

**Annual Report and
Financial Statements
for the Year ended 31 December 2023
for
ContourGlobal Limited**

ContourGlobal Limited
(Registered number: 10982736)

Contents of the Annual Report and Financial Statements
for the Year ended 31 December 2023

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Company Information
for the Year ended 31 December 2023

DIRECTORS: Laurent Hullo (appointed 31 January 2023)
Neil Robert Brown (appointed on 29 March 2023)
Ryan Kenneth Miller (appointed on 29 March 2023)
Vincent Olivier Policard (appointed on 29 March 2023)
Antonio Cammisecra (appointed on 5 February 2024)
Stefan Schellinger (ceased to be a director on 31 January 2023)
Joseph Brandt (ceased to be a director on 6 November 2023)

REGISTERED OFFICE: Tintagel House
92 Albert Embankment
6th Floor
London
SE1 7TY
United Kingdom

REGISTERED NUMBER: 10982736

AUDITOR: Deloitte LLP
2 New Street Square
London
EC4A 3HQ
United Kingdom

ContourGlobal Limited
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Strategic Report
for the Year ended 31 December 2023

The directors present their strategic report for the year ended 31 December 2023.

Principal Activities and Future Developments

The principal activity of ContourGlobal Limited (the 'Company') and its subsidiaries (the 'Group') is to develop, acquire, own and operate power generation assets around the world, producing reliable energy responsibly. ContourGlobal operates 131 thermal and renewable power generation assets in 20 countries across Europe, Latin America, North America and Africa, with a total installed capacity of over 6.2 GW. We add value through best-in-class operations both in our existing portfolio and in the new assets we develop or acquire.

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

Business Model

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

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

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

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

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

Our portfolio is diversified across different technologies, and geographies. At the end of 2023, we owned and operated 131 thermal and renewable power generation assets in Europe, Latin America, North America and Africa, with a total installed capacity of 6.2 GW.

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

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Our Strategy

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

Operational Excellence	High Growth in low- and no-carbon technologies	Financial Strength
<p>Striving to achieve operational excellence, which includes health and safety, lies at the heart of all we do.</p> <p>We have a Target Zero commitment in respect of health and safety – that is, a target of zero Lost Time Incident (LTIs).</p> <p>Ensuring a safe working environment is also one of our core sustainable business principles.</p> <p>We monitor key operational metrics across our plants every week, checking how these measure up against internal targets. We then undertake an analytical review, seeking to improve performance by learning from what has worked well and what has not gone according to plan.</p> <p>Our deep expertise and experience allow us to improve our operational performance and create economic value. This operational approach is applied to all plants, developments and acquisitions.</p>	<p>To achieve high growth, we adopt four core investment approaches focused on contracted or regulated wholesale power generation, fostering low- and no-carbon technologies:</p> <ol style="list-style-type: none"> 1. Greenfield development: when we can take advantage of cyclical under-supply of capital and create opportunities for higher returns 2. Strategic acquisitions: when we can improve operations and have a clear competitive advantage based on, for example, complexity of process, geography or technology 3. Development of customised projects: in partnership with governments, utilities and corporations in regions where there is a need for a reliable supply of power but insufficient expertise or capital 4. Platform expansion: leveraging existing stakeholder relationships and replicating the same technology and structure. This approach tends to result in lower risk and high returns due to cost synergies. 	<p>Strong operational performance combined with an efficient capital structure have allowed us to deliver superior returns at the asset level. Our business model is largely based on contracted or regulated revenue streams combined with operational excellence, which results in stable and predictable cash flow generation. This in turn allows us to fund new growth projects.</p> <p>We seek to maintain a highly efficient capital structure to support our business, using a two-tier financing structure:</p> <ul style="list-style-type: none"> • Majority non-recourse project level debt for power plants; and • Corporate level financing to maximise financial flexibility for the parent company.

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

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

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Our overall strategy is supported by our values:

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

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

Thermal			Renewable		
Location	Technology	Capacity	Location	Technology	Capacity
Maritsa, Bulgaria	Coal	908 MW	Vorotan complex, Armenia	Hydro	404 MW
Arrubal, Spain	Natural gas	800MW	CSP, Spain	Solar	250 MW
Lea Power, United States	Natural gas	604 MW	Chapada I, Brazil	Wind	205 MW
Termoemcali, Colombia	Natural gas / Liquid fuels	240 MW	Chapada II, Brazil	Wind	172 MW
Five Brothers (Redwood), United States	Natural gas	230 MW	Asa Branca, Brazil	Wind	160 MW
Trinity, Trinidad & Tobago	Natural gas	225 MW	Austria Wind, Austria	Wind	162 MW
Sochagota, Colombia	Coal	172 MW	Inka, Peru	Wind	114 MW
Three Sisters (Redwood), United States	Natural gas	141 MW	Solar Italy, Italy	Solar	95 MW
Togo, Togo	Natural gas	100 MW	Chapada III, Brazil	Wind	59 MW
Cap des Biches I & II, Senegal	Liquid fuels	86 MW	Solar Slovakia, Slovakia	Solar	35 MW
Waterside, United States	Liquid fuels	72 MW	Bonaire wind, Dutch Antilles	Wind	11 MW
Bonaire Engines, Dutch Antilles	Liquid fuels	27 MW	Solar Romania, Romania	Solar	7 MW
KivuWatt, Rwanda	Biogas	26 MW	Bonaire solar and batteries, Dutch Antilles	Solar	20 MW
Saint Martin, French Territory	Liquid fuels	14 MW			

High Efficiency Cogen					
Mexico CHP, Mexico	Natural gas	518 MW	Solutions Brazil, Brazil	Natural gas	14 MW
Borger, United States	Natural gas	230 MW	Solutions Nogara, Italy	Natural gas	8 MW
Solutions Nigeria, Nigeria	Natural gas	16 MW	Solutions Ploiesti, Romania	Natural gas	6 MW
Solutions Knockmore Hill, Northern Ireland	Natural gas	15 MW	Solutions Oricola, Italy	Natural gas	3 MW

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Financial Results

\$ million	2023	2022	Var	% Var
Revenue	2,362.9	2,828.3	(465.4)	(16.5)%
Adjusted Revenue ^{1 2 3}	1,952.3	2,209.0	(256.7)	(11.6)%
Income from Operations ³	420.8	576.0	(155.2)	(26.9)%
Adjusted EBITDA ^{2 3}	918.6	900.5	18.1	2.0%
Proportionate Adjusted EBITDA ^{2 3}	765.7	759.6	6.1	0.8%
Cash flow from Operations	748.9	785.0	(36.1)	(4.6)%
Non current assets	3,854.1	4,517.1	(663.0)	(14.7)%
Borrowings	4,069.3	3,824.4	245.0	6.4%
Net consolidated leverage ratio ^{2 3}	4.0	3.7	-	-
Adjusted Net Income ²	75.6	176.4	(100.8)	(57.1)%

¹ of which 19.2% relates to coal fired power generation assets (FY22: 13.2%)

² Non-IFRS metric, defined and reconciled below

³ Financial Key Performance Indicator

Revenue and Adjusted Revenue

Revenue decreased in 2023 to \$2,362.9 million (-\$465.4 million or -16.5%) attributed to (i) decreased revenue from our Maritsa plant (-\$263.3 million) primarily driven by lower CO2 emission cost recharges and lower generation, (ii) Arrubal (-\$211.4 million) resulting from lower dispatch and lower power prices, (iii) Mexico CHP (-\$104.7 million) due to the decrease of gas prices resulting in a lower gas pass through revenue and (iv) the sale of our Brazil Hydro assets mid 2022 (-\$29.3 million). These decreases were partially offset by the acquisition of all the shares not yet owned in Sochagota in December 2022 (+\$117.0 million) and a 24% interest of Termoemcali (+\$74.1 million). In addition, Group revenue was positively impacted by year over year foreign exchange movements by \$35.4 million primarily driven by a higher average level of USD / Euro foreign exchange rate.

During 2023 adjusted revenue was \$1,952.3 million (-\$256.7 million, -11.6%) primarily driven by decrease of gas prices resulting in a lower gas pass through revenue in Mexico, lower dispatch and lower power prices in Arrubal and lower generation in Maritsa. The three most significant proportionate contributors to Adjusted Revenue are Mexico CHP, Arrubal and Maritsa contributing 14.7%, 14.1%, and 13.2% respectively in 2023 (17.9%, 21.7% and 13.2% respectively in 2022). The reconciliation of Adjusted Revenue to statutory Revenue is as follows:

In \$ million	2023	2022
Revenue	2,362.9	2,828.3
CO2 passthrough revenue	410.6	619.3
Adjusted Revenue	1,952.3	2,209.0

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

Income from Operations ('IFO')

IFO is a measure taken from the IFRS audited consolidated statement of income. IFO decreased in 2023 by \$155.2 million or -26.9% to reach \$420.8 million as compared to \$576.0 million in 2022 mainly due to 2 one-off events:

- Gain on disposal of the Brazil Hydro business in 2022 (\$121.2 million gain in IFO in 2022)
- Impairment of Maritsa power plant in 2023 of \$69.2 million, largely explained by the end of the PPA in 2024, lower power forward curves and progressive transitioning out of coal.

