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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion:

- ContourGlobal plc'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 2021 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;
- the company financial statements have been properly prepared 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); 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, which comprise: the consolidated statement of financial position and the company balance sheet as at 31 December 2021; 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.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in 4.34, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We conducted our audit work over 11 components in 10 countries
- 8 components were subject to an audit of their complete financial information due to their size
- 3 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

- Accounting for business combinations (group)
- Assessment of significant judgements relating to litigation and claims (group)
- Impairment of property, plant and equipment and intangible assets (group)
- Impairment of investment in subsidiary companies (company)

Materiality

- Overall group materiality: US$21,000,000 (2020: US$18,000,000) based on approximately 2.5% of Adjusted EBITDA.
- Overall company materiality: US$21,500,000 (2020: US$16,500,000) based on 1% of total assets.
- Performance materiality: US$15,750,000 (2020: US$13,500,000) (group) and US$16,125,000 (2020: US$12,400,000) (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 is a new key audit matter this year. Impact of Covid-19, which was a key audit matter last year, is no longer included because of the limited impact from the pandemic on the operations and financial results of the group and company. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Accounting for business combinations (group) (note 2.4 Critical accounting estimates and judgments and 3.1 2021 transactions) During the year, the group acquired shares and assets in a portfolio of 6 operating power plants in USA and Trinidad for consideration of $646.1 million, and a portfolio of assets in Italy for consideration of $33.9 million. Accounting for acquisitions can be complex, with judgement required in both the identification of assets acquired (including any intangible assets), and the valuation of those assets and liabilities assumed, in accordance with IFRS 3 'Business Combinations'. The calculation of fair value is subjective due to the inherent uncertainty involved in the valuation of assets and liabilities, and this requires the application of judgement by management and technical expertise. In particular the method of valuation, future forecasts (including cash-flow forecasts) and underlying assumptions may all have a material impact on the valuation of assets and liabilities, notably on the valuation of property, plant and equipment and intangible assets, which typically represents the most significant assets acquired. Following acquisition, the group's power plants typically sell their output under Power Purchase Agreements ('PPAs') and/or other long-term arrangements. Accounting for PPAs can be complex, with a number of judgements required to assess the accounting standards applicable to each agreement. These include whether the arrangement contains a lease under IFRS 16 'Leases' or constitutes a service concession to be accounted for under IFRIC 12 'Service concession arrangements or contains derivatives under IFRS 9 'Financial instruments'. These judgements impact the measurement and classification of assets, the basis for revenue recognition under the PPA, and the related disclosures in the financial statements. Once the basis of accounting has been initially determined, this does not change over time.	We read the sale and purchase agreements ("SPAs") associated with the acquisitions in USA, Trinidad and Italy and performed audit procedures over both the identification of assets acquired (including any potential intangible assets) and the valuation of assets acquired and liabilities assumed. We have agreed the consideration paid to bank statements and reconciled to the sale and purchase agreements. We considered the completeness of the intangible assets identified by management with reference to the specific legal and contractual rights associated with the SPAs. From our review and assessment of the SPAs, and audit procedures performed over the valuation and classification of assets acquired and liabilities assumed, we found that the judgements made surrounding the identification and final classification of assets and liabilities acquired were appropriate. We involved our specialists in our audit of the valuation of assets acquired and liabilities assumed. Our work included assessment of the appropriateness of the valuation models used, assessment of the discount rate used in the models by reference to comparable assets, and the evaluation of future cash flow forecasts for each of the power plants acquired. We found that the valuation models used, and the judgements and estimates made surrounding the valuation of assets and liabilities acquired to be reasonable. We assessed the completeness of disclosures for each acquisition against the requirements of the relevant accounting standards and found that there were no omissions of disclosures. We challenged management's assessment of the PPAs/ tariff arrangements in USA, Trinidad and Italy and agreed key terms to the contractual arrangements. In particular, management noted that certain of the US asset PPAs and the Trinidad PPA contained operating leases based on the contractual terms. From our audit procedures over the PPAs we found that the judgements made in determining the appropriate accounting framework for the PPAs were reasonable, and the associated measurement and final classification of related balances and disclosures in the financial statements were consistent with the requirements of the relevant accounting standards.

Key audit matter	How our audit addressed the key audit matter
Assessment of significant judgements relating to litigation and claims (group) (note 2.4 Critical accounting estimates and judgements and 4.32 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), offtakers 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 review 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 apply 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 Executive Vice President - General Counsel and other members of senior management to discuss ongoing and potential litigation and claims. We evaluated the significant judgements associated with each of these matters on a case-by-case basis including the likelihood of economic outflow to settle the obligation and whether a reliable estimate can be determined based on the facts of the case. Audit procedures performed to support our conclusions have included review and assessment of contracts, review of correspondence with counterparties and internal and external legal counsel, assessment of the local political climate (where relevant to the specific matter), and obtaining representation from management's external legal counsel on matters of significant judgement to evaluate management's views against those of external legal counsel. In certain cases, we have also discussed matters directly with external legal counsel in evaluating the likely outcome of the cases. We have considered the completeness of litigation and claims identified to us by management by reference to other audit information obtained during the course of work, and specific procedures performed to identify matters, including review of board minutes. We did not identify any further litigation or claims that had not already been disclosed to us. Based on the evidence obtained we have evaluated the accounting for litigation and claims, including the determination of whether a provision should be recorded, or a contingent liability should be disclosed. We found that all items had been accounted for appropriately. We also assessed the disclosure for litigation and claims 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 2.4 Critical accounting estimates and judgments, 4.9 Intangible assets and goodwill and 4.10 Property, plant and equipment) The group has $3.9 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 that 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.	We have evaluated management's assessment of impairment triggers by reviewing performance data by power plant, considering significant variances in performance against forecasts, and from meetings we held with divisional finance directors to discuss individual 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 the potential impact of emerging risks such as climate change. In concluding on the audit risk that there could be further unidentified impairment triggers, we specifically evaluated the Mexico plants where the government in Mexico has proposed certain changes to the legado regime (which would result in significant increases to wheeling charges) and energy sector reforms. Management have filed a lawsuit and received an injunction suspending the application of these higher fees, and obtained legal advice from external legal counsel which supports their view that the changes are unconstitutional and therefore unlikely to be sustained. In relation to the wider energy sector reforms, management has obtained an injunction against these where they could adversely impact the group, which is in turn subject to legal challenge from the authorities. In evaluating these matters:

Key audit matter	How our audit addressed the key audit matter
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. No impairment indicators were identified in the current year. In addition, whilst the expiry of PPAs is not considered an impairment trigger, management also performed an assessment of the forecast cash flows for the Bulgaria Maritsa plant given that the existing power purchase agreement for this plant is due to expire in early 2024. This assessment took account of expected cash flows through to the expiry of the current PPA in 2024, as well as the most likely scenarios after the expiry of the PPA. The PPA period to February 2024 covers the significant majority of the year end balance sheet value. The period after the expiry of the current PPA involves greater judgement in estimating future cash flows, and could be adversely impacted by a number of factors, including climate related risks (for example the risk of increased future costs of CO_2 quotas that may not be reflected in market prices). This supports the assessment that there is no impairment trigger.	• We reviewed the external legal opinion obtained by management which confirms management's view that the proposed changes are considered unconstitutional under Mexican laws and sets out details of injunctions received by the group; and • We consulted with our own local energy sector specialists regarding their opinion on whether or not the changes in wheeling charges and energy reform proposals are likely to be sustained. We therefore consider that management's conclusion that there is no impairment trigger to be reasonable. We also read the disclosures included in the financial statements in relation to this judgement and found these to be appropriate. In relation to the Bulgaria Maritsa plant, we have evaluated management's assessment which considers the contracted future cash flows up until 2024 and the likely scenarios after the expiry of the PPA in 2024. Our assessment over the post PPA period has taken account of the increased climate related risks for this lignite plant, including the potential impact of the gradual shift to cleaner sources of energy in the EU, expected costs of CO_2 emissions, and the alternative energy options available in the local market. We have tested the forecast cash flows prepared by management. A significant proportion of the year end carrying value of the Bulgaria Maritsa plant is supported by cash flows under the contracted PPA, limiting the estimation uncertainty to the post PPA period. We used industry specialists to evaluate the market studies prepared by management's experts, which were used to determine likely future scenarios beyond the expiry of these PPAs and therefore the associated future cash inflows of the plant. We used valuations specialists to independently calculate the discount rate using independent sources of evidence. Based on our audit procedures performed we found the methodology and assumptions used in the assessment and the conclusion that there is no impairment to be reasonable. We also assessed the critical accounting judgements and estimates associated with impairment of property, plant equipment and intangible assets and have found these to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Impairment of investment in subsidiary companies (parent) (note 6 Investments in Subsidiaries) The company has an investment of $2,148.0 million in subsidiaries. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of the investment 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 net realisable value or value in use. Impairment assessments of this nature requires 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 investment is incorrect and therefore the value of the investment 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, the market capitalisation of the group and other available evidence to support the fair value of the group. The market capitalisation of the group at 31 December 2021 was approximately $1.7 billion. This was significantly 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 subsidiary undertakings. The recoverable amount was estimated by reference to fair value less cost to sell, and based on this assessment the directors concluded that there was no impairment in value.	We have evaluated management's consideration of impairment triggers through performing our own independent assessment, which has included: • Assessing the overall financial performance of the group, as well as larger and financially more significant assets within the group, to identify any indicators of impairment as a result of poor financial performance; • Considering other information gathered during the course of our audits of components and assessing 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 on the group; and • Comparing the market capitalisation of the group at year end, adjusted for the other net assets of the company, and comparing this to the carrying value of investments. We agreed with management's conclusion that the market capitalisation compared to the carrying value of investments constitutes an impairment trigger. 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 that no impairment was required. We also assessed the disclosures surrounding critical accounting judgements and estimates 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 three 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 one physical visit to our component team in the USA and virtual "site visits" for the remaining full scope components. These virtual "site visits" involved conducting a series of video conference calls to discuss the audit approach and any issues arising from the audit work. 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 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 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.

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$21,000,000 (2020: US$18,000,000).	US$21,500,000 (2020: US$16,500,000).
How we determined it	Approximately 2.5% of Adjusted EBITDA	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 4.1 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 was less than our overall group materiality. The range of materiality allocated across components was between $1 million and $13 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% (2020: 75%) of overall materiality, amounting to US$15,750,000 (2020: US$13,500,000) for the group financial statements and US$16,125,000 (2020: US$12,400,000) 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 the Audit and Risk Committee that we would report to them misstatements identified during our audit above $1.0 million (group audit) (2020: $1.0 million) and $1.0 million (company audit) (2020: $0.8 million) 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 forecast performed at the group level, which sets out the expected distributions from subsidiaries to the 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 reasonableness of forecast cash outflows, testing the mathematical accuracy of the forecast model, assessing the adequacy of sensitivities applied based on expected significant outflows (e.g for acquisitions) and assessing whether the stress testing performed by management appropriately considers other risks such as covenant breaches and refinancing due within the next 12 months
- Performing audit procedures at all full scope components to assess the ability of trading subsidiaries to make future distributions to the group 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 of 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 and where any risks were identified these have been considered through sensitivities performed over the group cash flow forecast
- We reviewed the board meeting minutes confirming that the going concern assumption was evaluated and confirmed as appropriate by the Board

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.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. 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 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the 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.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

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 Annual Report and 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 unethical and prohibited business practises, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 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:

- Assessment of compliance with local laws and regulations and relevant tax legislation by each component audit team and the group audit team, as applicable
- Review of board minutes, internal audit reports, compliance review reports and attendance at Audit and Risk Committee meetings where the heads of the compliance and internal audit functions present findings from their activities, which include any known or suspected instances of non-compliance with laws and regulations and fraud
- Meeting with internal legal counsel and internal audit to confirm any known instances of non-compliance with laws and regulations
- 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 journal entries posted with unusual account combinations, or posted by members of senior management with a financial reporting oversight role
- Challenging assumptions and judgements made by management in significant accounting estimates, 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, and involving technical experts to help us assess compliance of the disclosures against relevant legislation, for example within the Directors' Remuneration Report and the Corporate Governance Report

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 and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 13 December 2017 to audit the financial statements for the year ended 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement is five years, covering the years ended 31 December 2017 to 31 December 2021.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Matthew Hall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

18th March 2022

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2021

In $ millions	Note	Years ended December 31 2021	2020
Revenue	4.2	**2,151.9**	1,410.7
Cost of sales	4.3	**(1,730.5)**	(1,033.5)
Gross profit		**421.4**	377.2
Selling, general and administrative expenses	4.3	**(40.5)**	(36.8)
Other operating income		**6.8**	7.4
Other operating expenses	4.3	**(3.4)**	(19.7)
Acquisition related items	4.5	**(14.2)**	(20.2)
Income from Operations		**370.1**	307.9
Other income		**5.8**	–
Share of profit in associates	4.12	**16.2**	12.3
Finance income	4.6	**3.9**	4.4
Finance costs	4.6	**(296.8)**	(262.9)
Net foreign exchange gains and (losses) and change in fair value of derivatives	4.6	**43.7**	10.7
Profit before income tax		**142.9**	72.3
Income tax expenses	4.7	**(63.2)**	(43.7)
Net profit for the period		**79.7**	28.6
Profit for the period attributable to			
• Equity shareholders of the Company		**78.3**	16.0
• Non-controlling interests		**1.4**	12.6
Earnings per share (in $)			
• Basic		**0.12**	0.02
• Diluted		**0.12**	0.02

