

# Semi-annual Report

June 2020

RESPONSIBLE,  
ETHICAL & SUSTAINABLE  
INVESTMENTS



**ESGTI**

ESG TECHNOLOGY INVESTMENTS



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### Publication date

This report was released for publication on 16 September 2020.

Amounts in this report are stated in Swiss Francs ("CHF") unless otherwise stated.

### Disclaimer

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All statements contained herein that are not historical facts including, but not limited to, statements regarding anticipated activity are forward looking in nature and involve a number of risks and uncertainties. Actual results may differ materially. Readers are cautioned, not to place undue reliance on any such forward-looking statements, which statements, as such, speak only as of the date made.



## CHAIRMAN'S NOTE

Dear shareholder,

Following a first half year of laying its foundations ESGTI Ltd. ("ESGTI") is now placed to present itself as an investment company by YE 2020. A series of strategic acquisitions and investments now gives ESGTI a portfolio encompassing the key areas of Life Sciences, AgriFood, Energy, Infrastructure and Deep Technology. The focus and breadth of this portfolio allows us to work towards ensuring strong performance and business synergies moving forward.

### ON THE WAY TO BECOME AN INVESTMENT COMPANY

H1 2020 has also allowed us to make significant steps within our ESG agenda, notably with the expansion of the Board of Directors to include specialist members in our chosen business fields and the hiring of a team of ESG Advisors.

As ESGTI seeks investment opportunities that operate under the ESG principles it is also committed to evaluating its current ESG operating model. An initial analysis carried out in August-September 2020 via independent rating partner Inrate AG scored our portfolio performance above average on environmental and social impact sectors. This first step in ESG certification underpins our ESG aptitude for the future and we are delighted to share these results in more depth on page 4.

As the emergence and impact of Covid-19 on the world progresses we continue to closely monitor its impact over our portfolio. With the exception of clinical trial delays in our Life Science pillar, the impact has been minimal and ESGTI continues its operations in accordance with its investment policy. Given the nature and scope of its impact our Board of Directors will continue to monitor the situation very closely.

### IFRS IS OUR NEW REPORTING STANDARD

Moving into the second half of 2020 we will continue to strengthen the position of ESGTI as an investment company and expand our ESG commitments. Further acquisitions are foreseen by year end, in line with our investment criteria.

As we progress with the necessary regulatory requirements we have already incorporated a change of reporting standards to IFRS within this semi-annual report.

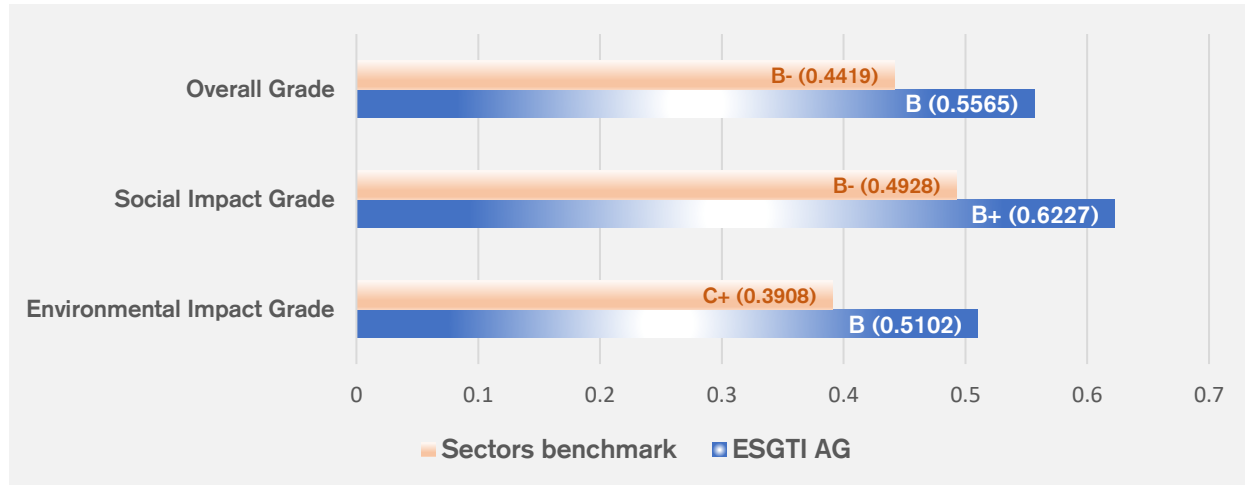
Hünenberg, September 2020

Andreas R. Bihrer  
Chairman



## ESGTI ENVIRONMENTAL AND SOCIAL IMPACT RATINGS

ESGTI's first environmental and social impact ratings show superior grades than the sector average\*.



Grades & Comparison	Environmental Impact Grade	Social Impact Grade	Overall Grade	Explanation
<b>ESGTI AG</b>	<b>B (0.5102)</b>	<b>B+ (0.6227)</b>	<b>B (0.5565)</b>	ESGTI shows better environmental and social grades than the sector average. In the environmental aspect, this is mainly due to the promotion of sustainable agriculture and production of low environmental impact electronic instruments.
Average Grade ESGTI diversified sectors benchmark	<b>C+ (0.3908)</b>	<b>B- (0.4928)</b>	<b>B- (0.4419)</b>	Whereas the production of health equipment, cruelty-free cosmetics, and cooperation with local farmers affect positively the social grade.
<b>ESG EKO AGRO Group</b>	<b>B (0.5682)</b>	<b>B+ (0.6409)</b>	<b>B+ (0.6045)</b>	ESG EKO AGRO Group is well above the sector average concerning both aspects, the environmental and social impact. The approach of including sustainable practices and cooperation with farmers, substantially contributed to the higher grades.
Average Grade in Nutrition Sector	<b>B- (0.4401)</b>	<b>C+ (0.4213)</b>	<b>C+ (0.4307)</b>	
<b>SynDermix</b>	<b>C+ (0.4)</b>	<b>A- (0.7273)</b>	<b>B (0.5636)</b>	SynDermix has better environmental and social grades than the sector average. This is mainly due to the production of electromedical equipment, which presents a very good social impact.
Average in Health Sector	<b>C+ (0.3763)</b>	<b>B (0.5789)</b>	<b>B- (0.4776)</b>	
<b>Rheon Medical</b>	<b>B (0.5092)</b>	<b>A (0.7636)</b>	<b>B+ (0.6464)</b>	Rheon Medical has a better environmental and social impact compared to companies of the same sector. This is mainly due to the production of equipment with low environmental impact and very positive social contribution.
Average in Health Sector	<b>C+ (0.3763)</b>	<b>B (0.5789)</b>	<b>B- (0.4776)</b>	
<b>AltEnergis</b>	<b>C+ (0.4219)</b>	<b>B (0.5382)</b>	<b>B- (0.48)</b>	AltEnergis is slightly below the sector average, which is higher than in most other sectors. This is mainly due to the business activity Compressor (air & gas) which presents rather negative environmental impacts.
Average in IT Equipment & Electronics Sector	<b>B- (0.4493)</b>	<b>B (0.5571)</b>	<b>B- (0.5032)</b>	
<b>Énielle</b>	<b>B+ (0.5864)</b>	<b>B- (0.5092)</b>	<b>B (0.5478)</b>	Énielle presents a slightly better overall grade than the sector average. This is mainly due to the environmental impact grade with the production of cosmetics produced with a high percentage of natural ingredients and the avoidance of animal testing.
Average Grade in Household & personal products Sector	<b>B- (0.4666)</b>	<b>B (0.5615)</b>	<b>B (0.5141)</b>	
<b>ESG Real Assets</b>	<b>B (0.5759)</b>	<b>B (0.5575)</b>	<b>B (0.5667)</b>	ESG Real Assets shows better environmental and social grades than the sector average. This is mainly due to the environmental consulting including the promotion of sustainable agriculture, which have various positive environmental and social impacts.
Average in Housing Sector	<b>C+ (0.3955)</b>	<b>B (0.5317)</b>	<b>B- (0.4636)</b>	