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Excluding these one-off impacts, IFO increased by 7.7% (\$35.2 million), mainly due to Adjusted EBITDA growth as explained below and by the decrease of other operating expenses, Selling, general and administration and acquisition and other transaction related items which decreased from \$90.6 million in 2022 to \$57.9 million. The decrease was primarily due to transaction related costs corresponding to the KKR transaction and delisting costs of \$39.9 million in 2022.

Adjusted EBITDA

Adjusted EBITDA performance saw an increase of 2% to \$918.6 million.

Americas Adjusted EBITDA decreased by \$10.9 million, or 3%, to \$388.1 million from \$399.0 million in the previous year. The decrease in Americas Adjusted EBITDA was primarily attributed to:

- Sale of our Brazil Hydro business in June 2022 (\$21.6 million Adjusted EBITDA in 2022).
- A decrease of \$9.6 million in Mexico CHP mainly due to major maintenance during the year on the largest plant (-\$6.8 million).
- Lower resource in Peru Wind due to El Nino impact in the first half of 2023 (-\$5.0 million).
- Partially offset by the positive contribution of exceptional performance at Termoemcali related to higher dispatch due to El Nino impacts increasing energy demand (+\$24.4 million subsequent to the acquisition completion in September) and positive FX impact of \$1.2 million.

Europe & Africa Adjusted EBITDA increased by \$18.6 million to \$551.9 million in 2023, from \$533.3 million in 2022. Europe & Africa Adjusted EBITDA was impacted by:

- \$13.9 million positive impact in Spain CSP primarily due to movements in power pricing and change in regulation impacts.
- \$3.4 million positive impact in Austria Wind mainly due to improved performance following completion of wind park repowering projects (+\$7.9 million) and higher wind resources (+\$5.1 million), partially offset by windfall tax provision and lower energy prices (-\$5.1 million), higher grid fees (-\$3.7 million) and increased O&M (-\$1.2 million).
- \$3.3 million positive impact in Italy Solar mainly due to the removal of the price cap mechanism in June 2023 (\$6.0 million), partially offset by lower resource (\$2.4 million).
- Positive FX impact of \$10.7 million.
- Partially offset by negative impact in Arrubal (\$15.4 million) mainly due to extraordinary margins captured in 2022 when gas prices were very high.

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

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

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

Adj. EBITDA to IFRS Net Profit bridge (US\$ million)	Dec-23	Dec-22
Proportionate Adjusted EBITDA	765.7	759.6
Minority interests	152.9	140.9
Adjusted EBITDA	918.6	900.5
Share of adjusted EBITDA in associates	(6.4)	(25.6)
Share of profit in associates	4.3	16.3
Acquisition, disposal and other transactions related items	(12.8)	(49.2)
Gain on Brazil Hydro sale	-	121.2
Gain on Sochagota acquisition	-	16.8
Gain on Termoemcali acquisition	6.2	-
Mexican CHP fixed margin swap	22.7	2.9
Change in finance lease and financial concession assets	(31.3)	(34.3)
Other	(13.0)	4.8
Depreciation, Amortisation and Impairment	(463.2)	(361.2)
Finance costs net	(399.0)	(231.7)
Income tax	(79.3)	(107.0)
Net (Loss) / Profit	(53.2)	253.5

Proportionate Adjusted EBITDA

Proportionate Adjusted EBITDA increased from \$759.6 million in 2022 to \$765.7 million in 2023 (0.8%) broadly in line with the increase than Adjusted EBITDA.

Proportionate Adjusted EBITDA is calculated using Adjusted EBITDA calculated on a proportionally consolidated basis based on applicable ownership percentage. The Proportionate Adjusted EBITDA also includes the net cash gain or loss on sell down transactions (of which there has been none during 2023 and 2022) 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.

Adjusted net income

Adjusted net income decreased by \$100.8 million in 2023 from \$176.4 million in 2022 to \$75.6 million in 2023.

Adjusted net income is defined as net (loss) / profit excluding specific items which in 2023 included such items as unrealised FX, acquisition other transaction related expenses, the fair value impact of the Mexico fixed margin swap, the impairment of Maritsa, Italy Solar accelerated depreciation and gains on acquisition and/or disposal of businesses, all of which are non recurring in nature and are not reflective of the ability to generate profits of the Group. A reconciliation of Net (loss) / profit to Adjusted Net Income is as follows:

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Net (Loss) / Profit to Adjusted Net Income bridge (US\$ million)	Dec-23	Dec-22
Net (Loss) / Profit	(53.2)	253.5
Change in fair value of the CHP Mexico fixed margin liability	30.2	9.2
FX unrealised	14.7	(26.6)
Acquisition and other transaction related items	12.8	49.2
Maritsa impairment	69.2	-
Net gain on Brazil Hydro sale	-	(92.1)
Gain on Termoemcali and Sochagota acquisitions	(6.2)	(16.8)
Italy solar accelerated depreciation	8.2	-
Adjusted Net Income	75.6	176.4

Cash flow from Operations

Cash flow from operations is presented in the Consolidated statement of cash flows of the financial statements and decreased from \$785.0 million to \$748.6 million, primarily driven by the decrease in change in working capital (-\$58.1 million in 2023 compared to 49.0 million in 2022) mainly attributed to Spain CSP with power price decreases below regulatory price in 2023 compared to the opposite impact in 2022 (-\$86.1 million) and Termoemcali due to significant generation at the end of the 2023 with receivables settled at the beginning of 2024 (-\$35.3 million). This was partially offset by the increase in Adjusted EBITDA (\$17.9 million) and the decrease in acquisition, disposal and other transactions related items (\$12.8 million in 2023 compared to \$49.2 million in 2022).

Non-current assets

Non-current assets mainly comprise property, plant and equipment ("PPE"), financial and contract assets, intangible assets and goodwill. The decrease in non-current assets by \$663.0 million to \$3,854.1 million as of 31 December 2023 was mainly due to the decrease of PPE by \$539.2 million relating to Brazil Wind assets reclassified in assets held for sale (-\$406.3m), depreciation and impairment (\$429.2 million). This was partially offset by PPE additions (\$167.2 million) during the period mainly in Spain with Arrubal major overhaul (\$24.9 million), Mexico CHP with the Siemens maintenance (\$25.4 million), Austria Wind for repowering of wind farms (\$23.1 million) and Brazil Wind maintenance capex (\$21.8 million), fair value of PPE acquired in the Termoemcali transaction (\$70.7 million) and positive FX impact (\$69.9 million).

Borrowings

Current and non-current borrowings increased by \$245.80 million to \$4,069.3 million as of 31 December 2023, primarily due to new borrowings represented primarily by the Midco refinancing (\$1,000.5 million) done in December 2023, Italy Solar refinancing done in October 2023 (\$202.7 million) and the foreign exchange impact due to increase of the Euro against the USD for our Euro denominated debt (\$158.7m). This was partially offset by scheduled repayments (\$240.2 million), repayment of the 2025 corporate bond in February (\$432.6 million), repayment of Italy Solar former debt (\$198.4 million), Brazil Wind borrowings reclassified in liabilities held for sale (\$261.4 million). During the year the Group also acceded as a borrower to a KKR's bridge facility (€400m) and was novated the KKR bridge acquisition loan of €509,7m. These two bridge loans were repaid following the Midco refinancing in November 2023.

Net consolidated leverage ratio

The leverage ratio has increased to 4.0x as of 31 December 2023 as compared to 3.7x in the prior year. This increase was primarily driven by a higher net debt in 2023 of \$3.5bn compared to \$3.3bn in 2022. The Net consolidated leverage ratio is measured as total net indebtedness (reported as the difference between 'Borrowings' and 'Cash and Cash Equivalents' in accordance with IFRS statement of financial position) to Adjusted EBITDA. The leverage ratio does not include the IFRS 16 liabilities (\$41 million as December 31, 2023 and \$35 million as Dec. 31, 2022). Whenever the impact would be significant, such a ratio is adjusted to reflect the full year impact of acquisitions or for financial debt of projects under construction which do not generate Adjusted EBITDA.

