners to gauge investor appetite and interest in the retail, professional, and institutional space.

**Investment Objective Risk**

**Outlook:** ⬆️  
**Change:** ↔️  
**Likelihood of materializing and impact:** Low

**Description**  
 Attainment of the investment objectives, particularly of the economic, social and environmental nature is the principal determinant in the investment decision-making process of our clients.  
 Failure to attain the investment objectives and to deliver on the economic, social, and environmental goals of the products and services offered to our clients could lead to a failure to attract and retain capital.

**Control, Management, and Mitigation**  
 Continuous performance monitoring from the asset to the client.  
 Continuous building and assessment of new investment opportunities with a preference for platform-building investments with significant scale effects.  
 Investment in well-established technologies. Local active social engagement in situations of hardship and crisis.

**Business Concentration Risk**

**Outlook:** ⬆️  
**Change:** ↔️  
**Likelihood of materializing and impact:** Medium

**Description**  
 Due to the nature of our investment proposition, our portfolios tend to be concentrated in few, but large investments.  
 Insufficient diversification of the product range, assets, income streams, or client base poses a concentration risk to the Group.

**Control, Management, and Mitigation**  
 The Group has long-standing relationships with project developers, in-depth knowledge and experience in the markets in which the Group operates, and a partner ecosystem with which the Group can demonstrate a sustainable track record. Through these relationships, the investment pipeline is built so that there are tangible opportunities on the short to mid-term horizon, which will serve to diversify the portfolios and protect against concentration risk.

**Liquidity Risk**

<p><b>Outlook:</b> ⬇️</p> <p><b>Change:</b> ↔️</p> <p><b>Likelihood of materializing and impact:</b> High</p>	<p><b>Description</b></p> <p>The Group's ability to meet its ongoing and future financial obligations as they fall due.</p> <p>The event that cash resources are insufficient to meet the Group's liabilities as they fall due would severely impact its ability to operate.</p>	<p><b>Control, Management, and Mitigation</b></p> <p>The Group's approach to managing its own liquidity risk is to ensure that it has sufficient cash on hand to meet liabilities when due under both normal and stressed conditions. The Group produces cash flow forecasts for a 12 week period. The Group's management and Board review these forecasts.</p>
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**Regulatory Risk**

<p><b>Outlook:</b> ⬇️</p> <p><b>Change:</b> New</p> <p><b>Likelihood of materializing and impact:</b> Medium</p>	<p><b>Description</b></p> <p>The Group and its entities are subject to a number of regulatory requirements, and will be subject to an ever-changing landscape of local, national and multinational set of rules and regulations.</p> <p>Failure to comply with current regulations, and to adapt to future regulations, to translate those rules and regulations into effective internal policies, or failure to supervise and enforce internal policies can lead to severe consequences.</p>	<p><b>Control, Management, and Mitigation</b></p> <p>The Group seeks to manage regulatory risk by ensuring close monitoring of compliance with global regulations, by tracking regulatory developments and reacting promptly when changes are required. The Group has a permanent and independent compliance function. The Group uses the services of specialized consultants and counsels in the regions and business activities in which it operates.</p>
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**Cyber and Business Interruption Risk**

<p><b>Outlook:</b> ⬆️</p> <p><b>Change:</b> Lower</p> <p><b>Likelihood of materializing and impact:</b> Medium</p>	<p><b>Description</b></p> <p>The Group's business model depends heavily on a seamless operation of the internal – and the IT infrastructure used by external counterparties. The Digital Impact Investment Platform is a prominent example of the Group's increased focus on delivering investment solutions digitally.</p> <p>Failure or compromise of the IT infrastructure can result in the confidentiality, integrity, and availability of data, products, and services being negatively impacted and in significant reputational and legal damage.</p>	<p><b>Control, Management, and Mitigation</b></p> <p>The Group has put in place measures to minimise and manage possible technology risks and to ensure the safety of data and compliance with data protection legislation. Information and cyber security policies is enforced throughout the business. This ensures devices such as laptops and mobile devices are fully protected.</p>
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**People and Culture Risk**

<p><b>Outlook:</b> ⬆️</p> <p><b>Change:</b> New</p> <p><b>Likelihood of materializing and impact:</b> High</p>	<p><b>Description</b></p> <p>The Group's ability to attract and retain talent, to instill a culture aligned to its strategic vision and pillars, and to maintain high employment practices and standards.</p> <p>Failure in addressing People and Culture Risk leads to the deterioration of the quality and performance of its workforce and the Group's ability to deliver its objectives and strategic vision.</p>	<p><b>Control, Management, and Mitigation</b></p> <p>Chief People Officer is the Board representative for our team. We believe that our remuneration packages are competitive and we continue to develop our retention and succession plans.</p>
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**Geopolitical and Environmental Risk**

<p><b>Outlook:</b> ⬆️</p> <p><b>Change:</b> New</p> <p><b>Likelihood of materializing and impact:</b> Medium</p>	<p><b>Description</b></p> <p>Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such events.</p> <p>The global COVID-19 pandemic has been and is a manifestation of such a risk.</p> <p>Adverse Geopolitical or environmental events can have a significant impact on clients' investments and the Group's global operations.</p>	<p><b>Control, Management, and Mitigation</b></p> <p>While the COVID-19 pandemic has not resulted in new principal risks being identified, it has led to increased dependence on IT connectivity; data security and privacy security of our IT systems. Our COVID-19 pandemic response demonstrates the resilience of our employees and the strength of the infrastructure supporting our business processes. Our people worked extremely hard to meet our clients' needs and our systems coped well. There was no significant impact on business operations despite a significant number of staff working remotely at various times over the year.</p>
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# Corporate governance

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This section of the Annual Report describes our corporate governance structures and processes and how they have been applied throughout the year and also our objectives for the coming year.

Good corporate governance is fundamental to the success of our business. The Board and the Executive Committees play a key role in our governance framework by providing support and challenge, understanding the views of our wider stakeholder communities, and ensuring that a culture of good governance is promoted globally throughout the business. Our continuing aim is to promote and maintain an environment of openness, transparency, accountability and responsibility.

**Board changes**

The Board welcomed Vivienne Maclachlan in November 2020 and Miriam Plater in March 2021. These appointments provide the board with deeper financial, transactional and people skill sets and as at the date of the Annual Report, 50% of the ThomasLloyd board is female, which reflects the diversification of the Group at large.

During 2021, a search was initiated for an independent non-executive chair person, using an external search agency. On appointment, Michael will step back from the role of Chair and focus on the role of Group CEO.

**Overall governance structure**

**Board of directors**

The Board of Directors has overall responsibility for the Group. Its aim is to represent all stakeholders and to provide leadership and control in order to ensure the growth and development of a successful business

**Chairman**

- Upholding the highest levels of integrity, probity and corporate governance throughout the Company, particularly at Board level.
- Chairing the Board meetings, setting the Board agenda and ensuring the Directors receive accurate, timely, and clear information to enable the Board to make sound decisions, monitor effectively and promote the success of the Company.
- Facilitating the effective contribution of and active engagement of all the Directors
- Considering succession planning and ensuring the composition of the Board meets the needs of the business.
- Ensuring the appropriate balance is maintained between the interests of shareholders and other stakeholders.
- Ensuring the developmental needs of the Directors are identified and that these needs are met to enable Directors to update their skills and knowledge of the Group in order to carry out their duties as Directors.
- Ensuring the performance of the Board, is evaluated regularly.
- Ensure effective communication with stakeholders.

**Executive Directors**

- Running of the business of the Group within the authorities delegated to them by the Board.
- Ensuring implementation across the Group of the policies and strategy agreed by the Board.
- Leading the development of the Group’s future strategy, including identifying and assessing opportunities for the growth of its business, and putting in place the long-term capital to support such development.
- Reviewing the performance of the businesses, managing and holding to account the Executive and senior management teams.
- Ensuring the Chairman is kept apprised in a timely manner of the issues facing the Group and of any events and developments.
- Ensuring the market and regulators are kept apprised in a timely manner of any material events and developments.
- Ensuring that all major transactions are conducted with the commercial interests of the Group at the forefront of negotiations, commensurate with the need to always treat customers fairly.

As of April 2021, a search for an independent executive chairman is underway and once appointed, Michael Sieg will step back as Chair and continue as CEO of the Group. This will create a division of responsibilities between the Chair and the CEO.

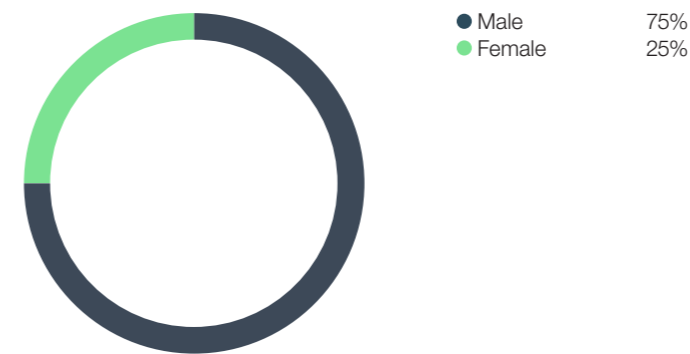
**Executive Committee**

The members of the Group Executive Committee are set out on the Group website. This Committee is led by the CEO and has responsibility for the operational management of the business on a day-to-day basis.

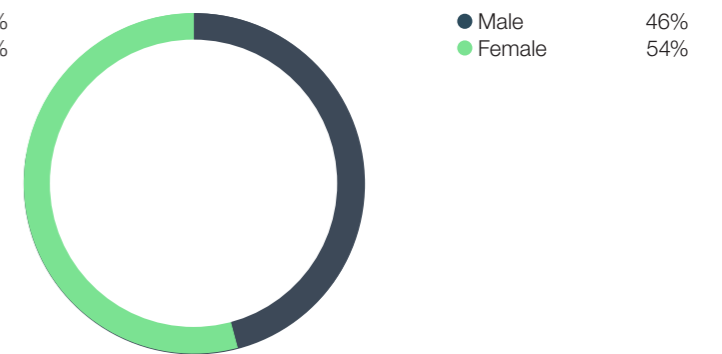
The Committee leads on the development and implementation of strategy, operational plans, policies, procedures and budgets; prioritisation and allocation of resources; and promotion of the Group’s culture and values.

The Committee reviews all material or strategic matters being proposed to the Board.

**Board diversity – 31 December 2020**



**Executive Group diversity – 31 December 2020**



**Matters reserved for the Board**

The Board keeps a formal schedule of matters specifically reserved for its decision. These include the approval of the annual results, recommendation of dividends, convening of shareholder meetings, Board appointments, strategic plans and budgets, significant investments and acquisitions, systems of internal control and risk management and corporate governance arrangements. No one Board member has the power to make a decision without the sanction of the other members.

**Leadership and Company purpose**

The Board is collectively responsible for leading and controlling all activities of the Group, with overall authority for establishing the purpose, values and culture and overseeing the management and conduct of the Group’s business, strategy and development. The Board sets the Group’s strategic direction and approves strategic projects, policy and investment decisions. These decisions are underpinned by financial reporting and a robust approach to risk management. The Board is also responsible for ensuring appropriate resources are in place to enable the senior management team to deliver the strategic objectives and enact their policies and decisions. The Board has satisfied itself through regular reports from, and discussions with, management that the culture promoted by the Board and by senior management supports this purpose.