\* All results were obtained from the independent European operating ESG rating agency Inrate [www.inrate.com](http://www.inrate.com)

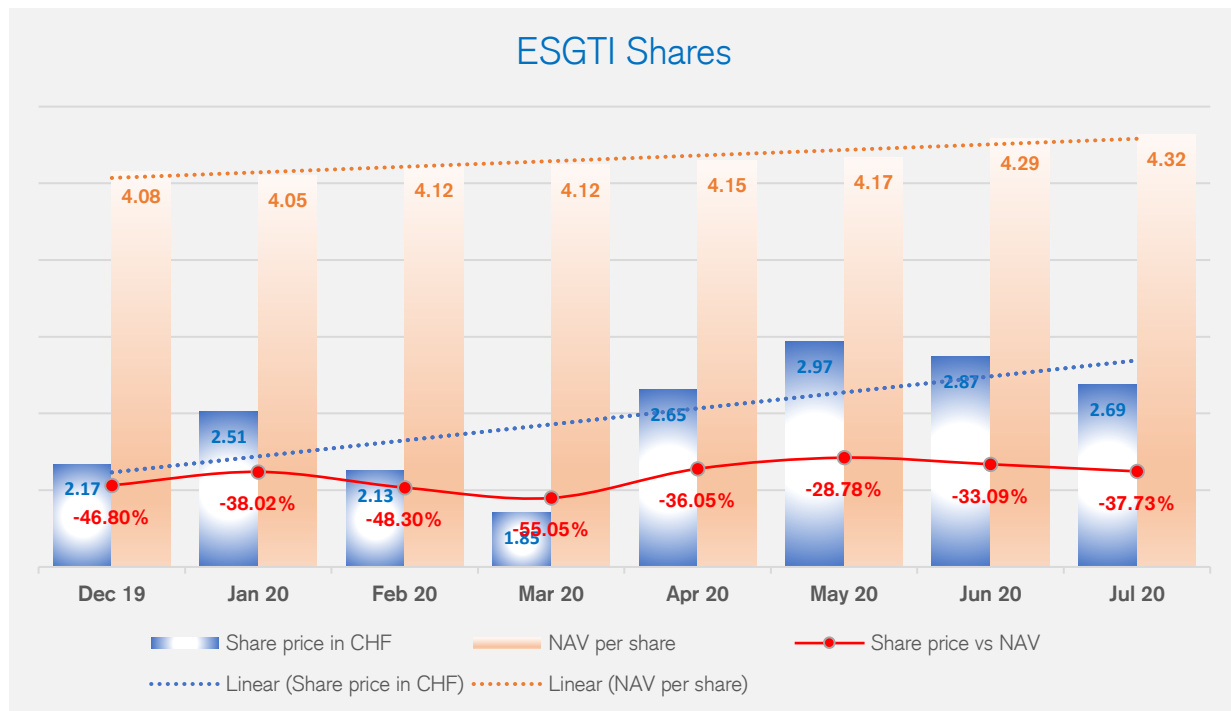


## FINANCIAL HIGHLIGHTS

### Key figures

	30.06.2020	31.12.2019
Total investments	66'113'964	10'152'566
Total equity	68'467'727	9'325'523
Debt-Equity ratio	1.37	0.14
Earnings per share	0.32	0.07
Price-Earnings ratio	8.39	31.41
Performance	5.22%	n/a

### NAV per share vs. share price





## UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2020 (all amounts in CHF unless otherwise stated)

	Note	01.01.-30.06.2020	01.01.-30.06.2019
Net change in value of investments through profit or loss	3	6'466'166	831'040
<b>Result from investments</b>		<b>6'466'166</b>	<b>831'040</b>
Advisory fee income		-	150'000
<b>Result from advisory</b>		<b>-</b>	<b>150'000</b>
Investment advisory fees	11	-526'734	-
Directors Fees	11	-84'000	-291'667
Administration fees	11	-64'500	-6'500
Legal fees		-115'165	-204'863
Audit fees		-83'715	-
Equity and debt issuance related costs		-730'903	-32'983
Structuring and organisational costs		-72'592	-
Other administrative and operational expenses		-27'735	-39'409
<b>Operating result before financial result and taxes</b>		<b>4'760'821</b>	<b>379'312</b>
FX differences		-571'692	-
Financial expenses		-1'631'638	-
Financial income		2'188'963	-
Proportionate result of Associate	4	145'255	-
Income taxes		-30'000	-7'995
Deferred taxes		-729'256	-
<b>Net result for the period</b>		<b>4'132'453</b>	<b>371'317</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders		4'132'453	371'317
<b>Earnings per share attributable to equity holders</b>			
Weighted average number of shares outstanding during the period		11'869'207	5'375'000
Basic earnings pre share (CHF)		0.35	0.07
<b>Diluted earnings per share attributable to equity holders</b>			
Weighted average number of potential shares outstanding during the period		1'020'333	-
Diluted earnings pre share (CHF)		0.32	0.07

Note on diluted earnings per share: ESGTI offers a conversion right to holders of bonds issued by Aldburg SA. The bonds were issued in April 2019 and the conversion options are the greater of CHF 6.00 or market price of the shares of ESGTI less a time-adjusted percentage. To calculate the number of outstanding shares, a share price of CHF 6.00 was used which will result in the maximum potential shares outstanding.

The accompanying notes form an integral part of these financial statements.



## UNAUDITED CONSOLIDATED BALANCE SHEET

As of 30 June 2020 (all amounts in CHF unless otherwise stated)

	Notes	30.06.2020	31.12.2019
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents		23'897	15'622
Receivables and other assets		377'833	337'523
<b>Total current assets</b>		<b>401'730</b>	<b>353'145</b>
<b>Non-current assets:</b>			
Current accounts with Investments and Associate	5	10'198'469	-86'738
Investment in Associate	4	361'438	216'183
Investments at fair value through profit or loss	3	66'113'964	10'152'566
Loans receivable	6	84'088'546	-
Deferred expenses	7	1'341'667	-
<b>Total non-current assets</b>		<b>162'104'084</b>	<b>10'282'012</b>
<b>Total assets</b>		<b>162'505'814</b>	<b>10'635'156</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accrued expenses and other payables	8	2'103'671	1'309'634
Short-term financial liabilities	9	800'210	-
Deferred taxes		729'256	-
<b>Total current liabilities</b>		<b>3'633'137</b>	<b>1'309'634</b>
<b>Non-current liabilities:</b>			
Financial liabilities	9	90'404'950	-
<b>Total non-current liabilities</b>		<b>90'404'950</b>	<b>-</b>
<b>Equity</b>			
<b>Shareholders' equity:</b>			
Share capital	10	29'838'803	8'385'000
Capital reserves		33'555'949	-
Retained earnings		940'523	940'523
Result of the period		4'132'453	-
<b>Total shareholders' equity</b>		<b>68'467'727</b>	<b>9'325'523</b>
<b>Total liabilities and shareholders' equity</b>		<b>162'505'814</b>	<b>10'635'156</b>

The accompanying notes form an integral part of these financial statements.



## UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2020 (all amounts in CHF unless otherwise stated)

	01.01.-30.06.2020	01.01.-30.06.2019
Expenses paid (administrative and other operating expenses)	-137'089	-10'227
Taxes paid	-6'453	-369
<b>Net cash flows from operating activities</b>	<b>-143'542</b>	<b>-10'596</b>
Dividend payments from Investments received	-	-
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>-</b>
Loans received	943'474	459'500
Loans paid	-789'156	-450'000
<b>Net cash flows from financing activities</b>	<b>154'318</b>	<b>9'500</b>
Currency translation differences on cash and cash equivalents	-2'501	-
<b>Net change in cash and cash equivalents</b>	<b>8'275</b>	<b>-1'096</b>
Cash and cash equivalents at beginning of period	15'622	18'220
Cash and cash equivalents at end of period	23'897	15'622

The accompanying notes form an integral part of these financial statements.





## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2020 (all amounts in CHF unless otherwise stated)

	Share capital	Capital reserve	Retained earnings	Total shareholders' equity
<u>Balance as per 1 January 2019</u>	8'385'000	-	-433'057	7'951'943
Comprehensive result			1'373'580	1'373'580
<b>Balance as per 31 December 2019</b>	<b>8'385'000</b>	<b>-</b>	<b>940'523</b>	<b>9'325'523</b>
<hr/>				
<u>Balance as per 1 January 2020</u>	8'385'000	-	940'523	9'325'523
Comprehensive result			4'132'453	4'132'453
Capital increase	21'453'803	33'555'949		55'009'752
<b>Balance as per 30 June 2019</b>	<b>29'838'803</b>	<b>33'555'949</b>	<b>5'072'975</b>	<b>68'467'727</b>

The accompanying notes form an integral part of these financial statements.



## NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Organisation and business activity

ESGTI is a holding company domiciled at Bösch 37, Hünenberg, Switzerland.

ESGTI's investment objective is to provide shareholders with long term capital growth by investing in or financing, directly or through investment companies, early stage companies or projects with transformative impact objectives. ESGTI offers them a platform to scale their business successful over a defined period of time. Investments may include investments in private equity and private equity related instruments and opportunistically in certain categories of credit products. Net profits generated upon realizations will typically be re-invested.

### 2. Summary of accounting policies for the unaudited consolidated financial statements

The significant accounting policies adopted in the preparation of these interim financial statements ("Group Financial Statements") are set out below. The Group Financial Statements comprise ESGTI, and the non-consolidated investments in (i) ESG LifeSciences Ltd., Hünenberg, Switzerland ("ESG-LS"), (ii) ESG Real Assets Fund, George Town, Cayman Islands ("ESG RAF"), (iii) ESG EKO AGRO Italia s.r.l., Bologna, Italy ("ESG EA"), (iv) AltEnergis plc, London, United Kingdom ("AltEnergis"). The non-consolidated investee companies are referred to as Investment or Investments respectively if not addressed by name.

ESGTI further holds a minority equity stake in in ESG Engineering & Consulting Ltd., Zurich, Switzerland ("ESG E&C"). ESG E&C acts as the investment advisor of ESGTI and is accounted for at equity. ESG E&C is referred to as Associate or Investment Adviser if not addressed by name.

#### 2.1. Basis of preparation

The Group Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") and are compliant with IAS 34.

They are considered Group Financial Statements according to the Swiss Code of Obligations ("SCO"). These financial statements have been prepared as the only IFRS financial statements of ESGTI. Unless indicated otherwise, the values are in Swiss Francs ("CHF"), the reporting and functional currency of the Company.

#### 2.2. Changes in the group structure and accounting policies applied

ESGTI AG was formed in 2020 from multiple M&A transactions, bringing together innovative projects and companies with an ESG focus under a vision for a better world. Our core areas are Agriculture, Life Sciences, Deep Technology, Infrastructure and Renewable Energy. We believe that investments based on ethical principles and responsibility are not only meaningful, but also sustainable.

The presented comparison figures bear no resemblance to the current group structure and the current purpose of ESGTI. However, the same accounting policies and valuation principles for the comparison period have been applied in the preparation of these Group Financial Statements. The comparison figures in the consolidated statement of comprehensive income cover the period from 1 January 2019 to 30 June 2019, the comparative consolidated balance sheet present the positions as at 31 December 2019 with the reporting period from 1 January 2019 to 31 December 2019.

#### 2.3. First time adoption of IFRS

The first IFRS statements are interim financial statements covering the period from 1 January 2020 to 30 June 2020. The date of transition to IFRS is 1 January 2020.

As per 1 January 2019, the valuation of assets and liabilities according to Swiss CO equal the valuation of assets and liabilities prepared under IFRS. Balance sheet as per opening date is presented as follows:



	Notes	01.01.2019 (SCO)	Effects of transition	01.01.2019 (IFRS)
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents		18'220	-	18'220
Receivables and other assets		802'441	-	802'441
<b>Total current assets</b>		<b>820'661</b>	<b>-</b>	<b>820'661</b>
<b>Non-current assets:</b>				
Investments at fair value through profit and loss		8'101'489	-	8'101'489
<b>Total non-current assets</b>		<b>8'101'489</b>	<b>-</b>	<b>8'101'489</b>
<b>Total assets</b>		<b>8'922'150</b>	<b>-</b>	<b>8'922'150</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accrued expenses and other payables		970'207	-	970'207
<b>Equity</b>				
<b>Shareholders' equity:</b>				
Share capital		8'385'000	-	8'385'000
Retained earnings		-433'057	-	-433'057
<b>Total shareholders' equity</b>		<b>7'951'943</b>	<b>-</b>	<b>7'951'943</b>
<b>Total liabilities and shareholders' equity</b>		<b>8'922'150</b>	<b>-</b>	<b>8'922'150</b>



As per 31 December 2019, the valuation differences of assets and liabilities according to Swiss CO compared to the valuation of assets and liabilities under IFRS are as follows:

	Notes	31.12.2019 (SCO)	Effects of transition	31.12.2019 (IFRS)
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents		15'622	-	15'622
Receivables and other assets		337'523	-	337'523
<b>Total current assets</b>		<b>353'145</b>	<b>-</b>	<b>353'145</b>
<b>Non-current assets:</b>				
Current accounts with Investments and Associate		-86'738	-	-86'738
Investment in Associate	2.3.1	200'000	16'183	216'183
Investments at fair value through profit or loss	2.3.2	9'238'202	914'365	10'152'566
<b>Total non-current assets</b>		<b>9'351'464</b>	<b>930'548</b>	<b>10'282'012</b>
<b>Total assets</b>		<b>9'704'609</b>	<b>930'548</b>	<b>10'635'156</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accrued expenses and other payables		1'309'634	-	1'309'634
Accruals		-	-	-
<b>Total current liabilities</b>		<b>1'309'634</b>	<b>-</b>	<b>1'309'634</b>
<b>Equity</b>				
<b>Shareholders' equity:</b>				
Share capital		8'385'000	-	8'385'000
Capital reserves		-	-	-
Retained earnings		-433'057	-	-433'057
Result of the period		443'032	930'548	1'373'580
<b>Total shareholders' equity</b>		<b>8'394'975</b>	<b>930'548</b>	<b>9'325'523</b>
<b>Total liabilities and shareholders' equity</b>		<b>9'704'609</b>	<b>930'548</b>	<b>10'635'156</b>



The effects of transition from SCO to IFRS for the period 1 January 2019 to 31 December 2019 are presented as follows:

Statement of comprehensive income (shortened)	Notes	1.1.2019 - 31.12.2019 (SCO)	Effects of transition	1.1.2019 - 31.12.2019 (IFRS)
Net change in value of investments through profit or loss	2.3.2	-	914'365	914'365
Income from management services		150'000	-	150'000
<b>Result from investments and advisory services</b>		<b>150'000</b>	<b>914'365</b>	<b>1'064'365</b>
Management, operative and administrative expenses		301'027	-	301'027
<b>Operating result before financial result and taxes</b>		<b>451'027</b>	<b>914'365</b>	<b>1'365'391</b>
Proportionate result from Associate	2.3.1	-	16'183	16'183
Tax expenses		-7'995	-	-7'995
<b>Net profit / loss(-) for the period</b>		<b>443'032</b>	<b>930'548</b>	<b>1'373'580</b>

#### 2.3.1. Investment in Associate

The proportional result of ESG E&C was accounted for in accordance with IAS 28.10. SCO permits accounting of a proportionate result.

