# INTERIM RESULTS ANNOUNCEMENT

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ContourGlobal PLC
10 August 2022

**ContourGlobal plc**

**Interim Results Announcement**

**Continued strong operational and financial performance across the business,**
**Quarterly dividend of USD 4.9115 cents / 4.0536 pence per share**

ContourGlobal plc ("ContourGlobal" or the "Company"), an international owner and operator of contracted power generation plants, today announces its results for the six months ended 30 June 2022.

**H1 2022 KEY HIGHLIGHTS**

- Strong health and safety performance with a zero Lost Time Incident Rate ("LTIR") in the first half of 2022
- Successful completion of the sale of our Brazilian Hydro business resulting in net cash proceeds to ContourGlobal of $112m. Sale of Brazil Wind business at advanced stage.
- Consolidated revenue up 44% to $1,351m ($935m in H1 2021)
- Continued strong financial and operational performance with Adjusted EBITDA[1] of $444m, up 9% from $406m in H1 2021
- Net consolidated leverage ratio[2] of 4.0x at 30 June 2022 versus 4.6x at 31 December 2021
- Income from Operations is up 84% versus H1 2021 to $333m, including the gain on disposal from the sale of our Brazilian Hydro business of $121m
- Funds from Operations[3] ("FFO") of $238m, an 9% increase from $219m in H1 2021, with a cash conversion[4] of 54% consistent with H1 2021
- Second quarter dividend of 4.9115 cents per share, equivalent to 4.0536 pence per share[5], to be paid on 9 September 2022, reflecting our commitment to a 10% year-on-year growing dividend supported by our strong and visible cash flows. Dividend cover increased to 3.5x[6] from 2.8x as of December 31, 2021
- The recommended cash acquisition (the "Transaction") by Cretaceous Bidco Limited (a newly formed company indirectly owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates) ("KKR") announced on May 17, 2022 was approved by the required majority of shareholders at the Court and General meeting of shareholders held on 6 July 2022. The transaction is expected to complete in Q4 2022, following receipt of the outstanding regulatory approvals.

**Joseph C. Brandt, President and Chief Executive Officer of ContourGlobal, said:**

*"We performed very well in the first half of 2022, with better than anticipated operating and financial performance across the entire fleet. Adjusted EBITDA for H1 2022 was $444 million, up 9% versus the same period last year. At the same time our cash conversion ratio remained high at 54%.*

*We will pay a Q2 2022 dividend of 4.9115 USD cents per share, our 17th consecutive dividend as a public company, in line with our 10% year-on-year dividend growth policy.*

*I am particularly pleased that our performance has been achieved while maintaining our primary focus, as always, on the safety and wellbeing of our people. We continue to pursue "Target Zero", with zero Lost Time*

*Incidents in all businesses in the first six months of the year."*

| In US$ millions | H1 2022 | H1 2021 | % YOY change |
|---|---|---|---|
| **Revenue** | 1,351 | 935 | +44% |
| **Adjusted revenue*[7]** | 1,011 | 775 | +30% |
| **Income from Operations** | 333 | 181 | +84%** |
| **Adjusted EBITDA*** | 444 | 406 | +9% |
| Thermal Adj. EBITDA* | 284 | 261 | +9% |
| Renewable Adj. EBITDA* | 176 | 160 | +10% |
| Corporate and other costs* | (16) | (15) | -6% |
| **Proportionate Adjusted EBITDA*[8]** | 367 | 327 | +12% |
| **Funds from Operations (FFO)*** | 238 | 219 | +9% |
| **Net Profit** | 163 | 38 | +329%** |
| **Adjusted Net Profit*[9]** | 56 | 25 | +124% |
| **Net Profit attributable to CG shareholders** | 142 | 38 | 274%** |
| **Adjusted Net Profit attributable to CG shareholders*** | 53 | 25 | +112% |

*Non-IFRS metrics*

** Income from Operations and *Net profit in H1 2022 includes the gain on the sale of the Brazilian Hydro business in June 2022 of $121m as set out below in Adj. EBITDA to IFRS Net Profit bridge*

**Robust Financial Performance**

- Consolidated revenue up 44% to $1,351m ($935m in H1 2021). A number of factors explain this strong performance including a contribution from the US and Trinidad & Tobago assets acquired in February 2021 (+$59m), higher CO2 quotas pass-through revenue at Maritsa (+$220m), higher dispatch and prices at our Arrubal natural gas fired powerplant (+$71m), and higher gas pass-through and additional interconnections at our Mexican CHP business (+$60m). This was partially offset by unfavorable FX movements (-$74m) primarily due to the depreciation of the Euro against the USD.
- Adjusted EBITDA of $444m, compared to $406m in H1 2021 was primarily driven by the strong operational and financial performance in renewables (+$15m, +10%) mainly at our Austrian and Peruvian Wind assets, our Mexican CHP business (+$13m) given the commercial performance and connection of new customers and the performance of our US and Trinity & Tobago assets acquired in February 2021 (+$19m). This was offset by a negative foreign exchange variance of -$19m, primarily due to depreciation of the Euro against the USD.
- Continued strong cashflow generation with funds from operations up to $238m, an 9% increase from $219m in H1 2021 which represents a cash conversion of 54% consistent with H1 2021.
- Net profit was $163m compared to $38m in H1 2021, mainly driven by the gain on disposal of the Brazilian Hydro business ($121m gain driving a -$29m withholding tax charge) and improved income from operations, partly offset by an increase in income tax expense.
- Net consolidated leverage ratio of 4.0x at 30 June 2022 versus 4.6x reported at 31 December 2021 mainly driven by a lower net debt of $3.4bn as of June 30, 2022 compared to $3.8bn as of 31 December 2021.
- Net parent company leverage ratio of 2.2x[10] at 30 June 2021 versus 3.4x at 31 December 2021, with the decrease driven primarily by an increase in CFADS ($463m as of 30 June 2022 LTM, $96m higher than per 31 December 2021) and a reduction in the corporate net debt from $1.3bn to $1.0bn due to a higher cash position and FX impact (Euro depreciation against USD).

**Successful operational performance and growth of the portfolio**

- Strong health and safety performance with a zero Lost Time Incident Rate ("LTIR") in the first half of 2022.
- Commercial operations date for the repowering of our Austrian wind farm Berg was achieved three months ahead of schedule and within budget.
- Availability Factors remained strong in H1 2022 and in line with expectations, with individual segments shown below. Thermal availability factors remained well above any minimum PPA requirements.

| Equivalent Availability Factors ('EAF') (%) | H1 2022 | H1 2021 |
|---|---|---|
| Thermal | 94.2% | 94.8% |
| Hydro | 84.4%* | 98.3% |
| Wind | 95.8% | 93.8% |

| | | |
|---|---|---|
| Solar PV | 99.7% | 99.6% |
| Solar CSP | 95.1% | 94.1% |

* Reduction in EAF due to planned outages with performance remaining above plan.

**EPS**

- EPS for H1 2022 is up to $0.22 cents from $0.06 cents in H1 2021, due to the movement in net profit above.
- Adjusted EPS up to $0.08 cents from $0.04 cents, primarily due to higher Adjusted EBITDA.

**Brazil Hydro Disposal**

- On 30 June 2022 the Brazil Hydro disposal was successfully completed resulting in net cash proceeds to ContourGlobal of $112m and a gain on disposal of $121m before withholding tax of $29m.

**Presentation and conference call**

The Company will host a conference call for analysts and investors at 9am BST, 10 August 2022.

