



# Annual Report 2020

ESGTI AG

**ESGTI**



## Table of Contents

Chairman's note.....	3
Portfolio, Impact, and ESG-Principles.....	4
Report of the statutory auditor on the consolidated financial statements .....	6
Consolidated financial statements.....	10
Report of the statutory auditor on the statutory financial statements .....	37
Statutory financial statements.....	41
Report on the statutory auditor on the remuneration report.....	47
Remuneration report.....	48
Investors information.....	50

### Publication date

This report was released for publication on 28 May 2021.

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

I'm delighted to be looking back on a successful year for ESGTI AG where we achieved our overarching goal of presenting ourselves as an ESG Investment Company by YE. We can now boast a strengthened portfolio, strong financial results and a team of dedicated specialists on which we will expand our financial and impact commitments as we move into 2021.

As you read this report you'll see there's a lot worth celebrating. One of our major achievements in 2020 was a series of strategic investments to broaden our portfolio. Acquisitions of Sky Energy and AltEnergis, coupled with a partnership with visaVento allowed us to bolster our Clean Energy & Technology pillar.

Similarly we consolidated our assets into two further pillars of Life Sciences and AgTech & Sustainable Agriculture; streamlining our investment focus to the world's most pressing social and environmental challenges – climate change, healthcare solutions and food security.

Years like 2020 remind us all of the fragility of our race and the importance of protecting our planet. Thankfully our business operations experienced only minimal impact from the Covid-19 pandemic, but its scale and influence reinforced our belief that investing based on ESG principles will deliver equal returns to investors and better returns to our world. We evaluated our own ESG operating model and came out with an excellent portfolio score; underpinning our ESG aptitude. But we did not stop there; we initiated two broader ESG certification processes with results expected in H1 2021 in order to build on our commitment to transparency, broaden our ESG diligence within our investment policies and impart skills into our companies.

We believe that what sets ESGTI apart is the passion, commitment and involvement of our team. We are not fund managers passively buying shares in companies; we are entrepreneurs who have had a pivotal role in helping our businesses thrive and realise the full potential of their positive impact. In 2020 we expanded the Board of Directors to include specialist members in our chosen business fields, we hired of a team of ESG Advisors and our partnership network grew through portfolio expansion. In doing so we make sure our people not only share our passion, but also carry the know-how to do so.

Moving into 2021 we will move our company listing to the BX in Switzerland; a token of its Swiss heritage and stamp of quality. We have pre-identified an exciting number of pipeline investments and will continue to strengthen the way we evaluate and embed our ESG principles.

We look forward to sharing this year with you!



Hünenberg, May 2021, Andreas R. Bihrer, Chairman



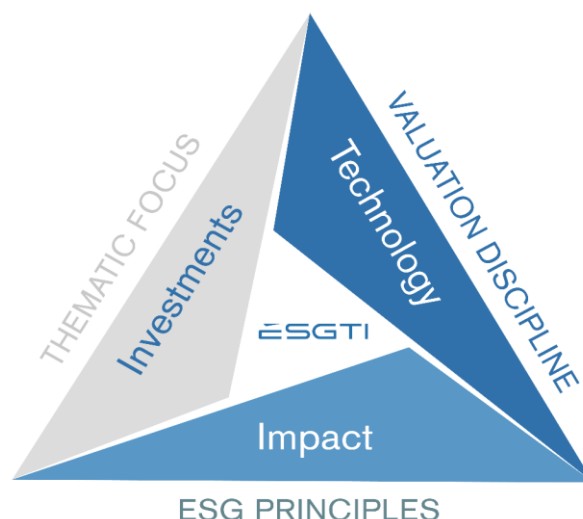
## An Overview of ESGTI

We are an investment company driven by the overriding belief that investing based on ESG principles will deliver equal returns for investors and better returns for our world. Our focus enables us to invest in the right companies with the right technologies at the right time to enable breakthroughs that deliver better solutions for food, health and energy.

We operate at the intersection of sustainability, innovation and private enterprise, focussing our investments in companies and sectors with the potential for high-impact solutions to global challenges. As we believe that technology and innovation are critical to accelerating the pace and scale of long-term change we identify investments with a disruptive technology at an early stage of investment and presenting strong impact potential. We aim to leverage our unique combination of ESG – embodying risk control – with Technology Investments – allowing for growth through disruption.

Our portfolio is grouped under three pillars designed to build on environmental and social fields and closely align with the UN Sustainable Development Goals (SDGs).

Through a rigorous research process which combines traditional financial and sustainability analysis, we identify the companies most likely to benefit from long-term trends and whose mission is aligned to our vision. When judging the investment potential of a company we combine in-house valuation with financial expertise and insight from a third-party valuation firm to inform our decisions.




## Our Portfolio

We see enormous potential in technology's ability to deliver high-impact solutions to the global challenges that are shaping our future. By concentrating our portfolio into three core pillars we streamline our investment, knowledge and synergies in the following manner:



**AgTech & Sustainable Agriculture**

We enable smart and sustainable farm-to-fork ecosystems with the potential to transform agriculture into a profitable and attractive prospect for the farmers of today and tomorrow.



**Life Sciences**

We specialize in scoping out and commercializing transformative technologies which have the power to improve patient well-being and access to healthcare options.



**Clean Technology & Energy**

We facilitate the development and efficiency of energy sources, enabling a healthier ratio of clean energy and a reduction of the climate change impact on our planet.

## Impact and ESG Principles

We invest in companies that create impactful solutions to improve the health of people, increase food security and protect the environment through cleaner and more efficient energy solutions.

As such, the investment committee and portfolio management upholds measurable and material ESG and impact objectives with transparency at the core. Our goal is to actively engage our portfolio companies on material financial and ESG issues and seek to influence our investees to improve their ESG performance; hence creating shared value. We believe that using ESG integration and impact metrics in our investment strategy will lead to enhanced risk-adjusted returns in the long run.

ESG Ratings	ESGTI	Benchmark
Environmental Impact	B (0.55)	C+ (0.39)
Social Impact	B+ (0.64)	B- (0.49)
Overall Impact	B (0.57)	B- (0.44)

Source: Inrate evaluation 2020

### Overall Social and Environmental Rating

Throughout 2020 we undertook an independent evaluation of ESGTI and its portfolio companies. This was a first and important step in understanding how our activities and operational structure stood up to industry benchmarks. Results demonstrated above average scores; reinforcing our choice of portfolio focus themes and providing some baseline scores from which we can hone our impact focus.

### UN SDGs and EU Taxonomy

Our second step was to move into an in-depth assessment of our portfolio companies to understand their alignment with the UN's Sustainable Development Goals and the EU Taxonomy. This information is essential to support our portfolio companies in maximising their impact, anticipating risk and managing regulatory obligations on the horizon for 2021. As we continue to roll out this independent evaluation across our portfolio in 2021 we will be able to increase transparency for our investments and investors alike.

### Our ESG Policy

Our ESG Policy is to develop principles to do no harm to people or nature and to invest in companies with products or services that positively contribute to society. We integrate these principles into our processes of selecting and monitoring portfolio company investments and assess a range of ESG metrics for each of the three thematic investment areas of agriculture, life science and energy.

#### The breadth of our portfolio allows us to address multiple SDGs with predominant focus on four:



##### Good health and well-being

Our life science pillar facilitates acceleration and affordability of life-changing medical devices and treatments.



##### Industry, Innovation, Infrastructure

We embed technology across our portfolio from more sustainable smart farming practices to more efficient renewable energy production systems.



##### Affordable and clean energy

We invest in renewable energy infrastructure and technological enablers of clean and efficient energy sources.



##### Responsible consumption and production

Embodied by ESG EKO AGRO, which exemplifies the intersection of sustainable agricultural methods with state-of-the-art technology.