#### 2.3.2. Investment at fair value through profit or loss

The fair value changes of the investment in Greenslands Global Opportunities Fund ("GIGOF") was accounted for in accordance with IFRS 9. SCO permits accounting of investments at fair value through profit or loss if the investment is not actively traded.

#### 2.3.3. Other notes to the transition:

- Employee benefits: none, ESGTI did not have any employees;
- Share-based payments: none, ESGTI did not granted share-based payments;
- Insurance contracts: ESGTI had no insurance contracts where an additional provision is considered necessary;
- Fair values of the Fund in the previous financial statements: As per 1. January 2018, ESGTI did not have a stake in the Fund and therefore cannot disclose a comparative fair value for a prior period.
- Due to its business purpose ESGTI is considered a holding company under cantonal tax law and only subject to capital taxes. The impact of capital taxes due to the increase in assets is not material, no deferred tax was calculated and accounted for.

#### 2.4. New or amended standards and interpretations applied for the first time during the year under review

These Financial Statements are the first Financial Statements presented by ESGTI under IFRS. ESGTI applies all currently valid standards. All standards are early adopted.

#### 2.5. Significant accounting judgements, estimates and assumptions

The preparation of the Group Financial Statements requires the Board of Directors to make estimates which affect reported earnings, expenditure, assets, liabilities and investment commitments as at the balance sheet date. If the estimates made by the Board of Directors to the best of their knowledge at the balance sheet date subsequently be shown to differ from actual circumstances, the original estimates will be adjusted accordingly during the reporting year in which circumstances have changed. A degree of uncertainty



is attached specifically to estimating the fair value of the non-consolidated Investment as those Investments are in private companies and funds which are not actively traded.

The fair value of investments that are not traded in an active market are determined by using appropriate methods in accordance with the valuation policies (note 2.10. "Investment"). The use of valuation techniques requires estimates made by the Board of Directors. Changes in assumptions could affect the disclosed fair value of these investments (note 2.10 "Investments" and 12.6 "Valuation risks and fair value").

## 2.6. Status of ESGTI Ltd as an investment entity as defined in IFRS 10

ESGTI was established as a holding company. It is now in the transition phase of becoming an investment company with independent shareholders and will provide these shareholders with investment management services. It is currently listed on the Berlin Stock Exchange and plans to change this listing to the Berne Stock exchange in the beginning of calendar year 2021.

ESGTI's investment objective is to provide shareholders with long term capital growth by investing in or financing, directly or through investment companies, early stage companies or projects with transformative impact objectives. For this, the Company, acquires, holds and sells equity positions in other companies and finances these investments for the main purpose of return from capital appreciations and income from these Investments. Net profits generated upon realizations are planned to be re-invested, Shareholders' main benefit for the short- and mid-term period is the increase in value of the shares of the Company.

ESGTI values and reports all of its Investments at fair value through profit or loss ("FVTPL"). Wherever feasible, the valuation of the Investments is based upon a third-party valuation by the Investment itself which is regularly updated to reflect the development within the Investment with a current fair value.

Consequently, ESGTI fulfils the typical criteria qualifying it as investment entity and reports its financial positions under the investment entity regulations of IFRS 10.27 and does not consolidate these investments.

## 2.7. Associated company

The partially owned ESG E&C does not qualify as investment entity. Its main business purpose is not to invest funds solely for return from capital appreciation or investment income but to provide advisory services as operating company. ESGTI is a minority shareholder of ESG E&C.

In line with IFRS 10.32, ESG E&C is not carried at FVTPL but instead valued at equity according to IAS 28. It was initially recognised at cost and the carrying amount increases or decreased in accordance with the applicable percentage share of the profit for the respective period.

## 2.8. Foreign currencies

The functional currency for the Company is CHF. Transactions in foreign currencies are accounted for at the exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currencies are converted into Swiss francs at the exchange rates prevailing on the balance sheet date. The resulting foreign currency gains or losses are accounted for through profit and loss.

The Company does not hold any non-monetary assets acquired through transactions in a foreign currency, all non-monetary assets are translated to CHF as per purchase date.

The following exchange rates were used in the preparation of the financial statements:

	30.06.2020	31.12.2019
<u>Exchange rates to CHF</u>		
EUR	1.0638	1.0853
USD	0.947	0.9673
GBP	1.1742	1.2829

## 2.9. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments which can be converted to a known amount of cash within 90 days and are subject to insignificant change in value.



## 2.10. Investments

### Investments in private companies and their valuation

The Company's investments in private companies are presented as non-current financial assets. ESGTI currently only holds investments not traded on an active market. Such investments are either held directly or indirectly through fully owned investment companies. Investments held directly are governed by the Board of Directors where ESGTI has hired ESG E&C as its investment advisor. Investments held indirectly are governed by the board of directors of the corresponding investment company as advised by their investment advisors.

The investments are initially recognised at the transaction price and subsequently carried at fair value through profit or loss. If an investment is in such early stage that the underlying assets cannot be reliably measured, this investment is carried at the transaction price until a reliable fair value can be determined.

The responsibility for determining the fair values lies with the Board of Directors. While the investment advisors of either ESGTI or the investment companies provide valuations of these investments, the Board of Directors reviews and discusses these valuations initially as at the purchase date and subsequently at least annually. Adjustments to the reported values are done by the Board of Directors when considered necessary.

The basis of the Investment Advisor's valuation is usually a third-party valuation of the investment. If no third-party valuation was performed, the valuation is done by the Investment Advisor using suitable valuation techniques. Valuations by a third party and by the Investment Advisor are usually based upon a discounted cash flow ("DCF") with the usage of observable inputs wherever possible.

The Investment Advisor adjusts this basis valuation using the International Private Equity and Venture Capital Valuation (IPEV) guidelines. The most important valuation factors are technology validation, last prices paid, market potential and the position within the market and the experience and performance of the management of the investment. The original costs or the subsequent capital increase price is considered an approximation of the fair value at the time of the transaction.

A write-up is recognised when a significant positive event occurs, especially when a milestone is reached. Milestones are defined as events that fundamentally change possible future benefits of the investment, it can be but is not limited to the issuance of a patent, positive technological or medical studies or any approval issued by a governing body. Furthermore, new corporate partnering and successful new financing rounds and the like are also considered to be a significant positive event.

A write down is recognised when a significant negative event occurs which fundamentally change possible future benefits. This can be but is not limited to missing development within the investment, inability to reach self-imposed goals, rejection of methods developed by a governing body or the like.

### Investments in funds and their valuation

The Company's investments in funds are non-current financial assets not traded on an active market. Currently, ESGTI holds one such investment directly. The current fund investment is governed by the BoD as advised by ESG E&C.

The valuation of a fund investment is generally based upon the latest Net Asset Value ("NAV") of the fund as reported by the fund manager. The board of directors reviews and approves the provided NAV unless it is aware that a NAV is not the most appropriate valuation and that other techniques provide a more appropriate fair value of the investment.

### Financing of Investments (loans receivable)

ESGTI may finance its Investments and recognize a receivable from such investments, presented as loans receivable on the balance sheet. The Investments consequently have a liability towards ESGTI. Any liability of such Investments is fully taken into account when the fair value of the Investment is determined.