The meeting can be accessed via a live webcast and dial-in. Details provided below. A copy of the presentation will also be made available online ahead of the meeting on our website at https://www.contourglobal.com/reports

**Webcast link**

https://broadcaster-audience.mediaplatform.com/#/event/628769f01fb3e107fc2b3727

**Conference details**

Standard International Access: +44 (0) 33 0551 0200

UK-Wide: +44 (0) 33 0551 0200

US +1 212 999 6659

Switzerland +41 (0) 43 456 9986

Singapore Local +65 6494 8889

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**Additional Information**

| Adj. EBITDA to IFRS Net Profit bridge (US$m) | H1 2022 | H1 2021 |
|---|---|---|
| **Proportionate Adjusted EBITDA** | 367 | 327 |
| Non controlling interests | 77 | 79 |
| **Adjusted EBITDA** | **444** | **406** |
| Share of adjusted EBITDA in associates | (13) | (12) |
| Share of profit in associates | 10 | 9 |
| Acquisition and other transactions related items | (12) | (8) |
| Gain on Brazil Hydro sale | 121 | - |
| Mexico CHP fixed margin swap | 1 | 3 |
| Change in finance lease and financial concession assets | (18) | (17) |
| Other | (2) | (1) |
| Depreciation and Amortization | (189) | (191) |
| Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives | (116) | (125) |

| | | |
|---|---|---|
| Income tax | (63) | (28) |
| **Net profit** | **163** | **38** |
| Change in fair value of Mexico CHP fixed margin swap | 5 | (6) |
| FX unrealized | (32) | (15) |
| Acquisition and other transactions related items | 12 | 8 |
| Withholding tax on Brazil Hydro sale | 29 | - |
| Gain on Brazil Hydro sale | (121) | - |
| **Adjusted net profit** | **56** | **25** |
| Non controlling interest | 3 | - |

| | | |
|---|---|---|
| **Net profit to CG PLC shareholders** | **142** | **38** |
| **Adj. Net profit to CG PLC shareholders** | **53** | **25** |
| | | |
| **EPS ($ cents)** | **$0.22** | **$0.06** |
| **Adjusted EPS ($ cents)** | **$0.08** | **$0.04** |

| **Adj. EBITDA to Cashflow from Operations Bridge (US$ million)** | **H1 2022** | **H1 2021** |
|---|---|---|
| **Adjusted EBITDA** | **444** | **406** |
| Change in working capital | 40 | 27 |
| Income tax paid | -49 | -14 |
| Share of Adj EBITDA in associates | -13 | -12 |
| Contribution received from associates | 1 | 1 |
| Acquisition and other transactions related items | -12 | -7 |
| **Cash Flow from Operations** | **411** | **401** |
| Change in working capital | -40 | -27 |
| Acquisition and other transactions related items | 12 | 7 |
| Interest paid | -91 | -100 |
| Maintenance capex | -28 | -20 |
| Other distributions received from associates | 4 | 8 |
| Withholding tax on Brazil Hydro sale | 29 | - |
| Cash distribution to minorities | -59 | -50 |
| **Funds from Operations** | **238** | **219** |
| Cash Conversion (Funds from Operations/Adj. EBITDA) | 54% | 54% |

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company has reassessed its principal risks, including consideration of the ongoing impacts of the conflict in Ukraine. The principal risks and uncertainties set out at the time of the Annual Report and Accounts 2021 (issued in April 2022) remain unchanged, with the exception of:

- Strategy - Impact of governmental actions and regulations was increased to High given the dynamic regulatory environment driven by the impact of the Ukraine conflict and ongoing pressure on energy markets; and
- Operation and execution - Supply chain was increased to High due to among other reasons the ongoing impact on global supply chains as a result of Covid-19 lockdowns in China and the economic impact of the Ukraine conflict.

Whilst the assessed level of risk has increased, there has been no change to the assessment of impact or the risk response/mitigation as disclosed in the 31 December 2021 annual report.

Other principal risks (that are unchanged) include:

- Strategy - Geopolitical uncertainties and social instability;
- Strategy - Pandemic virus;
- Strategy - Disruptive innovation in power generation and storage technologies;
- Operation and execution - Project execution (CAPEX);
- Operation and execution - Asset integrity (OPEX);
- Operation and execution - Resources/climate change;
- Health, safety and environment and food - prevention and regulation;
- Regulatory and compliance - Fraud, bribery and corruption
- Information technology - Cyber security and system integrity
- People and organization - Key people succession planning

**RESPONSIBILITY STATEMENT**

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By order of the Board,

Chief Executive Officer

Joseph C. Brandt

**Footnotes**

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

[2] The net consolidated leverage ratio is measured as total net indebtedness (reported as the difference between Borrowings and Cash and Cash Equivalent under the IFRS statement of financial position) to Adjusted EBITDA. The leverage ratio also excludes IFRS16 liabilities.

[3] Funds from operations is a non-IFRS measure and is defined as the cash flow from operating activities, excluding changes in working capital, less interest paid, maintenance capital expenditure and distribution to non controlling interests.

[4] Cash conversion ratio is a non-IFRS measure and is defined as FFO relative to Adjusted EBITDA

[5] USD:GBP of 1.2116 as of 9 August 2022

[6] Dividend cover is a non-IFRS measure and is defined as LTM Parent Company Free Cash Flow divided by paid dividend

[7] Adjusted revenue is a non-IFRS measure and is defined as Revenue excluding CO2 emission cost recharges

[8] Proportionate Adjusted EBITDA is a non-IFRS measure and is defined as Adjusted EBITDA calculated on a proportionally consolidated basis based on ContourGlobal's ownership percentage of assets. The Proportionate Adjusted EBITDA as well includes the net cash gain or loss on sell down transactions, if applicable, as well as the underlying profit from continuing operations for the business the non controlling interest sale relates to, reflecting applicable ownership percentage going forward from the date of completion of the sale of the non controlling interest.

[9] Adjusted net profit is a non-IFRS measure and is defined as net income excluding specific items which in 2022 included unrealized FX, acquisition and other transaction related expenses, the change in fair value of the Mexico fixed margin swap and the gain on the Brazil Hydro sale net of withholding tax.

[10] Net debt at corporate level including the Corporate Bonds less the cash held in the group corporate holdings, divided by CFADS (Cash flows available for debt service) as defined in the Corporate Bond Indenture.

**CONTOURGLOBAL PLC AND SUBSIDIARIES**

## Unaudited condensed interim consolidated statement of income and other comprehensive income

| | | For the six months ended June 30 | |
|---|---|---|---|
| **In $ millions** | **Note** | **2022** | **2021** |
| **Revenue** | 1.6 | **1,350.5** | **934.9** |
| Cost of sales | 1.7 | (1,109.9) | (730.8) |
| **Gross profit** | | **240.6** | **204.1** |
| Selling, general and administrative expenses | 1.7 | (18.8) | (18.1) |
| Other operating income | | 3.2 | 3.7 |
| Other operating expenses | | (1.5) | (0.8) |
| Acquisition and other transactions related items | 1.8 | (11.7) | (7.5) |
| Profit on disposal of power generating plants | 1.3 | 120.8 | - |

| | | | |
|---|---|---|---|
| **Income from Operations** | | **332.6** | **181.4** |
| Share of profit in associates | | 9.8 | 8.6 |
| Finance income | 1.9 | 4.6 | 1.5 |
| Finance costs | 1.9 | (144.1) | (149.0) |
| Net foreign exchange gains and change in fair value of derivatives | 1.9 | 23.6 | 23.0 |
| | | **226.5** | **65.5** |
| Income tax expenses | 1.10 | (63.2) | (27.6) |
| **Net profit for the period** | | **163.3** | **37.9** |
| Profit for the period attributable to | | | |
| - Equity shareholders of the Company | | 141.8 | 37.7 |
| - Non-controlling interests | | 21.5 | 0.2 |
| | | | |
| Earnings per share (in $) | | | |
| - Basic | | 0.22 | 0.06 |
| - Diluted | | 0.22 | 0.06 |

| | For the six months ended June 30 | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| **Net profit for the period** | **163.3** | **37.9** |
| | | |
| Gain / (Loss) on hedging transactions | 96.6 | 35.1 |
| Cost of hedging reserve | - | (0.1) |
| Deferred taxes on gain / (loss) on hedging transactions | (25.4) | (9.3) |
| Reclassification to profit or loss on disposal of Brazil Hydro assets | 17.8 | - |
| Currency translation differences | 84.6 | 23.4 |
| **Items that may be reclassified subsequently to income statement** | **173.6** | **49.1** |
| **Other comprehensive profit for the period net of tax** | **173.6** | **49.1** |
| **Total comprehensive profit for the period** | **336.9** | **87.0** |
| Attributable to | | |
| - Equity shareholders of the Company | 308.0 | 83.9 |
| - Non-controlling interests | 28.9 | 3.1 |

