

Company Number: 5034664

THOMASLLOYD GROUP LIMITED

REPORT OF THE DIRECTORS

STRATEGIC REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

THOMASLLOYD GROUP LIMITED

CONTENTS

| | Page |
|---|-------------|
| Company Information | 1 |
| Report of the Directors | 2 |
| Strategic Report | 3 |
| Report of the Independent Auditors | 7 |
| Consolidated Income Statement | 9 |
| Consolidated Statement of Comprehensive Income | 10 |
| Consolidated Statement of Financial Position | 11 |
| Company Statement of Financial Position | 12 |
| Consolidated Statement of Changes in Equity | 13 |
| Company Statement of Changes in Equity | 14 |
| Consolidated Cash Flow Statement | 15 |
| Company Cash Flow Statement | 16 |
| Notes to the Financial Statements | 17 |

THOMASLLOYD GROUP LIMITED

COMPANY INFORMATION

DIRECTORS:

T. U. Michael Sieg
Anthony M. Coveney
Mike G. Airey

REGISTERED OFFICE:

160 Victoria Street
London
SW1E 5LB

REGISTERED NUMBER:

5034664

AUDITORS:

PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

THOMASLLOYD GROUP LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activities of the Group in the reporting period under review were asset management and merchant banking, dedicated to the sustainable infrastructure sector.

DIRECTORS

The following have served as directors of the company throughout the year:

T.U. Michael Sieg

Anthony M. Coveney

Simon J. Cox (resigned 11 April 2018)

Klaus-Peter Kirschbaum (resigned 31 December 2017)

Michael G. Airey was appointed a director on 23 April 2018.

CHARITABLE AND POLITICAL DONATIONS

No charitable or political donations have been made during the reporting period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors, the Strategic Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the Company as at the end of the financial year and of the profit or loss of the Group for that period. In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether the Financial Statements comply with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group, and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

THOMASLOYD GROUP LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

BUSINESS REVIEW

Message from T.U. Michael Sieg
Chairman of the Board of Directors

2017 was another successful year for the ThomasLloyd Group, producing further solid financial performance and investment strategy. With its ability to manage the whole investment process from identifying appropriate climate investments to their realisation either through commercial operation or divestment, ThomasLloyd Group is one of the leading investment managers globally in sustainable and climate change-related impact investments. More than ever, today the volatile ecological and geopolitical situation requires our economically rational investment commitment. Especially in the emerging markets and developing countries in Asia, which among all regions of the world are making the largest contribution to a social and ecological impact. Therefore, ThomasLloyd Group will continue to expand its presence in this target market and region, vital to the well-being of both the local communities, in which it invests, and the wider global community.

Based on this I am proud to present on behalf of all directors the strategic report for the year ended 31 December 2017.

Development and performance

2017 saw continuing steady growth of the company, combined with its strategy to expand the core team, so as to support further scalability of its successful business model. This is detailed in our “Roadmap 2023” management strategy. Based on the conviction that Asia represents the best opportunity for sustainable infrastructure investments, ThomasLloyd initiated further portfolio expansion in the Philippines, as all three of the biomass plants on Negros are now in full construction phase. Core of our “Roadmap 2023” is the development of two specialist infrastructure clusters, firstly Southeast Asia (including the Philippines, Indonesia, Malaysia, Thailand and Vietnam) and secondly within the Indian Subcontinent (including India, Nepal, Bangladesh and Sri Lanka).

After successfully developing a 202 Megawatt (MW) solar portfolio in the Philippines, the current focus is on completing the three biomass power plants there, with a total of 70 MW, of which the first, as of date of publication, is being commissioned. The project portfolio includes San Carlos BioPower Inc., South Negros BioPower Inc. and North Negros BioPower Inc. As previously disclosed, future refinancing of this portfolio is provided by a long term loan agreement totaling USD 161 million signed in 2016 from the International Finance Corporation (IFC), a member of the World Bank Group, with support from the Government of Canada and the Clean Technology Fund. As part of the planned expansion of the ASEAN cluster until 2023, ThomasLloyd is currently exploring further attractive projects in additional countries in the region.

During the reporting period ThomasLloyd hosted a delegation of more than a 100 European investors and distribution partners to Negros in the Philippines, home to a significant part of the current investment portfolio. During this 7-day tour, the delegation spent time visiting the offices of our local partner, AC Energy Development Inc., part of the Ayala Group, and the Negros investment sites. ThomasLloyd also hosted an investment symposium on the Philippine economy and energy sector, which featured speakers from the delegation of the European Union to the Philippines, the Department of Energy, the Department of Trade & Industry, the Board of Investments and the University of Asia and the Pacific.

THOMASLLOYD GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

capacity in India. ThomasLloyd's investment will initially finance the expansion of this portfolio by a further 190 MW before the end of 2019. These projects benefit from a combination of long-term government and state sector power purchase agreements, as well as some selected private sector contracts. ThomasLloyd will become the largest shareholder in the Company. This first investment in India is from ThomasLloyd Cleantech Infrastructure Holding GmbH, ThomasLloyd Cleantech Infrastructure Fund SICAV and ThomasLloyd SICAV-Sustainable Infrastructure Income Fund.

In line with the "Roadmap 2023" strategy, ThomasLloyd has further expanded the management team since the reporting period. These senior hires include a new Head of Human Resources, a Managing Director Finance, and a Head of Research and Strategy.

