Annual Report and

Financial Statements

for the Year ended 31 December 2022

for

ContourGlobal Limited
(formerly ContourGlobal plc)

ContourGlobal Limited (formerly ContourGlobal plc)
(Registered number: 10982736)

Contents of the Annual Report and Financial Statements for the Year ended 31 December 2022

TABLE OF CONTENTS

Company Information
for the Year ended 31 December 2022

DIRECTORS:	Joseph Brandt Laurent Hullo (appointed 31 January 2023)
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REGISTERED NUMBER:	10982736
AUDITORS:	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT United Kingdom

ContourGlobal Limited (formerly ContourGlobal plc)
(Registered number: 10982736)

Strategic Report
for the Year ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal Activities and Future Developments

The principal activity of the Group is to develop, acquire, own and operate power generation assets around the world, producing reliable energy responsibly. ContourGlobal operates 129 thermal and renewable power generation assets in 20 countries across Europe, Latin America, North America and Africa, with a total installed capacity of over 6.1 GW. We add value through best-in-class operations both in our existing portfolio and in the new assets we develop or acquire.

The future performance of the business will depend on a number of factors, such as the supply and demand dynamics of energy markets, decarbonisation and the timing and mix of generation sources from the energy transition. Inherent in these factors are a number of risks and opportunities which we believe the business is well placed to approach.

Acquisition of ContourGlobal plc by KKR

The recommended cash acquisition (the "Transaction") of ContourGlobal plc by Cretaceous Bidco Limited (a newly formed company indirectly owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates) ("KKR") announced on 17 May 2022 was approved by the required majority of shareholders at the Court and General meeting of shareholders held on 6 July 2022. The scheme of arrangement became effective on 20 December 2022 resulting in KKR taking ownership of 100% of the shareholding of ContourGlobal plc and following this the Company was delisted from the London Stock Exchange on 21 December 2022.

Business Model

Our purpose is to create economic and social value through developing, acquiring, and operating electricity generation businesses worldwide. In this regard, our strategy is built on operational excellence, high growth and financial strength throughout our business.

We supply electricity principally in the wholesale market, mainly selling it under long-term contracts to clients, or 'offtakers', who transmit and sell it to retail customers. These contracts are typically:

- Power Purchase Agreements (PPAs) by which the power plant gets remunerated to be available to generate electricity; and
- Regulated tariffs or other regulated mechanisms, by which we agree a price per unit of electricity output.

Because the vast majority of our revenues are derived from long-term contracts or long-term regulated tariffs with creditworthy counterparties, cash flows are typically predictable and risk is reduced. This gives us good visibility of long-term, de-risked cash flows, which allows us to manage our capital in an effective manner.

Our customers include national grids and utilities that supply these grids, as well as commercial and industrial customers that receive electricity, steam, water, or CO2 directly from on-site facilities.

Our portfolio is diversified across different technologies, and geographies. At the end of 2022, we owned and operated 129 thermal and renewable power generation assets in Europe, Latin America, North America and Africa, with a total installed capacity of 6.1 GW.

Our purpose and strategy are underpinned by three strategic pillars, our four sustainable business principles and five values as set out below.

Our Strategy

Our overall strategy to achieve our purpose is built on three pillars:

Operational Excellence	High Growth	Financial Strength
Striving to achieve operational excellence, which includes health and safety, lies at the heart of all we do. We have a Target Zero commitment in respect of health and safety – that is, a target of zero Lost Time Incident (LTIs). Ensuring a safe working environment is also one of our core sustainable business principles. We monitor key operational metrics across our plants every week, checking how these measure up against internal targets. We then undertake an analytical review, seeking to improve performance by learning from what has worked well and what has not gone according to plan. Our deep expertise and experience allow us to improve our operational performance and create economic value. This operational approach is applied to all plants, developments and acquisitions.	To achieve high growth, we adopt four core investment approaches focused on contracted or regulated wholesale power generation, fostering low- and no-carbon technologies: 1. Greenfield development: when we can take advantage of cyclical under-supply of capital and create opportunities for higher returns 2. Strategic acquisitions: when we can improve operations and have a clear competitive advantage based on, for example, complexity of process, geography or technology 3. Development of customized projects: in partnership with governments, utilities and corporations in regions where there is a need for a reliable supply of power but insufficient expertise or capital 4. Platform expansion: leveraging existing stakeholder relationships and replicating the same technology and structure. This approach tends to result in lower risk and high returns due to cost synergies.	Strong operational performance combined with an efficient capital structure have allowed us to deliver superior returns at asset level. Our business model is based on contracted or regulated revenue streams combined with operational excellence, which results in stable and predictable cash flow generation. This in turn allows us to fund new growth projects. We seek to maintain a highly efficient capital structure to support our business, using a two-tier financing structure: • Majority non-recourse project level debt for power plants; and • Attractive bond financing to maximize financial flexibility for the parent company.

Four sustainability principles and five company values underpin everything we do:

Our Sustainable Business Principles			
Operate safely and efficiently and minimize environmental impacts	**Grow well**	**Manage our business responsibly**	**Enhance our operating environment**
By running our power plants efficiently, we maximize electricity output, minimize environmental impacts, and reduce costs. We seek to promote health, safety, and well-being throughout the organization: safety is our number one priority.	By growing well, we help meet energy needs through a cleaner energy model that reduces climate impacts. We promote energy and economic security and increase energy access, creating economic wealth for investors, our employees, and, indirectly, our communities.	We are committed to maintaining the highest ethical and legal standards wherever we operate. We seek to attract, develop, and retain a workforce that reflects the diversity of the communities in which we operate.	We share our expertise and improve quality of life through long-term sustainable improvement of the electricity sector, civil society, and local communities.

Our overall strategy is supported by our values:

Our Values				
1	**2**	**3**	**4**	**5**
We care about our people's health, safety, well-being, and development	We expect, embrace, and enable excellence and continuous learning through humility and the knowledge that we will fail – but when we do, we will learn	We act transparently and with moral integrity	We honour the commitments of those who have placed their trust in us	We work hard and without boundaries as a multinational, integrated team

We operate assets using both Thermal and Renewable technology in the following geographies:

Thermal			**Renewable**		
Location	**Technology**	**Capacity**	**Location**	**Technology**	**Capacity**
Marista, Bulgaria	Coal	908 MW	Vorotan complex, Armenia	Hydro	404 MW
Arrubal, Spain	Natural gas	800MW	CSP, Spain	Solar	250 MW
Lea Power, United States	Natural gas	604 MW	Chapada I, Brazil	Wind	205 MW
TermoemCali, Colombia*	Natural gas	240 MW	Chapada II, Brazil	Wind	172 MW
Five Brothers (Redwood), United States	Natural gas	230 MW	Asa Branca, Brazil	Wind	160 MW
Trinity, Trinidad & Tobago	Natural gas	225 MW	Austria Wind, Austria	Wind	140 MW
Sochagota, Colombia**	Coal	165 MW	Inka, Peru	Wind	114 MW
Three Sisters (Redwood), United States	Natural gas	141 MW	Solar Italy, Italy	Solar	95 MW
Togo, Togo	Natural gas	100 MW	Chapada III, Brazil	Wind	59 MW
Cap des Biches I & II, Senegal	Liquid fuels	86 MW	Solar Slovakia, Slovakia	Solar	35 MW
Waterside, United States	Liquid fuels	72 MW	Bonaire wind, Dutch Antilles	Wind	11 MW
Bonaire Engines, Dutch Antilles	Liquid fuels	27 MW	Solar Romania, Romania	Solar	7 MW
KivuWatt, Rwanda	Biogas	26 MW			
Saint Martin, French Territory	Liquid fuels	14 MW			

High Efficiency Cogen					
Mexico CHP, Mexico	Natural gas	518 MW	Solutions Ikeja, Nigeria	Natural gas	7 MW
Borger, United States	Natural gas	230 MW	Solutions Ploiesti, Romania	Natural gas	6 MW
Solutions Brazil, Brazil	Natural gas	59 MW	Solutions Oricola, Italy	Natural gas	3 MW
Solutions Knockmore Hill, Northern Ireland	Natural gas	15 MW			
Solutions Benin, Nigeria	Natural gas	10 MW			
Solutions Nogara, Italy	Natural gas	9 MW			

*Investment in Associate (49%) which is not operated by ContourGlobal

** In 2022, our partner in the Sochagota asset sought to exit their 51% shareholding. Following assessment of the offers to acquire the business from external parties (including ContourGlobal's shareholding) the Group concluded that there was considerably more value in the Group acquiring our partners shareholding than disposing, resulting in the acquisition of our partner's stake in December 2022. This includes the opportunity to be an active participant in the energy transition in the local market and provides the Group with control of the asset which will enable us to improve efficiency and emissions, as well use Sochagota as a platform to develop renewables, in particular PV plants, on the existing land and on the plots nearby. The group continues to evaluate options for participation in the energy transition in Colombia in particular by building a pipeline of PV assets in either early stage or ready-to-build status. The Group does not intend to maintain its stake in the coal plant on the long term.

Financial Results

$ million	**2022**	**2021**	**Var**	**% Var**
Revenue	2,828.3	2,151.9	676.4	31.4%
Adjusted Revenue[1 2 3]	2,209.0	1,724.8	484.2	28.1%
Income from Operations [3]	576.0	370.1	205.9	55.6%
Adjusted EBITDA [2 3]	900.5	841.5	59.0	7.0%
Proportionate Adjusted EBITDA [2 3]	759.6	692.3	67.3	9.7%
Cash flow from Operations	785.0	810.3	(25.3)	(3.1)%
Non current assets	4,517.1	4,749.5	(232.4)	(4.9)%
Borrowings	3,824.4	4,176.1	(351.7)	(8.4)%
Net consolidated leverage ratio [2 3]	3.7	4.6	-	-

[1] *of which 13.2% relates to coal fired power generation assets*

[2] *Non-IFRS metric, defined and reconciled below*

[3] *Financial Key Performance Indicator*

Revenue and Adjusted Revenue

Revenue grew in 2022 to reach $2,828.3 million ($676.4 million or 31.4%) attributed to (i) increased revenue from our Maritsa plant ($314.5 million) primarily driven by higher CO2 emission cost recharges and higher generation, (ii) Arrubal ($263.5 million) benefiting from high dispatch, higher power prices and an optimized commercial strategy in the post PPA period from August 2021, (iii) the full year impact of the acquisition of the Western Generation assets in the United States and Trinidad and Tobago ("Western Generation") which were acquired in February 2021 ($120.6 million), (iv) Mexico CHP ($98.3 million) due to new interconnected load points and higher gas pass through, (v) Austria Wind ($19.3 million) due to higher electricity prices and (vi) Cap des Biches ($18.9 million) higher fuel revenue. These increases were partially offset by the sale of our Brazil Hydro assets mid 2022 reducing revenue in 2022 by $27.5 million. In addition, Group revenue was negatively impacted by year over year foreign exchange movements by $207.4 million primarily driven by a lower average level of USD / Euro foreign exchange rate.

During 2022 adjusted revenue was $2,209.0 million ($484.2 million, 28%) primarily driven by the Western Generation acquisition, high dispatch and power prices at Arrubal, new customer interconnections and higher pass throughs in Mexico and higher generation in Maritsa. The three most significant proportionate contributors to Adjusted Revenue are Arrubal, Mexico CHP and Maritsa contributing 21.7%, 17.9%, and 13.2% respectively in 2022 (15.4%, 17.1% and 16.7% respectively in 2021). The reconciliation of Adjusted Revenue to statutory Revenue is as follows:

In $ million	**2022**	**2021**
Revenue	**2,828.3**	2,151.9
CO2 passthrough revenue	**619.3**	427.1
Adjusted Revenue	**2,209.0**	**1,724.8**

Adjusted Revenue excludes CO2 emission cost recharges from IFRS revenue and is a key metric as it provides a more comparable basis for assessing revenue generating capabilities across the portfolio. The metric is relevant due to the significant increase in carbon pricing which has resulted in CO2 pass throughs (i.e. costs to acquire carbon credits that are incurred by the Group and are passed on with no margin to customers) distorting IFRS Revenue.

Income from Operations

IFO is a measure taken from the IFRS audited consolidated statement of income. IFO increased in 2022 by $205.9 million or 55.6% to reach $576.0 million as compared to $370.1 million in 2021, mainly as a result of the following effects:

- Gain on disposal of the Brazilian Hydro business ($121.2 million gain in IFO)
- Increase in gross margin in 2022 by $88.3 million to reach $509.7 million as compared to $421.4 million in 2021, driven by the increase in Revenue of $676.4 million partially offset by the increase in Cost of sales of $588.1 million. The increase in gross margin is primarily driven by the strong performance of our merchant plants (Arrubal and Redwood assets), with Arrubal achieving higher margins from merchant operations in volatility of energy markets as compared to operating under PPA for seven months of the prior year, high gas prices which results in higher heat rate adjustments from our assets under PPA and inflation increases in PPA tariffs in excess of inflationary impact on operating costs.
- Other operating expenses, Selling, general and administration and acquisition and other transaction related items increased from $58.1 million in 2021 to $90.6 million. The increase was primarily due to transaction related costs corresponding to the KKR transaction and delisting costs ($39.9 million).

Adjusted EBITDA

Adjusted EBITDA performance saw an increase of 7% to $900.5 million.

Thermal Adjusted EBITDA increased by $58.5 million, or 11%, to $599.8 million from $541.3 million for the previous year. The growth in Thermal Adjusted EBITDA is mainly driven by:

- Strong commercial performance contributing $64.5 million, due to Arrubal ($27.0 million) with higher margin from merchant operations, Mexico CHP ($20.4 million) with increased customer connections and higher customer consumption and Maritsa ($8.4 million) due to compensation for dispatch in excess of PPA requirements, efficiencies achieved in optimal plant operation, and higher tariff escalation.
- An increase of $28.6 million in the US assets and Trinidad portfolio which was acquired in the second half of February 2021, mainly due to better dispatch and higher capacity payments in Redwood and the additional contribution from the assets from being consolidated in the full 12 months of 2022 ($12.7 million).
- Partially offset by negative FX impact of $32.6 million

Renewable Adjusted EBITDA amounted to $332.6 million for the year ended 31 December 2022, as compared to $334.7 million for the year ended 31st December 2021. Renewable Adjusted EBITDA was impacted by:

- $17.0 million positive impact in Austria Wind mainly due to improved performance following wind park repowering project completion ($9.4 million) and higher pool prices ($13.4 million), partially offset by lower wind resources ($4.4 million).
- The additional contribution from the Italy Solar Greenhunter assets which were acquired in November 2021 being consolidated for the full 12 months of 2022 ($10.2 million).
- $7.9 million positive impact in our Peru wind due to higher wind resource and indexation of PPA price
- Partially offset by negative FX impact of $16.6 million and sale of our Brazilian Hydro business in June 2022 ($22.4 million)

In terms of financial metrics, we believe that the presentation of Adjusted EBITDA enhances the understanding of ContourGlobal's financial performance, in regards to understanding our ability to generate stable and predictable cash flows from operations. 'Adjusted EBITDA' is defined as profit for the period from continuing operations before income taxes, net finance costs, depreciation and amortization, acquisition, disposal and other transaction related items, gains/losses on disposal of power generating plants, plus, if applicable, net cash gain or loss on sell down transactions (in addition to the entire full period profit from continuing operations for the business the sell down transaction relates to) and specific items which have been identified and material items where the accounting diverges from the cash flow and therefore does not reflect the ability of the assets to generate stable and predictable cash flows in a given period, less the Group's share of profit from non-consolidated entities accounted under the equity method, plus the Group's pro rata portion of Adjusted EBITDA for such entities.

In determining whether a new event or transaction is adjusted, ContourGlobal's management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. Adjusted EBITDA is not a measurement of financial performance under IFRS.

The reconciliation of Adjusted EBITDA and Proportionate Adjusted EBITDA to statutory measures is as follows:

Adj. EBITDA to IFRS Net Profit bridge (US$ million)	**Dec-22**	**Dec-21**
Proportionate Adjusted EBITDA	**759.6**	**692.3**
Minority interests	140.9	149.2
Adjusted EBITDA	**900.5**	**841.5**
Share of adjusted EBITDA in associates	(25.6)	(27.0)
Share of profit in associates	16.3	16.2
Acquisition, disposal and other transactions related items	(49.2)	(14.2)
Gain on Brazil Hydro sale	121.2	-
Gain on Sochagota acquisition	16.8	-
Mexican CHP fixed margin swap	2.9	5.5
Brazil Hydro concession extension	-	5.5
Change in finance lease and financial concession assets	(34.3)	(37.9)
Other	4.8	1.7
Depreciation & Amortization	(361.2)	(399.2)
Finance costs net	(231.7)	(249.2)
Income tax	(107.0)	(63.2)
Net Income	**253.5**	**79.7**

Proportionate Adjusted EBITDA

Proportionate Adjusted EBITDA increased from $692.3 million in 2021 to $759.6 million in 2022 (9.7%) broadly in line with the increase than Adjusted EBITDA, primarily driven by the strong commercial performance in Arrubal and the US and Trinidad assets acquired in February 2021, neither of which have a minority interest.

Proportionate Adjusted EBITDA is calculated using Adjusted EBITDA calculated on a proportionally consolidated basis based on applicable ownership percentage. The Proportionate Adjusted EBITDA as well includes the net cash gain or loss on sell down transactions (of which there has been none during 2021 and 2020) as well as the underlying profit from continuing operations for the business in which the minority interest sale relates to reflecting applicable ownership percentage going forward from the date of completion of the sale of a minority interest.

Cash flow from Operations

Cash flow from operations is presented in the Consolidated statement of cash flows of the financial statements and decreased from $810.3 million to $785.0 million, primarily driven by the increase in income tax paid ($24.4 million) mainly attributed to the increase of taxable profits at Arrubal ($15.3 million), in addition to costs incurred in connection with the KKR transaction ($39.9 million); partially offset by the increase in Adjusted EBITDA ($59.0 million).

Non-current assets

Non-current assets mainly comprise property, plant and equipment (”PPE”), financial and contract assets, intangible assets and goodwill. The decrease in non-current assets by $232.4 million to $4,517.1 million as of 31 December 2022 was mainly due to the decrease of PPE by $188.4 million relating to depreciation ($326.8 million) and negative CTA FX impact ($27.6 million). This was partially offset by PPE additions ($142.0 million) during the period mainly in Austria Wind for repowering of wind farms ($46.2 million), fair value of PPE acquired in the Sochagota transaction ($41.7 million), Lea Power major overhaul ($16.0 million), Brazil Wind improvements ($10.5 million), Vorotan structural improvements ($10.0 million) and Spain CSP major overhaul ($7.8 million).

Borrowings

Current and non-current borrowings decreased by $351.8 million to $3,824.3 million as of 31 December 2022, primarily due to scheduled repayments ($275.3 million), net repayment of the Revolving Credit Facility ($42.1 million), Maritsa full repayment of debt ($32.8m), repayments of affiliate loan with Energie Infrastructure Partners ($35.4 million) and the foreign exchange impact due to decrease of the Euro against the USD for our Euro denominated debt ($121.3m). This was partially offset by new borrowings represented primarily by the net impact of the Lea Power refinancing ($88.1m), and Austria Wind repowerings ($41.8 million).

Net Consolidated Leverage ratio

The leverage ratio has decreased to 3.7x as of 31 December 2022 as compared to 4.6x in the prior year. This decrease is primarily driven by a lower net debt of $3.3bn as of 31 December 2022 compared to $3.8bn as of 31 December 2021.

The Net consolidated leverage ratio is measured as total net indebtedness (reported as the difference between ‘Borrowings’ and ‘Cash and Cash Equivalents’ in accordance with IFRS statement of financial position) to Adjusted EBITDA. The leverage ratio does not include the IFRS 16 liabilities ($35 million as Dec. 31, 2022 and $30 million as Dec. 31, 2021). Whenever the impact would be significant, such a ratio is adjusted to reflect the full year impact of acquisitions or for financial debt of projects under construction which do not generate Adjusted EBITDA.

Non financial key performance indicators

The non financial key performance indicators of the group are as follows:

Non financial KPI	**2022**	**2021**	
Lost time incident rate	0.00	0.07	The Lost Time Incident Rate (LTIR) shows the recordable lost time injuries per 200,000 labour hours so they can be compared across any industry. In 2022 we achieved zero LTIs for the first time, an extraordinary achievement in our challenging sector.
Equivalent availability factor	93.4%	94.4%	The Equivalent Availability Factor (EAF) represents the portion of the production capacity of a power plant that was available and ready to operate in a given period of time. It is widely used in the industry to track the technical performance of power plants and for benchmarking.
Equivalent forced outage rate	1.8%	1.8%	The Equivalent Forced Outage Rate (EFOR) represents the production capacity that is lost, over a given period of time, due to equipment failure or operational mistake (error). Like the EAF, the EFOR is widely used in the

			industry to measure technical performance.
Gender diversity (permanent employees at year end)	1,229 male 257 female	1,241 male 227 female	We are committed to building a diverse workforce ensuring equal opportunities for all in the long term. Aligned with our sustainability principles, gender diversity is a key metric.

Principal Risks and Uncertainties

The Board of Directors has overall responsibility for the Company's risk appetite, risk management and ensuring that there is an effective risk management strategy and framework.

Up to the closing of the KKR transaction, the Audit & Risk Committee assisted the Board with monitoring the Company's risk management framework, identifying areas of risk, challenging control weaknesses and providing independent assessment and opinion on the effectiveness and efficiency of the Company's internal controls and risk management systems. Subsequent to the close of the KKR transaction, these risk monitoring activities will be overseen by the Board directly, supported by the Executive and Senior Management group.

Risk management framework

The Company's risk management framework consists of a register of all key risks, a risk map and qualitative analysis of the likely causes and impacts of each risk. The register details the management action plans in place to mitigate the effects of any risk materializing. Our risk management approach is based on the three lines of defence model, with a set of controls, procedures, and responsibilities designed to provide reasonable assurance.

Operational management in our businesses is the first line of defence. This ensures that day-to-day risk management controls are implemented and monitored and that relevant systems are in place to identify, evaluate and mitigate the Company's business risks.

The second line of defence comprises Group functions such as compliance, internal control, legal and IT. These focus on monitoring and compliance with risk control systems and processes implemented by the business.

Our internal audit function together with external assurance providers serve as the third line of defence, providing independent assurance of risk management, internal controls and governance. Senior management plays a key role in monitoring the risk management governance framework and policy. A focus group of key senior management members reviews and updates the risks identified on the risk register.

Risk review

On an annual basis we undertake a review the risk register to consider the evolution of identified risks and to identify emerging risks. As part of this review during 2022, two risks were considered to have increased in severity from moderate to high; R01 Strategy – Impact of government actions and R05. Operation and execution – Supply chain. The increases in risk were driven primarily by the increase in government regulation, intervention and sanctions as a result of the war in Ukraine and the corresponding impact on energy markets and supply chains. The resulting principal risks of the group are as follows:

Risk factor	Main impact	Risk response (management and mitigation)
R01. Strategy – Impact of governmental actions and regulations		
The risk that governmental actions or changes in (1) taxes or (2) regulations of our non-PPA long-term fixed rate arrangements (i.e. Feed-in- Tariffs) and	Deterioration of financial performance including loss of revenue and an increase in expenses (including fossil fuel cost). Loss of business/growth opportunities: Termination of agreements: • Inability to obtain, maintain or renew required governmental permits/licenses	PPAs are held with state-owned, regulated or other offtakers, the majority of which are rated by Standard & Poor's, with a weighted average credit rating (before Political Risk Insurance – PRI) of BBB (weighted by EBITDA).

PPAs including new adverse policymaking and investigations by regulatory or competition law authorities, as well as (3) restrictive regulation of thermal generation as the result of climate change initiatives and transition to low-carbon economy, without regulatory risk pass-through mechanisms will have a negative impact on our results of operation and growth prospects. **Risk Rating – increased to high following increased government intervention due to the current economic environment.**	• Inability to receive permits for extension of existing capacities Financing impact: • Limited access to capital for thermal power generation projects Impact on assets: • The Group is subject to changes in laws, regulations and taxes or changes in the application or interpretation of laws, regulations and taxes in jurisdictions where we operate (particularly utilities where electricity tariffs are subject to regulatory review or approval) which could adversely affect our business. This is the case for instance in Mexico where the current government has engaged in several attempts to change the regulatory regime under which the Company's plants are operating and Kosovo, where the Company is engaged in an arbitration related to the interpretation of its and counterparties' contractual obligations. • To date windfall taxes have not had a material impact on the business, due to the contractual pricing arrangements that are currently in place in jurisdictions where windfall taxes have been implemented. However this remains a risk that the Company monitors on an ongoing basis.	PRI policies (from commercial insurers) are in place for several projects in case of events that could affect our assets, in particular the loss of invested capital. In some cases, these cover a return on our capital. These include: • Maritsa, Vorotan, KivuWatt, Togo, Cap des Biches and TermoemCali. Close monitoring of regulatory and enforcement developments is undertaken, and engagement with energy and regulatory associations and advisors is maintained to anticipate and address potential changes in regulation and advocate our interests. Partnerships with multilateral development banks for debt which are key institutions in developing markets. Investment is placed in local communities and hiring locally. Close monitoring of global climate change initiatives and taking them into account in our medium- and long-term operations and growth strategy. Proactive engagement and communication.

Risk factor	Main impact	Risk response (management and mitigation)
R02. Strategy – Geopolitical uncertainties and social instability (including environmental activism, sanctions and trade war)		
The risk that geopolitical instability, increased social pressure on politics and increasing activism will create additional uncertainty for our multinational business operation and will affect our business model or specific assets. The risk that sanctions affect our counterparties or stakeholders along our supply chain will	Deterioration of financial performance: • Increase in operational costs (including additional costs associated with supply chain disruptions) • Higher financing transaction costs • Disruption of operation of one or more of our assets • Increase in OPEX and CAPEX • Loss of invested capital • Adverse effect on results of operation • Unforeseen additional recurring costs vs. financial model projections (project Internal Rate of Return (IRR) and cash flow) • Charges and penalties due to noncompliance with external requirements	PRI policies (from commercial insurers) are in place for several projects in case of events that could affect our assets, in particular in Africa and Eastern Europe. In some cases we can recover a return on our capital: Maritsa, Vorotan, KivuWatt, Togo, Cap des Biches, TermoemCali, and Kosovo. • Our diversified operations limit the downside as the impact of a localized geopolitical effect is unlikely to have a significant effect on the full portfolio • Diversification of jurisdictions and technologies minimizes the risk

have a negative impact on our cost structure and our ability to acquire the required equipment. The risk that excessive cross border tariffs or negative regulation on foreign capital flow will have an impact on our supply chain and limit our flexibility in cross border investments. **Risk Rating – unchanged at Moderate**	Loss of business/growth opportunities: • Inability to operate effectively • Termination of agreements • Fewer opportunities for growth Business disruption: • Inability to procure required equipment • Impact on equivalent availability factor and equivalent forced outage rate	• Access to several financial markets allows the business to choose the most opportune sources of transactional financing • Investment in local communities and hiring locally creates goodwill with local governments and populations • Regular analysis of suppliers and supply chain • Whilst we have no operations in either Ukraine or Russia, we continuously monitor the geopolitical situation in relation with conflict to assess potential impact on our businesses

Risk factor	Main impact	Risk response (management and mitigation
R03. Strategy: Disruptive innovation in power generation and storage technologies		
The risk that technological breakthrough in renewable generation, storage technologies and/or energy trading and financial markets (i.e. blockchain) will reduce our ability to be competitive in new investments or could result in stranded assets. **Risk Rating – unchanged at Moderate**	Deterioration of financial performance • Loss of revenue • Decrease in operating cashflow Loss of business / growth opportunities • Renegotiation/termination of existing contracts • Inability to expand in strategically important regions	• PPAs drafted to protect ContourGlobal from non payment of revenue. • Diversification of ContourGlobal's portfolio (Thermal and Renewable) and installing the most modern technologies (where possible) in order to remain as competitive as possible. • Innovation monitoring and using internal capabilities to capitalize on emerging technologies and innovative solutions already implemented within the Group. For example the ongoing solar PV and battery project in Bonaire.

Risk factor	Main impact	Risk response (management and mitigation)
R04. Operating and execution: Pandemic virus		
The risk that global pandemic(s) will cause (1) health issues for our employees, (2) business disruptions at operational as well as at corporate level, (3) disruption of our supply chain and (4) delays in power plants major overhauls, (5) increase in	Direct financial impact: • Adverse impact on revenue due to force majeure claims, decreasing power demand caused by slowdown of economic growth • Slow payment of certain of our offtakers or regulatory measures to slow down payments • Adverse effect on results of operations due supply chain disruption (cost increase) Business interruption:	• During the peak of the pandemic a COVID Committee managed key decisions and coordinating relevant measures across the Group, including interaction with Senior Management and employees. • Internet site containing key employee resources. • Mobility restriction, remote work and social distancing • Remote power plant operations in some locations or assets operating in isolation mode.

counterparty risk given deterioration of our offtakers credit strength as well as (6) slowdown of economic growth and thus disruption of global commodity markets which could result in adverse financial impact. **Risk Rating – unchanged at Moderate**	• Business leaders' distraction from core business activities or employee disruption due to illness • Delays to plants' planned maintenance from employees illness or supply chain disruption Indirect financial impact (country/counterparty): • Adverse effect of economic growth slowdown impacting our counterparties, i.e. PPA offtakers and governments' Feed-in Tariffs • FX rate exposure Financing and growth impact: • Inability to get access to financing for new or existing projects due to potential liquidity crunch caused by global economy slowdown	• Providing of masks and PPE equipment • Supply chain analysis and contract management. • Force majeure and termination clauses analysis for key contracts. • Review of annual maintenance program to reschedule any maintenance activities that would require third-party interventions on site

Risk factor	Main impact	Risk response (management and mitigation)
R05. Operation and execution: Supply chain		
Increased supply chain risk, with the identification and management of supply requiring greater effort to maintain resilience. This may be due to a more competitive landscape among the company's peers increasing costs; or due to a shrinking of available supply due to suppliers going out of business during economic downturn; or politically-motivated restrictions (such as trade restrictions – e.g. quotas, tariffs, additional screening - or sanctions) following heightened geopolitical tensions. **Risk Rating – increased to High following increased supply chain pressure in the current geopolitical and economic environment**	Business disruption • Inability to procure required equipment or parts • Impact on EAF and EFOR Deterioration of financial performance • Increase in Opex and Capex • Increase in fuel costs	• Supply chain analysis and contract management: global supply chain actions tracker per plant with regular updates in case of risks, regular reviews • Monitoring of force majeure and termination clauses and communication of potential termination • Regular vendor risk assessment, particularly of strategic and bottleneck vendors • Diversification of suppliers to avoid any dependency on any particular vendor • PPAs that pass through fuel costs or where merchant close monitoring of movements in fuel pricing as part of the overall commercial risk.

Risk factor	Main impact	Risk response (management and mitigation
R06. Operation and execution: Project execution (CAPEX)		
The risk that inefficient contractors' selection, contracting, project management, and execution of greenfield construction or refurbishment investment projects will result in delays or unanticipated cost overruns. **Risk Rating – unchanged at Moderate**	Financial impact: • Overrun of project costs (including financing fees) vs. investment case • impacting projected cash flows and IRR • Liquidated damages/penalties/litigation • Reduced revenue due to construction delays • Potential defaults on financing and debt repayment before Commercial Operations Date (COD) • Image and reputation impact resulting from a loss of credibility with counterparties, lenders and other stakeholders	• Controlling methodology: specific internal resource is dedicated to provide guidance and best practice to ensure strict and real-time project cost control, enabling cost overruns to be identified early and mitigation actions put in place • Minimizing the risk of exceeding construction budgets by entering into fixed price contracts with engineering, procurement and construction (EPC) contractors with proven track records • EPC contracts contain back-to-back liquidated damages provisions which protect ContourGlobal against construction delays and other breaches by EPC contractors • Contract monitoring and management with legal support • External support to obtain permits • Project Review Procedure: monthly review of the projects organized by the Project Management Team (including the Group COO) and presented to the Project Steering Committee • Regular analysis of suppliers and supply chain

Risk factor	Main impact	Risk response (management and mitigation)
R07. Operation and execution: Asset integrity (OPEX)		
The risk that asset maintenance processes not managed in line with O&M plan and quality standards will prevent power plants from delivering electricity and ensuring availability at the levels defined in the long-term PPAs. **Risk Rating – unchanged at Moderate**	Deterioration of operational performance: • Business interruption and power outages • Performance below expected efficiency and output levels • Inability to deliver electricity or ensure availability defined in long-term PPAs Reduced profitability and cash flows: • Increase of expenses (OPEX and CAPEX) • Unplanned O&M and capital expenditures • Loss of revenue and PPA penalties • Liquidated damages	• Business interruption insurance • O&M strategy focusing on Health, Safety and Environment (HSE), O&M organization, O&M performance management, benchmarks and KPIs • Maintenance strategy including hydro and civil structures. O&M IT systems (including remote monitoring control room) • Maintenance activities with regular KPIs for control, and timely corrective actions • Daily KPIs and improvement meetings between local plant managers and operators • Regular analysis of suppliers and supply chain

	• Reduction in distribution and inability to service debt • Reputational impact	

Risk factor	Main impact	Risk response (management and mitigation)
R08. Operation and execution: Resources/Climate change		
The risk that climate change (e.g. changes in temperature, wind patterns and hydrological conditions) will affect the certainty of our forecasts, will impact our operations and adversely affect our financial performance. **Risk Rating – unchanged at Moderate**	• Deterioration of financial performance including a loss of revenue and/or an increase in expenses (O&M costs) • Impact on the operational performance with a strong deviation of actual renewable generation vs. projections in the investment case specifically for wind and hydro • Potential for the above impacts to result in an impairment.	• Diversified geographical and technological portfolio of assets • Extensive weather phenomena studies and due diligence before acquisitions • Sign-off on all investment case assumptions by a reputable advisory firm • Retina Performance Management platform for Renewable businesses to improve data analytics and forecasting, enabling predictive analysis for medium- to long-range maintenance planning and downtime reduction in Brazil • Review of weatherization planning for extreme temperatures

Risk factor	Main impact	Risk response (management and mitigation)
R09. Health, Safety and Environment and food: Prevention and regulation		
The risk that failure to prevent major health, safety, environmental and food (CO_2 production for human consumption) incidents and/or comply with relevant regulations due to inherent risks related to our activities (fuel types, technology, equipment in more than 20 countries) will have a material adverse impact in our operations, financing conditions and reputation. **Risk Rating – unchanged at Moderate**	Human and environmental impact: • LTIs (Lost Time Incidents) and fatalities of ContourGlobal employees, contractors or people in local communities around the facilities due to incidents at the power plants • Environmental accidents on site and in local communities • Contamination of food supply • Reputational impact Financial and operational impact: • Increase in liabilities and compliance costs • Business interruption • Loss of efficiency/productivity • Breach of loan covenants • Non-compliance with applicable HSE legal requirements and potential sanctions	• Health and Safety Policy reviewed annually and communicated Company-wide • Health and Safety and Environmental management system is aligned with H&S 18001, ISO 14001 standards, and also with World Bank guidelines, namely the IFC Performance Standards • Monitoring of reactive indicators (such as responses to accidents) and proactive indicators (including known hazards, inspection quality and number of training hours) • Intense regular training • Continuous improvement and failure analysis (such as 5 Whys and lessons learned) to prevent incident recurrence • Strong environmental policies and procedures • Each business's compliance with applicable policies, local laws and permit requirements is managed directly by the business

		• Oversight and audit through operations, environmental, health and safety departments • Third-party contractors' environmental audits, including Coca Cola audits of food grade CO_2 • Arrubal, Spain CSP, Maritsa, and Sochagota have achieved ISO 14001 certification • Adherence to a Company-wide environmental policy, reflecting the business commitment to the United Nations Global Compact

Risk factor	Main impact	Risk response (management and mitigation)
R10. Regulation and compliance: Fraud, bribery and corruption		

The risk that lack of transparency, threat of fraud, public sector corruption, money laundering and other forms of criminal activity involving government officials or suppliers will result in a failure to comply with anti-corruption legislation, including the UK Bribery Act 2010 and other international anti-bribery laws.
 	