# Report of the statutory auditor

to the General Meeting of ESGTI AG

Hünenberg

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of ESGTI AG (the Company), which comprise the statement of comprehensive income for the year ended 31 December 2020, the balance sheet as at 31 December 2020 and the statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

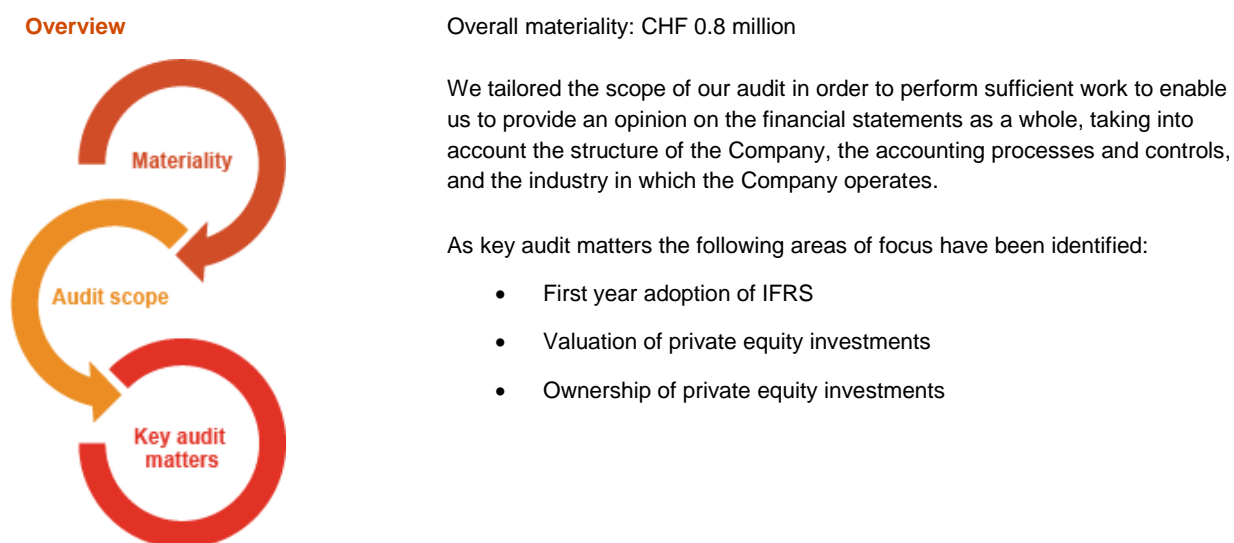
In our opinion, the financial statements (pages 10 to 36) give a true and fair view of the financial position of the Company as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

### Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and 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 provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), 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.

### Our audit approach



### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	CHF 0.8 million
<b>How we determined it</b>	1% of total shareholders' equity
<b>Rationale for the materiality benchmark applied</b>	We chose total shareholders' equity as the benchmark because, in our view, it is the most relevant benchmark for investors, and is a generally accepted benchmark for investment companies.

### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### First year adoption of IFRS

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
The Company adopted IFRS for the first time in 2020. 'IFRS 1 - First time adoption of IFRS' includes a number of disclosure requirements including appropriate disclosure of the effect of the transition from the previous accounting period. There is a risk of omission or misstatement of required disclosures. Refer to note 2.3 (First time adoption of IFRS) for further disclosure.	We have performed a full review of the financial statements over the course of the audit. We have involved internal IFRS specialists, who reviewed the financial statements in parallel with the core audit team. We have further made use of an IFRS disclosure checklist to ensure disclosures are appropriate and complete.

### Valuation of private equity investments

Key audit matter	How our audit addressed the key audit matter
<p>The investment portfolio comprises direct private equity investments. All of the Company's investments are unlisted.</p> <p>We focused on this area because of the significant value of the investments in the financial statements, and because determining the valuation methodology and the inputs requires estimation and significant judgement to be applied by the Investment Advisor and Board of Directors.</p> <p>Investments at fair value through profit or loss amount to CHF 65.8 million or 39% of total assets. Refer to notes 2.5 (Significant accounting judgements, estimates and assumptions), 3 (Investments) and 16.6 (Valuation risks and fair values) for further disclosure and note 2.11 (Investments) for the valuation methods applied.</p>	<p>We verified the design and implementation of the controls relating to the valuation of investments in order to determine whether the Company has appropriate controls in place.</p> <p>We reviewed the valuations for the investments prepared by the Investment Advisor and Board of Directors, including a review to seek corroborating comfort from the documents prepared by third party valuation experts.</p> <p>Where the most recent transaction price paid for the investment was considered to be the most reliable indicator of fair value, we verified the accuracy of the transaction price paid, and assessed the appropriateness of this valuation approach.</p> <p>As a result of our audit procedures, as discussed with the Audit Committee and the Board of Directors, we obtained sufficient appropriate audit evidence to conclude that the inputs, estimates and methodologies used for the valuation of the private equity investments are within a reasonable range and that valuation policies were appropriate and consistently applied by the Investment Advisor and Board of Directors.</p>

### Ownership of private equity investments

Key audit matter	How our audit addressed the key audit matter
<p>Private equity investments are not safeguarded by an independent custodian. There is a risk that the Company may not have sufficient legal entitlement to these investments.</p>	<p>We obtained sufficient audit evidence to verify the existence and legal ownership of private equity investments by confirming investment holdings with the investee fund manager, registrar or transfer agent as appropriate.</p>

### Other matter

The financial statements of ESGTI AG for the year ended 31 December 2019 were audited by another firm of auditors whose report, dated 9 March 2020, expressed that the internal control system was not in accordance with Swiss law, and accordingly the auditors were unable to confirm the existence of a control system. There were no other modifications to the opinion on those statements.

### Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the financial statements of ESGTI AG and the remuneration report of ESGTI AG and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Directors for the financial statements**

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines 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 Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has 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 Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Ebinger  
Audit expert  
Auditor in charge

Jack Armstrong  
Audit expert

Zurich, 27 May 2021

## Statement of comprehensive income

For the period ended 31 December 2020 (all amounts in CHF unless otherwise stated)

	Note	01.01.2020-31.12.2020	1.1.2019-31.12.2019
Net change in value of investments through profit or loss	3	11,420,963	2,055,010
Unrealised gain on loan receivable at fair value through profit or loss	6	5,311,506	-
<b>Result from investments</b>		<b>16,732,469</b>	<b>2,055,010</b>
Advisory fee income		-	150,000
<b>Result from advisory</b>		<b>-</b>	<b>150,000</b>
Investment advisory fees	12	-1,246,839	-501,104
Directors Fees	12	-196,800	-
Administration fees	12	-129,000	-36,713
Legal fees		-240,440	-150,800
Audit fees		-145,557	-6,721
Equity and debt issuance related costs	13	-2,551,215	-
Structuring and organisational costs		-	-91,624
Financial income	7	411,117	-
Other administrative and operational expenses		-198,745	-53,950
<b>Operating result before financial result and taxes</b>		<b>12,434,991</b>	<b>1,364,098</b>
FX gain / loss		-1,279,137	-17,310
Financial expenses	10	-4,087,346	-
Proportionate result of Associate	4	108,000	16,183
<b>Earnings before tax</b>		<b>7,176,508</b>	<b>1,362,972</b>
Income taxes	14	-	-
Deferred taxes	14	48,414	-48,414
<b>Net result for the period</b>		<b>7,224,922</b>	<b>1,314,558</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders		7,224,922	1,314,558
<b>Earnings per share attributable to Shareholders</b>			
Weighted average number of shares outstanding during the period		16,217,156	5,375,000
Basic earnings per share (CHF)		0.45	0.24
<b>Diluted earnings per share attributable to Shareholders</b>	<b>2.17</b>		
Weighted average number of outstanding and potential shares outstanding during the period		30,095,823	5,375,000
Diluted earnings per share (CHF)		0.35	0.24

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

## Balance sheet

As of 31 December 2020 (all amounts in CHF unless otherwise stated)

	Note	31.12.2020	31.12.2019	01.01.2019
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents		49,823	18,675	18,220
Receivables and other assets	8	3,259,051	799,348	802,441
<b>Total current assets</b>		<b>3,308,874</b>	<b>818,023</b>	<b>820,661</b>
<b>Non-current assets:</b>				
Current accounts with investments	5	13,770,231	-	-
Investment in Associate	4	324,183	216,183	-
Investments at fair value through profit and loss	3	65,800,353	10,139,245	8,101,489
Loan receivable	6	86,943,893	-	-
<b>Total non-current assets</b>		<b>166,838,659</b>	<b>10,355,428</b>	<b>8,101,489</b>
<b>Total assets</b>		<b>170,147,533</b>	<b>11,173,451</b>	<b>8,922,150</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accrued expenses and other payables	9	2,456,024	934,095	970,207
Short-term financial liabilities	10	2,496,562	183,382	-
Provisions direct taxes		60,000	23,500	-
<b>Total current liabilities</b>		<b>5,012,586</b>	<b>1,140,977</b>	<b>970,207</b>
<b>Non-current liabilities:</b>				
Long term financial liabilities	10	83,272,000	717,559	-
Deferred taxes	2.15	-	48,414	-
<b>Total non-current liabilities</b>		<b>83,272,000</b>	<b>765,973</b>	<b>-</b>
<b>Equity</b>				
<b>Shareholders' equity:</b>				
Share capital	11	33,875,757	8,385,000	8,385,000
Capital reserves		39,870,159	-	-
Retained earnings		892,109	-433,057	-433,057
Result of the period		7,224,922	1,314,558	-
<b>Total shareholders' equity</b>		<b>81,862,947</b>	<b>9,266,501</b>	<b>7,951,943</b>
<b>Total liabilities and shareholders' equity</b>		<b>170,147,533</b>	<b>11,173,451</b>	<b>8,922,150</b>
Number of outstanding shares		21,715,229	5,357,000	5,357,000
Net asset value (NAV) per share (CHF)	2.17	3.77	1.73	1.48