Key Performance Indicators

The Board of Directors monitors the general economic development of the company with the help of several Key Performance Indicators (KPIs) showing the relative performance on an year-on-year on-going basis.

| (Thousand Euro) | 2017 | 2016 | 2015 | 2014 | 2013 | CAGR |
|--|----------------|----------------|----------------|----------------|----------------|--------------|
| Capital Managed in Infrastructure (Cml) | 490,691 | 365,421 | 280,275 | 186,863 | 125,109 | |
| Structuring & Placement Fees | 25,837 | 18,842 | 18,630 | 12,081 | 6,935 | 38.9% |
| Management Fees* | 5,515 | 4,876 | 4,412 | 2,198 | 1,613 | 36.0% |
| Performance Fees* | 1,296 | 2,709 | 0 | 6,914 | 7,328 | |
| Transaction & Advisory Fees | 2,663 | 2,085 | 1,375 | 1,332 | 593 | 45.6% |
| Central Administration Fees | 1,099 | 982 | 852 | 732 | 627 | 15.1% |
| Other | 1,710 | 2,164 | 2,186 | 2,947 | 3,386 | |
| Total Revenue | 38,120 | 31,658 | 27,455 | 26,204 | 20,482 | 16.8% |
| Cost of Sales | (17,761) | (13,426) | (12,370) | (10,121) | (6,692) | 27.6% |
| Gross Profit | 20,359 | 18,232 | 15,085 | 16,083 | 13,790 | 10.2% |
| Administrative Cost | (13,675) | (13,280) | (11,010) | (6,251) | (14,027) | -0.63% |
| Operating Result (EBIT) | 6,684 | 4,952 | 4,075 | 9,832 | (237) | |
| Net Result** | 3,455 | 2,408 | 1,462 | 5,710 | 2,030 | 14.2% |
| EBIT Ratio*** | 17.5% | 15.6% | 14.8% | 37.5% | -1.2% | |
| Cost Income Ratio**** | 67.2% | 72.8% | 73.0% | 38.9% | 101.7% | |
| Equity Ratio***** | 30% | 29% | 22% | 28% | 34% | |

* In 2016 the base for the calculation of management and performance fees was changed to IFRS. This methodology was also applied retroactively for the preceding years. In the accounts the effect was completely recognized in the year 2016. For the purpose of this table the effect was allocated to the corresponding years.

** Net Result according IFRS was adjusted by the effect described at * and a lump-sum tax effect of 25%.

*** EBIT / Total Revenue

**** Administrative Cost / Gross Profit

THOMASLLOYD GROUP LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The equity position with an equity ratio of 30% is solid and represents the conservative use of capital at ThomasLloyd.

The ability of ThomasLloyd to convert the accelerating market trend of sustainable infrastructure investments into business opportunities and a continuously growing track record of successful investments is shown by the solid increase of capital managed in infrastructure and the corresponding build-up of turnover in fees, commissions and advisory income.

At the same time, ThomasLloyd was able to widen and diversify its client base geographically and by type with a constantly growing on boarding of new clients. This steady trend was supported by an expanded network of distribution partners without dependencies on single sales channels.

Financial position

The Group has currently no outstanding bank loans but has issued a number of subordinated bonds to term investors with minimum holding periods between six months and 8 years. ThomasLloyd employs an investment model which targets conservative use of funds by structuring capital maturities in alignment with the timelines and covenants of the investment projects.

Legal proceedings

The company is currently in litigation with the Bank of the Philippine Islands over a disputed investment banking fee. The claim is not material and is subject to on-going legal proceedings. The Directors are not aware of any other legal proceedings or other material conditions that may impact on the Group's ability to continue to undertake its principal activities.

Going Concern

On the basis of conducted enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

Outlook

On the basis of the made investments in terms of additional infrastructure investment platforms in Asia and with the support of a strengthened organization and technological landscape the board is fully confident that the company is not only able to continue the set growth path but to accelerate the profitable development.

Dividends

No dividends will be distributed for the year ended 31 December 2017 (2016: € Nil).

RISK AND UNCERTAINTIES

The risks inherent in the Group's activities are kept under constant review by the Board. The Group operates as an adviser in both merchant banking and asset management. In the first activity, the Group acts solely as an adviser. The Group does not underwrite, but raises capital for clients on a 'best efforts' basis. It provides advice from an entity regulated by FINRA and the SEC in New York. The asset management group structures, places, manages and administers its own investment products. The Group does not hold client monies in either business.

THOMASLLOYD GROUP LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Financial risks are managed through a segregation of roles and responsibilities, so that front office and back office as well as Finance and Treasury have a separate reporting line directly to the CEO. ICS standards as for example four eyes principle and documentation of order and release processes are part of our processes. In a privately owned Group of this size, the directors do not feel it necessary to split the top management role.

The Group's reporting currency is Euros and it only hedges external currency exposure. The Group is therefore exposed to currency fluctuations between the Euro and local currencies of the companies within the Group, being GB Pounds, US Dollars, Swiss Francs and Czech Korunas.

The Group maintains tight financial and budgetary control to keep its operations cost effective to mitigate these financial risks.

ON BEHALF OF THE BOARD:



**Anthony M. Coveney
Director**

14. November 2018

REPORT OF THE INDEPENDENT AUDITORS 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 2017 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 2017 and of the group's and parent company's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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 provide any assurance over it. In connection with the audit of the

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THOMASLOYD GROUP LIMITED

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 report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors 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 report of the directors.

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 directors' responsibilities statement, 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.

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. This description forms part of our auditor's

THOMASLLOYD GROUP LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

| | Notes | 2017 EUR | 2016 EUR |
|---|-------|--------------|--------------|
| Continuing operations | | | |
| Revenue | | 38,119,710 | 38,985,790 |
| Cost of sales | | (17,760,651) | (13,426,303) |
| Gross profit | | 20,359,059 | 25,559,487 |
| Administrative expenses | | (13,674,741) | (13,279,062) |
| Operating profit | 7 | 6,684,318 | 12,280,425 |
| Finance income | | 565,163 | 453,162 |
| Interest payable | 8 | (1,454,257) | (1,571,854) |
| Losses on financial assets | | 0 | 0 |
| Other finance related costs | 9 | (532,746) | (710,646) |
| Profit before tax expense | | 5,262,478 | 10,451,087 |
| Income tax (charge)/credit | 10 | (1,807,623) | (2,547,539) |
| Total Profit for the year | | 3,454,855 | 7,903,548 |
| Non-Controlling Interest | | 0 | 0 |
| Total Profit for the year attributable to Equity holders of the Parent | | 3,454,855 | 7,903,548 |