In $ millions	Years ended December 31 2021	2020
Net profit for the period	**79.7**	28.6
Changes in actuarial gains and losses on retirement benefit, before tax	**(0.3)**	0.2
Deferred taxes on changes in actuarial gains and losses on retirement benefit	**–**	–
Items that will not be reclassified subsequently to income statement	**(0.3)**	0.2
Gain / (Loss) on hedging transactions	**55.0**	(40.0)
Cost of hedging reserve	**(0.2)**	(1.5)
Deferred taxes on gain / (loss) on hedging transactions	**(14.4)**	27.9
Share of other comprehensive income of investments accounted for using the equity method	**–**	–
Currency translation differences	**28.9**	(97.1)
Items that may be reclassified subsequently to income statement	**69.3**	(110.7)
Other comprehensive profit/(loss) for the period net of tax	**69.0**	(110.5)
Total comprehensive profit/(loss) for the period	**148.7**	(81.9)
Attributable to		
• Equity shareholders of the Company	**146.9**	(74.8)
• Non-controlling interests	**1.8**	(7.1)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2021

In $ millions	Note	December 31, 2021	December 31, 2020
Non-current assets		**4,749.5**	4,375.7
Intangible assets and goodwill	4.9	**305.4**	319.7
Property, plant and equipment	4.10	**3,925.4**	3,517.1
Financial and contract assets	4.11	**370.5**	408.3
Investments in associates	4.12	**33.5**	29.5
Derivative financial instruments	4.14	**9.9**	1.1
Other non-current assets	4.17	**55.1**	42.5
Deferred tax assets	4.7	**49.7**	57.5
Current assets		**1,267.7**	1,995.1
Inventories	4.18	**485.7**	247.4
Financial and contract assets	4.11	**32.3**	30.0
Trade and other receivables	4.19	**299.1**	264.0
Current income tax assets		**15.0**	21.3
Derivative financial instruments	4.14	**6.1**	0.4
Other current assets	4.20	**60.4**	35.1
Cash and cash equivalents	4.21	**369.1**	1,396.9
Assets held for sale	3.1	**175.2**	–
Total assets		**6,192.4**	6,370.8

In $ millions	Note	December 31, 2021	December 31, 2020
Total equity and non-controlling interests		**370.5**	337.7
Issued capital	4.22	**8.9**	8.9
Share premium		**380.8**	380.8
Treasury shares	4.22	**(37.8)**	(30.4)
Retained earnings and other reserves		**(142.9)**	(176.9)
Non-controlling interests	4.23	**161.5**	155.3
Non-current liabilities		**4,451.5**	4,492.2
Borrowings	4.24	**3,809.1**	3,895.5
Derivative financial instruments	4.14	**71.5**	151.0
Deferred tax liabilities	4.7	**325.2**	269.0
Provisions	4.26	**77.7**	51.8
Other non-current liabilities	4.25	**168.0**	124.9
Current liabilities		**1,217.3**	1540.9
Trade and other payables	4.28	**597.0**	333.7
Borrowings	4.24	**367.0**	934.8
Derivative financial instruments	4.14	**26.3**	41.0
Current income tax liabilities		**29.1**	24.3
Provisions	4.26	**12.9**	12.3
Other current liabilities	4.29	**185.0**	194.8
Liabilities held for sale	3.1	**153.1**	–
Total liabilities		**5,821.8**	6,033.1
Total equity and non-controlling interests and liabilities		**6,192.4**	6,370.8

The financial statements on pages 146 to 217 were approved by the Board of Directors and authorized for issue on 17 March 2022 and signed on its behalf by Joseph C. Brandt, President & CEO

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2021

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, 2019	8.9	380.8	–	(101.2)	(81.5)	–	(2.3)	180.1	384.8	165.3	550.1
Balance as of January 1, 2020	8.9	380.8	–	(101.2)	(81.5)	–	(2.3)	180.1	384.8	165.3	550.1
Profit for the period	–	–	–	–	–	–	–	16.0	16.0	12.6	28.6
Other comprehensive loss	–	–	–	(78.0)	(11.5)	(1.5)	0.2	–	(90.8)	(19.7)	(110.5)
Total comprehensive loss for the period	–	–	–	(78.0)	(11.5)	(1.5)	0.2	16.0	(74.8)	(7.1)	(81.9)
Purchase of treasury shares	–	–	(30.4)	–	–	–	–	–	(30.4)	–	(30.4)
Employee share schemes	–	–	–	–	–	–	–	8.5	8.5	–	8.5
Contribution received from non-controlling interests	–	–	–	–	–	–	–	–	–	3.4	3.4
Transaction with non-controlling interests	–	–	–	–	–	–	–	–	–	(1.0)	(1.0)
Dividends	–	–	–	–	–	–	–	(105.7)	(105.7)	(5.4)	(111.1)
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)**	**1.2**	**68.6**	**0.4**	**69.0**
Total comprehensive income / (loss) for the period	**–**	**–**	**–**	**29.2**	**38.7**	**(0.2)**	**(0.3)**	**79.5**	**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)**	**(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**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2021

In $ millions	Years ended December 31 2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	**79.7**	28.6
Adjustment for:		
Amortization, depreciation and impairment expense	**399.2**	311.6
Change in provisions	**(1.6)**	(2.7)
Share of profit in associates	**(16.2)**	(12.3)
Net foreign exchange gains and losses and change in fair value of derivatives	**(43.7)**	(10.7)
Interest expenses - net	**201.6**	190.6
Other financial items	**91.3**	68.0
Income tax expense	**63.2**	43.7
Mexico CHP fixed margin swap	**(5.5)**	15.6
Change in finance lease and financial concession assets	**37.9**	31.7
Acquisition related items	**–**	20.2
Other items	**(5.7)**	12.2
Change in working capital	**45.9**	52.8
Income tax paid	**(36.6)**	(37.5)
Contribution received from associates	**0.8**	7.8
Net cash generated from operating activities	**810.3**	719.6
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(104.4)**	(77.0)
Purchase of intangibles	**(16.1)**	(3.8)
Acquisition of subsidiaries, net of cash received	**(654.6)**	–
Other investing activities	**(2.6)**	(24.5)
Net cash used in investing activities	**(777.7)**	(105.3)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	**(114.5)**	(105.7)
Purchase of treasury shares	**(7.4)**	(30.4)
Proceeds from borrowings	**790.7**	938.9
Repayment of borrowings	**(1,304.2)**	(323.4)
Debt issuance costs - net	**(26.7)**	(13.1)
Interest paid	**(192.9)**	(175.8)
Cash distribution to non-controlling interests	**(19.3)**	(18.5)
Dividends paid to non-controlling interest holders	**(3.5)**	(5.4)
Transactions with non-controlling interest holders, cash received	**17.5**	3.4
Transactions with non-controlling interest holders, cash paid	**(79.2)**	(57.5)
Other financing activities and derivatives	**(51.0)**	(9.6)
Net cash generated from financing activities	**(990.5)**	202.9
Exchange (losses) / gains on cash and cash equivalents	**(57.6)**	21.2
Net change in cash and cash equivalents	**(1,015.4)**	838.4
Cash & cash equivalents at beginning of the period	**1,396.9**	558.5
Cash & cash equivalents at end 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 the assets held for sale	**12.4**	–

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

GENERAL INFORMATION

Year ended December 31, 2021

1. General information

ContourGlobal plc (the "Company") is a public listed company, limited by shares, 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 renewable assets in Europe, Latin America, United States of America and Africa, and its registered office is:

55 Baker Street
London
W1U 8EW
United Kingdom

Registered number: 10982736

ContourGlobal plc is listed on the London Stock Exchange.

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 plc transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted International Accounting Standards. 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 2.3. 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 2021 and 31 December 2020. Financial year ends have been referred to as 31 December throughout the consolidated financial statements as this is the accounting reference date of ContourGlobal plc. Financial years are referred to as 2021 and 2020 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 2.4.

2. Summary of significant accounting policies

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

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021. There was no material impact from the application of these amendments.

- COVID-19-Related Rent Concessions – amendments to IFRS 16; and
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

2.2. 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.

2.3. 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. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 4.1.

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		AVERAGE RATES	
	Year ended 31st December		Year ended 31st December	
Currency	**2021**	2020	**2021**	2020
EUR / USD	**1.1373**	1.2216	**1.1833**	1.1413
BRL / USD	**0.1792**	0.1925	**0.1857**	0.1960
BGN / USD	**0.5815**	0.6246	**0.6049**	0.5835
MXN / USD	**0.0486**	0.0501	**0.0493**	0.0469

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 Renewable. 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 4.1. A segmented analysis of "Adjusted EBITDA" is provided in note 4.1 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 recognized 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 recognized 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 4.2. 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) and the Private Incentive Plan (PIP). The PIP scheme is applicable to senior executives whilst the LTIP scheme 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 related items

Acquisition related items include pre-acquisition costs such as various 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 financial and contract 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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, 2020 and 2021
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
Other	3 to 10 years

Useful economic lives have been updated to reflect the lives of plants from the date of acquisition by the Group.

"Generation plants and equipment" and "Other property, plant and equipment" categories are presented respectively under "Power plant assets" and "Other" in note 4.10.

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 assets groupings.

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.

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 recognized 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 statement of income and at amortized cost.

a) Financial assets at fair value through statement of income

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", "Financial and contract 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 derecognized 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 recognized 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 amortized 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
The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. 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) Financial and contract 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 recognizes 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 costs 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.

Trade receivables

Trade receivables are recognized initially at transaction cost, which is usually the invoiced amount, and subsequently carried at amortized cost using the effective interest method, less provision for impairment. Details about the Group's impairment policies for financial assets and the calculation of the provision for impairment are provided in note 4.13.

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 investments 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 and included in non-current assets.

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

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

The gains and losses obtained on disposal of treasury shares are recognized in "Other reserves" in the consolidated statement of financial position.

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, canceled 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 the provisions due to passage of time are recognized 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.

2.4. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in line with the Group's accounting policies set out in note 2.3 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 the year for the acquisition of the Western Generation portfolio. Three assets PPA's were identified as containing operating leases and have been accounted for accordingly.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 PPAs in Arrubal and Maritsa ending in July 2021 and February 2024 respectively and concluded that these do not constitute an impairment indicator considering the current economic conditions in their respective market. This conclusion was reached on Maritsa taking into consideration the forecast cash flow during the remaining PPA period to February 2024 which covers the significant majority of the year end balance sheet value. As such only an immaterial amount of net cash inflows are needed in the post PPA period for the carrying value of PP&E to be supported, resulting in no impairment indicators identified. For Arrubal, the performance of the business in the post PPA period has been such that no impairment indicators are noted.

In the current year the Group performed climate change scenario analysis as part of the TCFD disclosures on a selection of assets across the portfolio, covering 55% and 60% of the Group's Adjusted EBITDA and Revenue respectively. A detailed risk assessment was performed, after which scenarios were modelled to consider the potential impact of climate related risks over the life of the assets. We considered whether any of the results of the TCFD scenario analysis could result in an indicator of impairment, including whether factors driven by climate change could result in a change in the useful life. Whilst there are a number of assumptions inherent in long term economic forecasting that underpins the scenario analysis, 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. Beyond the PPA period, the scenario analysis indicated that there was also not a material impact to any of the assets modelled. As such, no indicators of impairment were identified.

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. Judgments 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 judgmental, as is the amount of possible outflow of economic benefits.

The main judgments are related to the litigations disclosed in the note 4.32, such as the Kivuwatt arbitration, and 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 business transactions 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

Change in wheeling charges

During June 2020 the Mexican government announced certain changes to the Legado regime which would result in significant increases to wheeling fees. The Company filed an Amparo lawsuit against these changes, claiming the increases to be unconstitutional, which was upheld in May 2021. An appeal has been filed which is subject to review of the higher court. If the final judgement approves these changes to Legado rights, then under the majority of the current PPAs in place, these increased charges would be passed through to offtakers, resulting in limited impact to the cashflows of the Company during the PPA period. However, such increases in charges would impact the cash flows generated in Mexico during the post PPA period or from renewal of PPAs. The Company has analyzed these potential changes to the Legado rights, and, based on the successful granting of Amparo in May 2021 and on an external legal opinion that confirmed the changes as unconstitutional and therefore unlikely to be sustained, concluded that those changes do not constitute an indication of impairment (impairment "trigger") as per IAS 36 as of December 31, 2021. The Group will continue to monitor future changes in regulation in Mexico and the potential impact on its operations.

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 indication of impairment as at December 31, 2021.

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 has granted CGA and CELCSA an injunction against the LIE. This injunction prevents the application and implementation of the challenged provisions by the relevant authorities. As of the Latest Practicable Date, the appeals file by the Mexican authorities against the admission of the Amparo claim and injunction of CGA are pending decision of the court. For CELCSA the appeal against admission of the Amparo claim is pending, but the Mexican Second Specialized Circuit Court revoked the definitive injunction on 15 July 2021 on the grounds that there was no immediate harm to it as a result of the LIE reform; any harm would be by subsequent acts of CRE to try to revoke the cogeneration self-supply permit, and/or by the relevant authorities to change the dispatch order; both of which are uncertain and have not occurred yet.

Given there has been no direct impact of the LIE reform to date 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, 2021.

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 scheduled closing 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 contract document 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. The arbitration proceedings are ongoing.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

As of 31 December 2021, €19.7 million ($22.4 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.

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 second half of 2021 a sale process was initiated for the Brazil Hydro and Brazil Wind asset portfolios. At year end we assessed whether these asset portfolios should be classified as held for sale.