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

**CONTOURGLOBAL PLC AND SUBSIDIARIES**

**Unaudited condensed interim consolidated statement of financial position**

| **In $ millions** | **Note** | **As of June 30, 2022** | **As of December 31, 2021** |
|---|---|---|---|
| **Non-current assets** | | **4,554.5** | **4,749.5** |
| Intangible assets and goodwill | 1.11 | 294.3 | 305.4 |
| Property, plant and equipment | 1.12 | 3,753.1 | 3,925.4 |
| Financial and contract assets | | 351.8 | 370.5 |
| Investments in associates | | 30.1 | 33.5 |
| Derivative financial instruments | 1.14 | 38.9 | 9.9 |
| Other non-current assets | | 42.3 | 55.1 |
| Deferred tax assets | 1.10 | 44.0 | 49.7 |
| **Current assets** | | **1,434.1** | **1,267.7** |

| | | | |
|---|---|---|---|
| Inventories | | 415.4 | 485.7 |
| Financial and contract assets | | 31.1 | 32.3 |
| Trade and other receivables | | 321.6 | 299.1 |
| Current income tax assets | | 21.6 | 15.0 |
| Derivative financial instruments | 1.14 | 11.9 | 6.1 |
| Other current assets | | 71.3 | 60.4 |
| Cash and cash equivalents | | 561.2 | 369.1 |
| **Assets held for sale** | 1.3 | **-** | **175.2** |
| | | | |
| **Total assets** | | **5,988.6** | **6,192.4** |

| **In $ millions** | | **As of June 30, 2022** | **As of December 31, 2021** |
|---|---|---|---|
| **Total equity and non-controlling interests** | | **610.0** | **370.5** |
| Issued capital | | 8.9 | 8.9 |
| Share premium | | 380.8 | 380.8 |
| Treasury shares | | (36.7) | (37.8) |
| Retained earnings and other reserves | | 103.4 | (142.9) |
| Non-controlling interests | | 153.6 | 161.5 |
| **Non-current liabilities** | | **4,267.7** | **4,451.5** |
| Borrowings | 1.17 | 3,652.5 | 3,809.1 |
| Derivative financial instruments | 1.14 | 38.3 | 71.5 |
| Deferred tax liabilities | 1.10 | 334.4 | 325.2 |
| Provisions | | 80.6 | 77.7 |
| Other non-current liabilities | | 161.9 | 168.0 |
| **Current liabilities** | | **1,110.9** | **1217.3** |
| Trade and other payables | | 532.2 | 597.0 |
| Borrowings | 1.17 | 276.5 | 367.0 |
| Derivative financial instruments | 1.14 | 4.1 | 26.3 |
| Current income tax liabilities | | 49.1 | 29.1 |
| Provisions | | 12.0 | 12.9 |
| Other current liabilities | | 237.0 | 185.0 |
| **Liabilities held for sale** | **1.3** | **-** | **153.1** |
| **Total liabilities** | | **5,378.6** | **5,821.8** |
| **Total equity and non-controlling interests and liabilities** | | **5,988.6** | **6,192.4** |

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

**CONTOURGLOBAL PLC AND SUBSIDIARIES**
**Unaudited condensed interim consolidated statement of changes in equity**

| **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** | **Non-controlling interests** | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | | | | | Company | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 | - | - | - | - | - | - | - | 37.7 | **37.7** | 0.2 | **37.9** |
| Other comprehensive loss | - | - | - | 21.5 | 24.8 | (0.1) | - | - | **46.2** | 2.9 | **49.1** |
| **Total comprehensive income / (loss) for the period** | **-** | **-** | **-** | **21.5** | **24.8** | **(0.1)** | **-** | **37.7** | **83.9** | **3.1** | **87.0** |
| Purchase of treasury shares | - | - | (7.4) | - | - | - | - | - | **(7.4)** | - | **(7.4)** |
| Employee share schemes | - | - | - | - | - | - | - | 0.9 | **0.9** | - | **0.9** |
| Dividends | - | - | - | - | - | - | - | (55.9) | **(55.9)** | (2.5) | **(58.4)** |
| Other | - | - | - | - | - | - | - | 2.4 | **2.4** | (2.2) | **0.2** |
| **Balance as of June 30, 2021** | **8.9** | **380.8** | **(37.8)** | **(157.7)** | **(68.2)** | **(1.6)** | **(2.1)** | **84.0** | **206.3** | **153.7** | **360.0** |
| **Balance as of January 1, 2022** | **8.9** | **380.8** | **(37.8)** | **(150.0)** | **(54.3)** | **(1.7)** | **(2.4)** | **65.5** | **209.0** | **161.5** | **370.5** |
| Profit for the period | - | - | - | - | - | - | - | 141.8 | **141.8** | 21.5 | **163.3** |
| Reclassification to profit or loss on disposal of Brazil Hydro assets | - | - | - | 17.8 | - | - | - | - | **17.8** | - | **17.8** |
| Other comprehensive profit | - | - | - | 83.6 | 64.8 | - | - | - | **148.4** | 7.4 | **155.8** |
| **Total comprehensive income / (loss) for the period** | **-** | **-** | **-** | **101.4** | **64.8** | **-** | **-** | **141.8** | **308.0** | **28.9** | **336.9** |
| Treasury shares | - | - | 1.1 | - | - | - | - | (1.1) | **-** | - | **-** |
| Employee share schemes | - | - | - | - | - | - | - | 1.1 | **1.1** | - | **1.1** |
| Dividends | - | - | - | - | - | - | - | (61.5) | **(61.5)** | (25.1) | **(86.6)** |
| Transaction with non-controlling interests | - | - | - | - | - | - | - | - | **-** | (11.6) | **(11.6)** |
| Other | - | - | - | - | - | - | - | (0.2) | **(0.2)** | (0.1) | **(0.3)** |
| **Balance as of June 30, 2022** | **8.9** | **380.8** | **(36.7)** | **(48.6)** | **10.5** | **(1.7)** | **(2.4)** | **145.6** | **456.4** | **153.6** | **610.0** |

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

## CONTOURGLOBAL PLC AND SUBSIDIARIES

### Unaudited condensed interim consolidated statement of cash flows

| | Six months period ended June 30 | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Net profit** | **163.3** | **37.9** |
| Adjustment for: | | |
| Amortization, depreciation and impairment expense | 189.4 | 191.2 |
| Change in provisions | (0.7) | (1.1) |
| Share of profit in associates | (9.6) | (8.6) |
| Net foreign exchange gains and change in fair value of derivatives | (23.6) | (23.0) |

| | | |
|---|---|---|
| Interest expenses - net | 96.4 | 101.3 |
| Other financial items | 43.0 | 46.3 |
| Income tax expense | 63.2 | 27.6 |
| Mexico CHP fixed margin swap | (1.2) | (3.1) |
| Change in finance lease and financial concession assets | 17.9 | 16.7 |
| Gain on Brazil hydro sale | (120.8) | - |
| Other items | 2.0 | 1.6 |
| Change in working capital | 39.8 | 27.4 |
| Income tax paid | (49.4) | (14.0) |
| Contribution received from associates | 0.8 | 0.4 |
| **Net cash generated from operating activities** | **410.5** | **400.6** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment | (58.2) | (37.8) |
| Purchase of intangibles | (2.2) | (2.5) |
| Acquisition of subsidiaries, net of cash received | - | (622.7) |
| Sale of subsidiaries, net of divested cash | 125.6 | - |
| Other investing activities | 2.4 | (3.4) |
| **Net cash used in investing activities** | **67.6** | **(666.4)** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Dividends paid | (61.5) | (55.9) |
| Purchase of treasury shares | - | (7.4) |
| Proceeds from borrowings | 342.7 | 416.4 |
| Repayment of borrowings | (349.6) | (835.7) |
| Debt issuance costs | (12.0) | (11.0) |
| Interest paid | (90.9) | (99.8) |
| Cash distribution to non-controlling interests | (17.2) | (19.7) |
| Dividends paid to non-controlling interest holders | (24.4) | (1.6) |
| Transactions with non-controlling interest holders, cash paid | (45.6) | (28.0) |
| Other financing activities and derivatives | (29.5) | (32.1) |
| **Net cash generated from financing activities** | **(288.0)** | **(674.8)** |
| **Exchange losses on cash and cash equivalents** | **(10.4)** | **(21.3)** |
| **Net change in cash and cash equivalents** | **179.7** | **(961.9)** |
| **Cash & cash equivalents at beginning of the period** | **381.5** | **1,396.9** |
| **Included in cash and cash equivalents in the balance sheet** | **369.1** | **-** |
| **Included in assets held for sale** | **12.4** | **-** |
| **Cash & cash equivalents at end of the period** | **561.2** | **435.0** |

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

## *Notes to the unaudited condensed interim consolidated financial statements*

### *1.1. 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 renewables 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.

The Group develops, acquires, operates and manages wholesale power generation businesses on four continents. It focuses on both underserved or niche markets and developed markets and evaluates projects based on individual merit pursuing greenfield, brownfield as well as acquisition opportunities as they arise. The Group actively collaborates with governments, multilateral financial institutions, manufacturers, contractors and other power and non-power industry participants to provide innovative solutions to the challenge of providing clean, reliable electricity.