THOMASLLOYD GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

| | 2017 EUR | 2016 EUR |
|--|------------------|------------------|
| Total income for the year | | |
| Attributable to Equity holders of the Parent | 3,454,855 | 7,903,548 |
| Non-Controlling Interest | 0 | 0 |
| | <hr/> | <hr/> |
| | 3,454,855 | 7,903,548 |
| Other Comprehensive income | | |
| Currency translation differences | 663,921 | (289,065) |
| | <hr/> | <hr/> |
| | 4,118,776 | 7,614,483 |
| Total Comprehensive Income for the year | | |
| Attributable to Equity holders of the Parent | 4,118,776 | 7,614,483 |
| Non-Controlling Interest | 0 | 0 |
| | <hr/> | <hr/> |
| | <u>4,118,776</u> | <u>7,614,483</u> |

THOMASLLOYD GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

| | Notes | 31.12.2017 EUR | 31.12.2016 EUR |
|--------------------------------------|-------|-------------------|-------------------|
| Non-Current Assets | | | |
| Property, plant and equipment | 12 | 126,553 | 110,030 |
| Intangible assets | 13 | 6,175 | 11,410 |
| Trade and other receivables | 17 | 56,328,784 | 49,766,674 |
| Deferred income tax | 16 | 13,381,284 | 15,071,473 |
| Financial assets | 14 | <u>327,165</u> | <u>303,715</u> |
| | | 70,169,961 | 65,263,302 |
| Current Assets | | | |
| Trade and other receivables | 17 | 21,775,977 | 15,938,490 |
| Cash and cash equivalents | | <u>1,458,850</u> | <u>772,728</u> |
| | | 23,234,827 | 16,711,218 |
| Non-Current Liabilities | | | |
| Loans | 15 | 0 | 0 |
| Subordinated bonds | 15 | <u>1,704,000</u> | <u>1,704,000</u> |
| | | 1,704,000 | 1,704,000 |
| Current Liabilities | | | |
| Subordinated bonds | 15 | 28,825,120 | 25,882,850 |
| Trade and other payables | 18 | 34,529,018 | 30,221,057 |
| Tax liabilities | 18 | <u>92,772</u> | <u>31,511</u> |
| | | 63,446,910 | 56,135,418 |
| Total Assets less Liabilities | | <u>28,253,878</u> | <u>24,135,102</u> |
| Shareholders' Equity | | | |
| Ordinary shares | 20 | 62,064,953 | 62,064,953 |
| Preference shares | 20 | <u>32,000,000</u> | <u>32,000,000</u> |
| | | 94,064,953 | 94,064,953 |
| Currency translation reserve | | (10,321,075) | (10,984,996) |
| Retained earnings | | (55,490,000) | (58,944,855) |
| Total Shareholders' Equity | | <u>28,253,878</u> | <u>24,135,102</u> |

APPROVED BY THE BOARD ON 14. NOVEMBER 2018

Dee

THOMASLLOYD GROUP LIMITED

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

| | Notes | 31.12.2017 EUR | 31.12.2016 EUR |
|--------------------------------------|-------|-------------------|-------------------|
| Non-Current Assets | | | |
| Property, plant and equipment | 12 | 18,882 | 14,535 |
| Trade and other receivables | 17 | 56,328,784 | 49,766,674 |
| Deferred income tax | 16 | 1,943,255 | 2,192,473 |
| Financial assets | 14 | 30,707,289 | 30,707,289 |
| | | <u>88,998,210</u> | <u>82,680,971</u> |
| Current Assets | | | |
| Trade and other receivables | 17 | 17,273,988 | 19,158,478 |
| Cash and cash equivalents | | 782,854 | 34,200 |
| | | <u>18,056,842</u> | <u>19,192,678</u> |
| Non-Current Liabilities | | | |
| Loans | 15 | 0 | 0 |
| Trade and other payables | 15 | 1,704,000 | 1,704,000 |
| | | <u>1,704,000</u> | <u>1,704,000</u> |
| Current Liabilities | | | |
| Trade and other payables | 18 | 61,963,116 | 60,648,388 |
| | | <u>61,963,116</u> | <u>60,648,388</u> |
| Total Assets less Liabilities | | <u>43,387,936</u> | <u>39,521,261</u> |
| Shareholders' Equity | | | |
| Ordinary shares | 20 | 62,064,953 | 62,064,953 |
| Preference shares | 20 | 32,000,000 | 32,000,000 |
| Revaluation reserve | | 2,683,093 | 2,683,093 |
| | | <u>96,748,046</u> | <u>96,748,046</u> |
| Currency translation reserve | | (5,850,243) | (5,850,243) |
| Retained earnings | | (47,509,867) | (51,376,542) |
| Total Shareholders' Equity | | <u>43,387,936</u> | <u>39,521,261</u> |

The profit for the year in the parent company was € 3,866,675 (2016: € 4,908,222)

APPROVED BY THE BOARD ON 14. NOVEMBER 2018

THOMASLLOYD GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

| | Share Capital EUR | Currency Translation Reserve EUR | Retained Earnings EUR | Total Equity EUR |
|--|-------------------------|---|-----------------------------|------------------------|
| As at 1 January 2016 | 93,654,953 | (10,695,931) | (66,848,403) | 16,110,619 |
| Issue of Share Capital | 410,000 | 0 | 0 | 410,000 |
| Total Comprehensive Income for the year | 0 | (289,065) | 7,903,548 | 7,614,483 |
| As at 31 December 2016 | 94,064,953 | (10,984,996) | (58,944,855) | 24,135,102 |
| Total Comprehensive income for the year | 0 | 663,921 | 3,454,855 | 4,118,776 |
| As at 31 December 2017 | 94,064,953 | (10,321,075) | (55,490,000) | 28,253,878 |