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



## Statement of cash flows

For the period ended 31 December 2020 (all amounts in CHF unless otherwise stated)

	Note	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Purchase of investments		-53,949	-
Expenses paid (administrative and other operating expenses)		-2,653,387	-21,644
Taxes paid		-6,453	-369
Loans granted		-83,272,000	-
<b>Net cash flows from operating activities</b>		<b>-85,985,788</b>	<b>-22,013</b>
Interest paid		-2,400,629	-
Loans repaid / financing provided		-4,239,868	-450,000
Loans received		9,387,695	472,500
Bonds issued		83,272,000	-
<b>Net cash flows from financing activities</b>	10	<b>86,019,198</b>	<b>22,500</b>
Currency translation differences on cash and cash equivalents		-2,262	-31
<b>Net change in cash and cash equivalents</b>		<b>31,148</b>	<b>455</b>
Cash and cash equivalents at beginning of period		18,675	18,220
Cash and cash equivalents at end of period		49,823	18,675

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

For non-cash transactions refer to notes 8, 10, and 11.

## Statement of changes in equity

For the period ended 31 December 2020 (all amounts in CHF unless otherwise stated)

	Note	Share capital	Capital reserve	Retained earnings	Total shareholders' equity
1 January 2019		8,385,000	-	-433,057	7,951,943
Comprehensive result				1,314,558	1,314,558
<b>Balance as per 31 December 2019</b>		<b>8,385,000</b>	<b>-</b>	<b>881,501</b>	<b>9,266,501</b>
<b>Balance as per 1 January 2020</b>		<b>8,385,000</b>	<b>-</b>	<b>881,501</b>	<b>9,266,501</b>
Effects from deconsolidation				10,608	10,608
Comprehensive result				7,224,922	7,224,922
Capital increase		25,490,757	39,870,159		65,360,916
<b>Balance as per 31 December 2020</b>		<b>33,875,757</b>	<b>39,870,159</b>	<b>8,117,031</b>	<b>81,862,947</b>

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

## Notes to the financial statements

### 1. Organisation and business activity

ESGTI Ltd. ("ESGTI" or the "Company") is 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. 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 financial statements

The significant accounting policies adopted in the preparation of these 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 EKO AGRO GROUP s.r.l., Bologna, Italy ("ESG EA"), (iii) Sky Energy Ltd, Hünenberg, Switzerland ("Sky"), (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 ESG Engineering & Consulting Ltd., Zürich, Switzerland ("ESG E&C"). ESG E&C acts as the investment advisor of ESGTI and is accounted for at equity, see note 2.7. 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").

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 Ltd. as per 1 January 2020 holds the assets of former individual acting investments entities, bringing together innovative projects and companies with an ESG focus under a vision for a better world. On 1 January 2020, ESGTI Ltd. acquired 100% of ESG LifeSciences. As ESGTI was an investment entity under IFRS 10 at the time of the transaction (refer to note 2.6), the investment in ESG LifeSciences has been held at fair value through profit or loss since the acquisition date. The core areas from 1 January 2020 onwards are Agriculture, Life Sciences, Deep Technology, Infrastructure and Renewable Energy. It is the managements belief that investments based on ethical principles and responsibility are not only meaningful, but also sustainable.

Up until 25 July 2018, the Company was known as Terra Sola Group AG, holdings investments in domestic and foreign investments with the focus on development and management of solar projects, mainly in the EMEA region. For the period form 26 July 2018 to 28 August 2019, the Company was known as SilverSpring



Management Group Ltd., focussing on farming projects in Canada. Under both former names, the Company never identified itself as investment company as described in IFRS 10.27 but rather as parent company holding subsidiaries and with the objective to jointly develop, produce and market products with these subsidiaries.

The comparison figures in the statement of comprehensive income cover the period from 1 January 2019 to 31 December 2019, the comparative balance sheet present the positions as of 31 December 2019. The comparative opening balance as per 1 January 2019 is presented in section 2.3.

### 2.3. First time adoption of IFRS

The first IFRS statements are financial statements covering the period from 1 January 2019 to 31 December 2019. The date of transition to IFRS is 1 January 2019.

Balance sheet as per opening date 1 January 2019 and the effects of transition from Swiss GAAP FER to IFRS was as follows:

	Notes	01.01.2019 (Swiss GAAP FER)	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>Total current liabilities</b>		<b>970,207</b>	<b>-</b>	<b>970,207</b>
<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>

Shareholders' equity as per 31 December 2019 and the effects of transition from Swiss GAAP FER to IFRS was as follows:

	Notes	31.12.2019 (Swiss GAAP FER)	Effects of transition	31.12.2019 (IFRS)
<b>Shareholders' equity:</b>				
Share capital		8,385,000	-	8,385,000
Retained earnings		-433,057	-	-433,057
Result of the period		925,448	389,110	1,314,558
<b>Total shareholders' equity</b>		<b>8,877,391</b>	<b>389,110</b>	<b>9,266,501</b>

### 2.3.1. Notes on the transition

- The effect of transition increased the result of the period due to (i) a different calculation of deferred taxes under IFRS (deferred taxes amounting to CHF 357,747) and (ii) separation and linear amortisation of goodwill from the purchase of the Associate ESG E&C (amortised goodwill amounting to CHF 31,363);
- There was no impact on other comprehensive income for financial year 2019;
- Employee benefits: none, ESGTI did not have any employees;
- Share-based payments: none, ESGTI did not grant share-based payments;
- Insurance contracts: ESGTI had no insurance contracts where an additional provision is considered necessary.

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

The first IFRS statements are financial statements covering the period from 1 January 2020 to 31 December 2020. The date of transition to IFRS is 1 January 2019.

ESGTI complies with the standards and amendments to published standards that are mandatory for the financial year beginning on or after 1 January 2020:

- Amendments to IFRS 3, "Business Combinations", definition of a business (1 January 2020);
- Amendments to IAS 1 and IAS 8, "Presentation of Financial Statements" and "Accounting Policies, Changes in Accounting Estimates and Errors", definition of material (1 January 2020);
- Amendments to IFRS 7 and IFRS 9, "Financial Instruments: Disclosures" and "Financial Instruments", pre-replacement issues in the context of the IBOR reform (1 January 2020); and
- Amendments to References to the Conceptual Framework in IFRS Standards (1 January 2020).

Standards and amendments to published standards effective after 1 January 2021 that have not been early adopted:

- A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1. January 2021. Those have not been applied in preparing these Financial Statements. None of these could have a significant effect on the Group Financial Statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Group Financial Statements.

## 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 high degree of uncertainty is attached specifically to estimating the fair value of the Investments 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 2.11. "Investments"). 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 2.11 "Investments" and 13.6 "Valuation risks and fair value").

As of 1 January 2020, the Company meets the definition of an investment entity under IFRS 10. Please refer to note 2.6.

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

ESGTI was established as a holding company and - as of 1 January 2020 - identifies itself as an investment company with independent shareholders to provide these shareholders with investment management services. It is currently listed on the Berlin Stock Exchange and plans to change this listing to the BX Swiss in the first half 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. Details of the valuation policies are outlined in note 2.11.

IFRS 10.27 defines an investment entity, IFRS 10.28 focusses especially on the following typical characteristics whether a company is an investment entity. A typical investment entity (i) has more than one investment, (ii) has more than one investor, (iii) has investors that are not related parties of the investment entity, and (iv) has ownership interest in the form of equity or similar interest.

ESGTI has more than one investment where all the investments are in the form of equity. ESGTI also has more than one investor and its investors are not related parties of ESGTI. 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

According to IFRS, an Investment company shall measure any investment in a subsidiary at FVTPL. The only exception are subsidiaries that are not itself an investment entity and which main purposes and activities are providing services that relate to the investment entity's investment activities. These subsidiaries are to be consolidated instead of valued at FVTPL.