The Group consists of a diversified portfolio of operating power plants, power plants under construction, as well as projects in pre-construction phase located in four broad geographic areas: Europe, Latin America, United States of America and Africa. It is comprised of 100% owned and/or majority controlled subsidiaries as well as investments in which the Company holds a non-controlling interest.

The Group's main corporate offices are in London (United Kingdom), Luxembourg (Luxembourg), Paris (France), Sao Paulo (Brazil) and Vienna (Austria) and these offices provide administrative and technical support to operations and development activities.

### *1.2. 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. There was no impact or changes in accounting policies from the transition. These condensed interim financial statements were approved by the Directors for issue on 10 August 2022.

These condensed interim consolidated financial statements for the half-year reporting period ended 30 June 2022 have been prepared in accordance with the UK-adopted International Accounting Standard 34, "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In accordance with IAS 34, interim financial information is prepared in order to update the most recent annual consolidated financial statements prepared by ContourGlobal plc, placing emphasis on new activities, occurrences and circumstances that have taken place during the six months ended June 30, 2022 and not duplicating the information previously published in the annual consolidated financial statements for the year ended December 31, 2021. Therefore, the condensed interim consolidated financial statements do not include all the information that would be required in complete consolidated financial statements. In view of the above, for an adequate understanding of the information, these condensed interim consolidated financial statements must be read together with ContourGlobal plc consolidated financial statements for the year ended December 31, 2021. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

In preparing these condensed interim consolidated financial statements, the accounting policies, the significant judgments made by management in applying ContourGlobal plc accounting policies and the key sources of estimation uncertainty were the same as those that applied to ContourGlobal plc consolidated financial statements for the year ended December 31, 2021. In accordance with IAS34, taxes on income in interim periods are accrued using the weighted average effective income tax rate that would be applicable to the expected total annual taxable profit or loss.

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.

The financial statements are prepared in accordance with IFRS under the historical cost convention, as modified for the revaluation of certain financial instruments. The financial information is presented in millions of U.S. Dollars, with one decimal. Thus numbers may not sum precisely due to rounding.

#### Going concern

The Directors have formed a judgement, at the time of approving the condensed interim consolidated financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report.

On 17 May 2022 the recommended cash acquisition of the ContourGlobal plc Group ("CG plc") by Cretaceous Bidco Limited (a newly formed company indirectly owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates) ("KKR") was announced. On 6 July 2022 the required majority of shareholders approved the acquisition at the Court and General meeting of shareholders. The acquisition is expected to complete in Q4 2022. The Directors have considered within the evaluation of CG plc's ability to continue as a going concern the impact of the proposed acquisition of CG plc by KKR. This assessment, which included severe but plausible downside scenarios, took into account the currently anticipated debt profile of CG plc on completion of the transaction, our understanding of KKR's intentions for CG plc subsequent to completion including any change of control clauses triggering debt repayment and analysis of the cashflow forecast for the period 12 months subsequent to signing the financial statements. The directors have also considered the scenario in which the deal does not go ahead and are comfortable that CG plc would remain as a going concern based on an assessment of ongoing liquidity requirements and covenant compliance.

For this reason and having reassessed the principal risks disclosed in the annual report for the year ended December 31, 2021 and considering changes to principal risks, the Directors continue to adopt the going concern basis in preparing the condensed interim consolidated financial statements.

**Foreign currency translation**

The assets and liabilities of foreign undertakings are translated into US dollars, the Group's presentation currency, at the period-end exchange rates. The results of foreign undertakings are translated into US dollars at the relevant average rates of exchange for the period. Foreign exchange differences arising on retranslation 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 period end exchange rates in the 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 | |
|---|---|---|---|---|
| | At June 30 | At December 31 | Six months ended June 30 | |
| Currency | 2022 | 2021 | 2022 | 2021 |
| EUR / USD | 1.0483 | 1.1373 | 1.0938 | 1.2050 |
| BRL / USD | 0.1909 | 0.1792 | 0.1976 | 0.1861 |
| BGN / USD | 0.5360 | 0.5815 | 0.5593 | 0.6161 |
| MXN / USD | 0.0500 | 0.0486 | 0.0493 | 0.0496 |

**Seasonality of operations**

The impact of seasonality on our Thermal operations is minimal as our Thermal assets are generally operated under Power Purchase Agreements ("PPAs") where we are compensated on the basis of electrical capacity or availability whether or not the off-taker requests the electrical output (capacity payments). We do have a seasonal related impact on our Renewable operations. The amount of electricity our renewable assets produce is dependent in part on the amount of sunlight, or irradiation, wind and hydrology where the assets are located. Because shorter daylight hours in winter months results in less irradiation, the generation of particular solar assets will vary depending on the season. Adjusted EBITDA for the two first quarters of the year is typically lower than for the two last quarters for both wind assets in Latin America (high wind season in the second part of the year) and for solar assets in Europe (higher irradiation in the second part of the year).

**New and revised accounting standards and interpretations**

On 1 January 2022 a number of accounting standard amendments to IAS 16, IFRS 3 and IAS 37 became applicable, which are not considered to be material.

There are no standards that are issued but not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### *1.3. 2022 transactions*

**Brazil Hydro sale**

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

| | BRL millions | $ millions |
|---|---|---|
| Transaction price | 946.2 | 181.0 |
| Other liabilities | | (0.6) |

| | | |
|---|---|---|
| Loss on FX forward | | (10.9) |
| **Net transaction price** | **946.2** | **169.5** |
| Reclassification of currency translation reserve to profit and loss account | | (17.8) |
| Less: equity sold | | (31.0) |
| Gain on disposal | | 120.8 |

The gain on disposal of $120.8 million is presented in Profit on disposal of subsidiaries in the Consolidated Statement of Income. The gain net of withholding tax ($29.1 million) of $91.7 million is attributable to the shareholders of the Group as $73.4 million and to non-controlling interests as $18.3 million.

The cash transaction proceeds received net of settlement of the withholding tax ($29.1 million) amounts to $140.4 million, which after distribution of proceeds to non controlling interests results in net proceeds to ContourGlobal of $112 million.

The transaction proceeds of $140.4 million net of cash disposed of $14.8 million results in $125.6 million as disclosed in the Statement of Cash Flows.

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

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

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

**Acquisition of ContourGlobal Plc**

On May 17, 2022 the recommended cash acquisition (the "Transaction") by Cretaceous Bidco Limited (a newly formed company indirectly owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates) ("KKR") of ContourGlobal plc was announced. On July 6, 2022 the Transaction was approved by the required majority of shareholders at the Court and General meeting of shareholders. The transaction is expected to complete in Q4 2022, following the receipt of the outstanding regulatory approvals.

### *1.4. 2021 transactions*

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

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

The total consideration paid amounted to $646.1 million.

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

**Acquisition of a Solar portfolio in Italy**

On June 4, 2021 the Group entered into an agreement with a group of private shareholders to acquire a 100% of shares of Green Hunter Group Sarl, the parent entity of a portfolio of solar photovoltaic assets 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).

The 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 performed a 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).

There has been no change to the provisional fair values determined in the 31 December 2021 financial statements.

### *1.5. Segment reporting*

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

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

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

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

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

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

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

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

All revenue is derived from external customers.