THOMASLLOYD GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR TO 31 DECEMBER 2017

| | Share Capital EUR | Currency Translation Reserve EUR | Revaluation Reserve EUR | Retained Earnings EUR | Total Equity EUR |
|--|-------------------------|---|-------------------------------|-----------------------------|------------------------|
| As at 1 January 2016 | 93,654,953 | (5,850,243) | 2,683,093 | (56,284,764) | 34,203,039 |
| Issue of Share Capital | 410,000 | 0 | 0 | 0 | 410,000 |
| Total Comprehensive Income for the year | 0 | 0 | 0 | 4,908,222 | 4,908,222 |
| As at 31 December 2016 | 94,064,953 | (5,850,243) | 2,683,093 | (51,376,542) | 39,521,261 |
| Total Comprehensive Income for the year | 0 | 0 | 0 | 3,866,675 | 3,866,675 |
| As at 31 December 2017 | 94,064,953 | (5,850,243) | 2,683,093 | (47,509,867) | 43,387,936 |

THOMASLLOYD GROUP LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | 2017 | 2016 |
|---|--------------------|--------------------|
| | EUR | EUR |
| 1 Cash flow from operating activities | | |
| Net profit before interest | 4,343,949 | 9,022,240 |
| Interest receivable | 565,163 | 453,162 |
| Interest payable | (1,454,257) | (1,571,854) |
| Depreciation charges | 77,815 | 126,222 |
| Amortization charges | 5,033 | 4,415 |
| Sale of Property, Plant and Equipment | 1,967 | (217) |
| Foreign currency differences | 667,075 | (289,097) |
| Change in Working Capital: | | |
| Change in Receivables and Prepayments | (12,399,597) | (12,591,912) |
| Change in Payables | 4,425,395 | 5,601,622 |
| Decrease in Deferred Taxes | 1,690,189 | 2,488,805 |
| Taxes paid | (56,173) | 0 |
| | <hr/> | <hr/> |
| Net cash flow from operating activities | (2,133,441) | 3,243,386 |
| | <hr/> | <hr/> |
| 2 Cash flow from investing activities | | |
| Purchase of property, plant & equipment | (99,440) | (53,546) |
| Purchase of intangibles | 0 | (6,595) |
| Purchase of financial assets | (23,267) | (31,315) |
| Receipt/(Repayment) of loans | 0 | (4,333,581) |
| | <hr/> | <hr/> |
| Net cash flows from investing activities | (122,707) | (4,425,037) |
| | <hr/> | <hr/> |
| 3 Cash flow from financing activities | | |
| Proceeds from issue of ordinary share capital | 0 | 410,000 |
| Proceeds from issuance of subordinated bonds | 2,942,270 | 4,072,500 |
| Repayment of subordinated bonds | 0 | (4,330,000) |
| | <hr/> | <hr/> |
| Net cash flows from financing activities | 2,942,270 | 152,500 |
| | <hr/> | <hr/> |

THOMASLLOYD GROUP LIMITED

**COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | 2017 | 2016 |
|---|-----------------|--------------------|
| | EUR | EUR |
| 1 Cash flow from operating activities | | |
| Net profit/(loss) | 4,870,108 | 6,038,532 |
| Interest receivable | 692,024 | 620,224 |
| Interest payable | (1,695,457) | (1,750,534) |
| Depreciation charges | 14,101 | 13,768 |
| Change in Working Capital: | | |
| Change in Receivables and Prepayments | (4,677,620) | (8,627,322) |
| Change in Payables | 1,314,728 | 5,490,723 |
| Decrease in Deferred Taxes | 249,218 | 1,227,056 |
| | <hr/> | <hr/> |
| Net cash flow from operating activities | 767,102 | 3,012,447 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 2 Cash flow from investing activities | | |
| Purchase of property, plant & equipment | (18,448) | (6,679) |
| Repayment of loans | 0 | (4,333,581) |
| | <hr/> | <hr/> |
| Net cash flows from investing activities | (18,448) | (4,340,260) |
| | <hr/> <hr/> | <hr/> <hr/> |
| 3 Cash flow from financing activities | | |
| Proceeds from issue of ordinary share capital | 0 | 410,000 |
| | <hr/> | <hr/> |
| Net cash flows from financing activities | 0 | 410,000 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 4 Analysis of changes in cash at bank | | |
| Increase/(decrease) in cash in the period | 748,654 | (917,813) |
| Cash of the beginning of the year | 34,200 | 952,013 |
| | <hr/> | <hr/> |
| Cash of the end of the year | 782,854 | 34,200 |

THOMASLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

ThomasLloyd Group Limited is a private company incorporated in England and Wales and with subsidiaries and affiliates in Germany, Luxembourg, Switzerland, Austria, Czech Republic, Philippines, Singapore and the United States of America.

2. ACCOUNTING POLICIES

The principal accounting policies are summarised below.

Basis of preparation

The Group's consolidated financial statements are prepared on a going concern basis and in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations (IFRS as adopted by the EU) and the parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial investments, and financial assets and financial liabilities at fair value through profit and loss.

These consolidated financial statements are presented in Euros which is the Group's functional currency.

Standards, amendments and interpretations effective in 2017

(a) New standards, amendments and interpretations adopted by the Group:

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2017 have had a material impact on the group or parent company.

(b) New standards, amendments and interpretations not yet adopted:

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the

THOMASLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

IFRS 16 "Leases" specifies how an IFRS reporter will recognise, measure, prepare and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor IAS 17. The standard replaces IAS 17 'Leases' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 'Revenue from contracts with customers' has also been applied (subject to EU endorsement). The changes will result in a lease obligation, similar in magnitude to that disclosed in note 19, being recognised on the group balance sheet along with a corresponding "right-to-use" asset. There is not expected to be a significant impact on profit or loss.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Basis of consolidation

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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

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

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are recorded as a debit to non-controlling interest regardless of whether there is an obligation on the part of the holders of non-controlling interests for losses.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of acquisition) of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to the business combination are charged to the income statement. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Revised Business Combinations are recognised at their fair values at the acquisition date.