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Non financial key performance indicators

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

Non financial KPI	2023	2022	
Lost time incident rate	0.15	0.00	The Lost Time Incident Rate (LTIR) shows the recordable lost time injuries per 200,000 labour hours so they can be compared across any industry. In 2022 we achieved zero LTIs for the first time, an extraordinary achievement in our sector. 2023 was a much more challenging year with 4 LTIs recorded. We conducted a company-wide webinar for each of these events to analyse root causes and mobilise our workforce to get back to our 2022 performance.
Equivalent availability factor ('EAF')	92.8%	93.4%	The Equivalent Availability Factor (EAF) represents the portion of the production capacity of a power plant that was available and ready to operate in a given period of time. It is widely used in the industry to track the technical performance of power plants and for benchmarking.
Equivalent forced outage rate ('EFOR')	2.1%	1.8%	The Equivalent Forced Outage Rate represents the production capacity that is lost, over a given period of time, due to equipment failure or operational mistake (error). Like the EAF, the EFOR is widely used in the industry to measure technical performance. EAF and EFOR performance decreased in 2023, following forced outages at certain plants within the portfolio.
Gender diversity (permanent employees at year end)	1,308 male 276 female	1,229 male 257 female	We are committed to building a diverse workforce ensuring equal opportunities for all in the long term. Aligned with our sustainability principles, gender diversity is a key metric. During 2023 total employee numbers grew and the gender proportion remained broadly consistent.
CO2 intensity – energy production (net CO2 emissions tonnes/MWh)	0.44	0.46	CO2 emissions intensity is our key climate measurement and we have historically reported our intensity using MWh from electricity production. In 2019, we set our targets using MWh from total energy production to better reflect the impacts of our cogeneration power plants. CO2 emissions based on energy production is the relevant metric for our 2030 climate target. Decrease against prior year is primarily due to lower generation in certain Thermal plants.

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Principal Risks and Uncertainties

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

The Executive and Senior management are responsible for monitoring the Company's risk management framework, identifying areas of risk, challenging control weaknesses and ensuring the effectiveness and efficiency of the Company's internal controls and risk management systems.

Risk management framework

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

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

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

Our internal audit function serves as the third line of defence, providing independent assurance of risk management, internal controls and governance. Senior management plays a key role in monitoring the risk management governance framework and policy. Following each annual review and update of the risks identified on the risk register, the register is presented to Executive Management for review.

Risk review

On an annual basis we undertake a review of the risk register to consider the evolution of identified risks and to identify emerging risks. As part of this review during 2023, one risk was considered to have decreased in severity from moderate to low; RO4 Operating and execution: Pandemic virus. The decrease in risk rating was primarily driven by the improved readiness to face associated challenges of another pandemic, the relatively low remaining impact as a result of the Covid pandemic and the increase relatively modest impact of the pandemic on the Group. Given the pandemic virus risk rating has been reduced to Low, it is no longer disclosed as a Principal risk. The resulting principal risks of the Group are as follows:

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Risk factor	Main impact	Risk response (management and mitigation)
Ro1. Strategy – Impact of governmental actions and regulations		
<p>The risk that governmental actions or changes in (1) taxes or (2) regulations of our non-PPA long-term fixed rate arrangements (i.e. Feed-in- Tariffs) and PPAs including new adverse policymaking and investigations by regulatory or competition law authorities, as well as (3) restrictive regulation of thermal generation as the result of climate change initiatives and transition to low-carbon economy, without regulatory risk pass-through mechanisms will have a negative impact on our results of operation and growth prospects.</p> <p>Risk Rating – unchanged at High</p>	<p>Deterioration of financial performance including loss of revenue and an increase in expenses (including fossil fuel cost). Loss of business/growth opportunities:</p> <p>Termination of agreements:</p> <ul style="list-style-type: none"> • Inability to obtain, maintain or renew required governmental permits/licenses • Inability to receive permits for extension of existing capacities <p>Financing impact:</p> <ul style="list-style-type: none"> • Limited access to capital for thermal power generation projects <p>Impact on assets:</p> <ul style="list-style-type: none"> • The Group is subject to changes in laws, regulations and taxes or changes in the application or interpretation of laws, regulations and taxes in jurisdictions where we operate (particularly utilities where electricity tariffs are subject to regulatory review or approval) which could adversely affect our business. This is the case for instance in Mexico where the current government has engaged in several attempts to change the regulatory regime under which the Group’s plants are operating. • To date windfall taxes have not had a material impact on the business, due to a mix of factors including but not limited to; contractually fixed pricing, the specifics of windfall tax arrangements, the technology used in the relevant jurisdictions and the recent fall in power pricing. However this remains a risk that the Group monitors on an ongoing basis. 	<p>PPAs are held with state-owned, regulated or other off-takers, the majority of which are rated by Standard & Poor’s, with a weighted average credit rating (before Political Risk Insurance – PRI) of BBB (weighted by EBITDA).</p> <p>PRI policies (from commercial insurers) are in place for several projects in Africa and Eastern Europe. These policies provide equity protection against expropriation, forced divestiture or abandonment, currency inconvertibility and non-honouring of an arbitration award. These include:</p> <ul style="list-style-type: none"> • Vorotan, KivuWatt, Togo, and Cap des Biches. <p>Close monitoring of regulatory and enforcement developments is undertaken, and engagement with energy and regulatory associations and advisors is maintained to anticipate and address potential changes in regulation and advocate our interests.</p> <p>Partnerships with multilateral development banks for debt which are key institutions in developing markets.</p> <p>Investment is placed in local communities and hiring locally.</p> <p>Close monitoring of global climate change initiatives and taking them into account in our medium- and long-term operations and growth strategy.</p> <p>Increased proportion of investment in OECD countries.</p> <p>Proactive engagement and communication with relevant stakeholders.</p>

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Risk factor	Main impact	Risk response (management and mitigation)
Ro2. Strategy – Geopolitical uncertainties and social instability (including environmental activism, sanctions and trade wars)		
<p>The risk that geopolitical instability, increased social pressure on politics and increasing activism will create additional uncertainty for our multinational business operation and will affect our business model or specific assets. The risk that sanctions affect our counterparties or stakeholders along our supply chain will have a negative impact on our cost structure and our ability to acquire the required equipment. The risk that excessive cross border tariffs or negative regulation on foreign capital flow will have an impact on our supply chain and limit our flexibility in cross border investments.</p> <p>Risk Rating – unchanged at Moderate</p>	<p>Deterioration of financial performance:</p> <ul style="list-style-type: none"> • Increase in operational costs (including additional costs associated with supply chain disruptions) • Higher financing transaction costs • Disruption of operation of one or more of our assets • Increase in OPEX and CAPEX • Loss of invested capital • Adverse effect on results of operation • Unforeseen additional recurring costs vs. financial model projections (project Internal Rate of Return (IRR) and cash flow) • Charges and penalties due to non-compliance with external requirements <p>Loss of business/growth opportunities:</p> <ul style="list-style-type: none"> • Inability to operate effectively • Termination of agreements • Fewer opportunities for growth <p>Business disruption:</p> <ul style="list-style-type: none"> • Inability to procure required equipment • Impact on equivalent availability factor and equivalent forced outage rate 	<p>PRI policies (from commercial insurers) are in place for several projects in Africa and Eastern Europe. These policies provide equity protection against expropriation, forced divestiture or abandonment, currency inconvertibility and non-honouring of an arbitration award.</p> <ul style="list-style-type: none"> • Our diversified operations limit the downside as the impact of a localised geopolitical effect is unlikely to have a significant effect on the full portfolio. • Diversification of jurisdictions and technologies minimises risk. • Access to several financial markets allows the business to choose the most opportune sources of transactional financing. • Investment in local communities and hiring locally creates goodwill with local governments and populations. • Regular analysis of suppliers and supply chain. • Whilst we have no operations in either Ukraine or Russia, we continuously monitor the geopolitical situation in relation with conflict to assess potential impact on our businesses.

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Risk factor	Main impact	Risk response (management and mitigation)
Ro3. Strategy: Disruptive innovation in power generation and storage technologies		
<p>The risk that technological breakthrough in renewable generation, storage technologies and/or energy trading and financial markets (i.e. blockchain) will reduce our ability to be competitive in new investments or could result in stranded assets.</p> <p>Risk Rating – unchanged at Moderate</p>	<p>Deterioration of financial performance</p> <ul style="list-style-type: none"> • Loss of revenue • Decrease in operating cashflow <p>Loss of business / growth opportunities</p> <ul style="list-style-type: none"> • Renegotiation/termination of existing contracts • Inability to expand in strategically important regions 	<ul style="list-style-type: none"> • PPAs drafted to protect ContourGlobal from non payment of revenue. • Diversification of ContourGlobal’s portfolio (Thermal and Renewable) and installing the most modern technologies (where possible) in order to remain as competitive as possible. • Innovation monitoring and using internal capabilities to capitalise on emerging technologies and innovative solutions already implemented within the Group. For example the ongoing solar PV and battery project in Bonaire and our carbon capture technology in our Solutions fleet.