**People and culture**

The Board assesses and monitors the Group’s culture through a number of channels including regular reports from the Executive Committee and senior management. People were a key focus of discussion during the year given the potential impact of the coronavirus pandemic on the workforce, both in terms of individual health and safety as well as the financial impact.

# A board balanced with skills and expertise

On 5 March 2021, Michael Airey resigned from the Board and on 8 March 2021, Miriam Plater was appointed.

## Key skills and expertise

- 1 Asset Management/Investment Management
- 2 Investment solutions and financial advisory
- 3 Financial
- 4 People
- 5 ESG
- 6 Governance



**Thomas Ulf Michael Sieg**  
Chair and CEO

**Appointed:** 8 December 2004

**Age:** 43

**Relevant skills and experience:**

Michael is the founder and sole owner of ThomasLloyd. ThomasLloyd was established in 2003 as an independent alternative asset management group that focussed predominantly on private equity investing in the financial services sector. Michael stewarded the firm to become a dedicated global impact asset manager investing in high growth and emerging markets. Michael has been involved in all phases of ThomasLloyd's development and is the Chair of the Investment Committee.

Michael has also established the ThomasLloyd Foundation, an organisation committed to alleviating hardship, assisting with the establishment of elementary living conditions, and to furthering lasting social progress in the communities ThomasLloyd operate in.

**Strengths:**

- Emerging markets investment experience
- M&A experience
- Deep historical experience of the Group
- Technology-led innovation.
- Pioneering thinking and innovator

**Skills:** 1 2 5 6



**Vivienne Maclachlan**  
Chief Financial Officer

**Appointed:** 20 November 2020

**Age:** 42

**Relevant skills and experience:**

Vivienne joined ThomasLloyd in October 2019 and brings significant financial, capital markets and accounting experience to the Board from a range of roles across a number of industries spanning more than 20 years. She is a member of the Executive Committee and a member of the ESG Stewardship committee.

Prior to joining ThomasLloyd, Vivienne was the CFO of Alfa Financial Software Plc, and she has more than 12 years of capital markets experience, where she advised companies on raising capital in UK, US and European markets.

Vivienne is an independent non-executive Director and Chair of the Audit Committee of Tungsten Corporation PLC, an AIM listed technology business based in London.

Vivienne is a member of the Institute of Chartered Accountants, Scotland.

**Strengths:**

- Strong financial background
- Non-executive experience and perspective
- Deep governance knowledge and publicly listed company experience
- M&A experience
- Technology-led innovation.

**Skills:** 3 5 6



**Anthony Michael Coveney**  
Head of Infrastructure Asset Management

**Appointed:** 27 March 2007

**Age:** 62

**Relevant skills and experience:**

Tony is Head of Asset Management – Infrastructure and the CEO of the Americas operations. Tony is responsible for the identification, selection, execution and management of the Group's sustainable infrastructure portfolio. He is a member of the Executive Committee, the Investment Committee and sits on the Boards of a number of the ThomasLloyd portfolio companies and funds.

Tony has more than four decades of investment and financial services experience including senior leadership roles and board positions at Lazard and N.M. Rothschild, Bank of America and Citibank. Prior to joining ThomasLloyd, Tony was Global Treasurer of Riyadh Bank.

Tony served as an independent advisor to the Cabinet Office of the Prime Minister of the United Kingdom between 1992 and 1997.

**Strengths:**

- Emerging markets investment experience
- On-the-ground and hands-on experience of operational and Governance decision making
- Deep foreign currency and transactional experience
- M&A experience
- Deep historical experience of the Group.

**Skills:** 1 2 5



**Miriam Plater**  
Chief People Officer

**Appointed:** 8 March 2021

**Age:** 59

**Relevant skills and experience:**

Miriam is the Chief People Officer, joining the Group in 2018 and has established a group wide human resources department, servicing all ThomasLloyd territories.

Miriam has more than 25 years of international HR and business experience where she has built and fostered inclusive cultures, enabling high performing teams to deliver. Her proven track record includes all aspects of global HR, organisational and change transformation and helping companies evolve from niche operators to large global players.

Prior to joining ThomasLloyd, Miriam was the International HR Director at Goodwin Procter LLP and before this, Miriam spent 12 years at Bibby Financial Services where she held several senior positions including Global HR Director.

Miriam is a Fellow of the Chartered Institute of Personnel and Development.

**Strengths:**

- Transformation and process enhancement
- M&A and integration
- Technology-led innovation
- People development

**Skills:** 4 6

# Our stakeholders

## We have the following stakeholders

1. Clients – private and corporate investors and institutional investors
2. Investments – being the direct investment in project SPVs
3. The Communities in which our investments are located
4. The regulators and government agencies in those locations
5. Our employees
6. Our suppliers

## Our aim – realising sustainable values

The Board is fully committed to the integration of material ESG factors into all corporate and investment decision-making processes. We consider the effects our actions have, or may have, on a broad set of stakeholders. In this respect, the Board specifically aims to

- deliver transparency to decision making processes,
- mitigate investment risk and to enhance investment returns,
- create a purposeful working environment for our colleagues and team, and
- finally to consider and engage the interests of our clients, portfolio companies, communities and regulatory ecosystems, employees and suppliers that the Group has an effect on.

ESG is a key component to the value and reputation of ThomasLloyd. Our ESG framework embeds and underlies our philosophy of ‘Realising Sustainable Values’ in all processes and investments.

## Team

Number of employees and dedicated contractors

154

from

35 nations

Leading positions

7+ years

Management experience

30 years

Management

11+ years

Female representation

52%

## Realising Sustainable Values for our clients

We have both private and corporate clients and investment from DFIs. We currently offer 14 investment solutions in 5 different languages and 9 currencies. But the world has evolved during the Covid-19 pandemic and it is more important than ever, that we continue to engage with our clients, to listen and to continue to innovate to provide investment solutions which are relevant to today.

Underlying all of our investment solutions is the commitment that the direct investments made will be to projects, platforms or companies which will deliver real change and impact.

Communication with clients continues throughout the year, through the client portal, or through direct communications and discussions.

## Realising Sustainable Values with and for our investments and the communities in which we invest

The primary objective of our direct investments is to create lasting value and deliver on the ThomasLloyd Triple Return model. Therefore not only benefitting our investors, but also the direct investments, the environment and the local communities. At the same time, we assume responsibility to deliver actions or decisions that will also create environmental, social benefits – not just the fulfilment of financial return goals.

Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment, investors and society. We believe that through positive and direct engagement with our portfolio companies, we can create optimal long-term value and deliver positive change for our investors and for the communities in which we invest. We have direct communication with all portfolio companies by virtue of having a seat on the Board, from being present at on-the-ground operational meetings and having a regular dialogue with senior management.

## Directors' duty to promote the success of the Company

The Directors confirm that they have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole. This statement, together with the examples on pages 38 to 39 and those sections of the Annual Report incorporated by cross reference, describes how the Directors have had regard for such matters in respect of the year.

Consideration of the promotion of the success of the Company forms an integral part of Board discussion; the Directors as a matter of course have regard to the need to maintain a reputation for high standards of business conduct, the need to act fairly between shareholders, and the longterm consequences of their decisions.

With regard to more Company specific stakeholder groups, the Board has identified those key to the Company based on each group's potential to a) be impacted by the Company's activities, and / or b) have an impact on the Company's activities.

Whilst Directors engage directly with stakeholders on certain topics, stakeholder considerations on the whole are brought to the Board's attention through presentations from senior management. This is an integral element of regular Board communication and, in the case of certain stakeholders such as the workforce, may be discussed at a separate meeting.

As a result of these processes, the Directors have the necessary oversight of the Company's engagement with stakeholders to enable them to promote the success of the Company in the course of their decision making.

The Company's key stakeholders and methods of engagement will be kept under review and reported on each year in the Company's Annual Report.

Our Stewardship Policy formalises our investment philosophy into a practical framework of engagement with investee companies who must address and manage the environmental and social factors that affect their operations and are material for their business. Our stewardship policy reflects our view of best practice and is aligned with the UK Stewardship Code. A factsheet of the Policy is available here [https://www.thomas-lloyd.com/wp-content/uploads/TL\\_Stewardship\\_Policy\\_Factsheet\\_2021.pdf](https://www.thomas-lloyd.com/wp-content/uploads/TL_Stewardship_Policy_Factsheet_2021.pdf)

## Realising Sustainable Values with and for the regulators and government agencies

In the jurisdictions in which we invest, we always aim to create a dialogue and communication channel to the local and federal regulator and government framework. We participate on round tables, comment or contribute to proposals for change or policy documents and endeavor to be an active contributor for change.

## Realising Sustainable Values with and for the corporate social responsibility activities

ThomasLloyd has pooled all its corporate social responsibility activities in two areas of action which best correspond to the regional specificities and requirements.

### Electrification of social infrastructure

The efforts are dedicated to the initiation and realisation of concrete “off-grid solutions” in remote and underdeveloped districts, which are not likely to be connected to the electricity grid in the foreseeable future and which without the off-grid solution would therefore be permanently cut off from the benefits of social institutions dependent on electricity (e.g. health centres, clinics and modern educational establishments).

### Emergency Relief Activities

The second commitment relates to emergency relief activities – which may include providing direct funding and suitable materials or equipment quickly and without red tape in areas hit by natural disasters, as well as continuous support for regional aid organisations and projects that are dedicated to providing assistance to particular social groups.

## Realising Sustainable Values with and for our Colleagues and Teams

Our people are central to the ongoing success of the business and our culture is one of our greatest assets. At ThomasLloyd we are passionate about what we do, and the legacy we create and therefore we need talented individuals and teams to continue to succeed.

Our people strategy aims to develop an agile and diverse workforce as we continue to attract, retain, develop and motivate the right people for our current and future business needs.

By ensuring we have a culture where every voice is heard and ideas considered we will continue to empower our teams and maximize their potential. We communicate through a combination of newsletter communications, townhalls and team meetings. Our Chief People Officer, Miriam Plater, is the designated as the Director for team engagement and the Executive Committee is an effective mechanism for gathering the views of and engaging with the wider team.

In 2021, Miriam will continue to engage with the global team, through one-on-ones and also initiate a global employee survey, the results of which will be presented to the Board and the Executive Committee. Any actions coming out of this survey will be communicated to the wider team, with follow up communications as necessary.

## Realising Sustainable Values with and for external suppliers

During the years, the Group has established a global network of external service partners, and suppliers to supplement its own operations, and infrastructure. Recognizing the strategic reliance on the operating model, the Boards aims to establish a governance framework codified in a Supplier Code of Conduct, in order to ensure that it engages with partners that share similar values, and goals. An active and respectful engagement with external suppliers is expected from all our employees.

The Executive Committee reviews and briefs the Board on an annual basis regarding the material outsourcing providers, to ensure that the oversight of services or products remain consistent with the Group's strategy to use service partners as a way to add value to the Group's infrastructure. This provides the Board with oversight of the controls in place to manage an important risk in our supply chain. The Board is involved in key decisions relating to material outsourcer arrangements.

