

Master BIF IV UK Holdings Limited

Directors' report and financial statements for the
period from 8 October 2019 (date of incorporation)
to 31 December 2020

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the period ended 31 December 2020

TABLE OF CONTENTS	PAGE
COMPANY INFORMATION	2
DIRECTORS' REPORT	3
DIRECTORS' RESPONSIBILITIES STATEMENT	6
INDEPENDENT AUDITOR'S REPORT	7
STATEMENT OF COMPREHENSIVE INCOME	13
STATEMENT OF FINANCIAL POSITION	14
STATEMENT OF CHANGES IN EQUITY	15
NOTES TO THE FINANCIAL STATEMENTS	16

COMPANY INFORMATION

DIRECTORS

C. Teskey
*(appointed 8 October 2019 and
resigned 19 October 2020)*
E. Rouchel
(appointed 8 October 2019)
T. O'Brien
(appointed 8 October 2019)
R. Kent
(appointed 8 October 2019)
I. Gómez – Acebo López
(appointed 19 October 2020)

REGISTERED OFFICE

Level 25,
1 Canada Square,
Canary Wharf
London
E14 5AA

COMPANY NUMBER

12249960

AUDITOR

Ernst & Young,
Chartered Accountants,
City Quarter,
Lapps Quay,
Cork.

DIRECTORS' REPORT

for the period ended 31 December 2020

The directors present herewith their Directors' Report and audited financial statements of Master BIF IV UK Holdings Limited ("the company") for the period from date of incorporation on 8 October 2019 to 31 December 2020.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006. As the company is entitled to avail of the small companies' exemption, there is no requirement to prepare a Strategic Report under Section 414A of the Companies Act 2006.

PRINCIPAL ACTIVITIES, REVIEW OF THE PERFORMANCE AND DEVELOPMENT OF THE BUSINESS

The principal activity of the company is an investment holding company. During the period, the company indirectly acquired a 50% investment in X-Elio Energy S.L., a global company specializing in the development, design, construction and operation of solar photovoltaic plants headquartered in Madrid, Spain. The company also has euro loan notes listed on The International Stock Exchange (TISE). The company received dividend income of €9,617,000 during the period in connection with its investment. The directors consider the performance of the company to be in line with expectations.

RESULTS AND DIVIDENDS

The Statement of Comprehensive Income and Statement of Financial Position for the period ended 31 December 2020 are set out on pages 13 and 14.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served throughout the period are listed on page 2.

At the year end the directors of Master BIF IV UK Holdings Ltd held no interest in the share capital of the company.

DIVIDENDS

The directors do not recommend the payment of a dividend for 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The company uses financial instruments throughout its business: interest bearing loans and borrowing, cash and cash equivalents and intercompany receivables. The main risk attached to the company's financial instruments are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for the management of each of these risks as follows:

Interest rate risk

The company's debt is comprised of fixed rate loan notes. The debt is held with a fellow group company and the interest rate and terms are subject to agreement between the parties.

Credit risk

Credit risk arises on amounts due from group undertakings. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on credit rating and by regular review of this rating.

DIRECTORS' REPORT

for the period ended 31 December 2020 (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

Liquidity risk

The company is exposed to liquidity risk which arises primarily from the maturing of long term debt obligations. The company's policy is to ensure that sufficient resources are available either from cash balances or cash flows from other group companies, to ensure all obligations can be met as they fall due.

During the period ended 31 December 2020, the company was impacted by the COVID-19 pandemic. The impact of the pandemic on the company is minimal as the principal activity of the company, that of an investment holding company, remains unaffected. The underlying operations of its subsidiaries have not been significantly impacted by COVID-19.

The impact of Brexit on the company's long-term performance has been reviewed and the directors do not consider this to be a material risk. The underlying operations of its subsidiaries are located outside of the UK and have not experienced business disruption due to Brexit. The company does not procure material services from outside of the UK. Accordingly, the UK withdrawal from the EU does not have a material impact on the Company.

GOING CONCERN

The directors have performed a going concern assessment in 14 July 2021 comprising a review of the company's financial position, future operations and forecasts for a period of at least 12 months from the date of approval of the financial statements. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis as they have concluded that the company will be in a position to meet its liabilities as they fall due.

The response to the impact of COVID-19 is set out in the Principal Risks and Uncertainties section above. It is our view, to the best of our current knowledge, that COVID-19 will not have a material adverse impact on the company's ability to continue as a going concern.

EVENTS AFTER REPORTING DATE

Subsequent to year end, the company acquired an indirect ownership interest of 23% in Polenergia, a large-scale renewable business in Poland. Also subsequent to year end the company redeemed loan notes totalling €90,800,000.

There have been no other events between the reporting date and the date on which the financial statements were approved by the directors of the company, which would require adjustment to the financial statements or any additional disclosures.

FUTURE DEVELOPMENTS IN THE BUSINESS

The company plans to maintain its current activities.