Risk factor	Main impact	Risk response (management and mitigation)
Ro4. Operation and execution: Supply chain		
<p>Increased supply chain risk, with the identification and management of supply requiring greater effort to maintain resilience. This may be due to a more competitive landscape among the Group’s peers increasing costs; or due to a shrinking of available supply due to suppliers going out of business during economic downturn; or politically-motivated restrictions (such as trade restrictions – e.g. quotas, tariffs, additional screening - or sanctions) following heightened geopolitical tensions.</p> <p>Risk Rating – unchanged at High</p>	<p>Business disruption</p> <ul style="list-style-type: none"> • Inability to procure required equipment or parts • Impact on EAF and EFOR <p>Deterioration of financial performance</p> <ul style="list-style-type: none"> • Increase in Opex and Capex • Increase in fuel costs 	<ul style="list-style-type: none"> • Supply chain analysis and contract management: global supply chain actions tracker per plant with regular updates in case of risks, regular reviews. • Monitoring of force majeure and termination clauses and communication of potential termination. • Regular vendor risk assessment, particularly of strategic and bottleneck vendors. • Diversification of suppliers to avoid any dependency on any particular vendor. • PPAs that pass through fuel costs or where merchant close monitoring of movements in fuel pricing as part of the overall commercial risk.

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Risk factor	Main impact	Risk response (management and mitigation)
Ro5. Operation and execution: Project execution (CAPEX)		
<p>The risk that inefficient contractors' selection, contracting, project management, and execution of greenfield construction or refurbishment investment projects will result in delays, poor health and safety performance or unanticipated cost overruns.</p> <p>Risk Rating – unchanged at Moderate</p>	<p>Financial impact:</p> <ul style="list-style-type: none"> • Overrun of project costs (including financing fees) vs. investment case • impacting projected cash flows and IRR • Liquidated damages/penalties/litigation • Reduced revenue due to construction delays • Potential defaults on financing and debt repayment before Commercial Operations Date (COD) • Image and reputation impact resulting from a loss of credibility with counterparties, lenders and other stakeholders. <p>Reputational and organisational impact could also result from poor health and safety performance.</p>	<ul style="list-style-type: none"> • Controlling methodology: specific internal resource is dedicated to provide guidance and best practice to ensure strict and real-time project cost control, enabling cost overruns to be identified early and mitigation actions put in place. • Minimising the risk of exceeding construction budgets by entering into fixed price contracts with engineering, procurement and construction (EPC) contractors with proven track records. • EPC contracts contain back-to-back liquidated damages provisions which protect ContourGlobal against construction delays and other breaches by EPC contractors. • Contract monitoring and management with legal support. • External support to obtain permits. • Project Review Procedure: monthly review of the projects organised by the Project Management Team and presented to the Project Steering Committee. • Regular analysis of suppliers and supply chain. • Regular onsite monitoring of projects by the project management team and application of ContourGlobal health and safety standards to both ContourGlobal staff and contractors.

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Risk factor	Main impact	Risk response (management and mitigation)
Ro6. Operation and execution: Asset integrity (OPEX)		
<p>The risk that asset maintenance processes not managed in line with Operating and maintenance plan and quality standards will prevent power plants from delivering electricity and ensuring availability at the levels defined in the long-term PPAs.</p> <p>Risk Rating – unchanged at Moderate</p>	<p>Deterioration of operational performance:</p> <ul style="list-style-type: none"> • Business interruption and power outages • Performance below expected efficiency and output levels • Inability to deliver electricity or ensure availability defined in long-term PPAs <p>Reduced profitability and cash flows:</p> <ul style="list-style-type: none"> • Increase of expenses (OPEX and CAPEX) • Unplanned O&M and capital expenditures • Loss of revenue and PPA penalties • Liquidated damages • Reduction in distribution and inability to service debt • Reputational impact 	<ul style="list-style-type: none"> • Business interruption insurance. • O&M strategy focusing on Health, Safety and Environment (HSE), O&M organisation, O&M performance management, benchmarks and KPIs. • Maintenance strategy including hydro and civil structures. O&M IT systems (including remote monitoring control room). • Maintenance activities with regular KPIs for control, and timely corrective actions. • Daily KPIs and improvement meetings between local plant managers and operators. • Regular analysis of suppliers and supply chain.

Risk factor	Main impact	Risk response (management and mitigation)
Ro7. Operation and execution: Resources/Climate change		
<p>The risk that climate change (e.g. changes in temperature, wind patterns and hydrological conditions) will affect the certainty of our forecasts, will impact our operations and adversely affect our financial performance.</p> <p>Risk Rating – unchanged at Moderate</p>	<ul style="list-style-type: none"> • Deterioration of financial performance including a loss of revenue and/or an increase in expenses (O&M costs). • Impact on the operational performance with the potential for deviation of actual renewable resources and resulting generation vs. projections in the investment case. • Potential for the above impacts to result in an impairment. 	<ul style="list-style-type: none"> • Diversified geographical and technological portfolio of assets. • Extensive weather phenomena studies and due diligence before renewable acquisitions. • Sign-off on all investment case assumptions by a reputable advisory firm. • Retina Performance Management platform for Renewable businesses to improve data analytics and forecasting, enabling predictive analysis for medium- to long-range maintenance planning and downtime reduction in Brazil. • Increased investment in renewables and low carbon technologies facilitating a progressive reduction in our emissions and progressively transitioning to a low carbon intensity. • Review of weatherization planning for extreme temperatures.

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Risk factor	Main impact	Risk response (management and mitigation)
Ro8. Health, Safety and Environment and food: Prevention and regulation		
<p>The risk that failure to prevent major health, safety, environmental and food (CO₂ production for human consumption) incidents and/or comply with relevant regulations due to inherent risks related to our activities (fuel types, technology, equipment in more than 20 countries) will have a material adverse impact in our operations, financing conditions and reputation.</p> <p>Risk Rating – unchanged at Moderate</p>	<p>Human and environmental impact:</p> <ul style="list-style-type: none"> • LTIs (Lost Time Incidents) and fatalities of ContourGlobal employees, contractors or people in local communities around the facilities due to incidents at the power plants • Environmental accidents on site and in local communities • Contamination of food supply • Reputational impact <p>Financial and operational impact:</p> <ul style="list-style-type: none"> • Increase in liabilities and compliance costs • Business interruption • Loss of efficiency/productivity • Breach of loan covenants • Non-compliance with applicable HSE legal requirements and potential sanctions 	<ul style="list-style-type: none"> • Health and Safety Policy reviewed annually and communicated Company-wide. • Health and Safety and Environmental management system is aligned with H&S 18001, ISO 14001 standards, and also with World Bank guidelines, namely the IFC Performance Standards. • Monitoring of reactive indicators (such as responses to accidents) and proactive indicators (including known hazards, inspection quality and number of training hours). • Intense regular training. • Continuous improvement and failure analysis (such as 5 Whys and lessons learned) to prevent incident recurrence. • Strong environmental policies and procedures. • Each business’s compliance with applicable policies, local laws and permit requirements is managed directly by the business. • Oversight and audit through operations, environmental, health and safety departments • Third-party contractors’ environmental audits, including Coca Cola audits of food grade CO₂. • Arrubal, Spain CSP, Maritsa, and Sochagota have achieved ISO 14001 certification Adherence to a Group-wide environmental policy, reflecting the business commitment to the United Nations Global Compact.

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Risk factor	Main impact	Risk response (management and mitigation)
R9. Regulation and compliance: Fraud, bribery and corruption		
<p>The risk that lack of transparency, threat of fraud, public sector corruption, money laundering and other forms of criminal activity involving government officials or suppliers will result in a failure to comply with anti-corruption legislation, including the UK Bribery Act 2010 and other international anti-bribery laws.</p> <p>Risk Rating – unchanged at Moderate</p>	<p>Financial impact:</p> <ul style="list-style-type: none"> • Financial losses as a result of fraudulent activities • Violations of anti-corruption or other laws • Criminal and/or civil sanctions against individuals and/or the Company • Loss of trust by key stakeholders • Debarment by multilateral development banks and international financial institutions • Reputation impact and loss of trust • Exclusion from government funding programs 	<ul style="list-style-type: none"> • A comprehensive anti-bribery compliance program that reflects the components of an ‘effective ethics and compliance program’ as set forth by various international conventions and enforcement authorities. <p>Policies and procedures include:</p> <ul style="list-style-type: none"> • Code of Conduct and Business Ethics. • Anti-Corruption Policy. • Anti-Corruption Compliance Guide. • Policy for Engaging Suppliers and Third-Party Service Providers. • Gifts & Hospitality Policy. • Conflict of Interest Policy. • Compliance Transactional Due Diligence Protocol. • Business Development Consultant Compliance Protocol. • Regular certification by employees. • Risk-based due diligence, including for third parties and transactions. • Pre-approval by Compliance of gifts and hospitality offered to governmental officials. • Online portal; EthicsLine. • Regular checks and audits: <ul style="list-style-type: none"> • Periodic combined Compliance and Finance Audits • Internal audits conducted by external providers led by the internal audit team • Internal spot checks. • Tailored, risk-based training according to a yearly training plan. • Anti-Corruption e-learning course for new joiners and regular refresh course for existing employees.

