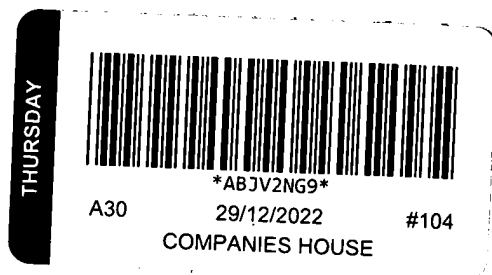


**ELQ INVESTORS IV LTD**

**ANNUAL REPORT**

**31 DECEMBER 2021**



## STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2021.

### 1. Introduction

ELQ Investors IV Ltd (the company) was incorporated on 13 November 2012. The principal activity of the company is to undertake investment and lending business. The company holds investments in equity, loans and debt instruments.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. In relation to the company, 'group undertaking' means Group Inc. or any of its subsidiaries. Group Inc., together with its consolidated subsidiaries form 'GS Group'. GS Group is a leading global financial institution that delivers a broad range of financial services across investment banking, securities, investment management and consumer banking to a large and diversified client base that includes corporations, financial institutions, governments and individuals.

The company primarily operates in a U.S. dollar environment as part of GS Group. Accordingly, the company's functional currency is the U.S. dollar and these financial statements have been prepared in that currency.

### 2. Financial overview

The financial statements have been drawn up for the year ended 31 December 2021. Comparative information has been presented for the year ended 31 December 2020.

The directors consider results before taxation, total assets and total liabilities as the company's key performance indicators.

The results for the year are shown in the profit and loss account on page 8. Profit before taxation for the year ended 31 December 2021 was US\$17.2 million (2020: Loss of US\$6.1 million).

The company had total assets of US\$256.2 million as at 31 December 2021 (31 December 2020: US\$133.2 million) and total liabilities of US\$191.5 million as at 31 December 2021 (31 December 2020: US\$83.7 million).

The company has not incurred any material financial impact associated with COVID-19.

### 3. Exchange rate

The British pound / U.S. dollar exchange rate at the balance sheet date was £ / US\$ 1.3535 (31 December 2020: £ / US\$ 1.3653). The average rate for the year was £ / US\$ 1.3739 (31 December 2020: £ / US\$ 1.2924).

### 4. Future outlook

The directors consider that the year end financial position of the company was satisfactory and do not anticipate any significant changes in its activities in the forthcoming year. Developments that may impact the company include:

The Russian invasion of Ukraine in February 2022 has resulted in governments around the world introducing significant sanctions on Russian entities and individuals, and triggered disruption across global financial markets and increased uncertainty in the business environment in which the company operates.

At the date of signing the company had not incurred any material financial impact associated to the war. The future impact of the war on the company remains difficult to predict.

**STRATEGIC REPORT (continued)**

**4. Principal risks and uncertainties**

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. The company also has limited exposure to operational, legal, regulatory and compliance risks. The company, as part of a global group, adheres to global risk management policies and procedures. The company's risk management objectives and policies are described in note 19 of the financial statements.

**5. Principal decision making and stakeholder engagement**

The directors of the company carry out their duties in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of GS Group as a whole, and in doing so have regards (amongst other matters) to:


- a) the likely consequences of any decision in the long term;
- b) the impact of the company's operations on the community and the environment; and
- c) the desirability of the company maintaining a reputation for high standards of business conduct.

In meeting the requirements under section 172 of the Companies Act 2006 the Board is guided by the Code of Business Conduct and Ethics and the risk and governance framework of GS Group, and considers the views of key stakeholders when making decisions that influence the company's current and future operations and reputation. The directors of the company receive information on a variety of topics that assist them in their oversight of the company's business.

**6. Date of authorisation of issue**

The strategic report was authorised for issue by the Board of directors on 20 December 2022.

**ON BEHALF OF THE BOARD**



**Michael Bradford**  
**Director**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2021.

### **1. Introduction**

In accordance with section 414A of the Companies Act 2006, the directors have prepared a strategic report, which contains a review of the company's businesses and a description of the principal risks and uncertainties facing the company. The directors have chosen to make reference to the company's risk management objectives and policies, as well as exposures to market risk, credit risk and liquidity risk in the strategic report, as well as future outlook in accordance with section 414C(11) of the Companies Act 2006, that would otherwise have been reported in the directors' report. The directors have also chosen to make reference to the requirements of Section 172(1) in the strategic report in accordance with section 414C(11).

### **2. Dividends**

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2021 (31 December 2020: nil).

### **3. Disclosure of information to auditors**

In the case of each of the persons who are directors of the company at the date when this report was approved;

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **4. Independent auditors**

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **5. Directors**

The directors of the company who served throughout the year and to the date of this report, except where noted, were;

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
R.M. Thomas		30 March 2022
J.A. Wiltshire		
O. Bingham		
N. Ross	22 November 2021	8 September 2022
E. Forbes	30 March 2022	
M. Bradford	8 September 2022	

No director had, throughout the year, any interest requiring note herein.

**DIRECTORS' REPORT (Continued)**

**6. Statement of directors' responsibilities**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

No energy usage has been attributed to the company during the period and, as such, the company is not required to provide disclosure prescribed by part 7 of Schedule 7 (disclosure concerning greenhouse gas emissions) of S.I. 2008/410.