POLITICAL DONATIONS

The Company made no donations to political parties during the period ended 31 December 2020.

DIRECTORS' REPORT

for the period ended 31 December 2020 (Continued)

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

AUDITOR

Ernst & Young, Chartered Accountants were appointed during the period and will continue in office in accordance with section 485 of the Companies Act 2006.

On behalf of the board:



E. Rouchel
Director

Date: 19/10/2021

DIRECTORS' RESPONSIBILITIES STATEMENT
for the period ended 31 December 2020

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board:



E. Rouchel
Director

Date: 19/10/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER BIF IV UK HOLDINGS LTD

Opinion

We have audited the financial statements of Master BIF IV UK Holdings Ltd (the 'Company') for the period ended 31 December 2020 which comprise the the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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 as applied to listed entities 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included: obtaining management's going concern assessment, considering the appropriateness of the methods used to calculate the cash forecasts through inspection and testing of the methodology and calculations that the methods utilised were appropriately sophisticated to be able to make an assessment for the entity, and performing reverse stress testing in order to identify if any factors would lead to the Company utilising all liquidity during the going concern period. We also reviewed the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER BIF IV UK HOLDINGS LTD (continued)

Conclusions relating to going concern (continue)

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

Overview of our audit approach

Key audit matter	• Assessment of the carrying value of investments in subsidiary
Materiality	• Overall materiality of €9.9 million which represents 2% of Total Assets.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Key audit matters

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER BIF IV UK HOLDINGS LTD
(continued)**

Key audit matters (continued)

	Our response to the risk	Key observations communicated to those charged with governance
<p>Assessment of the carrying value of investments in subsidiary</p> <p>The impairment assessment of financial assets (Investment in subsidiary), with a carrying value of €498 million is considered to be a risk area due to the size of the balances as well as the judgemental nature of key assumptions, which may be subject to management override. Investments in subsidiary are measured at cost less accumulated impairment.</p> <p>Management assesses all investments for potential impairment when indicators of impairment exist. The Company assesses, at each reporting date, whether there is any indication that an asset may be impaired by comparing the carrying amount of its investments in subsidiary with the net assets value of the subsidiary.</p> <p><i>Refer to the Accounting policies (Notes 3(j) and 9).</i></p>	<p>We obtained the management assessment to determine whether there is any indication that the investment may be impaired by comparing the carrying amount of its investments in subsidiary with the net assets of the subsidiary.</p> <p>We verified management's assessment and reviewed the analysis that they provided to assess the level of headroom over the carrying amount of the investments.</p>	<p>We completed our planned audit procedures with no exceptions noted.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER BIF IV UK HOLDINGS LTD (continued)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

We determined materiality for the Company to be €9.9 million, which is 2% of Total Assets. The principal activity of the company is holding of the investment and the management of financing for subsidiary companies. We therefore considered Total Assets to be the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant performance measure to the stakeholders of the Company.

During the course of our audit, we reassessed initial materiality and the only change in final materiality was to reflect the actual reported performance of the Company in the period.

Performance materiality

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely €4.9 million. We have set performance materiality at this percentage as the Company is still in a start-up phase of the business.

Reporting threshold

We agreed with those charged with governance that we would report to them all uncorrected audit differences in excess of €498 thousand, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on page X, 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 financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER BIF IV UK HOLDINGS LTD (continued)

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 6, the directors are responsible for the preparation of the 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 financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER BIF IV UK HOLDINGS LTD (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud


Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax legislation in the United Kingdom. In addition, the Company should comply with laws and regulations relating to its operations, including health and safety, employees, data protection, financial services, and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company determines and implements its policies and procedures in these areas and corroborated this by inspecting supporting documentation. We inspected correspondence with relevant authorities. We inspected board minutes to identify non-compliance with laws and regulations, and we inspected significant agreements impacting the Company in the financial year.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involve journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 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 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 Venner (Senior statutory auditor)

for and on behalf of Ernst & Young, Statutory Auditor
Cork, Ireland

28 October 2021

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 December 2020

		8 October 2019 - 31 December 2020 €000
	<i>Note</i>	
Income from shares in group undertakings	5	9,617
Administrative expenses		(262)
		<hr/>
Operating profit		9,355
Interest receivable and similar income	6	1,397
Interest payable and similar expense	7	(14,992)
Net foreign exchange differences		69
		<hr/>
Loss before taxation		(4,171)
Tax credit on loss	8	537
		<hr/>
Loss after taxation		(3,634)
Other comprehensive loss for the period, net of tax		—
		<hr/>
Total comprehensive loss for the period		<u><u>(3,634)</u></u>

MASTER BIF IV UK HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION at 31 December 2020