The partially owned ESG E&C does not qualify as investment entity. While ESG E&C also holds investments, those investments are held indefinitely. In addition, the main business purpose of ESG E&C is not to invest funds solely for return from capital appreciation or investment income but to provide investment advisory services as operating company. ESGTI holds ESG E&C not as investment for the purpose of making gains. ESGTI considers ESG E&C as an extension of itself to receive the required investment advisory services.

In line with IFRS 10.32, ESG E&C is not carried at FVTPL. As ESGTI controls less than 50% of the voting rights it is also not consolidated but valued at equity according to IAS 28. ESG E&C 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 though profit and loss.

The following exchange rates were used in the preparation of these Group Financial Statements:

	31.12.2020	31.12.2019
<u>Exchange rates to CHF</u>		
EUR	1.0809	1.0853
USD	0.8848	0.9671
GBP	1.2088	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. Cash and cash equivalents are valued at nominal value.

## 2.10. Receivables and other assets

Receivables and other assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment allowance for such losses at each reporting date.

## 2.11. 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 fair value and subsequently carried at fair value through profit or loss. If an investment is in a very early stage, this transaction is carried at the transaction price which is considered the nearest of a fair value.

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, especially when the Board of Directors is aware of any significant fact that is not or not fully reflected in the valuations.

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 of 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 presented as non-current financial assets not traded on an active market. As per 31 December 2020, ESGTI does not hold such investments.

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.

#### Current accounts with Investments (loans receivable)

ESGTI may finance its Investments and recognize a receivable from such loans, presented as current accounts with Investments 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. The objective of these loans is to collect the contractual cash flows which are solely payments of principal and interest, scheduled collection date is latest the exit date of the Investment. The current accounts

with Investments are valued at amortised costs. ESGTI applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance.

#### 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.

#### Realised and unrealised gains / losses

The impact from the fair valuation is presented in the 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".

#### 2.12. Loan receivable

ESGTI agreed on a long-term financing, due in financial year 2030. ESGTI's purpose, as an investment company, in entering into the loan is to maximise fair value gains and to generate value. Under IFRS 9, the loan receivable is therefore valued at fair value through profit or loss.

For private debt valuation models, the Company considers the original transaction price, recent transactions in the same or similar instruments, and completed third-party transactions for comparable instruments, and it adjusts the model as deemed necessary.

#### 2.13. Accrued expenses and other payables

Accrued expenses and other payables are recognised initially at fair value and subsequently stated at amortised cost which is substantially their fair value.

#### 2.14. Financial liabilities

Short-term financial liabilities are initially measured at their fair value net of transaction costs. They are subsequently carried at amortised cost using the effective interest method which is substantially their fair value. Long-term financial liabilities from bonds issued are measured at amortised cost using the effective interest rate 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.

Financial liabilities are presented as current liabilities when their settlement date is planned to be within the next 12 months, other financial liabilities are presented as non-current liabilities.

#### 2.15. Taxes

Taxes are provided based on reported capital and income. Capital and income taxes paid or accrued are presented separately from deferred taxes. Tax liabilities are valued at cost. Income tax, if any, is presented separately, capital tax is presented within other administrative and operational expenses.

Deferred taxes derive from valuation differences between statutory financial statements and IFRS within the statement of comprehensive income, taking into account applicable tax reliefs.



## 2.16. 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. Provisions are recognised at the best estimate of the expected expenditures.

## 2.17. 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 adjusted for income related to potential outstanding shares that is due to shareholders by the sum of 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.

	Note	31.12.2020	31.12.2019
<b>Diluted earnings per share</b>			
Net result for the period		7,224,922	1,314,558
Adjusted for interest savings on convertible bonds	10	3,213,957	-
Adjusted net result for the period		10,438,879	1,314,558
Weighted average number of ordinary shares outstanding		16,217,156	5,375,000
Adjustments for potential shares outstanding for convertible bonds	10	13,878,667	-
Total of ordinary and potential shares outstanding		30,095,823	5,375,000
<b>Diluted earnings per share</b>		<b>0.35</b>	<b>0.24</b>

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.

## 2.18. 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. The portfolio is managed as a whole on a fair value basis and therefore is only one operating segment. Note 3 shows geographical information about the underlying investments.

### 3. Investments

Name, Domicile	Note	Purchase	Cost (kCHF)	Fair Value (kCHF) (31.12.19)	Fair Value (kCHF) (31.12.20)	gain/ loss(-) (YTD)	latest valuation	Valuation method
ESG LifeSciences Ltd, CH	3.1	2020	29,300	n/a	30,048	748	2020	NAV
Investments held								
SynDermix Ltd, CH		2018			38,699		2020	latest transaction price
Enielle Ltd, CH		2019			2,628		2020	latest transaction price
Rheon Medical SA, CH		2020			617		2020	latest capital increase
ESG Eko Agro Group s.r.l., IT	3.2	2020	67	13	67	-	2020	latest capital increase
AltEnergis plc, UK	3.3	2020	23,701	n/a	35,285	11,584	2020	latest transaction price
SkyEnergy Ltd, CH	3.4	2020	400	n/a	400	-	2020	latest transaction price
<b>Total</b>			53,468	13	65,800	12,332		

#### Investments at fair value through profit and loss, sold during the reporting period

ESG Real Asset Fund, KY	3.5	2019	9,242	10,139	n/a	3	2020	NAV
<b>Total</b>			9,242	10,139	n/a	3		

#### 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 Ltd, Zurich, Switzerland.

100% of the shares of 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 31 December 2020, ESG-LS held 42.4% of SynDermix AG. ESG-LS values the SynDermix shares at CHF 4.50 per share which was the latest transaction price in December 2020. The latest transaction price is considered to be the most recent fair value.
- Énielle Ltd., Zürich, Switzerland, a Swiss developer of nature-based cosmeceuticals, 80% owned by ESG-LS. Énielle Ltd. plans to enter the market with its product in the second half of 2021. The latest transaction price is considered the most recent fair value.
- Rheon Medical SA, Prévèrènges, 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 31 December 2020, ESG-LS held 3.19% of Rheon Medical SA, valued at the last known transaction price as per November 2020 regarding the next two

financing rounds of Rheon Medical SA amounting to a total of CHF 5 million which the Board of Directors deemed to be an appropriate fair value of the shares held.

### 3.2. ESG Eko Agro Group Italia s.r.l., Bologna, Italy

ESG Eko Agro Group Italia s.r.l. is an Italian investment company focusing on agricultural projects. In financial year 2020 ESG EA increased its nominal share capital to EUR 90k. As at 31 December 2020, the company was 66.6% owned by ESGTI.

ESG EA owns rights for the purchase of 20+ farms in Italy with a total production area of 8,000+ hectares. ESGTI values ESG EA at the price of the latest capital increase in December 2020 which is considered to be the most recent fair value.

### 3.3. AltEnergis p.l.c., London, UK

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 31 December 2020, ESGTI holds 100% of AltEnergis. The latest transaction prices in June 2020 is considered to be the most recent fair value.

### 3.4. Sky Energy Ltd, Hünenberg, Switzerland

Sky Energy Ltd ("Sky") is a Swiss-based energy company with the purpose to acquire and operate renewable energy parks and to supply the generated wind- and solar energy to commercial and residential customers.

As at 31 December 2020, ESGTI holds 100% of Sky.

ESGTI purchased Sky end of November 2020 for CHF 400,000 which is considered the fair value of Sky at purchase date and also the fair value as per 31 December 2020.

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

ESG Real Assets Fund is a Cayman Islands based infrastructure fund. ESGTI held non-voting shares in the ESG Real Assets Fund. All shares were sold in financial year 2020, ESGTI realised a non-material profit from this transaction.

## 4. Investment in Associate

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.

	31.12.2020	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	108,000	16,183
<b>Total associated company</b>	<b>324,183</b>	<b>216,183</b>

## 5. Current accounts with Investments and Associate

ESGTI has current accounts with its Investments and its Associate. Details and movements of these accounts are outlined below.

All current accounts are unsecured. All current accounts with Investments are subject to interest of 7.1% as per 31 December 2020 (0.25% as per 31 December 2019). The current accounts are repayable on demand.