At year end the Brazil Hydro portfolio sale had progressed to a stage where it was considered to be available for sale in its present condition and the sale is highly probable and as such was classified as held for sale. The Brazil Hydro portfolio however does not represent a major line of business or geographical area of operations and as such is not a discontinued operation. Refer to note 4.35 for further developments subsequent to year end.

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.

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 63.2% (2020: 55.3%) 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 renewable. During the year, the useful life of two assets was revised, one increased and one decreased as a result of consideration of the expected economic life.

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 $21.1 million (2020: $13.8 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 renewable 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. 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

In 2021 no indicators of impairment have been identified and as such no impairment evaluation has been performed.

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 Western Generation and Green Hunter acquisitions in Note 3.1.

Therefore, through a number of different approaches and with the assistance of independent external valuation experts for acquisitions as considered appropriate by management, 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. Such an intangible was identified in the Western Generation acquisition, related to a purchase price agreement in place which met the definition of an intangible asset. Refer to note 3.1 for further details.

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. For the Western Generation acquisition, such estimates were made for each of the assets acquired which also impacted on how much of the acquisition value was allocated to each asset.

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 4.15 for sensitivity analysis of this instrument.

SIGNIFICANT CHANGES IN THE REPORTING PERIOD

Year ended December 31, 2021

3. Significant changes in the reporting period

3.1. 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.

On a consolidated basis, had this acquisition taken place as of 1 January 2021, the Group would have recognized consolidated revenue of $2,181.5 million, Adjusted EBITDA of $849 million and consolidated net profit of $81.2 million for the year ended 31 December 2021. From the acquisition date on 18 February 2021 to December 31, 2021, this acquisition contributed to consolidated revenue, Adjusted EBITDA and net profit of $206.9 million, $84.5 million and $10.3 million respectively.

The determination of fair value of assets acquired and liabilities assumed at acquisition date are:

In $ millions	Acquired book values	Fair value adjustments	Fair value of assets and liabilities acquired
Property, plant and equipment	284.4	615.7	900.1
Intangible assets	214.0	(182.6)	31.4
Goodwill	27.8	(24.3)	3.5
Other assets	95.4	(4.4)	91.0
Cash and cash equivalents	19.4	–	19.4
Total assets	**641.0**	**404.4**	**1,045.4**
Borrowings	222.5	40.8	263.3
Deferred tax liabilities	19.5	9.2	28.7
Other liabilities	85.2	22.0	107.2
Total liabilities	**327.2**	**72.0**	**399.2**
Total net identifiable assets			**646.1**
Net purchase consideration			**646.1**

The Group has determined the fair value of assets acquired and liabilities assumed at acquisition date with the support of an external independent valuation expert leading to the following recognition:

- A decrease in the book value of intangible assets of $182.6 million due to the fair value of the power purchase agreements and tolling agreements under operating leases being classified as property, plant and equipment. The valuation of the power purchase agreements and tolling agreements recognized as intangible assets of $31.4 million at one US asset is based on a with or without method which reflects the benefit of having the agreements in place. For the asset in Trinidad and Tobago, the power purchase agreement is not separately identifiable from the tangible asset and therefore does not qualify as a separate identifiable intangible asset.
- An increase in the book value of PP&E of $615.7 million to reflect the fair value of these assets at acquisition based on an income approach method. This includes $235.8 million relating to the incremental fair value of power purchase agreements classified as operating leases.
- An increase in the book value of the Senior Secured Notes in Lea Power of $40.8 million to reflect the fair value of this liability at acquisition based on an income approach method.
- An increase in the asset retirement obligation of $22.0 million and a net increase in deferred tax liability of $9.2 million.

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 totaling 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).

On a consolidated basis, had this acquisition taken place as of 1 January 2021, the Group would have recognized consolidated revenue of $2,161.6 million, Adjusted EBITDA of $850.7 million and consolidated net profit of $81.6 million for the year ended 31 December 2021. From the acquisition date on 23 November 2021 to 31 December 2021, this acquisition contributed to consolidated revenue, Adjusted EBITDA and net profit of $0.7 million, $0.3 million and $nil million respectively.

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

In $ millions	
Intangible assets	0.3
Property, plant and equipment	56.5
Other assets	5.3
Cash and cash equivalents	6.1
Total assets	**68.2**
Borrowings	14.1
Deferred tax liabilities	5.2
Other liabilities	15.0
Total liabilities	**34.3**
Total net identifiable assets	**33.9**
Net purchase consideration	**33.9**
Goodwill	**–**

The Group has performed a preliminary determination of fair value of assets acquired and liabilities assumed at acquisition date leading to the following recognition:

- An increase in the book value of PP&E of €19.0 million ($21.4 million) to reflect the fair value of these assets at acquisition based on an income approach method.
- A net increase in deferred tax liability of €4.6 million ($5.2 million).

Brazil Hydro portfolio held for sale

As at 31 December 2021, given the advanced state of the sale negotiations the Brazil Hydro business, which is part of our Renewable segment, was classified as held for sale. The major classes of assets and liabilities within the disposal group are:

In $ millions	
Intangible assets	23.0
Property, plant and equipment	123.9
Cash and cash equivalents	12.4
Trade and other receivables	15.9
Total assets	**175.2**
Borrowings non current	121.8
Borrowings current	14.7
Provisions non current	5.1
Other current liabilities	11.5
Total liabilities	**153.1**

On 20 January 2022 a definitive agreement was signed with Infraestutura Brasil Holding XVII S.A for the sale of the Group's Brazilian Hydro power plants for a total enterprise value of BRL 1.73 billion ($313 million). The Group expects to generate a gain from the disposal of these assets. The transaction is expected to complete during the second quarter of 2022, subject to completion of certain conditions under the sale agreement.

The entities relating to the Group's Brazilian Hydro disposal group 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2021

4. Notes to the consolidated financial statements

4.1. 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 Antilles, Energies Saint-Martin, Bonaire, Mexican CHP, US and Trinidad & Tobago assets and our equity investees (primarily Termoemcali and 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. Renewable plants include Asa Branca, Chapada I, II, III, Inka, Vorotan, Austria Portfolio 1 & 2, Spanish Concentrated Solar Power and our other European and Brazilian 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 related expenses, 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)

In $ millions	Years ended December 31 2021	2020
Revenue		
Thermal Energy	**1,708.3**	963.3
Renewable Energy	**443.7**	447.4
Total revenue	**2,151.9**	1,410.7
Adjusted EBITDA		
Thermal Energy	**541.3**	420.9
Renewable Energy	**334.7**	332.0
Corporate & Other[1]	**(34.5)**	(30.9)
Total Adjusted EBITDA	**841.5**	722.0
Proportionate Adjusted EBITDA	**692.3**	568.7
Non controlling interests	**149.2**	153.3
Total Adjusted EBITDA	**841.5**	722.0
Reconciliation to profit before income tax		
Depreciation, amortization and impairment (note 4.3.)	**(399.2)**	(311.6)
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives (note 4.6)	**(249.2)**	(247.8)
Share of adjusted EBITDA in associates[2]	**(27.0)**	(19.9)
Share of profit in associates (note 4.12.)	**16.2**	12.3
Acquisition related items (note 4.5.)	**(14.2)**	(20.2)
Restructuring costs (note 4.3.)[3]	**–**	(5.2)
Private incentive plan[4]	**–**	(6.6)
Mexico CHP fixed margin swap[5]	**5.5**	(15.6)
Change in finance lease and financial concession assets[6]	**(37.9)**	(31.7)
Brazil Hydro concession extension[7]	**5.5**	–
Other	**1.7**	(3.4)
Profit before income tax	**142.9**	72.3

1. Corporate costs correspond to selling, general and administrative expenses before depreciation and amortization of $6.1 million (December 31, 2020: $5.3 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.
3. Represents redundancy and staff-related restructuring costs.
4. Represents the private incentive plan as described in note 4.27. The private incentive plan ended 31 December 2020.
5. 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”.
6. 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”.
7. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Cash outflows on capital expenditure

In $ millions	Years ended December 31 2021	2020
Thermal Energy	**43.2**	27.2
Renewable Energy	**57.8**	47.4
Corporate & Other	**3.4**	2.4
Total capital expenditure	**104.4**	77.0

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:

In $ millions	Years ended December 31 2021	2020
Europe[1]	**1,302.5**	840.9
Latin America[2]	**530.5**	444.5
United States	**183.0**	–
Africa	**136.0**	125.3
Total revenue	**2,151.9**	1,410.7

1. Revenue generated in 2021 in Bulgaria and Spain amounted to $706.9 million and $426.9 million respectively (December 31, 2020: $406.3 million and $296.9 million respectively).
2. Revenue generated in 2021 in Brazil and Mexico amounted to $140.2 million and $296.1 million respectively (December 31, 2020: $142.0 million and $211.5 million respectively).

In $ millions	Years ended December 31 2021	2020
Europe[1]	**438.1**	402.5
Latin America[2]	**273.0**	273.2
United States	**84.6**	–
Africa	**80.3**	77.2
Corporate & Other	**(34.5)**	(30.9)
Total Adjusted EBITDA	**841.5**	722.0

1. Adjusted EBITDA generated in 2021 in Bulgaria and Spain amounted to $127.8 million and $200.5 million respectively (December 31, 2020: $121.6 million and $189.0 million respectively).
2. Adjusted EBITDA generated in 2021 in Brazil and Mexico amounted to $93.8 million and $110.5 million respectively (December 31, 2020: $94.7 million and $104.9 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 2021	2020
Europe	**1,941.3**	2,151.1
Latin America	**1,614.0**	1,761.6
United States	**773.8**	–
Africa	**370.3**	405.4
Total non-current assets	**4,699.6**	4,318.1

4.2. Revenue

In $ millions	Years ended 31st December 2021	2020
Revenue from power sales[1]	**1,801.3**	1,191.4
Revenue from operating leases[2]	**184.9**	85.6
Revenue from concession and finance lease assets[3]	**33.9**	34.6
Other revenue[4]	**131.8**	99.1
Total revenue	**2,151.9**	1,410.7

Revenue from power sales and Other revenue are recognized under IFRS 15 and total $1,933.1 million in the year to December 31, 2021 (December 31, 2020: $1,290.5 million). Revenue from operating leases and revenue from concession and finance lease assets are recognized under IFRS 16 and IFRIC 12 respectively.

1. The increase in Revenue from power sales from $1,191.4 million to $1,801.3 million is mainly due to the February 2021 acquisition of the US and Trinidad and Tobago assets contributing $101.8 million, higher CO_2 emissions revenue in our Maritsa plant for $300.6 million, revenue increase in Arrubal for $138.9 million mainly due to trading optimization and positive spreads for burning additional gas and higher production and higher gas pass throughs at Mexico CHP contributing $84.6 million.
2. Revenue from operating leases mainly includes $55.1 million relating to our Solutions plants, $31.7 million relating to our Bonaire plant, $98.1 million relating to the acquisition of the US and Trinidad and Tobago assets and $nil million relating to our Energie Antilles plant in the year to December 31, 2021 (December 31, 2020: $43.2 million, $25.9 million, $nil and $16.6 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 (2020: one customer).

	Years ended December 31 2021	2020
Customer A	**32.8%**	28.8%

4.3. Expenses by nature

In $ millions	Years ended December 31 2021	2020
Fuel costs	**541.3**	270.2
Depreciation, amortization and impairment	**399.2**	311.6
Operation and maintenance costs	**95.5**	77.7
Employee costs	**107.9**	88.7
Emission allowance utilized[1]	**449.5**	153.7
Professional fees	**22.0**	19.1
Purchased power	**30.6**	29.6
Transmission charges	**34.7**	33.2
Operating consumables and supplies	**21.2**	24.4
Insurance costs	**33.1**	23.7
Other expenses[2]	**36.0**	38.4
Total cost of sales and selling, general and administrative expenses	**1,771.0**	1,070.3

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 at year end to their net realizable value.
2. Other expenses include facility costs of $15.2 million at December 31, 2021 (December 31, 2020: $12.7 million).

In $ millions	Years ended December 31 2021	2020
Private Incentive Plan[1]	**–**	6.6
Restructuring costs[2]	**–**	5.2
Other	**3.4**	7.9
Total other operating expenses	**3.4**	19.7

1. Represents the private incentive plan as described in note 4.27 share-based compensation plan of the annual accounts. The private incentive plan ended at the end of December 2020.
2. Represents redundancy and staff-related restructuring costs.

4.4. Employee costs and numbers

In $ millions	Years ended December 31 2021	2020
Wages and salaries	**(85.0)**	(67.8)
Social security costs	**(14.4)**	(14.1)
Share-based payments[1]	**(1.9)**	(1.9)
Pension and other post-retirement benefit costs	**(0.8)**	(0.9)
Other	**(5.8)**	(4.0)
Total employee costs before private incentive plan	**(107.9)**	(88.7)
Private incentive plan[1]	**–**	(6.6)
Total employee costs	**(107.9)**	(95.3)
Monthly average number of full-time equivalent employees	**1,491**	1,435
• Thermal	**868**	822
• Renewable	**413**	425
• Corporate	**210**	188

1. See note 4.27 for a description of the private incentive plan and long term incentive plan.

4.5. Acquisition related items

In $ millions	Years ended December 31 2021	2020
Acquisition costs[1]	**(14.2)**	(20.2)
Acquisition related items	**(14.2)**	(20.2)

1. Acquisition costs include notably pre-acquisition costs such as due diligence costs and professional fees and other related incremental costs incurred as part of completed acquisitions or contemplated acquisitions. In 2021, costs incurred primarily related to completed acquisitions in the United States and Italy. In 2020 costs incurred primarily related to a contemplated acquisition in the United States (subsequently completed on February 18, 2021).