### Recognition of additions and disposals

All purchases and sales of investments in companies, investment companies and funds are recognised on the settlement date, i.e. on the date on which the assets are delivered to ESGTI and ESGTI is the future beneficiary of the Investment and has an obligation to settle the purchase price. Purchases and sales that are agreed upon but not settled as per reporting date are disclosed separately in the notes.

### Realised and unrealises gains / losses

The impact from the fair valuation is presented in the consolidated statement of comprehensive income as net change in value of investments through profit and loss. When an Investment is sold the "Realised gains or losses on investments" is disclosed separately. It is calculated as the difference between the sale proceeds of an investment and the capital invested. Unrealised gains and losses



recorded in previous years on investments sold are eliminated and, together with the value adjustments on investment holdings for the current fiscal year, are reported under "Changes in unrealised gains and losses".

### 2.11. Financial liabilities

Financial liabilities are measured initially at their fair value net of transaction costs. They are subsequently carried at amortised cost using the effective interest method. Any discount, corresponding to the difference between the net proceeds received and the nominal value repayable upon maturity, is amortised over the term of the financial liability and charged to financial expenses.

### 2.12. Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle this obligation. A provision is accounted for if a reliable estimate can be made of the amount of the obligation.

### 2.13. Earnings per share and net asset value

Earnings per share are calculated by dividing the net result for the year that is due to shareholders by the time-weighted average number of shares in circulation during the same period.

Diluted earnings per share are calculated by dividing the net result for the year that is due to shareholders by the time-weighted average number of shares in circulation during the same period, adjusted for costs and for the potential issue of new shares in connection with outstanding convertible bonds, share options and similar instruments if those costs are material.

The net asset value per share ("NAV") is calculated from the shareholders' equity reported as at the balance sheet date, divided by the number of shares outstanding on that date. The NAV presented in these financial statements is a NAV based on IFRS-prepared financials.

ESGTI publishes monthly a NAV for its investors ("Investor-NAV") within the first five to ten days of the following month. This Investor-NAV is not fully IFRS compliant but uses an appropriate valuation and calculation as determined by the Board of Directors to provide investors with a current value of their investment. The main differences are (1) the associate is not accounted for at equity as information required cannot be reliably obtained within a short period of time, (2) material non-recurring expenses are capitalised and amortised over 36 months to avoid deflections in the timeline of the Investor-NAV, (3) deferred taxes are not taken into consideration as these deferred taxes were determined not to be relevant for the Investor-NAV.

### 2.14. Segment reporting

ESGTI's business purpose is the long-term capital growth for shareholder under the consideration of Impact / ESG principles. The Board of Directors values these Investments based on the fair values calculated for each Investment as presented in these financial statements. These Group Financial Statements correspond to this reporting form.





### 3. Investments

Name, Domicile	Note	Purchase	Cost (kCHF)	Fair Value (kCHF) (31.12.19)	Fair Value (kCHF) (30.6.20)	gain/ loss(-) (YTD)	latest valuation	Valuation method
ESG LifeSciences Ltd, CH	3.1	2020	29'300	n/a	30'506	1'206		
underlying assets								
SynDermix Ltd, CH		2018			38'474		2019	DCF (3rd)
Enielle Ltd, CH		2019			2'528		n/a	DCF (IM)
Rheon Medical SA, CH		2020			427		2019	n/a
ESG Real Asset Fund, KY	3.2	2019	9'242	10'139	10'455	1'213		NAV
underlying assets, IT (infrastructure projects)		2019					2019	
ESG Eko Agro Italia s.r.l., IT	3.3	2020	13	13	13	-		valued at cost
underlying assets, IT (options on land)		2020					2019	
AltEnergis plc, UK	3.4	2020	19'766	n/a	25'140	5'374	2019	DCF (3rd)
<b>Total</b>			58'321	10'152	66'114	7'793		

#### 3.1. ESG LifeSciences Ltd., Hünenberg, Switzerland

ESG LifeSciences Ltd. is a Swiss investment company with registered office in Hünenberg, Switzerland focusing on investments in the life sciences and advised by Dragon Finance AG, Zurich.

100% of the shares ESG-LS were purchased at 1 January 2020, ESG-LS is invested in three companies:

- SynDermix Ltd.**, Stans, Switzerland, a Swiss developer of innovative health technologies funded by private investors. The Company focuses on the development of effective and safe treatments that meaningfully respect patient convenience and address important unmet medical needs. As of 30 June 2020, ESG-LS held 42.4% of SynDermix AG. ESG-LS values the SynDermix shares at CHF 4.50 per share, which corresponds to a company valuation of CHF 89.6 million. Such fair value is supported by an independent valuation performed by Bioscience Valuation BSV GmbH Germany, throughout the years 2014 to 2019. Bioscience Valuation BSV GmbH uses a risk adjusted DCF where the risk of failure from the current development stage of the products to the marketable product is taken into consideration. The valuations were commissioned by SynDermix Ltd.. The last valuation was sponsored by ESG-LS as main financing party of SynDermix Ltd..
- Énielle Ltd.**, Zürich, Switzerland, a Swiss developer of nature-based cosmeceuticals, 80% owned by ESG-LS. The latest valuation done by the Investments Manager was performed in the second half of calendar year 2019 and based upon a DCF. As the first product of Énielle is ready to market, known expenses related to produce the cosmetic and expected sales were taken into consideration. Expected expenses for marketing were based upon a balanced analysis of marketing methods and specialist advice. The cash flows were calculated for 10 years and discounted for 2019 to determine a company value. Énielle Ltd. is currently active in marketing activities. As per 30 June 2020, the Investment Manager did not determine a new current value, the Board of Directors confirm that the fair value as per 31 December 2019 is to be the fair value as of 30 June 2020.
- Rheon Medical SA**, Prévèrenge, Switzerland, a privately held Swiss medical device company, a spin-off from the Swiss Federal Institute of Technology Lausanne. Rheon Medical specializes in the field of glaucoma surgery and, in specific, in glaucoma drainage devices. Its mission is to provide optimal solutions to the surgical therapy of glaucoma. As at 30 June 2020, ESG-LS held 3.19% of Rheon Medical SA, valued at the last known transaction price which the Board of Directors deemed to be an appropriate fair value of the shares held.



As at 30 June 2020, ESG-LS' Gross Asset Value amounted to CHF 42'876'155 and its Net Asset Value to CHF 30'506'256. CHF 9'972'600 of ESG LS' debts were borrowings from ESGTI.

### 3.2. ESG Real Assets Fund, Cayman Islands

ESG Real Assets Fund is a Cayman Islands based infrastructure fund, managed by Simplon Asset Management Ltd., Cayman Islands and, as at 30 June 2020, it was invested in Italian infrastructure projects. ESGTI holds 71.5% of non-voting shares of ESG RAF. The fair value of ESG RAF is a derivative of the net asset value reported by the fund manager.

As at 30 June 2020, ESG RAF's Gross Asset Value amounted to EUR 123'513'762 and its Net Asset Value to EUR 13,738,974. EUR 79,052,262 of ESG RAF's debts were borrowings from ESGTI.

### 3.3. ESG EKO AGRO Italia s.r.l., Bologna, Italy

ESG EKO AGRO Italia s.r.l. is an Italian investment company focusing on agricultural projects. As at 30 June 2020, the company was 100% owned and financed by ESGTI.

ESG EA owns option rights for the purchase of 20+ farms in Italy with a total production area of 8,000+ hectares. While some of the options have a value that can be determined, ESGTI chose to value ESG EA at transaction price due to the early stage of the investment. ESGTI will apply a fair value after options are executed and the Investment has full ownership of the related farms.