**7. Date of authorisation of issue**

The financial statements were authorised for issue by the Board of Directors on 20 December 2022.

**ON BEHALF OF THE BOARD**



**Michael Bradford**  
**Director**

# **Independent auditors' report to the members of ELQ Investors IV Ltd**

---

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, ELQ Investors IV Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Balance Sheet as at 31 December 2021; Profit and Loss Account and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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

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

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

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

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

## **Independent auditors' report to the members of ELQ Investors IV Ltd**

---

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate manual journal entries, management bias through the manipulation of the valuation of financial instruments held at fair value as well as the estimation of expected credit loss of the financial assets measured at amortised cost. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance in relation to known or suspected instances of non compliance with laws and regulations and fraud;
- Using our data auditing tools to identify manual journals with a higher inherent risk of fraud, and obtaining appropriate audit evidence to support these journals;
- Incorporating unpredictability into the nature, timing and/or extent of our testing
- Performing risk assessment analytical procedures to identify any unusual or unexpected relationships, transactions outside the normal course of business or that may be indicative of a material misstatement due to fraud; and
- Assessing the reasonableness of the expected credit losses associated with financial assets measured at amortised cost.
- Challenging assumptions and judgments made by management in their significant accounting estimates, in particular in relation to the valuation of financial assets measured at fair value

## **Independent auditors' report to the members of ELQ Investors IV Ltd**

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Mike Wallace (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
20 December 2022



## ELQ INVESTORS IV LTD

### PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2021

		Year ended 31 December 2021	Year ended 31 December 2020
	Note	US\$	US\$
Net revenues	4	29,776,855	12,577,441
Administrative expenses	5	(5,890,241)	(1,219,170)
Interest receivable and similar income	6	11,504	-
Interest payable and similar expenses	7	(2,024,702)	(1,235,597)
Impairments on financial assets	14	(4,701,526)	(16,257,034)
<b>OPERATING PROFIT / (LOSS) BEFORE TAXATION</b>		17,171,890	(6,134,360)
Tax on profit/ (loss)	10	(1,919,844)	1,342,657
<b>PROFIT / (LOSS) FOR THE FINANCIAL YEAR</b>		15,252,046	(4,791,703)

The operating profits / (losses) of the company are derived from continuing operations in the current and prior years.

The company has no recognised gains and losses other than those included in the profit and loss account for the years shown above and therefore no separate statement of other comprehensive income has been presented.

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

# ELQ INVESTORS IV LTD

## BALANCE SHEET

as at 31 December 2021

	Note	31 December 2021 US\$	31 December 2020 US\$
<b>FIXED ASSETS</b>			
Investments	11	-	10,000
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	12	7,561,236	18,397,045
Debtors: Amounts falling due after more than one year	13	7,815,667	-
Investments	14	237,023,360	106,888,244
Cash at bank and in hand		3,844,386	7,889,166
		256,244,649	133,174,455
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	(8,398,308)	(9,003,756)
<b>NET CURRENT ASSETS</b>		247,846,341	124,170,699
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	16	(183,079,537)	(74,665,941)
<b>NET ASSETS</b>		64,766,804	49,514,758
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	35,001,000	35,001,000
Profit and loss account		29,765,804	14,513,758
<b>TOTAL SHAREHOLDERS' FUNDS</b>		64,766,804	49,514,758

The financial statements were approved by the Board of Directors on 20 December 2022 and signed on its behalf by:



Michael Bradford  
Director

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

Company number: 08292068

## ELQ INVESTORS IV LTD

### STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Called up share capital US\$	Profit and loss account US\$	Total shareholder's funds US\$
Balance at 1 January 2020	1,001,000	19,305,461	20,306,461
Proceeds from shares issued	34,000,000	-	34,000,000
Loss for the financial year	-	(4,791,703)	(4,791,703)
Balance at 31 December 2020	35,001,000	14,513,758	49,514,758
Profit for the financial year	-	15,252,046	15,252,046
Balance at 31 December 2021	35,001,000	29,765,804	64,766,804

No dividends were paid in 2021 and 2020.

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

## ELQ INVESTORS IV LTD

---

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

---

#### 1. GENERAL INFORMATION

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, United Kingdom.

The immediate parent undertakings are GSSG Holdings LLC (75%) and GS Financial Services L.P. (Del) (25%), companies incorporated and domiciled in United States of America.

The ultimate parent undertaking and the parent company of the largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements, as well as certain regulatory filings, for example Quarterly Reports on Form 10-Q and the Annual Report on Form 10-K, that provide further information about GS Group and its business activities, can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America or at [www.goldmansachs.com/investor-relations/](http://www.goldmansachs.com/investor-relations/).

#### 2. ACCOUNTING POLICIES

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

##### a. Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention (modified as explained in note 2g) and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

The following exemptions from disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the E.U. have been applied in the preparation of these financial statements in accordance with FRS 101:

- i) IFRS 2 'Share-based Payment' paragraph 45(b) and 46 to 52. These disclosures are provided in the consolidated financial statements of Group Inc.;
- ii) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraph 79(a)(iv);
- iii) IAS 1 'Presentation of Financial Statements' paragraphs 10(d), 10(f), 16, 38A, 38B-D, 40A-D, 111;
- iv) IAS 7 'Statement of Cash Flows';
- v) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- vi) IAS 24 'Related Party Disclosures' paragraph 17 and 18A; and
- vii) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS Group.