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

In $ millions	Years ended December 31 2021	2020
Finance income	**3.9**	4.4
Net change in fair value of fixed margin derivative[1]	**13.6**	56.1
Net change in fair value of other derivatives[2]	**11.7**	14.4
Net foreign exchange differences[3]	**18.4**	(59.8)
Net foreign exchange gains and (losses) and change in fair value of derivatives	**43.7**	10.7
Interest expenses on borrowings	**(205.5)**	(195.0)
Amortization of deferred financing costs	**(20.8)**	(13.2)
Unwinding of discounting[4]	**(26.0)**	(15.9)
Other[5]	**(44.5)**	(38.8)
Finance costs	**(296.8)**	(262.9)
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives	**(249.2)**	(247.8)

1. Net change in fair value of derivative related to the CHP Mexico fixed margin liability.
2. The Group recognized a profit of $8.1 million in the 12 months ended 31 December 2021 in relation to its interest rate, cross currency, financial swaps, options, foreign exchange options and forward contracts (December 31, 2020: profit of $5.6 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 primarily relate to subsidiaries and 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 Maritsa debt to non-controlling interests and other long-term liabilities in the 12 months ended 31 December 2021 and 2020.
5. Other mainly includes costs associated with other financing, finance costs of leases, income and expenses related to interest and penalties for late payments.

4.7. Income tax expense and deferred income tax

Income tax expense

In $ millions	Years ended December 31, 2021	2020
Current tax		
• current tax expense of the year	**(45.1)**	(33.7)
• prior year adjustment	**(2.0)**	0.9
Total current tax expense	**(47.1)**	(32.8)
Deferred tax		
• deferred tax expense of the year	**(19.5)**	(17.9)
• prior year adjustment	**3.4**	7.0
Total deferred tax expense	**(16.1)**	(10.9)
Income tax expense	**(63.2)**	(43.7)

The main jurisdictions contributing to the income tax expense for the year ending December 31, 2021 are i) Mexico, ii) Spain and iii) Bulgaria.

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 (2021: 19%, 2020: 19%) to the results of the consolidated entities as follows:

Effective tax rate reconciliation

In $ millions	Years ended December 31, 2021	2020
Profit before income tax	**142.9**	72.3
Profit before income tax at UK statutory tax rate	**(27.2)**	(13.7)
Tax effects of:		
Differences between statutory tax rate and foreign statutory tax rates[1]	**(1.8)**	(0.4)
Changes in unrecognized deferred tax assets[2]	**(18.6)**	(19.5)
Reduced rate and specific taxation regime[3]	**3.2**	6.2
Foreign exchange movement[4]	**4.7**	(3.7)
Prior year adjustment - current tax	**(2.0)**	0.9
Prior year adjustment - deferred tax	**3.4**	7.0
Permanent differences and other items[5]	**(25.0)**	(20.4)
Income tax expense	**(63.2)**	(43.7)
Effective rate of income tax	**44.2%**	60.4%

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 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. This category is composed of tax impacts of inflationary adjustments (2021: $13.0 million, 2020: $6.4 million) and a number of individually immaterial items such as non-deductible Group costs or withholding taxes.

Net deferred tax movement

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

In $ millions	December 31, 2021	2020
Net deferred tax assets (liabilities) as of January, 1	**(211.4)**	(218.5)
Statement of income	**(16.1)**	(10.9)
Deferred tax recognized directly in other comprehensive income	**(14.4)**	27.9
Acquisitions	**(35.7)**	–
Currency translation differences and other	**2.1**	(9.9)
Net deferred tax assets (liabilities) as of December, 31	**(275.5)**	(211.4)
Including net deferred tax assets balance of:	**49.7**	57.5
Deferred tax liabilities balance of:	**(325.2)**	(268.9)

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]	Other[3]	Total
As of January 1, 2020 (restated)	28.1	(240.8)	(59.9)	7.7	46.3	(218.5)
Statement of income	88.7	(95.1)	9.6	(1.4)	(12.6)	(10.9)
Other comprehensive income	–	–	(0.1)	28.0	–	27.9
Acquisitions	–	–	–	–	–	–
Currency translations and other	0.8	(13.5)	0.8	0.8	1.1	(10.0)
As of December 31, 2020	117.6	(349.4)	(49.5)	35.1	34.7	(211.4)
Statement of income	**20.5**	**(40.3)**	**4.3**	**(2.9)**	**2.3**	**(16.1)**
Other comprehensive income	**–**	**–**	**–**	**(14.4)**	**–**	**(14.4)**
Acquisitions / disposals[4]	**1.3**	**(117.0)**	**64.7**	**(2.7)**	**18.0**	**(35.7)**
Currency translations and other[5]	**(0.6)**	**8.9**	**(0.9)**	**(0.1)**	**(5.2)**	**2.1**
As of December 31, 2021	**138.8**	**(497.8)**	**18.6**	**14.9**	**50.0**	**(275.5)**

1. Mainly relates to assets acquired through business combinations.
2. $(9.9) million of the current year movement through other comprehensive income represents the movement in the year of hedging expenses in Mexico. $25.8 million of the movement in the prior year related to the recognition of deferred tax assets on these hedging expenses incurred in both 2019 and 2020 following conclusion that such derivative costs should be deductible under Mexican tax rules.
3. This category is made up of various items, the largest being deferred financing costs of $26.8 million (2020: $20.0 million), with $8.6 million being acquired in the period and currency translations of $1.8 million. Other significant items include finance lease capitalization of $(13.7) million (2020: $(16.0) million) and Mexico fixed margin swap provision of $7.3 million (2020: $13.0 million).
4. Mainly includes opening balance sheet deferred tax assets and liabilities relating to the US and Trinidad assets acquired in February 2021.
5. The Other movement relates to a reclassification of a deferred tax liability in Rwanda of $5.4 million which was previously netted against other receivables. An equal and opposite asset is contained in other receivables as the tax liability in Rwanda is passed through to the local offtaker.

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 $20.9 million (2020: $24.6 million) which relates predominately to intangible assets. The relevant tax group is profitable, and the reversal of the deferred tax asset is scheduled to be within four years. In the US, there was an operating loss in the current year due to acquisition costs and the amortization of intangible assets. 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 $16.2 million ($3.5 million in 2020), which is scheduled to be reversed within 13 to 15 years. This utilization 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 $300.2 million as of December 31, 2021 (December 31, 2020: $268.2 million) and can be broken down as follows:

In $ millions	December 31, 2021	2020
Unrecognized deferred tax assets on tax losses[1]	**276.0**	245.9
Unrecognized deferred tax assets on deductible temporary differences	**24.2**	22.3
Total unrecognized deferred tax assets	**300.2**	268.2

The total amount of deductible temporary differences and unused tax losses for which no deferred tax asset is recognized amounts to $1,179.6 million (2020: $1,067.0 million) and is broken down as follows:

	December 31, 2021	2020
Tax losses - no deferred tax asset recognized	**1,060.3**	969.7
Deductible temporary differences - no deferred tax asset recognized	**119.3**	97.3
Total	**1,179.6**	1,067.0

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

With respect to Luxembourg, tax losses of $279.9 million 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 $51.2 million, $95.9 million, $147.5 million, $168.3 million and $64.7 million expire on December 31, 2034, 2035, 2036, 2037 and 2038, 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.

4.8. Earnings per share

	Years ended December 31,			
	2021		2020	
	Basic	**Diluted**	Basic	Diluted
Profit attributable to CG plc shareholders (in $ millions)	**78.3**	**78.3**	16.0	16.0
Number of shares (in millions)				
Weighted average number of shares outstanding	**656.3**	**656.3**	666.6	666.6
Potential dilutive effects related to share-based compensation		**3.0**		2.3
Adjusted weighted average number of shares		**659.3**		668.9
Profit attributable to CG plc shareholders per share (in $)	**0.12**	**0.12**	0.02	0.02

There was no dilutive impact from the Private Incentive Plan (PIP) on the earnings per share for the year ended 31 December 2020 as the shares were settled in full by existing shares held by Reservoir Capital Group.

4.9. Intangible assets and goodwill

In $ millions	Goodwill	Work in progress	Legado rights	Contracts	Permits, licenses and other project development rights	Software and Other	Total
Cost	0.5	–	233.3	–	145.8	34.6	414.2
Accumulated amortization and impairment	–	–	(1.1)	–	(44.3)	(16.1)	(61.6)
Carrying amount as of January 1, 2020	**0.5**	**–**	**232.2**	**–**	**101.5**	**18.4**	**352.6**
Additions	–	–	–	–	2.2	3.5	5.7
Disposals	–	–	–	–	–	–	–
Currency translation differences	0.1	–	–	–	(16.6)	–	(16.5)
Reclassification	–	1.5	–	–	(1.1)	3.8	4.2
Amortization charge	–	–	(13.7)	–	(6.4)	(6.0)	(26.2)
Closing net book amount	**0.6**	**1.5**	**218.4**	**–**	**79.4**	**19.7**	**319.7**
Cost	0.6	1.5	233.3	–	122.8	40.9	399.1
Accumulated amortization and impairment	–	–	(14.9)	–	(43.4)	(21.1)	(79.4)
Carrying amount as of December 31, 2020	**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	–
Amortization 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 amortization and impairment	–	–	(28.6)	(8.1)	(34.5)	(31.6)	(102.8)
Carrying amount as of December 31, 2021	**4.1**	**0.1**	**204.7**	**23.3**	**54.5**	**18.7**	**305.4**

1. Assets acquired through business combination relate to our United States of America and Trinidad and Tobago portfolio, detailed in note 3.1.
2. Assets recognized as held for sale relate to our Brazil Hydro portfolio, detailed in note 3.1.

Contracts relate to the fair valuation on acquisition of power purchase agreements in the United States of America, detailed in note 3.1. 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 $35.6 million in the year ended December 31, 2021 (December 31, 2020: $24.2 million) and amortization included in “selling, general and administrative expenses” amount to $3.4 million in the year ended December 31, 2021 (December 31, 2020: $2.0 million).

4.10. 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 3.1.

Assets held for use in operating leases as a lessor included within Property, Plant and Equipment below are set out in note 4.32.

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 3.1.
2. Assets recognized as held for sale relate to our Brazil Hydro portfolio, detailed in note 3.1.

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.

Depreciation included in “cost of sales” in the consolidated statement of income amounted to $357.5 million in the year ended December 31, 2021 (December 31, 2020: $282.0 million) and depreciation included in “selling, general and administrative expenses” amount to $2.7 million in the year ended December 31, 2021 (December 31, 2020: $3.3 million).

In the year ended December 31, 2021, the Group capitalized $2.8 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	68.6	5,187.1	61.5	43.7	325.8	5,686.7
Accumulated depreciation and impairment	(0.5)	(1,736.7)	–	(8.3)	(131.4)	(1,876.9)
Carrying amount as of January 1, 2020	**68.1**	**3,450.5**	**61.5**	**35.4**	**194.4**	**3,809.8**
Restatement for finalization of fair values on acquisition[1]	–	(37.5)	–	–	–	(37.5)
Carrying amount as of January 1, 2020 (restated)	**68.1**	**3,413.0**	**61.5**	**35.4**	**194.4**	**3,772.3**
Additions	–	17.4	59.3	4.2	9.8	90.6
Disposals	–	(5.8)	(4.6)	(1.1)	–	(11.5)
Reclassification[2,3]	–	42.7	(36.9)	–	(30.7)	(24.9)
Currency translation differences	3.6	(20.1)	(2.4)	2.0	(7.2)	(24.1)
Depreciation charge	(0.1)	(263.1)	–	(6.0)	(16.1)	(285.3)
Closing net book amount	**71.6**	**3,184.1**	**76.8**	**34.5**	**150.2**	**3,517.1**
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 December 31, 2020	**71.6**	**3,184.0**	**76.8**	**34.5**	**150.2**	**3,517.1**

1. IFRS 3 remeasurement adjustment on assets acquired through business combination relate to our Mexican CHP portfolio.
2. Mainly relates to project development costs in Kosovo of €19.7 million ($22.5 million). Given the termination of the Kosovo project agreements in May 2020, the recoverable costs have been de-recognized from Property, plant and equipment and recognized as a contract asset arising from a revenue arrangement presented in line with IFRS 15 in Other non current assets.
3. Reclassification includes previous year's non-material reallocations between asset categories to reflect current positions.

Construction work in progress as of December 31, 2020 predominantly related to our Vorotan refurbishment project, our Austria Wind project repowering, our Mexico CHP and our Maritsa plants.

As of December 31, 2020, the Other category mainly related to $62.1 million of instruments and tools, $48.7 million of facility equipment, $29.7 million of assets retirement obligations.

Depreciation included in "cost of sales" in the consolidated statement of income amounted to $282.0 million in the year ended December 31, 2020 and depreciation included in "selling, general and administrative expenses" amounted to $3.3 million in the year ended December 31, 2020.

In the year ended December 31, 2020, the Group capitalized $1.1 million of borrowing costs in relation to project financing.

4.11. Financial and contract assets

In $ millions	December 31 2021	December 31 2020
Contract assets - Concession arrangements[1]	**378.0**	416.5
Finance lease receivables[2]	**9.9**	15.2
Other	**14.9**	6.6
Total financial and contract assets	**402.8**	438.3
Total financial and contract assets non-current portion	**370.5**	408.3
Total financial and contract assets current portion	**32.3**	30.0

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 13.8 years as of December 31, 2021 (December 31, 2020: 14.8 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 totaling 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 1.3 years as of December 31, 2021 (December 31, 2020: 2.3 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, 2021 and 2020.