**Geographical information**

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

- Europe (including our operations in Austria, Armenia, Northern Ireland, Italy, Romania, Poland, Bulgaria, Slovakia and Spain)

- Latin America which includes South America (including Brazil, Peru, Colombia), Mexico and Caribbean Islands (including Dutch Antilles, French Territory and Trinidad and Tobago)

- United States of America

- Africa (including Nigeria, Togo, Senegal and Rwanda)

| | Six months ended June 30 | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |

| | | |
|---|---|---|
| **Revenue** | | |
| Thermal Energy | 1,119.5 | 715.8 |
| Renewable Energy | 231.0 | 219.1 |
| **Total revenue** | **1,350.5** | **934.9** |

| | | |
|---|---|---|
| **Adjusted EBITDA** | | |
| Thermal Energy | 284.2 | 260.9 |
| Renewable Energy | 175.7 | 160.5 |
| Corporate & Other (1) | (15.9) | (15.3) |
| **Total adjusted EBITDA** | **443.9** | **406.1** |

| | | |
|---|---|---|
| **Proportionate adjusted EBITDA** | **367.1** | **327.0** |
| Non controlling interests | 76.8 | 79.1 |
| **Total adjusted EBITDA** | **443.9** | **406.1** |

| | | |
|---|---|---|
| **Reconciliation to profit before income tax** | | |
| Depreciation, amortization and impairment (note 1.7) | (189.4) | (191.2) |
| Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives (note 1.9) | (115.9) | (124.5) |
| Share of adjusted EBITDA in associates (2) | (13.0) | (11.7) |
| Share of profit in associates | 9.6 | 8.6 |
| Acquisition and other transactions related items (note 1.8) | (11.7) | (7.5) |
| Mexico CHP fixed margin swap (3) | 1.2 | 3.1 |
| Change in finance lease and financial concession assets (4) | (17.9) | (16.7) |
| Gain on Brazil Hydro sale (5) | 120.8 | - |
| Other | (1.3) | (0.8) |
| **Profit before income tax** | **226.4** | **65.5** |

(1) Corporate costs correspond to selling, general and administrative expenses before depreciation and amortization of $3.0 million (June 30, 2021: $2.8 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) Reflects an adjustment to align the recognized earnings with the cash flows generated under the CHP Mexico fixed margin swap during the period as presented in the consolidated statement of cash flow as "Mexico CHP fixed margin swap".

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

(5) Represents the gain on disposal on Brazil Hydro sale describes in note 1.3

**Cash outflows on capital expenditure**

| | Six months ended June 30 | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| Thermal Energy | 18.0 | 10.7 |
| Renewable Energy | 40.0 | 26.8 |
| Corporate & Other | 0.2 | 0.3 |
| **Total capital expenditure** | **58.2** | **37.8** |

**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:

Six months ended June 30

| In $ millions | 2022 | 2021 |
|---|---|---|
| Europe (1) | 826.4 | 551.9 |
| Latin America (2) | 314.1 | 239.1 |
| United States | 133.8 | 78.1 |
| Africa | 76.2 | 65.9 |
| **Total revenue** | **1,350.5** | **934.9** |

(1) Revenue generated in 2022 in Bulgaria and Spain amounted to $492.7 million and $228.3 million respectively (June 30, 2021: $296.9 million and $175.5 million respectively).

(2) Revenue generated in 2022 in Brazil and Mexico amounted to $68.2 million and $189.1 million respectively (June 30, 2021: $69.9 million and $129.3 million respectively).

| | Six months ended June 30 | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| Europe (1) | 222.3 | 223.3 |
| Latin America (2) | 145.2 | 124.9 |
| United States | 50.9 | 32.2 |
| Africa | 41.4 | 41.0 |
| Corporate & Other | (15.9) | (15.3) |
| **Total adjusted EBITDA** | **443.9** | **406.1** |

(1) Adjusted EBITDA generated in 2022 in Bulgaria and Spain amounted to $68.4 million and $91.5 million respectively (June 30, 2021: $70.4 million and $99.0 million respectively).

(2) Adjusted EBITDA generated in 2022 in Brazil and Mexico amounted to $41.3 million and $64.7 million respectively (June 30, 2021: $44.1 million and $51.8 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:

| | Six months ended June 30, | Year ended December 31 |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| Europe | 1,792.1 | 1,941.3 |
| Latin America | 1,590.1 | 1,614.0 |
| United States | 738.2 | 773.8 |
| Africa | 351.2 | 370.3 |
| **Total non-current assets** | **4,471.6** | **4,699.6** |

### *1.6. Revenue*

| | Six months ended June 30, | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| Revenue from power sales (1) | 1,158.7 | 767.5 |
| Revenue from operating leases (2) | 106.8 | 82.7 |
| Revenue from concession and finance lease assets (3) | 16.9 | 16.7 |
| Other revenue (4) | 68.1 | 68.0 |
| **Total revenue** | **1,350.5** | **934.9** |

Revenue from operating leases at June 30, 2021 has been restated to reclassify revenue generated in the US and Trinidad under operating lease arrangements from Revenue from power sales to Revenue from operating leases of $44.6 million.

Revenue from power sales and Other revenue are recognized under IFRS 15 and total $1,226.8 million in June 30, 2022 (June 30, 2021: $835.5 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 $767.5 million to $1,158.7 million is mainly due to revenue increase in our Maritsa plant for $195.8 million mainly due to higher revenue from the passthrough $CO_2$ emissions costs, the February 2021 acquisition of the US and Trinidad and Tobago assets contributing $59.3 million, revenue increase in Arrubal for $55.4 million mainly due to trading optimization and positive spreads and higher gas pass throughs and additional interconnections at Mexico CHP contributing $59.8 million.

(2) Revenue from operating leases mainly includes $36.7 million relating to our Solutions plants, $22.3 million relating to our Bonaire plant, $47.8 million relating to certain US and Trinidad and Tobago assets in June 30, 2022 (June 30, 2021: $24.5 million, $13.6 million, and $44.6 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 (June 2021: one customer).

| | Six months ended June 30 | |
|---|---|---|
| | **2022** | **2021** |
| Customer A | 36.8% | 31.8% |

### *1.7. Expenses by nature*

| | **Six months ended June 30,** | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| Fuel costs | 395.8 | 205.3 |
| Depreciation, amortization and impairment | 189.4 | 191.2 |
| Operation and maintenance costs | 36.0 | 50.2 |
| Employee costs | 55.3 | 52.3 |
| Emission allowance utilized (1) | 355.5 | 163.9 |
| Professional fees | 8.5 | 9.1 |
| Purchased power | 14.6 | 18.7 |
| Transmission charges | 17.5 | 18.9 |
| Operating consumables and supplies | 13.4 | 8.6 |
| Insurance costs | 18.6 | 15.9 |
| Other expenses (2) | 24.1 | 14.8 |
| **Total cost of sales and selling, general and administrative expenses** | **1,128.7** | **748.9** |

(1) Emission allowances utilized corresponds mainly to the costs of CO2 quotas in Maritsa which are passed through to its offtaker and purchases of CO2 allowances in Arrubal, and includes the write-down of CO2 quotas held in inventory to their net realizable value where relevant.

(2) Other expenses include facility costs of $8.6 million in June 30, 2022 (June 30, 2021: $6.8 million).

### *1.8. Acquisition and other transactions related items*

| | **six months ended June 30,** | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| Acquisition and disposal related items (1) | 5.9 | 7.5 |
| Other transaction related items (2) | 5.8 | - |

| | | |
|---|---|---|
| **Acquisition and other transactions related items** | **11.7** | **7.5** |

(1) Acquisition and disposal related items costs include notably pre-acquisition costs such as due diligence costs and professional fees and other related incremental costs incurred as part of completed acquisitions or contemplated acquisitions. In June 2022, costs incurred primarily to the sale of the Brazil Hydro assets (June 30, 2021: corresponds mainly to the acquisition of the US and Trinidad and Tobago assets, detailed in note 1.4).

(2) Other transaction related items correspond to KKR transaction and delisting costs which include the due diligence costs incurred in connection with the KKR acquisition and mainly include legal and finance advisor's costs.

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

| | Six months ended June 30, | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| **Finance income** | **4.6** | **1.5** |
| Net change in fair value of fixed margin derivative (1) | (8.8) | 4.8 |
| Net fair value changes of other derivatives and reclassification from cash flow hedge reserve (2) | 7.3 | 3.9 |
| Net foreign exchange differences (3) | 25.2 | 14.3 |
| **Net foreign exchange gains and (losses) and change in fair value of derivatives** | **23.6** | **23.0** |
| Interest expenses on borrowings | (101.1) | (102.7) |
| Amortization of deferred financing costs | (8.2) | (10.7) |
| Unwinding of discounting (4) | (14.5) | (15.9) |
| Other (5) | (20.3) | (19.7) |
| **Finance costs** | **(144.1)** | **(149.0)** |
| **Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives** | **(115.9)** | **(124.5)** |

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

(2) Within this balance the Group recognized a profit of $6.6 million in the six months ended June 30, 2022 in relation to its interest rate, cross currency and financial swaps, options, foreign exchange options and forward contracts (June 30, 2021: profit of $1.7 million) which relates to fair value changes on derivatives not hedge accounted and amounts reclassified from the cash flow hedge reserve.

(3) Net foreign exchange differences include foreign exchange gains and losses related to conversion of foreign currency denominated cash balances and foreign exchange differences relating to 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 other long-term liabilities in the six months ended June 30, 2022 and 2021.