The company is a subsidiary undertaking of Group Inc., a company incorporated within the United States of America, whose consolidated financial statements include the company and are publicly available. As a result, the company has elected not to prepare consolidated financial statements as permitted by section 401 of the Companies Act 2006.

## ELQ INVESTORS IV LTD

---

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

---

#### **2. ACCOUNTING POLICIES (continued)**

##### **b. Revenue recognition**

Net revenues have been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities. This includes net revenues from equity and debt investments.

Net revenues from equity investments include dividend income, changes in fair value and gains and losses on sale of investments. Dividends receivable are recognised as income when the right to receive the payment has been established.

Net revenues from debt and loan investments include accrued interest, changes in fair value and gains and losses on sale of investments.

##### **c. Dividends**

Final dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholder. Interim dividends are recognised and deducted from equity when paid.

##### **d. Foreign currencies**

The company's financial statements are presented in U.S. dollars, which is also the company's functional currency. Transactions denominated in foreign currencies are translated into U.S. dollars at rates of exchange prevailing on the date the transaction occurred. Monetary assets and liabilities, and non-monetary assets and liabilities measured at fair value, denominated in foreign currencies are translated into U.S. dollars at rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses are recognised in the profit and loss account.

##### **e. Fixed asset investments**

Fixed asset investments comprises investments in subsidiary undertakings and is stated at cost less provision for any impairment. Dividends receivable are recognised when the right to receive payment has been established.

##### **f. Cash at bank and in hand**

Cash at bank and in hand is highly liquid overnight deposits held in the ordinary course of business.

##### **g. Financial assets and financial liabilities**

###### **(i) Recognition and derecognition**

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and the transfer qualifies for derecognition. A transferred financial asset qualifies for derecognition if the company transfers substantially all the risks and rewards of ownership of the financial asset or if the company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but does not retain control. Financial liabilities are derecognised only when they are extinguished (i.e. when the obligation specified in the contract is discharged or cancelled or expires).

## ELQ INVESTORS IV LTD

---

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

---

#### 2. ACCOUNTING POLICIES (continued)

##### g. Financial assets and financial liabilities (continued)

###### (ii) Classification and measurement

Financial assets comprise all of the company's current assets and financial liabilities comprise all of the company's creditors, with the exception of tax assets and liabilities.

The company classifies financial assets into the below categories on the basis of both the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The business model reflects how the company manages particular groups of assets in order to generate future cash flows. Where the business model is to hold the assets to collect contractual cash flows, the company subsequently assesses whether the cash flows represent solely payments of principal and interest.

###### • Financial assets measured at amortised cost

Financial assets that are held for the collection of contractual cash flows and have cash flows that represent solely payments of principal and interest are measured at amortised cost. The company considers whether the cash flows represent basic lending arrangements and where contractual terms introduce exposure to risk or volatility inconsistent with a basic lending arrangement, the financial asset is classified and measured at fair value through profit or loss.

Financial assets measured at amortised cost are initially measured at fair value plus transaction costs and subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial asset but does not consider future credit losses. All finance income is recognised in the profit and loss account. Financial assets measured at amortised cost include:

- Cash and cash equivalents;
- Debtors: amounts falling due within one year;
- Debtors: amounts falling due after more than one year; and
- Certain debt investments.

###### • Financial assets mandatorily measured at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost are mandatorily measured at fair value through profit or loss. Such financial assets are initially measured at fair value and subsequently at fair value through profit or loss, with gains or losses recognised in net revenues. Financial assets mandatorily measured at fair value include certain investments (excludes investment measured at amortised cost).

The company classifies its financial liabilities into the below categories. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

###### • Financial liabilities designated at fair value through profit or loss

Financial liabilities designated at fair value through profit or loss comprise intercompany financing arrangements. The company has recognised the intercompany multi-currency arrangements at fair value where the arrangements contain embedded foreign exchange features. Financial liabilities designated at fair value through profit or loss are initially recognised at fair value. They are measured in the balance sheet at fair value and all subsequent gains or losses are recognised in the profit and loss account. Financial liabilities designated at fair value through profit or loss include certain amounts falling due after more than one year and liabilities related to a guarantee.

Financial liabilities designated at fair value through profit or loss include certain amounts falling due after more than one year.

2. ACCOUNTING POLICIES (continued)

g. Financial assets and financial liabilities (continued)

(ii) Classification and measurement (continued)

• Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method. Finance costs, including discounts allowed on issue, are recorded in interest payable and similar expenses. Financial liabilities measured at amortised cost include:

- Amounts falling due within one year; and
- Certain amounts falling due after more than one year.

(iii) Impairment (IFRS 9)

The company assesses the Expected Credit loss (ECL) associated with financial assets measured at amortised cost on a forward-looking basis in accordance with the provisions of IFRS 9 'Financial Instruments' (IFRS 9). The measurement of ECL reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. ECL are recorded in impairments on financial assets.

The company's impairment model is based on changes in credit quality since initial recognition of the relevant assets and incorporates the following three stages:

- Stage 1. Financial assets measured at amortised cost that are not credit-impaired on initial recognition and there has been no significant increase in credit risk since initiation. The ECL is measured at an amount equal to the expected credit losses that result from default events possible within the next twelve months.
- Stage 2. Financial assets measured at amortised cost where there has been a significant increase in credit risk since initiation, however not yet deemed to be credit-impaired. The ECL is measured based on expected credit losses on a lifetime basis.
- Stage 3. Financial assets measured at amortised cost that are in default, or are defined as credit-impaired. The ECL is measured based on expected credit losses on a lifetime basis.