		31 December 2020 €000
NON-CURRENT ASSETS	Note	
Investments	9	497,585
Debtors: amounts falling due after one year	10	4,435
		<hr/>
		502,020
CURRENT ASSETS		
Cash at bank		–
CURRENT LIABILITIES		
Creditors: amounts falling due within one year	11	(262)
		<hr/>
NET CURRENT ASSETS		(262)
		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		501,758
NON-CURRENT LIABILITIES		
Creditors: amounts falling due after one year	12	(227,034)
		<hr/>
NET ASSETS		<u>274,724</u>
FINANCED BY		
CAPITAL AND RESERVES		
Called up share capital	13	1,000
Share premium		277,358
Profit and loss account		(3,634)
		<hr/>
Shareholders' funds		<u>274,724</u>

The financial statements of Master BIF IV UK Holdings Limited, registered number 12249960, were approved and authorised for issue by the board on 19/10/2021 and signed on its behalf by:



E. Rouchel
Director

STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2020

	<i>Called up share capital</i>	<i>Share Premium €000</i>	<i>Profit and loss account €000</i>	<i>Total €000</i>
On incorporation 8 October 2019	-	-	-	-
Allotment of shares	1,000	277,358	-	278,358
Total comprehensive loss for the year	-	-	(3,634)	(3,634)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	1,000	277,358	(3,634)	274,724
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

1. STATEMENT OF COMPLIANCE WITH FRS 101

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

Master BIF IV UK Holdings Limited is a private company limited by shares. The results of Master BIF IV UK Holdings Limited are included in the consolidated financial statements of Brookfield Asset Management Inc. which are available from the company's website www.brookfield.com.

2. CORPORATE INFORMATION

Master BIF IV UK Holdings Ltd is a company incorporated and domiciled in London, United Kingdom. The address of the registered office and the company's registration number are given on page 2. The nature of the company's operations and its principal activities are set out in the Directors' Report on pages 3 to 5.

3. ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial statements have been prepared on a historical cost basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The directors have performed a going concern assessment in 14 July 2021 comprising a review of the company's financial position, future operations and forecasts for a period of at least 12 months from the date of approval of the financial statements. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis as they have concluded that the company will be in a position to meet its liabilities as they fall due.

The response to the impact of COVID-19 is set out in the Principal Risks and Uncertainties section above. It is our view, to the best of our current knowledge, that COVID-19 will not have a material adverse impact on the company's ability to continue as a going concern.

These financial statements present information about the company as an individual and not about its group. The company is not required to prepare group accounts by virtue of section 401 of Companies Act 2006. As stated in note 1 to these financial statements, the company is a subsidiary of Brookfield Asset Management Inc. for whom group accounts are prepared that include Master BIF IV UK Holdings Limited and its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020 (Continued)

3. ACCOUNTING POLICIES (Continued)

(a) *Basis of preparation (continued)*

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a) (iv) of IAS 1;
- (c) the requirement of paragraphs 10(d), 16, 38A, 111, 134 to 136 of IAS 1 Presentation of Financial Statements;
- (d) the requirements of IAS 7 Statement of Cash Flows;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

(b) *Changes in accounting policies and disclosures*

The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

(c) *Financial instruments*

Under IFRS 9, regular purchases and sales of financial assets are recognised on the trade date, being 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.

At initial recognition, the company measures a financial asset at its fair value. In the case of a financial asset not categorized as FVPL, transaction costs that are directly attributable to the acquisition of the financial asset are included at initial recognition. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Amortised cost – financial assets held for collection of contractual cash flows that represent solely payments of principal and interest are measured at amortised cost. Gains/losses are recognised in profit or loss when the asset is derecognised or impaired. This is the most relevant category for the company which includes: receivables from group companies and cash.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020 (Continued)

3. ACCOUNTING POLICIES (Continued)

(c) *Financial instruments (continued)*

FVOCI – financial assets held to achieve a particular business objective other than short-term trading are designated at FVOCI. The company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

The company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The company does not have any financial assets classified as FVOCI.

FVPL – financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. The company does not have any financial assets classified as FVPL.

Financial liabilities are classified as financial liabilities at fair value through profit and loss, amortised cost, or derivatives designated as hedging instruments in an effective hedge. The company determines the classification of its financial liabilities at initial recognition. The company's financial liabilities include accounts payable and accrued liabilities and due to related party balances. Financial liabilities are initially measured at fair value, with subsequent measurement determined based on their classification as follows:

FVPL – financial liabilities held for trading, such as those acquired for the purpose of selling in the near term, and derivative financial instruments entered into by the company that do not meet hedge accounting criteria are classified as fair value through profit and loss. Gains or losses on these types of liabilities are recognised in profit and loss. The company does not have any financial liabilities classified as FVPL.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020 (Continued)

3. ACCOUNTING POLICIES (Continued)

(c) *Financial instruments (continued)*

Amortised cost – all other financial liabilities are classified as amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the amortisation process. Amortised cost is computed using the effective interest method less any principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. This is the most relevant category for the company which includes: payables due to group companies and trade and other payables.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) *Cash at bank and in hand*

Cash at bank and in hand includes cash in hand, deposits repayable on demand and other short-term highly liquid investments with original maturities of three months or less, less overdrafts payable on demand.