Risk Rating – unchanged at Moderate
	Financial impact:
	• Financial losses as a result of fraudulent activities
	• Violations of anti-corruption or other laws
	• Criminal and/or civil sanctions against individuals and/or the Company
	• Loss of trust by key stakeholders
	• Debarment by multilateral development banks and international financial institutions
	• Reputation impact and loss of trust
	• Exclusion from government funding programs
		• A comprehensive anti-bribery compliance program that reflects the components of an 'effective ethics and compliance program' as set forth by various international conventions and enforcement authorities
		
		Policies and procedures include:
		• Code of Conduct and Business Ethics
		• Anti-Corruption Policy
		• Anti-Corruption Compliance Guide
		• Policy for Engaging Suppliers and Third-Party Service Providers
		• Gifts & Hospitality Policy
		• Conflict of Interest Policy
		• Compliance Transactional Due Diligence Protocol
		• Business Development Consultant Compliance Protocol
		• Regular certification by employees
		• Risk-based due diligence, including for third parties and transactions
		• Pre-approval by Compliance of gifts and hospitality offered to governmental officials
		• Online portal; EthicsLine
		• Regular checks and audits:
		    • Periodic combined Compliance and Finance Audits
		    • Internal audits conducted by external providers led by the internal audit team
		• Internal spot checks

		• Tailored, risk-based training according to a yearly training plan • Anti-Corruption e-learning course for new joiners and regular refresh course for existing employees

Risk factor	Main impact	Risk response (management and mitigation)
R11. Information technology: Cyber security and system integrity		
The risk that insufficient IT security or maintenance of systems will expose the Company to data corruption. This could have a negative impact on information systems as well as electronic control systems used at generating plants and could disrupt business operations, resulting in loss of service to customers and expense to repair security breaches and/or system damage. **Risk Rating – unchanged at High**	Organizational and operational impact: • Disruptions to business operations • Compromise of data integrity in core systems Financial impact: • Potential for fraudulent activity due to segregation of duties conflicts • Penalties related to non-compliance with data-related laws and regulations • Loss of revenue due to disruptions to operations • Impact on reputation due to breach of confidentiality	• Dedicated IT security function established for corporate and operations • Ongoing projects aiming at strengthening cyber security controls Plants • Physical access controls • Dedicated plant IT functions established to consolidate IT management approach in the plants under a global framework of IT/OT security policies and procedures. This local, segregated approach to the management of plants minimizes risk Corporate • Security governance controls in place (including security policies, security training, security reviews) • Security systems implemented (e.g. anti-virus, web filtering, firewalls, multifactor authentication, encryption) • Security information and event management system (SIEM) • Infrastructure hosting security in place (ISO-27001 compliant data centres) • User provisioning process for key financial accounting and reporting systems, and segregation of duties where applicable • Governance processes in place (e.g. change management, incident management) • Restricted USB access • Centralized administrative access restricting any changes introduced by individual users • Annual external audits of financial systems and IT security

<table>
<tr><td>Risk factor</td><td>Main impact</td><td>Risk response (management and mitigation)</td></tr>
<tr><td colspan="3">R12. People and organization: Key people (senior executive management) succession planning</td></tr>
<tr><td>The risk that a combination of key people’s (Senior Executive Management) departure at short notice may affect the company’s ability to deliver its strategic objectives and the overall Company performance and availability of talent to support long term growth plans.

Risk Rating – unchanged at Moderate</td><td>• Removal or departure of key individuals could result in operational disruption, while competition for employees could lead to higher than expected increases in the cost of recruitment, training and employee costs
• Loss of key management members could have a reputational impact</td><td>• Focused action to attract, retain and develop high-calibre employees
• Managing organizational capability and capacity to meet our customers’ needs
• Effective remuneration arrangements to promote effective employee behaviours
• Clear succession plans in place</td></tr>
</table>

Whistleblowing, Bribery and Anti-Corruption

Whistleblowing

On behalf of the Board, until the close of the KKR transaction the Audit & Risk Committee (“ARC”) reviewed the Group’s whistleblowing mechanism which allows employees and third parties to report concerns about suspected impropriety or wrongdoing (whether financial or otherwise) on a confidential basis, and anonymously if preferred. This includes an independent third-party reporting facility comprising an online reporting process (the “EthicsLine”). Any matters reported are investigated in line with our internal procedures and escalated to the Board as appropriate. Regular compliance reports are prepared which detail matters raised through the whistleblowing procedure, a description of the manner in which issues have been addressed and recommended remediation.

The Company provides regular training to existing employees reminding them about the available reporting mechanisms within the Company, including through the EthicsLine, and the obligations to report actual or suspected violations of the Company’s policies. The arrangements also form part of the induction program for new employees.

Bribery and anti-corruption policy

The Board has a zero-tolerance policy for bribery and corruption of any sort. The Company provides regular training to employees on our policies, procedures and protocols, highlighting areas of vulnerability. Our third-party providers are required to comply with our policies or evidence that they have similar policies and practices in place within their own businesses on a risk-adjusted basis.

Stakeholder engagement

As responsible leaders in power generation, and in accordance with our Section 172 obligations, we engage closely with our key stakeholders in line with our commitment to make a positive long-term impact around the world.

Employees	***How we engage*** We engage closely with our employees around the world to ensure we have communication and clarity around their careers and aspirations, health and

	safety, diversity, learning and development, remuneration and rewards and other key issues. We have a number of ways of engaging with our employees, including structured career conversations, internal media platforms, employee forums and engagement with trade unions. Key engagement and activities in 2022: • Multiple employee forums were held throughout 2022 regarding the KKR acquisition of ContourGlobal, updating employees on progress and the anticipated impact as the transaction progressed throughout 2022. • The CEO and leadership team visited many sites throughout the year to meet with employees. • The Board received and discussed reports from the designated Non-Executive Director for workforce engagement ***Outcomes of engagement*** The KKR transaction was completed during 2022 with limited impact on employees and the business continues to operate effectively. Throughout the transaction the Senior Management team provided information and updates to employees through a series of webinars and written communications. The health and safety of employees remains a key priority and the Company has a regular, communication process with all employees, including, in particular, our power plant-based employees. We continued to apply our internal guidelines, and internal health and safety audits were carried out using remote technology where appropriate. In Bonaire during the year following extensive discussions with employees at our plant our employees elected to leave the union and accept terms and conditions offered by ContourGlobal. The 2022 annual bonuses for all employees were paid in December and recognized strong corporate performance, including achievement of "Target Zero," our most critical health and safety key performance indicator, for the first time in Company history.
Customers and clients	***How we engage*** We constantly interact with our customers throughout the course of long-term contracts to ensure that we deliver energy in full accordance with our contractual commitments and adapt to needs that may evolve throughout the life of the contract. Key engagement activities include the following matters, all discussed in depth, reviewed and sanctioned by the Board: • A number of site visits took place during the year and where relevant and appropriate meetings were held with energy customers. • At each Board meeting performance of the operations is reviewed. ***Outcomes of engagement*** We reinforced in all the countries where we have presence our relationships with our main clients. In particular: In the United States, in our Borger Texas plant, we have been actively working with our customers and main suppliers, leveraging on our relationships and positive history as operators to extend the current electricity, steam and gas contracts, which we expect will be achieved in the course of 2023. At Redwood, with a view to diversify our customer base, we added close to 10 new clients in our Resource Adequacy portfolio, taking advantage of the significant increase in capacity needs to fully contract years 2023 and 2024, and continue work to secure capacity contracts for the years 2025 to 2030. On Bonaire, we leveraged our historical presence and relationships with the main stakeholders on the island to extend the Power Purchase Agreement by

	another 6 years and build additional solar PV and battery capacity on the island, which we expect will reach COD in the course of 2023. In Mexico, we interconnected new clients in 2022 to load points existing in our permit, after strong efforts from our local commercial team. This reinforces our client base and improves our interconnection rate close to 90% on our 2 plants in Mexico.
Shareholders, investors and lenders	***How we engage*** During the course of 2022, the Company undertook its regular programme of engagement which included: the full reporting cycle and half-year financial results as well as two quarterly trading statements, and face to face meetings with investors, bondholders and lenders through many channels, including our AGM, conferences and regular calls. One of the principal items on which we interacted with shareholders, investors and lenders was the acquisition of ContourGlobal plc by KKR. The Board receives regular reports from our Senior Finance team and brokers. These reports provide clarity on the investor landscape and help to update directors on our investors' views. Our corporate website provides a dedicated investor section which contains, up until the delisting of ContourGlobal plc on December 21, 2022, all London Stock Exchange regulatory announcements and a copy of all of our Annual Reports. Webcasts of our results and other investor presentations are also available to shareholders, up to the point that the company was delisted on December 21, 2022. ***Outcomes of engagement*** Following the board approval of the KKR transaction on May 17, 2022, a General Meeting of shareholders was held on July 6, 2022, where relevant engagement took place in relation to the proposed transaction and the result of the General Meeting was approval of the transaction by shareholders. We also engaged with certain lenders who provide project finance in our operational businesses to the extent that the transaction impacted existing covenants or terms and obtained waivers to allow the relevant transaction to proceed without impacting the project debt. We engaged with (i) a new pool of lenders at our Hobbs plant in New Mexico, United States, in order to refinance our project finance facility during the year at attractive conditions, (ii) our corporate letters of credit holders to refinance such letters of credit, which resulted in upsizing and extending them and (iii) lenders at our Austrian wind farms to finance the repowering of certain wind farms at favourable conditions.
Communities	***How we engage*** As a business we are deeply committed to making a positive long-term improvement wherever we operate and we engage closely with communities around the world. We achieve this by engaging with our communities to identify opportunities to make high-impact social investments in the areas of education, health and safety, the environment, human rights, and anti-corruption. Our investments align with United Nations Sustainable Development Goals, our Social Responsibility and Environmental Sustainability Policy, our Anti-Corruption Policy and Guide and other ContourGlobal policies. ***Outcomes of engagement*** Refer to page 25 regarding social investment in 2022.
Governments and regulators	***How we engage***

	We promote sector development and sustainable business practices by engaging with governments and civil society. Our plant managers meet regularly with host government counterparts, including the ministries of finance, energy and infrastructure, and regular regulatory updates are provided at Board meetings. We invite government officials to plant inaugurations and other public events, and organize private working events for visiting officials. Active participation in several industry associations (including ABEEólica, the Brazilian Association of Wind Power, the Bulgarian Energy Chamber and international organizations and the United Nations Development Program). ***Outcomes of engagement*** Regarding the KKR transaction, there were several anti-trust, competition law, and foreign direct investment regulatory approvals that were required to be obtained across the group, which were completed by or with the assistance of KKR and external legal advisors. We continue to have dialogue with the EU and the Bulgarian government on the proposed market reforms and energy transition plans. The Company is working to support a transition to green energy and the development of renewable energy as part of a phased transition from coal. This in turn ensures we are able to support environmental goals, as well as security and affordability of supply as Bulgaria transitions to low-carbon policies. At our Bonaire asset in the Dutch Antilles, we have engaged with the government, local authorities and regulator in the completion of our solar PV and battery project, significantly enhancing our renewable energy generating capability in the region. In Austria, we have successfully participated in the first Austrian wind auction and were awarded a 20-year CfD contract in December 2022 for one of our projects under repowering. In parallel, we engaged in negotiations on several sites which would have potential for additional wind farms with local authorities and landowners.

Our People

Our people-the heart of our business

We aim to recruit and retain the best people, ensuring we deliver our strategy and run our operations safely and productively. Around 1,541 employees work for us globally; they are the foundation of our business. We create and promote an inclusive and diverse environment where the safety and well-being of our people is the highest priority. To enable our people to perform at their best, we continue to invest in technology and innovative ways to manage risk, streamline processes, and improve productivity. We offer competitive remuneration that rewards expertise and we invest in the development of our people to build capability and improve performance.

Pay and reward

To attract and retain the best talent, and reward our colleagues for their work, we regularly review pay and benefits in the context of competitiveness, retention, and fairness. For all ContourGlobal employees eligible for a bonus, we use a combination of a Group-wide and localised scorecard with a mix of financial and non-financial measures, typically a combination of corporate, business and functional scorecards. In this way, our bonuses match our strategic priorities.

Employee rights

Aligned with our commitment to the UN Global Compact, our Code of Conduct and Business Ethics, together with our employee handbooks and other policies and procedures, ensures employee rights are respected. We support freedom of association and collective bargaining wherever it is permitted. If employees have any labour concerns, we encourage the use of informal processes to resolve them, but we provide a formal grievance mechanism if these prove insufficient.

We seek to ensure our suppliers follow the same high standards of labour relations as those we practice ourselves, and we train our employees to identify any instances of non-compliance.

Equality, diversity and inclusion
We are committed to developing an inclusive and diverse workforce, and one that provides equal opportunities for all in the long term. This commitment promotes safety, productivity, and well-being, and underpins our ability to attract new employees. The more representative we are of the communities where we live and work, the better we become at truly serving people and society. Our people policies are designed to achieve these commitments.

They also reflect relevant employment law, including the provisions of the Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work. We expect our people to treat each other with dignity and respect, and do not tolerate discrimination, bullying, harassment, or victimization on any grounds.
We are committed to paying our people fairly and equitably relative to their role, skills, experience, and performance – in a way that balances the needs of all our stakeholders. That means our remuneration policies reward sustainable performance that is in line with our values as well as our risk expectations. We encourage our people to benefit from ContourGlobal's performance.

Regarding gender diversity, we continue to work at improving the representation of women in the business. At the Management level (Vice President and above), 37.5% of positions are women. However, gender diversity is much more challenging at the power plants. We are committed to actively attracting women into these roles. We believe that hiring women in leadership positions in a largely male-dominated workplace is vital to drive innovation and inclusivity. We celebrated International Women's Day to promote the role of women in the workplace and we will continue to strive for increased gender diversity throughout the Company.

Our culture
Our Company culture is built on our values and principles and embrace the well-being and development of our people and a commitment to continuous learning. Our culture drives our passion to provide a safe and healthy work environment and to learn from our mistakes – we encourage employees to be curious, to experiment, and to share things they learn.
As a learning organization, we conducted 581 "5 Whys" investigations this year, where employees work together to analyse why things do not always go according to plan and to propose how to make processes better. We publish and disseminate these widely to achieve continuous improvement. We also coach and train our people on our values and principles and embedding these in the way we work – we call this the ContourGlobal Way.

Health and Safety – Target Zero
Our global Target Zero programme, one in which we commit to have zero lost-time incidents, lies at the heart of our approach to health and safety. We want to ensure that 'everyone goes home safe, every day, everywhere'. After adopting "Target Zero" in December 2016, we finally achieved our target in 2022 for the first time, an extraordinary accomplishment in our challenging sector.

Environment

Strategic framework
Our policy on environmental sustainability, which provides the framework under which we work, is aligned both with the targets in UN SDG 12 and with the International Finance Corporation (IFC) performance standards. Our environmental impacts are intensively regulated in all our markets and reported publicly. For our European assets, we comply with EU environmental standards. These promote environmental stewardship, including pollution prevention and abatement, biodiversity conservation and responsible management of sustainable natural resources.

Climate Impact
Our sustainability strategy is designed to create value for shareholders and society and positively impact the climate by reducing our CO2 emissions intensity in the medium term and achieving net carbon zero by 2050. Our commitment to grow in low and no-carbon technologies will largely drive

this, along with increased investment in carbon capture technology, repowering existing renewable assets, further applying battery storage technology and improving energy efficiency.

Over the last 13 years we have increased our renewable energy from zero to 1,652 MW of installed capacity across wind, solar and hydro. In 2022, our Austria wind portfolio repowering increased capacity by 3.8 MW and our Bonaire battery and solar projects continued to progress with completion of the project on track for 2023. Our European Solutions plants continue to utilize carbon capture technology and we are seeking to expand use of this technology within the portfolio.

The carbon emissions of our coal plant in Bulgaria are the most significant in our portfolio. Our regulatory and engineering teams are investigating ways to convert the plant to operate on low- and no-carbon fuels, such as solar fields, low-carbon gas or renewable biomass combined with carbon capture technology. The timing of exiting coal completely will depend in large part on geopolitical events and pressures related to commodity pricing and availability and, in particular, the timing of the implementation of the energy transition in Bulgaria. Additionally, exiting coal will take into consideration the need for a "just transition", protecting the interests of our employees and the community, balanced by the impact on climate.

Our greenhouse gas (GHG) emissions are reported according to the GHG Protocol guidelines. The majority of these are generated from our thermal electricity and steam production, with CO_2 emissions representing 99% of total emissions. In addition to carbon emissions, we carefully manage other atmospheric emissions, such as nitrogen oxide (NOx), sulfur oxide (SOx), and particulate matter (PM), to reduce health risks and environmental impacts.

Using water responsibly

Our businesses, most of which are intensively regulated, undertake extensive monitoring and risk mitigation activities related to water withdrawal, use, and discharge, as well as biodiversity impacts.

Where water is a primary fuel source – such as in hydro-electric generation – we ensure we utilize it in the most efficient manner possible; we also manage other impacts, including sedimentation, drainage, vegetation, and biodiversity.
At our Vototan business in Armenia, our hydroelectric complex utilizes dams to generate electricity. We undertook a large-scale refurbishment of the facility from 2018-2021 to increase its generating capacity while maintaining the size and impact of the dams and increasing the efficiency of water resources.

Where water is required as an input in thermal operational processes, we access only the amount required to meet our needs. Where we discharge water, such as at our KivuWatt business in Rwanda, we replenish the sources from which it came with equivalent volumes, properly treated. Where we can, we recycle water – for example, at our Cap des Biches plant in Senegal, we now recover water used in plant operations to use for cleaning and sanitary purposes.

Limiting waste

We minimize waste as far as possible through planned reuse and recycling. However, some waste – including hazardous waste – is unavoidable during power plant operations. We ensure this is properly handled and treated. We have several hazardous waste initiatives at our plants. At our Maritsa plant, for example, we have a long-term project to replace all fluorescent lighting containing mercury with LED lights.

Spills and grievances

While we seek to avoid any adverse incidents or grievances, we keep ourselves fully prepared to deal with emergencies, unexpected environmental impacts, or complaints from our stakeholders. We therefore train our employees on how to recognize and avoid environmental risks and we report environmental incidents transparently. Each time a spillage occurs, we are required to conduct a full root cause analysis to learn from our mistakes. Grievances are also reported in quarterly management reports and action plans are developed to address them.

Biodiversity
To achieve sustainable resource management, we manage the use, development and protection of renewable natural resources in a way, or at a rate, which enables people and communities to provide for their present social, economic, and cultural well-being. We seek to use and develop natural resources while also sustaining the potential of those resources to meet the reasonably foreseeable needs of future generations and safeguarding the life-supporting capacity of air, water, and soil ecosystems.
We take a proactive and systematic approach to local threats to biodiversity beyond our business activities. We adopt biodiversity plans after consultation with impacted stakeholders, including governments, nongovernmental organizations, and communities. We seek to prevent and protect ecosystems from unwanted impacts, but where we cannot achieve that objective entirely, we seek to rehabilitate, restore, and offset, in line with best-practice mitigation hierarchy. Our track record on protecting and promoting biodiversity has generally been positive.

For further details on our environmental impact, please refer to our Sustainability Report, available on our website at: https://www.contourglobal.com/our-principles-values.

Emissions
The methodology for the calculation of Scope 1 emissions for our plant in the United Kingdom are based on fuel consumption and emissions factors at the asset level. Calculations utilize the most relevant emission conversion factor for the United Kingdom, in line with the GHG Protocol for calculating Carbon Dioxide equivalent (CO2e), extracted from official sources and the global warming potential ("GWP") values published by the Intergovernmental Panel on Climate Change ("IPCC") with CO2 having a GWP equivalent of 1. Values published by the IPCC are used for the GWP for HFC, CFC, HCFC, PFC and SF6 also. GWP is used to convert the quantity of leaked gasses to tCO2e.

Scope 2 CO2e emissions, which include purchased electricity for ContourGlobal's own use follow the GHG Protocol's Scope 2 Guidance and are calculated on a location-based method and marked-based method.

	2022	2021
Scope 1 CO_2 emissions tCO_2	12,899	16,918
Scope 2 CO_2 emissions, tCO_2e - Location based	1,404	1,153
Scope 2 CO_2 emissions, tCO_2e - Market based	-	174
Electricity production (MWh)	25,505	32,971
Heat production (MWh)	20,690	22,601
Total Energy Input (MWh)	46,195	55,572
Scope 1 CO_2e emissions intensity – electricity produced (tCO2/MWhe)	0.51	0.51
Scope 1 CO_2e emissions intensity – energy produced (tCO2/MWh)	0.28	0.30

Communities
A core part of ContourGlobal's mission is to make the places where we work better because we are there. We achieve this by engaging with our communities to identify opportunities to make high-impact social investments in the areas of education, health and safety, the environment, human rights, and anti-corruption. Our investments align with United Nations Sustainable Development Goals, our Social Responsibility and Environmental Sustainability Policy, our Anti-Corruption Policy and Guide and other ContourGlobal policies.

In 2022, we focused intensely on improving the long-term impact of our social investments with each business assessing community needs, project impacts and developing three-year social investment plans. The plans will be presented to our Sustainability Committee in 2023 for review and approval, including project KPIs, implementation strategies, and budgets. As 2022 was a year of transition, our social investments were only $1.1 million, as compared to $1.5m in 2021.

ContourGlobal Limited (formerly ContourGlobal plc)
(Registered number: 10982736)

Non-Financial Information Statement

We create value for all our stakeholders and track our performance against key financial and non-financial indicators. The table below sets out where more information on non-financial matters can be found in this Annual Report together with an overview of our relevant policies and standards.

Reporting required	**Relevant information**	**Policies, Standards and Commitments**
Business model	Page 4 Business Model	Our values: • To care about our people's health, safety, well-being and development. • To expect, embrace and enable excellence and continuous learning through humility, and knowledge that we will fail but when we do, we will learn. • To act transparently and with moral integrity. • To honour the commitments of those who have placed their trust in us. • To work hard and without boundaries as a multinational, integrated team.
Principal risk and impact of business activity	Page 11 Principal risks and uncertainties	• Risk Management Framework
Environmental matters	Page 23 Environment	Our environmental commitments include: • Complying with all environmental regulations and world-class best practices. • Striving towards reducing our environmental footprint. • Training and developing our workforce to understand our environmental and social responsibilities. • Executing targeted social investments aligned with our core business. • We are also a signatory of the United Nations Global Compact • Code of Conduct and Business Ethics • Supplier Code of Conduct • Social Responsibility & Environmental Sustainability policy
Employees	Page 22 Our People	• Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics
Social matters	Page 25 Communities	• Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics • Social Responsibility Environmental Sustainability policy • Social Investments Framework • United Nations Global Compact signatory
Human rights	Page 22 Our People Page 25 Communities	• Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics • Supplier Code of Conduct • ContourGlobal Modern Slavery Statement 2021 • Human Rights Policy Statement
Anti-corruption and anti-bribery	Page 19 Whistleblowing, Bribery and Anticorruption Page 11 Principal risks and uncertainties	• Code of Conduct and Business Ethics • Anti-Corruption Policy • Anti-Corruption Compliance Guide • Supplier Code of Conduct • Policy for Engaging Supplier and Third-Party Service Providers • Gifts & Hospitality Policy

		• Compliance Transactional Due Diligence Protocol • ContourGlobal Modern Slavery Statement 2021

Section 172 of the Companies Act 2006

The role of the Board is to promote the long-term sustainable success of the Company, generating long-term value for shareholders and contributing to wider society. The Board recognizes the importance of ensuring that the interests of all parties that have a stake in our Company are factored into our decision making process, both as a general principle and as part of each director's s172 duty under the Companies Act 2006. Our Board decisions can have a significant impact on one or a number of our stakeholder groups, and it is therefore essential that we engage with those groups in a way that helps and supports our understanding of the potential wider, long-term impact of those decisions.

We communicate with our stakeholders through a range of channels and we have a number of ways in which the Board is informed of these engagement activities and the key themes arising from such engagement.

The Board endeavours to ensure that the expectations and concerns of stakeholders are taken into consideration, and is of the view that their feedback is invaluable in helping the Board formulate the long-term strategy, and the long-term success, of the Group. The Board also encourages management to consider s172 matters when presenting to the Board, particularly where decisions are required.

The Board considers that it has complied with its duties under s172 of the Companies Act 2006 through its active engagement with stakeholders.

The main methods used by the directors to perform their duties include:

• An annual strategy review which assesses the long-term sustainable success of the Group and our impact on key stakeholders;

• The Board's risk management procedures identify the potential consequences of decisions in the short, medium and long term so that mitigation plans can be put in place to prevent, reduce or eliminate risks to our business and wider stakeholders (see Principal risks and uncertainties on page 11);

• The Board establishes the Group's purpose, values and strategy and ensures they are aligned with our culture;

• Direct and indirect stakeholder engagement, along with the themes emerging from such engagement (see page 19);

• Specific training for our directors and senior managers, including ongoing training on strategic, legal and regulatory developments.

The table below sets out where relevant disclosure against each s172 factor can be found.

The likely consequences of any decision in the long term	Business model (page 4) Principal risks and uncertainties (page 11)
The interests of the Company's employees	Our people (page 22) Health and safety (page 23) Stakeholder engagement (page 19)
The need to foster the Company's business relationships	KPIs (page 7) Stakeholder engagement (page 19)
The impact of the Company's operations on the community and the environment	Our sustainability principles (page 5) Environment (pages 23) Communities (page 25) Principal risks and uncertainties (page 11)
Maintaining a reputation for high standards of business conduct	Stakeholder engagement (page 19)
Acting fairly between members of the Company	Stakeholder engagement (page 19)

ContourGlobal Limited (formerly ContourGlobal plc)
(Registered number: 10982736)

Change of name

On 21 December 2022 ContourGlobal plc was delisted from the London Stock Exchange. Subsequently on 29 December 2022 the Company was re-registered as a private company resulting in a change in name to ContourGlobal Limited.

Approved and signed on behalf of the Board by:

Laurent Hullo
Chief Financial Officer and Executive Vice President
ContourGlobal Limited
16 March 2023

Directors Report
for the Year ended 31 December 2022

In accordance with section 415 of the Companies Act 2006, the directors of ContourGlobal Limited present their report on the audited consolidated financial statements for the year ended 31 December 2022.

Strategic report
As permitted by section 414C of the Companies Act 2006, certain information required to be included in the directors' report has been included in the Strategic report, or as set out below.

Dividends
Total dividends for the year ended 31 December 2022 was $96.8 million equating to three quarterly payments of 4.912 cents per share. Quarterly dividends for 2022 were paid on 10 June 2022, 9 September 2022 and 25 November 2022. The declaration and payment by the Company of any future dividends and the amounts of any such dividends will be determined at the Company's discretion.

Political Donations
It is the Company's policy not to make political donations. No political donations were made in 2022 (2021: £nil).

Financial Instruments
Details of the Group's use of financial instruments can be found in Notes 1.19, 1.20, 1.21 and 1.22 to the financial statements.

Directors
The Board has the power at any time to elect any person to be a director. Following the completion of the acquisition of ContourGlobal by KKR on 20 December 2022, a number of director resignations took place. The directors who served during 2022, and up to the date of this report were as follows:

- Joseph Brandt
- Laurent Hullo was appointed as a director on 31 January 2023
- Stefan Schellinger ceased to be a director on 31 January 2023
- Gregg Zeitlin ceased to be a director on 20 December 2022
- Ronald Traechsel ceased to be a director on 20 December 2022
- Alejandro Santo Domingo ceased to be a director on 20 December 2022
- Craig Huff ceased to be a director on 20 December 2022
- Daniel Camus ceased to be a director on 20 December 2022
- Dr Alan Gillespie ceased to be a director on 20 December 2022
- Mariana Gheorghe ceased to be a director on 20 December 2022

Directors' and officers' liability insurance
Directors and officers of the Company and its subsidiaries have been and continue to be covered by director and officer liability insurance.

Company Secretary
LDC Nominee Secretary Limited ceased to be company secretary on 1 February 2023.

Stakeholder and workforce engagement
We set out further details of our stakeholder engagement activity on page 19.

Employees
We set out further details of our Employees and associated policies and arrangements on page 22 Our people.

Revolving credit facility and Euro Bonds

On 26 July 2018, CG Power Holdings issued the Euro Bonds in a private offering exempt from the registration requirements of the Securities Act 1933, as amended. The Euro Bonds had an initial aggregate principal amount of €750 million split between two tranches: €450 million of 3.375% Senior Secured Notes due in 2023 and €300 million of 4.125% Senior Secured Notes due in 2025. On 30 July 2019, CG Power Holdings completed an add-on offering of €100 million of 4.125% Senior Secured Notes due in 2025.

On 17 December 2020, a new Euro Bond composed of two tranches was issued for €410 million aggregate principal amount of 2.75% Senior Secured Notes due in 2026 and €300 million aggregate principal amount of 3.125% Senior Secured Notes due in 2028.

On 6 January 2021, the Group redeemed the €450 million ($549.7 million) aggregate principal amount of its 3.375% Senior Secured Notes due in 2023.

The Euro Bonds have an aggregate principal amount of €1,010 million split between three tranches: €400 million of 4.125% Senior Secured Notes due 2025, €410 million of 2.75% Senior Secured Notes due 2026 and €300 million of 3.125% Senior Secured Notes due in 2028.

The Euro Bond Indentures provide redemption conditions depending on the date of the redemption. If ContourGlobal sells certain of its assets or experiences specific kinds of changes in control (as defined in the Euro Bond Indenture), ContourGlobal must offer to purchase the Euro Bonds at a purchase price equal to 100% and 101% respectively of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the date of purchase. The KKR acquisition did not trigger any such change in control provisions and as such had no impact on the Euro Bond Indentures.

On 12 December 2020, the Group also entered into a €120 million revolving credit facility available for general corporate purposes, maturing in November 2023, which is undrawn as of 31 December 2022 (31 December 2021: €80m drawn).

Regarding any changes in capital structure subsequent to 31 December 2022, refer to subsequent events.

Significant contractual arrangements – relationship agreement

In November 2017, the Company, ContourGlobal LP, the Reservoir Funds, Reservoir Capital and the Company President and Chief Executive Officer, Joseph C. Brandt entered into a Relationship Agreement. Following the completion of the acquisition of ContourGlobal by KKR on 20 December 2022, resulting in Reservoir Capital no longer being the majority shareholder, the Relationship Agreement is no longer in force or effect.

Research and development

ContourGlobal Limited is engaged in utilising the relevant product innovations as opportunities arise relating to the usage of technologies such as battery storage and hydrogen.

Corporate governance

Until the delisting from the London Stock Exchange on 21 December 2022, the Company was subject to the corporate governance requirements of a premium listed company. Having delisted before the year end, the Company is not required to report against the UK Corporate Governance Code. Despite the delisting certain Executive and Senior Management governance structures remain in place the Company continues to assess its Corporate Governance arrangements as appropriate for a privately owned group.

Information incorporated by reference

Additional information incorporated by reference into this directors' report, including information required in accordance with the Companies Act 2006, can be found as follows:

Disclosure	**Location**
Future developments	Page 4
Going concern	Note 1.1 Consolidated Financial Statements
Employee matters	Page 22
Streamlined Energy and Carbon Reporting	Page 25
Directors responsibilities	Page 32
Events since the reporting date	Note 1.41 Consolidated Financial Statements Note 14 Company Financial Statements
Non financial information statement	Page 26
Financial risk management	Note 1.19 Consolidated Financial Statements

Approved and signed on behalf of the Board by:

Laurent Hullo
Chief Financial Officer and Executive Vice President
ContourGlobal Limited
16 March 2023

ContourGlobal Limited (formerly ContourGlobal plc)
(Registered number: 10982736)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group 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 UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 102 have been followed for the company financial statements, 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 group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

This responsibility statement has been approved and is signed on behalf of the Board by:

Laurent Hullo
Chief Financial Officer and Executive Vice President
ContourGlobal Limited
16 March 2023

Independent auditors' report to the members of ContourGlobal Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- ContourGlobal Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated statement of financial position and the company balance sheet as at 31 December 2022; the consolidated statement of income and other comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity and the company 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 group 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, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We conducted our audit work over 10 components in 9 countries;
- 8 components were subject to an audit of their complete financial information due to their size;
- 2 components were subject to audit of specified financial statement line items reflecting either the financial significance of the balances or audit risk;
- Specific audit procedures were performed on certain material balances within cash and cash equivalents, and borrowings in out of scope components;
- In addition, centrally managed functions, including the group consolidation, were audited at the head office by the group engagement team.