Determination of the relevant staging for each financial instrument is dependent on the definition of 'significant increase in credit risk' (stage 1 to stage 2) and the definition of 'credit-impaired' (stage 3). The company considers a financial instrument to have experienced a significant increase in credit risk when certain quantitative or qualitative conditions are met. Quantitative thresholds include absolute probability of default thresholds on investment-grade financial assets and relative probability of default thresholds on non-investment grade financial assets. Qualitative review is also performed as part of the company's credit risk management process, including a back-stop consideration of 30 days past due. The company considers a financial instrument to be credit-impaired when it meets Credit Risk's definition of default, which is either when the company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if held), or the obligor has defaulted on a payment and/or is past due more than 120 days.

**2. ACCOUNTING POLICIES (continued)****g. Financial assets and financial liabilities (continued)****(iii) Impairment (IFRS 9) (continued)**

The ECL is determined by projecting the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) for each individual exposure. To calculate ECL these three components are multiplied together and discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate. The PD represents the likelihood of a borrower defaulting on its financial obligation. The LGD is the company's expectation of the extent of loss on the default exposure, and takes into consideration amongst other things, collateral on the financial instrument. The EAD is the amount the company expects to be owed at the time the financial obligation defaults. The company uses internal credit risk ratings that reflect the assessment of the probability of default of individual counterparties.

The ECL model takes into account the weighted average of a range of forecasts of future economic conditions. The forecasts include baseline, favourable and adverse economic scenarios over a three-year period. To the extent the company has financial assets in Stage 2 or Stage 3 which have an expected life beyond three years, the model reverts to historical loss information based on a non-linear modelled approach. The company applies judgement in weighing individual scenarios each quarter based on a variety of factors, including internally derived economic outlook, market consensus, recent macroeconomic conditions and industry trends.

Forward-looking information, such as key economic variables impacting credit risk and expected credit losses, is incorporated into both the assessment of staging and the calculation of ECL. The company writes off financial assets, in whole or in part, when it has concluded that there is no reasonable expectation of recovery. When a financial asset is deemed to be uncollectable, the company concludes this to be an indicator that there is no reasonable expectation of recovery. The company still seeks to recover amounts it is legally owed in full, but which have been wholly or partially written off due to no reasonable expectation of full recovery.

**(iv) Offsetting financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet where there is:

- i) currently a legally enforceable right to set off the recognised amounts; and
- ii) intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where these conditions are not met, other financial assets and financial liabilities are presented on a gross basis on the balance sheet.

**h. Current and deferred tax**

The tax expense comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all temporary differences that have originated, but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future or a right to pay less tax in the future with the following exceptions:

- (i) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying temporary differences can be deducted.
- (ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.



# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 2. ACCOUNTING POLICIES (continued)

#### i. Share capital

Ordinary share capital is classified as equity.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. The following estimates have had the most significant effect on amounts recognised in the financial statements:

#### Allowance for impairment

The allowance for impairment of financial assets held at amortised cost (see note 14 & 19) is determined by an expected credit loss (ECL) model internally developed to meet the impairment requirements of IFRS 9. The measurement of ECL for financial assets classified at amortised cost requires the use of a complex model and significant assumptions about future economic conditions and credit behaviour. Significant judgements are also required in applying the accounting requirements for measuring ECL including determining criteria for significant increases in credit risk and establishing the number and weighting of forward looking scenarios.

### 4. NET REVENUES

	Year ended 31 December 2021	Year ended 31 December 2020
	US\$	US\$
Net revenues from debt investments	23,068,309	12,584,664
Net revenues from equity investments	7,077,761	(7,223)
Foreign exchange loss on investments	(369,215)	-
Other revenues	-	-
	<b>29,776,855</b>	<b>12,577,441</b>

### 5. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2021	Year ended 31 December 2020
	US\$	US\$
Legal and professional fees	1,964,582	(358,633)
Management fees charged by group undertakings	3,725,672	1,161,151
Foreign exchange losses	48,927	6,801
Auditors' remuneration - audit services	93,477	30,900
Other expenses	57,582	378,951
	<b>5,890,241</b>	<b>1,219,170</b>

### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2021	Year ended 31 December 2020
	US\$	US\$
Interest on preference shares due from group undertaking (see note 13)	11,504	-

# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2021	Year ended 31 December 2020
	US\$	US\$
Interest on loans due to group undertakings (see note 15)	2,024,702	1,235,597

### 8. STAFF COSTS

As in the prior year, the company has no employees. All persons involved in the company's operations are employed by group undertakings. The charges made by these group undertakings for all services provided to the company are included in management fees charged by group undertakings (see note 5).

### 9. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration from the company in the current or prior years and no contributions were made by the company under defined benefit or defined contribution pension schemes. The directors are employed by other group undertakings and their remuneration is borne by those companies and not re-charged. The directors do not consider that more than an incidental amount of their remuneration relates to the qualifying services provided to the company.