The interest of non-controlling shareholders in the acquiree is initially measured as the non-controlling shareholders

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Revenue consists primarily of commissions and fees arising from services rendered in conjunction with the placement, management and administration of investment products where the Group actively manages the consideration received from its clients. At the outset of the contract the Group receives upfront sales commissions which are charged to the client directly. Further recurring fees are charged to the client periodically by making a deduction from invested funds. These include performance fees which are recognised when the contractual right to collect such fees is established, but only to the extent that a reliable estimate of the amount due can be made.

b) Income from Merchant banking

Merchant banking revenue is recorded upon the close of the related transaction.

Property, plant and equipment

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 revenues, operating costs and restoration costs. Where necessary an impairment is recorded. Any impairment is recorded within administrative expenses.

Depreciation

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.

Intangible Assets

Acquired intangible assets with a finite useful life are recognized at cost and amortized over 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.

The Company's investments in subsidiaries

In its separate financial statements the company recognises its investments in subsidiaries at the directors' estimate of their market value. Surpluses on the revaluation of the Company's investments in its subsidiaries are taken to a separate, non-distributable, revaluation reserve in equity.

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The carrying amount for deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

The functional currencies of the Group and Company are Euros.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (the 'functional currency') are recorded at rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date.

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 Euros at the foreign exchange rates ruling at the dates the fair value was determined.

On consolidation, the results of the operations are translated into the presentation currency at average rates approximating to those ruling when the transaction took place. All assets and liabilities of foreign operations are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at the opening rate and the results of operations at actual rate are recognised directly in equity (the 'Currency Translation Reserve').

Cash and cash equivalents

Cash consists of cash on hand and cash held on current account or on short term deposits with an original maturity of 3 months or less at variable interest rates.

Financial assets

a) Classification

The Group classifies its financial assets in the following categories: Financial Assets at Fair Value through Profit or Loss, Loans and Receivables and Available-for-Sale Financial Assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise Trade and Other Receivables and Cash and Cash Equivalents in the Statement of Financial Position.

(iii) Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period.

b) Recognition and Measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchasing or selling the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost. Amortised cost is established using a number of techniques including the effective interest method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the Income Statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the Income Statement when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Income Statement as "gains and losses from investment securities".

Interest receivable on available-for-sale securities is recognised in the Income Statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the Income Statement when the Group's right to receive payments is established.

c) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

current market assessments of the time value of money as well as the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of the impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. However, impairment losses relating to goodwill may not be reversed.

Financial liabilities

Borrowings are recognised initially at fair value. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method.

Preference shares

Preference A, B and C shares are classified as equity because (1) they are not puttable by the holders, (2) they have no fixed maturity date and (3) dividend payments are dependent on profits.

Operating leases

Rentals charged under operating leases are recognised in the income statement on a straight line basis over the lease term.

Going concern

The consolidated financial statements have been prepared under the going concern basis. The directors consider this basis to be appropriate for the reasons set out below.

The Board have considered profit projections and cash flow requirements for a period of twelve months from the date of approval of these financial statements. These demonstrate the ability of the group to meet its debts as they fall due.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

b) Recoverability of deferred tax assets

At 31 December 2017 the Group carried deferred tax assets on its balance sheet of €13.4m (2016: €15.1m) (Note 16). Note 16 presents the Group's deferred tax assets by type.

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 €13.4m (2016: €15.1m) in respect of trading losses carried forward. The tax losses have arisen in individual legal entities and will be used as future taxable profits arise in those legal entities, though substantially all of the unused tax losses for which a deferred tax asset has been recognised arise in ThomasLloyd Global Asset Management GmbH, ThomasLloyd Group Limited and ThomasLloyd Global Asset Management (Americas) LLC. The deferred tax asset is expected to be utilised over different time periods in each of the entities in which the losses arise.

The taxation returns of the Group's US subsidiaries have been brought up to date with a number of filings with the US tax authorities. As of 31 December 2017 deferred tax assets of €4.6 million have been recognized for these losses. The use of these losses is subject to any potential review by the US tax authorities.

Under current UK and German tax law there is no expiry date for unused tax losses. US tax losses are normally available to carry forward for 20 years. However, the losses are still expected to be fully utilised by 31 December 2022.

4. 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 changes in foreign exchange rates.

THOMASLLOYD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

Analysis by Maturity Date

| | Less than 1 Year EUR | Between 1 and 2 Years EUR | Between 2 and 5 Years EUR | Over 5 Years EUR | Total EUR |
|--------------------------------------|-------------------------------------|--|--|---------------------------------|----------------------|
| <i>As at 31 December 2017</i> | | | | | |
| Subordinated bonds | 28,825,120 | 0 | 1,704,000 | 0 | 30,529,120 |
| Trade and other payables | 34,529,018 | 0 | 0 | 0 | 34,529,018 |
| Tax liabilities | 92,772 | 0 | 0 | 0 | 92,772 |
| Total | 63,446,910 | 0 | 1,704,000 | 0 | 65,150,910 |
| <i>As at 31 December 2016</i> | | | | | |
| Subordinated bonds | 25,882,850 | 0 | 1,704,000 | 0 | 27,586,850 |
| Trade and other payables | 30,221,056 | 0 | 0 | 0 | 30,221,056 |
| Tax liabilities | 31,511 | 0 | 0 | 0 | 31,511 |
| Total | 56,135,417 | 0 | 1,704,000 | 0 | 57,839,417 |

Capital management

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

THOMASLLOYD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. PARTICULARS OF STAFF

Staff remuneration

| | 31.12.17 | 31.12.16 |
|-----------------------|-----------------|-----------------|
| | EUR | EUR |
| Group | | |
| Wages and salaries | 6,045,405 | 5,069,063 |
| Social security costs | 444,484 | 393,147 |
| | 6,489,889 | 5,462,210 |

Staff breakdown

| | 31.12.17 | 31.12.16 |
|------------------------------------|-----------------|-----------------|
| | Number | Number |
| Group | | |
| Investment business and management | 54 | 50 |
| Administration | 22 | 20 |
| Directors | 4 | 4 |
| | 80 | 74 |

| | 31.12.17 | 31.12.16 |
|---|-----------------|-----------------|
| | Number | Number |
| Full time equivalent staff on a consulting basis | | |
| Investment business and management | 145 | 125 |
| Administration | 0 | 0 |
| Directors | 0 | 0 |
| | 145 | 125 |

Directors Remuneration

The total emoluments paid to the Directors amounted to €2,478,693 (2016: €2,403,192). The emoluments of the highest paid director were €900,000 (2016: €900,000).