	2020	2019
<b>Current accounts with Investments</b>		
<b>ESG Life Sciences</b>		
As per 1.1.	-	-
Increase / (-)decrease	13,243,210	-
<b>As per 31.12.</b>	<b>13,243,210</b>	<b>-</b>
<b>ESG Eko Agro Group Italia</b>		
As per 1.1.	-	-
Increase / (-)decrease	281,619	-
<b>As per 31.12.</b>	<b>281,619</b>	<b>-</b>
<b>AltEnergis plc</b>		
As per 1.1.	-	-
Increase / (-)decrease	245,052	-
<b>As per 31.12.</b>	<b>245,052</b>	<b>-</b>
<b>Sky Energy Ltd</b>		
As per 1.1.	-	-
Increase / (-)decrease	350	-
<b>As per 31.12.</b>	<b>350</b>	<b>-</b>
<b>Total current accounts with Investments</b>	<b>13,770,231</b>	<b>-</b>

## 6. Loan receivable

	31.12.2020	31.12.2019
<b>Loan receivable</b>		
Loan receivable at cost	81,632,386	-
Unrealised gain on loan receivable	5,311,506	-
<b>Total loan receivable</b>	<b>86,943,893</b>	<b>-</b>

The loan receivable matures as per 31 October 2030 and is held at fair value through profit or loss. The loan is subject to 6.75% interest, the first interest payment is due as per 3 January 2025 with subsequent annual interest payments.

## 7. Financial income

	31.12.2020	31.12.2019
<b>Financial income</b>		
Related to Investments details see note 5	411,117	-
<b>Financial income</b>	<b>411,117</b>	<b>-</b>

## 8. Receivables and other assets

	31.12.2020	31.12.2019
<b>Receivables and other assets</b>		
Receivables from Shareholders	3,046,325	292,578
Other receivables	212,726	506,770
<b>Total receivables and other assets</b>	<b>3,259,051</b>	<b>799,348</b>

ESGTI agreed on a financing agreement with a third party, the Company settled this outstanding liability by a sale of its former Investment in ESG Real Asset Fund and therefore the liability was settled in-kind. The sale price of the Investment in ESG Real Asset Fund was determined by its fair value. After this transaction, the third party became a shareholder in ESGTI. All transactions with this party were conducted at arms lengths.

## 9. Accrued expenses and other payables

	31.12.2020	31.12.2019
<b>Accrued expenses and other payables</b>		
Payables to and accruals for service providers	-706,015	-934,095
Payables to governmental institutions	-42,291	-
Payables and accruals for Investment Manager	-1,500,900	-
Accruals for directors' fees	-196,800	-
Other accruals and payables	-10,018	-267,559
<b>Total payables</b>	<b>-2,456,024</b>	<b>-1,201,655</b>



## 10. Financial liabilities

	31.12.2020	31.12.2019
<b>Financial liabilities</b>		
Short-term loan from shareholder	-121,262	-
Short-term loan from others	-1,561,972	-183,382
Interest payable from bonds issued	-813,328	-
<b>Financial liabilities payable within 12 months</b>	<b>-2,496,562</b>	<b>-183,382</b>
Long-term loan from bonds issued	-83,272,000	-
Other long-term liabilities	-	-450,000
<b>Financial liabilities payable after 12 months</b>	<b>-83,272,000</b>	<b>-450,000</b>

All financial liabilities are measured at amortised cost.

Short-term loan from shareholder and short-term loan from others are current accounts for financing purposes with shareholders and third parties.

The long-term loan from bonds issued is a tradeable bond, identified with ISIN XS2158598354. The semi-annually payable interest is 5.75%, payment dates are end of April / end of October each year until maturity on 30 April 2025. Interest due and payable within 12 months is presented within financial liabilities payable within 12 months.

The bonds were initially issued without any conversion right. In July 2020 the Company offered a conversion right throughout the duration of the bond as requested by bond holders. The conversion price is at minimum CHF 6.00 or

- Market price of the shares less 15 % for a conversion until 29. April 2021;
- Market price of the shares less 12.5% for a conversion until 29. April 2022;
- Market price of the shares less 10% for a conversion until 29. April 2023;
- Market price of the shares less 7.5% for a conversion until 29. April 2024;
- Market price of the shares less 5% for a conversion until 29. April 2025.

As per issuance date of these financial statements, the Company did not receive any notice regarding exercise of the conversion right. The value of the conversion right was calculated using the Black-Scholes model and considered to be immaterial. The remaining value of the bonds issued are measured at amortised cost.

Interest expenses to financial liabilities are allocated as follows:

	31.12.2020	31.12.2019
<b>Financial expenses</b>		
related to loan from shareholder	-414,290	-
related to other short-term loans	-459,099	-
related to long-term liabilities	-3,213,957	-
<b>Financial expenses</b>	<b>-4,087,346</b>	<b>-</b>

A reconciliation from financial liabilities to the financing cash flow in the statements as follows:

	31.12.2019	Cash flows	Regroup	Non-cash changes	31.12.2020
Short-term financial liabilities	183,382	2,747,198	717,559	-1,151,577	2,496,562
Long-term financial liabilities	717,559	83,272,000	-717,559	0	83,272,000

The non-cash changes in the above table represent the assignment of receivables to settle payables in the reporting period.

## 11. Shareholders' equity

### 11.1. Share capital and capital reserves

As at 31 December 2020, the Company's share capital amounts to CHF 33.9 million (previous year: CHF 8.4 million), divided into 21,715,229 registered shares (previous year 5,375,000) at a par value of CHF 1.56 each (previous year: CHF 1.56). All shares are authorised, issued and fully paid-up (prior year: all shares are fully authorised, issued and fully paid-up).

Capital reserves of the Company amount to CHF 39.8 million (previous year: CHF 0). Pending approval from Swiss tax authorities, capital reserves are withholding tax exempt when distributed to the shareholders.

The Company increased its share capital throughout the year. All capital increases were done in kind and the Company did not receive any cash flows from these increases.

	Share capital (CHF)	Capital reserves	Total (CHF)
opening 1 January 2020	8,385,000	0	8,385,000
6 April 2020      Ordinary capital increase	21,453,803	33,555,949	55,009,752
10 August 2020    Capital increase through authorised capital	2,387,580	3,734,420	6,122,000
24 November 2020   Ordinary capital increase	1,649,374	2,579,790	4,229,164
as per 31 December 2020	<b>33,875,757</b>	<b>39,870,159</b>	<b>73,745,916</b>

The total of each capital increase comprised of the settlement for the following transactions:

6 April 2020	
Settlement of purchase price for ESG Life Sciences	29,300,093
Settlement of purchase price for AltEnergis	17,426,913
Settlement of purchase price for SynDermix	5,537,174
Settlement of purchase price for Rheon Medical	250,000
Settlement of purchase price for other payables	2,495,572
	<u>55,009,752</u>
10 August 2020	
Settlement of purchase price for AltEnergis	422,000
Settlement of purchase price for other payables	5,700,000
	<u>6,122,000</u>
24 November 2020	
Settlement of purchase price for AltEnergis	3,525,164
Settlement of purchase price for Sky Energy	400,000
Settlement of purchase price for other payables	306,000
	<u>4,231,164</u>

## 11.2. Significant shareholders

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

	31.12.2020	31.12.2019
More than 20%	Dragon Finance AG, Zurich, Switzerland	HBR Investments AG, Zurich, Switzerland
Between 10% and 20%	World Markets AG, Hünenberg, Switzerland	GreenIslands Global Opportunities Fund, Cayman Islands
Between 5% and 10%	WP Multi Strategy Fund, George Town, Cayman Islands	---
Below 5% (free float)	40.55%	25.40%

## 12. 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 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.

### Administration fees

ARIA Fund Services Dubai ("Administrator") is entitled to receive a pro rata fixed administration 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.

## 13. Equity and debt issuance related costs

	31.12.2020	31.12.2019
<b>Equity and debt issuance related costs</b>		
Expenses related to bond issuance	-1,846,642	-
Swiss stamp duty for capital increases	-651,004	-
Consultancy and related fees	-41,116	-
other expenses related to equity / debt issuance	-12,453	-
<b>Total equity and debt issuance related costs</b>	<b>-2,551,215</b>	<b>-</b>

## 14. Taxes

Income taxes for the year ended 31 December 2020 and the comparative period are zero as the company shows a loss in its statutory accounts.

Unused tax losses for which no deferred tax asset has been recognised: CHF 4,439,198 (2019: CHF 90,125). The potential tax benefit at an applicable income tax rate of 12%: CHF 532,703 (2019: CHF 10,815). The unused tax losses were incurred by the Company as under local accounting principles no fair value adjustments can be accounted for. Tax losses can be carried forward for seven years. No deferred tax asset was recognised as it is unlikely that the Company will generate taxable profit within the near future.