### 10. TAX ON PROFIT/ (LOSS)

	Year ended 31 December 2021	Year ended 31 December 2020
	US\$	US\$
<b>Current tax:</b>		
UK corporation tax	1,856,703	(1,164,156)
Adjustments in respect of prior periods	63,141	(178,501)
<b>Total tax</b>	<b>1,919,844</b>	<b>(1,342,657)</b>

The company has received losses from group undertakings for the current year and surrendered its losses for the previous year under group relief arrangements.

The table below presents a reconciliation between tax on profit/ (loss) and the amount calculated by applying the standard rate of U.K. corporation tax applicable to the company for the year of 19.00% (2020: 19.00%) to the profit/ (loss) before taxation.

	Year ended 31 December 2021	Year ended 31 December 2020
	US\$	US\$
Profit / (Loss) before taxation	17,171,890	(6,134,360)
Profit / (Loss) multiplied by the standard rate in the U.K. 19.00% (2020: 19.00%)	3,262,659	(1,165,528)
Permanent differences in relation to investments	(1,592,592)	1,372
Expenses disallowed for tax	186,636	-
Adjustments in respect of prior periods	63,141	(178,501)
<b>Total tax on profit/ (loss)</b>	<b>1,919,844</b>	<b>(1,342,657)</b>

The company has carried forward capital losses of US\$19.6 million (31 December 2020: US\$20.7 million) on which no deferred tax asset has been recognised as there is uncertainty whether the company will generate suitable taxable capital profits in the future against which the deferred tax asset can be recovered.

# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 11. FIXED ASSET INVESTMENTS

Fixed asset investments, which are unlisted and stated at cost less provision for any impairment, comprise investments in subsidiary undertakings.

	Total US\$
At 1 January 2020	29,850
Additions	10,000
Disposal	(29,850)
<b>At 31 December 2020</b>	<b>10,000</b>
Disposals	(10,000)
<b>At 31 December 2021</b>	<b>-</b>

During the year, subsidiary ELQ Investors XI Ltd was transferred to a group undertaking for nil gain/loss.

### 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2021 US\$	31 December 2020 US\$
Amounts due from group undertakings	1,171	176,112
Group relief receivable	2,146,025	1,898,765
Collateral deposit	-	11,747,741
Other debtors	5,414,040	4,574,427
	<b>7,561,236</b>	<b>18,397,045</b>

Collateral deposit represents the collateral given to the lender on a guarantee given for a loan investment. The collateral has been settled during the year.

### 13. DEBTORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2021 US\$	31 December 2020 US\$
Amounts due from group undertaking	7,815,667	-

Amounts due from group undertaking comprises of 7,000,000 "A" cumulative redeemable preference shares and accrued interest thereon, held by the company in a fellow group undertaking, Bradley Hall Holdings Ltd. These shares carry a coupon rate of 3.5% per annum and have a final maturity of October 2028.

### 14. CURRENT ASSET INVESTMENTS

	31 December 2021 US\$	31 December 2020 US\$
Debt investments at fair value	9,664,062	9,309,435
Debt investments at amortised cost	132,619,590	81,358,325
Equity investments	94,739,708	16,220,484
	<b>237,023,360</b>	<b>106,888,244</b>

The company continued to grow its investments in the current year. Loan investments at amortised cost include an allowance for impairment of US\$13.8 million as of 31 December 2021 (31 December 2020: US\$13.6 million) and charge-off of US\$5.7 million as of 31 December 2021 (31 December 2020: US\$3.8 million).

# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2021	31 December 2020
	US\$	US\$
Unsettled trades with third parties	-	1,002,934
Guarantee measured at fair value (see note 18)	-	5,772,226
Amounts due to group undertakings	7,072,529	1,803,979
Accruals	1,325,779	424,617
	<b>8,398,308</b>	<b>9,003,756</b>

Unsettled trades with third parties represent outstanding payments to third parties for purchase of debt investments. These have been settled during the year.

### 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2021	31 December 2020
	US\$	US\$
Long-term loans due to group undertakings	179,513,123	74,426,067
Accrued interest due to group undertakings	3,566,414	239,874
	<b>183,079,537</b>	<b>74,665,941</b>

Long-term loan due to group undertakings comprise the following loans:

- (i) US\$126,726,233 (31 December 2020: US\$74,426,067) advanced by The Goldman Sachs Group, Inc. under the terms of loan agreement dated 29 December 2016 were transferred under terms of loan agreement dated 18 January 2018 and carrying interest at a variable margin over the applicable currency's overnight interest rate. The loan is repayable in January 2038. The loan represents a multi-currency facility which is recognized at fair value due to the foreign exchange features embedded in the loan.
- (ii) US\$52,786,890 (31 December 2020: US\$nil) advanced by Ludgate Acquisitions 1 Limited. The loan is unsecured and carries interest at a variable margin over the GBP overnight interest rate. The loan is repayable in January 2038 and is recognized at amortized cost.

### 17. CALLED UP SHARE CAPITAL

At 31 December 2021 and 31 December 2020 called up share capital comprised:

	31 December 2021		31 December 2020	
	Number	US\$	Number	US\$
<b>Allotted, called up and fully paid</b>				
Ordinary shares of US\$0.00001 each	100,000,000	1,000	100,000,000	1,000
Ordinary shares of US\$1 each	35,000,000	35,000,000	35,000,000	35,000,000
		<b>35,001,000</b>		<b>35,001,000</b>

## ELQ INVESTORS IV LTD

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

#### 18. FINANCIAL COMMITMENTS AND CONTINGENCIES

The table below presents the company's commitments and contingencies.