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

### *1.10. Income tax expense and deferred income tax*

*General accounting policies*

The current and deferred income tax are 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. The income tax was calculated using the effective tax rate expected to apply to each taxing jurisdiction of the Group in the period ending December 31, 2022. The estimated effective tax rate is determined on a tax group basis and applied to the profit before tax of each taxing jurisdiction.

During 2021, the OECD has published draft legislation for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups. On 20 July 2022, HM Treasury released draft legislation to implement these 'Pillar 2' rules with effect as from 2024. The Group is reviewing these draft rules to understand any potential impacts.

*Income tax expense and deferred income tax*

| | Six months ended June 30, | |
|---|---|---|
| **In $ millions** | **2022** | **2021** |
| *Current tax* | (35.9) | (21.7) |
| *Deferred income tax* | 1.9 | (5.9) |

| | | |
|---|---|---|
| **Income tax expense (without the impact of the sale of Brazil hydro)** | **(34.0)** | **(27.6)** |
| *Current tax related to sale of Brazil hydro* | (29.1) | |
| **Income tax expense** | **(63.2)** | **(27.6)** |
| **Effective Tax Rate** | **26%** | **42%** |

In the six months ended June 30, 2022, the tax charge without the effect of the Brazil hydro sale is broadly comparable to the charge in the six months ended June 30, 2021. The effective tax rate of the group mainly differs to the UK statutory rate of 19% due to the impact of the geographical composition of the profit before tax, and tax losses arising on certain group and financing costs on which no deferred tax asset is recognized. The group rate is also impacted by tax only adjustments relating to forex and inflation, and the profit mix of Brazilian entities where the headline tax rate is 34% whereas some entities have elected to a simplified corporate tax regime whereby the tax calculation is driven by revenue.

The withholding tax applied on the Brazil Hydro sale that was closed on 30 June 2022 amounts to $29.1m, which is a cost to the Group.

*Net deferred tax movement*

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

| In $ millions | June 30, 2022 | December 31, 2021 |
|---|---|---|
| **Net deferred tax assets (liabilities) as of January, 1** | **(275.5)** | **(211.4)** |
| Statement of income | 1.9 | (16.1) |
| Deferred tax recognized directly in other comprehensive income | (25.4) | (14.4) |
| Acquisitions | - | (35.7) |
| Currency translation differences | 8.6 | 2.1 |
| **Net deferred tax assets (liabilities) at closing date** | **(290.4)** | **(275.5)** |
| *Including net deferred tax assets balance of:* | *44.0* | *49.7* |
| *Deferred tax liabilities balance of:* | *(334.4)* | *(325.2)* |

The increase in net deferred tax liabilities in the first six months of 2022 is mainly driven by the impact of hedging transactions recognized in other comprehensive income, partially offset by the unwind of certain deferred tax liabilities, particularly in Spain and Mexico.

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

Unrecognized deferred tax assets amount to $279.1 million as of June 30, 2022 (December 31, 2021: $300.2 million). The decrease is mainly due to forex impact and to the Brazil hydro sale.

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, for which the tax losses generated after January 1, 2017 expire after 17 years.

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

### *1.11. 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 | 0.6 | 1.5 | 233.3 | - | 122.8 | 40.9 | 399.1 |
| Accumulated amortisation and impairment | - | - | (14.9) | - | (43.4) | (21.1) | (79.4) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Carrying amount as of January 1, 2021** | **0.6** | **1.5** | **218.4** | **-** | **79.4** | **19.7** | **319.7** |
| Additions | - | 1.4 | - | - | 14.5 | 1.6 | 17.5 |
| Disposals | - | - | - | - | - | - | - |
| Acquired through business combination(1) | 3.5 | - | - | 31.4 | 0.3 | - | 35.2 |
| Assets recognized as held for sale(2) | - | - | - | - | (22.7) | (0.2) | (22.9) |
| Currency translation differences | - | - | - | - | (4.8) | (0.2) | (5.0) |
| Reclassification | - | (2.8) | - | - | 1.4 | 1.4 | - |
| Amortisation charge | - | - | (13.7) | (8.1) | (13.6) | (3.6) | (39.0) |
| **Closing net book amount** | **4.1** | **0.1** | **204.7** | **23.3** | **54.5** | **18.7** | **305.4** |
| Cost | 4.1 | 0.1 | 233.3 | 31.4 | 111.5 | 43.4 | 423.8 |
| Accumulated amortisation and impairment | - | - | (28.6) | (8.1) | (57.0) | (24.7) | (118.4) |
| **Carrying amount as of January 1, 2022** | **4.1** | **0.1** | **204.7** | **23.3** | **54.5** | **18.7** | **305.4** |
| Additions | - | 4.1 | - | - | - | 0.1 | 4.2 |
| Disposals | - | - | - | - | - | - | - |
| Currency translation differences | (0.1) | - | - | - | 2.3 | (0.1) | 2.1 |
| Reclassification | - | (3.5) | - | - | 1.3 | 2.2 | - |
| Amortisation charge | - | - | (6.9) | (4.7) | (3.4) | (2.4) | (17.4) |
| **Closing net book amount** | **4.0** | **0.7** | **197.8** | **18.6** | **54.7** | **18.5** | **294.3** |
| Cost | 4.0 | 0.7 | 233.2 | 31.4 | 115.1 | 45.6 | 430.0 |
| Accumulated amortisation and impairment | - | - | (35.4) | (12.8) | (60.4) | (27.1) | (135.7) |
| **Carrying amount as of June 30, 2022** | **4.0** | **0.7** | **197.8** | **18.6** | **54.7** | **18.5** | **294.3** |

(1) Assets acquired through business combination relate to our United States of America and Trinidad and Tobago portfolio, detailed in note 1.4.

(2) Assets recognized as held for sale relate to our Brazil Hydro portfolio, detailed in note 1.4.

Contracts relate to the fair valuation on acquisition of power purchase agreements in the United States of America, detailed in note 1.4. 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 $15.6 million in the six months period ended June 30, 2022 (June 30, 2021: $16.8 million) and amortization included in 'selling, general and administrative expenses' amount to $1.8 million in the six months period ended June 30, 2022 (June 30, 2021: $1.5 million).

### *1.12. Property, plant and equipment*

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

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

Assets acquired through business combinations are explained in Note 1.3.

| In $ millions | Land | Power plant assets | Construction work in progress | Right of use of assets | Other | Total |
|---|---|---|---|---|---|---|
| Cost | 76.7 | 5,842.0 | 30.3 | 50.1 | 198.8 | 6,197.9 |
| Accumulated depreciation and impairment | (0.8) | (2,151.5) | - | (17.7) | (102.5) | (2,272.5) |
| **Carrying amount as of** | | | | | | |

| | Land | Power plant assets | Construction work in progress | Right of use of assets | Other | Total |
|---|---|---|---|---|---|---|
| **January 1, 2022** | **75.9** | **3,690.5** | **30.3** | **32.4** | **96.3** | **3,925.4** |
| Additions | 0.3 | 20.7 | 38.4 | 1.9 | 5.3 | 66.6 |
| Disposals | - | - | (0.1) | - | (0.6) | (0.7) |
| Reclassification | (4.5) | 33.9 | (40.1) | - | 10.7 | - |
| Currency translation differences | (4.7) | (55.6) | (0.1) | (1.8) | (3.8) | (66.0) |
| Depreciation charge | (0.1) | (162.2) | - | (2.6) | (7.3) | (172.2) |
| **Closing net book amount** | **66.9** | **3,527.3** | **28.4** | **29.9** | **100.6** | **3,753.1** |
| Cost | 67.7 | 5,710.4 | 28.4 | 49.6 | 208.4 | 6,064.5 |
| Accumulated depreciation and impairment | (0.8) | (2,183.1) | - | (19.7) | (107.8) | (2,311.4) |
| **Carrying amount as of June 30, 2022** | **66.9** | **3,527.3** | **28.4** | **29.9** | **100.6** | **3,753.1** |

Construction work in progress as of June 30, 2022 predominantly relates to our ongoing Austria Wind repowering project, Vorotan refurbishment project, and projects at Maritsa, Solutions Italy and Bonaire. Reclassification from Construction work in progress to Power plant assets primarily relates to Austria Wind repowering project ($30.1 million).

As of June 30, 2022, the Other category mainly related to $53.3 million of instruments and tools, $23.3 million of critical spare parts.