### 3.4. AltEnergis p.l.c., London, UK / UK Innovation Capital Ltd., BVI

AltEnergis p.l.c. is a UK-based, privately funded technology development and commercialisation company. The company focuses on developing innovative technologies within Deep Technology, specifically in Cleantech and Medtech. Deep Tech is defined as technologies based on tangible engineering innovation, which can have a profound impact on sectors including autonomous systems, robots, smart home/cities, medical devices, Cleantech, energy efficiency and numerous other sectors.

As at 30 June 2020, ESGTI held 51.51% of AltEnergis through UK Innovation Capital Ltd., a SPV in the BVI, 13.25% were held directly.

The fair value applied as per 30 June 2020, was GBP 0.26 per share, corresponding to a company valuation of about GBP 30 million. Such fair value is supported by an independent valuation performed by Hardman & Co. in 2019, giving a DCF based value between GBP 30 to 55 million. The Board of Directors determined the value on the lower side of this valuation range in line with the underlying sum-of-parts and peer comparison. A higher valuation used assumptions related to cost of capital that are not fully applicable in the current holding structure. The valuation was commissioned and sponsored by ESG-LS.

### 3.5. GreenIslands Global Opportunities Fund, Cayman Islands

GreenIslands Global Opportunities Fund ("GIGOF") is a Cayman Islands based venture capital fund, managed by Simplon Asset Management Ltd., Cayman Islands, invested mainly in sustainable projects. The fair value of GIGOF is a derivative of the net asset value reported by the fund manager.

As at 30 June 2020, ESGTI had no investment in GIGOF.

## 4. Associated company

ESG Engineering & Consulting Ltd. is a Swiss company with registered office in Zurich, Switzerland. ESG E&C is the Investment Advisor for ESGTI, ESGTI holds 40% of ESG E&C.



	30.06.2020	31.12.2019
<b>Associated company at equity:</b>		
ESG Engineering + Consulting Ltd., Zurich, Switzerland, voting/capital rights: 40%		
Purchase price	200'000	200'000
Accumulated proportionate result until beginning of the current period	16'183	-
Proportionate result of the current period	145'255	16'183
<b>Total associated company</b>	<b>361'438</b>	<b>216'183</b>

## 5. Current accounts with Investments and Associate

ESGTI has current accounts with its Investments and its Associate. These current accounts are measured at amortised costs. Details and movements of these accounts are outlined below.

All current accounts are unsecured. All current accounts with Investments are subject to interest of the minimal account in accordance with regulations of the Swiss Tax Authorities, currently 0.25%. The current account with the Associate is based upon own capital expenses plus 1%, amounting to about 7% interest.

	2020	2019
<b>Current accounts with Investments and Associates</b>		
<b>ESG Life Sciences</b>		
As per 1.1.	-183'382	-
Increase / (-)decrease	10'155'982	-183'382
<b>As per 30.6 / 31.12.</b>	<b>9'972'600</b>	<b>-183'382</b>
<b>ESG Real Assets Fund</b>		
As per 1.1.	450'000	-
Increase / (-)decrease	-	450'000
<b>As per 30.6 / 31.12.</b>	<b>450'000</b>	<b>450'000</b>
<b>ESG EKO AGRO Italia</b>		
As per 1.1.	340	-
Increase / (-)decrease	84'887	340
<b>As per 30.6 / 31.12.</b>	<b>85'226</b>	<b>340</b>
<b>ESG Engineering + Consulting Ltd</b>		
As per 1.1.	-353'695	-
Increase / (-)decrease	-44'338	-353'695
<b>As per 30.6 / 31.12.</b>	<b>-309'357</b>	<b>-353'695</b>
<b>Total current accounts with Investments and Associate</b>	<b>10'198'469</b>	<b>-86'738</b>



## 6. Loans receivable

	30.06.2020	31.12.2019
<b>Loans receivable</b>		
Loans receivable denominated in CHF at the beginning of the reporting period	56'563'360	-
Loans receivable denominated in USD at the beginning of the reporting period	23'101'642	-
Loans receivable denominated in GBP at the beginning of the reporting period	2'827'276	-
Interest for the corresponding period	1'596'268	-
<b>Total loans receivable</b>	<b>84'088'546</b>	<b>-</b>

The loans receivable are receivables from the Investment ESG EAG and measured at fair value through profit and loss.

## 7. Deferred expenses

ESGTI capitalised expenses related to the long-term loan, 5.75% interest (note 8) and expenses these capitalised expenses monthly on a straight-line basis over the duration of the loan until 31 March 2020 to avoid an accounting mismatch. The initial deferred expense as per 30 April 2020 were CHF 1'750'000.00, per month CHF 29'167.00 are expensed.

Deferred expenses that will be expensed within the next 12 months (CHF 350'000.00) are presented as current assets within receivables and other assets, expenses to be amortised after 12 months are presented as non-current assets.

## 8. Accrued expenses and other payables

	30.06.2020	31.12.2019
<b>Accrued expenses and other payables</b>		
Payables to service providers	-562'991	-1'094'068
Payables to governmental institutions	-544'585	-
Accruals for Investment Manager	-635'009	-
Accruals for directors' fees	-84'000	-
Other accruals	-277'086	-215'565.50
<b>Total payables</b>	<b>-2'103'671</b>	<b>-1'309'634</b>

## 9. Financial liabilities

	30.06.2020	31.12.2019
<b>Financial liabilities</b>		
Long-term loan, 5.75% interest	-83'272'000	-
Long-term loans provided by Shareholders, interest free	-6'308'446	-
Other loans	-824'505	-
<b>Total long-term loans payable</b>	<b>-90'404'950</b>	<b>-</b>

Financial liabilities are measured at cost.

Interest for the long-term loan, 5.75% interest amounts to CHF 800'210 as per 30 June 2020 and is payable per 30 October 2020. This interest payable is presented as short-term financial liability on the balance sheet.

Interest to other loans is not due within the next 12 months, increased the respective loans and is not presented separately.



## 10. Shareholders' equity

### 10.1. Share capital and capital reserve

As at 30 June 2020, the Company's share capital amounts to CHF 29.8 million (previous year: CHF 8.4 million), divided into 19'127'438 registered shares (previous year 5'375'000) at a par value of CHF 1.56 each (previous year: CHF 1.56).

Capital reserves of the Company amount to CHF 33.56 million (previous year: CHF 0).

Pending approval from Swiss tax authorities, capital reserves are withholding tax exempt when distributed to the shareholders.

### 10.2. Significant shareholders and transactions with shareholders

The following major shareholders were known by the Company at balance sheet date:

	30 June 2020	31 Dezember 2019
More than 20%	Dragon Finance AG, Switzerland	HBR Investments AG, Zurich, Switzerland
Between 10% and 20%	Fund Advisers (Cayman) SPC obo Aspect Capital SP, Cayman Islands Greenslands Global Opportunities Fund, Cayman Islands	Greenslands Global Opportunities Fund, Cayman Islands
Between 3% and 10%	Tony Premi, UK	---
Below 3% (free float)	25.9%	25.40%

#### Transactions with shareholders:

The current structure of ESGTI was achieved in the first half year of 2020 where the two major shareholders Greenslands Global Opportunities Fund and Fund Advisers (Cayman) SPC obo Aspect Capital SP bundled their separate assets into ESGTI.

The value of each individual transaction was based on the then valid and determined fair values of the underlying assets. The underlying assets were substantially the Investments outlined in note 3. Subsequently there were no increase or decrease in the fair value of the underlying assets that should have been realised before these transactions.

## 11. Significant fee agreements

In relation to its management, investment, administration and fund-raising activities the Company entered into the following agreements:

#### Investment advisory fees

ESG E&C as the Investment Advisor is entitled to receive a pro rata fixed advisory fee from the Company equal to the greater of minimum CHF 50'000.00 p.a. or 0.5% p.a. of the Company's Gross Asset Value calculated as at each valuation date payable semi-annually in arrears on such terms as are set out in the Investment Advisory Agreement.