	31 December 2021	31 December 2020
	US\$	US\$
Undrawn loan commitments to third party	40,455,105	34,132,500
Guarantee to third party (see note 15)	-	26,237,393
	<b>40,455,105</b>	<b>60,369,893</b>

Guarantee to third party as of 31 December 2020 has expired due to sale of underlying loan position during the year.

#### 19. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in market environments.

The company is not subject to any externally imposed capital requirements.

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

##### a. Market risk

Market risk is the risk of loss in value of certain investments, due to changes in market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business. Relevant market risks for the company are interest rate risk and currency risk.

Interest rate risk results from exposures to changes in level, slope and curvature of yield curves, volatilities of interest rates and credit spreads.

If interest rates had been 0.5 percent higher/lower and all other variables were held constant, the company's profit/(loss) before taxation for the year ended 31 December 2021 would have been US\$0.9 million higher/lower (31 December 2020: US\$0.6 million). This has been determined by assuming that the company's exposure to interest rate risk at balance sheet date was consistent for the whole year.

Currency risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates.

The company's functional currency is the U.S. dollar. At 31 December 2021, the company had no material net exposures to other currencies (31 December 2020: none).

The company manages its interest rate and currency risks as part of GS Group's risk management policy, by establishing economic hedges as appropriate to the circumstances of the company.

##### b. Credit risk

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of the counterparties and reviewing, if applicable, the underlying collateral against which the financial assets are secured. The company's maximum exposure to credit risk is equivalent to the carrying value of its financial assets as at 31 December 2021 and 31 December 2020. The company's credit exposures are described further below:

## ELQ INVESTORS IV LTD

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

#### 19. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

##### b. Credit risk (continued)

**Cash at bank and in hand.** Cash at bank and in hand include both interest-bearing and non-interest-bearing deposits. To mitigate the risk of credit loss, the company places substantially all of its deposits with highly-rated banks.

**Debtors.** The company is exposed to credit risk from its amounts due from group undertakings, for which the credit risk is considered minimal. As at 31 December 2021, the company had no debtors past due (31 December 2020: Nil)

**Maximum exposure to credit risk – Financial instruments subject to impairment.** The following table contains an analysis of the credit risk exposure of the company's loan investments at amortised cost. The gross carrying amount of financial assets below also represents the company's maximum exposure to credit risk on these assets.

31 December 2021			
Credit ratings	Stage 1	Stage 2	Total
	US\$	US\$	US\$
Non-Investment grade	133,088,992	13,350,923	146,439,915
<b>Gross carrying value</b>	<b>133,088,992</b>	<b>13,350,923</b>	<b>146,439,915</b>
Allowance for impairment	(5,063,706)	(8,756,619)	(13,820,325)
<b>Carrying value</b>	<b>128,025,286</b>	<b>4,594,304</b>	<b>132,619,590</b>

31 December 2020			
Credit ratings	Stage 1	Stage 2	Total
	US\$	US\$	US\$
Non-Investment grade	95,001,881	-	95,001,881
<b>Gross carrying value</b>	<b>95,001,881</b>	<b>-</b>	<b>95,001,881</b>
Allowance for impairment	(13,643,556)	-	(13,643,556)
<b>Carrying value</b>	<b>81,358,325</b>	<b>-</b>	<b>81,358,325</b>

**Allowance for impairment.** The allowance for impairment recorded in the period is impacted by a variety of factors including new financial instruments recognised during the period, changes in modelling factors such as maturity, vintage quality, and macroeconomic outlook. Other factors include foreign exchange revaluations and de-recognition of financial instruments. Given the complex nature of the forecasting process, no single factor can be viewed in isolation and independently of other inputs.

Current information on delinquency rates, and forward-looking information such as UK unemployment rates are some of the key economic variables impacting credit risk and expected credit losses that are incorporated into the calculation of ECL. If unemployment rates had been 0.5 percent higher/lower and all other variables were held constant, the company's profit(loss) before taxation for the year ended 31 December 2021 would have been US\$0.3 million lower/higher (31 December 2020: US\$0.6 million).

# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 19. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

#### b. Credit risk (continued)

The following table explains the changes in the allowance for impairment between the beginning and the end of the annual period due to these factors:

	2021		
	Stage 1	Stage 2	Total
	12months ECL US\$	Lifetime ECL US\$	
As at 1 January 2021	13,643,556	-	13,643,556
New financial assets originated or purchased	4,408,507	2,540,188	6,948,695
Change in PDs/LGDs/EADs	(12,988,357)	6,216,431	(6,771,926)
As at 31 December 2021	5,063,706	8,756,619	13,820,325

	2020		
	Stage 1	Stage 2	Total
	12months ECL US\$	Lifetime ECL US\$	
As at 1 January 2020	2,535,426	-	2,535,426
New financial assets originated or purchased	9,158,231	-	9,158,231
Change in PDs/LGDs/EADs	1,949,899	-	1,949,899
As at 31 December 2020	13,643,556	-	13,643,556

The following table further explains changes in the gross carrying amount of the investments.