Key audit matters

- Assessment of significant judgements relating to litigation and claims in Kosovo and Togo (group)
- Impairment of property, plant and equipment and intangible assets (group)
- Impairment of investments in subsidiary companies (parent)

Materiality

- Overall group materiality: US$22,500,000 (2021: US$21,000,000) based on approximately 2.5% of Adjusted EBITDA.
- Overall company materiality: US$21,600,000 (2021:US$21,500,000) based on approximately 1% of Total assets.
- Performance materiality: US$16,800,000 (2021: US$15,750,000) (group) and US$16,200,000 (2021: US$16,125,000) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

Accounting for business combinations, which was a key audit matter last year, is no longer included because of the reduction in materiality of such transactions. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Assessment of significant judgements relating to litigation and claims in Kosovo and Togo (group) (note 1.5 Critical accounting estimates and judgements and 1.38 Financial commitments and contingent liabilities) In the ordinary course of business, the group is subject to actual or potential liabilities arising from litigations and claims, including contractual disputes brought by government bodies (including regulators and tax authorities), off-takers and suppliers. Power Purchase Agreements (PPAs) are held with state owned, regulated bodies and other offtakers. Where disputes arise in connection with such agreements, there is usually a process of dialogue between the counterparties which can take place over an extended period of time. Management reviews such litigation and claims on a case-by-case basis to determine the likely outcome and to estimate the possible magnitude and timing of any resultant payments from adverse outcomes. Matters of this nature are inherently uncertain and as such management applies significant judgement in determining the likely outcome of such matters as well as the potential effect on future operations and the financial statements.	We met with the Executive Vice President - General Counsel and other members of senior management to discuss ongoing and potential litigation and claims. The more significant judgements relate to litigation and claims in Kosovo and Togo given the potential magnitude. We evaluated the significant judgements associated with each of these matters including the likelihood of economic outflow to settle the obligation / recoverability of costs and whether a reliable estimate can be determined based on the facts of the case. Audit procedures performed to support conclusions have included review and assessment of contracts, review of correspondence with counterparties and internal and external legal counsel, and obtaining legal letters from management's external legal counsel. We have also discussed matters directly with external legal counsel in evaluating the likely outcome of the cases. Based on the evidence obtained we have evaluated the accounting for these litigation and claims, including determination of whether a provision should be recorded, or a contingent liability should be disclosed. We found that these items had been accounted for appropriately. We also assessed the disclosure of these matters against the requirements of the relevant accounting standards and concluded that the disclosures were appropriate. Where significant judgements have been applied by management, we also found that these judgements are appropriately disclosed within the financial statements.

Impairment of property, plant and equipment and intangible assets (group) (note 1.5 Critical accounting estimates and judgments, 1.15 Intangible assets and goodwill and 1.16 Property, plant and equipment) The group has $3.7 billion of property, plant and equipment, the majority of which relates to power plant assets, and $0.3 billion of intangible assets, the majority of which relates to legado rights in Mexico. The group is required to assess whether or not there are any indicators of impairment over these assets. In the event an impairment trigger is identified, the recoverable value of property, plant and equipment and intangible assets are assessed by a calculation of the higher of value in use (which is based on future discounted cash flow forecasts) and fair value less costs to sell. Impairment assessments of this nature require significant judgement and there is the risk that potential impairment triggers are not identified by management and, in the event that there is an impairment trigger, there is a risk that the calculation of the recoverable amount of the asset is incorrect and therefore the value of the assets may be misstated. Forecasts and assumptions used in both value in use calculations and the estimation of fair value less costs to sell are inherently judgemental and therefore may give rise to increased risk of misstatement. For the year ended December 31, 2022 management has identified certain triggering events related to the Brazilian wind power plants. This is primarily due to the performance of the assets due to resource levels. As required by IAS 36, management has performed a value in use calculation to assess the recoverable value of the cash generating unit. Management also performed sensitivity analysis on certain key variables in the calculation to understand the impact of changes in certain assumptions. Based on the impairment test performed, no impairment has been recorded. No further impairment triggers have been identified by management.	We evaluated management's assessment of impairment triggers by reviewing performance data by cash generating unit, considering significant variances in performance against forecasts, and from meetings held with divisional finance directors to discuss plant performance. We have also considered other information gathered during the course of our audits of components and assessed whether there are any other indicators of impairment, as well as considering other factors that could indicate increased impairment risk such as regulatory changes and potential impacts of climate change. No impairment triggers other than the Brazilian wind power plants already noted by management were identified from our procedures. In relation to the Brazilian wind power plants, we performed audit procedures over the value in use calculation prepared by management. These procedures were primarily performed by our Brazilian component team with oversight from the group engagement team. We used PwC valuation specialists to assess the methodology applied in the valuation and the discount rate used. We benchmarked the discount rate to comparable assets and considered the underlying assumptions based on our knowledge of the group and its industry. We assessed the accuracy of management's forecasting by reference to the accuracy of historical forecasts compared to actual cash flow forecasts and tested the mathematical accuracy of the impairment model. We also challenged management's key assumptions and prepared alternative scenarios. A wind study performed by an external expert engaged by management is utilised to assess future asset performance. This is a key assumption in the estimation of future cash flows from the operation of the plants in the value in use calculation. We evaluated the objectivity, independence and competence of the expert engaged by management. We validated the key assumptions related to future capacity by reference to resource forecast and reviewing board approved budgets. We also assessed management's ability to forecast accurately by comparing prior year wind resources per the forecasts to actual conditions during the year. Based on our audit procedures performed we found the methodology and assumptions used in the calculation of value in use for the Brazilian wind power plant assessment and the conclusion that no impairment charge was recognised, was reasonable. We also assessed the disclosure in relation to the impairment assessment completed, the critical accounting judgement and estimates associated with impairment of property, plant and equipment and intangible assets, and the associated sensitivity analyses and have found these to be appropriate.

Impairment of investments in subsidiary companies (company)	
(note 6 Investments in Subsidiaries) The company has investments in subsidiaries of $2,130.0m (2021: $2,148.0m). Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of the investments in subsidiaries may not be recoverable. If such circumstances are identified an impairment review is undertaken to establish whether the carrying amount of the investment exceeds its recoverable amount, being the higher of fair value less cost to sell or value in use. Impairment assessments of this nature require significant judgement and there is the risk that a potential impairment trigger may not be identified by management and, in the event that there is an impairment trigger, there is a risk that the calculation of the recoverable amount of the investments is incorrect and therefore the value of the investments may be misstated. In assessing whether or not there were any impairment triggers management considered a number of factors including the underlying financial performance of the group and other available evidence to support the fair value of the group. The completed cash acquisition of the group by Cretaceous Bidco Limited (a newly formed company indirectly owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates) ("KKR") on 21 December 2022 for approximately $2.14 billion provides an indicative value of the group. This is approximately equivalent to and supports the carrying value of the investments in subsidiaries given the remaining net assets in the parent company are immaterial. This is lower than the carrying value of investments. Based on this, management concluded that there was an impairment trigger. The carrying value of investments was assessed by calculating the recoverable amount of the investments in subsidiaries. The recoverable amount was estimated by reference to fair value less cost to sell (being $2.14 billion net of estimated costs to sell of $10m), and based on this assessment the directors recorded an impairment in value of $75.3m.	We have evaluated management's consideration of impairment triggers and impairment recorded through performing our own independent assessment. This included comparing the cash acquisition price of the group close to year end, adjusted for estimated costs to sell, and comparing this to the carrying value of investments. We assessed the audit evidence supporting the recoverable value of the group based on fair value less costs to sell, and agreed with management's conclusion of recording an impairment charge of $75.3m. We also assessed the disclosures associated with impairment of investments and have found these to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group financial statements are a consolidation of multiple reporting components, comprising the group's operating locations (including operating entities and their related financing entities) and other centralised functions.

The group's reporting components vary significantly in size and we identified eight components that, in our view, required an audit of their complete financial information due to their size and contribution to the group and/or specific risk criteria, including emerging risks such as from climate change. A further two reporting components were identified that required audit procedures over specified financial statement line items based on specific risks and/or the contribution of each to those financial statement line items. Specific audit procedures were also performed on certain material balances in out of scope components to ensure we have obtained sufficient coverage over all material financial statement line items. Given the size and risk, the parent company reporting component is an out of scope component for the purpose of the group audit.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in their audit work at those entities to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the group financial statements as a whole. The group engagement team performed two physical site visits in Bulgaria and Spain. For all components, we received detailed reports on the findings of their audit work and held a number of calls with the component teams before, during and after the completion of their work. We also attended clearance calls with all component teams, at which we discussed the audit findings with the local component audit team, local management and group management. We remotely reviewed certain working papers from the audit files of all in scope component teams at the conclusion of their audit work.

The group consolidation, including the consolidated financial statement disclosures and certain centrally managed functions and balances were audited at the head office by the group audit engagement team.

The parent company is principally a holding company and there are no branches or other locations to be considered when scoping the audit. There are no financial statement line items in scope for the group audit. The company is audited on a stand-alone basis,and hence, testing has been performed on all material financial statement line items.

The impact of climate risk on our audit

As part of our audit, we made enquiries of management to understand its process to assess the extent of the potential impact of climate risk on the group's and company's financial statements. We used our knowledge of the Group to consider the risk assessment and instructed our component audit teams to perform individual risk assessments. The Group has published an intention to reduce CO2 emissions intensity in the medium term and to achieve net carbon zero by 2050.

Our work on impairment of property, plant and equipment, including the assessment for indicators of impairment has considered the impact of climate change. These considerations included both physical and transition risks arising from climate change. Useful economic lives of power plant assets are reviewed at least annually by management and changes could impact depreciation charges and the timing of decommissioning activities. Based on the work performed, there were no indications that useful lives had been materially impacted by climate change. Our work on impairment of property, plant and equipment and intangible assets has been further described in the relevant Key Audit Matter.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	**Financial statements - company**
Overall materiality	US$22,500,000 (2021: US$21,000,000).	US$21,600,000 (2021: US$21,500,000).
How we determined it	Based on approximately 2.5% of Adjusted EBITDA	Based on approximately 1% of Total assets
Rationale for benchmark applied	We applied Adjusted EBITDA as the benchmark for materiality. We consider that this is the key profit-based measure used by management in both assessing the performance of the business, and in reporting performance of the business to stakeholders. Management uses this measure as it allows the underlying profitability of the group's core business activities, including the contribution from associates, to be assessed year on year. It eliminates transactions related to the initial acquisition of assets (which are not directly related to ongoing performance of the assets) and certain other items which give rise to fluctuations in results which are not directly linked to the performance of the assets. Further details of the use of Adjusted EBITDA are set out in note 1.8 Segment reporting.	We believe that total assets is an appropriate benchmark for the company as the entity is principally a holding company.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between US$2 million and US$15 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to US$16,800,000 (2021: US$15,750,000) for the group financial statements and US$ 16,200,000 (2021: US$ 16,125,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above US$1,000,000 (group audit) (2021: US$1,000,000) and US$1,000,000 (company audit) (2021: US$1,000,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's cash flow forecasts performed at the group level, which sets out the expected distributions from subsidiaries to holding companies, net of repayments of corporate debt and other cash outflows at the group level
- Performing audit procedures over the group cash flow forecast, including inquiries with management over the preparation of the distribution forecast, agreeing cash flow distributions from subsidiaries to the underlying trading company cash flow forecasts for full scope components, agreeing existing cash balances in the holding companies to underlying financial records, assessing the reasonableness of forecast cash outflows (e.g. for corporate debt repayments) and testing the mathematical accuracy of the forecast model .
- Assessing whether the severe but plausible downside scenario performed by management considers appropriate factors within the next 12 months
- Performing audit procedures at full scope components with material forecast distributions up to group level, to assess the ability of trading subsidiaries to make those future distributions in line with the group cash flow forecast
- Evaluating the debt covenants including the assessment of any breaches or potential breaches within the next 12 months and the impact this may have on management's cash flow forecast
- Reviewing the debt agreements to confirm the terms and conditions and amounts available from committed facilities
- Where debt finance is held at the component level, we have corroborated management's assessment as debt held as being "non recourse" to the parent entity to third party evidence, where applicable
- Local component audit teams performing full scope audits evaluated the going concern basis at the component level (with one exception as agreed between the group team and the component team) and where any risks were identified these have been considered through sensitivities performed over the group cash flow forecast

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 group's and 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 group's and 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.

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 2022 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 group and company and their 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 in respect of the financial statements, 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 group's and 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 group or 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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of health and safety regulations, environmental regulations and Governmental regulations, 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 Companies Act 2006 and relevant tax legislation. 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 inappropriate journal entries and/or management exercising bias in accounting estimates that would result in the overstatement of Adjusted EBITDA. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Review of Board minutes

- Meeting with group head of tax to confirm any known instances of non-compliance with tax legislation
- Identifying and testing journal entries that increased Adjusted EBITDA, in particular certain journal entries posted with unusual account combinations
- Challenging assumptions and judgements made by management in significant accounting estimates and assessing for any evidence of bias, including the disclosure of such matters in the financial statements
- Incorporating elements of unpredictability into the audit procedures performed
- Reviewing the presentation of Adjusted EBITDA in the Annual Report, including the disclosure of the reconciliation of Adjusted EBITDA to statutory profit, and ensuring that sufficient prominence was given to statutory profit measures in the Annual Report
- Reviewing the disclosures in the Annual Report and financial statements against the specific legal requirements to assess compliance of the disclosures against relevant legislation

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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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. 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 March 2023

Consolidated Financial Statements

CONTOURGLOBAL LIMITED (FORMERLY CONTOURGLOBAL PLC) AND SUBSIDIARIES

For the year ended December 31, 2022

TABLE OF CONTENTS

Consolidated statement of income and other comprehensive income

For the year ended December 31, 2022

In $ millions	Note	Years ended December 31 2022	2021
Revenue	**1.9**	**2,828.3**	**2,151.9**
Cost of sales	1.10	(2,318.6)	(1,730.5)
Gross profit		**509.7**	**421.4**
Selling, general and administrative expenses	1.10	(38.0)	(40.5)
Other operating income		18.9	6.8
Other operating expenses		(3.4)	(3.4)
Acquisition, disposal and other transactions related items	1.12	(49.2)	(14.2)
Profit on acquisition / disposal of power generating plants	1.6	138.0	-
Income from Operations		**576.0**	**370.1**
Other income		-	5.8
Share of profit in associates	1.18	16.3	16.2
Finance income	1.13	12.0	3.9
Finance costs	1.13	(254.3)	(296.8)
Net foreign exchange gains and change in fair value of derivatives	1.13	10.5	43.7
Profit before income tax		**360.5**	**142.9**
Income tax expenses	1.14	(107.0)	(63.2)
Net profit for the period		**253.5**	**79.7**
Profit for the period attributable to			
- Equity shareholders of the Company		231.3	78.3
- Non-controlling interests		22.2	1.4

In $ millions	Years ended December 31 2022	2021
Net profit for the period	**253.5**	**79.7**
Changes in actuarial gains and losses on retirement benefit, before tax	0.8	(0.3)
Deferred taxes on changes in actuarial gains and losses on retirement benefit	(0.1)	-
Items that will not be reclassified subsequently to income statement	**0.7**	**(0.3)**
Gain / (Loss) on hedging transactions	159.8	55.0
Cost of hedging reserve	(0.2)	(0.2)
Deferred taxes on gain / (loss) on hedging transactions	(41.6)	(14.4)
Reclassification of currency translation differences to profit or loss on disposal of Brazil Hydro assets (note 1.6)	17.8	-
Currency translation differences	74.3	28.9
Items that may be reclassified subsequently to income statement	**210.1**	**69.3**
Other comprehensive profit for the period net of tax	**210.8**	**69.0**
Total comprehensive profit for the period	**464.3**	**148.7**
Attributable to		
- Equity shareholders of the Company	430.6	146.9
- Non-controlling interests	33.7	1.8

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

CONTOURGLOBAL LIMITED (FORMERLY CONTOURGLOBAL PLC) AND SUBSIDIARIES

Consolidated statement of financial position

For the year ended December 31, 2022

In $ millions	Note	December 31, 2022	December 31, 2021
Non-current assets		**4,517.1**	**4,749.5**
Intangible assets and goodwill	1.15	279.2	305.4
Property, plant and equipment	1.16	3,737.0	3,925.4
Finance lease and financial concession assets	1.17	346.4	370.5
Investments in associates	1.18	13.0	33.5
Derivative financial instruments	1.20	61.9	9.9
Other non-current assets	1.23	40.9	55.1
Deferred tax assets	1.14	38.7	49.7
Current assets		**1,745.0**	**1,267.7**
Inventories	1.24	763.9	485.7
Finance lease and financial concession assets	1.17	23.0	32.3
Trade and other receivables	1.25	348.5	299.1
Current income tax assets		13.0	15.0
Derivative financial instruments	1.20	35.4	6.1
Other current assets	1.26	51.6	60.4
Cash and cash equivalents	1.27	509.6	369.1
Assets held for sale		-	**175.2**
Total assets		**6,262.1**	**6,192.4**

In $ millions		December 31, 2022	December 31, 2021
Total equity and non-controlling interests		**641.7**	**370.5**
Issued capital	1.28	8.8	8.9
Share premium		380.8	380.8
Treasury shares	1.28	-	(37.8)
Retained earnings and other reserves		116.7	(142.9)
Non-controlling interests	1.29	135.4	161.5
Non-current liabilities		**4,004.9**	**4,451.5**
Borrowings	1.30	3,399.5	3,809.1
Derivative financial instruments	1.20	22.1	71.5
Deferred tax liabilities	1.14	363.6	325.2
Provisions	1.32	61.2	77.7
Other non-current liabilities	1.31	158.5	168.0
Current liabilities		**1,615.5**	**1217.3**
Trade and other payables	1.34	849.0	597.0
Borrowings	1.30	424.8	367.0
Derivative financial instruments	1.20	16.0	26.3
Current income tax liabilities		43.5	29.1
Provisions	1.32	12.4	12.9
Other current liabilities	1.35	269.8	185.0
Liabilities held for sale		-	**153.1**
Total liabilities		**5,620.4**	**5,821.8**
Total equity and non-controlling interests and liabilities		**6,262.1**	**6,192.4**

The financial statements on pages 44 to 136 were approved by the Board of Directors and authorized for issue on 16 March 2023 and signed on its behalf by Laurent Hullo, Chief Financial Officer:

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

Consolidated statement of changes in equity

For the year ended December 31, 2022

In $ millions	Share capital	Share premium	Treasury shares	Currency Translation Reserve	Hedging reserve	Cost of hedging reserve	Actuarial reserve	Retained earnings	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance as of December 31, 2020	**8.9**	**380.8**	**(30.4)**	**(179.2)**	**(93.0)**	**(1.5)**	**(2.1)**	**98.9**	**182.4**	**155.3**	**337.7**
Balance as of January 1, 2021	**8.9**	**380.8**	**(30.4)**	**(179.2)**	**(93.0)**	**(1.5)**	**(2.1)**	**98.9**	**182.4**	**155.3**	**337.7**
Profit for the period	-	-	-	-	-	-	-	78.3	**78.3**	1.4	**79.7**
Other comprehensive profit	-	-	-	29.2	38.7	(0.2)	(0.3)	-	**68.6**	0.4	**69.0**
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**29.2**	**38.7**	**(0.2)**	**(0.3)**	**78.3**	**146.9**	**1.8**	**148.7**
Purchase of treasury shares	-	-	(7.4)	-	-	-	-	-	**(7.4)**	-	**(7.4)**
Employee share schemes	-	-	-	-	-	-	-	1.9	**1.9**	-	**1.9**
Acquisition and contribution of non-controlling interest not resulting in a change of control	-	-	-	-	-	-	-	-	**(2.7)**	1.1	**(1.6)**
Dividends	-	-	-	-	-	-	-	(114.5)	**(114.5)**	(3.6)	**(118.1)**
Transaction with non-controlling interest	-	-	-	-	-	-	-	-	**-**	9.5	**9.5**
Other	-	-	-	-	-	-	-	2.4	**2.4**	(2.6)	**(0.2)**
Balance as of December 31, 2021	**8.9**	**380.8**	**(37.8)**	**(150.0)**	**(54.3)**	**(1.7)**	**(2.4)**	**65.5**	**209.0**	**161.5**	**370.5**
Balance as of January 1, 2022	**8.9**	**380.8**	**(37.8)**	**(150.0)**	**(54.3)**	**(1.7)**	**(2.4)**	**65.5**	**209.0**	**161.5**	**370.5**
Profit for the period	-	-	-	-	-	-	-	231.3	**231.3**	22.2	**253.5**
Reclassification to profit or loss on disposal of Brazil Hydro assets (note 1.6)	-	-	-	17.8	-	-	-	-	**17.8**	-	**17.8**
Other comprehensive profit	-	-	-	72.8	108.2	(0.2)	0.7	-	**181.5**	11.5	**193.0**
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**90.6**	**108.2**	**(0.2)**	**0.7**	**231.3**	**430.6**	**33.7**	**464.3**
Treasury shares	(0.1)	-	37.8	-	-	-	-	(37.7)	**-**	-	**-**
Employee share schemes	-	-	-	-	-	-	-	5.8	**5.8**	-	**5.8**
Acquisition of non-controlling interest not resulting in a change of control (note 1.6)	-	-	-	-	-	-	-	(12.9)	**(12.9)**	(8.5)	**(21.4)**
Dividends	-	-	-	-	-	-	-	(126.1)	**(126.1)**	(25.2)	**(151.3)**
Transaction with non-controlling interests	-	-	-	-	-	-	-	-	**-**	(26.2)	**(26.2)**
Other	-	-	-	-	-	-	-	(0.1)	**(0.1)**	0.1	**-**
Balance as of December 31, 2022	**8.8**	**380.8**	**-**	**(59.4)**	**53.9**	**(1.9)**	**(1.7)**	**125.8**	**506.3**	**135.4**	**641.7**

Consolidated statement of cash flows

For the year ended December 31, 2022

In $ millions	Note	Years ended December 31 2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit		**253.5**	**79.7**
Adjustment for:			
Amortization, depreciation and impairment expense	1.10	361.2	399.2
Change in provisions		(3.6)	(1.6)
Share of profit in associates	1.18	(16.3)	(16.2)
Net foreign exchange gains and change in fair value of derivatives	1.13	(10.5)	(43.7)
Interest expenses - net	1.13	177.1	201.6
Other financial items	1.13	65.1	91.3
Income tax expense	1.14	107.0	63.2
Mexico CHP fixed margin swap	1.8	(2.9)	(5.5)
Change in finance lease and financial concession assets	1.8	34.3	37.9
Gain on Brazil hydro sale	1.6	(121.2)	-
Gain on deemed disposal of Sochagota	1.6	(16.8)	-
Other items		(2.6)	(5.7)
Change in working capital		49.0	45.9
Income tax paid		(61.0)	(36.6)
Non cash tax item	1.6	(29.1)	-
Contribution received from associates	1.18	1.8	0.8
Net cash generated from operating activities		**785.0**	**810.3**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(129.3)	(104.4)
Purchase of intangibles		(6.1)	(16.1)
Acquisition of subsidiaries, net of cash received	1.6	(12.1)	(654.6)
Sale of subsidiaries, net of divested cash	1.6	125.9	-
Other investing activities		5.1	(2.6)
Net cash used in investing activities		**(16.5)**	**(777.7)**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		(126.1)	(114.5)
Purchase of treasury shares		-	(7.4)
Proceeds from borrowings	1.30	396.4	790.7
Repayment of borrowings	1.30	(565.6)	(1,304.2)
Debt issuance costs		(12.3)	(26.7)
Interest paid		(172.9)	(192.9)
Cash distribution to non-controlling interests	1.29	(16.6)	(19.3)
Dividends paid to non-controlling interest holders	1.29	(23.5)	(3.5)
Transactions with non-controlling interest holders, cash received	1.29	6.1	17.5
Transactions with non-controlling interest holders, cash paid	1.29	(102.0)	(79.2)
Other financing activities and derivatives		(69.5)	(51.0)
Net cash generated from financing activities		**(686.0)**	**(990.5)**
Exchange gains / (losses) on cash and cash equivalents		**45.6**	**(57.6)**
Net change in cash and cash equivalents		**128.1**	**(1,015.4)**
Cash & cash equivalents at beginning of the period		**381.5**	**1,396.9**
Included in cash and cash equivalents in the balance sheet		**369.1**	**1,396.9**
Included in assets held for sale		**12.4**	**-**

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

Consolidated statement of cash flows

For the year ended December 31, 2022

Cash & cash equivalents at end of the period	**509.6**	**381.5**
Included in cash and cash equivalents in the balance sheet	**509.6**	**369.1**
Included in the assets held for sale	**-**	**12.4**

1. *Notes to the consolidated financial statements*

1.1. General information

The recommended cash acquisition (the "Transaction") of ContourGlobal Plc by Cretaceous Bidco Limited (a newly formed company indirectly owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates) ("KKR") announced on 17 May 2022 was approved by the required majority of shareholders at the Court and General meeting of shareholders held on 6 July 2022. The scheme of arrangement became effective on 20 December 2022 and ContourGlobal plc was delisted from the London Stock Exchange on 21 December 2022. Following the completion of the transaction the Company was re-registered as a private company resulting in a change in name to ContourGlobal Limited.

ContourGlobal Limited (the 'Company'), formerly known as ContourGlobal Plc, is a private company, domiciled in the United Kingdom and incorporated in England and Wales. It is the holding company for the group whose principal activities during the period were the operation of wholesale power generation businesses with thermal and renewables assets in Europe, Latin America, United States of America and Africa, and its registered office is:

55 Baker Street
5th Floor
London
W1U 8EW
United Kingdom

Registered number: 10982736

Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. ContourGlobal Limited transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021.

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The consolidated financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The financial information is presented in millions of US dollars, with one decimal. Thus numbers may not sum precisely due to rounding.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out in note 1.4. These policies have been consistently applied to the periods presented, unless otherwise stated.

The financial information presented is at and for the financial years ended 31 December 2022 and 31 December 2021. Financial year ends have been referred to as 31 December throughout the consolidated financial statements as this is the accounting reference date of ContourGlobal Limited. Financial years are referred to as 2022 and 2021 in these consolidated financial statements.

The preparation of the IFRS financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates, as noted in the critical accounting estimates and judgements in note 1.5.

Going Concern

The Directors have formed a judgement, at the time of approving the consolidated financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. The assessment performed by the directors considers ongoing liquidity requirements and covenant compliance.

On 20 December 2022 the acquisition of ContourGlobal Limited ('CG Limited') by Cretaceous Bidco Limited completed. Subsequent to year end, in February and March 2023 the following took place:

- CG Limited acceded as a borrower to KKR's bridge facility agreement in the amount of €400 million ($428 million). The proceeds were used to repay in full the outstanding €400 million ($428 million) principal on the 2025 Corporate Bonds; and

- The KKR acquisition loan of €510 million ($546 million) was novated to CG Limited.

In evaluating CG Limited's ability to continue as a going concern, which included severe but plausible downside scenarios, these changes to debt facilities were considered in addition to the existing debt profile and associated obligations of the group.

The Group's forecasts and projections indicate that the Group has sufficient financial resources, together with assets that are expected to generate free cash flow to the Group. As a consequence, the Group has a reasonable expectation to be well placed to manage its business risks and to continue in operational existence for the foreseeable future (at least for the 12 month period from the approval date of these financial statements). Accordingly, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

1.2. Application of new and revised International Financial Reporting Standards (IFRS)

The Group has applied the accounting standard amendments for the first time for their annual reporting period commencing 1 January 2022:

- Property, plant and equipment: Proceeds before intended use – Amendments to IAS 16;
- Onerous contracts – Cost of fulfilling a contract – Amendments to IAS 37;
- Annual improvements to IFRS standard 2018-2020; and
- Reference to conceptual framework – Amendments to IFRS 3.

There was no material impact from the application of these amendments in the current or prior period.

1.3. New standards and interpretations not yet mandatorily applicable

A number of additional new standards and amendments and revisions to existing standards have been published which will apply to the Group's future accounting periods. None of these are expected to have a significant impact on the consolidated results, financial position or cash flows of the Group when they are adopted.

1.4. Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include both the assets and liabilities, and the results and cash flows, of the Group and its subsidiaries and the Group's share of the results and the Group's investments in associates.

Inter-company transactions and balances between Group companies are eliminated.

(a) Subsidiaries

Entities over which the Group has the power to direct the relevant activities so as to affect the returns to the Group, generally through control over the financial and operating policies, are accounted for as subsidiaries. Interests acquired in subsidiaries are consolidated from the date the Group acquires control.

(b) Associates

Where the Group has the ability to exercise significant influence over entities, generally from a shareholding of between 20% and 50% of the voting rights, they are accounted for as associates. The results and assets and liabilities of associates are incorporated into the consolidated financial statements using the equity method of accounting. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is objective evidence that the investment in the associate is impaired. If there is evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value and recognizes this amount in the consolidated statement of income.

Business combinations

The acquisition consideration is measured at fair value which is the aggregate of the fair values of the assets transferred, the liabilities incurred or assumed and the equity interests issued in exchange for control. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Adjustments to consideration within the 12 month measurement period post acquisition as allowed under IFRS are recognised against goodwill, where applicable. Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in the consolidated statement of income. Where the consideration transferred, together with the non-controlling interest, exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill. Acquisition related costs are expensed as incurred and classified as "Acquisition related items" in the consolidated statement of income.

Goodwill is capitalized as a separate item in the case of subsidiaries and as part of the cost of investment in the case of associates. Goodwill is denominated in the functional currency of the operation acquired.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in the income statement.

Changes in ownership interests in subsidiaries without change of control

In line with IFRS 10 "Consolidated financial statements", transactions with non-controlling interests that do not result in a gain or loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners.

In the case of an acquisition of non-controlling interest that does not result in a gain of control, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

In the case of a sale of non-controlling interests that do not result in a loss of control ("sell-down"), the net cash gain on sale of these assets are recorded as an increase in the equity attributable to owners of the parent and corresponds to the difference between the consideration received for the sale of shares and of the carrying amount of non-controlling interest sold. Consistent with this approach, subsequent true-ups to earn-outs in the context of sell-down transactions are also recorded in equity. The net cash gain or loss on sell-down is presented in Adjusted EBITDA, as disclosed in note 1.8.

Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. Assets and liabilities of a disposal group classified as held for sale are presented separately on the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Functional and presentation currency and currency translation

The assets and liabilities of foreign undertakings are translated into US dollars, the Group's presentation currency, at the year-end exchange rates. The results of foreign undertakings are translated into US dollars at the relevant average rates of exchange for the year. Foreign exchange differences arising on retranslation of opening net assets, and the difference between average exchange rates and year end exchange rates on the result for the year are recognized directly in the currency translation reserve.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized at year end exchange rates in the consolidated statement of income line which most appropriately reflects the nature of the item or transaction.

The following table summarizes the main exchange rates used for the preparation of the consolidated financial statements of ContourGlobal:

	CLOSING RATES Year ended 31st December		AVERAGE RATES Year ended 31st December	
Currency	2022	2021	2022	2021
EUR / USD	1.0706	1.1373	1.0542	1.1833
BRL / USD	0.1917	0.1792	0.1941	0.1857
BGN / USD	0.5474	0.5815	0.5390	0.6049
MXN / USD	0.0515	0.0486	0.0497	0.0493

When a foreign undertaking is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Operating and reportable segments

The Group's reporting segments reflect the operating segments which are based on the organizational structure and financial information provided to the Chief Executive Officer, who represents the chief operating decision-maker ("CODM"). The Group's organizational structure reflects the different electricity generation methods, being Thermal and Renewables. A third category, Corporate & Other, primarily reflects costs for certain centralized functions including executive oversight, corporate treasury and accounting, legal, compliance, human resources, IT and facilities management and certain technical support costs that are not allocated to the segments for internal management reporting purposes.

The principal profit measure used by the CODM is "Adjusted EBITDA" as defined in note 1.8. A segmented analysis of "Adjusted EBITDA" is provided in note 1.8 to the consolidated financial statements.

Revenue recognition

The Group revenue is mainly generated from the following:

(i) revenue from power sales;
(ii) revenue from operating leases;
(iii) revenue from financial assets (concession and finance lease assets); and
(iv) other revenue such as environmental, operational and maintenance services rendered to offtakers.

Revenue from operating leases is recognized under IFRS 16, revenue from financial assets is recognised under IFRS 16 and IFRIC 12, and revenue from power sales and other revenue are recognized under IFRS 15.

Revenue recognition in accordance with IFRS 15, 'Revenues from contracts with customers' is based on the transfer of control, i.e. the notion of control is used to determine when a good or service is transferred to the customer. In accordance with this, the Group has adopted a single comprehensive model for the accounting for revenues from contracts with customers, using a five-step approach for revenue recognition: (1) identifying the contract; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to the performance obligations in the contract; and (5) recognizing revenue when the Group satisfies a performance obligation.

Based on this recognition model, sales are recognised when goods are delivered to the customer and have been accepted by the customer, even if they have not been invoiced, or when services are rendered, and it is probable that the economic benefits associated with the transaction will flow to the entity. Revenue for the year includes the estimate of the energy supplied that has not yet been invoiced.

When determining the transaction price, the Group considers the effects of the variable consideration, the constraining estimates of variable consideration, the existence of a significant financing component in the contract, the non-cash consideration and the consideration payable to a customer.

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. The Group considers the impact of any potential penalties for breaching minimum performance levels of the Group's power plants when assessing revenue recognised.

Certain of the Group's power plants sell their output under Power Purchase Agreements ("PPAs") and other long-term arrangements. Under such arrangements it is usual for the Group to receive payment for the provision of electrical capacity or availability whether or not the offtaker requests the electrical output (capacity payments) and for the variable costs of production (energy payments). In such situations, revenue is recognized in respect of capacity payments as:

a) Service income in accordance with the contractual terms, to the extent that the capacity has been made available to the contracted offtaker during the period and / or energy produced and delivered in the period. This income is recognized as part of revenue from power sales;

b) Financial return on the operating financial asset where the PPA is considered to be or to contain a finance lease or where the contract is considered to be a financial asset under interpretation IFRIC 12: “Service concession arrangements”.

c) Service income related to environmental, operational and maintenance services rendered to offtakers are presented as part of Other revenue.