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Risk factor	Main impact	Risk response (management and mitigation)
R10. Information technology: Cyber security and system integrity		
<p>The risk that insufficient IT security or maintenance of systems will expose the Company to data corruption. This could have a negative impact on information systems as well as electronic control systems used at generating plants and could disrupt business operations, resulting in loss of service to customers and expense to repair security breaches and/or system damage.</p> <p>Risk Rating – unchanged at High</p>	<p>Organisational and operational impact:</p> <ul style="list-style-type: none"> • Disruptions to business operations • Compromise of data integrity in core systems <p>Financial impact:</p> <ul style="list-style-type: none"> • Potential for fraudulent activity due to segregation of duties conflicts • Penalties related to non-compliance with data-related laws and regulations • Loss of revenue due to disruptions to operations • Impact on reputation due to breach of confidentiality 	<ul style="list-style-type: none"> • Dedicated IT cyber security function established for corporate and operations. • Multiple cyber projects conducted every year including, in 2023, full external cyber audit, multiple trainings including company-wide webinars, implementation of a new Security Operation Centre, penetration tests, moving of our servers to the cloud among others. • Ongoing projects aiming at strengthening cyber security controls as part of a larger roadmap. <p>Plants</p> <ul style="list-style-type: none"> • Physical access controls. • Dedicated plant IT functions established to consolidate IT management approach in the plants under a global framework of IT/OT security policies and procedures. This local, segregated approach to the management of plants minimises risk. • Network segmentation completed in 2023 on all major plants. <p>Corporate</p> <ul style="list-style-type: none"> • Security governance controls in place (including security policies, security training, security reviews). • Security systems implemented (e.g. anti-virus, web filtering, firewalls, multifactor authentication, encryption). • Security information and event management system (SIEM). • Infrastructure hosting security in place (ISO-27001 compliant data centres). • User provisioning process for key financial accounting and reporting systems, and segregation of duties where applicable. • Governance processes in place (e.g. change management, incident management). • Restricted USB access.

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		<ul style="list-style-type: none"> • Centralised administrative access restricting any changes introduced by individual users. • Annual independent external audits of financial systems and IT security.
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Risk factor	Main impact	Risk response (management and mitigation)
R11. People and organisation: Key people (senior executive management) succession Planning		
<p>The risk that a combination of key people's (Senior Executive Management) departure at short notice may affect the company's ability to deliver its strategic objectives and the overall Group performance and availability of talent to support long term growth plans.</p> <p>Risk Rating – unchanged at Moderate</p>	<ul style="list-style-type: none"> • Removal or departure of key individuals could result in operational disruption, while competition for employees could lead to higher than expected increases in the cost of recruitment, training and employee costs • Loss of key management members could have a reputational impact 	<ul style="list-style-type: none"> • Focused action to attract, retain and develop high-calibre employees. • Managing organisational capability and capacity to meet our customers' needs. • Effective remuneration arrangements to promote effective employee behaviours. • Clear succession plans in place.

Whistleblowing, Bribery and Anti-Corruption

Whistleblowing

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

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

Bribery and anti-corruption policy

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

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Stakeholder engagement

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

Employees	<p><i>How we engage</i></p> <p>We engage closely with our employees around the world to ensure we have communication and clarity around their careers and aspirations, health and safety, diversity, learning and development, remuneration and rewards and other key issues.</p> <p>We have a number of ways of engaging with our employees, including structured career conversations, internal media platforms, employee forums and engagement with trade unions.</p> <p>Key engagement and activities in 2023:</p> <ul style="list-style-type: none"> • Employee forums were held throughout 2023 regarding key matters in the business including such topics as; the KKR acquisition and transition of ContourGlobal, business performance and health & safety. • Where employees are represented by trade unions local management teams proactively managed relations and relevant agreements during the year. • The former Group CEO and leadership team visited many sites throughout the year to meet with employees. • The Board received quarterly reporting on the Group’s Human Resources function and discussed the progress on key functional objectives. <p><i>Outcomes of engagement</i></p> <p>The health and safety of employees remains a key priority and the Company has a regular, communication process with all employees, including, in particular, our power plant-based employees. We continued to apply our internal guidelines, and internal health and safety audits were carried out using remote technology where appropriate. However, 2023 was a much more challenging year with 4 LTIs recorded. We conducted a company-wide webinar for each of these events to analyse root causes and mobilise our workforce to get back to our 2022 performance.</p> <p>In Senegal following meetings between the Staff union and employees, local management engaged with the Staff Union and the resulting agreement improves several key working conditions for staff. The CEO and CHRO also performed a site visit to Senegal and discussed operational performance and compensation with management of the plant.</p> <p>In Spain, the former Group CEO performed several site visits, including Arrubal, and entered into active discussions with the employees of the plant. The engagement resulted in revision the Arrubal organisational chart to better adapt the employee schedule to local operational requirements, with all open positions closed by 2023 year-end.</p> <p>In Colombia, we ensured a smooth transition of Sochagota from the previous owner to our Group with employees onboarded in record time (including IT, operational excellence, health & safety changes, reporting etc).</p>
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Customers and clients	<p><i>How we engage</i></p> <p>We constantly interact with our customers throughout the course of long-term contracts to ensure that we deliver energy in full accordance with our contractual commitments and adapt to needs that may evolve throughout the life of the contract. Key engagement activities during the year included the following matters, all discussed, reviewed and sanctioned by the Board:</p> <ul style="list-style-type: none"> • A number of site visits took place during the year and where relevant and appropriate meetings were held with energy customers. • Where our contracts are approaching expiry, we proactively engaged with customers in order to negotiate appropriate terms of extension. • On a quarterly basis Board members reviewed the performance of the Group's operations. <p><i>Outcomes of engagement</i></p> <p>We reinforced in all the countries where we have presence our relationships with our main clients. In particular:</p> <p>In the United States, in our Borger Texas plant, through successful negotiations with our customers and main suppliers, leveraging on our relationships and positive history as operators, we have further extended the current electricity, steam and gas contracts by an additional 15 years, subject to regulatory approval.</p> <p>At Redwood, five of the eight plants are now contracted to 2030 under Resource Adequacy contracts, taking advantage of the significant increase in capacity needs in California and the improvement of our visibility and credibility in the market.</p> <p>In Mexico, we entered for the first-time in a new 4-year PPA with a very large client who historically only offered short-term contracts. The contract was signed in November 2023 after several months of engagement and negotiation by the local team.</p> <p>In Colombia, our long-term engagement with a large customer portfolio allowed us to contract new PPAs going through 2027 at Sochagota, and to extend our capacity payment mechanism for 2 more years through 2027 at Termoemcali.</p> <p>In Bonaire, our long-term relationship with the local utility and Dutch authorities allowed us to extend our PPA by 6 more years through 2031 as part of the construction of solar PV (6 MW), completed in July 2023, and additional battery storage which completed in April 2023 (representing together with previous installed batteries 14 MW capacity).</p>
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<p>Shareholders, investors and lenders</p>	<p><i>How we engage</i></p> <p>During the course of 2023, the Company undertook its half-year and year-end financial reporting cycles. Reporting results are presented in virtual meetings with bondholders and lenders in accordance with the requirements of our financing agreements.</p> <p>When entering into new financing arrangements, relating to either corporate or project financing, we actively engage with lenders to share relevant information on our business and achieve financing objectives.</p> <p>The Board, which includes representatives of KKR (the 100% ultimate shareholder of ContourGlobal Limited), receive at least quarterly reporting from our Senior Management team that covers the financial, operating and strategic performance of the business.</p> <p><i>Outcomes of engagement</i></p> <p>During 2023 we completed a corporate refinancing of the KKR acquisition facilities with a pool of lenders. This refinancing comprised an €800 million term loan at the project level with maturity of 5 and 7 years, an increase in our revolving credit facility to €190 million (in two tranches, €150m at the project level and €40 million at corporate level) and an extension of our letters of credit facilities (€125 million).</p> <p>We also engaged in project financing with (i) a mixed pool of existing and new lenders at our Italy Solar business in order to refinance our project finance facility during the year at attractive terms and includes an accordion to finance the revamping and repowering project planned for 2024, and (ii) our existing lenders in Austria in order to issue a new financing for an under construction wind farm and extend our existing term loan under the same facility agreement.</p>
<p>Communities</p>	<p><i>How we engage</i></p> <p>As a business we are deeply committed to making a positive long-term improvement wherever we operate and we engage closely with communities around the world. We achieve this by engaging with our communities to identify opportunities to make high-impact social investments in the areas of education, health and safety, the environment, human rights, and anti-corruption. Our investments align with United Nations Sustainable Development Goals, our Social Responsibility and Environmental Sustainability Policy, our Anti-Corruption Policy and Guide and other ContourGlobal policies.</p> <p><i>Outcomes of engagement</i></p> <p>Refer to page 34 regarding social investment in 2023.</p>