## 15. Related party transactions

	01.01.2020-31.12.2020	01.01.2019-31.12.2019
<b>Related party transactions</b>		
<b>Remuneration of the Board of Directors</b>		
Chairman	60,000	-
Members	125,000	-
<b>Investment Advisor ESG Engineering &amp; Consulting Ltd</b>		
Investment and performance fees	1,246,839	-
downpayments on open invoices	-219,820	-
<b>Transactions with Investments</b>		
Increase in share capital of investments	53,949	-
Financing provided to Investments	4,579,142	-
Sale of Rheon Medical shares to ESG-LS	250,000	-
Sale of SynDermix shares to ESG-LS	3,287,173	-
Purchase of AltE shares from ESG-LS	3,328,969	-
Share swap SynDermix shares for ESGTI shares via ESG-LS	2,250,000	-
<b>Transactions with Shareholders</b>		
Financing received from shareholders	119,780	1,022,018

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party in making financial or operational decisions. All related party transactions have been carried out within the normal course of business.

Note 11 presents a breakdown of related non-cash transactions.

Remuneration of the Board of Directors comprise the agreed fees to the members of the Board of Directors without social security contributions.

Additional information to transactions with Shareholders:

Contributions in kind: In the course of restructuring the Company into the current form (see note 2.2.), Shareholders contributed in-kind their individual held investments into ESGTI and received nominal shares for their contribution. All transactions were conducted at arm's length with the fair values of the Investments contributed. The determination of the fair value followed the valuation principles outlined in note 3. ESGTI-shares were issued with a share price of CHF 4.00 for each transaction. See note 11.1 for details.

## 16. 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.

#### 16.1. 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.

#### 16.2. 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 adapt 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.

#### 16.3. 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.

As per 31 December 2020, no formal commitments are in place. While not contractually committed, ESGTI holds Investment and ESGTI also provides financing to these Investments. Financing is provided through loans.

Liabilities as per 31 December 2020 are due as follows:

Maturity of liabilities	Due within 3				Total
	due within 3 month	months to a year	due within 1 to 3 years	due within 3 to 10 years	
Accrued expenses and other payables	-384,910	-2,071,115	-	-	-2,456,024
Short-term financial liabilities	-30,106	-1,713,801	-752,655	-	-2,496,562
Long term financial liabilities	-	-	-	-83,272,000	-83,272,000
Interest on long-term financial liabilities	-	-4,788,140	-14,364,420	-2,387,510	-21,540,070
<b>Total</b>	<b>-415,016</b>	<b>-8,573,056</b>	<b>-15,117,075</b>	<b>-85,659,510</b>	<b>-109,764,656</b>

#### 16.4. 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.

#### 16.5. Foreign currency risks

##### 16.5.1. Fair value determination

At balance sheet date, the fair values of the Investments in AltEnergis and ESG Eko Agro Group srl are determined and reported in a foreign currency and translated with the rates outlined above. Consequently, the fair values of these investment are subject to risks emanating from exchange rate fluctuations. This risk is 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:

		31.12.2020	31.12.2019
<b>AltEnergis plc</b>			
Fair value per share	GBP	0.25	-
shares held		116,760,220	-
fair value of investment	GBP	29,190,055	-
Exchange rate		1.2088	1.2829
Fair value in reporting currency	CHF	35,284,938	-
<b>Fluctuation in exchange rate of 10% will result in a change of fair value amounting to</b>			
	<b>CHF</b>	<b>3,528,494</b>	<b>-</b>

		31.12.2020	31.12.2019
<b>ESG Eko Agro Group srl</b>			
Fair value of Investment	EUR	93,093	-
percentage held		66.6%	-
fair value of investment	EUR	62,000	-
Exchange rate		1.0809	1.0853
Fair value in reporting currency	CHF	67,016	-
<b>Fluctuation in exchange rate of 10% will result in a change of fair value amounting to</b>			
	<b>CHF</b>	<b>6,702</b>	<b>-</b>

#### 16.5.2. Assets and liabilities in foreign currencies

The Company holds only an immaterial amount of assets in foreign currencies. It furthermore only has immaterial payables denominated in foreign currencies. A sensitivity analysis on these positions was not performed.

#### 16.6. 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 2.11 "Investments" and approved or adjusted by the Board of Directors.

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. The table below presents Investments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Leveling of financial assets	Level 1	Level 2	Level 3	Total
AltEnergis plc (Investment)	-	-	35,284,938	35,284,938
ESG Eko Agro Group srl (Investment)	-	-	67,270	67,270
ESG LifeSciences Ltd (Investment)	-	-	30,048,144	30,048,144
Loan receivable (Loan)	-	-	85,989,760	85,989,760
Sky Energy Ltd (Investment)	-	-	400,000	400,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>151,790,112</b>	<b>151,790,112</b>

Leveling of financial assets (prior year)	Level 1	Level 2	Level 3	Total
ESG Real Asset Fund	-	-	10,139,245	10,139,245
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,139,245</b>	<b>10,139,245</b>

Movements of the Investments were summarised as follows:

	01.01.2020-31.12.2020	01.01.2019-31.12.2019
<b>Movements of investments at fair value through profit and loss:</b>		
Total investments at beginning of period	10,139,245	8,101,489
Divestments	-9,245,517	-9,242,135
Change in fair value before disinvestment	-890,346	-
<b>Realised gain from disinvestment</b>	<b>3,382</b>	<b>1,140,646</b>
Change from consolidated entity to Investment at fair value through profit and loss	13,322	-
Acquisitions	53,455,086	9,224,880
Change in fair value (unrealised gain)	12,331,945	914,365
<b>Closing balance</b>	<b>65,800,353</b>	<b>10,139,245</b>

The Company is exposed to the risk that the fair value of its Investments will fluctuate as a result in the market. The table below sets out the effect of a 10% change in the fair value as per 31 December 2020:

Sensitivity analysis	fair value	10% variation of determined fair value
<b>valued at NAV</b>		
ESG LifeSciences Ltd	30,048,144	3,004,814
<b>Total</b>	<b>30,048,144</b>	<b>3,004,814</b>

The other direct investments AltEnergis, ESG Eko Agro Group and Sky Energy were valued at latest transaction price, a sensitivity analysis was not performed as it was determined not to be meaningful.

#### 16.7. 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. The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Board of Directors considers both historical analysis and forward-looking information in determining any expected credit loss.

With regard to the current accounts with its investments (refer to note 5) and before any investment and any subsequent financing takes place, the Board of Directors addresses the credit risk with a thorough due diligence process of the business purpose and business plan beforehand. Based on the considerations above and as the outlook of each direct and indirect held investment is positive, the Board of Directors consider the probability of default of the current accounts with its investments to be close to zero as these instruments are considered to have a low risk of default. The counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses, since any such impairment would be wholly insignificant to the Company.

The loan receivable (refer to note 6) is measured at fair value through profit or loss. Any change of the credit quality is therefore reflected in the fair value of the instrument. For the year ended 31 December 2020, there were no unrealised gains or losses attributable to changes in credit risk of the loan receivable.

#### 16.8. 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.

#### 16.9. 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 mortality 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.



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.

## 17. Subsequent events

Since the balance sheet date of 31. December 2020 there have been no material events that could impair the integrity of the information presented in these financial statements.

# Report of the statutory auditor

to the General Meeting of ESGTI AG

Hünenberg

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of ESGTI AG, which comprise the balance sheet as at 31 December 2020, income statement and notes for the year then ended, including a summary of significant accounting policies.

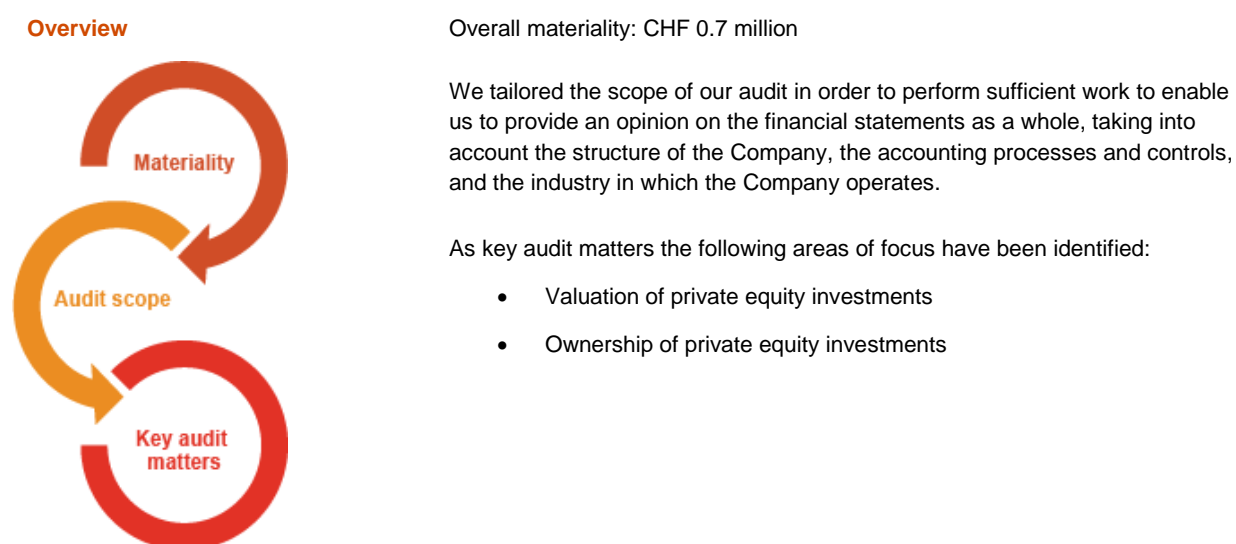
In our opinion, the financial statements (pages 41 to 46) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and 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 entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession 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.