7. EXPENSES

THOMASLLOYD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | 31.12.17 | 31.12.16 |
|--|------------------|------------------|
| | EUR | EUR |
| Interest on debt securities (subordinated bonds) and loans | 1,234,990 | 1,327,530 |
| Other interest | 219,267 | 244,324 |
| | <u>1,454,257</u> | <u>1,571,854</u> |

9. OTHER FINANCE RELATED COSTS

| | 31.12.17 | 31.12.16 |
|-----------------------------|-----------------|-----------------|
| | EUR | EUR |
| Amortization of prepayments | 532,746 | 710,646 |
| | <u>532,746</u> | <u>710,646</u> |

The prepayments relate to commissions paid in previous years.

The capitalized prepayments recognized on the statement of financial position amount to:

| | 31.12.17 | 31.12.16 |
|---|------------------|------------------|
| | EUR | EUR |
| Trade and other receivables non-current | 1,056,569 | 1,362,033 |
| Trade and other receivables current | 283,654 | 510,936 |
| | <u>1,340,223</u> | <u>1,872,969</u> |

THOMASLLOYD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. TAXATION

| | 31.12.17 | 31.12.16 |
|--|------------------|------------------|
| | EUR | EUR |
| Current tax | 117,434 | 58,735 |
| Deferred tax – origination and reversal of temporary differences | 946,266 | 2,488,804 |
| Deferred tax – Impact of change in Tax rates | 743,923 | 0 |
| | <hr/> | <hr/> |
| Income tax | 1,807,623 | 2,547,539 |
| | <hr/> | <hr/> |
| Reconciliation | | |
| Income before taxation | 5,262,478 | 10,451,087 |
| Tax expense at 23.1% (31.12.16: 23.1%) | <hr/> 1,215,632 | <hr/> 2,414,201 |
| Factors affecting the tax charge: | | |
| Losses (utilised)/carried forward | (151,932) | 133,338 |
| Deferred tax – Impact of change in Tax rates | 743,923 | 0 |
| | <hr/> | <hr/> |
| | 1,807,623 | 2,547,539 |
| | <hr/> | <hr/> |

The weighted average applicable tax rate is 23.1% (2016: 23.1%).

Deferred tax assets as of 31 December 2017 only relate to tax loss carry-forwards. In determining the amount of deferred tax assets, the Group uses forecasts based upon business plans, available tax planning opportunities and other relevant considerations. The deferred tax assets are in respect of tax carry-forwards amounting to approximately €10.2m (2016: €11.0m) in the UK, €21.4m (trade tax)/€23.0m (corporate income tax) (2016: both €23.6m) in Germany and €16.4m (2016: €17.8m) in the United States. The tax rates used are 18-19% (2016: 20%) in the UK, 31% (2016: 29%) in Germany and 28% (2016: 34%) in the US respectively.

The applied accounting estimates and judgements are described in Note 3.b.

11. RESULT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment includes fixtures, fittings and office equipment.

| | 2017 | | 2016 | |
|-----------------------|--------------|----------------|--------------|----------------|
| | Group EUR | Company EUR | Group EUR | Company EUR |
| <u>Cost</u> | | | | |
| At 1 January | 735,190 | 93,232 | 681,427 | 86,554 |
| Additions | 99,440 | 18,448 | 53,546 | 6,678 |
| Disposals | -1,967 | 0 | 0 | 0 |
| FX effects | -3,246 | 0 | 217 | 0 |
| At 31 December | 829,417 | 111,680 | 735,190 | 93,232 |
| <u>Depreciation</u> | | | | |
| At 1 January | 625,160 | 78,697 | 554,582 | 64,929 |
| Charge for the year | 77,704 | 14,101 | 70,578 | 13,768 |
| Disposals | 0 | 0 | 0 | 0 |
| At 31 December | 702,864 | 92,798 | 625,160 | 78,697 |
| <u>Net book value</u> | | | | |
| At 1 January | 110,030 | 14,535 | 126,845 | 21,625 |
| At 31 December | 126,553 | 18,882 | 110,030 | 14,535 |

13. INTANGIBLE ASSETS

Intangible Assets includes franchises, trademarks, patents and similar rights (EDP-Software).

| | 2017 | | 2016 | |
|----------------|--------------|----------------|--------------|----------------|
| | Group EUR | Company EUR | Group EUR | Company EUR |
| <u>Cost</u> | | | | |
| At 1 January | 290,921 | 0 | 284,295 | 0 |
| Additions | 0 | 0 | 6,595 | 0 |
| Disposals | 0 | 0 | 0 | 0 |
| FX effects | -202 | 0 | 31 | 0 |
| At 31 December | 290,719 | 0 | 290,921 | 0 |