Net cash inflows generated by the financial assets under concession agreements amounted to $66.8 million as of December 31, 2021 (December 31, 2020: $70.6 million).

4.12. Investments in associates

Set out below are the associates of the Group as of December 31, 2021:

Operational plant		Country of incorporation	Ownership interests 2021	Ownership interests 2020	Date of acquisition
Sochagota	Associate	Colombia	49.0%	49.0%	2006 and 2010
Termoemcali	Associate	Colombia	37.4%	37.4%	2010
Evacuacion Villanueva del Rey, S.L.	Associate	Spain	39.9%	39.9%	2018

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, 2020						
Sochagota	79.1	33.8	22.9	35.8	93.7	16.4
Termoemcali	24.4	48.4	17.0	35.9	27.8	11.5
Evacuacion Villanueva del Rey, S.L.	0.1	3.0	0.2	2.9	0.3	–
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**	**-**

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

In $ millions	**2021**	2020
Balance as of January 1,	**29.5**	26.6
Share of profit	**16.2**	12.3
Dividends	**(8.3)**	(7.8)
Other	**(3.9)**	(1.6)
Balance as of December 31,	**33.5**	29.5

4.13. 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 10.2% of the Group's existing external debt obligations (excluding Brazil Hydro debt reclassified as held for sale) carry variable interest rates in 2021 (2020: 11.5%) (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:

In $ millions	Years ended December 31	
	2021	2020
Brought forward cash-flow hedge reserve	**(127.5)**	(86.0)
Interest rate and cross currency swap contracts:		
Net fair value gain/(loss) on effective hedges	**62.0**	(40.8)
Amounts reclassified to Net finance cost	**(7.2)**	(0.7)
Carried forward cash-flow hedge reserve[1]	**(72.7)**	(127.5)

1. The above table show pre-tax cash flow hedge positions, including non-controlling interest. The amounts on the balance sheet include $17.0 million deferred tax (2020: $31.4 million).

The debit value adjustment on the interest rate swaps and cross currency swaps in the interest rate hedge amounts to $1.9 million (2020: $3.7 million). These amounts are recognized on the financial statements against the fair value of derivative (note 4.14). Aside from the IFRS 13 credit/debit risk adjustment, cash-flow hedges generated immaterial ineffectiveness in 2021 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, 2020				
Cash flows payable on a proportion of borrowings	Interest rate risk	Interest rate swaps	113.0	(113.0)
Cash flows payable on a proportion of borrowings	Interest rate risk and foreign currency risk	Cross currency swaps	14.5	(14.5)
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)

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 $475.4 million principal, with a swap maturing in 2031, in relation to CHP assets in Mexico that are subject to refinancing after 2026. Refinancing for an additional five years to match the term of the swap is considered highly probable since the Group will continue to maintain significant levels of US$ debt in relation to the CHP assets in Mexico through to 2031.

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 and LIBOR which are not hedged through interest rate swaps (refer to note 4.24). A change of 0.5% of those floating rates would result in an increase in interest expenses by $2.1 million in the year ended December 31, 2021 (2020: $2.8 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. None of these borrowings or derivatives have transitioned to alternative rates to date.

In $ millions

	Measurement basis	Assets carrying value 31 December 2021	Liabilities carrying value 31 December 2021	Notional
Borrowings nominal outstanding - EURIBOR	Amortized cost	–	593.6	
Borrowings nominal outstanding - USD LIBOR	Amortized 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

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 4.24.

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, 2021 would have been $0.5 million higher/lower (2020: $4.7 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, 2021 would have been $0.1 million higher/lower (2020: $0.5 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 USD, refer to sensitivity as disclosed in note 4.15. 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.

In the particular case of the Brazilian hydro power plants, the Group hedges most of its exposure against the change in local electricity price in case of low generation. In such a case, Brazilian hydro power plants may be required to buy electricity on the market.

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, financial and contract 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.

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 2021 or 31 December 2020 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	**2021**	2020
Trade receivables not overdue	**65.7**	68.9
Past due up to 90 days	**19.0**	17.3
Past due between 90 - 180 days	**0.3**	2.1
Past due over 180 days	**18.4**	19.7
Total trade receivables	**103.4**	108.0

As of December 31, 2021, $30.8 million (December 31, 2020: $31.1 million) of trade receivables were outstanding in connection with our Bulgarian power plant, Maritsa East 3. The trade receivables include around €17.3 million ($19.6 million) as of December 31, 2021 to be received from NEK that the Group considers recoverable under the terms of the PPA-signed contract amendments and the tribunal award in an ad hoc arbitration under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) between Maritsa and its offtaker NEK in relation to environmental capex reimbursement in February 2022.

The trade receivables include an expected credit loss of $3.3 million (December 31, 2020: $3.1 million) on the Past due over 180 days category with an increase in allowance recognized in profit and loss of $2.6 million in 2021, (December 31, 2020: $0.4 million).

There were immaterial credit losses and no overdue balances identified on financial and contract 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 financing arrangements 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, 2020	1,429.0	1,576.9	2,667.2	**5,673.1**
Borrowings[1]	899.7	1,379.6	2,592.5	**4,871.8**
Trade and other payables	333.7	–	–	**333.7**
Derivative financial instruments	41.0	106.2	44.8	**192.0**
IFRS 16 lease liabilities	4.3	17.2	11.4	**32.9**
Other current liabilities[3]	150.3	–	–	**150.3**
Other non current liabilities[3]	–	73.9	18.5	**92.4**
Year ended December 31, 2021	1,107.2	2,303.1	1,776.2	**5,186.5**
Borrowings[2]	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[3]	130.8	–	–	**130.8**
Other non current liabilities[3]	–	110.8	27.7	**138.5**

1. Borrowings represent the outstanding nominal amount (note 4.24). Short-term debt of $899.7 million as of December 31, 2020 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 4.24). Short-term debt of $349.1 million as of December 31, 2021 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 4.29 and 4.25 respectively excludes IFRS 16 lease liabilities and has been updated to exclude taxes payable and deferred revenue.

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, 2020

In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Forecast interest expense to be paid	196.0	634.3	444.6	1,274.9

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**

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 optimize 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 or implement a share buyback program (note 4.22). It may also increase debt provided that the funded venture provides adequate returns so that the overall capital structure remains supportable.

4.14. 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:

In $ millions	December 31, 2021 Assets	December 31, 2021 Liabilities	December 31, 2020 Assets	December 31, 2020 Liabilities
Interest rate swaps – Cash flow hedge[1]	3.7	63.3	–	120.9
Cross currency swaps – Cash flow hedge[2]	–	11.1	–	26.2
Foreign exchange forward contracts – Trading[3]	0.8	–	–	0.6
Option contracts – not in hedge relationships[4]	-	–	1.5	1.6
Financial swap on commodity[5]	0.6	–	–	0.1
Fixed margin swap[6]	–	23.4	–	42.6
Other[7]	10.8	–	–	–
Total	**16.0**	**97.8**	**1.5**	**192.0**
Less non-current portion:				
Interest rate swaps – Cash flow hedge	3.7	45.5	–	92.7
Cross currency swaps – Cash flow hedge	–	10.1	–	24.2
Foreign exchange forward contracts – Trading	0.1	–	–	0.1
Option contracts – not in hedge relationships	–	–	1.1	–
Financial swap on commodity	0.3	–	–	0.1
Fixed margin swap	–	15.8	–	33.9
Other	5.8		–	–
Total non-current portion	**9.9**	**71.5**	**1.1**	**151.0**
Current portion	**6.1**	**26.3**	**0.4**	**41.0**

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 Mexico for $51.2 million (December 31, 2020: $83.4 million) maturing in November 2031 and in Armenia for $10.2 million (December 31, 2020: $16.8 million) maturing in November 2034. 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, 2021 amounts to $11.6 million (December 31, 2020: $27.4 million) maturing in July 2033. Credit value adjustment amounts to $0.5 million as of December 31, 2021 (December 31, 2020: $1.2 million). 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 the value, in USD terms, of the BRL-denominated expected distributions from the Brazilian portfolio. The BRL-denominated distributions have been hedged using forward exchange contracts with a fair value of asset $0.8 million and maturity between March 2022 and January 2024 (December 31, 2020: liability $0.1 million). The COP-denominated distributions were economically hedged in 2020 using a forward which was closed in January 2021 (December 31, 2020: liability $0.5 million). Hedge accounting is not applied to BRL/USD and COP/USD foreign exchange forward contracts, as a result changes in fair value are recognized in the consolidated statement of income.
4. The Group executed a series of offsets to protect the value, in USD terms, of the BRL-denominated expected distributions from the Brazilian portfolio and the MXN-denominated expected distributions from the Mexican portfolio. The distributions were protected in 2020 against material depreciation of the BRL using option contracts in place (December 31, 2020: $1.6 million). The MXN-denominated distributions were protected in 2020 against material depreciation of the MXN using an option contract in place (December 31, 2020: asset $0.4 million maturing in November 2021). The Group entered in 2020 into an option to protect the Group against changes in interest rates for our financing projects. This contract was terminated in 2021 (December 31, 2020: asset $1.1 million).
5. 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.
6. 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.
7. Contract derivative recognized on acquisition of Western Generation in 2021.

The notional principal amount of derivative financial instruments:

- the outstanding interest rate swap contracts and cross currency swap qualified as cash-flow hedge amounted to $1,231.2 million as of December 31, 2021 (December 31, 2020: $1,213.4 million), bearing interest ranging between 0.15% and 4.58% as of December 31, 2021 (December 31, 2020: 0.16% and 5.07%);
- the outstanding foreign exchange forward and option contracts amounted to $16.5 million as of December 31, 2021 (December 31, 2020: $161.8 million). In 2020, the outstanding option allowing the possibility to enter into an underlying swap

with the objective to protect the Group against changes in interest rates on our financing projects amounted to $200.0 million. This contract was cancelled in 2021 (December 31, 2020: asset $1.1 million); and

- the commodity swap (gas) relates to one PPA in our Mexican CHP amounted to $2.1 million as of December 31, 2021 (December 31, 2020: $3.0 million).

The Group recognized in Net Finance costs a gain in respect of changes in fair value of derivatives listed above of $21.7 million in the 12 months ended December 31, 2021 (December 31, 2020: profit $61.7 million) and a gain of $2.4 million in the 12 months ended December 31, 2021 in relation to settled positions (December 31, 2020: profit of $8.8 million).

4.15. 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 2020.

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, 2021 and December 31, 2020, 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 it's 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 only 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, 2020 of $19.2 million is driven by the movement of market inputs, in particular the natural gas price, accounting for $20.2 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 $7.1 million (December 31, 2020: increase/decrease by $10.9 million), (ii) for an increase/decrease of 5% in the natural gas cost, the fixed margin swap liability will decrease/increase by $4.1 million (December 31, 2020: decrease/increase by $5.7 million), (iii) for an increase/decrease of 25% in discount rates, the fixed margin swap liability will decrease/increase by $0.9 million (December 31, 2020: decrease/increase by $1.3 million), and (iv) and for an increase/decrease of 5% in the CFE tariff, the fixed margin swap liability will increase/decrease by $8.8 million (December 31, 2020: increase/decrease by $13.7 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 4.16) 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.

4.16. Financial instruments by category

In $ millions	Financial asset category			
As at December 31, 2020	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	–	1.5	–	1.5
Financial and contract assets	438.3	–	–	438.3
Trade and other receivables[1]	228.0	–	–	228.0
Other non-current assets[1]	41.1	–	–	41.1
Cash and cash equivalents[2]	385.0	1,011.9	–	1,396.9
Total	**1,092.4**	**1,013.4**	**–**	**2,105.8**

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
Financial and contract 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 liability category			
As at December 31, 2020	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	–	4,830.3	–	4,830.3
Derivative financial instruments	44.8	–	147.2	192.0
Trade and other payables	–	333.7	–	333.7
Other current liabilities[1]	–	154.6	–	154.6
Other non current liabilities	–	124.9	–	124.9
Total	**44.8**	**5,443.5**	**147.2**	**5,635.5**

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**

1. These balances exclude receivables and payables balances in relation to taxes and deferred revenue balance. Refer to note 4.19 for further details regarding Trade and other receivables. Other non-current assets is disclosed in note 4.17 and excludes Vorotan VAT receivable amounting to $2.6 million. Refer to note 4.28 for further detailed of Trade and other payables. Other current liabilities is disclosed in note 4.29 and excludes deferred revenue amounting $6.4 million. Other non-current liabilities is disclosed in note 4.25 and excludes deferred revenue amounting to $3.3 million.
2. These balances include money market funds, which comprise investment in funds that are subject to an insignificant risk of changes in fair value. The comparative figure has been adjusted to include in the fair value through profit and loss cash balances that were held in money market funds and reclassify the remaining cash balances of $385 million to amortized cost.

4.17. Other non-current assets

In $ millions	December 31 2021	2020
Kosovo receivables[1]	**22.4**	24.1
Advance to supplier[2]	**–**	1.4
Other	**32.7**	17.0
Total other non-current assets	**55.1**	42.5

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 2.4.
2. Advance payment to supplier related to Vorotan EPC (engineering, procurement and construction) contract as part of the refurbishment program. This program ended in 2021.

4.18. Inventories

In $ millions	December 31 2021	2020
Emission allowance	**404.8**	165.8
Spare parts	**55.5**	54.6
Fuel	**14.2**	14.8
Other	**15.7**	17.0
Total	**490.2**	252.2
Provision	**(4.5)**	(4.8)
Total inventories	**485.7**	247.4

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

4.19. Trade and other receivables

In $ millions	December 31 2021	2020
Trade receivables - gross	**106.8**	111.0
Accrued revenue (unbilled)	**152.6**	113.1
Provision for impairment of trade receivables	**(3.4)**	(3.1)
Trade receivables - net	**256.0**	221.0
Other tax receivable	**34.9**	36.0
Other receivables	**8.1**	7.0
Trade and other receivables	**299.1**	264.0

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 4.13.