### Our audit approach



## Report of the statutory auditor on the statutory financial statements

**Materiality**

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	CHF 0.7 million
<b>How we determined it</b>	1% of shareholders' equity
<b>Rationale for the materiality benchmark applied</b>	We chose shareholders' equity as the benchmark because, in our view, it is the most relevant benchmark for investors, and is a generally accepted benchmark for investment companies.

**Audit scope**

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the Company operates.

**Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of private equity investments**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>The investment portfolio comprises direct private equity investments. All of the Company's investments are unlisted.</p> <p>Investments are valued at cost, less necessary value adjustments (impairment). We focused on this area because of the significant value of the investments in the financial statements, and because the impairment assessment requires estimation and significant judgement to be applied by the Investment Advisor and Board of Directors.</p>	<p>We verified the design and implementation of the controls relating to the valuation of investments in order to determine whether the Company has appropriate controls in place.</p> <p>We reviewed the valuations for the investments, which form the basis for the impairment assessment, prepared by the Investment Advisor and Board of Directors, including a review to seek corroborating comfort from the documents prepared by third party valuation experts.</p> <p>Where the most recent transaction price paid for the investment was considered to be the most reliable indicator to support the carrying amount of an investment, we verified the accuracy of the transaction price paid, and</p>

## Report of the statutory auditor on the statutory financial statements

Investments amount to CHF 53.7 million or 34% of total assets. Refer to note 3.2 (Investments) for further disclosure.

assessed the appropriateness of this valuation approach in the Company's impairment assessment.

As a result of our audit procedures, as discussed with the Audit Committee and the Board of Directors, we obtained sufficient appropriate audit evidence to conclude that the inputs, estimates and methodologies used for the valuation of the private equity investments are within a reasonable range, and that the impairment assessment was appropriately and consistently applied by the Investment Advisor and Board of Directors.

### Ownership of private equity investments

Key audit matter	How our audit addressed the key audit matter
Private equity investments are not safeguarded by an independent custodian. There is a risk that the Company may not have sufficient legal entitlement to these investments.	We obtained sufficient audit evidence to verify the existence and legal ownership of private equity investments by confirming investment holdings with the investee fund manager, registrar or transfer agent as appropriate.

### Other matter

The financial statements of ESGTI AG for the year ended 31 December 2019 were audited by another firm of auditors whose report, dated 9 March 2020, expressed that the internal control system was not in accordance with Swiss law, and accordingly the auditors were unable to confirm the existence of a control system. There were no other modifications to the opinion on those statements.

### Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines 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 Board of Directors is responsible for assessing the entity'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 Board of Directors either intends to liquidate the entity or to cease operations, or has 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 Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Ebinger  
Audit expert  
Auditor in charge

Jack Armstrong  
Audit expert

Zurich, 27 May 2021



## Balance sheet

As of 31 December 2020 (all amounts in CHF unless otherwise stated)

ASSETS	Note	31.12.2020	31.12.2019
<b>Current Assets</b>		<b>262,549</b>	<b>815,310</b>
Cash		49,823	15,622
Accounts receivable		0	450,000
Other receivables	3.1	13,850	329,378
Prepaid expenses and accrued income		198,876	20,310
<b>Non-current Assets</b>		<b>157,428,856</b>	<b>9,438,202</b>
Loan receivables	3.2	103,760,448	0
Financial asset	3.3	0	9,224,880
Investments	3.4	53,668,407	213,322
<b>TOTAL ASSETS</b>		<b>157,691,405</b>	<b>10,253,512</b>
<hr/>			
LIABILITIES and SHAREHOLDERS' EQUITY		31.12.2020	31.12.2019
<b>Liabilities</b>		<b>88,284,586</b>	<b>1,858,537</b>
<i>Short-term liabilities</i>			
Accounts payable	3.5	658,934	742,030
Short-term interest-bearing borrowings	3.6	900,473	267,559
Other liabilities	3.7	825,052	0
Accrued expenses and short-term provisions	3.8	2,628,127	215,566
<i>Long-term liabilities</i>			
Long-term interest-bearing borrowings	3.9	83,272,000	183,382
Other long-term liabilities		0	450,000
<b>Shareholders' Equity</b>		<b>69,406,818</b>	<b>8,394,975</b>
Share capital		33,875,757	8,385,000
Legal reserves from capital contributions		39,870,159	0
Legal reserves from retained earnings		100,100	100,100
Profit / (-) Loss carried forward		-90,125	596,902
Profit / (-) Loss for the period		-4,349,073	-687,026
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>157,691,405</b>	<b>10,253,512</b>

## Income Statement

For the period ended 31 December 2020 (all amounts in CHF unless otherwise stated)

	Note	01.01.2020- 31.12.2020	01.07.2018- 31.12.2019
Gain /(-)loss from sale of financial assets / investments		3,382	148,391
Other income		0	150,000
<b>Total income</b>		<b>3,382</b>	<b>298,391</b>
<b>Operating Expenses</b>			
Directors' fees		-196,800	0
Expenses for investment advisory and other professional services		-1,732,779	-592,728
Other operating and administrative expenses		-147,106	-317,460
FX gain / loss		-1,279,137	0
<b>EBIT</b>		<b>-3,352,440</b>	<b>-611,797</b>
<b>Financial result</b>			
Financial expenses		-4,087,346	0
Financial income		5,722,623	0
<b>Extraordinary, non-recurring and prior period positions</b>			
Extraordinary expenses related to equity and debt issuance	3.10	-2,581,271	0
Prior period income	3.10	23,370	7,826
Prior period expenses	3.10	-31,057	-59,561
<b>EBT</b>		<b>-4,306,120</b>	<b>-663,532</b>
Tax expenses		-42,953	-23,495
<b>NET PROFIT / (-)LOSS FOR THE PERIOD</b>		<b>-4,349,073</b>	<b>-687,026</b>

## Notes to the financial statements

### 1. General information and general accounting principles

ESGTI (the "Company") is a company limited by shares, domiciled in Bösch 37, 6331 Hünenberg, Switzerland, registered with the Zug Register of Commerce under the company number CHE-114.775.734. The Company exists pursuant to art 620 et seq. of the Swiss Code of Obligations („Swiss CO"). The shares of the Company are publicly traded on the Berlin Stock Exchange (Open Market), under the ticker 02TP.

These financial statements have been prepared in accordance with the accounting rules and principles of Swiss CO. The general valuation principles are defined by law. The valuation principles below have been applied in these financial statements:

All current and non-current assets are valued at cost less necessary value adjustments.

All current and non-current liabilities are valued at nominal value.

Assets and liabilities denominated in foreign currencies were translated to CHF using the following rates:

Exchange rates	31.12.2020	31.12.2019
EUR CHF	1.0809	1.0853
USD CHF	0.8848	0.9671
GBP CHF	1.2088	1.2829

### 2. Change of reporting period

The comparative period presented in the financial statements covers the period from 1 July 2018 to 31 December 2019. The current period presented in the financial statements covers the period from 1 January 2020 to 31 December 2020.

### 3. Details to the financial statements

#### 3.1. Other receivables

Other receivables as per 31 December 2019 include a receivable from shareholder amounting to CHF 292,578 and a receivable from an investment amounting to CHF 340.

#### 3.2. Loan receivables

Loan receivables	31.12.2020	31.12.2019
Current account with Investments	13,770,231	0
Other loan receivables	86,943,893	0
Current account with shareholder	3,046,325	0
<b>Total</b>	<b>103,760,448</b>	<b>0</b>

The current accounts within financial assets are not expected to be settled within the next 12 months and presented within non-current assets.