(e) *Trade and other creditors*

Trade and other creditors are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method.

(f) *Amounts owed by group companies*

Amounts owed by group companies are non-derivative financial assets which are not quoted in an active market. Receivables are initially recorded at fair value and thereafter at amortised cost.

(g) *Amounts owed to group companies*

Amounts owed to group companies comprise loan notes which are listed on an unregulated market. They are included in creditors falling due after more than one year as the maturity date is greater than twelve months after the reporting date. Liabilities are initially recorded at fair value and thereafter at amortised cost.

(h) *Impairment*

The company assesses on a forward-looking basis, the expected credit losses ("ECL") associated with its assets carried at amortised cost.

Evidence of impairment may include:

- Indications that a debtor or group of debtors is experiencing significant financial difficulty;
- A default of delinquency in interest or principal payments;

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020 (Continued)

3. ACCOUNTING POLICIES (Continued)

(h) *Impairment (continued)*

- Probability that a debtor or a group of debtors will enter into bankruptcy or other financial reorganisation;
- Changes in arrears or economic conditions that correlate with defaults, where observable data indicates that there is a measurable decrease in the estimated future cash flows.

Debtors are reviewed qualitatively on a case by case basis to determine if they need to be written off.

(i) *Use of estimates and judgements*

The preparation of the financial statements requires the use of judgements, estimates and assumptions in determining the value of assets and liabilities, income and expenses recorded for the period and positive and negative contingencies at period end. Actual results in future financial statements may differ from current estimates due to changes in these assumptions or economic conditions.

The principal estimates and judgements are described below. Given their importance in the company's financial statements, the impact of any change in assumption in these areas could be significant. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which these estimates are revised and in any future periods affected.

Valuation of investments in subsidiaries

The company carries its investment in subsidiaries at cost less provision for impairment in value. Management performs an annual review of the carrying value of the investments in subsidiaries by comparing their carrying value to the fair value of the investments using valuation techniques including the discounted cash flow (DCF) model. The fair values of these investments cannot be measured based on quoted prices in active markets. The inputs to DCF model are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. Estimations include considerations of inputs such as future foreign exchange rates, weighted average cost of capital (WACC), country risk premium and inflation rates. Changes in estimations relating to these factors could affect the reported DCF final value and the value of investments.

Determining if investment is a subsidiary

The company considers that it controls its subsidiaries as the company has the power over investees, has rights, to variable returns from its involvement with the investees and has the ability to affect those returns through its power over the investees.

(j) *Investments*

Investments in subsidiaries are measured at cost less accumulated impairment. The carrying values are reviewed for impairment whenever events or changes in circumstances indicate the carrying values may not be recoverable. Other investments are carried at cost less any impairment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020 (Continued)

3. ACCOUNTING POLICIES (Continued)

(k) *Interest receivable and similar income*

Interest income is recognised as income in the financial statements as interest accrues using the effective interest method.

(l) *Interest payable and similar expenses*

Interest expense is recognised as an expense in the financial statements as interest becomes payable using the effective interest method.

(m) *Dividend income*

Dividend income is recognised when the company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

(n) *Taxes*

Tax expense comprises current tax and deferred tax.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the financial statement date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020 (Continued)

3. ACCOUNTING POLICIES (Continued)

(n) *Taxes (continued)*

The carrying amount of 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(o) *Foreign currency*

The financial statements are presented in euro, which is also the company's functional currency.

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

4. STATUTORY INFORMATION

The Company's directors who served during the period ended 31 December 2020 were also the directors of other group companies and were remunerated by a fellow group undertaking. Any remuneration in respect of qualifying services to the company for the period ended 31 December 2020 is considered to be negligible.

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS *8 October 2019 -
31 December 2020
€000*

Dividend income	9,617
	9,617

6. INTEREST RECEIVABLE AND SIMILAR INCOME *8 October 2019 -
31 December 2020
€000*

Interest receivable on group borrowings	1,397
	1,397

Interest income is calculated using the effective interest rate method and relates to a loan facility arrangement with the company's subsidiary, BIF IV UK Holdings Limited (see note 10).

7. INTEREST PAYABLE AND SIMILAR EXPENSE *8 October 2019 -
31 December 2020
€000*

Interest charges payable on group borrowings	14,992
	14,992

Interest expense is calculated using the effective interest rate method and relates to interest payable on the company's loan notes (see note 12).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

8.	INCOME TAX EXPENSE	8 October 2019 - 31 December 2020 €000
	Current tax:	
	Current tax	-
		<hr/>
	Deferred tax:	
	Origination and reversal of temporary differences	(537)
		<hr/>
	Total tax credit	(537)
		<hr/> <hr/>

The tax assessed for the period is different from that at the standard rate of corporation tax in the UK. The differences are explained below.