Under finance lease arrangements, those payments which are not included within minimum lease payments are accounted for as service income (outlined in (a) above).

Energy payments under PPAs are recognized in revenue in all cases as the contracted output is delivered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Concession arrangements

The interpretation IFRIC 12 governs accounting for concession arrangements. An arrangement within the scope of IFRIC 12 is one which involves a private sector entity (known as “an operator”) constructing infrastructure used to provide a public service, or upgrading it (for example, by increasing its capacity) and operating and maintaining that infrastructure for a specified period of time.

IFRIC 12 applies to public-to-private service concession arrangements if:

(a) The “grantor” (i.e. the public sector entity – the offtaker) controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price, and

b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement. Infrastructure used in a public-to-private service concession arrangement for its entire useful life (a whole of life asset) is within the scope of IFRIC 12 if the conditions in a) are met.

Under concession arrangements within the scope of IFRIC 12, which comply with the “financial asset” model requirements, the operator recognizes a contract asset, attracting revenue in consideration for the services it provides (design, construction, etc.), to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if payment is contingent on the Group ensuring that the infrastructure meets specified quality or efficiency requirements. This model is based on input assumptions such as budgets and cash flow forecasts. Any change in these assumptions may have a material impact on the measurement of the recoverable amount and could result in reducing the value of the asset. Such contract assets are recognized in the consolidated statement of financial position in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortized cost less impairment losses. The receivable is settled by means of the grantor’s payments being received. The financial income calculated on the basis of the effective interest rate, equivalent to the project’s internal rate of return, is reflected within the "Revenue from concession and finance lease assets" line in note 1.9. Cash outflows relating to the acquisition of contract assets under concession agreements are presented as part of cash flow from investing activities. Net cash inflows generated by the contract assets' operations are presented as part of cash flow from operating activities.

For purchase power arrangements, revenue for service income is generally recognized as billed after excluding the portion of the payment that is allocated to cover the return on financial assets arising from service concession arrangements as described above. We have therefore not disclosed the transaction price allocated to unsatisfied contracts based as permitted by paragraph 121 of IFRS 15.

Share-based compensation plans

The share-based payment charge arises from the Long Term Incentive Plan (LTIP) which is applicable to senior executives and senior and middle management. Shares issued under the schemes vest subject to continued employment within the Group and satisfaction of the non-market performance conditions. Employees leaving prior to the vesting date will normally forfeit their rights to unvested share awards. The fair value of the awards is measured using the market value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis together with a corresponding increase in equity over the vesting period, based on the Group's estimate of the number of awards that will vest, and adjusted for the effect of non-market-based vesting conditions.

Acquisition, disposal and other transactions related items

Acquisition related items expenses that are recognized immediately in the profit or loss including pre-acquisition costs (such as professional fees and due diligence costs), earn-outs and other related incremental costs incurred as part of completed or contemplated acquisitions.

Finance income and finance costs

Finance income primarily consists of interest income on funds invested. Finance costs primarily comprise interest expense on borrowings, unwinding of the discount/step up on finance lease and financial concession assets and provisions, interests and penalties that arise from late payments of suppliers or taxes, bank charges, differences between the historically estimated and actual dividends of the debt payable to non-controlling interests in our Bulgarian power plant, changes in the fair value of derivatives not qualifying for hedge accounting and net foreign exchange gains and losses.

Intangible assets and goodwill

Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. A CGU is determined as a group of assets at a country level using shared technology which is typically the case for solar and wind assets.

The reporting units (which generally correspond to power plants) or group of reporting units have been identified as its cash-generating units.

Goodwill impairment reviews are undertaken at least annually.

Intangible assets

Intangible assets include licenses, permits, contracts, project development rights when specific rights are acquired and software. Intangible assets separately acquired in the normal course of business are recorded at historical cost, and intangible assets acquired in a business combination are recognized at fair value at the acquisition date. When the power plant achieves its commercial operations date, the related intangible assets are amortized using the straight-line method generally over the life of the PPA or over the duration of the permits, licenses and contracts granted, generally over 15 to 20 years (excluding software). Software is amortized over 1 to 3 years.

Property, plant and equipment

Initial recognition and subsequent measurement

Property, plant and equipment are stated at historical cost, less depreciation and impairment, or at fair value at the acquisition date if acquired in the context of a business combination. Historical cost includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present legal or constructive obligation to do so. In the context of a business combination the fair value valuation is usually based on an income-approach based method.

Property, plant and equipment recognized as right-of-use assets under IFRS 16 are measured at cost less depreciation, impairment and adjustments to certain remeasurements of the lease liability.

Costs relating to major inspections and overhauls are capitalized and any remaining carrying amount of the cost of the previous overhaul is derecognized when new expenditure is capitalized. Minor replacements, repairs and maintenance, including planned outages to our power plants that do not improve the efficiency or extend the life of the respective asset, are expensed as incurred.

The Group capitalizes certain direct pre-construction costs associated with its power plant project development activities when it has been determined that it is more likely than not that the opportunity will result in an operating asset. Factors considered in this determination include (i) the availability of adequate funding, (ii) the likelihood that the Group will be awarded the project or the barriers are not likely to prohibit closing the project, and (iii) there is an available market and the regulatory, environmental and infrastructure requirements are likely to be met. Capitalized pre-construction costs include initial engineering, environmental and technical feasibility studies, legal costs, permitting and licensing and direct internal staff salary and travel costs, among others. Pre-construction costs are expensed if a project is abandoned or if the conditions stated above are not met.

Construction work in progress (“CWIP”) assets are transferred out of CWIP when construction is substantially completed and the power plant achieves its commercial operations date (“COD”), at which point depreciation commences.

Borrowing costs directly attributable to construction of a qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Depreciation

Property, plant and equipment are depreciated to their estimated residual value using the straight-line method over the following estimated useful lives:

	Useful lives as of December 31, 2021 and 2022
Power plant assets	
Lignite, coal, gas, oil, biomass power plants	3 to 32 years
Hydro plants and equipment	24 to 40 years
Wind farms	16 to 25 years
Tri and quad-generation combined heat power plants	15 to 23 years
Solar plants	11 to 20 years

Useful economic lives are assessed on acquisition to reflect the remaining lives of plants from the date of acquisition by the group.

The residual values and useful lives are reviewed at least annually taking into account a number of factors such as operational and technical risks, and risks linked to climate change (for example from emerging government policies) and if expectations differ from previous estimates, the remaining useful lives are reassessed and adjustments are made. In the case of assets acquired as part of a business combination, the remaining useful lives are assessed at the acquisition dates by performing technical due diligence procedures.

'Generation plants and equipment' and 'Other property, plant and equipment' categories are presented respectively under 'Power plant assets' and 'Other' in note 1.16.

See below for the Group's depreciation policy on right-of-use assets.

The range of useful lives is due to the diversity of the assets in each category, which is partly due to acquired assets and from asset's groupings.

Where a power purchase agreement ("PPA") acquired as part of business combination is deemed to contain an operating lease, the company depreciates separately the amounts reflected in the acquired fair value of that Property Plant & Equipment that are attributable to favorable or unfavorable lease terms relative to market terms. Such amounts are depreciated over the term of the related PPA (2 to 12 years).

Leases

The Group applies IFRS 16 "Leases" and leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Accounting for a lease as a lessee - Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Group is exposed to potential future increases in variable lease payments which are linked to gross revenues or based on an index or rate. No right of use assets or corresponding lease liability is recognized in respect of variable consideration leases which are linked to gross revenues. Variable lease payments that depend on gross revenues are recognized in the statement of income in the period in which the related revenue is generated.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (less than 12 months) of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of income.

Accounting for arrangements that contain a lease as lessor - PPA's and other long-term contracts may contain, or may be considered to contain, leases where the fulfilment of the arrangement is dependent on the use of a specific asset such as a power plant and the arrangement conveys to the customer the right to use that asset. Such contracts may be identified as either operating leases or finance leases.

(i) Accounting for finance leases as lessor

Where the Group determines that the contractual provisions of a long-term PPA contain, or are, a lease and result in the offtaker assuming the principal risks and rewards of ownership of the power plant, the arrangement is a finance lease. Accordingly the assets are not reflected as property, plant and equipment and the net investment in the lease, represented by the present value of the amounts due from the lessee is recorded within financial assets as a finance lease receivable.

The capacity payments as part of the leasing arrangement are apportioned between minimum lease payments (comprising capital repayments relating to the plant and finance income) and service income. The finance income element is recognized as revenue, using a rate of return specific to the plant to give a constant rate of return on the net investment in each period. Finance income and service income are recognized in each accounting period at the fair value of the Group's performance under the contract.

(ii) Accounting for operating leases as lessor

Where the Group determines that the contractual provisions of the long-term PPA contain, or are, a lease, and result in the Group retaining the principal risks and rewards of ownership of the power plant, the arrangement is an operating lease. For operating leases, the power plant is, or continues to be, capitalized as property, plant and equipment and depreciated over its useful economic life. Rental income from operating leases is recognized on an output basis over the term of the arrangement.

Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed annually for indicators of impairment where events or changes in circumstances indicate that carrying values may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal (market value) and value in use determined using estimates of discounted future net cash flows of the asset or group of assets to which it belongs. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

Financial assets

Classification of financial assets

The Group classifies its financial assets in the following categories: at fair value through profit and loss and at amortized cost.

a) Financial assets at fair value through profit and loss

Financial assets have been acquired principally for the purpose of selling, or being settled, in the short term. Financial assets at fair value through statement of income are "Cash and cash equivalents" when held in money market funds and derivatives held for trading unless they are designated as hedges.

b) Financial assets held at amortized cost

These financial assets are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, and are measured at amortized cost. They are included in current assets, except those that mature greater than 12 months after the end of the reporting period, which are classified in non-current assets. The Group's financial assets and amortized costs comprise "Trade and other receivables", "Finance lease and financial concession assets" and "Cash and cash equivalents" that are not required to be carried at fair value through statement of income in the consolidated statement of financial position.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and measurement

Purchases and sales of financial assets are recognized on trade date (that is, the date on which the Group commits to purchase or sell the asset).

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of income, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the statement of income are expensed in the consolidated statement of income and other comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

a) Financial assets at fair value through statement of income

Gains or losses on financial assets at fair value through statement of income are recognised in the consolidated statement income and other comprehensive income. These are presented within finance income and finance costs respectively.

b) Financial assets held at amortized cost

These financial assets are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, and are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in finance income or finance costs.

Impairment

For trade receivables, finance lease and financial concession assets, the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Allowances for expected credit losses are made based on the risk of non-payment taking into account ageing, previous experience, economic conditions, existing insurance policies and forward looking data. Political risk insurance (PRI) policies are factored into this assessment due to being closely related insurance policies for which cash flows have been factored into the expected credit loss calculations (including risk of default on insurance provider) and presented on a net basis. Such allowances are measured as either 12-months expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

While the financial assets of the Group are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group has three types of financial assets that are subject to the expected credit loss model:

(1) Trade and other receivables

(2) Finance lease and financial concession assets

(3) Other financial assets

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss has been identified.

Derivative financial instruments and hedging activities

Derivative instruments are measured at fair value upon initial recognition in the consolidated statement of financial position and subsequently are re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Derivative instruments are presented according to their maturity date, regardless of whether they qualify for hedge accounting under IFRS 9 (hedging instruments versus trading instruments). Derivatives are classified as a separate line item in the consolidated statement of financial position.

As part of its overall foreign exchange and interest rate risk management policy, the Group enters into various hedging transactions involving derivative instruments.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

In connection with the Group’s hedging policy, the Group uses forward exchange contracts for currency risk management as well as foreign exchange options.

The Group also hedges particular risks associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges). Notably, the Group uses interest rate swap contracts for interest rate risk management in order to hedge certain forecasted transactions and to manage its anticipated cash payments under its variable rate financing by converting a portion of its variable rate financing to a fixed rate basis through the use of interest rate swap agreements, and a cross currency swap contract for both currency and interest rate risk management.

The Group can also hedge specific risks identified such as exposure to energy spot price for example in the case of the CHP Mexico fixed margin swap which protects certain power purchase agreements against variations in the CFE tariffs.

Items qualifying as hedges

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions and the method used to assess hedge effectiveness. Hedging transactions are expected to be highly effective in achieving offsetting changes in cash flows and are regularly assessed to determine that they actually have been highly effective throughout the financial reporting periods for which they are implemented.

When derivative instruments qualify as hedges for accounting purposes, as defined in IFRS 9 "Financial instruments", they are accounted for as follows:

a) Cash flow hedges that qualify for hedge accounting

- The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity and through the consolidated statement of other comprehensive income ("OCI"). The gain or loss relating to the ineffective portion is recognized immediately within the consolidated statement of income. Amounts recognized directly in OCI are reclassified to the consolidated statement of income when the hedged transaction affects the consolidated statement of income.
- If a forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in OCI are reclassified to the consolidated statement of income as finance income or finance costs.

If a hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in OCI remain in accumulated OCI until the forecast transaction or firm commitment occurs, at which point they are reclassified to the consolidated statement of income.

b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in net foreign exchange (losses) and gains and change in fair value of derivatives.

In connection with the Group's hedging policy, the Group uses forward exchange contracts for currency risk management as well as foreign exchange options, interest rate swap contracts for interest rate risk management in order to hedge certain forecasted transactions and to manage its anticipated cash payments under its variable rate financing by converting a portion of its variable rate financing to a fixed rate basis through the use of interest rate swap agreements, and a cross currency swap contract for both currency and interest rate risk management.

Inventories

Inventories consist primarily of power generating plant fuel, non-critical spare parts that are held by the Group for its own use and emission quotas (see below). Inventories are stated at the lower of cost, using a first-in, first-out method, and net realizable value, which is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Emission quotas

Some companies of the Group emit CO_2 and have as a result obligations to buy emission quotas on the basis of local legislation. The emissions made by the companies emitting CO_2 which are in excess of any allocated quotas are purchased at free market price and shown as inventory before their effective use. If emissions are higher than allocated quotas, the companies recognize an expense and respective liability for those emissions at prevailing market value. At the end of each reporting period, CO_2 quotas that remain available to the companies are revalued at the lower of cost or prevailing market value.

The Group presents the quotas in Inventory which reflects the fact that the cost to purchase the quotas is part of the production cost and linked to the production output rather than the plant itself. The quotas directly contribute to revenue as the cost of quotas is billed on to the customer as a pass-through cost. The Group expects to realize the asset within 12 months after the year end.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions and short-term investments, all of which are readily convertible to cash and are subject to insignificant risk of changes in value and have an original maturity of three months or less. Bank overdrafts are included within current borrowings. Cash and cash equivalents also includes cash deposited on accounts to cover for short-term debt service of certain project financings and which can be drawn for short term related needs. Money market funds comprise investment in funds that are subject to an insignificant risk of changes in fair value.

Maintenance reserves held for the purpose of covering long-term major maintenance and long-term deposits kept as collateral to cover decommissioning obligations are excluded from cash and cash equivalents.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

The premium received on the issue of shares in excess of the nominal value of shares is credited to the share premium account and included within shareholders' equity.

Treasury shares

The Group's treasury shares are included under "Treasury shares" in the consolidated statement of financial position and are measured at acquisition cost.

The treasury shares are removed from Other reserves when utilised or cancelled. This results in a reclassification of the carrying value to Retained Earnings

The Group buys and sells treasury shares in accordance with the prevailing law and the resolutions of the General Shareholders' Meeting. Such transactions include sale and purchase of company shares.

Financial liabilities

a) Borrowings

Borrowings are recognized initially at fair value of amounts received, net of transaction costs. Borrowings are subsequently measured at amortized cost using the effective interest method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expires.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

b) Trade and other payables

Financial liabilities within trade and other payables are initially recognized at fair value, which is usually the invoiced amount, and subsequently carried at amortized cost using the effective interest method.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Unless otherwise stated, carrying value approximates to fair value for all financial liabilities.

Provisions

Provisions principally relate to decommissioning, maintenance, environmental, tax and legal obligations and which are recognized when there is a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are re-measured at each statement of financial position date and adjusted to reflect the current best estimate. Any change in present value of the estimated expenditure attributable to changes in the estimates of the cash flow or the current estimate of the discount rate used are reflected as an adjustment to the provision. Any increase in provisions due to the passage of time is recognised as finance costs in the consolidated statement of income.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.5. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in line with the Group's accounting policies set out in note 1.4 involves the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience, and are regularly reviewed and revised as necessary. Actual results may differ from the amounts included in the consolidated financial statements. The estimates and judgments that have the most significant effect on the carrying amounts of assets and liabilities are presented below.

Critical accounting judgments

Accounting for long-term power purchase agreements and related revenue recognition

When power plants sell their output under long-term power purchase agreements ("PPA"), it is usual for the operator of the power plant to receive payment (known as a capacity payment) for the provision of electrical capacity whether or not the offtaker requests electrical output. In assessing the accounting for the PPA, there may be a degree of judgement as to whether a long-term contract to sell electrical capacity constitutes a service concession arrangement, a form of lease, or a service contract. This determination is made at the inception of the PPA, and is not required to be revisited in subsequent periods under IFRS, unless the agreement is renegotiated.

Given that the fulfilment of the PPAs is dependent on the use of a specified asset, the key judgement in determining if the PPA contains a lease is the assessment of whether the PPA conveys a right for the offtaker to obtain substantially all the economic benefit from the asset and whether the offtaker has the right to direct the use of the asset throughout the period of use.

In assessing whether the PPA contains a service concession, the Group considers whether the arrangement (i) bears a public service obligation; (ii) has prices that are regulated by the offtaker; and (iii) the residual interest is transferred to the offtaker at an agreed value.

All other PPAs are determined to be service contracts.

Concession arrangements - For those agreements which are determined to be a concession arrangement, there are judgements as to whether the infrastructure should be accounted for as an intangible asset or a financial asset depending on the nature of the payment entitlements established in the agreement.

Concession arrangements determined to be a financial asset – The Group recognizes a financial asset when demand risk is assumed by the grantor, to the extent that the contracted concession holder has an unconditional right to receive payments for the asset. The asset is recognized at the fair value of the construction services provided. The fair value is based on input assumptions such as budgets and cash flow forecasts, future costs include maintenance costs which impact the overall calculation of the estimated margin of the project. The inputs include in particular the budget for fixed and variable costs. Any change in these assumptions may have a material impact on the measurement of the recoverable amount and could result in reducing the value of the asset. The financial asset is subsequently recorded at amortized cost calculated according to the effective interest rate method. Revenue for operating and managing the asset is recorded as revenue in each period.

Leases - For those arrangements determined to be or to contain leases, further judgement is required to determine whether the arrangement is finance or operating lease. This assessment requires an evaluation of where the substantial risks and rewards of ownership reside, for example due to the existence of a bargain purchase option that would allow the offtaker to buy the asset at the end of the arrangement for a minimal price. Judgement has been applied based on the significance of the life of the asset remaining and the remaining net book value of the asset at the end of the lease term.

The accounting for long-term power purchase agreements was considered during 2021 for the acquisition of the Western Generation portfolio. Three assets PPA's were identified as containing operating leases and were accounted for accordingly.

Assessing property, plant and equipment and intangible assets for impairment triggers

The Group's property, plant and equipment and intangible assets are reviewed for indications of impairment (an impairment "trigger"). Judgement is applied in determining whether an impairment trigger has occurred, based on both internal and external sources. External sources may include: market value declines, negative changes in technology, markets, economy, impact of climate changes or laws. Internal sources may include: obsolescence or physical damage, or worse economic performance than expected, including from adverse weather conditions for renewable plants.

The Group also considers the end date of the PPAs as part of the impairment indicator analysis and assesses if the market conditions are significantly adverse such that the expiry of the PPA indicates an impairment trigger. The Group has notably considered the ending date of the PPA in Maritsa ending in February 2024 and concluded that this does not constitute an impairment indicator considering the current economic conditions in market, geopolitical issues and the continued high dependency on the asset in the region.

During 2022 the Brazil Wind business was assessed for impairment indicators. It was concluded that based on the below budget performance during the year, impairment indicators exist and as such an impairment test was performed, refer to Note 1.16 for details.

As part of the Group's risk assessment procedures, risks associated with climate change are evaluated on an ongoing basis, including whether market and other climate related factors could result in an indicator of impairment. We also consider when making acquisitions whether the technology being acquired and the remaining useful life of the plant could be impacted by climate related factors. The Group's PPA arrangements typically provide mechanisms to protect against movements in market prices for energy and carbon over the duration of the PPA which insulate against climate factors. Beyond the PPA period, we consider the likelihood that there could be a significant erosion of value that could result in an impairment indicator. No such indicators of impairment were identified during the year.

Provisions for claims

The Group receives legal or contractual claims against it from time to time, in the normal course of business. The Group considers external and internal legal counsel opinions in order to assess the likelihood of loss and to define the defense strategy. Judgements are made as to the potential likelihood of any claim succeeding when making a provision or disclosing a contingent liability. The timeframe for resolving legal or contractual claims may be judgemental, as is the amount of possible outflow of economic benefits.

The main judgments are related to the litigations disclosed in the note 1.38, such as the Togo claim, and as disclosed below related to Mexico.

Functional currency of the assets

The Group operates in various countries and performs an analysis of the functional currency of each operating asset considering the IAS 21 standard requirements. In some countries, the functional currency of the operating asset may differ from the local currency when the primary indicators (such as sales and cash inflows and expenses and cash outflows) are influenced by a currency which is not the local currency.

Cash generating units ("CGUs")

A CGU is defined as the asset or smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In the case of Solar and Wind assets, typically a group of assets at a country level using shared technology is identified as a CGU.

Judgments are made in allocating each reporting unit (which generally correspond to power plants) or group of reporting units to CGUs. The Group notably considers that the assessment of the independence of cash flows involves consideration of the businesses contractual arrangements or financing relationship between the reporting units, and how management makes decisions about continuing or disposing of the entity's assets and operations.

The definition of the CGU is critical for the purpose of assessing impairment indicators and performing impairment testing.

Regulatory changes in Mexico

Amendment to permit modification

In October 2020, CRE (Energy Regulatory Commission) issued a new resolution amending the general administrative rules to modify and transfer the "Legado" permits. This amendment included additional restrictions on including new offtakers in the "Legado" permits. The Resolution 1094 is expected to be used by CRE to reject the permit modifications required for expanding the offtakers and the load points in the "Legado" permits. The Company filed an Amparo against these changes, claiming them to be unconstitutional which was successfully granted in June 2021. Given the Amparo remains in place and having taken legal advice the Company has concluded that those changes do not constitute an indicator of impairment as at December 31, 2022.

Power industry law (Ley de la Industria Eléctrica - LIE)

On 10 March 2021, the Mexican Government enacted reform of the Electricity Sector Act (Ley de la Industria Eléctrica the "LIE reform"). One of the proposed changes under the LIE reform is to modify the order in which electricity produced by power plants such as our assets in Mexico ("CGA" and "CELCSA") is dispatched to the National Electricity System ("Dispatch Order"),which would favor the state-owned or operated power plants and may have an adverse impact on future revenues and profits of ContourGlobal's Mexican assets. CGA and CELCSA both filed an Amparo lawsuit against this LIE reform. The Mexican First District Court granted CGA and CELCSA an injunction against the LIE reform, which prevents the application and implementation of the challenged provisions by the relevant authorities. In 2022, the appeal filed by the Mexican authorities against the admission of the Amparo claim and injunction of CGA was granted, and after challenge by CGA, is subject to review and further resolution of the Collegiate Courts.

Given there has been no direct impact of the LIE reform to date, and management's view of the likely outcomes of the amparo proceedings and that there are a number of legal matters that are still to be resolved, management has concluded that these potential changes do not constitute an indication of impairment (impairment "trigger") as per IAS 36 as of December 31, 2022.

Kosovo e Re project arbitration

On 24 May 2020, ContourGlobal Kosovo LLC ("CG Kosovo"), a wholly-owned subsidiary within the ContourGlobal Group, sent a notice of termination to the Government of Kosovo (represented by the Ministry of Economy and Environment of the Government of Kosovo) (the "GoK") and other publicly owned entities, namely Kosovo Energy Corporation, J.S.C., New Kosovo Electric Company J.S.C., HPE Ibër-Lepenc, J.S.C.and Operator Sistemi, Transmission Dhe Tregu –KOSTT, SH.A., under various project documents entered into with each of those entities in respect of a project whereby CG was to build a coal-fired power plant in Kosovo. The notice of termination was sent as a result of the failure of the above-mentioned entities to meet certain obligations and conditions precedent under such project documents, which prevented the project from meeting certain required milestones by its required completion date and therefore meant the project could not go forward.

On 25 September 2020, CG Kosovo sent a formal written notice of dispute under the project documents seeking recovery of costs incurred to date, as anticipated and set out in the project contracts and capped at €19.7 million ($22.1 million) plus interest for late payment, to which CG Kosovo is entitled where the termination of the project is attributable to failures by GoK and/or the relevant publicly owned entities. On 19 November 2020, CG Kosovo filed a request for arbitration with ICSID.

As of 31 December 2022, €19.7 million ($21.1 million) of recoverable development costs are presented in Other non-current assets. The recovery of this asset is likely to depend on the outcome of the arbitration proceedings and so is subject to some degree of judgement. The Group believes it will be able to demonstrate that the project failed to close for reasons attributable to the GoK and/or the relevant publicly owned companies, which is the key judgement that supports the recognition of the asset. The arbitration proceedings are ongoing, with nothing taking place in the arbitration to date which has altered the Group's assessment of the recoverability of the development costs.

Assets held for sale and discontinued operations

Where a disposal group is undergoing a sale process, we consider whether or not the disposal group meets the definition of assets held for sale and discontinued operations. During the year of 2022 a sale process was initiated for the Brazil Wind asset portfolios. At year end we assessed whether these asset portfolios should be classified as held for sale.

The Brazil Wind portfolio was not classified as held for sale at year end. This was due to the uncertainties associated with the structure of the transaction resulting in the highly probable criteria not being met.

We also considered whether the Brazil Hydro portfolio disposed of during 2022 constituted a discontinued operation. Given the portfolio does not constitute a major line of business or a geographical area of operations, it does not meet the definition of a discontinued operation.

Critical accounting estimates

Estimation of useful lives of property, plant and equipment

Property, plant and equipment represents a significant proportion of the asset base of the Group, primarily due to power plants owned, being 59.6% (2021: 63.2%) of the Group's total assets. Estimates and assumptions made to determine their carrying value and related depreciation are significant to the Group's financial position and performance. The annual depreciation charge is determined after estimating an asset's expected useful life and its residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The Group derives useful economic lives based on experience of similar assets, including use of third party experts at the time of acquisition of assets, and these lives may exceed the period covered by contracted power purchase agreements.

Emerging governmental policies are also considered when reviewing the appropriateness of useful economic lives, including whether asset life assessments could be impacted by factors arising from climate transition or other regulatory and market factors. This includes consideration of government energy transition policies, and how our thermal assets are expected to be used, in particular to provide a secure supply during a medium to long-term transition to renewables. In particular, during 2022 the expiration of the Maritsa PPA in February 2024 was considered together with the emerging geopolitical issues and the continued high dependency on the asset in the region which outweigh the climate transition factors in the short to medium term. As a result, during the year, the useful life of the asset was increased. The impact on depreciation was not material.

A decrease in the average useful life by one year in power plant assets would result in a decrease in the net book value of $16.0 million (2021: $21.1 million).

Recoverable amount of property, plant and equipment and intangible assets

Where an impairment trigger has been identified (see critical accounting judgements section), the Group makes significant estimates in its impairment evaluations of property, plant and equipment and intangible assets. The determination of the recoverable amount is typically the most judgmental part of an impairment evaluation. The recoverable amount is the higher of (i) an asset's fair value less costs of disposal (market value), and (ii) value in use determined using estimates of discounted future net cash flows ("DCF") of the asset or group of assets to which it belongs.

Management applies considerable judgment in selecting several input assumptions in its DCF models, including discount rates and capacity / availability factors. These assumptions are consistent with the Group's internal budgets and forecasts for such valuations. Examples of the input assumptions that budgets and cash-flow forecasts are sensitive to include macroeconomic factors such as growth rates, inflation, exchange rates, and, in the case of renewables plants, environmental factors such as wind, solar and water resource forecast. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairing the tested assets.

Emerging governmental policies are also considered when determining the recoverable amount of property, plant and equipment and intangible assets including the impact on DCF models arising from climate transition or other regulatory and market factors. In the current year, climate transition factors have been outweighed by geopolitical factors. We consider future forecasts of the key inputs to the cashflow models, such as energy, fuel and carbon pricing and whether these result in a change in useful life. Typically, during the PPA period our assets are insulated from these market risks through fixed energy pricing and the ability to pass through variations in fuel and carbon costs, hence where relevant we consider the impact on cash flows in the post PPA period.

As noted in the Critical accounting judgements above, an impairment indicator was noted in relation to the Brazil Wind as at 31 December 2022. See note 1.16 for further information on the impairment tests performed, and relevant sensitivity analysis.

Fair value of assets acquired and liabilities assumed in a business combination

Business combinations are recorded in accordance with IFRS 3 using the acquisition method. The Group estimates the excess purchase price in accordance with IFRS3 as the difference of the consideration paid for the acquisition (including potential contingent consideration) and the net asset of the target company at the acquisition date.

Under this method, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date. In the current year fair valuation assessments for business combination purposes have been performed in relation to the Sochagota acquisition in Note 1.6.

Therefore, through a number of different approaches, the Group identifies what it believes is the fair value of the assets acquired and liabilities assumed at the acquisition date. These valuations involve the use of judgement and include a number of estimates. Judgement is exercised in identifying the most appropriate valuation approach which is then used to determine the allocation of fair value. Depending on which is most appropriate for the transaction, the Group typically uses one of the cost approach, the income approach and the market approach.

Judgement is exercised in identifying intangible assets, separately from property plant and equipment taking into consideration the intangible asset recognition criteria within IAS 38. No intangible assets were identified in the Sochagota acquisition.

Each of these valuation approaches involve the use of estimates in a number of areas, including the determination of cash flow projections and related discount rates, industry indices, market prices regarding replacement cost and comparable market transactions. While the Group believes that the estimates and assumptions underlying the valuation methodologies are reasonable, different assumptions could result in different fair values.

Fixed margin swap

Certain estimates are made in relation to the valuation of the fixed margin swap agreements held by CHP Mexico which protect certain power purchase agreements against variations in the CFE tariffs. The valuation of this derivative is based on a number of data points, which includes both factual inputs and estimates. Refer to note 1.21 for sensitivity analysis of this instrument.

1.6. 2022 transactions

Acquisition remaining 51% shareholding of Sochagota

On 30 December 2022 ContourGlobal's subsidiary Crasodel Spain acquired from Steag GmbH the remaining 51% of shareholding of Compañía Eléctrica de Sochagota S.A. ("Sochagota"), a 160 MW coal fired power station in Colombia. Following completion of the acquisition, ContourGlobal controls 100% of the shares of Sochagota.

To account for the step acquisition, there is a deemed disposal at acquisition date of the existing investment in associate at fair value:

In $ millions	
Deemed disposal of equity interest in associate (49%) at fair value	36.4
Carrying value of investment in associate	19.6
Gain on deemed disposal	**16.8**

The total consideration to acquire the 51% controlling interest was $37.9m, of which $25m was paid in cash.

In $ millions	
Liability assumed	12.9
Cash	25.0
Consideration payable to third party (51%) purchase price	**37.9**

The gain on deemed disposal of $16.8 million has been recognised in Profit on acquisition / disposal of power generating plants in the Consolidated Statement of Income.

The acquisition consideration reflecting 100% ownership following the deemed disposal of the investment in associate is as follows:

In $ millions	
Consideration payable to third party (51%)	37.9
Fair value of equity interest in associate (49%)	36.4
	74.3
Elimination of pre existing relationship between Contourglobal and Sochagota	(11.5)
Consideration attributable to the net assets acquired	**62.8**

The preliminary determination of the fair value of assets acquired and liabilities assumed at the acquisition date for the 100% shareholding are:

In $ millions	Fair value of assets and liabilities acquired
Property, plant and equipment	49.9
Inventories [1]	14.5
Trade receivables [1]	11.7
Other assets	28.8
Cash and cash equivalents	12.9
Borrowings	(15.8)
Deferred tax liabilities	(15.3)
Other liabilities	(12.3)
Total net identifiable assets	**74.3**
less pre-existing relationship settled (included within trade and other receivables)	**(11.5)**
Net assets acquired	**62.8**

(1) Contractual value equivalent to fair value

Net assets of $62.8m were acquired at their fair value. The transaction did not give rise to goodwill or a bargain purchase.

Deemed settlement of a pre-existing intercompany balance amounting to $11.5m has been accounted for as a separate transaction before acquisition accounting. This was an intercompany receivable for Sochagota (included within trade and other receivables) and an intercompany payable for the Group. The $11.5m represents the fair value of this intercompany balance.

On a consolidated basis, had this acquisition taken place as of 1 January 2022, the Group would have recognized consolidated revenue of $2,938.1 million, Adjusted EBITDA of $918.0 million, and consolidated net profit of $278.9 million. Given the acquisition closed on 30 December 2022, the acquisition did not contribute to the year ended December 31, 2022.

Brazil Hydro sale

On 30 June 2022 the sale of the Brazil Hydro business, which comprises nine run-of-river hydro-electric generation assets with 168MW of gross capacity, completed. The total price for the sale was BRL 946 million ($181 million). The resulting gain on disposal is:

	BRL millions	$ millions
Transaction price	946.2	181.0
Working capital adjustment		0.3
Other liabilities		(0.6)
Loss on FX forward	-	(10.9)
Net transaction price	**946.2**	**169.8**
Reclassification of currency translation reserve to profit and loss account		(17.8)
Less: net assets disposed of	-	(31.0)
Gain on disposal	**-**	**121.2**

The gain on disposal of $121.2 million is presented in Profit on disposal of subsidiaries in the Consolidated Statement of Income. The gain net of withholding tax ($29.1 million) of $92.1 million is attributable to the shareholders of the Group as $73.7 million and to non-controlling interests as $18.4 million.

The withholding tax of $29.1 million was settled by the purchaser on behalf of CG which resulted in net proceeds received of $140.7 million. In August 2022, a post-closing working capital adjustment resulted in additional proceeds of $0.3 million.

The transaction proceeds of $140.7 million net of cash disposed of $14.8 million results in $125.9 million as disclosed in the Statement of Cash Flows.