Depreciation included in 'cost of sales' in the consolidated statement of income amounted to $171.0 million in the six months period ended June 30, 2022 (June 30, 2021: $172.8 million) and depreciation included in 'selling, general and administrative expenses' amount to $1.2 million in the six months period ended June 30, 2022 (June 30, 2021: $1.3 million).

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

(1) Assets acquired through business combination relate to our United States of America and Trinidad and Tobago and Solar Italy portfolios detailed in note 1.4.

(2) Assets recognized as held for sale relate to our Brazil Hydro portfolio, detailed in note 1.3.

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 and depreciation included in 'selling, general and administrative expenses' amount to $2.7 million in the year ended December 31, 2021.

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

### *1.13. Management of financial risk*

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the ContourGlobal plc consolidated financial statements for the year ended December 31, 2021. There has been no material change in financial risk factors since the year end and there have been no changes in the risk management department or in any risk management policies since December 31, 2021

### *1.14. 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:

| | June 30, 2022 | | December 31, 2021 | |
|---|---|---|---|---|
| **In $ millions** | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Interest rate swaps - Cash flow hedge (1) | 33.9 | 11.2 | 3.7 | 63.3 |
| Cross currency swaps - Cash flow hedge (2) | 6.9 | - | - | 11.1 |
| Foreign exchange forward contracts - Trading (3) | 0.7 | 0.2 | 0.8 | 0.0 |
| Option contracts - not in hedge relationships (4) | 0.1 | - | - | - |
| Financial swap on commodity (5) | 1.3 | - | 0.6 | - |
| Fixed margin swap(6) | - | 31.1 | - | 23.4 |
| Other (7) | 7.9 | - | 10.8 | - |
| **Total** | **50.8** | **42.5** | **16.0** | **97.8** |
| | | | | |
| **Less non-current portion:** | | | | |
| Interest rate swaps - Cash flow hedge | 29.3 | 10.0 | 3.7 | 45.5 |
| Cross currency swaps - Cash flow hedge | 4.9 | - | - | 10.1 |
| Foreign exchange forward contracts - Trading | 0.2 | - | 0.1 | - |
| Option contracts - not in hedge relationships | - | - | - | - |
| Financial swap on commodity | 0.5 | - | 0.3 | - |
| Fixed margin swap | - | 28.3 | - | 15.8 |
| Other | 4.0 | - | 5.8 | - |
| **Total non-current portion** | **38.9** | **38.3** | **9.9** | **71.5** |
| **Current portion** | **11.9** | **4.1** | **6.1** | **26.3** |

(1) Interest rate swaps are used to hedge floating rate borrowings such that in effect the Group will be paying interest at a fixed rate. The fair value of the interest rate swaps mostly relate to contracts in Italy for $9.6 million (December 31, 2021: to contracts in Mexico for $51.2 million) maturing in December 2030. The increase in fair value of the Interest rate swaps is primary due to the increase in floating interest rates. Interest rate swaps are hedge accounted and as a result changes in fair value are recognized in other comprehensive income.

(2) In 2015, the Group entered into cross currency swaps in our Cap des Biches project in Senegal. The fair value of the instruments as of June 30, 2022 amounts to asset $6.9 million (December 31, 2021: liability $11.6 million) maturing in July 2033. Currency swaps are hedge accounted and as a result changes in fair value are recognized in other comprehensive income.

(3) The Group has executed a series of offsets to protect the value, in USD terms, of the BRL-denominated expected distributions from the Brazilian portfolio and to protect in value, in USD terms, of EUR-denominated expected distributions. The BRL-denominated distributions have been hedged using forward exchange contracts with a fair value of liability $0.2 million and maturity in December 2022 (December 31, 2021: asset $0.6 million) and the EUR-denominated distributions have been hedged using forward exchange contracts with a fair value of asset $0.7 million and maturity in January 2024 (December 31, 2021: asset $0.2 million). Hedge accounting is not applied to BRL/USD and EUR/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, the MXN-denominated expected distributions from the Mexican portfolio.

(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 amount of derivative financial instruments:

- the outstanding interest rate swap contracts and cross currency swap qualified as cash-flow hedge amounted to $1,492.9 million as of June 30, 2022 (December 31, 2021: $1,231.2 million), bearing interest ranging between -0.15% and 4.58% as of June 30, 2022 (December 31, 2021: -0.15% and 4.58%).

- the outstanding foreign exchange forward and option contracts amounted to $144.1 million as of June 30, 2022 (December 31, 2021: $16.5 million); and

- the commodity swap (gas) relates to one PPA in our Mexican CHP plant amounting to $1.7 million as of June 30, 2021 (December 31, 2021: $2.1 million).

The Group recognized in Net Finance costs a loss in respect of changes in fair value of derivatives listed above of $2.5 million in the six months ended June 30, 2022 (June 30, 2021: gain of $6.5 million) and a gain of $0.7 million in the six months ended June 30, 2022 in relation to settled positions (June 30, 2021: profit of $2.2 million).

### *1.15. 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 June 30, 2022.

When measuring our interest rate, cross currency swaps and foreign exchange forward and option contracts at fair value on a recurring basis at both June 30, 2022 and December 31, 2021, we have measured these at level 2 in the fair value hierarchy with the exception of the fixed margin swap and contract derivative which are level 3. The fair value of those financial instruments is determined by using valuation techniques. These valuations techniques maximize the use of observable data where it is available and rely as little as possible on entity specific estimates.

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

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

The change in the fair value of the fixed margin swap since December 31, 2021 of $7.7 million is driven by the movement of market inputs, in particular the CFE Tariff, accounting for $31.7 million and the natural gas price, accounting for -$21.3 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 $7.6 million (December 31, 2021: decrease/increase by $7.1 million), (ii) for an increase/decrease of 5% in the natural gas cost, the fixed margin swap liability will decrease/increase by $3.5 million (December 31, 2021: decrease/increase by $4.1 million), (iii) for an increase/decrease of 25% in discount rates, the fixed margin swap liability will decrease/increase by $1.5 million (December 31, 2021: decrease/increase by $0.9 million), and (iv) and for an increase/decrease of 5% in the CFE tariff, the fixed margin swap liability will increase/decrease by $9.6 million (December 31, 2021: increase/decrease by $8.8 million). For the other level 3 derivative, the contract derivative recognized on acquisition of Western Generation, there are no reasonably possible sensitivities that could have a material impact.

### *1.16. Financial instruments by category*

| **In $ millions** | **Financial asset category** | | | |
|---|---|---|---|---|
| As at December 31, 2021 | **Financial assets at amortized costs** | **Assets at fair value through profit and loss** | **Derivative used for hedging** | **Total net book value per balance sheet** |
| Derivative financial instruments | - | 0.8 | 15.2 | 16.0 |
| 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 asset category** | | | |
|---|---|---|---|---|
| As at June 30, 2022 | **Financial assets at amortized costs** | **Assets at fair value through profit and loss** | **Derivative used for hedging** | **Total net book value per balance sheet** |
| Derivative financial instruments | - | 0.8 | 50.0 | 50.8 |
| Financial and contract assets | 382.9 | - | - | 382.9 |
| Trade and other receivables (1) | 288.0 | - | - | 288.0 |
| Other current assets | 42.1 | - | - | 42.1 |
| Other non-current assets (1) | 38.6 | - | - | 38.6 |
| Cash and cash equivalents | 561.2 | - | - | 561.2 |
| **Total** | **1,312.9** | **0.8** | **50.0** | **1,363.7** |

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

| **In $ millions** | **Financial liability category** | | | |
|---|---|---|---|---|
| As at June 30, 2022 | **Liabilities at fair value through profit and loss** | **Other financial liabilities at amortized cost** | **Derivative used for hedging** | **Total net book value per balance sheet** |
| Borrowings | - | 3,929.0 | - | 3,929.0 |
| Derivative financial instruments | 31.3 | - | 11.2 | 42.5 |

| | | | | |
|---|---|---|---|---|
| Trade and other payables | - | 532.2 | - | 532.2 |
| Other current liabilities [1] | - | 187.0 | - | 187.0 |
| Other non current liabilities | - | 158.9 | - | 158.9 |
| **Total** | **31.3** | **4,807.2** | **11.2** | **4,849.7** |

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

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 were no longer permitted after the end of 2021, and new LIBOR-based swaps traded after 2021 are only permitted if they demonstrably reduce an entity's LIBOR-based risk. The European Central Bank ("ECB") has disclosed no plans for the elimination of EURIBORs, and they will remain in existence (unless the ECB decides otherwise) alongside the ECB's new overnight index ESTR (Euro short-term rate).