	2021			
	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$
As at 1 January 2021	95,001,881	-	-	95,001,881
Transfer between stages	(15,898,085)	10,207,937	5,690,147	-
New financial assets originated or purchased	110,817,247	3,533,640	1,163,058	125,343,311
Collections and other movements	(56,832,052)	(390,654)	(1,164,224)	(68,217,899)
Financial assets de-recognised during the period	-	-	(5,688,981)	(5,688,981)
As at 31 December 2021	133,088,992	13,350,923	-	146,438,312

	2020			
	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$
As at 1 January 2020	70,461,479	-	-	70,461,479
New financial assets originated or purchased	78,325,435	-	-	78,325,435
Collections and other movements	(49,068,996)	-	-	(49,068,996)
Financial assets de-recognised during the period	(4,716,037)	-	-	(4,716,037)
As at 31 December 2020	95,001,881	-	-	95,001,881

# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 19. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

#### c. Liquidity risk

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties or customers as they fall due. The company manages its liquidity risk in accordance with GS Group's comprehensive and conservative set of liquidity and funding policies to address both company specific and broader industry or market liquidity events.

### 20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### a. Financial assets and financial liabilities by category

The table below presents the carrying value of the company's financial assets and financial liabilities by category.

31 December 2021			
	Mandatorily at fair value US\$	Amortised cost US\$	Total US\$
<b>Financial assets</b>			
Investments	104,403,770	132,619,590	237,023,360
Debtors: Amounts falling due within one year	-	7,561,236	7,561,236
Debtors: Amount falling due after more than one year	-	7,815,667	7,815,667
Cash at bank and in hand	-	3,844,386	3,844,386
	<b>104,403,770</b>	<b>151,840,879</b>	<b>256,244,649</b>
31 December 2021			
	Designated at fair value US\$	Amortised cost US\$	Total US\$
<b>Financial liabilities</b>			
Creditors: Amounts falling due within one year	-	8,398,308	8,398,308
Creditors: Amounts falling due after more than one year	130,241,476	52,838,061	183,079,537
	<b>130,241,476</b>	<b>61,236,369</b>	<b>191,477,845</b>
31 December 2020			
	Mandatorily at fair value US\$	Amortised cost US\$	Total US\$
<b>Financial assets</b>			
Investments	25,529,919	81,358,325	106,888,244
Debtors: Amounts falling due within one year	-	18,397,045	18,397,045
Cash at bank and in hand	-	7,889,166	7,889,166
	<b>25,529,919</b>	<b>107,644,536</b>	<b>133,174,455</b>



# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

#### a. Financial assets and financial liabilities by category (continued)

	31 December 2020		
	Designated at fair value US\$	Amortised cost US\$	Total US\$
<b>Financial liabilities</b>			
Creditors: Amounts falling due within one year	5,772,226	3,231,530	9,003,756
Creditors: Amounts falling due after more than one year	-	74,665,941	74,665,941
	<b>5,772,226</b>	<b>77,897,471</b>	<b>83,669,697</b>

#### b. Fair value hierarchy

FRS 101 has a three level fair value hierarchy for disclosure of fair value measurements. The fair value hierarchy prioritises inputs to the valuation techniques used to measure fair value, giving the highest priority to level 1 inputs and lowest priority to level 3 inputs. A financial instrument's level in the fair value hierarchy is based on the lowest level of any input that is significant to its fair value measurement.

The fair value hierarchy is as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets to which GS group has access at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs to valuation techniques are observable, either directly or indirectly.
- Level 3 - One or more inputs to valuation techniques are significant and unobservable.

The fair values for substantially all of the company's financial assets and financial liabilities are either based on observable prices and inputs and are classified in levels 1 and 2 of the fair value hierarchy, or include one or more inputs which are significant and unobservable and are classified in level 3 of the fair value hierarchy. Certain level 2 and level 3 financial assets and financial liabilities may require appropriate valuation adjustments that a market participant would require to arrive at fair value for factors such as counterparty and the company's and GS Group's credit quality, funding risk, transfer restrictions, liquidity and bid/offer spreads. Valuation adjustments are generally based on market evidence.

#### c. Valuation techniques and significant inputs

##### Debt investments

Valuation techniques and significant inputs for each level of the fair value hierarchy include:

- Level 1 financial instruments are valued using quoted prices for identical unrestricted instruments in active markets. The company defines active markets for financial instruments based on both average daily trading volume and number of days with trading activity.
- Level 2 financial instruments can be verified to quoted prices, recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g. indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources.

Valuation adjustments are typically made to level 2 financial instruments (i) if the financial instrument is subject to transfer restrictions and/or (ii) for other premiums and liquidity discounts that a market participant would require to arrive at fair value. Valuation adjustments are generally based on market evidence.

# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

#### c. Valuation techniques and significant inputs (continued)

- Level 3 financial instruments have one or more significant valuation inputs that are not observable. Absent evidence to the contrary, level 3 financial instruments are initially valued at transaction price, which is considered to be the best initial estimate of fair value. Subsequently, the company uses other methodologies to determine fair value, which vary based on the type of instrument. Valuation inputs and assumptions are changed when corroborated by substantive observable evidence, including values realised on sales of financial assets.

#### d. Fair value of financial assets and financial liabilities by level

The tables below present, by level within the fair value hierarchy, financial assets and financial liabilities measured at fair value on a recurring basis.