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

4.20. Other current assets

In $ millions	December 31 2021	2020
Prepaid expenses	**19.7**	17.4
Advances to suppliers	**4.2**	7.9
Other[1]	**36.5**	9.8
Other current assets	**60.4**	35.1

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

4.21. 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. 77.1% of our cash and cash equivalents as of December 31, 2021 is pledged as security in relation with the Group's project financings (December 31, 2020: 22.0%); cash and cash equivalents includes $81.8 million as of December 31, 2021 (December 31, 2020: $117.3 million) of cash balances relating to debt service reserves required by project finance agreements and $nil in money market funds (December 31, 2020: $1,011.9 million).

4.22. Equity

Issued capital

Issued capital of the Company amounted to $8.9 million as at 31 December 2021, with no changes since the year ended 31 December 2020.

Allotted, authorized, called up and fully paid	Number	Nominal value	£ million	$ million
As at 31 December 2020	670,712,920	0.01	6.7	8.9
As at 31 December 2021	**670,712,920**	**0.01**	**6.7**	**8.9**

During the year the Company paid dividends of $114.5 million (2020: $105.7 million).

	Years ended December 31	
In $ millions	**2021**	2020
Declared during the financial year:		
Final dividend for the year ended 31 December 2019: 3.6901 US cents per share		24.8
Interim dividends for the year ended 31 December 2020: 12.1773 US cents per share		80.9
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**	
Total dividends provided for or paid	**114.5**	105.7

Share repurchases

On 1 April 2020 ContourGlobal announced a buyback program 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 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 £5.5 million ($7.4 million), representing 0.40% of its share capital and used 427,440 shares in respect with the 2018 Long Term Incentive Plan. Since the beginning of the buyback program, 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.

4.23. 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, 2020					
Non-controlling interest	CG assets	Acc. 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)	21.5	(2.7)	–	–	3.4	6.6
Electrobras (49%)	Chapadas II (Wind Brazil)	37.3	(1.1)	–	–	–	8.7
NEK (27%)	Maritsa (Bulgaria)	53.3	–	–	18.5[2]	–	32.8
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	13.7	4.5	–	2.6	–	11.5
EIP Energy Infrastructure Holding (49%)	Italy Solar	(4.5)	2.6	–	8.4	–	17.0
EIP Energy Infrastructure Holding (49%)	CSP Spain	20.0	4.1	–	46.2	–	61.9
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	6.8	0.1	0.2	0.3	–	1.5
Other		7.2	5.1	5.2	–	–	13.3
Total		**155.3**	**12.6**	**5.4**	**76.0**	**3.4**	**153.3**

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 4.25.

In $ millions		**Year ended December 31, 2021**					
Non-controlling interest	CG assets	**Acc. 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%)	CSP Spain	**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 the note 4.25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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, 2020					
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)	151.6	25.8	97.4	37.5	20.1	(5.6)
Electrobras (49%)	Chapadas II (Wind Brazil)	165.1	22.3	80.5	30.4	27.0	(2.3)
NEK (27%)	Maritsa (Bulgaria)	333.1	330.8	99.6	264.4	406.3	58.5
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	212.9	27.7	126.7	55.1	64.2	18.1
EIP Energy Infrastructure Holding (49%)	Italy Solar	225.6	39.4	237.8	30.5	40.7	5.5
EIP Energy Infrastructure Holding (49%)	CSP Spain	1,120.5	77.6	1,087.1	65.9	161.8	8.4
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	24.8	3.2	21.1	3.5	4.6	0.3

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%)	CSP Spain	**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, 2020		
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)	16.5	(3.6)	(9.5)
Electrobras (49%)	Chapadas II (Wind Brazil)	17.6	(1.9)	(16.1)
NEK (27%)	Maritsa (Bulgaria)	80.2	(11.3)	(79.4)
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	43.6	(4.5)	(38.3)
EIP Energy Infrastructure Holding (49%)	Italy Solar	30.2	(0.4)	(39.7)
EIP Energy Infrastructure Holding (49%)	CSP Spain	115.4	(6.9)	(113.6)
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	3.9	–	(4.2)

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%)	CSP Spain	**140.5**	**(4.6)**	**(111.0)**
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	**4.0**	**–**	**(4.1)**

Considering the different nature 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 4.25.
- 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 or shareholders' loans principal and interests repayments).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4.24. 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 $4,192.2 million in total as of December 31, 2021 (December 31, 2020: $4,871.8 million) primarily relate to the following:

Type of borrowing	Currency	Project Financing	Issue	Maturity	Outstanding nominal amount December 31, 2021 ($ million)	Outstanding nominal amount December 31, 2020 ($ million)	Rate
Corporate bond[1]	EUR	Corporate Indenture	2020	2026 2028	807.5	867.3	2.75%, 3.125%
Corporate bond[1]	EUR	Corporate Indenture	2018	2025	454.9	1,038.4	4.125%
Loan Agreement	USD	Mexican CHP	2019	2026	475.4	508.5	LIBOR +2.5%
Loan Agreement	EUR	Spanish CSP	2018	2026 2038	338.8	392.5	Fixed 5.8% and 6.7%
Loan Agreement	EUR	Spanish CSP	2018	2036	305.2	348.4	3.438%
Loan Agreement[2]	USD	US and Trinidad and Tobago	2007	2033	186.5	–	Fixed 6.6%
Loan agreement	EUR	Solar Italy	2019	2030	181.7	215.5	EURIBOR 6M +1.7%
Project bond	USD	Inka	2014	2034	165.8	173.2	6.0%
Loan Agreement[3]	EUR	Spanish CSP	2021	2028 2034	159.1	152.2	EURIBOR +1.8% Fixed +2.5%
Loan Agreement	USD	Vorotan	2016	2034	116.2	121.5	LIBOR +4.625%
Loan Agreement[4]	USD	French Caribbean	2021	2026	115.3	–	LIBOR + 3.5%
Loan Agreement / Debentures[5]	BRL	Chapada I	2015	2032 2029	103.7	115.5	TJLP + 2.18% / IPCA +8%
Loan Agreement	EUR	Austria Wind	2013 2020	2027 2033	109.6	105.2	EURIBOR 6M + 2.45% and 4.305% / EURIBOR 3M +1.95% and 4.0% / EURIBOR 6M +1.55%
Loan Agreement	USD	Cap des Biches	2015	2033	91.0	96.3	USD-LIBOR BBA (ICE) +3.20%
Loan Agreement	EUR	Maritsa	2006	2023	69.2	109.1	EURIBOR +0.125%
Loan Agreement	USD	Togo	2008	2028	72.3	80.8	7.16% (Weighted average)
Loan Agreement[5]	BRL	Chapada II	2016	2032	72.1	84.8	TJLP +2.18%
Loan Agreement[5,6]	BRL	Asa Branca	2021	2032	58.9	58.5	TJLP +6.25%
Loan Agreement	EUR	Vorotan	2016	2034	51.4	46.1	0.75% -4.12%
Loan Agreement	USD	KivuWatt	2011	2026	47.6	57.2	LIBOR plus 5.50% and mix of fixed rates
Loan Agreement	EUR	Arrubal	2011	2021	–	98.9	4.9%
Other Credit facilities (individually < $50 million)	Various	Various	2012 – 2019	2021 – 2034	210.0	201.9	Mix of fix and variable rates
Total					**4,192.2**	**4,871.8**	

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 tab 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.

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. 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.
5. Taxa de Juros de Longo Prazo ("TJLP") represents the Brazil Long Term Interest Rate, which was approximately 5.32% at December 31, 2021 (December 31, 2020: 4.55%).
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	**2021**	2020
US Dollars	**1,295.9**	1,056.1
Euros[1]	**2,625.3**	3,382.2
Brazilian Reals	**254.9**	392.0
Total	**4,176.1**	4,830.3
Non-current borrowings	**3,809.1**	3,895.5
Current borrowings	**367.0**	934.8
Total	**4,176.1**	4,830.3

1. €450 million corporate bond maturing in 2023 ($549.7 million) was shown as current in the prior period as a result of the refinancing in December 2020 which resulted in a commitment to repay these bonds in January 2021. The amounts were repaid on January 6, 2021.

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	**2021**	2020	**2021**	2020
Credit facilities	**2,750.6**	2,720.2	**2,876.6**	2,817.9
Bonds	**1,425.5**	2,110.1	**1,456.8**	2,191.3
Total	**4,176.1**	4,830.3	**4,333.4**	5,009.2

Net debt as of December 31, 2021 and 2020 is as follows:

	Years ended December 31	
In $ millions	**2021**	2020
Cash and cash equivalents	**369.1**	1,396.9
Borrowings - repayable within one year	**(349.0)**	(899.7)
Borrowings - repayable after one year	**(3,843.2)**	(3,972.1)
Interest payable, deferred financing costs and other	**16.1**	41.5
IFRS 16 liabilities	**(30.2)**	(32.9)
Net debt	**(3,837.2)**	(3,466.3)
Cash and cash equivalents	**369.1**	1,396.9
Borrowings - fixed interest rates[1]	**(3,762.6)**	(4,306.6)
Borrowings - variable interest rates	**(429.6)**	(565.2)
Interest payable, deferred financing costs and other	**16.1**	41.5
IFRS 16 liabilities	**(30.2)**	(32.9)
Net debt	**(3,837.2)**	(3,466.3)

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

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In $ millions	Cash and cash equivalents	Borrowings	IFRS 16 liabilities	Total net debt
As of January 1, 2020	558.5	(4,090.5)	(33.3)	(3,565.3)
Cash-flows	810.6	–	–	810.6
Acquisitions / disposals	–	–	–	–
Proceeds of borrowings	–	(938.9)	–	(938.9)
Repayments of borrowings	–	323.4	–	323.4
Repayments of borrowings and interests to NCI[1]	–	49.5	–	49.5
Currency translations differences and other	27.8	(173.8)	–	(146.0)
IFRS 16 liabilities net movement[2]	–	–	0.4	0.4
As of December 31, 2020	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)**

1. Refers to repayment of shareholders loans principal and interests 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 4.23).
2. IFRS 16 liabilities net movement includes -$1.4 million for assets acquired through business combinations (note 3.1), -$1.4 million lease additions (2020: -$3.6 million), $6.0 million lease payments (2020: $6.8 million), -$0.3 million for assets recognized as held for sale (note 3.1) and -$0.2 million currency translation adjustment (2020: -$2.8 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 $85.5 million of debt is presented as non current in line with the contracted repayment schedule.

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 plc, 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 plc 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).
Borger	Long Term Facility	2022	Pledge of shares of the issuer, Pledge of governmental approvals, Pledge of all accounts and Letters of Credit, Pledge of assets and project contracts, Pledge of insurance policies, Pledge of all tangible and intangible property of the Partnership, Pledge of rights to withdraw from the Steam Escrow Account.
Brazil Hydro 2021	Debentures	2029	Fiduciary sale of all shares issued by the Issuer and the Suretors, Fiduciary assignment of all dividends.
Caribbean 2021	Long Term Facility	2026	Pledge of shares, Pledge over project accounts, Pledge of Receivables ContourGlobal Plc 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 plc guarantee to LC providers in case Chapada I cannot serve debt.
Maritsa	Credit Facility	2023	Pledge of the shares, 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 Plc 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 Plc $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). • $8.5 million UK Plc guarantee to cover Debt Service Reserve Account as of 31 December 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	2033	Pledge over shares of the borrower, pledge over the project accounts, charge over the assets, assignment of receivables and the insurance policies, direct agreement on the project contracts. Pledge of right to terminate the Operating Agreement.
Mexican CHP	Long Term Facility	2026	Pledge of the CGA I and CELCSA shares, assets and accounts, assignment of receivables and insurance policies. $32.4 million ContourGlobal plc 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Project financing	Facility	Maturity	Security / Guarantee given
Sao Domingos II	Debentures	2027	Trust assignment of credit rights. Chattel mortgage of shares. Chattel mortgage of machines and equipment.
Solar Italy	Long Term Facility	2030	Pledge over Project Accounts. Pledge over shares. Assignment 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.
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 shares. 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. Assignment of rights under Project Agreements.

4.25. Other non-current liabilities

In $ millions	December 31 2021	2020
Debt to non-controlling interest[1]	**21.8**	28.6
Deferred payments on acquisitions[2]	**47.9**	33.5
IFRS 16 lease liabilities	**26.2**	28.6
Other[3]	**72.1**	34.2
Total other non-current liabilities	**168.0**	124.9

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 31 December 2021, deferred payments and earn-outs on acquired entities relate to deferred payments to be made to initial developers of certain Brazil Wind assets for $14.7 million (31 December 2020: $15.2 million) and Spain CSP previous owner for $17.1 million (31 December 2020: $18.3 million). 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 and for CSP Spain the liability is based on a pre-defined amount.
3. Mainly relates to $33.5 million at 31 December 2021 (31 December 2020: $0.8 million) in relation to CSP Spain, 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 $14.7 million at 31 December 2021 (31 December 2020: $15.4 million).