The Group has borrowings and IFRS 9 designated hedge relationships that are impacted by IBOR reform including interest rate swap contracts and a cross currency swap that qualify as cash-flow hedges, used to hedge a proportion of our external borrowings. These swaps reference six-month EURIBOR, three-month USD LIBOR and six-month USD LIBOR.

During 2022 borrowings and interest rate swaps with notional value of $160.7 million at transition date relating to our Caribbean assets was transitioned from US LIBOR to TERM SOFR. Following a refinancing in our US business, new borrowings and interest rate swaps with a notional value of $313.5 million were entered into utilizing 3-month TERM SOFR. No other borrowings or interest rate swaps were transitioned during the period. Financial instruments summarized by the associated interest rate are as follows:

**In $ millions**

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

| | Measurement basis | Carrying value at June 30, 2022 | | Notional |
|---|---|---|---|---|
| | | Assets | Liabilities | |
| Borrowings nominal outstanding - EURIBOR | Amortised cost | - | 583.0 | |
| Borrowings nominal outstanding - USD LIBOR | Amortised cost | - | 696.2 | |
| Borrowings nominal outstanding - SOFR | Amortised cost | - | 419.3 | |
| Derivatives - EURIBOR | Cash flow hedge | 26.1 | 0.5 | 396.5 |
| Derivatives - USD LIBOR | Cash flow hedge | 7.7 | 2.2 | 628.6 |
| Derivatives - SOFR | Cash flow hedge | 7.0 | 8.5 | 467.8 |

### *1.17. Borrowings*

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

The Group's principal borrowings with a nominal outstanding amount of $3,987.7 million in total as of June 30, 2022 (December 31, 2021: $4,192.2 million) primarily relate to the following:

| Type of | Project | Outstanding nominal | Outstanding nominal amount |
|---|---|---|---|

| borrowing | Currency | Financing | Issue | Maturity | amount June 30, 2022 ($ million) | December 31, 2021 ($ million) | Rate |
|---|---|---|---|---|---|---|---|
| Corporate bond (1) | EUR | Corporate Indenture | 2020 | 2026 2028 | 744.3 | 807.5 | 2.75%, 3.125% |
| Corporate bond (1) | EUR | Corporate Indenture | 2018 | 2025 | 419.3 | 454.9 | 4.125% |
| Loan Agreement | USD | Mexican CHP | 2019 | 2026 | 454.6 | 475.4 | LIBOR + 2.5% |
| Loan Agreement (2) | USD | US and Trinidad and Tobago | 2022 | 2027 | 310.4 | 186.5 | SOFR 3M + 2.0% |
| Loan Agreement | EUR | Spanish CSP | 2018 | 2026 2038 | 290.4 | 338.8 | Fixed 5.8% and 6.7% |
| Loan Agreement | EUR | Spanish CSP | 2018 | 2036 | 273.3 | 305.2 | 3.438% |
| Project bond | USD | Inka | 2014 | 2034 | 162.7 | 165.8 | 6.0% |
| Loan agreement | EUR | Solar Italy | 2019 | 2030 | 155.8 | 181.7 | EURIBOR 6M + 1.7% |
| Loan Agreement (3) | EUR | Spanish CSP | 2021 | 2028 2034 | 142.6 | 159.1 | EURIBOR + 1.8% Fixed + 2.5% |
| Loan Agreement | EUR | Austria Wind | 2013 2020 | 2027 2033 | 111.4 | 109.6 | EURIBOR 6M + 2.45% and 4.305% / EURIBOR 3M+1.95% and 4.0% / EURIBOR 6M +1.55% |
| Loan Agreement | USD | Vorotan | 2016 | 2034 | 111.0 | 116.2 | LIBOR + 4.625% |
| Loan Agreement (4) | USD | French Caribbean | 2021 | 2027 | 108.9 | 115.3 | SOFR 3M + 3.5% |
| Loan Agreement / Debentures (5) | BRL | Chapada I | 2015 | 2032 2029 | 108.9 | 103.7 | TJLP + 2.18% / IPCA + 8% |
| Loan Agreement | USD | Cap des Biches | 2015 | 2033 | 88.3 | 91.0 | USD-LIBOR BBA (ICE)+3.20% |
| Loan Agreement (5) | BRL | Chapada II | 2016 | 2032 | 73.3 | 72.1 | TJLP + 2.18% |
| Loan Agreement | USD | Togo | 2008 | 2028 | 67.9 | 72.3 | 7.16% (Weighted average) |
| Loan Agreement (5)(6) | BRL | Asa Branca | 2021 | 2032 | 64.9 | 58.9 | TJLP+ 6.25% |
| Loan Agreement | EUR | Maritsa | 2006 | 2023 | 48.4 | 69.2 | EURIBOR + 0.125% |
| Loan Agreement | EUR | Vorotan | 2016 | 2034 | 45.4 | 51.4 | 0.75% - 4.12% |
| Other Credit facilities (individually < $50 million) | Various | Various | 2012 - 2019 | 2021 - 2034 | 205.8 | 257.6 | Mix of fix and variable rates |
| **Total** | | | | | **3,987.7** | **4,192.2** | |

(1) Corporate bond issued by ContourGlobal Power Holdings S.A. in July 2018 for €750 million dual-tranche, includes €450 million bearing a fixed interest rate of 3.375% maturing in 2023 and €300 million bearing a fixed interest rate of 4.125% maturing in 2025. In July 2019, a new €100 million corporate bond tap was added to the €300 million tranche bearing the same fixed interest rate of 4.125% maturing also in 2025. On December 17, 2020 two new Corporate bonds were issued by ContourGlobal Power Holdings S.A. for €410 million aggregate principal amount of 2.75% senior secured notes due in 2026 and €300 million aggregate principal amount of 3.125% senior secured notes due in 2028. On January 6, 2021 the Group redeemed the €450 million ($549.7 million) aggregate principal amount of its 3.375% senior secured notes due 2023.

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

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

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

(5) Taxa de Juros de Longo Prazo ("TJLP") represents the Brazil Long Term Interest Rate, which was approximately 6.82% at June 30, 2022 (December 31, 2021: 5.32%).

(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).

### *1.18. Financial commitments and contingent liabilities*

ContourGlobal plc has no new financial commitments and no new contingent liabilities in respect of legal claims arising in the ordinary course of business as compared to those disclosed in the consolidated financial statements for the year ended December 31, 2021.

Since December 31, 2021, the status of our contingent liabilities has not changed, except for as mentioned below:

**KivuWatt arbitration (KivuWatt Ltd)**

On 29 April 2022, the Arbitration Panel issued its final award, dismissing REG's claim in its entirety and awarding $1.6 million and $0.02 million in costs respectively to KivuWatt and REG.

**Mexico CHP wheeling charges**

On 7 July 2022 the Collegiate Court confirmed the Amparo granted to Mexico CHP preventing wheeling fee increases. The ruling cannot be challenged and as such guarantees in place will be refunded.

### *1.19. Guarantees and letters of credit*

As of June 30, 2022, there have been additional guarantees and letter of credits related to our US assets as compared to those disclosed in the consolidated financial statements for the year ended December 31, 2021.

At the occasion of Hobbs refinancing, the existing Letters of Credit issued for debt service reserve and performance guarantees by MUFG and SMBC at Lea Power level were replaced with new Letters of

Credit issued by MUFG, CACIB and Société Générale in an amount of $89.1 million, with a further $8 million available as cash under a revolving facility. Maturity is May 2027.

## Independent review report to ContourGlobal plc

## Report on the condensed interim consolidated financial statements

### Our conclusion

We have reviewed ContourGlobal plc's condensed interim consolidated financial statements (the "interim financial statements") in the Interim Results Announcement of ContourGlobal plc for the 6 month period ended 30 June 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Unaudited Condensed Interim Consolidated Statement of Financial Position as at 30 June 2022;

- the Unaudited Condensed Interim Consolidated Statement of Income and Other Comprehensive Income for the period then ended;
- the Unaudited Condensed Interim Consolidated Statement of Cash Flows for the period then ended;
- the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Results Announcement of ContourGlobal plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

**Basis for conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Results Announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

**Conclusions relating to going concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

**Responsibilities for the interim financial statements and the review**

**Our responsibilities and those of the directors**

The Interim Results Announcement, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Results Announcement in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Results Announcement, including the interim financial statements, the directors are responsible for assessing the group'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 to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Results Announcement based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

PricewaterhouseCoopers LLP
Chartered Accountants
London
10 August 2022



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