Prior to disposal the assets and liabilities of the Brazil Hydro group were classified as assets and liabilities held for sale with a carrying value of $186.3 million and $155.3 million respectively. Assets held for sale include cash and cash equivalents of $14.8 million.

The entities included in the Brazilian Hydro disposal group at 31 December 2021, which were subsequently disposed on 30 June 2022 are:

- ContourGlobal do Brasil Participacoes SA
- Galheiros Geração De Energia S.A.
- Santa Cruz Power Corporation Usinas Hidroelétricas S.A
- Goias Sul Geração De Energia S.A.
- Rio PCG I S.A.
- Bahia PCH I S.A.
- Afluente Geração de Energia Eletrica S.A.

<u>Acquisition of non-controlling interests which did not result in a change of control</u>

In December 2022 the Group acquired the remaining 20.0% minority shareholding in ContourGlobal Togo S.A. for a consideration paid of $21.4 million. After this transaction, the Group owns 100% of the entity ownership. This transaction did not result in a change of control and has therefore been accounted for within shareholder's equity as transactions with owners without change of control acting in their capacity of owners. The carrying value of non-controlling interests of $8.5m was derecognised on the date of acquisition, and the difference between the consideration paid and carrying value of non-controlling interests of $12.9m is recognised directly within equity.

1.7. 2021 transactions

Acquisition of a portfolio located in the United States and Trinidad and Tobago

On December 7th, 2020, the Group entered into an agreement to acquire a 1,502 MW portfolio of six contracted operating power plants located in the United States and Trinidad and Tobago from Western Generation Partners, LLC. The transaction closed on 18 February 2021.

The total consideration paid amounted to $646.1 million.

The determination of fair value of assets acquired and liabilities was finalized at the previous financial year end. There have been no subsequent changes to fair values to be recognized.

Acquisition of a Solar portfolio in Italy

On June 4, 2021 the Group entered into an agreement with a group of private shareholders to acquire a 100% of shares of Green Hunter Group Sarl, the parent entity of a portfolio of solar photovoltaic assets totalling 18 MW located in Italy. The transaction completed on November 23 2021. The Group's effective shareholding of the Green Hunter Group is 51%.

The total consideration paid amounted to €30.1 million ($33.9 million).

The determination of fair value of assets acquired and liabilities was finalized at the previous financial year end. There have been no subsequent changes to fair values to be recognized.

1.8. Segment reporting

The Group's reporting segments reflect the operating segments which are based on the organizational structure and financial information provided to the Chief Executive Officer, who represents the chief operating decision-maker ("CODM").

Thermal Energy for power generating plants operating from coal, lignite, natural gas, fuel oil and diesel. Thermal plants include Maritsa, Arrubal, Togo, Cap des Biches, KivuWatt, Energies Saint-Martin, Bonaire, Mexican CHP, US and Trinidad & Tobago assets and our equity investees (primarily Termoemcali and Sochagota). The Group acquired on December 30, 2022 the 51% remaining shares in Sochagota. Our thermal segment also includes plants which provide electricity and certain other services to beverage bottling companies and other industries.

Renewable Energy for power generating plants operating from renewable resources such as wind, solar and hydro in Europe and Latin America. Renewables plants include Asa Branca, Chapada I, II, III, Inka, Vorotan, Austria Portfolio 1 & 2, Spanish Concentrated Solar Power and our other European plants.

The **Corporate & Other** category primarily reflects costs for certain centralized functions including executive oversight, corporate treasury and accounting, legal, compliance, human resources, IT and facilities management and certain technical support costs that are not allocated to the segments for internal management reporting purposes.

The CODM assesses the performance of the operating segments based on Adjusted EBITDA which is defined as profit for the period from continuing operations before income taxes, net finance costs, depreciation and amortization, acquisition, disposal and other transactions related expenses, gains/losses on disposal of power generating plants, plus, if applicable, net cash gain or loss on sell down transactions (in addition to the entire full period profit from continuing operations for the business the sell down transaction relates to) and specific items which have been identified and material items where the accounting diverges from the cash flow and therefore does not reflect the ability of the assets to generate stable and predictable cash flows in a given period, less the Group's share of profit from non consolidated entities accounted under the equity method, plus the Group's pro rata portion of Adjusted EBITDA for such entities. In determining whether an event or transaction is adjusted, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

The Group also presents the Proportionate Adjusted EBITDA which is the Adjusted EBITDA calculated on a proportionally consolidated basis based on applicable ownership percentage. The Proportionate Adjusted EBITDA includes the net cash gain or loss on sell down transactions as well as the underlying profit from continuing operations for the business in which the minority interest sale relates to reflecting applicable ownership percentage going forward from the date of completion of the sale of a minority interest.

The Group considers that the presentation of Adjusted EBITDA and Proportionate Adjusted EBITDA enhances the understanding of ContourGlobal's financial performance, in regards to understanding its ability to generate stable and predictable cash flows from operations. Where applicable, the cash gain on sell down is also included to demonstrate the ability of the Group to sell down assets at a significant premium, which is a distinct activity from operational performance of the power plants. The Group also believes Adjusted EBITDA is useful to investors because it is frequently used by security analysts, investors, ratings agencies and other interested parties to evaluate other companies in our industry and to measure the ability of companies to service their debt.

The CODM does not review nor is presented a segment measure of total assets and total liabilities.

All revenue is derived from external customers.

Geographical information

The Group also presents revenue in each of the geographical areas in which it operates as follows:

- Europe (including our operations in Austria, Armenia, Northern Ireland, Italy, Romania, Poland, Bulgaria, Slovakia and Spain)
- Latin America which includes South America (including Brazil, Peru, Colombia), Mexico and Caribbean Islands (including Dutch Antilles, French Territory and Trinidad and Tobago)
- United States of America
- Africa (including Nigeria, Togo, Senegal and Rwanda)

	Years ended December 31	
In $ millions	**2022**	**2021**
Revenue		
Thermal Energy	2,389.4	1,708.3
Renewable Energy	438.9	443.7
Total revenue	**2,828.3**	**2,151.9**
Adjusted EBITDA		
Thermal Energy	599.8	541.3
Renewable Energy	332.6	334.7
Corporate & Other [(1)]	(31.9)	(34.5)
Total adjusted EBITDA	**900.5**	**841.5**
Proportionate adjusted EBITDA	**759.6**	**692.3**
Non controlling interests	140.9	149.2
Total adjusted EBITDA	**900.5**	**841.5**
Reconciliation to profit before income tax		
Depreciation, amortization and impairment (note 1.10)	(361.2)	(399.2)
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives (note 1.13)	(231.7)	(249.2)
Share of adjusted EBITDA in associates [(2)]	(25.6)	(27.0)
Share of profit in associates (note 1.18)	16.3	16.2
Acquisition, disposal and other transactions related items (note 1.12)	(49.2)	(14.2)
Mexico CHP fixed margin swap [(3)]	2.9	5.5
Change in finance lease and financial concession assets [(4)]	(34.3)	(37.9)
Brazil Hydro concession assets extension [(5)]	-	5.5
Gain on Brazil Hydro sale (note 1.6) [(6)]	121.2	-
Gain on Sochagota acquisition (note 1.6)	16.8	-
Other	4.8	1.7
Profit before income tax	**360.5**	**142.9**

(1) Corporate costs correspond to selling, general and administrative expenses before depreciation and amortization of $5.9 million (December 31, 2021: $6.1 million).

(2) Corresponds to our share of Adjusted EBITDA of plants accounted for under the equity method (Sochagota and Termoemcali) which are reviewed by our CODM as part of our Thermal Energy segment. On December 30, 2022 the Group acquired the remaining 51% shares in Sochagota, resulting in the discontinuation of equity accounting.

(3) Reflects an adjustment to align the recognized earnings with the cash flows generated under the CHP Mexico fixed margin swap during the period as presented in the consolidated statement of cash flow as "Mexico CHP fixed margin swap".

(4) Reflects an adjustment to align the recognized earnings with the cash flows generated under finance lease and financial concession arrangements which is presented in the consolidated statement of cash flow as "Change in finance lease and financial concession assets".

(5) Reflects the non-cash gain recognized due to Generating Scaling Factor ("GSF") settlement in Brazil Hydro whereby a concession extension has been granted to compensate for historical GSF liability payments made prior to acquisition of the assets by ContourGlobal.

(6) Represents the gain on disposal on Brazil Hydro sale described in note 1.6

Cash outflows on capital expenditure

	Years ended December 31	
In $ millions	**2022**	**2021**
Thermal Energy	50.2	43.2
Renewable Energy	78.3	57.8
Corporate & Other	0.8	3.4
Total capital expenditure	**129.3**	**104.4**

Geographical information

The geographical analysis of revenue, based on the country of origin in which the Group's operations are located, and Adjusted EBITDA is as follows:

	Years ended December 31	
In $ millions	**2022**	**2021**
Europe (1)	1,732.8	1,302.5
Latin America (2)	644.8	530.5
United States	299.6	183.0
Africa	151.1	136.0
Total revenue	**2,828.3**	**2,151.9**

(1) Revenue generated in 2022 in Bulgaria and Spain amounted to $910.0 million and $620.6 million respectively (December 31, 2021: $706.9 million and $426.9 million respectively).

(2) Revenue generated in 2022 in Brazil and Mexico amounted to $125.4 million and $394.4 million respectively (December 31, 2021: $140.2 million and $296.1 million respectively).

In $ millions	Years ended December 31 2022	2021
Europe (1)	451.4	438.1
Latin America (2)	287.3	273.0
United States	112.3	84.6
Africa	81.4	80.3
Corporate & Other	(31.9)	(34.5)
Total adjusted EBITDA	**900.5**	**841.5**

(1) Adjusted EBITDA generated in 2022 in Bulgaria and Spain amounted to $121.8 million and $207.9 million respectively (December 31, 2021: $127.8 million and $200.5 million respectively).

(2) Adjusted EBITDA generated in 2022 in Brazil and Mexico amounted to $79.5 million and $129.2 million respectively (December 31, 2021: $93.8 million and $110.5 million respectively).

The geographic analysis of non-current assets, excluding derivative financial instruments and deferred tax assets, based on the location of the assets, which are not presented to the CODM, is as follows:

In $ millions	December 31 2022	2021
Europe	1,793.5	1,941.3
Latin America	1,578.4	1,614.0
United States	696.5	773.8
Africa	347.9	370.3
Total non-current assets	**4,416.3**	**4,699.6**

1.9. Revenue

In $ millions	Years ended December 31 2022	2021
Revenue from power sales [1]	2,455.1	1,801.3
Revenue from operating leases [2]	207.6	184.9
Revenue from concession and finance lease assets [3]	28.3	33.9
Other revenue [4]	137.3	131.8
Total revenue	**2,828.3**	**2,151.9**

Revenue from power sales and Other revenue are recognised under IFRS 15 and total $2,592.4 million in the year to December 31, 2022 (December 31, 2021: $1,933.1 million). Revenue from operating leases and revenue from concession and finance lease assets are recognised under IFRS 16 and IFRIC 12 respectively.

(1) The increase in Revenue from power sales from $1,801.3 million to $2,455.1 million is principally due to revenue increase in our Maritsa plant for $203.2 million mainly due to higher generation and higher revenue from the passthrough CO_2 emissions costs, revenue increase in Arrubal for $204.9 million mainly due to trading optimization, higher generation and higher gas pass throughs and additional interconnections at Mexico CHP contributing $98.3 million.

(2) Revenue from operating leases mainly includes $62.9 million relating to our Solutions plants, $50.9 million relating to our Bonaire plant, $93.9 million relating to certain US and Trinidad and Tobago assets in December 31, 2022 (December 31, 2021: $55.1 million, $31.7 million, and $98.1 million respectively).

(3) Some of our main plants are operating under specific arrangements for which certain other accounting principles are applied as follows:

- Our Togo, Rwanda (Kivuwatt) and Senegal (Cap des Biches) plants are operating pursuant to concession agreements that are under the scope of IFRIC 12.
- Our Energies Saint Martin plant is operating pursuant to power purchase agreements that are considered to contain a finance lease

(4) Other revenue primarily relates to environmental, operational and maintenance services rendered to offtakers in our power plants in Bulgaria, Togo, Rwanda and Senegal.

The Group has one customer contributing more than 10% of Group's revenue (2021: one customer).

	Years ended December 31 2022	2021
Customer A	32.2%	32.8%

1.10. Expenses by nature

In $ millions	Years ended December 31 2022	2021
Fuel costs	925.7	541.3
Depreciation, amortization and impairment	361.2	399.2
Operation and maintenance costs	80.8	95.5
Employee costs	111.3	107.9
Emission allowance utilized (1)	666.6	449.5
Professional fees	17.9	22.0
Purchased power	42.1	30.6
Transmission charges	43.8	34.7
Operating consumables and supplies	25.3	21.2
Insurance costs	36.1	33.1
Other expenses (2)	45.8	36.0
Total cost of sales and selling, general and administrative expenses	**2,356.6**	**1,771.0**

(1) Emission allowances utilized corresponds mainly to the costs of CO_2 quotas in Maritsa which are passed through to its offtaker and purchases of CO_2 allowances in Arrubal, and includes the write-down of CO_2 quotas held in inventory to their net realizable value where relevant.

(2) Other expenses include facility costs of $17.3 million at December 31, 2022 (December 31, 2021: $15.2 million) and provision for bad debt of $9.3 million at December 31, 2022 (December 31, 2021: nil).

1.11. Employee costs and numbers

In $ millions	Years ended December 31 2022	2021
Wages and salaries	(84.9)	(85.0)
Social security costs	(17.6)	(14.4)
Share-based payments [(1)]	(2.1)	(1.9)
Pension and other post-retirement benefit costs	(0.7)	(0.8)
Other	(6.0)	(5.8)
Total employee costs	**(111.3)**	**(107.9)**
Monthly average number of full-time equivalent employees	1,541	1,491
- Thermal	947	868
- Renewable	398	413
- Corporate	196	210

(1) See note 1.33 Share-based compensation plans for a description of the long term incentive plan.

1.12. Acquisition and other transactions related items

In $ millions	Years ended December 31 2022	2021
Acquisition and disposal related items [(1)]	9.3	14.2
Other transaction related items [(2)]	39.9	-
Acquisition, disposal and other transactions related items	**49.2**	**14.2**

(1) Acquisition and disposal related items costs include notably pre-acquisition costs such as due diligence costs and professional fees and other related incremental costs incurred as part of completed or contemplated acquisitions and disposals. In the year ended December 2022, costs incurred primarily to the sale of the Brazil Hydro assets (December 31, 2021: corresponds mainly to completed acquisition in the United States and Italy).

(2) Other transaction related items correspond to KKR transaction and delisting costs. These include the due diligence costs incurred in connection with the acquisition by KKR, legal and finance advisor's costs and the impact of accelerated vesting of long term incentive share plan due to the acquisition by KKR.

1.13. Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives

	Years ended December 31	
In $ millions	**2022**	**2021**
Finance income	**12.0**	**3.9**
Net change in fair value of fixed margin derivative (1)	(16.1)	13.6
Net fair value changes of other derivatives and reclassification from cash flow hedge reserve (2)	4.2	11.7
Net foreign exchange differences (3)	22.3	18.4
Net foreign exchange gains and (losses) and change in fair value of derivatives	**10.5**	**43.7**
Interest expenses on borrowings	(189.1)	(205.5)
Amortization of deferred financing costs	(15.1)	(20.8)
Unwinding of discounting (4)	(23.8)	(26.0)
Other (5)	(26.4)	(44.5)
Finance costs	**(254.3)**	**(296.8)**
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives	**(231.8)**	**(249.2)**

(1) Net change in fair value of derivative related to the CHP Mexico fixed margin liability.

(2) Within this balance the Group recognized a profit of $4.5 million in the 12 months ended December 31, 2022 in relation to its interest rate, cross currency and financial swaps, options, foreign exchange options and forward contracts (December 31, 2021: profit of $8.1 million) which relates to fair value changes on derivatives not hedge accounted and amounts reclassified from the cash flow hedge reserve.

(3) Net foreign exchange differences include foreign exchange gains and losses related to conversion of foreign currency denominated cash balances and foreign exchange differences relating to loans in subsidiaries that have a functional currency different to the currency in which the loans are denominated.

(4) Unwinding of discounting mainly relates to other long-term liabilities in the 12 months ended December 31, 2022 and 2021.

(5) Other mainly includes costs associated with other financing, Maritsa debt to non-controlling interests, finance costs of leases, income and expenses related to interest and penalties for late payments.

1.14. Income tax expense and deferred income tax

Income tax expense

In $ millions	Years ended December 31, 2022	2021
Current tax		
- current tax expense of the year	*(108.2)*	*(45.1)*
- prior year adjustment	*(1.7)*	*(2.0)*
Total current tax expense	**(109.9)**	**(47.1)**
Deferred tax		
- deferred tax expense of the year	3.9	(19.5)
- prior year adjustment	(1.0)	3.4
Total deferred tax expense	**2.9**	**(16.1)**
Income tax expense	**(107.0)**	**(63.2)**

The increase of the tax charge in 2022 compared to 2021 is mainly attributable to the $29.1m withholding tax applied on the sale of the Brazilian hydro business.

The main jurisdictions contributing to the income tax expense for the year ending 31st December 2022 in addition to the effect of the Brazilian hydro business sale are i) Spain, ii) Mexico and iii) Italy.

During 2021, the OECD published a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups. During the year 2022, HM Treasury released draft legislation to implement these 'Pillar 2' rules with effect from 2024. The Group is reviewing these draft rules to understand any potential impacts.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise from applying the statutory tax rate of the parent company (2022: 19%, 2021: 19%) to the results of the consolidated entities as follows:

Effective tax rate reconciliation

In $ millions	Years ended December 31, 2022	2021
Profit before income tax	**360.5**	**142.9**
Profit before income tax at UK statutory tax rate	**(68.5)**	**(27.2)**
Tax effects of:		
Differences between statutory tax rate and foreign statutory tax rates (1)	(3.3)	(1.8)
Changes in unrecognized deferred tax assets (2)	(5.3)	(18.6)
Reduced rate and specific taxation regime (3)	9.7	3.2
Foreign exchange movement(4)	9.6	4.7
Prior year adjustment - current tax	(1.7)	(2.0)
Prior year adjustment - deferred tax	(1.0)	3.4
Brazil hydro business sale (5)	(6.7)	-
Permanent differences and other items (6)	(40.0)	(25.0)
Income tax expense	**(107.0)**	**(63.2)**
Effective rate of income tax	**29.7%**	**44.2%**

(1) Includes the effect of recognizing net income of investments in associates in the profit before income tax.

(2) Mainly relates to tax losses in UK, Luxembourg and Brazil where deferred tax assets are not recognized.

(3) Relates to specific tax regimes and some of the Brazilian entities being taxed by reference to revenue rather than accounting profits.

(4) Mainly driven by difference between functional currency of statutory entities and currency used for local tax reporting and non-deductibility of foreign exchange movements in certain jurisdictions.

(5) Includes the total impact of the sale of the Brazilian hydro assets, composed mainly of the difference between the UK statutory rate and withholding tax rate applied on the sale in Brazil.

(6) This category is composed of tax impacts of inflationary adjustments (2022: $3.4 million, 2021: $13.0 million), of non-deductible group costs (2022: $4.6 million, 2021: $4.0 million), financing costs (2022: $4.8 million, 2021: $3.4 million) and transaction costs (2022: $10.0 million, 2021: $0 million) as well as a number of individually immaterial items such as withholding taxes. This category also includes the effect of new taxes imposed on energy businesses (windfall profit taxes). In 2022 the additional tax charge resulting from these taxes amounts to $5.3 million, mainly comprising of $4.5 million in Italy.

Net deferred tax movement

The gross movements of net deferred income tax assets (liabilities) were as follows:

	December 31,	
In $ millions	**2022**	**2021**
Net deferred tax assets (liabilities) as of January, 1	**(275.5)**	**(211.4)**
Statement of income	2.9	(16.1)
Deferred tax recognized directly in other comprehensive income	(41.6)	(14.4)
Acquisitions	(15.0)	(35.7)
Currency translation differences and other	4.4	2.1
Net deferred tax assets (liabilities) as of December, 31	**(324.8)**	**(275.5)**
Including net deferred tax assets balance of:	*38.7*	*49.7*
Deferred tax liabilities balance of:	*(363.6)*	*(325.2)*

Analysis of the net deferred tax position recognized in the consolidated statement of financial position

The net deferred tax positions and their movement can be broken down as follows:

In $ millions	Tax losses	Property, plant and equipment	Intangible assets (1)	Derivative financial instruments (2)	Deferred financing costs	Other (3)	Total
As of January 1, 2021	**117.6**	**(349.4)**	**(49.5)**	**35.1**	**20.0**	**14.7**	**(211.4)**
Statement of income	20.5	(40.3)	4.3	(2.9)	0.5	1.8	(16.1)
Other comprehensive income	-	-	-	(14.4)	-	-	(14.4)
Acquisitions	1.3	(117.0)	64.7	(2.7)	8.1	9.9	(35.7)
Currency translations and other	(0.6)	8.9	(0.9)	(0.1)	(1.8)	(3.4)	2.1
As of December 31, 2021	**138.8**	**(497.8)**	**18.6**	**14.9**	**26.8**	**23.2**	**(275.5)**
Statement of income	(30.5)	11.8	12.1	(0.3)	4.3	5.4	2.9
Other comprehensive income	-	-	-	(41.6)	-	-	(41.6)
Acquisitions (4)	-	(15.0)	-	-	-	-	(15.0)
Currency translations and other	(0.4)	8.3	(0.4)	0.3	(2.1)	(1.4)	4.4
As of December 31, 2022	**107.8**	**(492.7)**	**30.4**	**(26.6)**	**29.0**	**27.2**	**(324.8)**

(1) Mainly relates to assets acquired through business combinations.

(2) $(20.4) million of the current year movement through other comprehensive income represents the movement in the year of hedging expenses in Mexico (2021: $(9.9) million).

(3) This category is made up of various items, including finance lease capitalization of $(11.7) million (2021: $(13.7) million) and Mexico fixed margin swap of $6.5 million (2021: $7.3 million).

(4) $(15.0) million relates to opening balance sheet deferred tax liabilities on the 51% share acquired in Sochagota plant in Colombia in December 2022. Further to this acquisition, the Group holds 100% of the Sochagota power plant asset.

Deferred tax assets recognized in the consolidated statement of financial position

The Group recognizes deferred tax assets to the extent that it is probable that sufficient future taxable profits will arise against which these deductible temporary differences can be utilized. The Group has performed an assessment of the recovery of deferred tax assets which has involved the use of budgets and forecasts.

There is a deferred tax asset in Spain of $16.9 million (2021: $20.9 million) which relates predominantly to intangible assets. The relevant tax group is profitable, and the reversal of the deferred tax asset is scheduled to be within three years. There is an amount of deferred tax assets on tax losses that are dependent on future taxable profits not arising from the reversal of existing deferred tax liabilities of $16.7 million ($16.2 million in 2021), which is scheduled to be reversed within 13 to 15 years. This utilisation horizon takes into account management's best estimate of risks to which the operations may be exposed and is considered appropriate given the long term nature of the acquired assets.

Analysis of the deferred tax position unrecognized in the consolidated statement of financial position

Unrecognized deferred tax assets amount to $278.0 million as of December 31, 2021 (December 31, 2021: $300.2 million) and can be broken down as follows:

	December 31,	
In $ millions	**2022**	**2021**
Unrecognized deferred tax assets on tax losses	256.4	276.0
Unrecognized deferred tax assets on deductible temporary differences	21.6	24.2
Total unrecognized deferred tax assets	**278.0**	**300.2**

The total amount of deductible temporary differences and unused tax losses for which no deferred tax asset is recognized amounts to $1,086.7 million (2021: $1,179.6 million) and is broken down as follows:

	December 31,	
	2022	**2021**
Tax losses - no deferred tax asset recognized	992.7	1,060.3
Deductible temporary differences - no deferred tax asset recognized	94.0	119.3
Total	**1,086.7**	**1,179.6**

Deferred tax assets that have not been recognized mainly relate to tax losses in Luxembourg, Brazil and the UK where it is not probable that future taxable profit will be available against which the tax losses can be utilized. The amounts unrecognised for deferred tax purposes generally do not expire with the exception of Luxembourg.

With respect to Luxembourg, tax losses of $263.4m arising prior to 31 December 2016 can be carried forward without time limit. As from January 1, 2017, new tax losses expire after 17 years and therefore tax losses of $48.2m, $90.3m, $138.9m, $158.5m, $19.7m and $0.5m expire on December 31, 2034, 2035, 2036, 2037, 2038 and 2039 respectively.

The Group accrues deferred tax liabilities for the withholding tax that will arise on the future repatriation of undistributed earnings. There are no temporary differences on undistributed earnings with material unrecognized deferred tax liabilities.

1.15. Intangible assets and goodwill

In $ millions	Goodwill	Work in progress	Legado rights	Contracts	Permits, licenses and other project development	Software and Other	Total
Cost	0.6	1.5	233.3	-	122.8	40.9	399.1
Accumulated amortisation and impairment	-	-	(14.9)	-	(43.4)	(21.1)	(79.4)
Carrying amount as of January 1, 2021	**0.6**	**1.5**	**218.4**	**-**	**79.4**	**19.7**	**319.7**
Additions	-	1.4	-	-	14.5	1.6	17.5
Disposals	-	-	-	-	-	-	-
Acquired through business combination(1)	3.5	-	-	31.4	0.3	-	35.2
Assets recognized as held for sale(2)	-	-	-	-	(22.7)	(0.2)	(22.9)
Currency translation differences	-	-	-	-	(4.8)	(0.2)	(5.0)
Reclassification	-	(2.8)	-	-	1.4	1.4	-
Amortisation charge	-	-	(13.7)	(8.1)	(13.6)	(3.6)	(39.0)
Closing net book amount	**4.1**	**0.1**	**204.7**	**23.3**	**54.5**	**18.7**	**305.4**
Cost	4.1	0.1	233.3	31.4	89.0	50.3	408.2
Accumulated amortisation and impairment	-	-	(28.6)	(8.1)	(34.5)	(31.6)	(102.8)
Carrying amount as of January 1, 2022	**4.1**	**0.1**	**204.7**	**23.3**	**54.5**	**18.7**	**305.4**
Additions	-	4.6	-	-	0.5	1.0	6.1
Disposals	-	-	-	-	-	-	-
Currency translation differences	(0.1)	-	-	-	2.2	-	2.1
Reclassification	-	(3.9)	-	-	1.8	2.1	-
Amortisation charge	-	-	(13.7)	(9.3)	(6.7)	(4.7)	(34.4)
Closing net book amount	**4.0**	**0.8**	**191.0**	**14.0**	**52.3**	**17.1**	**279.2**
Cost	4.0	0.8	233.3	31.4	94.7	65.6	429.8
Accumulated amortisation and impairment	-	-	(42.3)	(17.4)	(42.4)	(48.5)	(150.6)
Carrying amount as of December 31, 2022	**4.0**	**0.8**	**191.0**	**14.0**	**52.3**	**17.1**	**279.2**

Contracts relate to the fair valuation on acquisition of power purchase agreements in the United States of America, in note 1.7. Contracts are subsequently measured at amortized cost.

Permits, licenses and other project development rights relate to licenses acquired from the initial developers for our wind parks in Peru and Brazil. Legado rights were recognized on acquisition of Mexico CHP.

Amortization included in 'cost of sales' in the consolidated statement of income amounted to $30.6 million in the year ended December 31, 2022 (December 31, 2021: $35.6 million) and amortization included in 'selling, general and administrative expenses' amount to $3.8 million in the year ended December 31, 2022 (December 31, 2021: $3.4 million).

1.16. *Property, plant and equipment*

The power plant assets predominantly relate to wind farms, natural gas plants, fuel oil or diesel plants, coal plants, hydro plants, solar plants, asset retirement obligations and other buildings.

Other assets mainly include IT equipment, furniture and fixtures, facility equipment and vehicles, and project development costs.

Assets acquired through business combinations are explained in Note 1.6.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	76.7	5,842.0	30.3	50.1	198.8	6,197.9
Accumulated depreciation and impairment	(0.8)	(2,151.5)	-	(17.7)	(102.5)	(2,272.5)
Carrying amount as of January 1, 2022	**75.9**	**3,690.5**	**30.3**	**32.4**	**96.3**	**3,925.4**
Additions	0.3	34.5	85.3	13.3	8.6	142.0
Disposals	(0.1)	(19.1)	(2.1)	(3.1)	(1.6)	(26.0)
Reclassification	(5.8)	53.0	(60.3)	-	13.1	-
Acquired through business combination(1)	-	49.5	-	-	0.4	49.9
Currency translation differences	(3.4)	(20.7)	0.3	(1.2)	(2.4)	(27.5)
Depreciation charge	(0.1)	(305.7)	-	(5.6)	(15.4)	(326.8)
Closing net book amount	**66.8**	**3,482.0**	**53.5**	**35.8**	**99.0**	**3,737.0**
Cost	67.6	5,843.0	53.5	57.0	215.4	6,236.4
Accumulated depreciation and impairment	(0.8)	(2,361.0)	-	(21.2)	(116.4)	(2,499.4)
Carrying amount as of December 31, 2022	**66.8**	**3,482.0**	**53.5**	**35.8**	**99.0**	**3,737.0**

(1) See note 1.6 for a description of the acquisition of the 51% in Sochagota.

Construction work in progress as of December 31, 2022 predominantly relates to our ongoing Austria Wind repowering project and projects at Bonaire, Vorotan and Maritsa. Reclassification from Construction work in progress to Power plant assets primarily relates to Austria Wind repowering project ($31.1 million).

As of December 31, 2022, the Other category mainly related to $52.6 million of instruments and tools, $22.4 million of critical spare parts.

Depreciation included in 'cost of sales' in the consolidated statement of income amounted to $324.7 million in the year ended December 31, 2022 (December 31, 2021: $357.5 million) and depreciation included in 'selling, general and administrative expenses' amount to $2.1 million in the year ended December 31, 2022 (December 31, 2021: $2.7 million).

In the year ended December 31, 2022, the Group capitalized $0.3 million of borrowing costs in relation to project financing.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	72.2	5,172.5	76.8	47.6	285.2	5,654.4
Accumulated depreciation and impairment	(0.6)	(1,988.5)	-	(13.1)	(135.0)	(2,137.3)
Carrying amount as of January 1, 2021	**71.6**	**3,184.0**	**76.8**	**34.5**	**150.2**	**3,517.1**
Additions	-	33.7	48.6	3.2	9.2	94.7
Disposals	-	(5.2)	(0.1)	(0.5)	(2.0)	(7.8)
Reclassification	-	114.6	(97.2)	-	(19.4)	(2.0)
Acquired through business combination(1)	14.4	918.3	-	2.8	21.0	956.5
Assets recognized as held for sale(2)	(5.2)	(79.5)	-	(0.1)	(39.1)	(123.9)
Currency translation differences	(4.8)	(135.7)	2.2	(1.8)	(8.9)	(149.0)
Depreciation charge	(0.1)	(339.7)	-	(5.7)	(14.7)	(360.1)
Closing net book amount	**75.9**	**3,690.5**	**30.3**	**32.4**	**96.3**	**3,925.4**
Cost	76.7	5,842.0	30.3	50.1	198.8	6,197.9
Accumulated depreciation and impairment	(0.8)	(2,151.5)	-	(17.7)	(102.5)	(2,272.5)
Carrying amount as of December 31, 2021	**75.9**	**3,690.5**	**30.3**	**32.4**	**96.3**	**3,925.4**

(1) Assets acquired through business combination relate to our United States of America and Trinidad and Tobago and Solar Italy portfolios detailed in note 1.7.

(2) Assets recognized as held for sale relate to our Brazil Hydro portfolio, detailed in note 1.6.

Construction work in progress as of December 31, 2021 predominantly relates to our ongoing Austria Wind repowering project, Vorotan refurbishment project, and projects at Maritsa. Reclassification from Construction work in progress to Power plant assets primarily relates to completed phases of the Vorotan refurbishment project ($56.9 million), Austria Wind repowering project ($13.8 million) and projects at Maritsa ($12.1 million).

As of December 31, 2021, the Other category mainly related to $53.6 million of instruments and tools, $22.2 million of critical spare parts.

In the year ended December 31, 2021, the Group capitalized $2.8 million of borrowing costs in relation to project financing.

Impairment tests on tangible and intangible assets

For the year ended December 31, 2022 certain triggering events were identified related to the Brazilian wind power plants primarily driven by lower performance of the assets and environmental factors impacting resource level, requiring an impairment test. The recoverable amount is determined as the higher of the value in use determined by the discounted value of future cash flows (discounted cash flow method or “DCF”, determined by using cash flow projections consistent with the following year budget and the most recent forecasts prepared by management and approved by the Board) and the fair value (less costs to sell), determined on the basis of market data (comparison with the value attributed to similar assets or companies in recent transactions).

Impairment tests were performed for the year ended December 31, 2022 using the following assumptions and related sensitivity analysis:

In $ million	Net book value	Valuation approach	Discount rate	Generation	Sensitivity analysis
Brazilian wind power plants	365.2	DCF	10.87%	2,180 Gwh	Discount rate increased by 1% 5% decrease in generation

The sensitivity calculations show that an increase by 1% of the discount rate and a 5% decrease in generation for Brazilian wind power plants assets would not have a material impact on the results of impairment tests or, therefore, on the Group's consolidated financial statements as of December 31, 2022. There are no reasonably possible changes to the key impairment test assumptions that would result in an impairment charge.

1.17. Finance lease and financial concession assets

	December 31	
In $ millions	**2022**	**2021**
Contract assets - Concession arrangements (1)	346.9	378.0
Finance lease receivables (2)	4.9	9.9
Other	17.7	14.9
Total finance lease and financial concesssion assets	**369.4**	**402.8**
Total finance lease and financial concesssion assets non-current portion	346.4	370.5
Total finance lease and financial concesssion assets current portion	23.0	32.3

(1) The Group operates plants in Togo, Rwanda and Senegal which are in the scope of the financial model of IFRIC 12 'Service Concession Arrangements'.