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

14. FINANCIAL ASSETS

| Financial instruments by Category Group | Loans and Receivables EUR | Assets at Fair Value Through Profit or Loss EUR | Available For-Sale EUR | Total EUR |
|--|--------------------------------------|--|-----------------------------------|----------------------|
| <u>As at 31 December 2017</u> | | | | |
| Financial Assets | 0 | 0 | 327,165 | 327,165 |
| Trade and other receivables | 76,764,538 | 0 | 0 | 76,764,538 |
| Cash and cash equivalents | 1,458,850 | 0 | 0 | 1,458,850 |
| Total | 78,223,388 | 0 | 327,165 | 78,550,553 |
| <u>As at 31 December 2016</u> | | | | |
| Financial Assets | 0 | 0 | 303,715 | 303,715 |
| Trade and other receivables | 63,832,194 | 0 | 0 | 63,832,194 |
| Cash and cash equivalents | 772,728 | 0 | 0 | 772,728 |
| Total | 64,604,922 | 0 | 303,715 | 64,908,637 |

| Financial instruments by Category Company | Loans and Receivables EUR | Assets at Fair Value Through Profit or Loss EUR | Available For-Sale EUR | Total EUR |
|--|--------------------------------------|--|-----------------------------------|----------------------|
| <u>As at 31 December 2017</u> | | | | |
| Financial Assets | | | | |
| - Investment in subsidiaries | 0 | 0 | 30,707,289 | 30,707,289 |
| Trade and other receivables | 72,262,549 | 0 | 0 | 72,262,549 |
| Cash and cash equivalents | 782,854 | 0 | 0 | 782,854 |
| Total | 73,045,403 | 0 | 30,707,289 | 103,752,692 |
| <u>As at 31 December 2016</u> | | | | |
| Financial Assets | | | | |
| - Investment in subsidiaries | 0 | 0 | 30,707,289 | 30,707,289 |

THOMASLLOYD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

| Investments in subsidiaries - Company | 31.12.17 EUR | 31.12.16 EUR |
|--|-------------------------|-------------------------|
| Share in group undertakings | | |
| At 1 January | 30,707,289 | 30,707,289 |
| Additions in year | 0 | 0 |
| | 30,707,289 | 30,707,289 |
| At 31 December | 30,707,289 | 30,707,289 |

The company's subsidiaries at the balance sheet date comprised:

| <u>Name of subsidiary</u> | <u>Country of Incorporation</u> | <u>Share Class</u> | <u>Holding</u> |
|--|-------------------------------------|--------------------|----------------|
| ThomasLloyd Global Asset Management GmbH | Germany | Ordinary | 100% |
| ThomasLloyd Global Asset Management (Schweiz) AG | Switzerland | Ordinary | 100% |
| ThomasLloyd Global Asset Management (Americas) LLC | USA | Member | 100% |
| ThomasLloyd Capital LLC | USA | Member | 100% |
| ThomasLloyd Capital Partners S.à r.l. | Luxembourg | Member | 100% |
| Cleantech Infrastruktur GmbH | Germany | Ordinary | 100% |

THOMASLOYD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. FINANCIAL LIABILITIES

Liabilities at amortised cost per statement of financial position:

| | 31.12.17 | | 31.12.16 | |
|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Group EUR | Company EUR | Group EUR | Company EUR |
| <u>Non-current</u> | | | | |
| Subordinated bonds | 1,704,000 | 0 | 1,704,000 | 0 |
| Trade and other payables | 0 | 1,704,000 | 0 | 1,704,000 |
| | <u>1,704,000</u> | <u>1,704,000</u> | <u>1,704,000</u> | <u>1,704,000</u> |
| <u>Current</u> | | | | |
| Subordinated bonds | 28,825,120 | 0 | 25,882,850 | 0 |
| Trade and other payables | 34,529,018 | 61,963,116 | 30,221,056 | 60,648,388 |
| Tax liabilities | 92,772 | 0 | 31,511 | 0 |
| | <u>63,446,910</u> | <u>61,963,116</u> | <u>56,135,417</u> | <u>60,648,388</u> |
| Total Liabilities | <u><u>65,150,910</u></u> | <u><u>63,667,116</u></u> | <u><u>57,839,417</u></u> | <u><u>62,352,388</u></u> |

The loans and subordinated bonds are all unsecured obligations of the Group.

The subordinated bonds have coupons between 2.75% and 5% per annum, with minimum holding periods between 6 months and 8 years from issue.

The maturity structure of the subordinated bonds is shown in Note 4.

16. DEFERRED INCOME TAX

The analysis of deferred tax assets is as follows:

| Group | 31.12.17 EUR | 31.12.16 EUR |
|--|-------------------------|-------------------------|
| Deferred tax assets – relating to available tax losses (Note 10) | | |
| - Deferred tax assets to be recovered after more than 12 months | 12,431,284 | 14,871,473 |
| - Deferred tax assets to be recovered within 12 months | 950,000 | 200,000 |
| | <u>13,381,284</u> | <u>15,071,473</u> |

THOMASLLOYD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

| Company | 31.12.17 | 31.12.16 |
|---|-------------------|-------------------|
| | EUR | EUR |
| Deferred tax assets – relating to available tax losses | | |
| - Deferred tax assets to be recovered after more than 12 months | 993,255 | 1,992,473 |
| - Deferred tax assets to be recovered within 12 months | 950,000 | 200,000 |
| | <u> </u> | <u> </u> |
| Deferred tax assets | <u>1,943,255</u> | <u>2,192,473</u> |

The gross movement on the deferred income tax account is follows:

| Group | 2017 | 2016 |
|--|-------------------|-------------------|
| | EUR | EUR |
| Deferred tax account | | |
| - At 1 January | 15,071,473 | 17,560,277 |
| - Income statement (charge)/credit (Note 10) | (1,690,189) | (2,488,804) |
| | <u> </u> | <u> </u> |
| At 31 December | <u>13,381,284</u> | <u>15,071,473</u> |

| Company | 2017 | 2016 |
|---------------------------|-------------------|-------------------|
| | EUR | EUR |
| Deferred tax account | | |
| - At 1 January | 2,192,473 | 3,419,528 |
| - Income statement credit | (249,218) | (1,227,055) |
| | <u> </u> | <u> </u> |
| At 31 December | <u>1,943,255</u> | <u>2,192,473</u> |