### 3.3. Financial asset

As per 31 December 2019, the Company holds participating non-voting shares in ESG Real Asset Fund. The shares are denominated in the EUR-currency. Purchase price of these shares was CHF 8,500,000 / CHF 9,242,135. As per year end 2019, the purchase price is translated to Swiss Francs with the rates outlined above.

### 3.4. Investments

Investments	31.12.2020	31.12.2019
ESG Engineering & Consulting AG, Zurich, Switzerland	200,000	200,000
Capital and voting rights	40%	40%
ESG EKO AGRO Group srl, Bologna, Italy	67,270	13,322
Capital and voting rights	67%	100%
ESG LifeSciences AG, Hünenberg, Switzerland	29,300,094	0
Capital and voting rights	100%	0%
AltEnergis plc, London, United Kingdom	23,701,043	0
Capital and voting rights	100%	0%
Sky Energy AG, Hünenberg, Switzerland	400,000	0
Capital and voting rights	100%	0%
<b>Total</b>	<b>53,668,407</b>	<b>213,322</b>

### 3.5. Accounts payable

Accounts payable	31.12.2020	31.12.2019
Due to affiliated party	-134,061	-353,695
Due to third parties	-524,874	-388,335
<b>Total</b>	<b>-658,934</b>	<b>-742,030</b>

### 3.6. Short-term interest-bearing liabilities

Short-term interest-bearing liabilities	31.12.2020	31.12.2019
Due to third parties	-779,211	-267,559
Due to shareholder	-121,262	0
<b>Total</b>	<b>-900,473</b>	<b>-267,559</b>

### 3.7. Other liabilities

Other liabilities	31.12.2020	31.12.2019
Due to third parties	-425,261	0
Due to shareholder	-399,791	0
<b>Total</b>	<b>-825,052</b>	<b>0</b>

### 3.8. Accrued expenses and short-term provisions

Accrued expenses and short-term provisions	31.12.2020	31.12.2019
Related to Board of Directors	-196,800	0
Related to Investment	-1,366,839	0
Related to third parties	-1,064,487	-215,566
<b>Total</b>	<b>-2,628,127</b>	<b>-215,566</b>

### 3.9. Long-term interest-bearing liabilities

Long-term interest-bearing liabilities	31.12.2020	31.12.2019
Borrowings from bonds issued	-83,272,000	0
Due to shareholders	0	-183,382
<b>Total</b>	<b>-83,272,000</b>	<b>-183,382</b>

ESGTI issued bonds through Aldburg SA as fiduciary. The product type is a fixed rate fiduciary certificate, denominated in CHF with a tenor of 5 years and maturity on 30 April 2025. A total of 41,636 Bonds with an issue price of CHF 2,000 and an annual interest of 5.75% were issued. Interest payment is semi-annual on each 30<sup>th</sup> of April and October until maturity date. The Bonds are traded under ISIN XS2158598354 at the Frankfurt Stock Exchange.

The bonds were initially issued without any conversion right. In July 2020 the Company offered a conversion right throughout the duration of the bond.

### 3.10. Extraordinary, non-recurring and prior period positions

The Company identified expenses related to capital increases – mainly stamp duty according to Swiss Federal Stamp Tax Law – and expenses related to the issuance of bonds – mainly fees paid to the investment company involved – as extraordinary expense. The breakdown of these expenses is as follows:

Extraordinary expenses related to equity and debt issuance	31.12.2020	31.12.2019
Related to the increase of equity	-711,259	0
Related to the issuance of bonds	-1,870,012	0
<b>Total</b>	<b>-2,581,271</b>	<b>0</b>

Positions presented as prior period income/expense in the current and in the comparative period are operating expenses that were not sufficiently accrued in the prior period.

## 4. Further disclosure and information

### 4.1. Major shareholders

The following major shareholders are known to the Company:

Major shareholders	31.12.2020	31.12.2019
More than 20%	Dragon Finance AG, Hünenberg, Switzerland	HBR Investments AG, Zurich, Switzerland
Between 10% and 20%	World Markets AG, Hünenberg, Switzerland	GreenIslands Global Opportunities Fund, Cayman Islands
Between 5% and 10%	WP Multi Strategy Fund, George Town, Cayman Islands	---
Below 5% (free float)	40.5%	25.4%

### 4.2. Number of employees

In the reporting and the comparative period the number of employees was zero.

### 4.3. Simplifications due to preparation of accounts under IFRS

The Company prepares consolidated financial statements in accordance with IFRS. Additional information in the notes to the financial statements, a cash flow statement and a management report are waived.

### 4.4. Fiduciary assets

As of 31 December 2020, the Company holds 663,183 own shares on behalf of shareholders who have not provided delivery instructions yet. Fiduciary assets are not recognised on the balance sheet.

### 4.5. Subsequent events

Since the balance sheet date of 31. December 2020 there have been no material events that could impair the integrity of the information presented in these financial statements.



# Report of the statutory auditor

## to the General Meeting of ESGTI AG

### Hünenberg

We have audited the remuneration report of ESGTI AG for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labelled 'audited' on pages 48 to 49 of the remuneration report.

#### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

#### Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Opinion

In our opinion, the remuneration report of ESGTI AG for the year ended 31 December 2020 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Thomas Ebinger

Audit expert  
Auditor in charge

Jack Armstrong

Audit expert

Zurich, 27 May 2021

## Remuneration Report

The objective of the remuneration report is to be clear and transparent on the pay and benefits of the Board of Directors and to comply with the legal requirements (Art 336b bis SCO), exchange regulations, the Swiss Code of Best Practice for Corporate Governance and the Ordinance against Excessive Compensation (OaEC).

This report therefore states the remunerations agreed to be paid to the Board of Directors of the Company in financial year 2020, covering the period from 1 January 2020 to 31 December 2020.

### Governance

The Board of Directors appointed a remuneration committee comprising of

- Mr. Dimitriou Dimitri (member)
- Mr. Wolfgang Werlé (member)
- Mr. Hermann Wirz (member)

The compensation committee develops and periodically reviews the compensation policy of the Company and its subsidiaries (if any) and submits proposals and recommendations to the Board of Directors on any such issue.

### Basic fee structure

The Chairman receives an annual compensation of kCHF 60, members of the Board of Directors receive an annual compensation of kCHF 40. The compensation is subject to social security and tax at source (if applicable). Remuneration is calculated pro rata from the time a member enters / exits the board.

### Board remuneration (1 January 2020 to 31 December 2020) (audited)

(all amounts in kCHF)

	Base compensation	Other benefits	Total
<b>Board of Directors</b>			
Mr. Andreas Bihrer - Chariman	60	4	64
Mr. Dimitri Dimitriou	40	3	43
Ms. Brunella Pavesi	28	2	30
Mr. Wolfgang Werlé	28	2	30
Mr. Hermann Wirz	28	2	30
<b>Total</b>	<b>185</b>	<b>12</b>	<b>197</b>

Base compensation comprise exclusively on the agreed board member fees.

Other benefits comprise exclusively on contributions to social security.

The Board of Directors did not receive any variable compensation in financial year 2020.

No part of the remuneration for financial year 2020 was paid until 31 December 2020 and issuance date of this remuneration report.

### Board compensation in the prior period

The Company did not pay any compensation to its Board of Directors in the prior period.

### Management compensation

The company did not pay any compensation for the management of the Company in financial year 2020 or 2019.

### Loans and credits to board members and the management

No loans or credits by the company or its subsidiaries for their activities have been granted to members of the Board of Directors or the management in the financial year 2020 or 2019.

### Compensations, loans and credits to related parties

No compensation, loans or credits by the company or its subsidiaries for their activities have been granted to any related party in the financial year 2020 or 2019.

Dimitri Dimitriou

Wolfgang Werlé

Hermann Wirz

Hünenberg, 27 May 2021

## 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)

### Registered office

ESGTI AG; Bösch 37, CH-6331 Hünenberg, Switzerland

Telephone +41 41 500 99 83

### Board of Directors

Andreas R. Bihrer, Attorney at Law, Zurich, Switzerland (Chairman)

Brunella Pavesi, PhD, Rome, Italy

Dimitri Dimitriou, MSc, FRSC, FRSB, FIBMS, Freienbach, Switzerland

Wolfgang Werlé, BA, Zumikon, Switzerland

Hermann Wirz, BA, Pully, Switzerland

### Investment Advisor

ESG Engineering & Consulting AG. Spyristrasse 11, 8044 Zurich, Switzerland

### Administrator

ARIA Fund Services, Office 1004, Park Place Tower, Sheikh Zayed Road, PO Box 413670, Dubai, United Arab Emirates