	8 October 2019 – 31 December 2020 €000
Loss before tax	(4,171)
	<hr/>
Loss multiplied by the standard rate of tax of 19%	(792)
<i>Effects of:</i>	
Group relief surrender for no charge	2,083
Dividend income not subject to tax	(1,828)
	<hr/>
Total tax credit	(537)
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

9. INVESTMENTS

(a)	<i>Investments in subsidiaries</i>	2020 €000
	At beginning of the period	–
	Additions	497,585
	At 31 December	497,585

On 18th December 2019, the company contributed capital of €496,590,000 to acquire 100% of the shares in BIV IV UK Holdings Limited, a newly incorporated entity. BIV IV UK Holdings Limited indirectly holds a 50% stake in X-Elio Energy, S.L., a global solar PV development platform.

On 5th November 2020, the company contributed capital of €995,000 to acquire 100% of the shares in BIV IV Europe Holdings Limited, a newly incorporated entity. Subsequent to year end, BIV IV Europe Holdings Limited acquired an ownership interest of 23% in Polenergia SA, a large-scale renewable business in Poland.

The directors are of the opinion that the investments are worth at least the amount at which they are stated at in the statement of financial position.

Details of the company's investments are listed below:

<i>Company</i>	<i>Company Type</i>	<i>% Owner-ship</i>	<i>Direct/ indirect ownership</i>	<i>Registered Office (City)</i>
<i>United Kingdom:</i>				
BIF IV UK Holdings Limited	Holding	100	Direct	London
BIF IV Europe Holdings Limited	Holding	100	Direct	London
<i>Spain:</i>				
Invictus Energy Holding, S.L.	Holding	50	Indirect	Madrid
Calaspasol 1, S.L.U.	Project	50	Indirect	Madrid
X - Elio Mantenimientos, S.L.		50	Indirect	Madrid
Exelio Energy Trading, S.L.	Project	50	Indirect	Madrid
Saelices El Chico Solar, S.L.	Project	50	Indirect	Madrid
Muelas Del Pan Solar, S.L.	Project	50	Indirect	Madrid
Tequi Solar 2, S.L.	Project	35	Indirect	Madrid
Mursolar 6, S.L.	Project	50	Indirect	Madrid

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

9. INVESTMENTS (Continued)

<i>Company</i>	<i>Company Type</i>	<i>% Owner-ship</i>	<i>Direct/ indirect ownership</i>	<i>Registered Office (City)</i>
<i>Spain (continued)</i>				
Mursolar 14, S.L.	Project	50	Indirect	Madrid
Mursolar 17, S.L.	Project	50	Indirect	Madrid
Exelio Energy Salvador, S.L.	Project	50	Indirect	Madrid
X - Elio Andaltia Murcia, S.L.	Project	50	Indirect	Madrid
Mursolar 28, S.L.	Project	50	Indirect	Madrid
Mursolar 30, S.L.	Project	50	Indirect	Madrid
Planning Business Green, S.L.		50	Indirect	Murcia
Maristella Directorship, S.L.	Project	50	Indirect	Madrid
Pordoi Investments, S.L.	Project	50	Indirect	Madrid
Cresia Directorship, S.L.	Project	50	Indirect	Madrid
Mesola Directorship, S.L.	Project	50	Indirect	Madrid
Arbatax Investments, S.L.	Project	50	Indirect	Madrid
Cercena Investments, S.L.	Project	50	Indirect	Madrid
Martin Directorship, S.L.	Project	50	Indirect	Madrid
Rabida Investments, S.L.	Project	50	Indirect	Madrid
Marpani 1, S.L.	Project	50	Indirect	Madrid
Marpani 2, S.L.	Project	50	Indirect	Madrid
Marpani 3, S.L.	Project	50	Indirect	Madrid
Marpani 4, S.L.	Project	50	Indirect	Madrid
Marpani 5, S.L.	Project	50	Indirect	Madrid
Marpani 6, S.L.	Project	50	Indirect	Madrid
Marpani 7, S.L.	Project	50	Indirect	Madrid
Marpani 8, S.L.	Project	50	Indirect	Madrid
Clarkson Investments, S.L.	Project	50	Indirect	Madrid
Cavalier Directorship, S.L.	Project	50	Indirect	Madrid
Coega Investments, S.L.	Project	50	Indirect	Madrid
Florian Directorship, S.L.	Project	50	Indirect	Madrid
Gadoni Directorship, S.L.	Project	50	Indirect	Madrid
Magno Directorship, S.L.	Project	50	Indirect	Madrid
Gandasolar 1, S.L.	Project	50	Indirect	Madrid
Gandasolar 2, S.L.	Project	50	Indirect	Madrid
Gandasolar 3, S.L.	Project	50	Indirect	Madrid
Gandasolar 4, S.L.	Project	50	Indirect	Madrid
Gandasolar 5, S.L.	Project	50	Indirect	Madrid
Gandasolar 6, S.L.	Project	50	Indirect	Madrid
Gandasolar 7, S.L.	Project	50	Indirect	Madrid