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Governments and regulators	<p><i>How we engage</i></p> <p>We promote sector development and sustainable business practices by engaging with governments and civil society.</p> <p>Our plant managers and business CEOs meet regularly with host government counterparts, including the ministries of finance, energy and infrastructure, and regular regulatory updates are provided to the Board.</p> <p>We invite government officials to plant inaugurations and other public events, and organise private working events for visiting officials. Active participation in several industry associations (including ABEEólica, the Brazilian Association of Wind Power, the Bulgarian Energy Chamber and international organisations and the United Nations Development Program).</p> <p><i>Outcomes of engagement</i></p> <p>We continue to have dialogue with the Bulgarian government on the proposed market reforms and energy transition plans. The Group is working to support a transition to green energy and the development of renewable energy as part of a phased transition from coal. This in turn ensures we are able to support environmental goals, as well as security and affordability of energy supply as Bulgaria transitions to low-carbon policies. We are in late stage of development of a 83 MW PV plant next to Maritsa plant, as well as in negotiations to progressively transition Maritsa to a new fuel which will meet the country requirement for baseload power.</p> <p>At our Bonaire asset in the Dutch Antilles, we continued to engage with the government, local authorities and regulator regarding continued future development of our renewable assets in order to meet the increasing energy demands of the island. We developed two projects in 2023, a 6 MW PV plant together with a battery project and have made progress in the repowering project of the existing wind farms. The objective is to produce a majority of renewable energy following the repowering project.</p> <p>In Austria, we continue to engage in negotiations on several sites which would have potential for additional wind farms with local authorities and landowners. We signed our first option agreements with landlords and started the process to further develop such wind farms.</p> <p>In Spain, we are part of electricity producers' associations which are heavily involved in discussions with the authorities on regulatory changes. In particular, in 2023, the Spanish government submitted to the European Union a capacity payment mechanism proposal, which the producers' associations have been long term supporters. This proposal would facilitate providing baseload capacity to the system while transitioning to renewables.</p>
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Our People

Our people-the heart of our business

We aim to recruit and retain the best people, ensuring we deliver our strategy and run our operations safely and productively. We had 1,584 permanent employees working for us globally; they are the foundation of our business. We create and promote an inclusive and diverse environment where the safety and well-being of our people is the highest priority. To enable our people to perform at their best, we continue to invest in technology and innovative ways to manage risk, streamline processes, and improve productivity. We offer competitive remuneration that rewards expertise and we invest in the development of our people to build capability and improve performance.

Pay and reward

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

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Employee rights

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

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

Equality, diversity and inclusion

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

They also reflect relevant employment law, including the provisions of the Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work. We expect our people to treat each other with dignity and respect, and do not tolerate discrimination, bullying, harassment, or victimisation on any grounds.

We are committed to paying our people fairly and equitably relative to their role, skills, experience, and performance – in a way that balances the needs of all our stakeholders. That means our remuneration policies reward sustainable performance that is in line with our values as well as our risk expectations. We encourage our people to benefit from ContourGlobal's performance.

Regarding gender diversity, we continue to work at improving the representation of women in the business. At the Management level (Vice President and above), 38% of positions are held by women. However, gender diversity is much more challenging at the power plants. We are committed to actively attracting women into these roles and have set targets to be achieved over 3 years. We believe that hiring women in leadership positions in a largely male-dominated workplace is vital to drive innovation and inclusivity.

Our culture

Our Company culture is built on our values and principles and embrace the well-being and development of our people and a commitment to continuous learning. Our culture drives our passion to provide a safe and healthy work environment and to learn from our mistakes – we encourage employees to be curious, to experiment, and to share things they learn.

As a learning organisation, we conducted 478 “5 Whys” investigations this year, where employees work together to analyse why things do not always go according to plan and to propose how to make processes better. We publish and disseminate these widely to achieve continuous improvement. We also coach and train our people on our values and principles and embed these in the way we work – we call this the ContourGlobal Way.

Health and Safety – Target Zero

Our global Target Zero programme, one in which we commit to have zero lost-time incidents, lies at the heart of our approach to health and safety. We want to ensure that ‘everyone goes home safe, every day, everywhere’. After adopting “Target Zero” in December 2016, we finally achieved our target in 2022 for the first time, an extraordinary accomplishment in our challenging sector. However, 2023 has been a much more challenging year where we recorded 4 LTIs. We have undertaken in depth investigations regarding the causal factors of these incidents, identified and undertaken appropriate corrective actions and presented the results Group wide via webinars to help all employees learn from these failures.

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Environment

Strategic framework

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

Climate Impact

Our sustainability strategy is designed to create value for shareholders and society and positively impact the climate by reducing our CO₂ emissions intensity in the medium term and achieving net carbon zero by 2050. Our commitment to grow in low and no-carbon technologies will largely drive this, along with investing in repowering and expanding our existing renewable asset portfolio and exploring other opportunities such as battery storage technology and carbon capture.

Over the last 14 years we have increased our renewable energy from zero to 1,667 MW of installed capacity across wind, solar and hydro. In 2023, our Austria wind portfolio repowering increased capacity by 10 MW and our Bonaire battery and solar projects completed adding 5MW of solar PV capacity. Both projects will improve energy efficiency with our repowering project in Austria increasing the renewable energy generation from each repowered turbine and our project in Bonaire has allowed us to reduce the energy generation from thermal engines and generate from wind, solar and battery. We are in medium to late-stage development of an approximately 500 MW PV portfolio in Italy and entered numerous non-binding offers to acquire and/or develop further renewable capacity. Our European Solutions plants continue to utilize carbon capture technology and we are seeking to expand use of this technology within the portfolio.

The carbon emissions of our coal plant in Bulgaria are the most significant in our portfolio. We continue to have a dialogue with the Bulgarian government regarding proposed market reforms and opportunities to be actively involved in the energy transition in Bulgaria. The timing of exiting coal completely in Bulgaria will depend in large part on geopolitical events and pressures related to commodity pricing and availability and, in particular, the timing of the implementation of the energy transition. Additionally, exiting coal will take into consideration the need for a “just transition”, protecting the interests of our employees and the community, balanced by the impact on climate.

Our greenhouse gas (GHG) emissions are reported according to the GHG Protocol guidelines. The majority of these are generated from our thermal electricity and steam production, with CO₂ emissions representing 99% of total emissions. In addition to carbon emissions, we carefully manage other atmospheric emissions, such as nitrogen oxide (NO_x), sulphur oxide (SO_x), and particulate matter (PM), to reduce health risks and environmental impacts.

Using water responsibly

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

Where water is a primary fuel source – such as in hydro-electric generation – we ensure we utilise it in the most efficient manner possible; we also manage other impacts, including sedimentation, drainage, vegetation, and biodiversity. At our Vorotan business in Armenia, our hydroelectric complex utilises dams to generate electricity. We undertook a large-scale refurbishment of the facility from 2018-2021 to increase its generating capacity while maintaining the size and impact of the dams and increasing the efficiency of water resources. We also intend to undertake a four month interruption to the production of one of the three hydro power plants in 2024 to rehabilitate the daily regulation pond and in order to reduce water leakages to a minimum.

Where water is required as an input in thermal operational processes, we access only the amount required to meet our needs. Where we discharge water, such as at our KivuWatt business in Rwanda, we replenish the sources from which it came with equivalent volumes, properly treated. Where we can, we recycle and reuse water.

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Limiting waste

We minimise waste as far as possible through planned reuse and recycling. However, some waste – including hazardous waste – is unavoidable during power plant operations. We ensure this is properly handled and treated. We have several hazardous waste initiatives at our plants.

Spills and grievances

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

Biodiversity

To achieve sustainable resource management, we manage the use, development and protection of renewable natural resources in a way, or at a rate, which enables people and communities to provide for their present social, economic, and cultural well-being. We seek to use and develop natural resources while also sustaining the potential of those resources to meet the reasonably foreseeable needs of future generations and safeguarding the life-supporting capacity of air, water, and soil ecosystems.

We take a proactive and systematic approach to local threats to biodiversity beyond our business activities. We adopt biodiversity plans after consultation with impacted stakeholders, including governments, nongovernmental organisations, and communities. We seek to prevent and protect ecosystems from unwanted impacts, but where we cannot achieve that objective entirely, we seek to rehabilitate, restore, and offset, in line with best-practice mitigation hierarchy. Our track record on protecting and promoting biodiversity has generally been positive.

Emissions

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

Scope 2 CO₂e emissions, which include purchased electricity for ContourGlobal’s own use follow the GHG Protocol’s Scope 2 Guidance and are calculated on a location-based method and market-based method. All metrics disclosed are on a net basis.