## The directors present their report and the audited financial statements for the year ended 31 December 2020.

### General information

The Group is as a global impact investment manager, advisor and solutions provider, specialising in investing in real assets in the sustainable infrastructure sector.

ThomasLloyd Group Limited (the "Company") is incorporated as a limited liability company in the United Kingdom, and the Company's registered address is Nova North, 11 Bressenden Place, London, England, SW1E 5BY. The parent and ultimate parent is MNA Pte Ltd and the ultimate beneficial owner is Michael Sieg.

### Branches outside the United Kingdom

The Company has subsidiaries in Switzerland, Germany and the United States of America. The Group also has a branch in Austria, which operates as part of the Company's subsidiary in Germany.

### Future developments

This has been disclosed on page 19 in the Financial Review section of the Strategic Report.

### Dividends

No interim or final dividends were declared or paid during the year (FY19: €nil). As of 31 December 2020, the Group has retained earnings of €39.6 million and the Directors are therefore assessing a dividend policy for the FY21 year.

### Research and development

The Group has undertaken significant investment into the development of the ThomasLloyd Real Asset Impact Investment Platform, which continues to be developed to cover further geographic areas, expand investor reach and comply with relevant regulation.

### Political donations and political expenditure

The Group's policy is to make no political donations or contributions to political parties. No political donations have been made during the reporting period (FY19: €nil). Donations made in relation to social or charitable contributions

### Post balance sheet events

Post balance sheet events are disclosed on page 18 of the Financial Review section of the Strategic Report and are also disclosed in note 15 to the consolidated financial statements.

### Directors and Directors' interest

The following served as Directors of the Company during the year audited and up to the date of signing of this report:

- Thomas Ulf Michael Sieg (known as Michael Sieg)
- Anthony Michael Coveney (known as Tony Coveney)
- Miriam Jane Plater (appointed 8 March 2021)
- Vivienne Katherine Maclachlan (appointed 20 November 2020)
- Michael Gareth Airey (resigned 5 March 2021)

Michael Sieg is the ultimate beneficial owner. No other Directors have interests in the Company or Group (FY19: none). The appointment and replacement of directors is governed by the Company's Articles of Association, the Companies Act 2006 and related legislation.

### Directors' third-party indemnity provisions

As permitted by the Company's Articles of Association, the Company has maintained qualifying third-party indemnity provisions (as defined under relevant legislation) for the benefit of the Company's Directors throughout the period.

### Employees

Through our people management policies, we aim to attract and develop the best people. Our performance management processes comprise performance appraisals against personal and corporate objectives and our core values. This is used to inform decisions on remuneration, career development and progression. As part of creating a high-performance organisation, we encourage all of our employees to fulfil their potential. We provide our employees with access to a range of training and development opportunities that are relevant to our business.

We are committed to Equality, Diversity & Inclusion ("ED&I"). We seek to understand our people and their individual perspectives and to reflect their views. We strive for a diverse staff and an inclusive culture.

Details of the Group's employment practices, its policy regarding the employment of disabled persons and its employee involvement practices can be found on page 26 of the Our communities, people and culture section of the Strategic Report.

### Environment, employee and social policies

Policies relating to environmental matters, the Group's employees and social, community and human rights issues can be found on pages 26-27 in Our communities, people and culture section of this Annual Report.

### Equal opportunities and employment of disabled persons

The Group's Diversity and Inclusion Policy ensures that equal opportunities are afforded to all colleagues, candidates and suppliers in an environment in which each is treated with dignity and respect. The Group is committed to ensuring that there are policies and procedures in place to ensure and promote diversity and inclusion. The aim of a fully diverse team and an inclusive workplace is embedded in the ThomasLloyd culture. The Group complies with statutory and regulatory requirements in the local labour market; provide equality of opportunity for all who apply for and perform work for ThomasLloyd, irrespective of sex, race, age, ethnic origin, educational, social and cultural background, marital or civil partnership status, religion or belief, sexual orientation or disability; and allow for reasonable adjustments to support those with special requirements. Moreover, we encourage the same standards of our recruitment and consultant suppliers.

### Statement on engagement with suppliers, customers and others in a business relationship with the company

As a global company, we operate within many countries and communities. We aim to comply with local laws and regulations in every jurisdiction where we operate. More details is provided on page 38 of the Our Stakeholders section in the Governance Report.

### Financial instruments

The exposure of the Group to financial risks, including the use of financial instruments and policies for hedging and the exposure to price, credit, cash flow and liquidity risk, can be found in note 12 to the consolidated financial statements.

### Purchase of own shares

During FY20 the Company did not purchase its own shares.

### Going concern

Details of the Group's business activities, results, cash flows and resources, together with the risks it faces and other factors likely to affect its future development, performance and position are set out in the Financial review section of the Strategic Report.

The Directors believe that the Group is well placed to manage its business risks successfully despite the continuing uncertain economic and political outlook. As the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Statement of disclosure of information to the auditor

Each Director of the Company confirms that, as far as each is aware, there is no relevant audit information of which the Company's auditor is unaware and that each of the Directors has taken all reasonable steps to ascertain any relevant audit information and to ensure the Company's auditor is aware of that information.

### Reappointment of auditors

PKF Littlejohn LLP has indicated their willingness to continue as the auditor of the Group and Company and a resolution regarding their appointment will be proposed at the Annual General Meeting.

### Basis of preparation

The Strategic Report presented in our Annual Report and Accounts for the year ended 31 December 2020 has been prepared in accordance with the Companies Act 2006. In accordance with Section 414C of the Companies Act 2006, the Group is required to provide a fair, balanced and understandable review of the business, including key performance indicators to the extent necessary, and a description of the principal risks and uncertainties facing the Group.

The risk management Section of the Strategic Report describes the principal risks and uncertainties. In preparing this Strategic Report we have considered the Guidance on the Strategic Report as issued by the Financial Reporting Council in July 2018. In addition the Board has also considered the guidelines with respect to alternative performance measures ('APMs') as issued by the European Securities and Markets Authority (ESMA) in October 2015.

Our Board believes that the APMs identified within the Strategic Report are useful for management and stakeholders in assessing the performance of the business during the year, in conjunction with the relevant IFRS results included within the Group's consolidated 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 and company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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 company and of the profit or loss of the group and 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, for the group and company, international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.
- the directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Directors' confirmations**

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group and company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in Governance – Board of Directors confirm that, to the best of their knowledge:

- the group and company financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the group and profit of the company; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the group and company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

By order of the board

**T.U. Michael Sieg**

Chair person

26 May 2022



# Financial statements

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# Independent Auditor's Report to the Members of ThomasLloyd Group Limited

## Opinion

We have audited the financial statements of ThomasLloyd Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group and parent company financial statements, the directors are responsible for assessing the group's and the parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

## Auditor's 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and our knowledge and experience of the sector in which the group operates.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, the financial reporting framework, taxation and employment legislation in each jurisdiction that the group operates. We also considered the supervisory and regulatory requirements of the regulated subsidiaries in the group. The group audit team discussed this assessment with the component auditors so that they could include appropriate audit procedures within their own work..
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:

- discussion with management of any known, or suspected instances, of non-compliance by the company with those laws and regulations;
- discussion with management of any, or suspected, incidence of fraud;
- review of the financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- review and testing of the system of controls established by management to ensure the accuracy of the financial statements.
- Any instances of non-compliance with laws and regulations were communicated by/to component auditors in each jurisdiction and considered in our audit approach.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Ian Cowan (Senior Statutory Auditor)

For and on behalf of  
PKF Littlejohn LLP  
Statutory Auditor  
15 Westferry Circus  
Canary Wharf  
London E14 4HD

26 May 2022

## Consolidated statement of comprehensive income

for the year ended 31 December 2020

€'000s	Notes	2020	2019
<b>Revenue</b>			
Advisory and structuring fees	4	14,497	62,133
Management and performance fees	4	12,244	11,104
Other revenue	4	1,888	1,993
<b>Total revenue</b>		<b>28,629</b>	<b>75,230</b>
<b>Sales, general and administrative expenses</b>			
Sales and distribution expenses		(9,201)	(38,622)
Other income	5a)	–	572
Personnel costs	5b)	(15,934)	(12,328)
General and administrative expenses	5c)	(14,146)	(10,744)
<b>Operating (loss)/profit</b>		<b>(10,652)</b>	<b>14,108</b>
Interest income	6	742	660
Interest expense	6	(2,437)	(2,487)
<b>(Loss)/profit before taxation</b>		<b>(12,347)</b>	<b>12,281</b>
Tax	7	(47)	(4,523)
<b>Total (loss)/profit for the year attributable to equity holders of the parent</b>		<b>(12,394)</b>	<b>7,758</b>
<b>Other comprehensive income</b>			
Items that may be subsequently reclassified to the income statement			
Exchange differences on translation of foreign operations		642	496
Total comprehensive income, net of tax		642	496
<b>Total comprehensive (loss)/profit for the year</b>		<b>(11,752)</b>	<b>8,254</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

## Consolidated statement of financial position

as of 31 December 2020

€'000s	Notes	2020	2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9a)	3,842	402
Right-of-Use assets	9b)	12,195	14,299
Intangible assets	9a)	–	2
Deferred tax assets	9c)	9,022	9,285
Contract assets	8c)	244	673
Loans receivables – shareholder	8b)	56,930	56,396
Loans receivables – related parties	8b)	21,645	21,645
<b>Total non-current assets</b>		<b>103,879</b>	<b>102,702</b>
<b>Current assets</b>			
Trade and other receivables	8d)	3,325	1,410
Contract assets	8c)	181	5
Other receivables – related parties	8e)	25,348	30,322
Equity investments in related parties	8a)	2	2
Financial assets held at FVTPL		135	63
Corporation tax receivable		–	114
Prepayments and other receivables		489	1,376
Cash and cash equivalents	8f)	877	4,710
<b>Total current assets</b>		<b>30,357</b>	<b>38,002</b>
<b>Total assets</b>		<b>134,235</b>	<b>140,704</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		2,053	626
Accruals and other payables	10a)	13,142	20,067
Amounts payable to related parties	10b)	3,785	25,509
Corporate tax payable		488	327
Subordinated bonds	10c)	27,676	33,066
Lease liabilities	9b)	1,118	1,406
<b>Total current liabilities</b>		<b>48,262</b>	<b>81,001</b>
<b>Non-current liabilities</b>			
Amounts payable to related parties	10b)	42,087	–
Subordinated bonds	10c)	2,922	5,540
Lease liabilities	9b)	10,603	12,050
<b>Total non-current liabilities</b>		<b>55,612</b>	<b>17,590</b>
<b>Total liabilities</b>		<b>103,874</b>	<b>98,591</b>
<b>Equity</b>			
Share capital	11	461	461
Currency translation reserve		(9,720)	(10,362)
Retained earnings		39,620	52,014
<b>Total equity</b>		<b>30,361</b>	<b>42,113</b>
<b>Total liabilities and shareholders' equity</b>		<b>134,235</b>	<b>140,704</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Approved by the Board on 26 May 2022