The Investment Advisor is also entitled to receive an incentive fee every year from the Company equal to 5% of the appreciation of the Net Asset Value (before deduction of such incentive fee), if any, subject to the Net Asset Value per share being above the high watermark, defined as the highest Net Asset Value after deduction of the incentive fee achieved as of the end of any previous incentive fee period.

Fees for external parties in relation to specific research tasks are to be borne by the Investment Advisor.

Fees for external parties in relation to valuation of Subsidiaries are charged to the relevant Subsidiaries.

#### Administration fees

ARIA Fund Services Dubai ("Administrator") is entitled to receive a pro rata fixed advisory fee from the Company equal to the greater of minimum CHF 100'000 p.a. or 0.05% p.a. of the Company's Gross Asset Value calculated as at each valuation date payable semi-annually in arrears on such terms as are set out in the Administrative Services Agreement.



In addition, the Administrator is entitled to receive CHF 25'000 for the preparation of the annual and semi-annual financial statements plus CHF 4'000 for the Anti-Money-Laundering services.

#### Directors' fees

For the fiscal year 2020 the members of the Board of Directors are entitled to receive a pro rata fixed fee as set out below:

Chairman: CHF 60'000 p.a.  
Member: CHF 40'000 p.a.

Such fees are payable on such terms as set out the in the Director's Services Agreements.

#### Referring agents' fees

ESGTI entered into several agreements with referring agents for the purpose of fund-raising activities for the Company itself and/or its investment companies. Such referring agent fees are set at a maximum of 5% of funds received.

## 12. Significant transactions with related parties

	01.01.-30.06.2020	01.01.-30.06.2019
<b>Related party transactions</b>		
<b>Remuneration of the Board of Directors</b>		
Chairman	30'000	-
Members	45'000	-
<b>Remuneration of Advisors</b>		
Legal advisor	87'874	28'716
Investment Advisor	192'812	188'137
Administrator	179'091	-
<b>Advisory Fee Income</b>		
Greenlands Global Opportunities Fund	-	150'000

During the comparison period, ESGTI did not formally nominate an Administrator.

During the comparison period the Board of Directors did not receive a remuneration.

All related party transactions have been carried out within the normal course of business.

## 13. Disclosures regarding risk assessment and management

ESGTI is exposed to a variety of financial risks including market risk, credit and liquidity risk. The Board of Directors attributes great importance to professional risk management and active monitoring including ongoing interviews with the board of directors of the investment companies and management of the investee companies, thorough analysis of reports and financial statements and review of Investments which were made. It was also key to structure the proper investment vehicles for the portfolio taking into account issues such as liquidity or tax related issues. ESGTI has an investment policy that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

### 13.1. Risk of limited market liquidity

ESGTI invests in privately held companies in a currently early stage. Such investments are mostly illiquid by nature, which prevents ESGTI from selling such investments without the support of the portfolio company and the consent of major co-investors.



All of these restrictions on liquidity may prevent the successful sale of holdings in these portfolio companies and/or reduce the proceeds that might be realised from a sale. ESGTI endeavours to reduce market liquidity risk by means of thorough investment analyses and by dialogue and cooperation with the portfolio companies concerned.

### 13.2. Market risks

General economic and political market factors, as well as the situation on the relevant public equity markets, are factors that impact directly on the prospects of ESGTI's investments.

While the exit strategy for each Investment is ultimately the IPO for the investments within a mid- to long-term schedule, public equity markets have a direct impact. A receptive public equity environment is helpful for a company in successfully executing a trade sale or public offering, and the pricing of a company correlates positively with the valuation of its publicly traded peers. By contrast, a negative public equity market makes a sale or an IPO more difficult.

The value-creation potential of the portfolio positions of ESGTI may depend in part on demand from strategic buyers for companies within promising drugs and medical technology products, promising existing agricultural investments, deep tech investment companies or other strategic investors within the ESG-market.

For ESGTI's portfolio of private companies that are still at a relatively early stage of development, the availability of funding is crucial to the continuation of their business activities and to reaching their development objectives. The liquidity provided by the private equity market thus impacts positively on these companies' financing costs.

The ESG-sector as a whole depends on society's ability and willingness to adopt to a new market and a new way of positioning themselves as individuals within a global market, if the demand of this market is not met by ESGTI the underlying portfolio may not reach its estimated fair value and may ultimately fail.

ESGTI endeavours to reduce market risks by means of thorough investment analyses and by close cooperation with the portfolio companies concerned.

### 13.3. Liquidity risks

ESGTI's Investment Policy suggests to maintain an appropriate level of short-term funds in order to participate in follow-on financing for portfolio companies and to ensure that the Company is able to meet all of its liabilities and investment commitments. When determining the necessary level of liquidity, the most important factors are (1) the expected due dates of the investment commitments, (2) due dates for the repayment of borrowed capital under compliance with bond terms and/or the possibility of refinancing, (3) expected payment dates of other contractual obligations, (4) expected follow-on financing rounds at private portfolio companies, including their anticipated timing, (5) the trading liquidity of public portfolio companies, and (6) expected cash flows from the sale of private portfolio companies.

Committed is the following:

	01.01.-30.06.2020	31.12.2019
<b>Commitments to Investments</b>		
SynDermix AG (Investment of ESG LifeSciences)		
Commitment, total	10'000'000	-
provided	1'412'599	-
Outstanding commitment	8'587'401	-
Thereof called	2'500'000	-

While not contractually committed, ESGTI holds Investment in foreign currencies ESG EA (EUR) and AltEnergis (GBP) and ESGTI also provides financing to these Investments. Financing is provided through loans; all loans are denominated in CHF. As the Investments are domiciled outside of Switzerland, they most likely have to pay their suppliers in other currencies than Swiss Francs which might impact the necessary financing provided by ESGTI.



Depending on expected currency fluctuations, ESGTI might agree to short-term forwards or other short-term financial instruments to secure a current beneficial rate for planned liquidity needs of Investments. Other than that, this liquidity risks based upon currency fluctuations is not hedged. ESGTI does not assess this specific currency rate related risk in general.

### 13.4. Interest rate risks

ESGTI's exposure to changes in the interest rate is low as the Company only holds short-term positions in cash and cash equivalents and debt financing instruments are determined in advance for the entire term of the instrument. The current debt instruments have a fixed interest until 12 May 2025 and 30 April 2025 respectively.

### 13.5. Foreign currency risks

#### 13.5.1. Fair value determination

At balance sheet date, the fair values of the Investments in ESG RAF and AltEnergis are determined and reported in a foreign currency and translated with the rates outlined above. Consequently, the fair values of these investments are subject to risks emanating from exchange rate fluctuations. These risks are not hedged by ESGTI. A sensitivity analysis of the fair values reported of these Investments to a possible change in the foreign exchange currency (+/- 10%) compared the current foreign exchange currency as follows:

		30.06.2020	31.12.2019
<b>ESG Real Asset Fund</b>			
Fair value per share	EUR	1'156.19	1'099.12
shares held		8'500	8'500
fair value of investment	EUR	9'827'592	9'342'515
Exchange rate		1.0638	1.0853
Fair value in reporting currency	CHF	10'454'592	10'139'658
<b>Fluctuation in exchange rate of 10% will result in a change of fair value amounting to</b>		<b>CHF</b>	<b>CHF</b>
		<b>1'045'459</b>	<b>1'013'966</b>
<b>AltEnergis plc</b>			
Fair value per share	GBP	0.26	-
shares held		82'345'996	-
fair value of investment	GBP	21'409'959	-
Exchange rate		1.1742	1.2829
Fair value in reporting currency	CHF	25'139'574	-
<b>Fluctuation in exchange rate of 10% will result in a change of fair value amounting to</b>		<b>CHF</b>	<b>CHF</b>
		<b>2'513'957</b>	<b>-</b>