	2023	2022
Scope 1 CO ₂ emissions tCO ₂	10,614	12,899
Scope 2 CO ₂ emissions, tCO ₂ e - Location based	2,253	1,404
Scope 2 CO ₂ emissions, tCO ₂ e - Market based	-	-
Electricity production (MWh)	24,412	25,505
Heat production (MWh)	10,529	20,690
Total Energy Input (MWh)	66,466	69,429*
Scope 1 CO ₂ e emissions intensity – electricity produced (tCO ₂ /MWh)	0.43	0.51
Scope 1 CO ₂ e emissions intensity – energy produced (tCO ₂ /MWh)	0.30	0.28

*Comparative figure restated

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Climate-related Financial Disclosures

Included below are the Group's disclosures relating to the Climate-related Financial Disclosures Reporting ("CFD"). The climate-related financial disclosures made by ContourGlobal comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance

The Board of Directors is ultimately responsible for the oversight of climate related risks and opportunities, with day-to-day management delegated to senior management.

ContourGlobal's processes to identify, assess, and respond to climate-related risks and opportunities are critical for executing our sustainability strategy. At the highest level, our processes for identifying climate risks are embedded in our corporate risk register. The complete risk register is annually evaluated by a focus group of key senior management members and as a result any relevant updates are made, including detailed consideration of climate-related risks. The results of this update are also communicated to the Board of Directors on an annual basis. The risk register explicitly incorporates climate change as an operational and execution risk.

Regarding the skills and experience of the Board, during 2023 there was representation by the former Group CEO and CFO and three representatives of KKR. The Group's former CEO co-founded ContourGlobal and served as the President and CEO and Board member since 2005. He has led development and operations in the global electric utility industry in Europe, the Americas and Africa for over two decades. The Group CFO has worked for ContourGlobal for the last 10 years and was previously the CFO Thermal and Group Controller at ContourGlobal. The three KKR members of the Board are part of the KKR private equity investment team and have extensive experience in relation to infrastructure businesses across Europe and America.

The senior management team plays a key role in managing, reviewing and responding to climate-related risks and the day-to-day impact on the business. Where localised risks and opportunities (including climate where relevant) are identified by at the subsidiary level, these are monitored and reviewed by management on a quarterly basis through integration into internal management reporting processes. This management reporting which includes, where relevant, any asset specific climate-related operational risks and is reviewed by Senior Management on a monthly basis and where relevant is reported to the Board of Directors on a quarterly basis.

We also consider in undertaking our annual budget cycle any specific climate related factors that could impact the performance of the business over the relevant forecast period. When making acquisitions we consider the potential for investment case assumptions to be impacted by climate change factors in addition to weather analysis as part of due diligence for renewable assets.

The senior management team is also responsible for the delivery of our aim to reduce Scope 1 GHG emissions intensity of energy production by 40% by 2030 (against a 2019 baseline) and achieve net zero carbon emissions by 2050.

Refer to page 12 for further details on our approach to risk management.

Strategy

The three core elements to our strategy as set out on page 5 are: operational excellence, high growth in low- and no-carbon technologies and financial strength. All three of our strategic aims are impacted by the climate transition and the associated risks and opportunities. In terms of growth, we are committed to growing in low and no-carbon technologies through acquisitions, along with investing in repowering and expanding our existing renewable asset portfolio and exploring other opportunities such as battery storage technology, and carbon capture.

Given the typical life spans of the assets in our portfolio, we define time horizons as, short term 5 years, medium term 6 – 15 years and long term 15+ years.

Our transition risks, those related to changes in climate policy and regulation during the transition to a low-carbon impact, are largely mitigated by the fact most of our power plants have long-term power purchase agreements ("PPAs") or operate under regulated pricing mechanisms, limiting

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exposure to changes in power pricing. Critically, our PPAs generally ensure we have no obligation to provide replacement power and allow us to pass through climate-related costs (such as carbon taxes) as well as fixed costs. However, these same contractual protections also limit our ability to capture pricing and demand opportunities in a dynamic market and where we do have limited opportunities, regulatory authorities may cap potential upsides. Thus, managing our businesses in accordance with PPA terms and ensuring new investments include protection against climate risks is an essential risk management strategy.

In the post PPA periods (which is typically the medium or longer term) the business assesses exposure to climate risks, including but not limited to possible changes in market prices. Our Arrubal business, for example, is currently operating without a PPA and contributes 3% of total assets and 9% of Adjusted EBITDA. Here, as with other assets in the post PPA periods, our strategy is to closely monitor merchant exposure to capture upsides and mitigate unplanned risks.

Our physical risks, including impacts related to extreme weather or shifts in weather patterns such as droughts, floods, changes in wind speed and unplanned irradiation, largely impact our renewable portfolio. While our scenario analysis indicates these are low to medium risks, we manage these through carefully planning around resource assumptions. Geographical diversification also mitigates the risk of concentrated impacts to the global portfolio.

The material climate-related risks and opportunities we have identified over the operational life of our asset portfolio and their link to our strategic aims are as follows:

Climate-related risks	Potential impact	Time horizon	Principal risk	Link to strategic aims
<p>Transition impacts, including policy and regulatory changes related to the transition to a low-carbon economy:</p> <ul style="list-style-type: none"> • Change in fuel prices where an asset is not able to contractually passthrough fuel costs or in the post PPA period; • Carbon pricing where an asset is not able to contractually passthrough fuel costs or in the post PPA period; • Change in demand for assets that are uncontracted; • Change in power pricing for assets that are uncontracted; • Change in labour costs for all assets given operational risks are managed by the business directly. 	<ul style="list-style-type: none"> • Deterioration of financial performance including a loss of revenue and/or an increase in expenses e.g. (O&M costs) • Impact on the operational performance with the potential for deviation of actual renewable resources and resulting generation vs. projections in the investment case • Potential for the above impacts to result in an impairment. 	<p>Our PPAs, which differ at each asset, typically protect against these transition impacts of the duration of the agreement, which is typically the short and medium term.</p>	<p>These risks are inherent in our principal risks RO1, RO2 and RO3 on pages 13-15.</p>	<ul style="list-style-type: none"> • High growth • Financial strength
<p>Physical impact, including extreme weather or shifts in wind patterns:</p> <ul style="list-style-type: none"> • Extreme heat which could impact the operating performance of assets located in hot climates; • Drought for assets that are reliant on water for the generation of electricity, particularly hydro plants or thermal plants using steam; • Flood particularly those assets located in flood prone areas. 		<p>Physical risks are more relevant over the medium and long term.</p>	<p>These risks are inherent in our principal risk RO7 on page 17.</p>	<ul style="list-style-type: none"> • Operational excellence

Opportunities	Link to strategic aims
<ul style="list-style-type: none"> • Growth in no- and low-carbon technologies • Exiting coal as part of the Bulgarian energy transition • Carbon capture • Energy storage • Repowering and refurbishment • Green hydrogen 	<ul style="list-style-type: none"> • Operational excellence • High growth • Financial strength

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For more details of our strategic aims, sustainability principles and values refer to pages 5-6.

Given transition risks are able to be largely mitigated during the PPA contracted period, our financial modelling and strategic planning is focused on potential impacts and sensitivities in the post PPA period, whether that be in the short, medium or long term for a particular asset.

Impact of climate-related risks and opportunities

Scenario analysis

For the year ended 31 December 2021 we performed scenario analysis on a selection of six assets to assess the impact of identified climate-related risks and opportunities under 4°C and 1.5°C scenarios. We selected these scenarios as they represent respectively 'business as usual' and a 'Paris aligned' trajectories which we believe provides an appropriate banding for the possible future implications on the business as a result of climate change.

The six assets where scenario analysis was undertaken represent a broad range of both thermal and renewable assets (gas, coal, solar and hydro) and represent approximately 54% and 53% of Adjusted EBITDA and Revenue respectively. We consider this selection of assets to be appropriately representative of the portfolio of the Group on the basis of the following:

- The six assets cover a broad range of the key geographies of the Group, being US, Mexico, Spain, Italy and Armenia.
- Cover the key technologies used by the Group, with two gas assets, one coal, two solar and one hydro. We note that no wind assets were subject to scenario testing, however the wind portfolio (excluding the Brazil Wind assets which are held for sale), currently contribute a relatively modest proportion of Adjusted EBITDA at 8%.
- Of our portfolio, 36% of Adjusted EBITDA currently comes from renewable assets which are contracted and are relatively insulated from transition risks. In terms of physical risks, renewable assets do have exposure, but this is also somewhat mitigated by the diversity of location of assets on a country and site basis throughout the portfolio.
- Of the remaining portfolio, the Adjusted EBITDA contribution is relatively dispersed and hence it was not efficient to significantly increase the scenario coverage. However, when we refresh our scenario analysis in 2024 we will expand the assets over which the analysis is performed.