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

In $ millions	December 31 2021	2020
Beginning of the year	**46.3**	58.1
Dividends	**(19.3)**	(18.9)
Unwinding of discount	**0.9**	0.1
Additional dividend paid	**7.4**	3.0
Currency translation adjustments	**(2.7)**	4.0
End of the year	**32.6**	46.3
Current liabilities	**10.8**	17.7
Non-current liabilities	**21.8**	28.6
As of December 31, 2021	**32.6**	46.3

4.26. Provisions

In $ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
As of January 1, 2020	43.9	17.1	61.0
Acquired through business combination	–	–	–
Additions	2.1	3.7	5.8
Unused amounts reversed	(3.1)	(1.4)	(4.5)
Amounts used during the period	–	(1.3)	(1.3)
Currency translation differences and other	2.9	0.2	3.1
As of December 31, 2020	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**

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

In $ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
Current liabilities	1.9	10.4	12.3
Non-current liabilities	43.9	7.9	51.8
As of December 31, 2020	45.8	18.3	64.1
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**

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 32 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.

4.27. Share-based compensation plans

ContourGlobal long-term incentive plan

On 17 May 2021, a fourth grant of performance shares was made under the long term incentive plan ("LTIP") with awards over a total of 2,606,267 ordinary shares of 1 pence in ContourGlobal plc granted to eligible employees (the "participants"). These shares will vest on 17 May 2024 subject to the participants' continued service and to the extent to which the performance conditions set for the awards are satisfied over the period of three years commencing on 1 January 2021 and, ordinarily, ending on 31 December 2023 (the "Performance Period"):

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 has been valued using the Monte Carlo model and the resulting share-based payments charge is being spread evenly over the period between the grant date and the vesting date (36 months). The likelihood will be reassessed each year.

Awards granted during the period included dividend equivalents and hence their fair value was estimated as being equal to the share price ($2.72) 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 129,735 ordinary shares of 1 pence in ContourGlobal plc to eligible employees (the "participants"). These shares will vest on 17 May 2024 subject to the participants' continued service.

The Group's total charge for equity-settled share-based incentives for the year of $1.9 million (2020: $1.9 million) has been included within Selling, general and administrative expenses 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, 2019	3,624,452
Granted during the year	2,137,665
Forfeited	(334,551)
Vested	–
Outstanding as of December 31, 2020	5,427,566
Granted during the year	**2,606,267**
Forfeited	**(1,293,090)**
Vested	**(302,712)**
Outstanding as of December 31, 2021	**6,438,031**

Deferred bonus

Certain employees of the Group are eligible to receive deferred bonus awards as determined by the Remuneration Committee, representing 20% of the individual's total bonus based on performance in the previous year. These awards have a normal vesting period of two to three years with the recipient required to remain with the company over the vesting period otherwise leading to forfeiture of the award in the event of termination of employment. On 17 May 2021, a total of 331,627 deferred bonus shares were awarded to employees with a vesting date of 10 March 2023.

4.28. Trade and other payables

In $ millions	December 31 2021	2020
Trade payables	**92.8**	67.6
Accrued expenses	**504.2**	266.1
Trade and other payables	**597.0**	333.7

The increase mainly comes from Maritsa CO_2 liabilities.

4.29. Other current liabilities

In $ millions	December 31 2021	2020
Deferred revenue	**6.4**	5.6
Deferred payment on acquisition[1]	**–**	1.2
Other taxes payable	**43.9**	34.6
IFRS 16 lease liabilities	**3.9**	4.3
Other[2]	**130.8**	149.1
Other current liabilities	**185.0**	194.8

1. Relates to the deferred payment of the renewable portfolio in Brazil as of December 31, 2020.
2. Mainly relates to contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA for $69.4 million at 31 December 2021 (31 December 2020: $47.1 million), other regulatory obligations for hydro assets related to the Generation scaling factor (GSF) for $nil million at 31 December 2021 (31 December 2020: $18.2 million), Maritsa current portion of the non-controlling interest debt for $10.8 million at 31 December 2021 (31 December 2020: $17.7 million); Maritsa CO_2 quota for $8.6 million at 31 December 2021 (31 December 2020: $28.0 million) and Arrubal CO_2 quota for $22.5 million at 31 December 2021 (31 December 2020: $8.2 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4.30. Group undertakings

ContourGlobal PLC owns (directly or indirectly) only ordinary shares of its subsidiaries. There are no preferred shares scheme in place in the Group.

ContourGlobal plc	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
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	48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
Galheiros Geração de Energia Elétrica S.A.	80%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, São Paulo 04542-000, Brazil
Santa Cruz Power Corporation Usinas Hidroelétricas S.A.	80%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, Itaim Bibi , São Paulo 04542-000, Brazil
Contour Global Do Brasil Holding Ltda	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Contour Global Do Brasil Participações Ltda	80%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Abas Geração de Energia Ltda.	100%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, São Paulo 04542-000, Brazil
Ventos de Santa Joana IX Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N - Km, 08 Sala 182 - Distrito Industrial - Maracanaú - CE
Calcedônia Geração de Energia Ltda.	100%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, São Paulo 04542-000, Brazil
Ventos de Santa Joana X Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XI Energias Renováveis S.A	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Ventos de Santa Joana XII Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XIII Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XV Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Ventos de Santa Joana XVI Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Asa Branca Holding S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Tespias Geração de Energia Ltda.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Asa Branca IV Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Asa Branca V Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Asa Branca VI Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Asa Branca VII Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Asa Branca VIII Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Ventos de Santa Joana I Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N - Km, 08 Sala 182 - Distrito Industrial - Maracanaú - CE
Ventos de Santa Joana III Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N - Km, 08 Sala 182 - Distrito Industrial - Maracanaú - CE
Ventos de Santa Joana IV Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N - Km 08 ,Sala 182 , Distrito Industrial - Maracanaú - CE
Ventos de Santa Joana V Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N - Km, 08 Sala 182 - Distrito Industrial - Maracanaú - CE
Ventos de Santa Joana VII Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N - Km, 08 Sala 182 - Distrito Industrial - Maracanaú - CE
Ventos de Santo Augusto IV Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N - Km, 08 Sala 182 - Distrito Industrial - Maracanaú - CE
Chapada do Piauí I Holdings S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Ventos de Santo Augusto III Energias Renováveis S.A.	100%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N - Km, 08 Sala 182 - Distrito Industrial - Maracanaú - CE
Ventos de Santo Augusto V Energias Renováveis S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
ContourGlobal Desenvolvimento S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31 São Paulo 04542-000, Brazil
Chapada do Piauí II Holding S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Chapada do Piauí III Holding S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Afluente Geração de Energia Eletrica S.A.	80%	Brazil	Praia do Flamengo, 70 - 1º andar Rio de Janeiro - RJ, Brazil
Goias Sul Geração De Energia S.A.	80%	Brazil	Praia do Flamengo, 70 - 2º andar, parte. Rio de Janeiro - RJ, Brazil
RIO PCH I S.A.	56%	Brazil	Praia do Flamengo, 70 - 4º andar Rio de Janeiro - RJ, Brazil
Bahia PCH I S.A.	80%	Brazil	Praia do Flamengo, 70 - 6º andar, parte. Rio de Janeiro - RJ, Brazil
ContourGlobal LATAM S.A.	100%	Colombia	Carrera 7 No. 74-09, Bogota, 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

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Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
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.
Contourglobal Termosolar Operator S.L.	100%	Spain	Calle Orense, número 34, 7° piso - 28020 Madrid, Spain
ContourGlobal Termosolar, S.L.	51%	Spain	Calle Orense, número 34, 7° piso - 28020 Madrid, Spain
Rústicas Vegas Altas, S.L.	51%	Spain	Calle Orense, número 34, 7° piso - 28020 Madrid, Spain
Termosolar Majadas, S.L.	51%	Spain	Calle Orense, número 34, 7° piso - 28020 Madrid, Spain
Termosolar Palma Saetilla, S.L.	51%	Spain	Calle Orense, número 34, 7° piso - 28020 Madrid, Spain
Termosolar Alvarado, S.L.	51%	Spain	Calle Orense, número 34, 7° piso - 28020 Madrid, Spain
Crasodel Spain SL	100%	Spain	Calle Orense, número 34, 7° piso - 28020 Madrid, Spain
Energies Antilles	100%	France	8, Avenue Hoche 75008 Paris, France
Energies Saint-Martin	100%	France	8, Avenue Hoche 75008 Paris, France
ContourGlobal Saint-Martin SAS	100%	France	5 Rue du Gal de Gaulle, 8 Immeuble le Colibri Marigot, 97150 Saint-Martin, France
ContourGlobal Management France SAS	100%	France	Immeuble Imagine 20-26 boulevard du Parc 92200 Neuilly-sur-Seine, France
ContourGlobal Worldwide Holdings Limited	100%	Gibraltar	Hassans, Line Holdings Limited, 57/63 Line Wall Road, Gibraltar
ContourGlobal Helios S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Solar Holdings (Italy) S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Oricola S.r.l.	100%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Solutions (Italy) S.R.L.	100%	Italy	Via Cusani 5, Milan 20121, Italy
Portoenergy S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Barone S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Camporeale S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Contourglobal Mediterraneo S.r.l	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Aquila S.r.l.	51%	Italy	Contrada Piana del Signore s.n.c. 93012 Gela (CL), Italy
ContourGlobal Energetica S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Eight Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Green Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Industrial Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Light Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal One Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Sole Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
Solar 6 S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
BS Energia New S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Management Italy S.R.L.	100%	Italy	Via Cusani 5, 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
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	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Kani Lux Holdings S.à r.l.	80%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Africa Holdings S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Bulgaria Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Latam Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
Vorotan Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 2 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 3 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Development Holdings S.à r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 5 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 6 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Solutions Holdings S.a.r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Senegal Holdings S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra Holdings S.à r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Power Holdings S.A.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Worldwide Holdings S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 1 S.à.r.l	51%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 2 S.à.r.l	51%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 3 S.à.r.l	51%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain O&M HoldCo S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Intermediate O&M S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Ursaria 3 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 7 S.à.r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 4 S.à.r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 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
Aero Flash Wind, S.A.P.I. DE C.V.	75%	Mexico	Mexico City, Mexico / Tax Address : Ciudad de Tecate, Baja California

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal holding de generación de energía de México	100%	Mexico	Monterrey, Estado de Nuevo Leon, Mexico
ContourGlobal Servicios Administrativos de generación	100%	Mexico	Monterrey, Estado de Nuevo Leon, Mexico
ContourGlobal Servicios Operacionales de México	100%	Mexico	Monterrey, Estado de Nuevo Leon, Mexico
Cogeneración de Altamira, S.A. DE C.V.	100%	Mexico	San Pedro Garza Garcia, Nuevo Leon, Mexico
Cogeneración de Energía Limpia De Cosoleacaque S.A De C.V.	100%	Mexico	San Pedro Garza Garcia, Nuevo Leon, Mexico
KivuWatt Holdings	100%	Mauritius	4th Floor, Tower A, 1CyberCity, c/o Citco (Mauritius) Limited, Ebene, Mauritius
ContourGlobal Solutions (Nigeria) Ltd	100%	Nigeria	St. Nicholas House, 10th Floor, Catholic Mission Street, Lagos, 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	ul. Przemyslowa 2A, Radzymin 05-250 - 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

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
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
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.	80%	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, W1U 8EW, United Kingdom
Contour Global Hummingbird UK Holdco I Ltd	100%	United Kingdom	55 Baker Street, London, W1U 8EW, United Kingdom
Contour Global Hummingbird UK Holdco II Ltd	100%	United Kingdom	55 Baker Street, London, W1U 8EW, United Kingdom
Contour Global LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801, USA
Contour Global Management Inc	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801, USA
ContourGlobal Services Brazil LLC	100%	US	650 Fifth Ave - 17th Fl., New York, New York 10019, USA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal Togo LLC	100%	US	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA
ContourGlobal Senegal Holdings LLC	100%	US	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA
ContourGlobal Senegal LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801, USA
CG Solutions Global Holding Company LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801, USA
Lea Power Partners, LLC	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
Borger Energy Associates, LP	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
Waterside Power, LLC	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
Badger Creek Limited	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
Bear Mountain Limited	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
Chalk Cliff Limited	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
Live Oak Limited	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
McKittrick Limited	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
Kern Front Limited	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
Double C Generation Limited	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
High Sierra Limited	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
WCAC Operating Company California, LLC	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
Carib Holdings, LLC	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
WGP Holdings II, LLC	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
WG Partners Holdings, LLC	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
WG Partners Acquisition, LLC	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA
ContourGlobal Hummingbird US HoldCo Inc.	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711, USA

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
Compañía Eléctrica de Sochagota S.A. E.S.P.	49%	Colombia	Carrera 14 No. 20-21 Local 205A, Plaza Real, Tunja, Colombia
Evacuacion Villanueva des Rey, S.L.	18%	Spain	Calle Orense 34, 7ª planta, 28020 Madrid, Spain

4.31. Related party disclosure

ContourGlobal L.P. and Reservoir Capital Group

As of December 31, 2021 ContourGlobal plc and its subsidiaries have no significant trading relationship with the Group's main shareholder, ContourGlobal L.P., and Reservoir Capital Group which ultimately controls ContourGlobal L.P.

Key management personnel

Compensation paid to key management (executive and non-executive committee members) amounted to $9.6 million in December 31, 2021 (December 31, 2020: $15.2 million).

	Years ended December 31	
In $ millions	**2021**	2020
Salaries and short term employee benefits	**5.1**	4.6
Termination benefits	–	–
Post employment benefits	**0.2**	0.1
Profit-sharing and bonus schemes	**2.0**	2.0
Private incentive plan[1]	–	6.6
Non-Executive Directors' emoluments	**0.9**	0.8
Other share based payments	**1.4**	1.1
Total	**9.6**	15.2

1. The private incentive plan ended 31 December 2020.

4.32. 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, 2021, the Group has completed its Maritsa construction projects and had $0.2 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 12,890 thousand standard tons, equal to $123.7 million at December 2021 prices ($9.59 per standard ton), as compared to 19,077 thousand standard tons equal to $196.6 million at the end of 2020 ($10.31 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, 2021 we are committed to purchase €48.3 million ($54.9 million) worth of equipment and installation during 2022.