**Thomas Ulf Michael Sieg**

Chairman of the Board of Directors – Company registration number 5034664

## Consolidated statement of changes in equity

for the year ended 31 December 2020

€'000s	Share capital	Currency translation reserve	Retained earnings	Total
<b>Balance as at 1 January 2019</b>	<b>462</b>	<b>(10,858)</b>	<b>43,983</b>	<b>33,587</b>
Change in accounting policy	–	–	267	267
Profit for the financial year	–	–	7,758	7,758
Other comprehensive income	–	496	–	496
2019 Restructuring – cancellation	(6)	–	6	–
2019 Restructuring – issuance	5	–	–	5
<b>Balance as at 31 December 2019</b>	<b>461</b>	<b>(10,362)</b>	<b>52,014</b>	<b>42,113</b>
Loss for the financial year	–	–	(12,394)	(12,394)
Other comprehensive income	–	642	–	642
<b>Balance as at 31 December 2020</b>	<b>461</b>	<b>(9,720)</b>	<b>39,620</b>	<b>30,361</b>

The above consolidated statement of changes in comprehensive income should be read in conjunction with the accompanying notes

## Statement of cash flows

for the year ended 31 December 2020

€'000s	Notes	2020	2019
<b>Cash flows from operating activities</b>			
<b>Operating (loss)/profit for the year</b>		<b>(10,652)</b>	14,108
Adjusted for:			
Depreciation, amortisation and write off assets		1,323	1,263
Foreign exchange losses on intercompany balances		2,059	–
<b>Net changes in operating assets and liabilities</b>		<b>(7,270)</b>	15,371
Movement in trade and other payables, including related parties		14,864	(23,167)
Movement in trade and other receivables, including related parties		3,526	15,314
Taxes paid		(97)	(167)
<b>Net cash flow generated by operating activities</b>		<b>11,023</b>	7,351
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(3,925)	(478)
Purchase of financial assets		(72)	(65)
<b>Net cash flow (used in) investing activities</b>		<b>(3,997)</b>	(543)
<b>Cash flows from financing activities</b>			
Principal elements of lease payments	9b)	(2,123)	(1,001)
Receipt from subordinated bonds issued		135	3,883
Redemption payments		(6,900)	(3,720)
Interest payments		(1,643)	(1,743)
<b>Net cash flow (used in)/generated by financing activities</b>		<b>(10,531)</b>	(2,581)
<b>Cash and cash equivalents at beginning of the year</b>		<b>4,710</b>	483
(Decrease)/increase in cash and cash equivalents		(3,505)	4,227
Foreign exchange		(328)	–
<b>Cash and cash equivalents at the end of the year</b>	8f)	<b>877</b>	4,710

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

# Notes to the consolidated financial statements

## for the year ended 31 December 2020

### 1 Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- The COVID-19 impact and the introduction of the Digital Impact Investment Platform

### 2 Overview and basis of preparation

#### a) Overview

ThomasLloyd Group Limited (the "Company") is a private company incorporated in England and Wales and with investments in subsidiaries and branches situated in Germany, Luxembourg, Switzerland, Austria and the United States of America (together the "Group"). The Company's registered address is 160 Victoria Street, London SW1E 5LB with registered number 5034664

#### b) Objective and purpose of the company

ThomasLloyd Group Limited and its subsidiaries advise other ThomasLloyd related entities on the raising of capital from direct investors, identifies and advises on the acquisition of investments in sustainable real assets and manage and advises on the development, construction and operations of such investments.

#### c) Authorisation of these consolidated financial statements

These financial statements were authorised for issue by the Board of Directors on 26 May 2022.

#### d) Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below and in the relevant notes to these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (i) Basis of preparation and consolidation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at FVTPL. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3 and further detail is provided in the relevant notes to these financial statements.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

##### (ii) Foreign currency translation

The functional currency of the Company is Euro. The results and financial position of foreign operation's (none of which has the currency of a hyperinflationary economy) which have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euro at the foreign exchange rates ruling at the dates the fair value was determined.
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income in the Currency Translation Reserve.

For the years ended 31 December 2020 and 2019, the following rates were utilised:

	2020 Closing	2019 Closing
EUR:CHF	1: 1.0821	1:1.0871
EUR:USD	1:1.2226	1:1.1189
EUR:GBP	1:0.8956	1:0.8521

##### (iii) Standards and amendments to existing standards effective 1 January 2020

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and only the Annual Improvements to IFRS Standards 2018-2020 Cycle have been early adopted in preparing these financial statements. The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

	Adoption date
Definition of Material – Amendments to IAS 1 and IAS 8	1 January 2020
Definition of a Business – Amendments to IFRS 3	1 January 2020
Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2020
Revised Conceptual Framework for Financial Reporting	1 January 2020
Annual Improvements to IFRS Standards 2018-2020 Cycle	1 January 2020

##### (iv) New standards, amendments and interpretations effective after 1 January 2021 and have not been early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods on foreseeable future transactions.

##### (v) Going concern

The consolidated financial statements have been prepared under the going concern basis. The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence. In forming this view, the Directors have considered the Company's and the Group's prospects for a period exceeding 12 months from the approval of these financial statements. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements

### 3 Critical accounting estimates and judgements

The preparation of consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas, involving a higher degree of judgment or complexity and where assumptions and estimates are significant to the financial statements. A summary of such estimates and judgements is set out below with further detail available in the relevant note to these financial statements.

#### Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Impairment of receivables from related parties (note 8b).

#### Critical judgements

- Utilising tax losses (note 7c)
- Determining the lease term (note 9b)

#### 4 Revenue

The Group generates revenue from asset management services, which includes management and performance fees, which are governed by longer-term contracts, transaction fees which are related to the raising of capital and structuring of finance and other advisory services, which includes administrative, distribution and servicing fees. Further description of these revenue streams is provided below.

**Management fees** – Management fees are generated through investment management agreements and are generally based on an agreed percentage of the valuation of assets or capital under management ("AUM"). Management fees are recognised as the service is provided and it is probable that the fee will be collected. Therefore recognition is at a point in time as at 31 December each year.

**Performance fees** – Performance fees are earned from some arrangements when contractually agreed performance levels are exceeded within specified performance measurement periods. They are only recognised where there is deemed to be a low probability of a significant reversal in future periods. Performance fees are typically earned over one year and are recognised at the end of the performance period.

**Transaction fees** – Transaction fees are placement and structuring fees earned on the closing of the related transaction or completion of the performance obligation. Therefore, these are recognised as at a point in time.

**Other fees** – These are services which are delivered over time throughout the year, providing administrative functions to related parties.

€'000s	2020	2019
<b>Revenue</b>		
Transaction fees	14,497	62,133
Management fees	11,776	10,466
Performance fees	468	638
Other fees	1,888	1,993
<b>Total revenue</b>	<b>28,629</b>	<b>75,230</b>

The Group's revenue is derived from the following geographies:

€'000s	2020	2019
<b>Revenue</b>		
UK	8,995	9,508
Europe	18,801	63,358
US	833	1,544
Asia	–	820
<b>Total revenue</b>	<b>28,629</b>	<b>75,230</b>

#### 5 Sales, general and administrative expenses

##### a) Other income

In the year ended 31 December 2019, the Group disposed of its 10% investment in Hugh Johnson Advisors LLC realising a gain of USD0.7 million or €0.5 million.

##### b) Personnel expenses

€'000s	2020	2019
<b>Personnel expenses</b>		
Wages and salaries	13,001	9,320
Social security costs	1,036	1,110
Pension costs – defined contribution plans	677	277
<b>Remuneration expenses</b>	<b>14,714</b>	<b>10,707</b>
Recruitment expenses	406	877
Contractor costs	56	85
Travel and accommodation	452	542
Other	306	117
<b>Other personnel expenses</b>	<b>1,221</b>	<b>1,621</b>
<b>Total personnel expenses</b>	<b>15,934</b>	<b>12,328</b>

Average number of people	2020	2019
<b>By segment</b>		
Asset management	16	12
Wealth management	41	38
Corporate shared services	51	44
<b>Total average employees</b>	<b>108</b>	<b>94</b>
Projects	36	39
Sales distributors and other contractors	10	21
<b>Total average personnel <sup>(1)</sup></b>	<b>154</b>	<b>154</b>

(1) Average personnel includes management at the investment projects and sales distributors who are not employed by the company.

Average number of people	2020	2019
<b>By geography</b>		
UK	12	11
Europe	100	98
US	3	4
Asia	39	41
<b>Total average personnel <sup>(1)</sup></b>	<b>154</b>	<b>154</b>

(1) Average personnel includes management at the investment projects and sales distributors who are not employed by the company.

There was an average of three Directors in the year (2019: 3) with total emoluments paid to Directors of €2.0 million (2019: €1.8 million). The emoluments of the highest paid director were €0.9 million (2019: €0.9 million).

##### c) General and administrative expenses

€'000s	2020	2019
<b>General and administrative expenses</b>		
Rent and office costs	3,670	2,034
Legal and professional fees	3,158	4,052
Marketing and advertising	1,595	2,578
IT expenses	2,390	
Depreciation and amortisation	2,059	1,262
Foreign exchange losses/(gains)	997	466
Write off of fixed assets	–	157
Other general and administrative expenses	278	195
<b>Total general and administrative expenses</b>	<b>14,146</b>	<b>10,744</b>

Of which, fees payable to auditors are as follows:

€'000s	2020	2019
<b>Auditor fees</b>		
Audit of consolidated financial statements	121	90
Audit of subsidiaries – other firms	131	88
Non-audit services	6	6
<b>Total audit and non-audit fees</b>	<b>258</b>	<b>184</b>

**6 Net interest expense**

€'000s	2020	2019
<b>Interest income</b>		
Interest income – related parties	742	660
<b>Total interest income</b>	<b>742</b>	<b>660</b>
<b>Interest expense</b>		
Bank interest expense	–	(42)
Subordinated bonds interest expense	(1,730)	(1,743)
Interest expense – related parties	(297)	(264)
Lease liability	(156)	(59)
Release of deferred commissions	(254)	(379)
<b>Total interest expense</b>	<b>(2,437)</b>	<b>(2,487)</b>
<b>Net interest expense</b>	<b>(1,695)</b>	<b>(1,827)</b>

**7 Taxation**

This note provides an analysis of the group's income tax expense, and shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

The Group is headquartered in the UK and pays taxes according to the rates applicable in the countries and states in which it operates. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax). The charge also includes benefits and charges relating to when income or expenses are recognised in a different period for tax and accounting purposes or specific treatment relating to acquisitions (deferred tax – see note 9c).