Our Rwanda power plant consists of the development, construction and operation of Gas Extraction Facilities ("GEF") and an associated power plant. The GEF is used to extract methane and biogas from the depths of Lake Kivu in Rwanda and deliver the gas via submerged gas transport pipelines to shore-based power production facilities totaling 26 MW of gross capacity. The PPA runs for 25 years starting on the commercial operation date and ending in 2040, date when the GEF along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Rwanda.

Our Togo power plant was commissioned in 2010 and is operated under a power purchase agreement with a unique offtaker, Compagnie Energie Electrique du Togo ("CEET") which has an average remaining contract life of approximately 12.8 years as of December 31, 2022 (December 31, 2021: 13.8 years). At expiration, the Togo plant, along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Togo. This arrangement is accounted for as a concession arrangement and the value of the asset is recorded as a financial asset. The all-in base capacity tariff under the Togo power purchase agreement is adjusted annually for a combination of US$, Euro and local consumer price index related to the cost structure.

Our Cap des Biches power plant in Senegal consists of the development, construction and operation of five engines with a flexi-cycle system technology based on waste heat recovery totalling about 86MW. A PPA integrating all the Cap des Biches requirements and agreements on price was signed for 20 years starting on the commercial operation date of the project and ending in 2036, the date when the power plant along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Senegal.

(2) Relates to finance leases where the Group acts as a lessor, and includes our Saint Martin plant in the French Territory. Saint Martin has an average remaining contract life of approximately 0.3 years as of December 31, 2022 (December 31, 2021: 1.3 years).

No losses from impairment of contracted concessional assets and finance lease receivables in the above projects were recorded during the years ended December 31, 2022 and 2021.

Net cash inflows generated by the financial assets under concession agreements amounted to $53.1 million as of December 31, 2022 (December 31, 2021: $66.8 million).

1.18. Investments in associates

Set out below are the associates of the Group as of December 31, 2022:

Operational plant		Country of incorporation	Ownership interests 2022	Ownership interests 2021	Date of acquisition
Sochagota	Subsidiary / Associate	Colombia	100.0%	49.0%	2006 and 2010
Termoemcali	Associate	Colombia	37.4%	37.4%	2010
Evacuacion Villanueva del Rey, S.L.	Associate	Spain	34.6%	39.9%	2018

The Group acquired the 51% remaining shares in Sochagota on December 30, 2022. See note 1.6.

Set out below is the summarized financial information for the investments which are accounted for using the equity method (presented at 100%):

In $ millions	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Net income
Year ended December 31, 2021						
Sochagota	76.1	28.6	27.2	21.0	101.9	25.4
Termoemcali	21.2	49.3	16.2	26.7	29.9	10.1
Evacuacion Villanueva del Rey, S.L.	0.1	2.6	0.2	2.5	0.3	-
Year ended December 31, 2022						
Termoemcali	19.4	48.9	13.1	17.9	30.6	14.4
Evacuacion Villanueva del Rey, S.L.	0.2	2.3	0.3	2.2	0.3	-

The reconciliation of the investments in associates for each year is as follows:

In $ millions	Years ended 31st December 2022	Years ended 31st December 2021
Balance as of January 1,	**33.5**	**29.5**
Share of profit	16.3	16.2
Dividends	(14.1)	(8.3)
Deemed disposal (1)	(19.6)	-
Other	(3.1)	(3.9)
Balance as of December 31,	**13.0**	**33.5**

(1) See note 1.6 for a description of the acquisition of the 51% in Sochagota.

1.19. Management of financial risk

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Interest rate risk

Interest rate risk arises primarily from our long-term borrowings. Interest cash flow risk arises from borrowings issued at variable rates, partially offset by cash held at variable rates. Typically for any new investments, the Group hedges variable interest risk on newly issued debt in a range of 75% to 100% of the nominal debt value. Interest rate risk is managed on an asset by asset basis through entering into interest rate swap agreements, entered into with commercial banks and other institutions. The interest rate swaps qualify as cash flow hedges. Their duration usually matches the duration of the debt instruments. Approximately 8% of the Group's existing external debt obligations carry variable interest rates in 2022 (2021: 10.2%) (after taking into account the effect of interest rate swaps).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. To hedge interest rate exposures, the group enters into interest rate swaps and cross currency swaps that have similar critical terms to the hedged items, such as the notional amounts, payment dates, reference rate and maturities. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of outstanding loans up to the notional amount of the swaps. As all critical terms match, there is an economic relationship and the hedge ratio is established as 1:1. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

The main sources of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap and cross currency swap contracts, which are not reflected in the fair value of the hedged item attributable to changes in underlying rates, and the risk of over-hedging where the hedge relationship requires re-balancing. No other material sources of ineffectiveness emerged from these hedging relationships. Any hedge ineffectiveness is recognized immediately in the income statement in the period that it occurs.

The following table presents a reconciliation by risk category of the cash-flow hedge reserve and analysis of other comprehensive income in relation to hedge accounting:

	Years ended December 31	
In $ millions	**2022**	**2021**
Brought forward cash-flow hedge reserve	(72.7)	(127.5)
Interest rate and cross currency swap contracts:		
Net fair value gain/(loss) on effective hedges	164.2	62.0
Amounts reclassified to Net finance cost	(4.6)	(7.2)
Carried forward cash-flow hedge reserve (1)	**86.9**	**(72.7)**

(1) The above table show pre-tax cash flow hedge positions, including non-controlling interest. The amounts on the balance sheet include -$21.4 million deferred tax (2021: $17.0 million).

The debit value adjustment on the interest rate swaps and cross currency swaps in the interest rate hedge amounts to nill million (2021: $1.9 million). These amounts are recognized on the financial statements against the fair value of derivative (note 1.20). Aside from the IFRS 13 credit/debit risk adjustment, cash-flow hedges generated immaterial ineffectiveness in 2022 which was recognized in the income statement through finance costs.

The following tables set out information regarding the cumulative change in value of the hedged item used in calculating hedge ineffectiveness as well as the impacts on the cash-flow hedge reserve:

In $ millions

Hedged item	Hedged exposure	Hedging instrument	Change in value of hedged item for calculating ineffectiveness	Change in value of hedging instrument for calculating ineffectiveness
As of December 31, 2021				
Cash flows payable on a proportion of borrowings	Interest rate risk	Interest rate swaps	65.6	(65.6)
Cash flows payable on a proportion of borrowings	Interest rate risk and foreign currency risk	Cross currency swaps	7.1	(7.1)
As of December 31, 2022				
Cash flows payable on a proportion of borrowings	Interest rate risk	Interest rate swaps	(78.8)	78.8
Cash flows payable on a proportion of borrowings	Interest rate risk and foreign currency risk	Cross currency swaps	(8.1)	8.1

Hedged cash flows are contractual such that the maturity dates on the interest rate swaps are aligned to the hedged item, except for hedged cash flows on $894.8 million principal, with swaps maturing between 2025 and 2033, in relation to CHP assets in Mexico, United States portfolio and Caribbean assets that are subject to refinancing after 2026 for CHP assets in Mexico and 2027 for the United States portfolio and Caribbean assets. Refinancing for an additional five, six and four years to match the term of the swap is considered highly probable since the Group will continue to maintain significant levels of US$ debt in relation to the CHP assets in Mexico, United States portfolio assets and the Caribbean assets through to 2033.

These agreements involve the receipt of variable payments in exchange for fixed payments over the term of the agreements without the exchange of the underlying principal amounts. The main interest rate exposure for the Group relates to the floating rates with the TJLP, EURIBOR, LIBOR and SOFR which are not hedged through interest rate swaps (refer to note 1.30). A change of 0.5% of those floating rates would result in an increase in interest expenses by $1.6 million in the year ended December 31, 2022 (2021: $2.1 million).

The replacement of benchmark interest rates such as LIBOR and other interbank offered rates (IBORs) is ongoing globally. At the end of 2021, the polled publication of JPY, CHF and GBP LIBORs ceased, while certain USD LIBORs (overnight, 1-, 3-, 6- and 12-month tenors) polled publication will likely continue until June 2023 (if current regulatory plans do not change). Issuance of new floating-rate loans referencing USD LIBOR are no longer permitted after the end of 2021, and new LIBOR-based swaps traded after 2021 are only permitted if they demonstrably reduce an entity's LIBOR-based risk. The European Central Bank ("ECB") has disclosed no plans for the elimination of EURIBORs, and they will remain in existence (unless the ECB decides otherwise) alongside the ECB's new overnight index ESTR (Euro short-term rate).

The Group has borrowings and IFRS 9 designated hedge relationships that are impacted by IBOR reform including interest rate swap contracts and a cross currency swap that qualify as cash-flow hedges, used to hedge a proportion of our external borrowings. These swaps reference six-month EURIBOR, three-month USD LIBOR and six-month USD LIBOR. During 2022 borrowings and interest rate swaps with notional value of $160.7 million at transition date relating to our Caribbean assets was transitioned from US LIBOR to TERM SOFR. Following a refinancing in our US business, new borrowings and interest rate swaps with a notional value of $313.5 million were entered into utilizing 3-month TERM SOFR. No other borrowings or interest rate swaps were transitioned during the period.

In $ millions

	Measurement basis	Carrying value at December 31, 2021		Notional
		Assets	Liabilities	
Borrowings nominal outstanding - EURIBOR	Amortised cost	-	593.6	
Borrowings nominal outstanding - USD LIBOR	Amortised cost	-	885.5	
Derivatives - EURIBOR	Cash flow hedge	2.3	2.8	452.3
Derivatives - USD LIBOR	Cash flow hedge	1.4	71.6	778.9

	Measurement basis	Carrying value at December 31, 2022		Notional
		Assets	Liabilities	
Borrowings nominal outstanding - EURIBOR	Amortised cost	-	498.7	
Borrowings nominal outstanding - USD LIBOR	Amortised cost	-	667.2	
Borrowings nominal outstanding - SOFR	Amortised cost	-	407.7	
Derivatives - EURIBOR	Cash flow hedge	41.3	-	358.7
Derivatives - USD LIBOR	Cash flow hedge	32.1	-	607.5
Derivatives - SOFR	Cash flow hedge	17.2	-	456.2

The risk for the Group regarding this transition is ensuring that the alternative rates are consistent between borrowings and derivatives so that the hedging relationships remain effective in managing interest rate exposure. The Group is managing this risk by ongoing engagement with the counterparties to our borrowings and derivatives regarding the proposed transition.

Foreign currency risk

Foreign exchange risk arises from various currency exposures, primarily with respect to the Euro, Brazilian Real and Bulgarian Lev (which is pegged to the Euro). Currency risk comprises (i) transaction risk arising in the ordinary course of business, including certain financial debt denominated in a currency other than the currency of the operations; (ii) transaction risk linked to investments or mergers and acquisitions; and (iii) translation risk arising on the consolidation in US dollars of the consolidated financial statements of subsidiaries with a functional currency other than the US dollar.

To mitigate foreign exchange risk, (i) most revenues and operating costs incurred in the countries where the Group operates are denominated in the functional currency of the project company, (ii) the external financial debt is mostly denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk, and (iii) the

Group enters into various foreign currency sale / forward and / or option transactions at a corporate level to hedge against the risk of lower distribution. Typically, the Group hedges its future distributions in Brazil through a combination of forwards and options for any new investment in the country. The analysis of financial debt by currency is presented in note 1.30.

Potential sensitivity on the post-tax profit result for the year linked to financial instruments is as follows:

- if the US dollar had weakened/strengthened by 10% against the Euro, post-tax profit for the year ended December 31, 2022 would have been $5.1 million higher/lower (2021: $0.5 million higher/lower); and
- if the US dollar had weakened/strengthened by 10% against the Brazilian Real, post-tax profit for the year ended December 31, 2022 would have been $1.3 million higher/lower (2021: $0.1 million higher/lower).

The Bulgarian Lev is pegged to the Euro therefore the Group's exposure to the Lev is consistent with the Euro. The exposure to the Mexican Peso is limited due to the fixed margin swap derivative which fixes the underlying gas price in US dollar, refer to sensitivity as disclosed in note 1.21. The Group's hedge policy states that the exposure between US Dollar and Euros will not be hedged, as both currencies are considered as more stable currencies.

Commodity and electricity pricing risk

Apart from the Arrubal plant, the Group's current and future cash flows are generally not impacted by changes in the prices of electricity, gas, oil and other fuel prices as most of the Group's non-renewable plants operate under long-term power purchase agreements and fuel purchase agreements and other commercial agreements such as the fixed margin swap arrangement. These agreements generally mitigate against significant fluctuations in cash flows as a result in changes in commodity prices by passing through changes in fuel prices to the offtaker.

Credit risk

Credit risk relates to risk arising from customers, suppliers, partners, intermediaries and banks on its operating and financing activities, when such parties are unable to honour their contractual obligations. Credit risk results from a combination of payment risk, delivery risk (failure to deliver services or products) and the risk of replacing contracts in default (known as mark to market exposure – i.e. the cost of replacing the contract in conditions other than those initially agreed). Financial assets are generally considered to be credit impaired when they are past their contractual due date, or in some jurisdictions outside of historical payment timeframes.

The Group analyzes the credit risk for each new client prior to entering into an agreement. In addition, in order to minimize risk, the Group contracts political risk insurance policies from multilateral organizations or commercial insurers which usually provide insurance against government defaults. Such policies cover project companies in Armenia, Bulgaria, Colombia, Rwanda, Togo, Senegal and Kosovo.

Where possible, the Group restricts exposure to any one counterparty by setting credit limits based on the credit quality as defined by Moody's and S&P and by defining the types of financial instruments which may be entered into. The minimum credit ratings the Group generally accepts from banks or financial institutions are BBB- (S&P) and Baa3 (Moody's). For offtakers, where credit ratings are CCC+ or below, the Group generally hedges its counterparty risk by contracting political risk insurance.

If there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

For trade receivables, finance lease and financial concession assets, the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

In $ millions

	Carrying value at December 31, 2021			
	Investment grade	Non Investment grade with PRI	Non Investment grade	Total
Contract assets - Concession arrangements	-	378.0	-	378.0
Trade receivables - gross	22.1	75.1	9.6	106.8

	Carrying value at December 31, 2022			
	Investment grade	Non Investment grade with PRI	Non Investment grade	Total
Contract assets - Concession arrangements	-	346.9	-	346.9
Trade receivables - gross	35.4	119.0	11.0	165.4

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2022 or 31 December 2021 respectively and the corresponding historical credit losses experienced within this period. In this context, the Group has taken into account available information on past events (such as customer payment behavior), current conditions and forward-looking factors that might impact the credit risk of the Group's debtors.

Trade receivables can be due from a single customer or a few customers who will purchase all or a significant portion of a power plant's output under long-term power purchase agreements. This customer concentration may impact the Group's overall exposure to credit risk, either positively or negatively, in that the customers may be affected by changes in economic, industry or other conditions.

Ageing of trade receivables – net are analyzed below:

	December 31	
In $ millions	**2022**	**2021**
Trade receivables not overdue	99.9	65.7
Past due up to 90 days	40.2	19.0
Past due between 90 - 180 days	11.5	0.3
Past due over 180 days	-	18.4
Total trade receivables	**151.6**	**103.4**

As of December 31, 2022, $50.7 million and $29.6 million (December 31, 2021: $24.8million and $30.8 million) of trade receivables were outstanding in connection with our Cap des Biches in Senegal and Bulgarian power plant, Maritsa East 3. The increase in trade receivables in Senegal is due to a delay in the settlement of invoices by SENELEC at year end, of which $31.1m was settled subsequent to year end.

The trade receivables include an expected credit loss of $13.7 million (December 31, 2021: $3.3 million) on the Past due between 90 – 180 days and Past due over 180 days categories with an increase in allowance recognized in profit and loss of $9.3 million in 2022, (December 31, 2021: $2.6 million).

There were immaterial credit losses and no overdue balances identified on finance lease and financial concession assets.

The Group deems the associated credit risk of the trade receivables not overdue to be suitably low.

Liquidity risk

Liquidity risk arises from the possibility of the Group not being able to meet its obligations. The Group mainly relies on long-term debt obligations to fund its acquisitions and construction activities with Corporate bonds issued in the corporate Luxembourg holdcos and project financings arrangement at the assets level. All significant asset level long-term financing arrangements are supported locally and covered by the cash flows expected from the power plants when operational. The Group has, to the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire its electric power plants and related assets.

A rolling cash flow forecast of the Group's liquidity requirements is prepared to confirm sufficient cash is available to meet operational needs and to comply with borrowing limits or covenants. Such forecasting takes into consideration the future debt financing strategy, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements – for example, cash restrictions.

The subsidiaries are separate and distinct legal entities and, unless they have expressly guaranteed any of the holding company indebtedness, have no obligation, contingent or otherwise, to pay any amounts due pursuant to such debt or to make any funds available whether by dividends, fees, loans or other payments.

Some of the Group's subsidiaries have given guarantees on the credit facilities and outstanding debt securities of certain holding companies in the Group.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date:

In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Year ended December 31, 2021	**1,107.2**	**2,303.1**	**1,776.2**	**5,186.5**
Borrowings (1)	349.1	2,132.8	1,710.3	4,192.2
Trade and other payables	597.0	-	-	597.0
Derivative financial instruments	26.3	43.7	27.8	97.8
IFRS 16 lease liabilities	3.9	15.8	10.4	30.2
Other current liabilities	130.8	-	-	130.8
Other non current liabilities	-	110.8	27.7	138.5
Year ended December 31, 2022	**1,485.7**	**2,622.2**	**1,016.5**	**5,124.4**
Borrowings (2)	411.8	2,476.1	989.3	3,877.2
Trade and other payables	849.0	-	-	849.0
Derivative financial instruments	16.0	19.2	2.9	38.1
IFRS 16 lease liabilities	5.4	21.7	8.1	35.2
Other current liabilities (3)	203.5	-	-	203.5
Other non current liabilities (3)	-	105.2	16.2	121.4

(1) Borrowings represent the outstanding nominal amount (note 1.30). Short-term debt of $349.1 million as of December 31, 2021 related to the short-term portion of long-term financing that matured within the next 12 months, that was repaid using cash on hand and cash received from operations.

(2) Borrowings represent the outstanding nominal amount (note 1.30). Short-term debt of $411.8 million as of December 31, 2022 relates to the short-term portion of long-term financing that matures within the next 12 months, that we expect to repay using cash on hand and cash received from operations.

(3) Other current liabilities and Other non current liabilities as presented in notes 1.35 and 1.31 respectively, excludes IFRS 16 lease liabilities, other taxes payable and deferred credits.

The table below analyzes the Group's forecasted interest to be paid into relevant maturity groupings based on the interest's maturity date:

Year ended December 31, 2021				
In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Forecast interest expense to be paid	176.0	533.6	339.6	1,049.2
Year ended December 31, 2022				
In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Forecast interest expense to be paid	175.7	458.9	207.0	841.6

The Group's forecasts and projections, taking into account reasonably possible changes in operating performance, indicate that the Group has sufficient financial resources, together with assets that are expected to generate free cash flow to the Group. As a consequence, the Group has a reasonable expectation to be well placed to manage its business risks and to continue in operational existence for the foreseeable future (at least for the 12 month period from the approval date of these financial statements). Accordingly, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

Capital risk management

The Company considers its capital and reserves attributable to equity shareholders to be the Company's capital.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while providing adequate returns for shareholders and benefits for other stakeholders and to maintain a capital structure to optimise the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt. It may also increase debt provided that the funded venture provides adequate returns so that the overall capital structure remains supportable.

1.20. Derivative financial instruments

The Group uses interest rate swaps to manage its exposure to interest rate movements on borrowings, foreign exchange forward contracts and option contracts to mitigate currency risk, a financial swap in our Mexican CHP business to protect power purchase agreements and cross currency swap contracts in the Cap des Biches project in Senegal to manage both currency and interest rate risks. The fair value of derivative financial instruments are as follows:

	December 31, 2022		December 31, 2021	
In $ millions	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps - Cash flow hedge (1)	80.9	-	3.7	63.3
Cross currency swaps - Cash flow hedge (2)	9.8	-	-	11.1
Foreign exchange forward contracts - Trading (3)	0.4	-	0.8	0.0
Option contracts - not in hedge relationships	-	-	-	-
Financial swap on commodity (4)	0.2	1.6	0.6	-
Fixed margin swap(5)	-	36.6	-	23.4
Other (6)	6.1	-	10.8	-
Total	**97.3**	**38.1**	**16.0**	**97.8**
Less non-current portion:				
Interest rate swaps - Cash flow hedge	53.1	-	3.7	45.5
Cross currency swaps - Cash flow hedge	6.5	-	-	10.1
Foreign exchange forward contracts - Trading	-	-	0.1	-
Option contracts - not in hedge relationships	-	-	-	-
Financial swap on commodity	0.2	-	0.3	-
Fixed margin swap	-	22.1	-	15.8
Other	2.0	-	5.8	-
Total non-current portion	**61.9**	**22.1**	**9.9**	**71.5**
Current portion	**35.4**	**16.0**	**6.1**	**26.3**

(1) Interest rate swaps are used to hedge floating rate borrowings such that in effect the Group will be paying interest at a fixed rate. The fair value of the interest rate swaps mostly relate to contracts in Italy, Mexico and Austria for asset $53.0 million (December 31, 2021: to contracts in Mexico for liability $51.2 million) maturing between December 2026 and December 2035. The increase in fair value of the Interest rate swaps is primarily due to the increase in floating interest rates. Interest rate swaps are hedge accounted and as a result changes in fair value are recognized in other comprehensive income.

(2) In 2015, the Group entered into cross currency swaps in our Cap des Biches project in Senegal. The fair value of the instruments as of December 31, 2022 amounts to asset $9.8 million (December 31, 2021: liability $11.6 million) maturing in July 2033. Currency swaps are hedge accounted and as a result changes in fair value are recognized in other comprehensive income.

(3) The Group has executed a series of offsets to protect in value, in USD terms, of EUR-denominated expected distributions. The EUR-denominated distributions have been hedged using forward exchange contracts with a fair value of asset $0.4 million and maturity in January 2024 (December 31, 2021: EUR-denominated distributions with a fair value of asset $0.2 million and BRL-denominated distributions with fair value of asset $0.6 million). Hedge accounting is not applied to EUR/USD foreign exchange forward contracts, as a result changes in fair value are recognized in the consolidated statement of income.

(4) The Group entered into a financial swap related to our Mexican CHP business to protect one purchase power agreement against the variations of the natural gas price maturing in April 2024.

(5) CHP Mexico entered into fixed margin swap agreements with the seller's affiliates in order to protect certain power purchase agreements against variations in the CFE tariffs (electricity prices). The cash flows hedged amount to around $40 million of annual revenue over the next 8 years.

(6) Contract derivative recognized on acquisition of Western Generation in 2021.

The notional amount of derivative financial instruments:

- the outstanding interest rate swap contracts and cross currency swap qualified as cash-flow hedge amounted to $1,422.4 million as of December 31, 2022 (December 31, 2021: $1,231.2 million), bearing interest ranging between –0.15% and 4.58% as of December 31, 2022 (December 31, 2021: -0.15% and 4.58%).

- the outstanding foreign exchange forward and option contracts amounted to $4.7 million as of December 31, 2022 (December 31, 2021: $16.5 million); and

- the commodity swap (gas) relates to one PPA in our Mexican CHP plant amounting to $12.3 million as of December 31, 2022 (December 31, 2021: $2.1 million).

The Group recognized in Net Finance costs a loss in respect of changes in fair value of derivatives listed above of $11.6 million in the year ended December 31, 2022 (December 31, 2021: gain of $21.7 million) and a loss of $0.2 million in the year ended December 31, 2022 in relation to settled positions (December 31, 2021: gain of $2.4 million).

1.21. Fair value measurements

Fair value measurements of financial instruments are presented through the use of a three-level fair value hierarchy that prioritizes the valuation techniques used in fair value calculations. The Group's policy is to recognize transfers into and out of fair value hierarchy levels as at the end of the reporting period.

The levels in the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

There were no transfers between fair value measurement levels between December 31, 2021 and December 31, 2022.

When measuring our interest rate, cross currency swaps and foreign exchange forward and option contracts at fair value on a recurring basis at both December 31, 2022 and December 31, 2021, we have measured these at level 2 in the fair value hierarchy with the exception of the fixed margin swap and contract derivative which are level 3. The fair value of those financial instruments is determined by using valuation techniques. These valuations techniques maximize the use of observable data where it is available and rely as little as possible on entity specific estimates.

The Group uses a market approach as part of its available valuation techniques to determine the fair value of derivatives. The market approach uses prices and other relevant information generated from market transactions.

The Group's finance department performs valuation of financial assets and liabilities required for financial reporting purposes as categorized at levels 2 and 3. The Group's derivatives are interest rate swaps, foreign exchange forward contracts, option contracts, commodity swap contract, fixed margin swap in our Mexican CHP business, contract derivative recognized on acquisition of Western Generation and cross currency swap contracts in our Cap des Biches project in Senegal.

The change in the fair value of the fixed margin swap since December 31, 2021 of $13.2 million is driven by the movement of market inputs, in particular the CFE Tariff, accounting for $26.3 million, the net foreign exchange differences, accounting for $12.9 million and the natural gas price, accounting for -$23.0 million of the total variance.

The sensitivity calculations on the CHP Mexico fixed margin swap liability show that (i) for an increase/decrease of 5% in the USD/MXN exchange rate, the fixed margin swap liability would decrease/increase by $6.9 million (December 31, 2021: decrease/increase by $7.1 million), (ii) for an increase/decrease of 5% in the natural gas cost, the fixed margin swap liability will decrease/increase by $3.2 million (December 31, 2021: decrease/increase by $4.1 million), (iii) for an increase/decrease of 25% in discount rates, the fixed margin swap liability will decrease/increase by $1.6 million (December 31, 2021: decrease/increase by $0.9 million), and (iv) and for an increase/decrease of 5% in the CFE tariff, the fixed margin swap liability will increase/decrease by $9.2 million (December 31, 2021: increase/decrease by $8.8 million). For the other level 3 derivative, the contract derivative recognized on acquisition of Western Generation, there are no reasonably possible sensitivities that could have a material impact.

Money market funds (see note 1.27) comprise investment in funds that are subject to an insignificant risk of changes in fair value. The fair value of money market funds is calculated by multiplying the net asset value per share by the investment held at the balance sheet date, we have measured these at level 2 in the fair value hierarchy.

1.22. *Financial instruments by category*

In $ millions	Financial asset category			
As at December 31, 2021	Financial assets at amortized costs	Assets at fair value through profit and loss	Derivative used for hedging	Total net book value per balance sheet
Derivative financial instruments	-	0.8	15.2	16.0
Finance lease and financial concession assets	402.7	-	-	402.7
Trade and other receivables (1)	264.2	-	-	264.2
Other current assets	30.9	-	-	30.9
Other non-current assets (1)	52.6	-	-	52.6
Cash and cash equivalents	369.1	-	-	369.1
Total	**1,119.5**	**0.8**	**15.2**	**1,135.5**

In $ millions	Financial asset category			
As at December 31, 2022	Financial assets at amortized costs	Assets at fair value through profit and loss	Derivative used for hedging	Total net book value per balance sheet
Derivative financial instruments	-	0.4	96.9	97.3
Finance lease and financial concession assets	369.4	-	-	369.4
Trade and other receivables (1)	311.4	-	-	311.4
Other current assets	15.8	-	-	15.8
Other non-current assets (1)	40.8	-	-	40.8
Cash and cash equivalents	411.1	98.5	-	509.6
Total	**1,148.5**	**98.9**	**96.9**	**1,344.3**

In $ millions	Financial liability category			
As at December 31, 2021	Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Derivative used for hedging	Total net book value per balance sheet
Borrowings	-	4,176.1	-	4,176.1
Derivative financial instruments	23.4	-	74.4	97.8
Trade and other payables	-	597.0	-	597.0
Other current liabilities (1)	-	134.8	-	134.8
Other non current liabilities	-	164.7	-	164.7
Total	**23.4**	**5,072.6**	**74.4**	**5,170.4**

In $ millions	Financial liability category			
As at December 31, 2022	Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Derivative used for hedging	Total net book value per balance sheet
Borrowings	-	3,824.3	-	3,824.3
Derivative financial instruments	36.6	-	1.6	38.1
Trade and other payables	-	849.0	-	849.0
Other current liabilities (1)	-	209.0	-	209.0
Other non current liabilities	-	151.2	-	151.2
Total	**36.6**	**5,033.5**	**1.6**	**5,071.6**

(1) These balances exclude receivables and payables balances in relation to taxes and deferred revenue balance.

1.23. Other non-current assets

In $ millions	December 31 2022	December 31 2021
Kosovo receivables (1)	21.1	22.4
Other	19.8	32.7
Total other non-current assets	**40.9**	**55.1**

(1) Mainly relates to project development costs in Kosovo. The recoverability of the contract asset has been assessed under IFRS 9 and in the context of the arbitration disclosed in note 1.5.

1.24. Inventories

In $ millions	December 31 2022	December 31 2021
Emission allowance	643.9	404.8
Spare parts	55.5	55.5
Fuel	22.4	14.2
Other	43.3	15.7
Total	**765.1**	**490.2**
Provision	(1.2)	(4.5)
Total inventories	**763.9**	**485.7**

Increase in inventories mainly relates to our Maritsa plant and the increase in emission allowances during the year.

Decrease in provision relates to the reversal of historical inventory provisions following disposal of diesel stock.

1.25. Trade and other receivables

In $ millions	December 31 2022	2021
Trade receivables - gross	165.4	106.8
Accrued revenue (unbilled)	131.3	152.6
Provision for impairment of trade receivables	(13.7)	(3.4)
Trade receivables - Net	**283.0**	**256.0**
Other taxes receivables	37.1	34.9
Other receivables	28.5	8.1
Trade and other receivables	**348.5**	**299.0**

All trade and other receivables are short term and the net carrying value of trade receivables is considered a reasonable approximation of the fair value. The ageing of trade receivables – net is presented in note 1.19.

All trade and other receivables are pledged as security in relation to the Group's project financing.

1.26. Other current assets

In $ millions	December 31 2022	2021
Prepaid expenses	20.5	19.7
Advances to suppliers	7.8	4.2
Other (1)	23.2	36.5
Other current assets	**51.6**	**60.4**

(1) Primarily corresponds to deposits in our Arrubal and Mexico CHP plants.

1.27. Cash and cash equivalents

Certain restrictions on our cash and cash equivalents have been primarily imposed by financing agreements or long term obligations. They mainly include short-term security deposits kept as collateral and debt service reserves that cover short-term repayments and which meet the definition of cash and cash equivalents. Money market funds comprise investments in funds that are subject to an insignificant risk of changes in fair value. 76.9% of our cash and cash equivalents as of December 31, 2022 is pledged as security in relation with the Group's project financings (December 31, 2021: 77.1%); cash and cash equivalents includes $70.0 million as of December 31, 2022 (December 31, 2021: $81.8 million) of cash balances relating to debt service reserves required by project finance agreements and $98.5 million in money market funds (December 31, 2021: $nil).

1.28. Equity

Issued capital

Issued capital of the Company amounted to $8.8 million as at 31 December 2022 (2021: $8.9 million).

Allotted, authorized, called up and fully paid	Number	Nominal value	£ million	$ million
As at 31 December 2021	**670,712,920**	**0.01**	**6.7**	**8.9**
As at 31 December 2022	**663,048,789**	**0.01**	**6.6**	**8.8**

During the year the Company paid dividends of $126.1 million (2021: $114.5 million).

In $ millions	Years ended December 31 2022	2021
Declared during the financial year:		
Final dividend for the year ended 31 December 2020: 4.0591 US cents per share	-	26.6
Interim dividends for the year ended 31 December 2021: 13.3950 US cents per share	-	87.9
Final dividend for the year ended 31 December 2021: 4.44650 US cents per share	29.3	-
Interim dividends for the year ended 31 December 2022: 14.7345 US cents per share	96.8	-
Total dividends provided for or paid	**126.1**	**114.5**

Treasury shares

On 1 April 2020 the Company announced a buyback programme of up to £30 million of ContourGlobal plc ordinary shares of £0.01 each ("Shares"), to initially run from 1 April 2020 to 30 June 2020, subsequently extended to 30 September 2020 then further extended to December 31, 2020 and then to March 31, 2021.

During the year ended December 31, 2021, the Company repurchased 2,624,774 treasury shares at an average price of 208.4 pence per share for an aggregate amount of GBP5.5 million ($7.4 million), representing 0.40% of its share capital and used 427,440 shares in respect of the 2018 Long Term Incentive Plan. Since the beginning of the buyback programme, the Company repurchased a net amount of 14,572,065 treasury shares, representing 2.17% of its share capital and a cumulative consideration paid of $37.8 million.

During 2022, 6,907,934 treasury shares were utilized relating to accelerated vesting of long term incentive plans. The remaining 7,664,131 shares were then cancelled, following the delisting of the Company from the London Stock Exchange on December 21, 2022.

1.29. Non-controlling interests

The tables below provide summarized financial information for each subsidiary that has non-controlling interests that are material to the Group.

The amounts disclosed for each subsidiary are before inter-company eliminations.

In $ millions		Year ended December 31, 2021					
Non-controlling interest	**CG assets**	**Accumulated NCI**	**(Loss)/Profit allocated to NCI**	**Dividends paid to NCI**	**Distribution paid to NCI**	**Contribution received from NCI**	**Proportionate adjusted EBITDA NCI(1)**
Electrobras (49%)	Chapadas I (Wind Brazil)	15.0	(5.2)	-	-	-	5.2
Electrobras (49%)	Chapadas II (Wind Brazil)	32.0	(2.8)	-	-	-	6.9
NEK (27%)	Maritsa (Bulgaria)	53.3		-	19.3[2]	-	34.5
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	10.5	6.6	1.0		-	12.3
EIP Energy Infrastructure Holding (49%)	Italy Solar	18.1	-	-	15.0	17.5	17.1
EIP Energy Infrastructure Holding (49%)	Spain CSP	17.0	(2.0)	-	55.8	-	57.6
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	6.9	0.3	0.1	0.4	-	1.7
Other		8.7	4.5	2.4	8.0	-	13.9
Total		**161.5**	**1.4**	**3.5**	**98.5**	**17.5**	**149.2**

(1) Represents the non-controlling interest portion included in the Adjusted EBITDA, i.e., the difference between the Adjusted EBITDA and Proportionate adjusted EBITDA.

(2) Only reflects the payments of the Debt to NCI in our Maritsa asset disclosed in note 1.31.