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

9. INVESTMENTS (Continued)

<i>Company</i>	<i>Company Type</i>	<i>% Owner-ship</i>	<i>Direct/ indirect ownership</i>	<i>Registered Office (City)</i>
<i>Spain (continued)</i>				
Gandasolar 8, S.L.	Project	50	Indirect	Madrid
Gandasolar 9, S.L.	Project	50	Indirect	Madrid
Gandasolar 10, S.L.	Project	50	Indirect	Madrid
Gandasolar 11, S.L.	Project	50	Indirect	Madrid
Gandasolar 12, S.L.	Project	50	Indirect	Madrid
Gandasolar 13, S.L.	Project	50	Indirect	Madrid
Gandasolar 14, S.L.	Project	50	Indirect	Madrid
Gandasolar 15, S.L.	Project	50	Indirect	Madrid
<i>Chile:</i>				
Fotovoltaica Norte Grande I, SPA	Project	50	Indirect	Santiago de Chile
Fotovoltaica Norte Grande 4, SPA	Project	50	Indirect	Santiago de Chile
X - Elio Chile, SPA		50	Indirect	Santiago de Chile
Fotovoltaica Norte Grande 5, SPA	Project	50	Indirect	Santiago de Chile
<i>Italy:</i>				
X - ELIO ITALIA S.R.L.		50	Indirect	Roma
GASI 22, S.R.L.	Project	50	Indirect	Roma
GASI 41, S.R.L.	Project	50	Indirect	Palermo
GASI 53, S.R.L.	Project	50	Indirect	Palermo
GASI 54, S.R.L.	Project	50	Indirect	Palermo
GASI 57, S.R.L.	Project	50	Indirect	Palermo
GASI 59, S.R.L.	Project	50	Indirect	Palermo
X - ELIO EMENA, S.R.L		50	Indirect	Roma
X-Elio Italia 1, S.r.l.	Project	50	Indirect	Roma
X-Elio Italia 2, S.r.l.	Project	50	Indirect	Roma
X-Elio Italia 3, S.r.l.	Project	50	Indirect	Roma
X-Elio Italia 4, S.r.l.	Project	50	Indirect	Roma
X-Elio Italia 5, S.r.l.	Project	50	Indirect	Roma
X-Elio Italia 6, S.r.l.	Project	50	Indirect	Roma
X-Elio Italia 7, S.r.l.	Project	50	Indirect	Roma
X-Elio Italia 8, S.R.L.	Project	50	Indirect	Roma
X-Elio Italia 9, S.R.L.	Project	50	Indirect	Roma
X-Elio Italia 10, S.R.L.	Project	50	Indirect	Roma

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

9. INVESTMENTS (Continued)

<i>Company</i>	<i>Company Type</i>	<i>% Owner-ship</i>	<i>Direct/ indirect ownership</i>	<i>Registered Office (City)</i>
<i>India:</i>				
Gestamp Solar India, PLC	Project	50	Indirect	Mumbai
<i>South Africa:</i>				
X - Elio South Africa, Ltd		50	Indirect	Cape Town
X - Elio Contracting, Ltd		45	Indirect	Cape Town
<i>Japan:</i>				
X - Elio Japan, KK		50	Indirect	Tokyo
GASJA 5, G.K.	Project	50	Indirect	Tokyo
GASJA 8, G.K.		50	Indirect	Tokyo
X-Elio 9, G.K.	Project	50	Indirect	Tokyo
X-Elio 13, G.K.	Project	50	Indirect	Tokyo
X-Elio 15, G.K.	Project	50	Indirect	Tokyo
X-Elio 18 G.K.	Project	50	Indirect	Tokyo
X-Elio 17, G.K.	Project	50	Indirect	Tokyo
S-13 Holdco, G.K.	Project	50	Indirect	Tokyo
X-Elio 16, G.K.	Project	50	Indirect	Tokyo
X-Elio Farming, G.K.		50	Indirect	Tokyo
<i>USA:</i>				
Gasna 5, LLC		50	Indirect	Washington, D.C.
Gasna 8, LLC		50	Indirect	Washington, D.C.
Gasna 12, LLC		50	Indirect	Washington, D.C.
Gasna 14, LLC		50	Indirect	Washington, D.C.
Gasna 16, LLC		50	Indirect	Washington, D.C.
Gasna 18, LLC		50	Indirect	Washington, D.C.
Gasna 19, LLC		50	Indirect	Washington, D.C.
Gasna 40, LLC		50	Indirect	Washington, D.C.
Gasna 51, LLC		50	Indirect	Washington, D.C.
Gasna 58, LLC		50	Indirect	Washington, D.C.
PRCC Solar Holding, LLC		50	Indirect	Washington, D.C.
Palm Valley Solar California I, LLC		50	Indirect	Washington, D.C.
X-Elio Energy USA, Inc.		50	Indirect	Washington, D.C.
83WI Acquisition HoldCo, LLC		50	Indirect	Washington, D.C.
X-Elio Energy Southern, LLC		50	Indirect	Washington, D.C.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