**a) Income tax expense**

€'000s	2020	2019
<b>Current tax</b>		
Current tax on (losses)/profits for the year	(215)	964
<b>Total current tax expense</b>	<b>(215)</b>	<b>964</b>
<b>Deferred income tax</b>		
Decrease in deferred tax assets	262	3,559
<b>Total deferred tax expense</b>	<b>262</b>	<b>3,559</b>
<b>Total taxation</b>	<b>47</b>	<b>4,523</b>

**b) Factors affecting the tax charge for the year**

€'000s	2020	2019
<b>(Loss)/profit for the year</b>	<b>(12,347)</b>	<b>12,281</b>
Tax at the UK tax rate of 19% (2019: 19%)	(2,346)	2,333
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Differences in foreign tax rates	131	407
Tax losses created/(utilised)	1,999	(1,776)
Deferred tax change	263	3,559
<b>Total taxation</b>	<b>47</b>	<b>4,523</b>

Following the year end the UK Government announced on 3 March 2021 its intention to increase the UK rate of corporation tax to 25% from 19% from 1 April 2023. This new rate was enacted by Finance Act 2021 on 10 June 2021.

**C) Tax losses**

Unused tax losses for which no deferred tax assets have been recognised amounted to €15.5 million in FY20 (FY19: nil).

**Estimates and judgements – Utilising tax losses.** The calculation of the Group's tax charge involves a degree of estimation and judgement. Liabilities relating to open and judgemental matters, including those in relation to deferred taxes, are based on the Group's assessment of the most likely outcome based on the information available.

As a result, certain tax amounts are based on estimates using factors that are relevant to the specific judgement. The Group engages constructively and transparently with tax authorities with a view to early resolution of any uncertain tax matters. Where the final tax outcome of these matters is different from the amounts provided, such differences will affect the tax charge in a future period. Such estimates are based on assumptions made on the probability of potential challenge within certain jurisdictions and the possible outcome based on relevant facts and circumstances, including local tax laws. There was no individual judgemental component of the tax expense that was material to the Group results when taking into account the likely range of potential outcomes. Amounts recorded within the FY20 tax charge relating to these judgements were not material (FY19: same).

**8 Financial assets**

This note provides information about the group's financial assets, including:

- an overview of all financial assets held by the group;
- specific information about each type of financial asset;
- accounting policies; and
- information about determining the fair value of the financial assets, including judgements and estimation uncertainty involved.

The group holds the following financial instruments:

€'000s	2020	2019
<b>Financial assets</b>		
<b>Financial assets held at fair value through profit or loss ("FVTPL")</b>		
Investments in equity and debt securities of related parties (note 8a)	137	65
<b>Financial assets at amortised cost</b>		
Loans receivables – shareholder (note 8b)	56,930	56,396
Loans receivables – related parties (note 8b)	21,645	21,645
Contract assets (note 8c)	425	678
Trade and other receivables (note 8d)	3,325	1,410
Other receivables – related parties (note 8e)	25,348	30,322
Corporation tax receivable	–	114
Prepayments and other receivables	489	1,376
Cash and cash equivalents (note 8f)	877	4,710
<b>Total financial assets</b>	<b>109,176</b>	<b>116,716</b>

**a) Investments in equity and debt securities of related parties – financial assets held at fair value through profit or loss****Classification – Investments in equities and debt securities**

The Group classifies direct investments in equities and debt securities based on both the business model for managing these financial assets and the contractual cash flow characteristics of these financial assets. The investments in 2020 are equity and debt securities designated as held for trading, as they have been purchased in anticipation of future investment by third parties through the Digital Impact Investment Platform. The portfolio of financial assets is managed and its performance is evaluated on a fair value basis. The Group is expected to realise these at fair value.

The Group has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Groups' direct investments in these debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental. Consequently, these direct investments are measured at fair value through profit or loss.

**Recognition, de-recognition and measurement**

Regular purchases and sales of investments are recognised on the trade date – the date on which the Group commits to purchase or sell the investment. This is generally the settlement date. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value.

**Fair value estimation of direct investments**

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value of financial assets that are in relation to unlisted debt or equity securities, which are not traded in an active market, is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair value of investments held in the Luxembourg funds is based on monthly net asset values prepared and published under IFRS.

The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

€'000s	2020	2019
<b>Investments in equity securities of related parties</b>		
Shares held in ThomasLloyd SICAV	35	11
Shares held in ThomasLloyd Cleantech Infrastructure Fund SICAV	8	8
Shares held in other related parties	2	2
Debt securities held in ThomasLloyd Cleantech Infrastructure (Liechtenstein) AG	92	45
<b>Total Investments in debt and equity securities of related parties</b>	<b>137</b>	<b>65</b>

**b) Loans and receivables – shareholder and related parties**

Loans and receivables represent a Euro denominated loan to the parent entity, being MNA Capital Pte Ltd, and a Euro denominated loan to a related party, CTI Holding Limited.

Assets that are held for the collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, 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 other gains/(losses). Impairment losses are presented as a separate line item in the statement of profit or loss.

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss. Foreign exchange gains and losses are presented in the statement of profit or loss.

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

€'000s	2020	2019
<b>Loans and receivables</b>		
MNA Capital Pte Ltd	56,930	56,396
CTI Holding Limited	21,645	21,645

The loans to the related parties has a loan maturity of twelve months. The Group has no current plans to redeem the loan before this time.

**Critical accounting judgements – Impairment of related party receivables** – The Group reviews annually whether the amounts due from subsidiaries and other related parties should be impaired. This assessment requires significant judgement. In making this judgement the management evaluates, among other factors the financial health of and short-term business outlook for the related party including industry and sector performance and changes in operational and financing cash flows.

In particular the Group has assessed the recoverability of the amounts due from MNA Capital PTE Ltd., the Company's ultimate parent, and the amount due from CT Infrastructure Holding Ltd., the Company's direct shareholder. The carrying amount of the amount due from MNA Capital PTE Ltd. at the balance sheet date is €56.9 million (2019: €55.8 million) and the amount due from CT Infrastructure Holding Ltd. is €21.6 million (2019: €9.2 million). The Directors have reviewed the options available for the repayment of these amounts and have concluded that a direct provision for impairment is not required.

**c) Contract assets**

Prepaid commissions relate to commissions paid in previous years, which are amortised over the period of the investment.

€'000s	2020	2019
<b>Contract assets</b>		
Current	181	5
Non-current assets	244	673
<b>Total contract assets</b>	<b>425</b>	<b>678</b>

**d) Trade and other receivables**

Trade receivables are amounts due from projects or investments for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The Group has €1.4 million of trade receivables, owing from investments in the Philippines. These amounts are generally owing in USD and information in relation to the Group's exposure to credit risk and foreign currency risk can be found in note 12.

**e) Other receivables – related parties**

€'000s	2020	2019
<b>Other receivables – related parties</b>		
ThomasLloyd Cleantech Infrastructure (Czech) a.s.	17	187
ThomasLloyd Cleantech Infrastructure (Liechtenstein) AG	1,325	4,309
ThomasLloyd Holdings Ltd	751	240
CT Infrastructure Holding Ltd	966	–
Cleantech Management GmbH	11	–
Cleantech Treuermögen GmbH	1,259	–
ThomasLloyd SICAV	557	–
Cleantech Infrastrukturgesellschaft GmbH & Co KG ('KG I')	2,963	1,730
Zweite Cleantech Infrastrukturgesellschaft mbH & Co KG ('KG II')	11,812	13,075
Dritte Cleantech Infrastrukturgesellschaft mbH & Co KG ('KG III')	654	1,177
Vierte Cleantech Infrastrukturgesellschaft mbH	–	43
Fünfte Cleantech Infrastrukturgesellschaft mbH & Co KG ('KG V')	5,033	9,561
<b>Other receivables – related parties</b>	<b>25,348</b>	<b>30,322</b>

**f) Cash and cash equivalents**

Cash and cash equivalents includes cash at bank, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

€'000s	2020	2019
Cash and cash equivalents	877	4,710

€'000s	2020	2019
<b>In the following currencies:</b>		
Euro	337	1,683
USD	359	2,828
Swiss franc	118	93
Czech Krona	32	45
British pound	31	61
<b>Cash and cash equivalents</b>	<b>877</b>	<b>4,710</b>

## 9 Non-financial assets

This note provides information about the group's non-financial assets, including:

- specific information about each type of non-financial asset
- property, plant and equipment and intangible assets (note 9a)
- leases (note 9b)–
- deferred tax balances (note 9c)
- accounting policies

### a) Property, plant and equipment and intangible assets

Property, Plant and Equipment include leasehold improvements, fixtures, fittings and office equipment. In addition to assets in use, property, plant and equipment includes assets under construction.

Property, plant and equipment are included at cost. Cost includes costs directly attributable to bringing an asset to working condition for its intended use. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. The Group reviews the carrying amount of plant and equipment when circumstances suggest that the carrying amount may not be recoverable. Recoverability is assessed using estimates of future cash flows on a discounted basis, including revenue, operating costs and restoration costs. Where necessary an impairment is recorded. Any impairment is recorded within administrative expenses.

Depreciation of plant and equipment is calculated on a straight line basis using rates which are designed to write off assets over their estimated useful lives as follows:

- Fixtures, fittings & office equipment – 3 to 10 years straight line.
- Leasehold improvements – the expected term of the lease

Acquired intangible assets with a finite useful life are recognized at cost and amortized over their respective useful lives using the straight-line method. The amortization period for intangible assets is between 3 and 7 years. Any further loss of value is recognized by means of an impairment charge. Impairment losses are reversed in following periods if the reasons for them no longer exist, provided that this does not cause the carrying amounts of the assets to exceed either the amortized cost at which they would have been recognized if the impairment losses had not been recognized or their current recoverable value. The lower of these two amounts is recognized. Intangible assets with indefinite useful lives are not amortized. They are tested for impairment annually, or more often if events or a change in circumstances indicate a possible impairment. Any impairment losses are recognized in administrative expenses.

Assets under construction are assets which are part of an ongoing construction project in relation to leasehold improvements to the Group's headquarters in Switzerland. Assets under construction include all costs incurred to bring the project to its intended use and capitalized values are third party costs. The asset under construction value will be transferred to leasehold improvements when the project has completed and the asset is in use.

€'000s	AUC	Leasehold improvements	Other fixed assets	Intangible assets	Total
<b>Cost</b>					
<b>At 1 January 2019</b>	–	–	1,166	117	<b>1,283</b>
Additions	–	–	478	–	<b>478</b>
Disposals/write offs	–	–	(994)	(112)	<b>(1,106)</b>
Foreign exchange	–	–	–	–	
<b>At 31 December 2019</b>	–	–	650	5	<b>655</b>
Additions	1,294	1,329	1,302	–	<b>3,925</b>
Disposals/write offs	–	–	–	(5)	<b>(5)</b>
Foreign exchange	11	17	3	–	<b>31</b>
At 31 December 2020	1,305	1,340	1,955	–	<b>4,605</b>
<b>Depreciation and amortisation</b>					
<b>At 1 January 2019</b>	–	–	(833)	(113)	<b>(946)</b>
Charge for the year	–	–	(253)	(1)	<b>(254)</b>
Disposals/write offs	–	–	838	111	<b>949</b>
<b>At 31 December 2019</b>	–	–	(248)	(3)	<b>(250)</b>
Charge for the year	–	(80)	(436)	–	<b>(516)</b>
Disposals/write offs	–	–	–	3	<b>3</b>
<b>At 31 December 2020</b>	–	(80)	(684)	–	<b>(764)</b>
<b>Net book value at 31 December 2019</b>	–	–	402	2	<b>404</b>
<b>Net book value at 31 December 2020</b>	1,305	1,266	1,271	–	<b>3,842</b>

Assets under construction relate to leasehold improvements undertaken at the Group's headquarters in Zurich, expanding the current office footprint. The additional office space was utilised from February 2021 and is being depreciated over the leasehold term. Leasehold improvements capitalised during 2020 related to the first phase of the construction and expansion project.