In $ millions		Year ended December 31, 2022					
Non-controlling interest	**CG assets**	**Accumulated NCI**	**(Loss)/Profit allocated to NCI**	**Dividends paid to NCI**	**Distribution paid to NCI**	**Contribution received from NCI**	**Proportionate adjusted EBITDA NCI(1)**
Electrobras (49%)	Chapadas I (Wind Brazil)	17.9	(2.0)	-	-	3.9	7.6
Electrobras (49%)	Chapadas II (Wind Brazil)	35.4	(1.1)	-	-	2.2	8.0
NEK (27%)	Maritsa (Bulgaria)	53.3	-	-	16.6[2]	-	32.9
CG Aguila Holdings (20%)	Brazil Hydro[3] and Brazil Solution		20.7	13.9	17.6	-	2.3
EIP Energy Infrastructure Holding (49%)	Italy Solar	6.8	0.4	1.3	6.2	-	19.8
EIP Energy Infrastructure Holding (49%)	Spain CSP	13.4	1.2	4.7	53.0	-	53.6
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	7.1	0.5	0.3	0.7	-	1.9
Other		1.5	2.5	3.3	24.4	-	14.8
Total		**135.4**	**22.2**	**23.5**	**118.5**	**6.1**	**140.9**

(1) Represents the non-controlling interest portion included in the Adjusted EBITDA, i.e., the difference between the Adjusted EBITDA and Proportionate adjusted EBITDA.

(2) Only reflects the payments of the Debt to NCI in our Maritsa asset disclosed in the note 1.31.

(3) Disposed during 2022.

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

In $ millions		Year ended December 31, 2021					
Non-controlling interest	**CG assets**	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Revenue**	**Profit or (Loss)**
Electrobras (49%)	Chapadas I (Wind Brazil)	137.0	21.0	86.5	42.2	18.5	(10.5)
Electrobras (49%)	Chapadas II (Wind Brazil)	148.9	20.0	71.6	31.5	23.2	(5.7)
NEK (27%)	Maritsa (Bulgaria)	253.1	509.2	55.7	481.7	706.9	49.6
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	165.8	22.3	131.1	22.1	67.1	24.9
EIP Energy Infrastructure Holding (49%)	Italy Solar	268.6	47.5	246.5	36.8	41.2	0.1
EIP Energy Infrastructure Holding (49%)	Spain CSP	981.0	88.3	997.2	33.1	152.9	(4.1)
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	20.8	3.3	17.1	3.4	5.1	0.8

In $ millions		Year ended December 31, 2022					
Non-controlling interest	**CG assets**	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Revenue**	**Profit or (Loss)**
Electrobras (49%)	Chapadas I (Wind Brazil)	140.9	33.8	6.4	133.0	23.7	(4.1)
Electrobras (49%)	Chapadas II (Wind Brazil)	154.0	28.8	10.8	99.4	24.4	(2.1)
NEK (27%)	Maritsa (Bulgaria)	204.2	709.0	24.6	677.6	910.0	64.7
EIP Energy Infrastructure Holding (49%)	Italy Solar	221.4	50.7	210.7	51.9	48.4	(1.2)
EIP Energy Infrastructure Holding (49%)	Spain CSP	860.8	87.5	862.7	54.0	141.7	3.4
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	19.8	2.7	15.0	3.4	5.5	1.4

In $ millions		**Year ended December 31, 2021**		
Non-controlling interest	**CG assets**	**Net cash generated by operating activities**	**Net cash generated by investing activities**	**Net cash generated by financing activities**
Electrobras (49%)	Chapadas I (Wind Brazil)	16.6	(3.2)	(15.5)
Electrobras (49%)	Chapadas II (Wind Brazil)	16.5	(2.8)	(14.3)
NEK (27%)	Maritsa (Bulgaria)	97.4	(11.3)	(90.9)
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	14.1	(17.9)	1.4
EIP Energy Infrastructure Holding (49%)	Italy Solar	35.8	(23.0)	(6.1)
EIP Energy Infrastructure Holding (49%)	Spain CSP	140.5	(4.6)	(111.0)
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	4.0	-	(4.1)

In $ millions		**Year ended December 31, 2022**		
Non-controlling interest	**CG assets**	**Net cash generated by operating activities**	**Net cash generated by investing activities**	**Net cash generated by financing activities**
Electrobras (49%)	Chapadas I (Wind Brazil)	19.0	(0.1)	(9.4)
Electrobras (49%)	Chapadas II (Wind Brazil)	18.1	(1.9)	(10.3)
NEK (27%)	Maritsa (Bulgaria)	97.4	(11.3)	(93.4)
EIP Energy Infrastructure Holding (49%)	Italy Solar	33.2	33.7	(71.5)
EIP Energy Infrastructure Holding (49%)	Spain CSP	144.2	(11.6)	(123.1)
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	4.9	-	(5.0)

Considering the different natures of cash transactions with Non controlling interests (“NCI”), different categories are presented in the Consolidated statement of cash flows:

- Cash distribution to non-controlling interests: only reflects the payments done as payment of the Debt to NCI in our Maritsa asset disclosed in the Note 1.31.

- Dividends paid to NCI: reflects the payments to NCI in the form of dividends payments.

- Transactions with NCI (cash received): reflects the cash received from NCI usually in the form of capital contributions and proceeds from sell down transactions.

- Transactions with NCI (cash paid): reflects the payments/distributions to NCI in a form other than dividends (principally as capital reduction, shareholders' loans principal and interest repayments or payment for acquisition of non controlling interests).

Transactions with NCI are presented as financing activities in accordance with IAS 7.

1.30. Borrowings

Certain power plants have financed their electric power generating projects by entering into external financing arrangements which require the pledging of collateral and may include financial covenants as described below. The financing arrangements are generally non-recourse (subject to certain guarantees) and the legal obligation for repayment is limited to the borrowing entity.

The Group's principal borrowings with a nominal outstanding amount of $3,877.2 million in total as of December 31, 2022 (December 31, 2021: $4,192.2 million) primarily relate to the following:

Type of borrowing	Currency	Project Financing	Issue	Maturity	Outstanding nominal amount December 31, 2022 ($ million)	Outstanding nominal amount December 31, 2021 ($ million)	Rate
Corporate bond (1)	EUR	Corporate Indenture	2020	2026 2028	760.1	807.5	2.75%, 3.125%
Corporate bond (1)	EUR	Corporate Indenture	2018	2025	428.2	454.9	4.125%
Loan Agreement	USD	Mexican CHP	2019	2026	438.6	475.4	USD-LIBOR + 2.5%
Loan Agreement (2)	USD	US and Trinidad and Tobago	2022	2027	305.5	186.5	SOFR 3M + 2.0%
Loan Agreement	EUR	Spanish CSP	2018	2026 2038	283.5	338.8	Fixed 5.8% and 6.7%
Loan Agreement	EUR	Spanish CSP	2018	2036	267.4	305.2	3.438%
Project bond	USD	Inka	2014	2034	157.9	165.8	6.0%
Loan agreement	EUR	Solar Italy	2019	2030	152.9	181.7	EURIBOR 6M + 1.7%
Loan Agreement (3)	EUR	Spanish CSP	2021	2028 2034	140.1	159.1	EURIBOR + 1.8% Fixed + 2.5%
Loan Agreement	EUR	Austria Wind	2013 2020	2027 2033	129.6	109.6	EURIBOR 6M + 2.45% and 4.305% / EURIBOR 3M+1.95% and 4.0% / EURIBOR 6M +1.55%
Loan Agreement / Debentures (4)	BRL	Chapada I	2015	2032 2029	106.8	103.7	TJLP + 2.18% / IPCA + 8%
Loan Agreement	USD	Vorotan	2016	2034	105.8	116.2	USD-LIBOR + 4.625%
Loan Agreement (5)	USD	French Caribbean	2022	2027	102.2	115.3	SOFR 3M + 3.5%
Loan Agreement	USD	Cap des Biches	2015	2033	85.5	91.0	USD-LIBOR BBA (ICE)+3.20%
Loan Agreement (4)	BRL	Chapada II	2016	2032	70.2	72.1	TJLP + 2.18%
Loan Agreement (5)(6)	BRL	Asa Branca	2021	2032	63.9	58.9	TJLP+ 6.25%
Loan Agreement	USD	Togo	2008	2028	63.2	72.3	7.16% (Weighted average)
Loan Agreement	EUR	Vorotan	2016	2034	44.3	51.4	0.75% - 4.12%
Loan Agreement	EUR	Maritsa	2006	2022	-	69.2	EURIBOR + 0.125%
Other Credit facilities (individually < $50 million)	Various	Various	2012 - 2021	2021 - 2034	171.5	257.6	Mix of fix and variable rates
Total					**3,877.2**	**4,192.2**	

(1) Corporate bond issued by ContourGlobal Power Holdings S.A. in July 2018 for €750 million dual-tranche, includes €450 million bearing a fixed interest rate of 3.375% maturing in 2023 and €300

million bearing a fixed interest rate of 4.125% maturing in 2025. In July 2019, a new €100 million corporate bond tap was added to the €300 million tranche bearing the same fixed interest rate of 4.125% maturing also in 2025. On December 17, 2020 two new Corporate bonds were issued by ContourGlobal Power Holdings S.A. for €410 million aggregate principal amount of 2.75% senior secured notes due in 2026 and €300 million aggregate principal amount of 3.125% senior secured notes due in 2028. On January 6, 2021 the Group redeemed the €450 million ($549.7 million) aggregate principal amount of its 3.375% senior secured notes due 2023.

(2) On February 18, 2021, the Group acquired a Thermal portfolio in the United States of America and Trinidad and Tobago representing a total of 1,502 MW. The legal entity Lea Power acquired as per this transaction issued 6.595% Senior Secured Notes under an indenture dated July 24, 2007 which are due to mature in June 2033. On June 15, 2022, Lea Power Partners, LLC entered into a $410.6 million credit facilities consisting of (a) a term facility in an aggregate principal amount of $313.5 million (b) a revolving facility in an aggregate principal amount of $83.5 million and (c) a letter of credit facility for debt service reserve, in an amount equal to $13.6 million. The Facility bears interest at SOFR + 2.0% per year and matures in 2027.

(3) On May 14, 2021, Termosolar Alvarado entered into a €161.6 million ($195.2 million) facilities agreement with Unicredit Bank AG, Banco De Crédito Social Cooperativo, S.A., Rivage Euro Debt Infrastructure 3, Rivage Richelieu 1 Fcp, L7 Investment Holdings LP, refinancing the Alvarado facility. The Facility bears interest at EURIBOR plus 1.8% and fixed 2.5% per year and matures in 2028 and 2034.

(4) Taxa de Juros de Longo Prazo ("TJLP") represents the Brazil Long Term Interest Rate, which was approximately 7.2% at December 31, 2022 (December 31, 2021: 5.32%).

(5) On September 29, 2021, ContourGlobal Luxembourg Sarl entered into a $120.0 million loan agreement with the Bank of Nova Scotia refinancing the Caribbean assets. The agreement bears interest at LIBOR plus 3.5% and matures in 2026. On May 31, 2022 ContourGlobal Luxembourg Sarl entered into a first amendment to the previous credit agreement with the Bank of Nova Scotia amending the maturity to 2027 and interest rate to SOFR 3M +3.5% from the original credit agreement.

(6) On July 12, 2021, Asa Branca Holding S.A. entered into a R$315.0 million ($59.9 million) debentures agreement refinancing the Asa Branca loan agreement. The loan agreement bears interest at TJLP plus 6.25% and matures in 2032.

With the exception of our corporate bond and revolving credit facility, all external borrowings relate to project financing. Such project financing are generally non-recourse (subject to certain guarantees).

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Years ended December 31	
In $ millions	**2022**	**Restated 2021**
US Dollars	1,266.8	1,331.2
Euros	2,280.5	2,590.0
Brazilian Reals	261.2	254.9
Other	15.8	-
Total	**3,824.3**	**4,176.1**
Non-current borrowings	3,399.5	3,809.1
Current borrowings	424.8	367.0
Total	**3,824.3**	**4,176.1**

The carrying amounts of the Group's borrowings denominated in foreign currencies at December 31, 2021 have been restated to reclassify two loans previously misclassified.

The carrying amounts and fair value of the current and non-current borrowings are as follows:

	Carrying amount		Fair Value	
	Years ended December 31,		Years ended December 31,	
In $ millions	**2022**	**2021**	**2022**	**2021**
Credit facilities	2,482.5	2,750.6	2,474.8	2,876.6
Bonds	1,341.8	1,425.5	1,240.5	1,456.8
Total	**3,824.3**	**4,176.1**	**3,715.3**	**4,333.4**

Net debt as of December 31, 2022 and 2021 is as follows:

	Years ended December 31	
In $ millions	**2022**	**2021**
Cash and cash equivalents	509.6	369.1
Borrowings - repayable within one year	(411.8)	(349.0)
Borrowings - repayable after one year	(3,465.4)	(3,843.2)
Interest payable, deferred financing costs and other	52.9	16.1
IFRS 16 liabilities	(35.2)	(30.2)
Net debt	**(3,349.9)**	**(3,837.2)**
Cash and cash equivalents	509.6	369.1
Borrowings - fixed interest rates (1)	(3,562.8)	(3,762.6)
Borrowings - variable interest rates	(314.4)	(429.6)
Interest payable, deferred financing costs and other	52.9	16.1
IFRS 16 liabilities	(35.2)	(30.2)
Net debt	**(3,349.9)**	**(3,837.2)**

(1) Borrowings with fixed interest rates taking into account the effect of interest rate swaps.

In $ millions	Cash and cash equivalents	Borrowings	IFRS 16 liabilities	Total net debt
As of January 1,2021	**1,396.9**	**(4,830.3)**	**(32.9)**	**(3,466.3)**
Cash-flows	(995.7)	-	-	(995.7)
Acquisitions / disposals	25.5	(277.4)	-	(251.9)
Proceeds of borrowings	-	(790.7)	-	(790.7)
Repayments of borrowings	-	1,304.2	-	1,304.2
Repayments of borrowings and interests to NCI(1)	-	60.4	-	60.4
Liabilities held for sale	-	136.5	-	136.5
Currency translations differences and other	(57.6)	221.2	-	163.6
IFRS 16 liabilities net movement(2)	-	-	2.7	2.7
As of December 31,2021	**369.1**	**(4,176.1)**	**(30.2)**	**(3,837.2)**
Cash-flows	77.7	-	-	77.7
Acquisitions / disposals	17.3	(15.8)	-	1.5
Proceeds of borrowings	-	(396.4)	-	(396.4)
Repayments of borrowings	-	565.6	-	565.6
Repayments of borrowings and interests to NCI(1)	-	35.4	-	35.4
Liabilities held for sale	-	-	-	-
Currency translations differences and other	45.5	163.0	-	208.5
IFRS 16 liabilities net movement(2)	-		(5.0)	(5.0)
As of December 31,2022	**509.6**	**(3,824.3)**	**(35.2)**	**(3,349.9)**

(1) Refers to repayment of shareholders loans principal and interest with NCI included in the consolidated statement of cash flows on the line “Transactions with non-controlling interest holders, cash paid” related to CSP Spain (note 1.29).

(2) IFRS 16 liabilities net movement includes nil million for assets acquired through business combination (2021 -$1.4 million), -$12.8 million lease additions (2021: -$1.4 million), $6.9 million lease payments (2021: $6.0 million), nil million for assets recognized as held for sale (2021: -$0.3m) and $0.9 million currency translation adjustment (2021: -$0.2 million).

Debt Covenants and restrictions

The Group’s borrowing facilities are subject to a variety of financial and non financial covenants. The most significant financial covenants include debt service coverage ratio; leverage ratio; debt to equity ratio; equity to assets ratio; loan life coverage ratio and decreasing senior debt to total debt ratio.

Non-financial covenants include the requirement to maintain proper insurance coverage, enter into hedging agreements, maintain certain cash reserves, restrictions on dispositions, scope of the business, and mergers and acquisitions.

These covenants are monitored appropriately to ensure that the contractual conditions are met.

A technical breach in a minor condition regarding the number of authorized offshore bank accounts has been identified in relation to the financing of our Cap des Biches asset. The Company has performed a technical analysis and concluded that it has an unconditional right to defer payment for at least 12 months and hence $79.9 million of debt is presented as non current in line with the contracted repayment schedule.

The Company has a financing agreement with the Brazilian Development Bank (BNDES) which has covenants clauses. As established in this agreement, the Company calculated the Debt Service Coverage Ratio (DSCR) for the closing of December 31st, 2022 and the minimum ratio required was not reached. The Company requested the Waiver Letter from the BNDES, however this document has not yet been received. Therefore, $163.7 million of debt was classified in current liabilities on December 31st, 2022.

Securities given

The Corporate bond, Revolving Credit Facility, HSBC LC facility and UniCredit LC facility at CG Power Holdings level are secured by pledges of shares of certain subsidiaries (ContourGlobal LLC, ContourGlobal Spain Holding Sàrl, ContourGlobal Bulgaria Holding Sàrl, ContourGlobal Latam Holding Sàrl, ContourGlobal Hummingbird UK Holdco I Limited, ContourGlobal Hummingbird US Holdco Inc., ContourGlobal Terra Holdings Sàrl and ContourGlobal Worldwide Holdings Sàrl), and guarantees from ContourGlobal Limited, and the above subsidiaries.

Guarantees are also given to Goldman Sachs, Credit Suisse International, Citibank Europe plc, HSBC Bank USA National Association, JP Morgan Securities plc, and Mizuho Capital Markets LLC in relation to the hedging instruments existing at ContourGlobal Power Holdings S.A.

Project financing	Facility	Maturity	Security / Guarantee given
CSP Spain (excluding Alvarado)	Long Term Facility	2036	First ranking security interest in the shares of all the entities in the borrower group plus pledge of receivables and project accounts. Assignment of insurances.
Alvarado 2021	Long Term Facility	2034	Pledge over all the shares of the Borrower, Pledge over the Borrower's Accounts, Pledge over all credit rights of the Borrower under Major Project Documents and the Hedging Agreements to which it is a party, Promissory mortgage over the Project assets. ContourGlobal Limited guarantee in case of Tax Group Exit.
Asa Branca 2021	Debentures	2033	Chattel mortgage of shares of the Issuer and the SPE, fiduciary assignment of all dividends as a result of Issuer's and the SPE's shares.
Austria Wind Refinancing 2020	Long Term Facility	2033	Share pledge on the Borrower and each Obligor, pledge of receivables, pledge over accounts, step in rights agreements in Project Contracts.
Berg 2021	Long Term Facility	2035	First ranking security over the shares held in the Borrower, Assignment over the Borrower's rights under Project Documents, pledge over project accounts, pledge over the windfarm superstructures (Superädifikate).
Caribbean 2021	Long Term Facility	2026	Pledge of shares, Pledge over project accounts, Pledge of Receivables ContourGlobal Limited guarantee on Debt service reserve facility and Working Capital facility.
Inka	Senior secured notes	2034	Pledge of shares of Energia Eolica SA, EESA assets, accounts, assignment of receivables of the project contracts and insurances.
Chapada I	Long Term Facility	2032	Pledge of shares of Chapada I SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances. ContourGlobal Limited guarantee to LC providers in case Chapada I cannot serve debt.
Maritsa	Long Term Facility (fully repaid in 2022)	n/a	Whilst the facility was fully repaid in 2022, the pledge of the shares was still in place at year end and is expected to be released in 2023. Pledge includes any dividends on the pledged shares and the entire commercial enterprise of ME-3, including the receivables from the ME-3 PPA.
Vorotan	Long Term Facility	2034	Pledge of shares of ContourGlobal HydroCascade CSJC assets and project accounts, assignment of receivables arising from the project contracts and insurances.
Chapada II	Long Term Facility	2032	Pledge of shares of Chapada II SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances.
Cap des Biches	Credit Facility	2033	Pledge over CG Senegal and CG Cap des Biches Sénégal shares, pledge over the project accounts, charge over the assets of CG Cap des Biches Sénégal, assignment of receivables of CG Cap des Biches Sénégal and the insurance policies, direct agreement on the project contracts.
Togo	Loan agreement	2028	ContourGlobal Limited guarantee on cash shortfall for Debt service, and (i) a pledge of CG Togo LLC and CG Togo SA capital stock, (ii) a charge on equipment, material and assets of CG Togo SA, (iii) the assignment of receivables of CG Togo SA, (iv) the assignment of insurance policies, and (v) a pledge on the project accounts.
Kivuwatt	Financing Arrangement	2026	- Secured by, among others, (i) KivuWatt Holdings' pledge of all of the shares of KivuWatt held by KivuWatt Holdings, (ii) certain of KivuWatt's bank accounts and (iii) KivuWatt's movable and immovable assets. - ContourGlobal Limited $1.2 million guarantee for the benefit of KivuWatt under the PPA and Gas Concession to the Government of Rwanda and to Electrogaz (outside of the loan guarantee). - $8.5million ContourGlobal Limited guarantee to cover DSRA as of December 31,2019.
Chapada III	Long Term Facility	2032	Pledge of shares of Chapada III SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances. Corporate guarantee from ContourGlobal do Brazil Holding Ltda until Financial Completion.

Hobbs	Long Term Facility	2027	Pledge over shares of the borrower, pledge over the project accounts, mortgage over the assets, assignment of the insurance policies.
Mexican CHP	Long Term Facility	2026	Pledge of the CGA I and CELCSA shares, assets and accounts, assignment of receivables and insurance policies. $35.0m ContourGlobal Limited guarantee for the Debt Service Reserve Account.
Raiffeisen Windparks	Long Term Facility	2026	Pledge of Project Accounts. Pledge of shares. Pledge of rights under Project Contracts.
Solar Italy	Long Term Facility	2030	Pledge over Project Accounts. Pledge over shares. Assignement of Receivables of Borrower and CG Energetica.
Solar Slovakia	Long Term Facility	2025	Pledge over receivables. Pledge over movables. Pledge of ownership interest. Mortgage over real estate property.
Trautsmannsdorf	Long Term Facility	2034	Pledge of Project Accounts. Pledge of shares. Pledge of rights under Project Contracts.
Waterside	Long Term Facility	2024	Assignment of membership interests. Assignment of rights under the Operating Agreement. Assignment of " Additional Membership Interests ". Assignment of rights appurtenant to property. Assignment of proceeds from collateral.
WGP	Long Term Facility	2023	Pledge of stock. Pledge of Debt Securities. Pledge of receivables. Pledge of shares. Mortgage of property.
Zistersdorf	Long Term Facility	2027	Pledge of share. Pledge of Project property or Trumpet Area. Pledge of DSRA. Assignment of the retention of title to the privileged portions of the Wind Turbine Systems. Assignement of rights under Project Agreements.

1.31. Other non-current liabilities

In $ millions	December 31 2022	2021
Debt to non-controlling interest (1)	10.6	21.8
Deferred payments on acquisitions (2)	29.7	47.9
IFRS 16 lease liabilities	29.8	26.2
Other (3)	88.4	72.1
Total other non-current liabilities	**158.5**	**168.0**

(1) Debt to non-controlling interests: in 2011, the Group purchased a 73% interest in the Maritsa power plant. NEK owns the remaining 27% of the Maritsa power plant. The shareholders' agreement states that all distributable results available should be distributed to shareholders, with no unconditional right to avoid dividends. Consequently and in accordance with IAS 32 'Financial Instruments: presentation', shares held by NEK do not qualify as equity instruments and are recorded as a liability to non-controlling interests in the Group's consolidated statement of financial position. The debt to non-controlling interests was recorded at fair value at the date of acquisition (in accordance with IFRS 3) using a discounted cash flow method based on management's best estimate at that date of the future distributable profits to the minority shareholder NEK over the period of the PPA. This debt is discounted using a European risk free rate adjusted for the credit default swap (CDS) spread for Bulgaria. The debt is subsequently held at amortized cost.

(2) As of December 31, 2022, deferred payments and earn-outs on acquired entities relate to deferred payments to be made to initial developers of certain Brazil Wind assets for $12.0 million (31 December 2021: $14.7 million) and $17.7 million (31 December 2021: $16.1 million) earn out relating to the acquisition of our Borger assets in the United States. For the Brazil Wind assets, the liability is reviewed at each reporting date and is based on a percentage of the projected revenue generated under the current power purchase agreements.

(3) Mainly relates to $44.9 million at 31 December 2022 (31 December 2021: $33.5 million) in relation to Spain CSP, which represents the excess cash received based on the net market price compared to the pre-established prices for the current regulatory period, which will be settled over future regulatory periods. Also includes contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA for $23.0 million in 31 December 2022 (31 December 2021: $14.7 million).

The change in the debt to Maritsa non-controlling interest is presented below:

In $ millions	December 31 2022	2021
Beginning of the year	**32.6**	**46.3**
Dividends paid	(16.6)	(19.3)
Unwinding of discount	-	0.9
True up of forecasted dividend	7.2	7.4
Currency translation adjustments	(2.1)	(2.7)
End of the year	**21.1**	**32.6**
Current liabilities	10.5	10.8
Non-current liabilities	10.6	21.8
As of December 31	**21.1**	**32.6**

1.32. Provisions

In $ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
As of January 1, 2021	**45.8**	**18.3**	**64.1**
Acquired through business combination	32.8	3.1	35.9
Additions	0.7	3.3	4.0
Unused amounts reversed	(2.7)	(1.9)	(4.6)
Amounts used during the period	(1.1)	(0.7)	(1.8)
Assets held for sale	(2.6)	(2.6)	(5.2)
Currency translation differences and other	(0.6)	(1.3)	(1.9)
As of December 31, 2021	**72.3**	**18.3**	**90.6**
Additions	5.5	2.9	8.4
Unused amounts reversed	(21.8)	(1.4)	(23.2)
Amounts used during the period	(3.3)	(0.4)	(3.7)
Currency translation differences and other	2.4	(0.8)	1.6
As of December 31, 2022	**55.0**	**18.6**	**73.6**

Provisions have been analyzed between current and non-current as follows:

In $ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
Current liabilities	1.2	11.7	12.9
Non-current liabilities	71.1	6.6	77.7
As of December 31, 2021	**72.3**	**18.3**	**90.6**
Current liabilities	0.1	12.3	12.4
Non-current liabilities	54.9	6.3	61.2
As of December 31, 2022	**55.0**	**18.6**	**73.6**

Site decommissioning provisions are recognized based on assessment of future decommissioning costs which would need to be incurred in accordance with existing legislation to restore the sites and expected to occur between 1 and 23 years.

Legal and other provisions include amounts arising from claims, litigation and regulatory risks which will be utilized as the obligations are settled and includes sales tax and interest or penalties associated with taxes.

Legal and other provisions have some uncertainty over the timing of cash outflows.

1.33. Share-based compensation plans

ContourGlobal long-term incentive plan

On 11 August 2022, a fifth grant of performance shares was made under the long term incentive plan ("LTIP") with awards over a total of 2,111,090 ordinary shares of 1 pence in ContourGlobal Limited granted to eligible employees (the "participants"). Given the transaction was in progress at the point of issuing these LTIPs, only one third of the plan shares would vest on completion of the KKR transaction. The performance conditions were consistent with historical LTIPs:

i) EBITDA condition: 50.0 % of award to the compounded annual growth rate of the Company's EBITDA over the Performance Period.

ii) IRR condition: 25.0 % of award to the internal rate of return on qualifying Company projects over the Performance Period.

iii) LTIR condition: 25.0 % of award to the lost time incident rate of the Company over the Performance Period.

The LTIPs are considered to be equity-settled share-based incentives, presented within selling, general and administrative expenses in the consolidated statement of income.

The likelihood of these conditions was estimated internally taking into consideration the performance of the business during the year and the expectation of whether or not the conditions would be met.

Awards granted during the period included dividend equivalents and hence their fair value was estimated as being equal to the share price ($3.14) on grant date with no other assumptions being incorporated into the valuation.

Including this grant, restricted shares were granted under the "LTIP" with awards over a total of 234,920 ordinary shares of 1 pence in ContourGlobal Limited to eligible employees (the "participants"). These shares will vest on 11 August 2025 subject to the participant's continued service.

The Group's charge for equity-settled share-based incentives for the year of $2.1 million (2021: $1.9 million) has been included within Selling, general and administrative expenses in the consolidated statement of income.

In connection with the recommended cash acquisition by Cretaceous Bidco Limited of the entire issued and to be issued ordinary share capital of ContourGlobal, on 16 December 2022 (or 20 December 2022 in respect of Joseph C. Brandt's deferred bonus award), the performance share awards granted for the grant periods 2020 to 2023, for 2021 to 2024, and for 2022 to 2025 granted on 11 August 2020, 17 May 2021 and 11 August 2022 respectively under the Company's Long Term Incentive Plan (the 'Plan'), and the deferred bonus awards granted under the Plan, were subject to accelerated vesting over such number of shares in the Company.

As a consequence, the Group recorded an accelerated vesting impact of $3.7 million recorded in "acquisition and other transactions related items" in the consolidated statement of income.

The movements on awards made under the LTIP are as follows:

	Number of shares
Outstanding as of December 31, 2020	**5,427,566**
Granted during the year	2,606,267
Forfeited	(425,480)
Vested	(1,170,322)
Outstanding as of December 31, 2021	**6,438,031**
Granted during the year	2,160,085
Forfeited	(1,524,969)
Vested	(7,073,147)
Outstanding as of December 31, 2022	**-**

1.34. Trade and other payables

In $ millions	December 31 2022	December 31 2021
Trade payables	105.5	92.8
Accrued expenses	743.5	504.2
Trade and other payables	**849.0**	**597.0**

The increase mainly comes from Maritsa CO2 liabilities.

1.35. Other current liabilities

In $ millions	December 31 2022	December 31 2021
Deferred revenue	8.1	6.4
Deferred payment on acquisition (1)	16.9	-
Other taxes payable	52.7	43.9
IFRS 16 lease liabilities	5.4	3.9
Other (2)	186.6	130.8
Other current liabilities	**269.8**	**185.0**

(1) As of December 31, 2022, deferred payments and earn-outs on acquisition relate to inventories acquired by Spain CSP from their previous owner for $16.4 million (31 December 2021: $17.1 million in other non-current liabilities).

(2) Mainly relates to contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA for $94.8 million at December 31, 2022 (December 31, 2021: $69.4 million), Maritsa current portion of the non-controlling interest debt for $10.5 million at December 31, 2022 (December 31, 2021: $10.8 million); Maritsa CO2 quota for $6.9 million at December 31, 2022 (December 31, 2021: $8.6 million) and Arrubal CO2 quota for $40.9 million at December 31, 2022 (December 31, 2021: $22.5 million).

In the case of the shortfall and penalties for the Brazilian Wind assets, there is limited estimation uncertainty as the shortfall and penalties are calculated based on factual information, the actual power generated.

1.36. Group undertakings

ContourGlobal Limited owns (directly or indirectly) only ordinary shares of its subsidiaries.

ContourGlobal Limited	United Kingdom	55 Baker Street, London, United Kingdom, W1U 8EW

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal Hydro Cascade CJSC	100%	Armenia	AGBU building; 2/2 Meliq-Adamyan str.,0010 Yerevan, Armenia
ContourGlobal erneuerbare Energie Europa GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark HAGN GmbH	95%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark HAGN GmbH & Co KG	95%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark Deutsch Haslau GmbH	62%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Zistersdorf Ost GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Berg GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Scharndorf GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Trautmannsdorf GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Velm GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Management Europa GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Wind Holding GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Development GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Beteiligung GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Carib Power SRL	100%	Barbedos	The Corporate Secretary Ltd, White Park House, Bridgetown, Barbedos
ContourGlobal Maritsa East 3 AD	73%	Bulgaria	48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
ContourGlobal Operations Bulgaria AD	73%	Bulgaria	TPP ContourGlobal Maritsa East 3, Mednikarovo village 6294, Galabovo District, Stara Zagora Region, Bulgaria
ContourGlobal Management Sofia EOOD	100%	Bulgaria	Serdika offices, 48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
Contour Global Do Brasil Holding Ltda	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana IX Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana X Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XI Energias Renováveis S.A	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XII Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XIII Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XV Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XVI Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca Holding S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Tespias Geração de Energia Ltda.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca IV Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca V Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca VI Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca VII Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca VIII Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana I Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana III Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana IV Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana V Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana VII Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santo Augusto IV Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Chapada do Piauí I Holdings S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santo Augusto III Energias Renováveis S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santo Augusto V Energias Renováveis S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Desenvolvimento S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Chapada do Piauí II Holding S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Chapada do Piauí III Holding S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Solutions Balsa Ltda	80%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Solutions Rio Ltda	80%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Solutions Mogi Ltda	80%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Solutions Holding Ltda	80%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Riptide Chile Holdco SpA	100%	Chile	Av. Apoquindo 3721, Las Condes, Chile
ContourGlobal LATAM S.A.	100%	Colombia	Carrera 7 No. 74-09, Bogota, Colombia
Compañía Eléctrica de Sochagota S.A. E.S.P.	100%	Colombia	Carrera 14 No. 20-21 Local 205A, Plaza Real, Tunja, Colombia
ContourGlobal Solutions Holdings Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
ContourGlobal Solutions Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
Selenium Holdings Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
ContourGlobal La Rioja, S.L	100%	Spain	Arrúbal Power Plant, Polígono Industrial El Sequero, 26150 Arrúbal, La Rioja, Spain.