As of 31 December 2021				
Financial assets at fair value	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Debt investments	-	-	9,664,062	9,664,062
Equity investments	-	70,817,857	23,921,851	94,739,708
	-	70,817,857	33,585,913	104,403,770
<b>Financial liabilities at fair value</b>				
Creditors: Amounts falling due after more than one year (see note 16)	-	130,241,476	-	130,241,476
	-	130,241,476	-	130,241,476

As of 31 December 2020				
Financial assets at fair value	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Debt investments	-	24,335	9,285,100	9,309,435
Equity investments	-	-	16,220,484	16,220,484
	-	24,335	25,505,584	25,529,919
<b>Financial liabilities at fair value</b>				
Creditors: Amounts falling due within one year (see note 15)	-	-	5,772,226	5,772,226
	-	-	5,772,226	5,772,226

During 2021 and 2020, there were no transfers between level 1 and level 2 financial assets and financial liabilities measured at fair value on a recurring basis.

# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

#### e. Significant unobservable inputs used in Level 3 fair value measurement

As of 31 December 2021, the company had level 3 financial assets and financial liabilities measured at fair value through profit and loss of US\$33.6 million (31 December 2020:US\$19.7 million). The table below presents the significant unobservable inputs used to value the level 3 financial assets, and the related weighted averages.

Level 3 financial instruments measured at fair value through the profit and loss	Valuation techniques and significant unobservable inputs	Significant unobservable inputs (where a range, weighted average)	
		As of 31 December 2021	As of 31 December 2020
Debt Investments: (US\$9.7 million and US\$9.3 million of level 3 assets and US\$nil and US\$5.8 million of level 3 liabilities as of 31 December 2021 and 31 December 2020 respectively)	<ul style="list-style-type: none"> <li>Yield</li> <li>Duration</li> </ul>	10.8% n/a	9.53% 3.7 years
Equity Investments: (US\$23.9 million and US\$16.2 million of level 3 assets as of 31 December 2021 and 31 December 2020 respectively)	<ul style="list-style-type: none"> <li>Multiples</li> </ul>	4.8x EV/EBITDA 0.9x book value	10.4x LTM EBITDA n/a

#### f. Level 3 rollforward

The tables below present the changes in fair value for all level 3 financial assets and financial liabilities. Gains and losses arising on level 3 assets are recognised within trading profit in the profit and loss account.

	Year ended 31 December 2021	Year ended 31 December 2020
	US\$	US\$
Balance, beginning of year	25,529,919	29
Purchases	5,286,433	9,899,645
Transfers In	-	23,841,130
Unrealised gains/(losses)	6,195,887	(8,210,885)
Settlements	(3,426,326)	-
<b>Balance, end of year</b>	<b>33,585,913</b>	<b>25,529,919</b>

	Year ended 31 December 2021	Year ended 31 December 2020
	US\$	US\$
<b>Financial liabilities at fair value</b>		
Balance, beginning of year	5,772,226	-
Transfers into level 3	-	5,772,226
Settlements	(5,772,226)	-
<b>Balance, end of year</b>	<b>-</b>	<b>5,772,226</b>

# ELQ INVESTORS IV LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

### 20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

#### g. Fair value of financial assets and financial liabilities valued using techniques that incorporate unobservable inputs

The fair value of financial assets and financial liabilities may be determined in whole or part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument or based on available observable market data and changing these assumptions will change the resultant estimate of fair value.

The potential impact of using reasonable possible alternative assumptions for the valuation, including significant unobservable inputs, has been quantified as of 31 December 2021, as approximately US\$18.5 million (31 December 2020: US\$6.0 million) for favourable changes and US\$4.1 million (31 December 2020: US\$2.0 million) for unfavourable changes.

#### h. Fair value of financial assets and financial liabilities not measured at fair value

The company has US\$144.0 million (31 December 2020: US\$107.6 million) of current financial assets and US\$8.4 million (31 December 2020: US\$3.2 million) of current financial liabilities that are not measured at fair value. The loan investments of US\$132.6 million (31 December 2020: US\$81.4 million) carried at amortised cost, have a fair value of US\$143.9 million (31 December 2020: US\$93.4 million). The remaining current financial assets and financial liabilities are short-term in nature and hence their carrying amounts in the balance sheet are a reasonable approximation of fair value.

The company has US\$7.8 million (31 December 2020: US\$nil) of financial assets and US\$52.8 million (31 December 2020: US\$74.7 million) of financial liabilities due after more than one year that are not measured at fair value and relate to long-term intercompany lending and borrowings respectively. The interest rate associated with such borrowings is variable in nature and approximates prevailing market interest rates for instruments with similar terms and characteristics. As such, the carrying amount in the balance sheet is a reasonable approximation of fair value.

#### i. Maturity of financial liabilities

The tables below present the undiscounted cash flows of the company's financial liabilities by contractual maturity including interest that will accrue.

31 December 2021			
	Less than 3 months	5+ years	Total
	US\$	US\$	US\$
<b>Financial liabilities</b>			
Creditors: amounts falling due within one year	8,398,308	-	8,398,308
Creditors: amounts falling due after one year	-	216,424,920	216,424,920
	<b>8,398,308</b>	<b>216,424,920</b>	<b>224,823,228</b>
31 December 2020			
	Less than 3 months	5+ years	Total
	US\$	US\$	US\$
<b>Financial liabilities</b>			
Creditors: amounts falling due within one year	9,003,756	-	9,003,756
Creditors: amounts falling due after one year	-	135,700,842	135,700,842
	<b>9,003,756</b>	<b>135,700,842</b>	<b>144,704,598</b>