### b) Leases

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

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, for example term, country, currency and security.

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 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. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

Payments associated with short-term leases of property, equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

#### Critical judgement – Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors were considered for determining whether an extension will be utilised:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).and
- other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group leases offices in London, Zurich, Munich, Lausanne, Frankfurt and Stuttgart for periods of more than 12 months. In addition there are additional offices and some office equipment leased on a less than 12 month lease term. Rental contracts are typically made for fixed periods of 6 months to 3 years, but may have extension options as described in below. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

**Amounts recognised in the balance sheet**

€'000s	2020	2019
<b>Right-of-Use assets</b>		
Buildings	12,195	14,299
<b>Total Right-of-Use assets</b>	<b>12,195</b>	14,299
<b>Lease liabilities</b>		
Current	1,118	1,406
Non-current	10,603	12,050
<b>Total lease liabilities</b>	<b>11,721</b>	13,456

**Amounts recognised in the statement of profit or loss**

The statement of profit or loss shows the following amounts relating to leases:

€'000s	2020	2019
<b>Depreciation</b>		
Buildings – depreciation	1,533	1,008
<b>Interest</b>		
Interest expense – lease liability	156	59

**c) Deferred tax assets**

At 31 December 2020 the Group carried deferred tax assets on its balance sheet of €9.0 million (2019: €9.3 million).

The deferred tax asset relates to tax losses carried forwards. The recoverability of the Group's deferred tax assets in respect of carry forward losses is based on an assessment of future levels of taxable profit expected to arise that can be offset against these losses. The Group's expectations as to the level of future taxable profits takes into account the Group's long-term financial and strategic plans, and anticipated future tax adjusting items.

In making this assessment account is taken of business plans, three year detailed trading forecasts and the following future risk factors:

- The expected future economic outlook as set out in the Strategic Report; and
- The availability of these tax losses in each jurisdiction to be offset against future trading profits.

The Group's total deferred tax asset includes €9.0 million (2019: €9.3 million) in respect of trading losses carried forward. The tax losses have arisen in a number of the Group's subsidiaries and will be used as future taxable profits arise in those subsidiaries. The unused tax losses for which a deferred tax asset has been recognised arise in ThomasLloyd Global Asset Management GmbH and ThomasLloyd Global Asset Management (Americas) LLC.

Under current UK and German tax laws unused tax losses have no expiry date. US tax losses are normally available to carry forward for 20 years. However, the Group's losses are expected to be fully utilised by 31 December 2024.

**10 Financial liabilities**

This note provides information about the group's financial instruments, including:

- an overview of all financial instruments held by the Group;
- Accruals and other liabilities (note 10 a);
- Amounts payable to related parties (note 10b);
- Subordinated bonds (note 10 c); and
- accounting policies

All financial liabilities are held at amortised cost and are designated as current if they are payable within 12 months.

**a) Accruals and other liabilities**

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

€'000s	2020	2019
<b>Accruals and other liabilities</b>		
Sales commission accruals	6,702	15,212
Accrued expenses	6,187	4,335
Withholding tax accrual	33	413
Accrued interest	220	107
<b>Total accruals and other liabilities</b>	<b>13,142</b>	20,067

**b) Amounts payable to related parties**

Amounts payable to related parties are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method. These are interest bearing.

€'000s	Type	2020	2019
<b>Amounts payable to related parties – current</b>			
ThomasLloyd Cleantech Infrastructure Holding GmbH	Operating balances	2,031	24,142
MNA Capital Pte Ltd	Operating balances	1,657	1,327
Other various related parties	Operating balances	97	40
Total amounts payable to related parties – current		<b>3,785</b>	25,509
<b>Amounts payable to related parties – non-current</b>			
ThomasLloyd Cleantech Infrastructure Holding GmbH		42,087	–
<b>Total amounts payable to related parties</b>		<b>45,872</b>	25,509

**c) Subordinated bonds**

The subordinated bonds are measured at par value on issuance and then subsequently recognised on an amortised cost basis until extinguished on repayment. The subordinated bonds do not have a final maturity but can be redeemed after the initial holding period has passed subject to termination periods.

€'000s	2020	2019
<b>Subordinated bonds</b>		
Current	27,676	33,066
Non-current	2,922	5,540
<b>Total subordinated bonds</b>	<b>30,598</b>	38,606

Subordinated bonds have been issued by a subsidiary, Cleantech Infrastruktur GmbH. All bonds are issued in Euros

Subordinated bonds are made up as follows:

Type	Interest rate	2020 – amount in €'000s	Current – amount in €	Non-current – amount in €
Fixed rate bonds – 6 month minimum holding period	3.75%	3,480	3,480	
Fixed rate bonds – 12 month minimum holding period	4.15%	3,662	3,662	
Fixed rate bonds – 24 month minimum holding period	4.85%	5,523	5,523	
Fixed rate bonds – 2 year minimum holding period	2.75%	19	19	
Fixed rate bonds – 4 year minimum holding period	3.75%	114	114	
Fixed rate bonds – 8 year minimum holding period	5.00%	991		991
Fixed rate bonds – 1 year minimum holding period	4.15%	6,649	6,649	
Fixed rate bonds – 6 month minimum holding period	3.75%	500	500	
Fixed rate bonds – 2 year minimum holding period	4.85%	9,660	7,729	1,931
<b>Total subordinated bonds</b>		<b>30,598</b>	27,676	2,922

Type	Interest rate	2019 – amount in €'000s	Current – amount in €	Non-current – amount in €
Fixed rate bonds – 6 month minimum holding period	3.75%	4,078	4,078	–
Fixed rate bonds – 12 month minimum holding period	4.15%	4,230	4,230	–
Fixed rate bonds – 24 month minimum holding period	4.85%	6,076	6,076	–
Fixed rate bonds – 2 year minimum holding period	2.75%	49	49	–
Fixed rate bonds – 4 year minimum holding period	3.75%	114	–	114
Fixed rate bonds – 8 year minimum holding period	5.00%	1,704	–	1,704
Fixed rate bonds – 1 year minimum holding period	4.15%	8,818	8,508	310
Fixed rate bonds – 6 month minimum holding period	3.75%	1,700	1,700	–
Fixed rate bonds – 2 year minimum holding period	4.85%	11,837	8,425	3,412
<b>Total subordinated bonds</b>		<b>38,606</b>	33,066	5,540

## 11 Equity

	No. of A shares	€'000s A shares	No. of B shares	€'000s B shares	€'000s Total
<b>At 1 January 2019</b>	390,192,738	390	72,235,269	72	<b>462</b>
Cancelled	(6,296,742)	(6)	–	–	<b>(6)</b>
Issued	–	–	5,011,931	5	<b>5</b>
<b>At 31 December 2019</b>	383,895,996	384	77,247,200	77	<b>461</b>
<b>At 31 December 2020</b>	383,895,996	384	77,247,200	77	<b>461</b>

## 12 Financial risk management

### Financial Risk Factors

The Group's activities expose it to a variety of financial risks through its financial assets and financial liabilities: market risk (including foreign currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the Group's financial performance.

#### a) Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate, because of changes in market prices, market interest rates or change in foreign exchange rates.

The Group has issued a debt security that is not traded in an active market. It therefore has no exposure to the change of market prices.

The Group operates internationally, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Swiss Franc and British Pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group only hedges external currency exposures.

#### b) Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, shareholder loans as well outstanding receivables. The Group assesses the credit quality of the counterparty, taking into account its financial position, past experience and other factors.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

#### c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings, based on the remaining period at the balance sheet date to the contractual maturity date.

Of the €27.1 million subordinated notes classified as current, €4.9 million has been redeemed during the financial year ended 31 December 2021.

€'000s	Less than 1 year	1-3 years	3-5 years	Over 5 years	Total
<b>As at 31 December 2020</b>					
Trade payables	2,053	–	–	–	<b>2,053</b>
Accruals and other payables	13,142	–	–	–	<b>13,142</b>
Amounts payable to related parties	3,785	–	42,087	–	<b>45,872</b>
Corporate tax payable	488	–	–	–	<b>488</b>
Subordinated bonds <sup>(1)</sup>	27,676	2,922	–	–	<b>30,598</b>
Lease liabilities	1,118	10,603	–	–	<b>11,721</b>
<b>Total liabilities</b>	<b>48,262</b>	<b>13,525</b>	<b>42,087</b>	<b>–</b>	<b>103,874</b>

€'000s	Less than 1 year	1-3 years	3-5 years	Over 5 years	Total
<b>As at 31 December 2019</b>					
Trade payables	626	–	–	–	<b>626</b>
Accruals and other payables	20,067	–	–	–	<b>20,067</b>
Amounts payable to related parties	25,509	–	–	–	<b>25,509</b>
Corporate tax payable	327	–	–	–	<b>327</b>
Subordinated bonds <sup>(1)</sup>	33,066	5,540	–	–	<b>38,606</b>
Lease liabilities	1,406	12,050	–	–	<b>13,456</b>
<b>Total liabilities</b>	<b>81,001</b>	<b>17,590</b>	<b>–</b>	<b>–</b>	<b>98,591</b>

(1) The above subordinated bonds have an indefinite maturity. The maturity classification has been determined utilising the contractual minimum holding period for each tranche of bonds issued. The holding periods vary from six months up to 8 years. In practice, the actual holding periods of the bonds have been significantly longer than the contractual periods and instead the average holding periods have been 2-4 years after the right to terminate.

### Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern.

In order to maintain or adjust the capital structure, the Group may adjust any returns to shareholders, the issue of new shares or sell assets to reduce debt. Additionally, in the current market, and with interest rates going forward projected to remain at a low level, the Directors do not expect the trends in low redemption rates to change. Additionally, the subordinated bonds have contractual terms that allow for an extended settlement period of up to six months from the termination date if more than 20% of a bond class is redeemed within a month period, therefore providing protection in relation to liquidity where needed. Additionally, if the repayment of any principal or interest would lead to an insolvency event of the issuer, such repayment would be deferred, and therefore not due under the terms of the bonds, until the issuer is in a position to settle its obligations without causing an insolvency event.

### Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year-end date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Group may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can 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; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 13 Related party transactions

The ultimate parent company is MNA Capital PTE LTD, a company incorporated in Singapore. The ultimate controlling party is Thomas Ulf Michael Sieg by virtue of his 100% holding of the voting shares in MNA Capital PTE LTD.