17. TRADE AND OTHER RECEIVABLES

| | 31.12.17 | | 31.12.16 | |
|------------------------------------|-----------------|----------------|-----------------|----------------|
| | Group | Company | Group | Company |
| | EUR | EUR | EUR | EUR |
| Trade debtors | 3,125,866 | 0 | 2,004,009 | 0 |
| Amounts owed by group undertakings | 0 | 16,603,649 | 0 | 18,291,370 |
| Prepayments | 1,340,223 | 1,340,223 | 1,872,969 | 1,872,969 |
| Other debtors | 73,638,672 | 55,658,900 | 61,828,186 | 48,760,813 |

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

18. TRADE AND OTHER PAYABLES

| | 31.12.17 | | 31.12.16 | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Group EUR | Company EUR | Group EUR | Company EUR |
| Trade creditors | 1,789,564 | 1,002,176 | 1,203,197 | 489,689 |
| Amounts owed to group undertakings | 0 | 62,424,536 | 0 | 61,571,080 |
| Taxes | 92,772 | 0 | 31,511 | 0 |
| Other creditors | 29,410,485 | 0 | 25,832,633 | 0 |
| Accruals and deferred income | 3,328,969 | 240,404 | 3,185,226 | 291,619 |
| | <u>34,621,790</u> | <u>63,667,116</u> | <u>30,252,567</u> | <u>62,352,388</u> |

19. OPERATING LEASE COMMITMENTS

At 31 December 2017 the Group had future aggregate minimum lease payments under non-cancellable operating leases for building and equipment as follows:

| Group | 31.12.17 EUR | 31.12.16 EUR |
|----------------------------|------------------|------------------|
| Within one year | 793,187 | 707,368 |
| Between two and five years | 1,673,609 | 1,742,473 |
| After five years | 181,659 | 0 |
| | <u>2,648,455</u> | <u>2,449,841</u> |

20. CALLED UP SHARE CAPITAL

| | 31.12.17 EUR | 31.12.16 EUR |
|------------------------------------|-----------------|-----------------|
| Authorised, issued and fully paid: | | |

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

21. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

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

22. CONTINGENCIES

The Company is party to financial support agreements with its subsidiaries ThomasLloyd Global Asset Management GmbH, ThomasLloyd Global Asset Management (Schweiz) AG 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.

Since September 2015 ThomasLloyd Group Ltd has guaranteed to support financially ThomasLloyd Investments GmbH, at all times and in such ways that ThomasLloyd Investments GmbH is able to meet its obligations, arising from certain bond agreements with bond investors. The current guaranteed amount is €10.2m.

23. RELATED PARTY DISCLOSURES

At the balance sheet date, the Group receivables/(liabilities) from/(to) the directors amounted to:

T.U. Michael Sieg: € (489,689) (2016: (489,689)).

The Group, by virtue of Companies under the common control of MNA Capital PTE LTD; has a number of related parties. At the balance sheet date, the Group receivables/(liabilities) from/(to) related parties amounted to:

| <u>Related Party</u> | <u>Balance in €</u> |
|---|---------------------|
| MNA Capital PTE Ltd. | 55,272,214 |
| DKM Global Opportunities Fonds 01 GmbH | 268,058 |
| ThomasLloyd Cleantech Infrastructure Holding GmbH | (22,634,801) |
| ThomasLloyd SICAV – Cleantech Infrastructure Fund | 1,738,632 |
| ThomasLloyd Cleantech Infrastructure Fund SICAV | 371,611 |
| Cleantech Infrastrukturgesellschaft mbH & Co. KG | 244,273 |
| Zweite Cleantech Infrastrukturgesellschaft mbH & Co. KG | 4,923,721 |
| Dritte Cleantech Infrastrukturgesellschaft mbH & Co. KG | 831,345 |
| Vierte Cleantech Infrastrukturgesellschaft GmbH | 13,918 |
| Fünfte Cleantech Infrastrukturgesellschaft mbH & Co. KG | 5,307,540 |
| ThomasLloyd CTI Asia Holdings PTE Ltd. | 632,135 |
| ThomasLloyd Cleantech Infrastructure (Czech) a.s. | 2,562,319 |

THOMASLLOYD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Intercompany balances between ThomasLloyd Group Limited and its subsidiaries are included in Notes 17 and 18. During the year, the Group received/(paid) the following amounts from/(to) related parties:

| <u>Transaction with Related Party</u> | <u>Amount in €</u> |
|--|--------------------|
| Placement/-Trail Commission from ThomasLloyd Investments GmbH | 1,241,937 |
| Placement/-Trail Commission from DKM Global Opportunities Fonds 01 GmbH | 259,722 |
| Structuring & Placement Fees from Vierte Cleantech Infrastrukturgesellschaft mbH | 120,667 |
| Central Administration Fees Vierte Cleantech Infrastrukturgesellschaft mbH | 454,649 |
| Central Administration Fees Cleantech Treuermögen GmbH | 644,451 |
| Structuring & Placement Fees Cleantech Infrastrukturgesellschaft mbH & Co. KG | 381,444 |
| Structuring & Placement Fees Zweite Cleantech Infrastrukturgesellschaft mbH & Co. KG | 3,152,153 |
| Structuring & Placement Fees Dritte Cleantech Infrastrukturgesellschaft mbH & Co. KG | 2,345,378 |
| Structuring & Placement Fees Fünfte Cleantech Infrastrukturgesellschaft mbH & Co. KG | 15,810,252 |
| Structuring & Placement Fees ThomasLloyd Cleantech Infrastructure Holding GmbH | 1,179,163 |
| Structuring & Placement Fees ThomasLloyd Cleantech Infrastructure (Czech) a.s. | 2,699,659 |
| Structuring & Placement Fees ThomasLloyd Cleantech Infrastructure (Liechtenstein) AG | 93,967 |
| Structuring & Placement Fees ThomasLloyd Fund Services GmbH & Co. KG | 2,395 |
| Management Fee ThomasLloyd Cleantech Infrastructure Holding GmbH | 4,450,896 |
| Performance Fee ThomasLloyd Cleantech Infrastructure Holding GmbH | 1,296,175 |
| Net Management Fee ThomasLloyd SICAV – Cleantech Infrastructure Fund | 1,064,340 |