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.

Kivuwatt arbitration (KivuWatt Ltd)
REG, which replaced its subsidiary Energy Utility Corporation as the claimant in an ad hoc arbitration under the arbitration rules of the United Nations Commission on International Trade Law ("UNCITRAL"), claims damages provisionally quantified at approximately $80 million allegedly arising from KivuWatt's alleged delay in entering into commercial service.

KivuWatt contests REG's right to any damages over and above the $1.2 million cap in liquidated damages provided for in the Power Purchase Agreement and already paid by KivuWatt.

No provision has been recorded as of 31 December 2021 in relation to the above claims as the Group considers that it is less than probable that liabilities will arise from these claims.

Mexico CHP wheeling charges
The injunction granted in the context of the Amparo lawsuit in Mexico described in note 2.4 was conditional upon submission of monthly guarantees (bonds) to the court to cover the difference between the former wheeling fees and the new ones. These guarantees amount to $56.6 million as of December 31, 2021.

As an unfavorable outcome is considered unlikely, a contingent liability has been disclosed in relation to the guarantees as opposed to a provision. Further, in the unlikely event that the wheeling fees increase is confirmed in the final judgment, the Company will recharge most of the increased fees to the related offtakers and will incur additional wheeling fees below $12 million in relation to the years ended 31 December 2020 and 2021.

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 risk of a liability to CEET is assessed as possible and no provision has been recognized as of 31 December 2021.

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

	Years ended December 31	
In $ millions	**2021**	2020[1]
Minimum lease payments receivable		
No later than 1 year	**166.5**	76.6
Later than 1 year and no later than 5 years	**537.6**	253.7
Later than 5 years	**513.8**	27.7
Total	**1,217.9**	358.0

1. The comparative has been updated to include $110.2 million aggregate minimum lease payments receivable under non-cancellable operating lease relating to Bonaire and to use forecasted future revenue as a basis of minimum lease payments receivable.

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 for the year ended December 31, 2021 as follows.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use 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]	5.5	240.8	–	0.9	1.2	248.4
Currency translation differences	–	(2.7)	(0.1)	–	0.1	(2.7)
Depreciation charge	–	(28.7)	–	(0.3)	(1.6)	(30.6)
Closing net book amount	5.6	306.0	2.4	1.1	3.1	318.2
Cost	5.6	502.4	2.4	1.8	5.2	517.4
Accumulated depreciation and impairment	–	(196.4)	–	(0.7)	(2.1)	(199.2)
Carrying amount as of December 31, 2021	5.6	306.0	2.4	1.1	3.1	318.2

1. Assets acquired through business combination relate to the operating leases of our United States of America and Trinidad and Tobago portfolios, detailed in note 3.1 and 4.2.

The property, plant and equipment related to the assets as the operating lease as a lessor relates to Solutions plants, Energie Antilles and Bonaire on the year ended December 31, 2020 as follows.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use assets	Other	Total
Cost	0.1	270.6	2.6	0.8	8.3	282.4
Accumulated depreciation and impairment	–	(159.3)	–	(0.2)	(5.4)	(164.9)
Carrying amount as of January 1, 2020	0.1	111.3	2.6	0.6	2.9	117.5
Additions	–	1.5	2.0	–	0.6	4.1
Disposals	–	(1.1)	–	–	–	(1.1)
Reclassification	–	2.6	(3.0)	0.1	0.5	0.2
Currency translation differences	–	(6.0)	–	–	(0.2)	(6.2)
Depreciation charge	–	(14.0)	–	(0.3)	(2.5)	(16.8)
Closing net book amount	0.1	94.3	1.6	0.4	1.3	97.7
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 December 31, 2020[1]	0.1	94.3	1.6	0.4	1.3	97.7

1. Property, plant and equipment related to the assets as the operating lease as a lessor have been updated to include $57.2 million relating to Bonaire, $16.5 million relating to Solutions Brazil and to exclude $94.0 million relating to Brazil Hydro for the year ended December 31, 2020.

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	**2021**	2020
Minimum lease payments receivable		
No later than 1 year	**5.6**	6.0
Later than 1 year and no later than 5 years	**5.6**	12.1
Later than 5 years	**–**	–
Gross investment in the lease	**11.2**	18.1
Less: unearned finance income	**(1.3)**	(2.9)
Total	**9.9**	15.2

	Years ended December 31	
In $ millions	**2021**	2020
Analyzed as:		
Present value of minimum lease payments receivable:		
No later than 1 year	**5.2**	5.6
Later than 1 year and no later than 5 years	**4.7**	9.6
Later than 5 years	**–**	–
Total	**9.9**	15.2

4.33. 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 4.24.

4.34. Statutory Auditors’ fees

In $ millions	Years ended December 31 2021	2020
Fees payable to the Group's auditors for the audit of the Group's annual accounts and consolidated financial statements	**1.7**	1.3
Fees payable to the Group's auditors and its associates for other services:		
• The audit of the Group's subsidiaries	**1.5**	1.0
• Audit- related assurance services	**0.4**	0.4
• Other assurance services	**1.3**	0.6
• Tax compliance services	–	–
• Tax advisory services	–	–
• Other non-audit services	–	–
Total (net of out of pocket expenses)	**4.9**	3.3

4.35. Subsequent events

In January 2022, Kani Lux Holdings S.à r.l., a majority-owned subsidiary of ContourGlobal plc signed a definitive agreement with Infraestrutura Brasil Holding XVII S.A to sell the Brazil Hydro portfolio. Refer to note 3.1.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Year ended December 31, 2021

Company balance sheet

At 31st December 2021

In $ millions	Note	2021	2020
Fixed assets			
Investments	6	2,148.0	1,642.1
Current assets			
Debtors	7	4.2	3.9
Cash at bank and in hand		0.7	5.0
		4.9	**8.9**
Creditors: amounts falling due within one year	8	(2.9)	(3.7)
Net current assets		**2.0**	**5.2**
Net assets		**2,150.0**	**1,647.3**
Capital and reserves			
Called-up share capital	9	8.9	8.9
Share premium account		380.8	380.8
Treasury shares	10	(37.8)	(30.4)
Retained earnings and other reserves		1,798.1	1,288.0
Total shareholders' funds		**2,150.0**	**1,647.3**

The Company's profit for the year ended 31 December 2021 was $622.7 million (2020: $124.2 million).

The financial statements on pages 218 to 223 were approved and authorized for issue by the Board and were signed on its behalf by:

Joseph C. Brandt
Director

17th March 2022

Registered Number: 10982736

Company statement of changes in equity

For the year ended 31 December 2021

In $ millions	Called-up share capital	Share premium account	Treasury shares	Retained earnings and other reserves	Total
At January 1, 2020	**8.9**	**380.8**	**–**	**1,267.6**	**1,657.3**
Share based payments[1]	–	–	–	1.9	1.9
Dividends distribution[2]	–	–	–	(105.7)	(105.7)
Treasury shares[3]	–	–	(30.4)	–	(30.4)
Profit for the year	–	–	–	124.2	124.2
At December 31, 2020	**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 December 31, 2021	**8.9**	**380.8**	**(37.8)**	**1,798.1**	**2,150.0**

1. Includes CEO deferred bonus award and Long Term Incentive Plan impact on equity.
2. During the year ended 31 December 2021 the Group paid dividends of $26.6 million on 19 April 2021, $29.3 million on 11 June 2021, $29.3 million on 10 September 2021 and $29.3 million on 19 November 2021. During the year ended 31 December 2020 the Group paid dividends of $24.8 million on 9 April 2020, $27.1 million on 26 June 2020, $27.0 million on 25 September 2020 and $26.8 million on 29 December 2020. For further details on dividends paid, refer to page 194 of the Group's financial statements.
3. See note 10.

Notes to the Company financial statements

1. General information

ContourGlobal plc is a public limited company which is listed on the London Stock Exchange and is domiciled in the United Kingdom and incorporated in England and Wales under the Companies Act 2006. The Company was incorporated on 26 September 2017 and adopted FRS 102 from that date.

2. Statement of compliance

The financial statements of ContourGlobal plc 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 2021, and the comparative year financial information presented is for the year ended 31 December 2020.

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 plc.

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).

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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

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

At year end, treasury shares are included under "Treasury shares" in the statement of financial position and are measured at cost.

The gains and losses obtained on disposal of treasury shares are recognized in "Retained earnings and other reserves" in the statement of financial position. There has been no disposal of treasury shares during the years ended 31 December 2021 and 2020.

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 is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Unrecognized deferred tax assets as at 31 December 2021 were $6.2 million ($3.6 million in 2020).

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 recognized at transaction price and are subsequently carried at amortized cost using the effective interest method.

At the end of each reporting period financial assets measured at amortized 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 recognized in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognized, 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 recognized. The impairment reversal is recognized in profit or loss.

Financial assets are derecognized 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 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 recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method.

3.8. Dividend distribution

Dividends to the Company's shareholders are recognized 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. Interim dividends are recognized in the period in which they are paid.

3.9. Critical accounting judgments 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 judgment in the process of applying the Company's accounting policies. The area involving a higher degree of judgment 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.

The Company uses a fair value less costs of disposal model, being the higher of the previously mentioned metrics, in estimating the recoverable value, with the key assumption being the EBITDA multiple applied to the actual cash flows for the year. These EBITDA multiples are highly variable by nature and are determined based on external market transactions in comparable entities.

As at December 31, 2021 the market capitalization was $1.7 billion, which is below the carrying value of investments of $2.1 billion and as such was identified as an indicator of impairment. An impairment assessment was performed on a fair value less costs of disposal basis by taking into account certain market information, including Adjusted EBITDA multiples of market transactions from comparable entities within the energy sector. The implied multiple for the Company, based on the year end market capitalization, was significantly less than the Adjusted EBITDA multiples for comparable market transactions, indicating that the carrying value of investments is recoverable. This judgement was also confirmed by other information and support seen by the directors.

4. Directors' Emoluments and employees

The Company had nine Directors and an average of two employees in the year to 31 December 2021 (the Company had nine Directors and an average of four employees in the year to 31 December 2020). In each period, of the nine Directors, one was remunerated by the Company. The other eight Directors were remunerated by another company in the Group. The amount of employee charges, including Directors, recognized in the Company's profit and loss statement in 2021 amounted to $3.4 million (2020: $3.7 million).

In $ millions	**2021**	2020
Wages and salaries	**1.3**	1.4
Social security costs	**0.2**	0.3
Other pension costs	**-**	0.1
Share-based payments	**1.9**	1.9
Total employee costs	**3.4**	**3.7**

Full details of the Directors' remuneration and interests are set out in the Directors' remuneration report on page 112 to 129.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

5. Auditors’ fees

The amount payable to the Company’s auditors in respect of the statutory audit were $24,000 (2020: $24,000).

6. Investments in subsidiaries

In $ millions	2021	2020
At 1 January	**1,642.1**	1,642.1
Creation of CG Hummingbird UK Holdco I limited	**505.9**	-
At 31 December	**2,148.0**	1,642.1

In 2021 the Company received $628.4 million of dividends from ContourGlobal Worldwide Holdings SARL (2020: $137.9 million).

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 206 to 212 of the Group’s financial statements.

7. Debtors

In $ millions	2021	2020
Amounts owed by Group undertakings	**3.2**	**2.9**
VAT recoverable	**0.4**	**0.5**
Prepayments and accrued income	**0.6**	**0.5**
	4.2	**3.9**

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	2021	2020
Trade payables	**0.4**	0.7
Accrued expenses	**1.9**	2.4
Amounts owed to Group undertakings	**0.4**	0.4
Other	**0.2**	0.2
	2.9	**3.7**

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 $8.9 million as at 31 December 2021 and 31 December 2020.

As of 31 December 2021 and 2020, the Company has issued 670,712,920 shares of £0.01 each, corresponding to an allotted, called up and fully paid capital of £6.7 million, or $8.9 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 program 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 £5.5 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 program, 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.

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 recognized. 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 2021 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 2021 this related to instruments with a nominal value of $16.5 million and a fair value as at year-end of $0.8 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;
- Guarantor under the $40 million Western Generation portfolio acquisition in North America bridge facility dated 10 December 2020;
- Guarantor under the corporate level revolving credit facility of €120 million dated 10 December 2020 (€40 million was drawn against this credit facility as of 31 December 2021);
- 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 74.5 million guarantee to Chapada I letters of credit providers corresponding to 25% of the debt;
- Mexican CHP. $35 million letter of credit signed on February 5, 2021 which replaced the letter of credit previously issued under the UniCredit facility released for $32 million on May 5, 2021 at the corporate level. Maturity is in February 2023; and
- $12.0 million guarantee to cover Caribbean refinancing debt service reserve letter of credit.

12. Related parties

In 2020 and 2021 none of the Company or its subsidiaries have contracted with related parties. As of 31 December 2021 and 31 December 2020, the Company has no balance due to or receivables from related parties other than amounts due to and from subsidiary undertakings.

The directors' emoluments are disclosed on page 118 to 127 within the Annual Report on Remuneration for the years ended 31 December 2021 and 2020.

13. Controlling party

The Company is majority owned by ContourGlobal L.P. The ultimate controlling party of ContourGlobal L.P. is Reservoir Capital funds.

The Relationship Agreement is disclosed on page 132 within the Annual Report on Directors' report for the year ended 31 December 2021.