9. INVESTMENTS (Continued)

<i>Company</i>	<i>Company Type</i>	<i>% Owner-ship</i>	<i>Direct/ indirect ownership</i>	<i>Registered Office (City)</i>
<i>USA (continued):</i>				
X-Elio Energy Boomerang I Holdco, LLC		50	Indirect	Washington, D.C.
X-Elio Energy Midway I, LLC		50	Indirect	Washington, D.C.
Midway I Solar Holding, LLC		50	Indirect	Washington, D.C.
Boomerang I, LLC		50	Indirect	Washington, D.C.
Imperial Boomerang I, 83WI 8ME LLC	Project	50	Indirect	Washington, D.C.
X-Elio North America Development Holdco., LLC		50	Indirect	Washington, D.C.
X-Elio North America Land Co., LLC		50	Indirect	Washington, D.C.
Bracey Solar Project, LLC	Project	50	Indirect	Washington, D.C.
X-Elio Energy NC Yadkin, LLC	Project	50	Indirect	Washington, D.C.
X-Elio Energy SC York, LLC	Project	50	Indirect	Washington, D.C.
X-Elio Energy Lily, LLC		50	Indirect	Washington, D.C.
Lily Solar Holding, LLC		50	Indirect	Washington, D.C.
Lily Solar LLC	Project	50	Indirect	Washington, D.C.
Lily Solary Lessee, LLC		50	Indirect	Washington, D.C.
X-Elio Energy Sun, LLC		50	Indirect	Washington, D.C.
GASNA 7P, LLC	Project	50	Indirect	Washington, D.C.
GASNA 12P, LLC	Project	50	Indirect	Washington, D.C.
GASNA 18P, LLC	Project	50	Indirect	Washington, D.C.
Morovis Solar, LLC	Project	50	Indirect	Washington, D.C.
GASNA 51P, LLC		50	Indirect	Washington, D.C.
X - Elio North America, INC.		50	Indirect	Washington, D.C.
Liberty Solar 1, LLC	Project	50	Indirect	Washington, D.C.
Milam 2 Solar, LLC	Project	50	Indirect	Washington, D.C.
<i>Puerto Rico:</i>				
X - Elio Development Puerto Rico, LLC		50	Indirect	San Juan

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

9. INVESTMENTS (Continued)

<i>Company</i>	<i>Company Type</i>	<i>% Owner-ship</i>	<i>Direct/ indirect ownership</i>	<i>Registered Office (City)</i>
<i>Mexico:</i>				
X - Elio Mexico, SA de CV		50	Indirect	Mexico City
FV Mexsolar I, SAPI de CV	Project	50	Indirect	Mexico City
FV Mexsolar II, SAPI de CV	Project	50	Indirect	Mexico City
FV Mexsolar III, SAPI de CV	Project	50	Indirect	Mexico City
FV Mexsolar IV, SAPI de CV	Project	50	Indirect	Mexico City
FV Mexsolar V, SAPI de CV	Project	50	Indirect	Mexico City
FV Mexsolar VI, SAPI de CV	Project	50	Indirect	Mexico City
Gestora De Energia Renovable De Mexico		50	Indirect	Mexico City
FV Mexsolar VII, SAPI de CV	Project	50	Indirect	Mexico City
FV Mexsolar VIII, SAPI de CV	Project	50	Indirect	Mexico City
FV Mexsolar IX, SAPI de CV	Project	50	Indirect	Mexico City
FV Mexsolar X, SAPI de CV	Project	50	Indirect	Mexico City
FV Mexsolar XI, SAPI de CV	Project	50	Indirect	Mexico City
X-Elio FV Conejos Medanos, SAPI de C.V.	Project	50	Indirect	Mexico City
X-Elio FV Xoxocotla, SAPI de C.V.	Project	50	Indirect	Mexico City
X-Elio FV Bacabachi, SAPI de C.V.	Project	50	Indirect	Mexico City
Kenergreen, SAPI de C.V.	Project	50	Indirect	Mexico City
<i>El Salvador:</i>				
Tencoluca Solar S.A. De C.V.	Project	50	Indirect	San Salvador
San Nicolas Solar S.A. DE C.V.	Project	50	Indirect	San Salvador
<i>Honduras:</i>				
Constructora Solar Centroamericana		50	Indirect	Tegucigalpa
<i>Egypt:</i>				
X - Elio, S.A.E	Project	50	Indirect	Cairo
<i>Peru:</i>				
Energia FV Peru S.A.C		50	Indirect	Lima