#### a) Subsidiaries

As at 31 December 2020 and 2019	Country of Incorporation	Share Class	Holding	Indirect holding
ThomasLloyd Global Asset Management GmbH <sup>(1)</sup>	Germany	Ordinary	100%	n/a
ThomasLloyd Global Asset Management (Schweiz) AG <sup>(1)</sup>	Switzerland	Ordinary	100%	n/a
ThomasLloyd Holdings (Americas) LLC <sup>(1)</sup>	USA	Ordinary	100%	n/a
ThomasLloyd Global Asset Management (Americas) LLC	USA	Member	100%	100%
ThomasLloyd Capital LLC	USA	Member	100%	100%
ThomasLloyd Capital Partners S.à r.l.	Luxembourg	Member	100%	100%
Cleantech Infrastructure GmbH <sup>(1)</sup>	Germany	Ordinary	100%	n/a

(1) Represents a direct shareholding

#### b) Transactions with related parties

Revenue earned from related parties during 2020 and 2019 is as follows:

€'000s	Transaction type	2020	2019
ThomasLloyd Cleantech Infrastructure Holding GmbH	Management fees	7,987	9,370
ThomasLloyd SICAV	Management fees	1,144	1,056
ThomasLloyd Cleantech Infrastructure Fund SICAV	Management fees	125	40
ThomasLloyd SICAV	Performance fees	510	638
Various related parties <sup>(1)</sup>	Structuring and advisory fees	14,498	62,133
Various related parties	Other fees	1,887	1,993

(1) Structuring and advisory fees are earned from the entities disclosed in note 8e) being related party entities which issue investment products.

#### c) Amounts receivable and payable from and to related parties

Amounts receivable and payable to related parties are disclosed in note 8e.

### 14 Commitments and contingencies

The Company is party to financial support agreements with its subsidiaries ThomasLloyd Global Asset Management GmbH, ThomasLloyd Global Asset Management (Schweiz) AG, ThomasLloyd Holdings (Americas) LLC and ThomasLloyd Global Asset Management (Americas) LLC. In addition, ThomasLloyd Group Limited provides a binding letter of comfort for Cleantech Infrastruktur GmbH. Cleantech Infrastruktur GmbH is the issuer of certain subordinated bonds.

### 15 Events after the balance sheet date

There have been no reportable events after the balance sheet date, other than as described below:

- On 14 December 2021, a related party of the Company, ThomasLloyd Energy Impact Trust PLC, raised US\$150 million by way of a placing, offer for subscription and intermediaries offer of ordinary shares. ThomasLloyd Energy Impact Trust PLC's shares were admitted to trading on the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's Main Market. As part of the listing process, the Group has entered into an Investment Management Agreement with ThomasLloyd Energy Impact Trust Plc.

### 16 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of ThomasLloyd Group Limited and its subsidiaries.

#### a) Basis of preparation

- Compliance with IFRS – The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and with the Companies Act 2006 as applicable to companies reporting under IFRS.
- Historical cost convention – The financial statements have been prepared on a historical cost basis.
- New and amended standards adopted by the Group – The Group has not applied any new or amended standards which had a significant impact on the Group's results during the annual reporting period commencing 1 January 2020
- New standards and interpretations not yet adopted – Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. None of these are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

- Going concern – The ability of the Group to continue as a going concern is contingent on the ongoing viability of the group. The group meets its day-to-day working capital requirements through its ongoing operations. The current economic conditions continue to create uncertainty, particularly over (a) the level of demand for the group's products, and (b) the recoverability of any related party or parent funding balances.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. Having assessed the principal risks and the other matters discussed in connection with the viability statement, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

#### b) Functional and presentation currency

The financial statements are presented in thousands of Euros, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

#### c) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the UK.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

#### d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### e) Financial Assets

- Classification – The Group classifies its financial assets in the following measurement categories:
  - those to be measured subsequently at fair value (either through OCI or through profit or loss); and
  - those to be measured at amortised cost.
- The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
- For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. The Group reclassifies debt investments when and only when its business model for managing those assets changes.
- Recognition and de-recognition – Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. 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.
- Measurement – 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 profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.
- Impairment – The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### f) Property, plant and equipment

The group's accounting policy for land and buildings is explained in note 9a)

#### g) Trade and other payables

These amounts represent liabilities for services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### h) Subordinated bonds

The fair value of the liability portion of the borrowings is determined using the contractual interest rate. This amount is recorded as a liability on an amortised cost basis until extinguished on repayment.

Borrowings are extinguished when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as other income or finance costs.

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.

#### i) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Euros unless otherwise stated.

## Company statement of financial position

as of 31 December 2020

€'000s	Notes	2020	2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3a)	6	–
Right of use assets	2i)	–	150
Deferred tax assets	3b)	–	263
Contract assets	2b)	244	673
Loans receivables – related parties	2d)	78,575	78,036
Investments in subsidiaries	2a)	30,707	30,707
<b>Total non-current assets</b>		<b>109,532</b>	<b>109,829</b>
<b>Current assets</b>			
Contract assets	2b)	181	5
Other receivables – intercompany	2c)	22	17
Other receivables – related parties	2d)	1,749	245
Prepayments and other receivables		19	26
Cash and cash equivalents	2e)	294	3,422
<b>Total current assets</b>		<b>2,264</b>	<b>3,715</b>
<b>Total assets</b>		<b>111,797</b>	<b>113,544</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accruals and other payables		573	230
Corporation tax payable		325	326
Other payables – intercompany	2f)	25,212	22,177
Other payables – related parties	2g)	1,838	1,421
Subordinated bonds – intercompany	2h)	27,676	33,065
Lease liabilities	2i)	–	146
<b>Total current liabilities</b>		<b>55,624</b>	<b>57,365</b>
<b>Non-current liabilities</b>			
Subordinated bonds – intercompany	2h)	2,922	5,540
<b>Total non-current liabilities</b>		<b>2,922</b>	<b>5,540</b>
<b>Total liabilities</b>		<b>58,546</b>	<b>62,905</b>
<b>Equity</b>			
Share capital	4	461	461
Revaluation reserve		2,683	2,683
Currency translation reserve		(5,850)	(5,850)
Retained earnings – prior period		53,345	47,518
Retained earnings – current year		2,612	5,827
<b>Total equity</b>		<b>53,251</b>	<b>50,639</b>
<b>Total equity and liabilities</b>		<b>111,797</b>	<b>113,544</b>

The above statement of financial position should be read in conjunction with the accompanying notes

Approved by the Board on 26 May 2022

**Thomas Ulf Michael Sieg**

Chairman of the Board of Directors – Company registration number 5034664

## Company statement of changes in equity

for the year ended 31 December 2020

€'000s	Share capital	Revaluation reserve	Currency translation reserve	Retained earnings	Total equity
<b>Balance as at 1 January 2019</b>	<b>462</b>	<b>2,683</b>	<b>(5,850)</b>	<b>47,507</b>	<b>44,802</b>
Change in accounting policy	–	–	–	5	5
Profit for the financial year	–	–	–	5,827	5,827
2019 Restructuring – cancellation	(6)	–	–	6	–
2019 Restructuring – issuance	5	–	–	–	5
<b>Balance as at 31 December 2019</b>	<b>461</b>	<b>2,683</b>	<b>(5,850)</b>	<b>53,345</b>	<b>50,639</b>
Profit for the financial year	–	–	–	2,612	2,612
<b>Balance as at 31 December 2020</b>	<b>461</b>	<b>2,683</b>	<b>(5,850)</b>	<b>55,957</b>	<b>53,251</b>

The above statement of changes in comprehensive income should be read in conjunction with the accompanying notes

## Company statement of cash flows

for the year ended 31 December 2020

€'000s	Notes	2020	2019
<b>Cash flows from operating activities</b>			
<b>Operating profit</b>		<b>4,381</b>	9,117
Adjusted for:			
Depreciation, amortisation and write off of assets		152	342
<b>Working capital movements</b>			
Movement in receivables from subsidiaries or related parties		(2,042)	(625)
Movement in trade and other payables (excluding bonds and interest)		2,943	(3,582)
Tax paid		–	(47)
<b>Net cash flow generated by/(used in) operating activities</b>		<b>5,434</b>	<b>5,205</b>
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		(8)	(4)
Purchase of financial assets		–	–
<b>Net cash flow used in investing activities</b>		<b>(8)</b>	<b>(4)</b>
<b>Cash flows from financing activities</b>			
Interest on right to use asset and rental payments	7	(146)	(339)
Receipt from subordinated bonds issued		135	3,882
Redemption payments		(6,900)	(3,720)
Interest payments		(1,643)	(1,743)
<b>Net cash flow (used in)/generated by financing activities</b>		<b>(8,554)</b>	<b>(1,920)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>3,422</b>	140
(Decrease)/increase in cash and cash equivalents		(3,128)	3,281
<b>Cash and cash equivalents at the end of the year</b>	2e	<b>294</b>	<b>3,422</b>

The above statement of cash flows should be read in conjunction with the accompanying notes

# Notes to the company financial statements

## for the year ended 31 December 2020

### 1 Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- The COVID-19 impact and the introduction of the Digital Wealth Management Platform

### 2 Financial assets and liabilities

This note provides information about the Company's financial instruments, including:

- An overview of all financial instruments held by the Company;
- Specific information about each type of financial instrument;
- Accounting policies; and
- Information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The company holds the following financial instruments:

€'000s	2020	2019
<b>Financial assets</b>		
<b>Financial assets at FVTOCI</b>		
Investments in subsidiaries (note 2a)	30,707	30,707
<b>Financial assets at amortised cost</b>		
Contract assets (note 2b)	425	678
Other receivables – intercompany (note 2c)	22	17
Loans and other receivables – related parties (note 2d)	80,324	78,281
Prepayments	19	26
Cash and cash equivalents (note 2e)	294	3,422
<b>Total financial assets</b>	<b>111,791</b>	<b>113,131</b>
<b>Financial liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Other payables – intercompany (note 2f)	(25,212)	(22,177)
Other payables – related parties (note 2g)	(1,838)	(1,421)
Subordinated bonds – intercompany (note 2h)	(30,599)	(38,605)
Lease liabilities (note 2i)	–	(146)
Accruals and other payables	(572)	(230)
Corporation tax payable	(325)	(325)
<b>Total financial liabilities</b>	<b>(58,546)</b>	<b>(62,905)</b>

#### a) Investments in subsidiaries

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid.

**Impairment** – The investments in subsidiaries are assessed annually to determine if there is any indication that any of the investments might be impaired. If events or changes in circumstances indicate that the carrying amount might not be recoverable, an impairment loss is recognised 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 and value in use.

At 31 December 2020, the Company concluded that there were no indications of impairment.

€'000s	2020	2019
<b>Shares in group undertakings</b>		
Balance as at 1 January and 31 December	30,707	30,707

Details of the Company's subsidiaries are set out in the consolidated financial statements in note 13.

The Company reviews annually whether the investment in subsidiary undertakings should be impaired. This assessment requires significant judgement. In making this judgement the management evaluates, among other factors the financial health of and short-term business outlook for the subsidiary including industry and sector performance and changes in operational and financing cash flows.

#### b) Contract assets

Contract assets relate to commissions on products sold in prior years. The commission expense is reflected as a contract asset in the balance sheet and amortised over the investment period of the related instrument or investment.

Amortisation of the contract asset is reflected within "finance expense" in the statement of comprehensive income.