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Contourglobal Termosolar Operator S.L.	100%	Spain	Calle Orense, número 34, 7º piso - 28020 Madrid, Spain
ContourGlobal Termosolar, S.L.	51%	Spain	Calle Orense, número 34, 7º piso - 28020 Madrid, Spain
Rústicas Vegas Altas, S.L.	51%	Spain	Calle Orense, número 34, 7º piso - 28020 Madrid, Spain
Termosolar Majadas, S.L.	51%	Spain	Calle Orense, número 34, 7º piso - 28020 Madrid, Spain
Termosolar Palma Saetilla, S.L.	51%	Spain	Calle Orense, número 34, 7º piso - 28020 Madrid, Spain
Termosolar Alvarado, S.L.	51%	Spain	Calle Orense, número 34, 7º piso - 28020 Madrid, Spain
Crasodel Spain SL	100%	Spain	Calle Orense, número 34, 7º piso - 28020 Madrid, Spain
ContourGlobal CA&C Holdings S.L.	100%	Spain	Calle Orense, número 34, 7º piso - 28020 Madrid, Spain
Energies Antilles	100%	France	8, Avenue Hoche 75008 Paris
Energies Saint-Martin	100%	France	8, Avenue Hoche 75008 Paris
ContourGlobal Saint-Martin SAS	100%	France	5 Rue du Gal de Gaulle, 8 Immeuble le Colibri Marigot,97150 Saint-Martin
ContourGlobal Management France SAS	100%	France	Immeuble Imagine 20-26 boulevard du Parc 92200 Neuilly-sur-Seine
ContourGlobal Worldwide Holdings Limited	100%	Gibraltar	Hassans, Line Holdings Limited, 57/63 Line Wall Road, Gibraltar
ContourGlobal Helios S.r.l.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Solar Holdings (Italy) S.r.l.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Oricola S.r.l.	100%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Solutions (Italy) S.R.L.	100%	Italy	Via T. Grossi 2, Milan 20121, Italy
Portoenergy S.r.l.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Officine Solari Barone S.r.l.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Officine Solari Camporeale S.r.l.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Contourglobal Mediterraneo S.r.l	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Officine Solari Aquila S.r.l.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Energetica S.R.L.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Eight Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Green Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Industrial Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Light Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal One Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Sole Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Solar 6 S.R.L.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
BS Energia New S.R.L.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Management Italy S.R.L.	100%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Horus srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Green Hunter Group Spa	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Green Hunter Spa	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Actasol 5 S.R.L.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Actasol 6 S.R.L.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Cinque S.R.L.	51%	Italy	Via T. Grossi 2, Milan 20121, Italy

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Marche Solare 1 Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Spf Energy Uno Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Spf Energy Due Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Spf Energy Tre Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Kosovo L.L.C.	100%	Kosovo	Anton çeta 5a 1000 Pristina Republic of Kosovo
ContourGlobal Luxembourg S.àr.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
Kani Lux Holdings S.à r.l.	80%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Africa Holdings S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Bulgaria Holding S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain Holding S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Latam Holding S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
Vorotan Holding S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 2 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 3 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Development Holdings S.à r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 5 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 6 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Solutions Holdings S.a.r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Senegal Holdings S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra Holdings S.à r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Power Holdings S.A.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Worldwide Holdings S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 1 S.à.r.l	51%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 2 S.à.r.l	51%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 3 S.à.r.l	51%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain O&M HoldCo S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Intermediate O&M S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Ursaria 3 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 7 S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 4 S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Africa Topoco S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Africa Energy S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Arrubal S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
Aero Flash Wind, S.A.P.I. DE C.V.	75%	Mexico	Boulevard agua caliente 10611, Tijuana, Baja California, Mexico
ContourGlobal holding de generación de energía de México	100%	Mexico	Av. Ricardo Margain Zozaya, Torre 2, Piso 12, No. ext. 335, Col. Valle del Campestre, San Pedro Garza García, Nuevo León, C.P. 66265
ContourGlobal Servicios Administrativos de generación	100%	Mexico	Av. Ricardo Margain Zozaya, Torre 2, Piso 12, No. ext. 335, Col. Valle del Campestre, San Pedro Garza García, Nuevo León, C.P. 66265
ContourGlobal Servicios Operacionales de México	100%	Mexico	Av. Ricardo Margain Zozaya, Torre 2, Piso 12, No. ext. 335, Col. Valle del Campestre, San Pedro Garza García, Nuevo León, C.P. 66265

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Cogeneración de Altamira, S.A. DE C.V.	100%	Mexico	Highway Tampico – Mante km 17.5, postal code 89603 - Colony Name - Puerto Industrial de Altamira, Mexico
Cogeneración de Energía Limpia De Cosoleacaque S.A De C.V.	100%	Mexico	Building Buena Vista de Torres, without number postal code 96340 - Colony Name - Cosoleacaque. Mexico
KivuWatt Holdings	100%	Mauritius	4th Floor, Tower A, 1CyberCity, c/o Citco (Mauritius) Limited, Ebene, Mauritius
ContourGlobal Solutions (Nigeria) Ltd	100%	Nigeria	2nd Floor, Moji Brimmo Akewusola House, No. 4 Salvation Road Opebi, Ikeja, Nigeria
Contourglobal Bonaire B.V.	100%	Netherlands	Kaya Carlos A. Nicolaas 3 , Bonaire, Netherlands
Energía Eólica S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
ContourGlobal Peru SAC	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
Energía Renovable Peruana S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
Energía Renovable del Norte S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
ContourGlobal Solutions (Poland) Sp. Z o.o.	100%	Poland	Warsaw (00-133) on Aleja Jana Pawła II, Poland
ContourGlobal Solutions (Ploiesti) S.R.L.	100%	Romania	Ploeisti, 285 Gheorge Grigore, Cantacuzino street, Prahova County, Ploeisti, Romania
Petosolar S.R.L.	100%	Romania	7 Ghiocei street, ap. 1, Panciu locality, Panciu city, Vrancea county, Romania
Kivu Watt Ltd	100%	Rwanda	Plot 9714, Nyarutarama, P. O. Box 6679, Kigali, Rwanda
RENERGIE Solarny Park Holding SK I a.s.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
PV Lucenec S.R.O.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Rimavské Jánovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Dulovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Gemer s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Hodejov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Jesenské s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Nižná Pokoradz s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Riečka s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Rohov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Starňa s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Včelince 2 s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Hurbanovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
AlfaPark s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Druhá slnečná s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
SL03 s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Bánovce nad Ondavou s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Bory s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Budulov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
RENERGIE Solárny park Kalinovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
ZetaPark Lefantovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny Lefantovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Michalovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Nižný Skálnik s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Otročok s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Paňovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Gomboš s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Rimavská Sobota s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Horné Turovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Uzovská Panica s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Zemplínsky Branč s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
ZetaPark s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
ContourGlobal Cap des Biches Senegal S.à r.l.	100%	Senegal	2, Place de L'Indépendance, Dakar, BP 23607, Senegal
ContourGlobal Togo S.A.	100%	Togo	Route D'Aného, Baguida, BP 3662 , Lomé - Togo
ContourGlobal Trinity Power Ltd	100%	Trinidad and Tobago	P.O. BAG 498, Railway Road, Dow Village, Couva, Trinidad and Tobago, W.I.
ContourGlobal Solutions Ukraine LLC	100%	Ukraine	32, Konstantiniska street, 04071 Kiev, Ukraine
ContourGlobal Solutions (Northern Ireland) Limited	100%	United Kingdom	6th Floor Lesley Tower, 42-26 Fountain Street, Belfast BT1 5EF, Ireland
ContourGlobal Europe Limited	100%	United Kingdom	55 Baker Street, London, United Kingdom, W1U 8EW
Contour Global Hummingbird UK Holdco I Ltd	100%	United Kingdom	55 Baker Street, London, United Kingdom, W1U 8EW
Contour Global Hummingbird UK Holdco II Ltd	100%	United Kingdom	55 Baker Street, London, United Kingdom, W1U 8EW
Contour Global LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Contour Global Management Inc	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal Services Brazil LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal Togo LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal Senegal Holdings LLC	100%	US	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808
ContourGlobal Senegal LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
CG Solutions Global Holding Company LLC	100%	US	Corporation Trust Center, 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
Lea Power Partners, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Borger Energy Associates, LP	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Waterside Power, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Badger Creek Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Bear Mountain Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Chalk Cliff Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Live Oak Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
McKittrick Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Kern Front Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Double C Generation Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
High Sierra Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WCAC Operating Company California, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WGP Holdings II, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WG Partners Holdings, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WG Partners Acquisition, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal Hummingbird US HoldCo Inc.	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal US Holdco Inc.	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Hobbs Power Funding, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Waterside Power Funding, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WGP Redwood Holdings, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
LSP-Borger, Inc	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Juniper Generation LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Live Oak Cogen, L.L.C.	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Brea Canyon Cogen, L.L.C.	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America

Investments in associates accounted under the equity method:	Ownership	Country of incorporation	Registered address
TermoemCali I S.A. E.S.P.	37%	Colombia	Carrera 5A Nº 71-45, Bogotá, Colombia
Evacuacion Villanueva des Rey, S.L.	18%	Spain	Calle Orense 34, 7ª planta, 28020 Madrid, Spain

Consolidated subsidiaries disposed of during the year	Ownership	Country of incorporation	Registered address
Contour Global Do Brasil Participações Ltda	80%	Brazil	Rua James Joule, 65 - Andar 16 Sala 161 Parte E - Cidade Monções - CEP 04576-080 - São Paulo - SP
Galheiros Geração de Energia Elétrica S.A.	80%	Brazil	Rua James Joule, 65 - Andar 16 Sala 161 Parte E - Cidade Monções - CEP 04576-080 - São Paulo - SP

Santa Cruz Power Corporation Usinas Hidroelétricas S.A.	80%	Brazil	Rua James Joule, 65 - Andar 16 Sala 161 Parte E - Cidade Monções - CEP 04576-080 - São Paulo - SP
Afluente Geração de Energia Eletrica S.A.	80%	Brazil	Rua James Joule, 65 - Andar 16 Sala 161 Parte E - Cidade Monções - CEP 04576-080 - São Paulo - SP
Goias Sul Geração De Energia S.A.	80%	Brazil	Rua James Joule, 65 - Andar 16 Sala 161 Parte E - Cidade Monções - CEP 04576-080 - São Paulo - SP
RIO PCH I S.A.	56%	Brazil	Rua James Joule, 65 - Andar 16 Sala 161 Parte E - Cidade Monções - CEP 04576-080 - São Paulo - SP
Bahia PCH I S.A.	80%	Brazil	Rua James Joule, 65 - Andar 16 Sala 161 Parte E - Cidade Monções - CEP 04576-080 - São Paulo - SP

During the year the only change in ownership are related to ContourGlobal Togo (previous ownership 80%) and Compañía Eléctrica de Sochagota S.A. E.S.P. (previous ownership 49%).

1.37. Related party disclosure

ContourGlobal L.P. and Kohlberg Kravis Roberts & Co. L.P.

As of December 31, 2022 ContourGlobal Limited and its subsidiaries have no significant trading relationship with the Group's main shareholder, Cretaceous Bidco Limited and Kohlberg Kravis Roberts & Co. L.P. which ultimately controls ContourGlobal Limited. It is the Directors' expectation that the smallest and largest group of undertakings which ContourGlobal Limited forms part of Cretaceous Holdco 1 S.à r.l and these consolidated accounts will be lodged with the Luxembourg trade and business register where they are publicly available.

Key management personnel

Compensation paid to key management (executive and non-executive committee members) amounted to $15.3 million in December 31, 2022 (December 31, 2021: $9.6 million).

In $ millions	Years ended December 31 2022	2021
Salaries and short term employee benefits	5.4	5.1
Termination benefits	0.2	-
Post employment benefits	-	0.2
Profit-sharing and bonus schemes	4.9	2.0
Non-executive Directors' emoluments	0.8	0.9
Other share based payments	4.0	1.4
Total	**15.3**	**9.6**

Directors emolument note

In $ millions	Years ended December 31 2022	2021
Aggregate emoluments	6.2	4.2
Total	**6.2**	**4.2**

The emolument to the highest paid director in the year amounts to $7.0 million (2021: $2.9 million). The highest paid director also received and exercised shares in respect of qualifying services under the Long Term Incentive Plan (see note share-based compensation plans 1.33).

No director received payments into a defined benefit contribution plan in 2022 (2021: one director)

Two directors exercised shares under the long term incentive plan during the year (2021: none)

Two directors received shares under the long term incentive plan in 2022 (2021: two directors).

Legacy arrangements

On 30 June 2022 we completed the sale of the Brazilian Hydro assets (see note 1.6). This may trigger a payment under the legacy carried interest arrangement for the highest paid director, subject to the requirements of the relevant contractual arrangement between the highest paid director and the counterparty, a minority co-owner of the Brazilian Hydro assets. The Company is not party to the carried interest and has no financial obligation in relation to the interest, and any payment will be made by the counterparty. Any payment to the highest paid director is still to be calculated by the counterparty, but we estimate the amount to be paid would not be material to the Company.

1.38. Financial commitments and contingent liabilities

a) Commitments

The Group has contractual commitments with, among others, equipment suppliers, professional service organizations and EPC contractors in connection with its power projects under construction that require payment upon reaching certain milestones.

As of December 31, 2022, the Group has completed its Maritsa construction projects and had $0.4 million of firm purchase commitments of property plant and equipment outstanding in connection with its facilities. The Group also has contractual arrangements with Operating and Maintenance (O&M) providers and transmission operators in relation to certain of its operating assets. Maritsa has a long-term Lignite Supply Agreement (LSA) with Maritsa Iztok Mines (MMI) for the purchase of lignite. According to the agreement, Maritsa has to purchase minimum monthly quantities, amounting to 6,187 thousand standard tons per calendar year. The total commitment through the remaining term of the LSA (February 2024) is 7,218 thousand standard tons, equal to $74.0 million at December 2022 prices ($10.25 per standard ton), as compared to 12,890 thousand standard tons equal to $123.7 million at the end of 2021 ($9.59 per standard ton). In the event of a failure on the part of CG Maritsa East 3 AD (ME-3) to take a minimum monthly quantity in any month, ME-3 shall, except in cases caused by Force Majeure and certain actions of Bulgarian authorities as described in the contract, pay to MMI an amount equal to the difference between (i) the aggregate amount paid or payable in respect of lignite delivered during such month and (ii) the aggregate amount that would have been payable had the minimum monthly quantity been taken during such month.

The Group also has agreements related to our Austria Wind project repowering started in 2017. As of December 31, 2022 we are committed to purchase €3.9 million ($4.2 million) worth of equipment and installation during 2023.

b) Contingent liabilities

The Group has contingent liabilities in respect of legal and tax claims arising in the ordinary course of business. The Group reviews these matters in consultation with internal and external legal counsel to make a determination on a case-by-case basis whether a loss from each of these matters is probable, possible or remote. These claims involve different parties and are subject to substantial uncertainties.

Togo

ContourGlobal Togo received in late December 2020 a notification from CEET (offtaker of the power purchase agreement) and the Republic of Togo regarding certain alleged breaches of the power purchase agreement and concession agreement, respectively, questioning the performance of the Togo plant and alleging overpayment of $58 million under “take or pay” provisions. The breaches alleged by CEET relate to generation by the plant using heavy fuel oil (‘HFO’) and gas. The risk of a liability to CEET relating to generation using gas is assessed as possible and no provision has been recognized as of 31 December 2022. The risk of liability relating to generation using HFO has been assessed as remote.

Taxes

Judgement is sometimes required in determining how to account for indirect or direct tax positions where the ultimate tax determination is uncertain. These positions include areas such as the tax deductibility or treatment of certain costs (in particular, of one-off items that might arise on an acquisition, disposal or internal restructuring), the pricing of goods or services provided between Group companies and the application of local tax law within each territory in which the Group operates. Liabilities are recognized in accordance with relevant accounting standards based on management's best estimate of the outcome, having taken advice where it is considered appropriate to do so. However, if the Group is challenged by local tax authorities, it is possible that the final outcome of these matters may be different from the amounts recorded and additional expenses may be recognized in later periods. The Group is not currently subject to any tax audit where it is considered there is a more than remote probability of a material tax adjustment where we have not provisioned and the risk of a material adjustment to tax provisions within the next 12 months is not considered to be significant.

c) Leasing activities

Operating lease as a lessor

The Group is lessor under non-cancellable operating leases. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	Years ended December 31	
In $ millions	**2022**	**2021**
Minimum lease payments receivable		
No later than 1 year	153.8	166.5
Later than 1 year and no later than 5 years	478.7	537.6
Later than 5 years	419.0	513.8
Total	**1,051.5**	**1,217.9**

The property, plant and equipment related to the assets as the operating lease as a lessor relates to Solutions plants, Energie Antilles, Bonaire, Hobbs and Trinity for the year ended December 31, 2022 as follows.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	6.0	923.3	2.3	1.8	34.2	967.6
Accumulated depreciation and impairment	-	(234.1)	-	(0.7)	(2.1)	(236.9)
Carrying amount as of January 1, 2022	**6.0**	**689.2**	**2.3**	**1.1**	**32.1**	**730.7**
Additions	-	19.1	12.6	0.9	0.8	33.4
Disposals	-	(0.3)	-	-	(0.5)	(0.8)
Reclassification	-	4.9	(4.4)	-	(0.5)	-
Effect of change in classification of contract (1)	(2.6)	(90.5)	-	(0.8)	-	(93.9)
Currency translation differences	-	0.9	(2.2)	-	(1.1)	(2.4)
Depreciation charge	-	(45.2)	-	(0.4)	(16.5)	(62.1)
Closing net book amount	**3.4**	**578.1**	**8.3**	**0.8**	**14.3**	**604.9**
Cost	3.4	833.6	8.3	1.3	22.7	869.3
Accumulated depreciation and impairment	-	(255.5)	-	(0.5)	(8.4)	(264.4)
Carrying amount as of December 31, 2022	**3.4**	**578.1**	**8.3**	**0.8**	**14.3**	**604.9**

(1) The effect of change in classification of contract corresponds to the end of the operating lease of Five Brothers on the year ended December 31, 2022.

The property, plant and equipment related to the assets as the operating lease as a lessor relates to Solutions plants, Energie Antilles, Bonaire, Hobbs, Five Brothers and Trinity on the year ended December 31, 2021 as follows.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	0.1	263.5	1.6	0.9	9.3	275.4
Accumulated depreciation and impairment	-	(169.2)	-	(0.5)	(8.0)	(177.7)
Carrying amount as of January 1, 2021	**0.1**	**94.3**	**1.6**	**0.4**	**1.3**	**97.7**
Additions	-	2.1	2.3	-	2.0	6.4
Disposals	-	(1.0)	-	-	-	(1.0)
Reclassification	-	1.2	(1.4)	0.1	0.1	-
Acquired through business combination (1)	5.9	624.0	-	0.9	30.2	661.0
Currency translation differences	-	(2.7)	(0.2)	-	0.1	(2.8)
Depreciation charge	-	(28.7)	-	(0.3)	(1.6)	(30.6)
Closing net book amount - restated	**6.0**	**689.2**	**2.3**	**1.1**	**32.1**	**730.7**
Cost	6.0	923.3	2.3	1.8	34.2	967.6
Accumulated depreciation and impairment	-	(234.1)	-	(0.7)	(2.1)	(236.9)
Carrying amount as of December 31, 2021 - restated	**6.0**	**689.2**	**2.3**	**1.1**	**32.1**	**730.7**

(1) Assets acquired through business combination relate to our United States of America and Trinidad and Tobago portfolios detailed in note 1.7. These amounts have been restated by $412.6 million to take into accounts the fair value adjustments on the property, plant and equipment following the acquisition.

Finance lease as a lessor

The future aggregate minimum lease payments under non-cancellable finance leases (relating to our operation of Energies Saint Martin) are as follows:

	Years ended December 31	
In $ millions	2022	2021
Minimum lease payments receivable		
No later than 1 year	5.3	5.6
Later than 1 year and no later than 5 years	-	5.6
Later than 5 years	-	-
Gross investment in the lease	**5.3**	**11.2**
Less: unearned finance income	(0.4)	(1.3)
Total	**4.9**	**9.9**

In $ millions	Years ended December 31 2022	2021
Analysed as:		
Present value of minimum lease payments receivable:		
No later than 1 year	4.9	5.2
Later than 1 year and no later than 5 years	-	4.7
Later than 5 years	-	-
Total	**4.9**	**9.9**

1.39. Guarantees and letters of credit

The Group and its subsidiaries enter into various contracts that include indemnification and guarantee provisions as a routine part of the Group's business activities. Such contracts generally indemnify the counterparty for tax, environmental liability, litigation, and other matters, as well as breaches of representations, warranties, and covenants set forth in the agreements. In many cases, the Group's maximum potential liability cannot be estimated, since some of the underlying agreements contain no limits on potential liability. The Group considers outflow relating to these guarantees to be remote and therefore no fair value liability has been recognized.

The Group also acts as guarantor to certain of its subsidiaries and obligor with respect to some long-term arrangements contracted at project level.

For the financial guarantees and letters of credit, refer to note 1.30.

1.40. Statutory Auditors' fees

In $ millions	Years ended December 31 2022	2021
Fees payable to the Group's auditors for the audit of the Group's annual accounts and consolidated financial statements	1.5	1.7
Fees payable to the Group's auditors and its associates for other services:		
- The audit of the Group's subsidiaries	1.3	1.5
- Audit- related assurance services	0.6	0.4
- Other assurance services	0.8	1.3
- Tax compliance services	-	-
- Tax advisory services	-	-
- Other non-audit services	-	-
Total (net of out of pocket expenses)	**4.2**	**4.9**

1.41. Subsequent events

In February and March 2023 the following took place:

- ContourGlobal Limited acceded as a borrower to KKR's bridge facility agreement in the amount of €400 million ($428 million). These proceeds were transferred to ContourGlobal Power Holdings S.A through an intercompany loan agreement and subsequently used to repay in full the outstanding €400 million ($428 million) principal on the 2025 Corporate Bonds.

- The KKR acquisition loan of €509.7 million ($546 million) was novated to ContourGlobal Limited.

- ContourGlobal Limited declared a dividend of €509.7 million which will be used to fully settle, on a non cash basis, the intercompany receivable relating to the novation of the KKR acquisition loan.

Company balance sheet

At 31st December 2022

In $ millions	Note	2022	2021
Fixed assets			
Investments	6	2,130.0	2,148.0
Current assets			
Debtors	7	11.4	4.2
Cash at bank and in hand		12.5	0.7
		23.9	**4.9**
Creditors: amounts falling due within one year	8	(24.7)	(2.9)
Net current (liabilities) / assets		**(0.8)**	**2.0**
Net assets		**2,129.2**	**2,150.0**
Capital and reserves			
Called-up share capital	9	8.8	8.9
Share premium account		380.8	380.8
Treasury shares	10	-	(37.8)
Retained earnings and other reserves		1,739.6	1,798.1
Total shareholders' funds		**2,129.2**	**2,150.0**

The Company's profit for the year ended 31 December 2022 was $99.5 million (2021: $622.7 million).

The financial statements on pages 137 to 142 were approved and authorised for issue by the board and were signed on its behalf by:

Laurent Hullo
Director

16 March 2023

Registered Number: **10982736**

Company statement of changes in equity

For the year ended 31 December 2022

in $ millions	Called-up share capital	Share premium account	Treasury shares	Retained earnings and other reserves	Total
At 1st January 2021	8.9	380.8	(30.4)	1,288.0	**1,647.3**
Share based payments (1)	–	–	–	1.9	1.9
Dividends distribution (2)	–	–	–	(114.5)	(114.5)
Treasury shares (3)	–	–	(7.4)	–	(7.4)
Profit for the year	–	–	–	622.7	622.7
At 31st December 2021	**8.9**	**380.8**	**(37.8)**	**1,798.1**	**2,150.0**
Share based payments (1)	–	–	–	5.8	5.8
Dividends distribution (2)	–	–	–	(126.1)	(126.1)
Treasury shares (3)	(0.1)	–	37.8	(37.7)	-
Profit for the year	–	–	–	99.5	99.5
At 31st December 2022	**8.8**	**380.8**	**-**	**1,739.6**	**2,129.2**

(1) Includes Long Term Incentive Plan impact on equity.

(2) During the year ended 31 December 2022 the Group paid dividends of $29.3 million on April 14, 2022, $32.3 million on June 10, 2022, $32.3 million on September 9, 2022 and $32.3 million on November 25, 2022. During the year ended 31 December 2021 the Group paid dividends of $26.6 million on April 19, 2021, $29.3 million on June 11, 2021, $29.3 million on September 10, 2021 and $29.3 million on November 19, 2021. For further details on dividends paid, refer to page 107 of the Group's financial statements.

(3) See note 10.

Notes to the Company financial statements

1. General information

On the 21st of December 2022 ContourGlobal plc was delisted from the London Stock Exchange. Subsequently on the 29th of December 2022 the Company was re-registered as a private company resulting in a change in name to ContourGlobal Limited. The Company is limited by shares and domiciled in the United Kingdom and incorporated in England and Wales.

2. Statement of compliance

The financial statements of ContourGlobal Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied throughout the period presented.

3.1. Basis of preparation

The Company financial statements have been prepared under the historical cost convention. The current year financial information presented is for the year ended 31 December 2022, and the comparative year financial information presented is for the year ended 31 December 2021.

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are set out below. The financial statements have been prepared on the going concern basis under the historical cost convention.

As permitted by Section 408 of the Companies Act 2006, an entity profit and loss account is not included as it is part of the published consolidated financial statements of ContourGlobal Limited.

3.2 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following FRS 102 disclosure exemptions available to qualifying entities:

- The requirements of Section 4 Statement of Financial Position 4.12 (a) (iv);
- The requirements of Section 7 Statements of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d); and
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41 (f), 11.42, 11.44, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23,
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

3.3 Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is the US Dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the dates of the transactions.

At each period end foreign currency non-monetary items measured at historical cost are translated using the exchange rate on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognized in profit or loss.

3.4 Investments in subsidiaries

Investments in subsidiaries are held at cost, less any provision for impairment. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of fixed asset investments may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of fair value less costs of disposals or value in use. If this is the case, an impairment charge is recorded to reduce the carrying value of the related investment.

3.5 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

The premium received on the issue of shares in excess of the nominal value of shares is credited to the share premium account and included within equity.

Treasury shares

The Group's treasury shares are included under "Treasury shares" in the consolidated statement of financial position and are measured at acquisition cost.

The treasury shares are removed from Other reserves when utilised or cancelled. This results in a reclassification of the carrying value to Retained Earnings.

The Group buys and sells treasury shares in accordance with the prevailing law and the resolutions of the General Shareholders' Meeting. Such transactions include sale and purchase of company shares.

3.6 Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax arises from timing differences that are differences between taxable profits and profit for the year as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Unrecognized deferred tax assets as at 31 December 2022 were $17.2 million ($6.2 million in 2021).

3.7 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

a) Financial assets

Financial assets including amounts owed by group undertakings and other receivables and cash at bank and in hand are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed.

The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

Financial liabilities include trade and other payables (including from intercompany Group companies).

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3.8 Dividend distribution

Dividends to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders in the case of final dividends. In respect of interim dividends, these are recognised in the period in which they are paid.

3.9 Critical accounting judgements and estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Company's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements is:

- Carrying value of investments.

The Company considers annually whether there is any indication of impairment in the carrying value of investments in accordance with the accounting policy stated.

In the event that there is an indicator of impairment, the Company performs an impairment assessment to determine if the carrying value of the investment is supported by its recoverable amount. The determination of the recoverable amount requires estimation to be applied. The recoverable amount is the higher of (i) an investment's fair value less costs of disposal (market value), and (ii) value in use determined using estimates of discounted future net cash flows ("DCF") of the investment. Refer to Note 6 regarding the impairment assessment performed in the current year. The Company uses a fair value less costs of disposal model in estimating the recoverable value. The completed acquisition of the Group by KKR in December 2022 for a cash acquisition price of $2.14 billion less estimated cost to dispose provides an indicative value of the Group. Given the proximity of the transaction closing to the year end there is limited estimation uncertainty of the fair value. The Directors do not consider the value in use would result in a materially higher value and in accordance with FRS 102, the asset's fair value less costs to sell may be used as its recoverable amount. The key assumption relates to the estimated costs to sell however this is unlikely to be material based on transaction costs for comparable entities.

As at December 31, 2022 the fair value less cost to sell was estimated at $2.13 billion, which is below the carrying value of investments of $2.2 billion and accordingly an impairment charge of $75.3 million has been recorded.

4. Directors' Emoluments and employees

The Company had two Directors, seven non-executive directors and an average of one employee in the year to 31 December 2022 (the Company had two Directors, seven non-executive directors and an average of two employees in the year to 31 December 2021). In each year, of the two directors, one was remunerated by the Company. The other director was remunerated by another company in the group. In each year the non-executive directors were remunerated by the company. The amount of employee charges recognized in the Company's profit and loss statement in 2022 amounted to $3.5 million (2021: $3.4 million).

in $ millions	2022	2021
Wages and salaries	0.7	1.3
Social security costs	0.7	0.2
Share-based payments[1]	2.1	1.9
Total employee costs	**3.5**	**3.4**

[1]The $2.1 million share based payments charge relates to all employees in the LTIP plan for the Group (2021: $1.9 million).

No director received payments into a defined benefit contribution plan in 2022 (2021: one director).

One director exercised shares under the Long Term Incentive Plan during the year (2021: none).

One director received shares under the Long Term Incentive Plan in 2022 (2021: one director).

5. Auditors' fees

The amount payable to the Company's auditors in respect of the statutory audit were $24,000 (2021: $24,000).

6. Investments in Subsidiaries

in $ millions	2022	2021
At 1st January	**2,148.0**	1,642.1
Capital increase of CG Worldwide Holdings SARL	57.3	-
Creation of CG Hummingbird UK Holdco I limited	-	505.9
Impairment	(75.3)	-
At 31 December	**2,130.0**	**2,148.0**

In 2022 the Company received $162.5 million of dividends from ContourGlobal Worldwide Holdings SARL (2021: $628.4 million) and $59.8 million of dividends from ContourGlobal Hummingbird UK Holdco I limited (2021: nil).

The Company's directly wholly owned subsidiaries are ContourGlobal Worldwide Holdings S.à.r.l and ContourGlobal Hummingbird UK Holdco I limited that was created in 2021 for the acquisition of the Western Generation portfolio in February 2021. A full list of indirect subsidiaries and other undertakings as required by Section 409 of the Companies' Act 2006 is shown on pages 123 to 130 of the Group's financial statements.

The Company recorded an impairment of $75.3 million on the value of the investments following the acquisition of the Company by KKR, which closed in December 2022 and valued the group at $2.14 billion, less the Company's best estimate of costs of disposal.

7. Debtors

In $ millions	2022	2021
Amounts owed by Group undertakings	4.5	3.2
VAT recoverable	6.4	0.4
Prepayments and accrued income	0.5	0.6
	11.4	**4.2**

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Creditors: amounts falling due within one year

In $ millions	2022	2021
Trade payables	4.9	0.4
Accrued expenses	3.6	1.9
Amounts owed to Group undertakings	16.2	0.4
Other	-	0.2
	24.7	**2.9**

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. Called-up share capital

Issued capital of the Company amounted to $8.8 million as at 31 December 2022 and $8.9 million as at 31 December 2021.

As of 31 December 2022, the Company has issued 663,048,789 shares of £0.01 each (2021: 670,712,920), corresponding to an allotted, called up and fully paid capital of £6.7 million, or $8.8 million. There has been no change in the called-up share capital in either year.

10. Treasury shares

On 1 April 2020 ContourGlobal Plc announced a buyback programme of up to £30 million of ContourGlobal plc ordinary shares of £0.01 each ("Shares"), to initially run from 1 April 2020 to 30 June 2020, subsequently extended to 30 September 2020 then further extended to December 31, 2020 and then to March 31, 2021.

During the year ended December 31, 2021, the Company repurchased 2,624,774 treasury shares at an average price of 208.4 pence per share for an aggregate amount of GBP5.5 million ($7.4 million), representing 0.40% of its share capital and used 427,440 shares in respect of the 2018 Long Term Incentive Plan. Since the beginning of the buyback programme, the Company repurchased a net amount of 14,572,065 treasury shares, representing 2.17% of its share capital and a cumulative consideration paid of $37.8 million.

During 2022, 6,907,934 treasury shares were utilized relating to accelerated vesting of long term incentive plans. The remaining 7,664,131 shares were then cancelled, following the delisting of the Company from the London Stock Exchange on December 21, 2022.

11. Contingent Liabilities

The Company acts as a guarantor to certain of its subsidiaries with respect to various financial obligations and project financing agreements entered into by its subsidiaries. The Company considers outflow relating to these guarantees to be remote and therefore no fair value liability has been recognised. The main financial obligations are listed below:

- $8.5 million guarantee to cover Kivuwatt debt service reserve account;
- Guarantee on cash shortfall for debt service in ContourGlobal Togo; the loan balance as at 31 December 2022 is $72.3 million;
- Guarantee to Goldman Sachs, Credit Suisse International, Citibank Europe plc, HSBC Bank USA National Association, JP Morgan Securities plc, and Mizuho Capital Markets LLC in relation with the hedging instruments existing at ContourGlobal Power Holdings S.A. As at 31 December 2022 this related to instruments with a nominal value of $4.7 million and a fair value as at year-end of $0.4 million.
- Parent guarantor (as defined in the indenture) under the €850 million bond indenture dated 19 July 2018 (out of which €400 million is outstanding) and under the €710 million bond indenture dated 17 December 2020. It was released as of 15 February when the debt was repaid.
- Guarantor under the corporate level revolving credit facility of €120 million dated 10 December 2020 undrawn as of 31 December 2022;
- Guarantor under the corporate level letter of credit facility of €75.75 million dated 29 March 2019;
- Guarantor under the corporate level letter of credit facility of €50 million dated 10 March 2020;
- BRL 71.0 million guarantee to Chapada I letters of credit providers corresponding to 25% of the debt;
- Guarantor under the Mexican CHP $35 million letter of credit signed on February 5, 2021. Maturity is in February 2023.
- $12.0 million guarantee to cover Caribbean refinancing debt service reserve letter of credit.

12. Related Parties

In 2021 and 2022 none of the Company or its subsidiaries have contracted with related parties. As of 31 December 2022 and 31 December 2021, the Company has no balance due to or receivables from related parties other than amounts due to and from subsidiary undertakings.

13. Controlling party

The recommended cash acquisition (the "Transaction") of ContourGlobal plc by Cretaceous Bidco Limited (a newly formed company indirectly owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates) ("KKR") announced on May 17, 2022 was approved by the required majority of shareholders at the Court and General meeting of shareholders held on 6 July 2022. The scheme of arrangement became effective on 20 December 2022.

14. Subsequent events

In February and March 2023 the following took place:

- ContourGlobal Limited acceded as a borrower to KKR's bridge facility agreement in the amount of €400 million ($428 million). These proceeds were transferred to ContourGlobal Power Holdings S.A through an intercompany loan agreement and subsequently used to repay in full the outstanding €400 million ($428 million) principal on the 2025 Corporate Bonds.

- The KKR acquisition loan of €509.7 million ($546 million) was novated to ContourGlobal Limited.

- ContourGlobal Limited declared a dividend of €509.7 million which will be used to fully settle, on a non cash basis, the intercompany receivable relating to the novation of the KKR acquisition loan.