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

9. INVESTMENTS (Continued)

<i>Company</i>	<i>Company Type</i>	<i>% Owner-ship</i>	<i>Direct/ indirect ownership</i>	<i>Registered Office (City)</i>
<i>Australia:</i>				
X-Elio Australia, PTY, Ltd.		50	Indirect	Sydney
X-Elio Whughnu PTY, Ltd.	Project	50	Indirect	Sydney
X-Elio Blue Grass PTY, Ltd.	Project	50	Indirect	Sydney
X-Elio Congupna PTY, Ltd.	Project	50	Indirect	Sydney
X-Elio Roma Holding, PTY, Ltd.		50	Indirect	Sydney
X-Elio Roma Hub Solar Farm, PTY, Ltd.	Project	50	Indirect	Sydney
X-Elio Blue Grass Holding PTY, Ltd.		50	Indirect	Sydney
<i>Colombia:</i>				
Sol Bochica, SAS	Project	50	Indirect	Bogotá D.C.
<i>Taiwan:</i>				
X-Elio Energy Taiwan, Ltd.	Project	50	Indirect	Tapéi

10. DEBTORS: amounts falling due after one year	2020 €000
Amounts owed by group undertakings	3,898
Deferred tax asset	537
	<hr/> 4,435 <hr/>

Amounts owed by group companies relates to a loan facility arrangement with the company's subsidiary, BIF IV UK Holdings Limited. The loan is payable on 21 January 2025 but can be repaid in whole or in part at any time. The rate of interest on the loan is 6.5% per annum.

The company does not expect issues with collectability of amounts owed by group undertakings. Accordingly, an allowance for expected credit losses was not deemed necessary in 2020. In determining the recoverability of amounts owed by group undertakings, management performs a risk analysis considering the type and age of the outstanding receivables and the credit worthiness of the counterparties. Management also reviews balances owed by group undertakings on a regular basis.

The deferred tax asset arises in respect of tax losses that are available for offsetting against future taxable profits. The total amount was recognised in the statement of comprehensive income during the period.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

11.	CREDITORS: amounts falling due within one year	2020 €000
	Amounts owed to group undertakings	262
		<u>262</u>

Amounts owed to group undertakings comprises payables that are interest free and repayable on demand.

12.	CREDITORS: amounts falling due after one year	2020 €000
	Amounts owed to group undertakings	227,034
		<u>227,034</u>

Amounts owed to group undertakings falling due after more than one year comprise euro loan notes which are listed on The International Stock Exchange (TISE). The loan notes mature on 31 December 2029 but can be redeemed by the issuer at any time subject to providing fifteen days' notice. The loan notes carry a fixed interest rate of 6% per annum which is payable on 31 December each year. Unpaid interest continues to accrue at the interest rate and becomes payable on the maturity date. The loan notes are held by Bermuda Corporate Holdco Limited, a group company.

13.	CALLED UP SHARE CAPITAL	2020 €000
	<i>Allotted, called up and fully paid:</i>	
	1,000,002 ordinary shares of €1 each	1,000
		<u>1,000</u>

On incorporation, BIF IV UK Holding LP subscribed in 1 ordinary share of €1.00.

On 17 December 2019, BIF IV UK Holding LP subscribed in 1,000,000 ordinary shares of €1.00 at a premium of €276 per share (equivalent to €276,362,983).

On 5 November 2020, BIF IV UK Holding LP subscribed in 1 ordinary share of €1.00 at a premium of €994,519 per share (equivalent to €994,519).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020 (Continued)

14. DIVIDENDS

The directors do not recommend the payment of a dividend for 2020.

15. PARENT COMPANY

The company is a 100% owned subsidiary of BIF IV UK Holding LP, a company incorporated in Bermuda, with its registered offices at 73 Front Street, 5th Floor, Hamilton HM12, Bermuda. The ultimate parent undertaking is Brookfield Asset Management Inc., a company incorporated in the state of Ontario, Canada. In common with other subsidiaries the financial statements of the company reflect the effect of such group membership. The smallest and largest group in which the results of the company are consolidated and publicly available is Brookfield Asset Management Inc. A copy of the group financial statements may be obtained from the group's website www.brookfield.com.

16. COMMITMENTS AND CONTINGENCIES

The company has no commitments or contingencies that require disclosure at year end.

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

Related party transactions during the period and balances as at 31 December 2020 with non-fellow wholly owned subsidiaries are as follows:

<i>Company</i>	<i>Services received €000</i>	<i>Balance Dr/(Cr) €000</i>
Brookfield Renewable Spain Services Limited	11	(11)
Brookfield Renewable Europe Services Limited	24	(24)
Brookfield Renewable Ireland Services Limited	227	(227)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020 (Continued)

18. SUBSEQUENT EVENTS

Subsequent to year end, the company acquired an indirect ownership interest of 23% in Polenergia SA, a large-scale renewable business in Poland. Also subsequent to year end the company redeemed loan notes totalling €90,800,000.

There have been no other events between the reporting date and the date on which the financial statements were approved by the directors of the company, which would require adjustment to the financial statements or any additional disclosures.

19. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements and authorised them for issue on 19/10/2021.