€'000s	2020	2019
<b>Contract assets</b>		
Current	181	5
Non-current	244	673
<b>Total contract assets</b>	<b>425</b>	<b>678</b>

During 2020, a number of products reached their contractual investment maturity date although this does not reflect terminations of such investments at that date. The contractual investment period ranges from between 8-20 years with the final amortisation expected in 2027.

#### c) Other receivables – intercompany

€'000s	2020	2019
<b>Other receivables – intercompany – non-current</b>		
ThomasLloyd Capital Partners S.a.r.l.	22	17
<b>Total other receivables – intercompany</b>	<b>22</b>	<b>17</b>

All intercompany balances are current and repayable within 12 months.

#### d) Other receivables – related parties

€'000s	2020	2019
MNA Capital Pte Limited	56,930	56,396
CT Infrastructure Holding Limited	21,645	21,640
<b>Other receivables – related parties – non-current</b>	<b>78,575</b>	<b>78,036</b>
<b>Other receivables – related parties</b>		
ThomasLloyd Holdings Limited	751	240
CT Infrastructure Holding Limited	998	5
<b>Other receivables – related parties – current</b>	<b>1,749</b>	<b>245</b>
<b>Total other receivables – related parties</b>	<b>80,324</b>	<b>78,281</b>

The receivable of €56.9 million from the ultimate parent company, MNA Capital PTE Limited, is an interest-bearing loan for at least twelve months. The loan is denominated in Euro and interest accrues at 1% on the receivable balance.

Amounts owing from CT Infrastructure Holding Limited are amounts assumed as part of the 2019 restructuring, to merge two companies into a newly created entity. The receivable is denominated in Euro, is interest bearing and matures after 12 months.

Current receivables from related parties are in relation to operating balances and are repayable on demand.

#### e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in current liabilities in the balance sheet.

€'000s	2020	2019
<b>Cash and cash equivalents</b>		
Euro	1	617
GBP	31	58
USD	262	2,747
<b>Total cash and cash equivalents</b>	<b>294</b>	<b>3,422</b>

**f) Other payables – intercompany**

€'000s	2020	2019
<b>Other payables – intercompany</b>		
ThomasLloyd Global Asset Management (Schweiz) AG	(17,053)	(12,588)
ThomasLloyd Holdings (Americas) LLC	(5,598)	(7,902)
ThomasLloyd Global Asset Management GmbH	(1,416)	(1,416)
Cleantech Infrastruktur GmbH	(1,145)	(271)
<b>Total other payables – intercompany</b>	<b>(25,212)</b>	<b>(22,177)</b>

**g) Other payables – related parties**

€'000s	2020	2019
<b>Other payables – related parties</b>		
ThomasLloyd Cleantech Infrastructure Holding GmbH	(1,838)	(1,421)
<b>Other payables – related parties-current</b>	<b>(1,838)</b>	<b>(1,421)</b>

Other payables owed to related parties represents a €1.8 million loan relating to operating funding received (2019: €1.4 million) which is repayable on demand.

**h) Subordinated bonds – intercompany**

€'000s	2020	2019
<b>Subordinated bonds</b>		
Current	(27,676)	(33,065)
Non-current	(2,922)	(5,540)
<b>Total subordinated bonds – intercompany</b>	<b>(30,598)</b>	<b>(38,605)</b>

Subordinated bonds issued by a subsidiary, Cleantech Infrastruktur GmbH, were novated to the Company at the point of issue so that proceeds were invested in portfolio of renewable energy and infrastructure assets and managed by the Company. The terms and conditions of the novated bonds mirror the terms and conditions of the underlying instruments. See note 10c) to the consolidated accounts for details of the underlying instruments.

**i) Leases**

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing; and
- makes adjustments specific to the lease, for example term, country, currency and security.

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 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. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

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 profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

**Critical judgement – Determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors were considered for determining whether an extension will be utilised:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).and
- other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 1 January 2020, the extension to the London building lease for a further period after May 2020 was not included in the lease liability as it was not reasonably certain that the lease would be extended.

The Company leases one office in London and some office equipment. Rental contracts are typically made for fixed periods of 6 months to 3 years, but may have extension options as described in below. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

**Amounts recognised in the balance sheet**

€'000s	2020	1 January 2020
<b>Right-of-Use assets</b>		
Buildings	–	150
<b>Lease liabilities</b>		
Current	–	146
Non-current	–	–
<b>Total lease liabilities</b>	<b>–</b>	<b>146</b>

**Amounts recognised in the statement of profit or loss**

The statement of profit or loss shows the following amounts relating to leases:

€'000s	2020	2019
<b>Depreciation</b>		
Buildings – depreciation	150	323
<b>Interest</b>		
Interest expense	114	15

### 3 Non financial assets and liabilities

This note provides information about the group's non-financial assets and liabilities, including:

- Specific information about each type of non-financial asset and non-financial liability;
- Property, plant and equipment (note 3a);
- Deferred tax assets (note 3b);
- Accounting policies; and
- Information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

#### a) Property, plant and equipment

Property, plant and equipment is recognised at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

Furniture, fittings and equipment – 3-8 years

IT equipment – 3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

€'000s	2020	2019
<b>Cost</b>		
Balance as at 1 January	–	120
Additions	8	4
Disposals	–	(124)
<b>Balance as at 31 December</b>	<b>8</b>	<b>–</b>
<b>Depreciation</b>		
Balance as at 1 January	–	(105)
Charge for the year	(2)	(7)
Disposals	–	112
<b>Balance as at 31 December</b>	<b>(2)</b>	<b>–</b>
<b>Net book value as at 31 December</b>	<b>6</b>	<b>–</b>

During 2019 the Company undertook a review of older and fully depreciated assets to assess if the assets were still operational. Following this review, assets with a net book value of €11,000 were scrapped and disclosed as a disposal of property, plant and equipment. No disposal proceeds were received.

#### b) Deferred tax assets

The deferred tax assets relate to carried-forward tax losses of the Company. The Company has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary. The losses can be carried forward indefinitely and have no expiry date.

€'000s	2020	2019
<b>Deferred tax assets</b>		
Recoverable within 12 months	–	263
Recoverable after 12 months	–	–
<b>Total deferred tax assets</b>	<b>–</b>	<b>263</b>

€'000s	2020	2019
<b>Deferred tax assets</b>		
Balance as at 1 January	263	1,370
Recoverable after 12 months	(263)	(1,107)
<b>Balance as at 31 December</b>	<b>–</b>	<b>263</b>

### 4 Equity

	No. of A shares	€'000s A shares	No. of B shares	€'000s B shares	€'000s Total
<b>At 1 January 2019</b>	390,192,738	390	72,235,269	72	<b>462</b>
Cancelled	(6,296,742)	(6)	–	–	<b>(6)</b>
Issued	–	–	5,011,931	5	<b>5</b>
<b>At 31 December 2019</b>	<b>383,895,996</b>	<b>384</b>	<b>77,247,200</b>	<b>77</b>	<b>461</b>
<b>At 31 December 2020</b>	<b>383,895,996</b>	<b>384</b>	<b>77,247,200</b>	<b>77</b>	<b>461</b>

### 5 Employee information

€'000s	2020	2019
<b>Employee expenses</b>		
Wages and salaries	2,402	2,162
Social security costs	303	278
Pension costs – defined contribution plans	66	50
<b>Total employee expenses</b>	<b>2,771</b>	<b>2,490</b>

Average number of people	2020	2019
<b>Monthly average (including executive directors) employed</b>		
Asset Management	9	5
Corporate	3	6
<b>Total number of people</b>	<b>12</b>	<b>11</b>

Director remuneration is disclosed in the consolidated financial statements.

### 6 Critical accounting estimates and assumptions

#### a) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Impairment of investments in subsidiaries – see note 2a

#### b) Critical judgements

- Critical judgement – Determining the lease term – see note 3b

### 7 Financial risk management

The Company's exposure to financial risks is managed as part of the group. Full details about the group's exposure to financial risks and how these risks could affect the group's future financial performance are given in note 12 to the consolidated financial statements. Information specific to the Company is given below.

#### a) Credit risk

Credit risk arises from cash balances and contractual cash flows of receivables to related parties carried at amortised cost.

The loan to subsidiary is considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' to be when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

#### b) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due.

The Company could be exposed to cash redemptions of subordinated bonds through its subsidiary. The Company has the ability to borrow in the short term to ensure settlement. No such borrowings have arisen during the year. In order to manage the overall liquidity, the Company also has the ability to withhold redemption requests. Under extraordinary circumstances, the Company has the ability to suspend redemptions if this is deemed to be in the best interest of all shareholders. The Company did not withhold any redemptions or implement any suspension during 2020 and 2019.

## 8 Capital management

The capital of the Company is managed as part of the capital of the Group as a whole. Full details are contained in note 12 to the consolidated financial statements.

## 9 Commitments and contractual obligations

The Company has no off balance sheet commitments at 31 December 2020 other than €43,000 contractual obligations in relation to rental payments, all payable within 12 months.

## 10 Related party transactions

Outstanding balances receivable and payable with related parties are disclosed in notes 2c, 2d, 2f, 2g, and 2h.

## 11 Information included in the notes to the consolidated financial statements

Some of the information included in the notes to the consolidated financial statements is directly relevant to the financial statements of the Company. Please refer to the following:

Note 5(b) – subsidiaries, parent entity and ultimate beneficial owner

Note 13(a) – Directors' remuneration

Note 12 – financial risk management and capital management

Note 15 – events occurring after the period end

Note 5(c) – auditors' remuneration

## 12 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of ThomasLloyd Group limited and its subsidiaries.

### a) Basis of preparation

(i) **Compliance with IFRS** – the financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and with the Companies Act 2006 as applicable to companies reporting under IFRS.

(ii) **Historical cost convention** – the financial statements have been prepared on a historical cost basis.

(iii) **New and amended standards adopted by the Company** – the Company had no material new accounting standards applied in the year beginning 1 January 2020.

(i) **New standards and interpretations not yet adopted** – Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. None of these are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(ii) **Going concern** – The ability of the Company to continue as a going concern is contingent on the ongoing viability of the group. The group meets its day-to-day working capital requirements through its ongoing operations. The current economic conditions continue to create uncertainty, particularly over (a) the level of demand for the group's products, and (b) the recoverability of any related party or parent funding balances.

(iii) The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. Having assessed the principal risks and the other matters discussed in connection with the viability statement, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

### b) Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

### c) Functional and presentation currency

The financial statements are presented in thousands of Euro, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### d) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the UK.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

### e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### f) Financial assets

(i) Classification – The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

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

(iii) For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(iv) Recognition and de-recognition – Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(v) Measurement – At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (fvpl), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fvpl are expensed in profit or loss.

(vi) Impairment – The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### g) Property, plant and equipment

The Company's accounting policy for land and buildings is explained in note 9a)

### h) Leases

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

### i) Trade and other payables

These amounts represent liabilities for services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### j) Borrowings – Related parties

The fair value of the liability portion of the borrowings – related parties is determined using the contractual interest rate. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds.

Borrowings are extinguished when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as other income or finance costs.

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

### k) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Euros unless otherwise stated.