#### 13.5.2. Other assets and liabilities in foreign currencies

Some assets are denominated in a foreign currency. A sensitivity analysis of the values reported of these positions to a possible change in the foreign exchange currency (+/-10%) compared to the current foreign exchange currency as follows:





		30.06.2020	31.12.2019
<b>Loans receivable</b>			
Loan at fair value, in original currency	GBP	2'332'246	-
exchange rate		1.1742	
Loan in reporting currency	CHF	2'738'523	-
<b>Fluctuation in exchange rate of 10% will result in a change of fair value amounting to</b>			
	<b>CHF</b>	<b>273'852</b>	<b>-</b>
		30.06.2020	31.12.2019
<b>Loans receivable</b>			
Loan at fair value, in original currency	USD	24'411'739	-
exchange rate		0.947	
Loan at fair value in reporting currency	CHF	23'117'916	-
<b>Fluctuation in exchange rate of 10% will result in a change of fair value amounting to</b>			
	<b>CHF</b>	<b>2'311'792</b>	<b>-</b>

A sensitivity-analysis for non-material positions was not performed.

### 13.6. Valuation risks and fair values

Given the uncertainties inherent in valuing private companies, the NAV reported by ESGTI may differ temporarily from the actual fair value of individual investments. As a result of valuation differences owing to the unavailability of information, the estimated values of individual investments may diverge significantly from values that would have been calculated had an active market for such securities existed. Furthermore, the estimated values of individual investments as at a certain balance sheet date may differ significantly from the values which could potentially be realised by means of an exit, an IPO or another event with a participating third-party (i.e. financing round) at any later point in time. Such differences might have a material effect on the valuation of individual investments in the Group Financial Statements.

Valuations of difficult-to-assess investments are made by the Investment Advisor in accordance with its accounting policies, as described in note 2.10 "Investments" and approved or adjusted by the Board of Directors.

The IFRS established a fair value hierarchy to determine any fair value based upon the inputs to determine the fair value. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are either directly or indirectly observable. Level 3 inputs are unobservable inputs.

All Investments held by ESGTI at fair value through profit and loss are investments where the fair value is based upon Level 3 inputs. Note 3 discloses how the fair values of the Investments are determined. There were no assets or liabilities measured at fair values based on Level 1 and Level 2 inputs in the reporting or the comparison period. There has not been a change in valuation techniques used for Level 3 investments.

Movements of the investments were as follows:



	01.01.-30.06.2020	1.1.2019 - 31.12.2019
<b>Movements of investments at fair value through profit and loss:</b>		
Total Investments at beginning of reporting period	10'152'566	8'101'489
Disinvestments	-	-9'242'135
Reversal of change in fair value (unrealised gain)	-	-
<b>Realised gain from disinvestment</b>	<b>-</b>	<b>1'140'646</b>
Acquisitions	49'495'232	9'255'457
Change in fair value (unrealised gain)	6'466'166	897'110
<b>Closing balance</b>	<b>66'113'964</b>	<b>10'152'566</b>

### 13.7. Credit risk

Credit risks with regard to all of ESGTI's assets relate to the risk that a debtor may become unable to meet its liabilities. In order to minimise this risk, ESGTI holds cash and cash equivalents only with top-rated financial institutions.

In regard to the current accounts with its Investments, ESGTI has the inherent risk that the Investments do not fulfil their expectations and an impairment on an Investment needs to be recognised. If an impairment of the Investment is necessary, it is most likely that any receivable from the then impaired investment is not fully recoverable. The Board of Directors acknowledges this risk and addresses it with a thorough due diligence process of the business purpose and business plan before an investment and any subsequent financing takes place. Note 5 presents the current outstanding receivables from each Investment.

In regard to the loan receivable (refer to note 6) it is disclosed that ESG RAF owns property in Italy. In the unlikely event of a default of the outstanding receivables or a liquidation of ESG RAG, ESGTI shall, while the receivable itself is unsecured, receive the underlying assets of ESG RAF as compensation for the then default loan.

### 13.8. Capital management

The Company manages its shareholders' equity within the limits of the law and in accordance with its investment strategy and its liquidity planning.

### 13.9. Impact of COVID 19

Coronavirus disease 19 ("COVID-19") evolved end of 2019 and was declared a pandemic by the WHO in the beginning of 2020. The future consequences of this pandemic in general and its mid- and long-term impact on the financial market cannot be determined yet.

ESGTI identified the following impacts on its portfolio:

ESG-LS is invested in SynDermix Ltd. which is a development company in the healthcare industry. Currently, SynDermix Ltd. main focus is on a device for respiratory therapy. Clinical trials for the device were planned in 2020, those were postponed by the executing health advisers due to the focus on COVID-19 cases and the emergency plans issued by the relevant governing bodies primarily in Germany and Austria. It is currently unknown when this case will be resolved.

ESG-LS is invested in Énielle Ltd., a producer for a cosmetic product and Rheon Medical SA, a developer for a new glaucoma therapy. While the general acceptance and willingness of the end consumers to purchase a new cosmetic product might be reduced due to a possible global recession, the board of directors did not identify a specific risk related to Énielle Ltd., the board of directors also did not identify a specific risk within Rheon Medical SA as this therapy should be covered by the national health insurances within Europe.

ESG EA is a (planned) agricultural producer. A global pandemic with increased death rates can significantly hinder the recruitment of staff necessary for farming and carry a heightened health risk to farmers who are demographically skewed towards advanced ages.

ESG RAF holds agricultural lands. The Board of Directors did not identify any specific risk with this position.

AltEnergis is an early-stage developer in engineering and heavily dependent on the knowledge of its employees. If the health of these employees is constantly affected by COVID-19, staff replacement might be difficult to recruit.

The Board of Directors of the Company is monitoring the situation and the potential impact on the Company very closely. Currently, ESGTI is in a position to continue its usual operations in accordance with its investment policy.



Overall, COVID-19 may result in overall higher capital needs of portfolio companies and delays in the closing of financing rounds, which could have an impact on the valuation of the Investments in the end.

#### 14. Subsequent events

Authorized capital increase: ESGTI increased its share capital on 10 August 2020 by conversion of two loans provided by shareholders amounting to CHF 6'122'000. A share value of CHF 4.00 was determined for this conversion. The conversion was published in the commercial register of Zug on 27 August 2020:

	30 Juni 2020	Conversion	10 August 2020
Share capital	29'838'803	2'387'580	32'226'383
Capital reserves	33'555'949	3'734'420	37'290'369
	<b>63'394'752</b>	<b>6'122'000</b>	<b>69'516'752</b>

Increased stake in Investment AltEnergis: Following the Board of Directors on 7 July 2020, ESGTI offered to the minority shareholders of AltEnergis a share-swap: All minority shareholders agreed to the offer on 31 August 2020. 880'791 shares of ESGTI are to be issued by ESGTI through existing authorised capital. After delivery of these shares, ESGTI will hold 100% of AltEnergis.



## INVESTORS' INFORMATION

### Shares

ISIN CH0298294981  
Valor 29829498  
WKN A1409X  
Ticker 02TP

### Listing

Berlin Stock Exchange / Berlin Open Market

### Publication of net asset value

[www.esgti.com](http://www.esgti.com)

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Dimitri Dimitriou, MSc, FRSC, FRSB, FIBMS, Freienbach, Switzerland  
Wolfgang Werlé, BA, Zumikon, Switzerland  
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