The scenario analysis covers the remaining economic life of each of the assets modelled. In 2021 we engaged a third party to provide climate scenario modelling expertise and assist us in performing the analysis. They utilised an Integrated Assessment Model and combined climate science, macroeconomics and financial information in generating scenarios. The scenario analysis separately considered both transition and physical risks and was developed using a scenario analysis model considering a number of factors from atmospheric changes and societal behavioural changes to assumed new government policies under the different temperature pathways.

Included within the climate scenario modelling the specification of each selected scenario is applied to the Integrated Assessment Model through three key assumptions:

- Temperature increases by 2100 versus pre-industrial levels
- National policy intervention, informed by current emissions reduction commitments
- Economic performance in response to external factors such as population growth

The 'business as usual' (4°C) scenario is characterised by the following four key assumptions:

- Global population growth is moderate and levels off in the second half of the century
- GDP continues to grow in line with historical trends
- Government intervention on climate change does not exceed current levels
- Economic activity produces combined emissions from all economics commensurate with a 4°C temperature rise by 2011, in comparison to pre-industrial levels.

The 'Paris aligned' (1.5°C) scenario includes the following key assumptions:

- Emissions trading occurs within countries/regions only and not between countries/regions
- Up to 2030 Nationally Determined Contributions ('NDCs') are successfully delivered by countries as pledged in the 2015 Paris agreement
- Post 2030 cost effective emission reduction measures are implemented by countries to achieve the 1.5°C target in proportion to their pledged NDCs
- Population growth is assumed equal to the business-as-usual scenario

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A summary of the results of our scenario analysis is presented below.

Transition risks

Two gas assets were assessed in US and Mexico and the extent of exposure between the 4°C and 1.5°C scenarios. The 1.5°C scenario showed upside for the Mexican asset and insignificant downside for the US. These impacts were due to movements in energy and carbon prices in the post PPA periods as the respective energy markets evolved to cope with increasing demand for electrification.

Our Bulgarian coal asset was assessed and under both scenarios was noted to have downside risk given the PPA ended in February 2024, due to the potential for fluctuation in energy and carbon pricing. We note that our other coal asset in the Group, in Colombia, was not subject to scenario analysis because its Adjusted EBTIDA contribution is immaterial, and the Colombian market does not face the same extent of transition risks as relevant in Bulgaria.

We also modelled two solar assets in Spain and Italy respectively and our Armenian hydro asset. All of which had limited impact from transition risks due to the protection provided by PPA arrangements in place.

Specifically relating to our thermal assets, there are various mitigating actions available in considering of risks in the post PPA period. These include ongoing monitoring of price and demand forecasts and hedging associated risks, and evaluation of opportunities such as carbon capture or hydrogen, which could extend the period over which thermal assets are able to remain competitive.

Physical risks

We performed physical risk scenario analysis on the same selection assets, taking into account extreme heat, drought and flood (riverine and surface water) under both 4°C and 1.5°C scenarios. These specific hazards were chosen for scenario analysis based on the location and resource dependencies of the assets within our portfolio and represents the hazards that are most relevant to energy generation assets. For our solar assets where the portfolio is represented by a number of separate plants operating across a country, the physical risk analysis was focused on a smaller number of sites which we considered to be representative of the country.

The analysis performed for the six assets indicates that the physical climate risk is generally lower as compared to transition risks, with the greatest physical risk being potential impact from flooding given the proximity of our sites to sources of water which are used in operations.

Scenario analysis findings

The transition risks identified and the associated impacts highlight the importance of our long-term PPAs which protect against fuel, carbon pricing and elements of demand risk during the contracted period.

As noted in the scenario analysis, there are risks and opportunities in our gas generation assets. We continue to see a key role for our gas assets as part of the energy transition as a relatively low-carbon source of baseload generation beyond the next decade. Our Group sustainability strategy will also help to mitigate risks and provide opportunities in our thermal portfolio, particularly in relation to our commitments to: increase investment in carbon capture technology, reduce our CO₂ emissions intensity of energy generated by 40% by 2030 compared with 2019 levels, and achieve net zero by 2050.

Regarding our Bulgarian coal asset, there is downside risk in a 1.5°C scenario, however this is somewhat limited given the current status of the energy transition in Bulgaria, the country's high reliance on coal in the current energy mix and the ability of the Bulgarian energy market to replace coal in the energy mix over the short term. Hence we do not consider a 1.5°C scenario to be likely over the short term. However, the challenges associated with operating coal assets beyond contracted periods are evident in the impairment that was recognised during the year, refer to Note 1.16 for details.

Despite the challenges for coal generation, there are also opportunities in the post PPA period to participate in the Bulgarian energy transition, potentially allowing ContourGlobal to contribute to the replacement of coal as a baseload generation source.

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In terms of the renewable portfolio, there is limited exposure to risks based on our scenario analysis. Renewable assets are critical to the climate transition and will continue to play an important role in our strategy and our commitment to a future portfolio of low- and no-carbon assets. There are also opportunities present across our existing portfolio associated with repowering, refurbishment, battery storage and efficiency improvement.

For physical risks, the scenario analysis ultimately showed that the potential financial and operational impact is insignificant in terms of exposure to riverine flood, surface water flood, extreme heat and drought under either 4°C or 1.5°C scenarios. Physical risks are and will continue to be monitored by the site operational management on an ongoing basis in order to mitigate relevant impacts wherever possible as part of our operational excellence strategy.

These findings are not only relevant to those assets included within the scenario analysis. The risks and opportunities identified are evaluated across all of our assets on an ongoing basis. Based on the results of the scenario analysis we consider the business model and strategy of the Group to be appropriately resilient to climate change given the contractual mechanisms in place and the Group's focus on growing in no- and low-carbon assets.

Risk management

Most of our identified climate-related opportunities are associated with future acquisitions or capital investments on existing assets or projects and hence the importance of growing well and taking advantage of climate-related opportunities by investing in low- and no-carbon technologies drives our efforts to combat climate change and its impact.

In terms of assessing opportunities and risks, we have embedded processes to assess carbon impacts for all material investments. Our Investment Committee, Executive Management, and Board of Directors ensure carbon impacts of investments are aligned with our climate strategy. As part of this assessment, financial models project both financial and climate impacts by considering the sensitivity of key assumptions and impact on the businesses' key metrics, including our CO₂ intensity over a relevant future timeframe.

Regarding the climate-related risks identified above, none of the impacts result in significant downside to the specific assets modelled within the scenario analysis, with the exception of our Bulgarian asset which recorded an impairment in 2023, refer to Note 1.16 for details. In terms of the risks on a stand-alone basis, whilst individually a risk may have a significant impact, the use of PPAs mitigates our exposure to many of the pricing risks. Also certain risks (such as increasing electricity prices) provide potential benefits to the organisation and offset the impact of other risks such as changes in the cost of inputs. As such we do not consider any of the risks above to be individually significant and our principal risks as identified Principal Risks and Uncertainties remain appropriate.

On a forward-looking basis, through our existing risk management framework we will continue to monitor, update and respond to the identified climate-related risks as circumstances evolve.

Metrics and targets

Our key climate reduction target is our commitment to achieve net carbon zero (scope 1) GHG emissions by 2050, with an interim target to reduce our CO₂ intensity for (scope 1) energy produced by 40% by 2030 from a base year of 2019. Our CO₂ intensity metric is the most meaningful metric for the short and medium term and most effectively demonstrates our climate impacts, given the nature of our business. We are a growth company and, as such, our carbon emissions will increase when we grow – even when we are investing in low-carbon technologies. Further, our power plants are generally contracted with long-term PPAs where we are responsible for being available, but we do not control when we are dispatched and thus cannot predict with any certainty our carbon emissions. The intensity metric reveals whether we have incrementally reduced our climate impacts while continuing to grow our portfolio without being distorted by years of varying dispatch.

Our path to achieving net zero assumes a reasonable period for climate transition. Absent an unforeseen technological breakthrough in energy storage, reliable base-load and mid-merit generation will remain critical in the long term. Given this, it is critical to focus on delivering the required generation in a responsible manner, focusing on operational excellence and efficiency.

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Further competition, slowdowns in permitting, and under-appreciated risks in the renewable power sector (such as replacement power obligations and supply chain risks) may adversely impact returns on renewable investments to the point it is difficult to fulfil commitments to shareholders to generate returns. Prior to making a material investment, in accordance with our strategy the investment case considers the CO2 intensity of the target business and the impact that the target business would have on the Group’s overall CO2 intensity.

Refer to Our KPIs for our CO2 intensity performance during 2023.

Communities

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

Following a focused redesign of our approach to social investments to improve the long-term impact of our projects, the Social Investments Committee evaluated a number of potential projects in 2023 against the new framework. The Committee approved and undertook a key project with Caritas Austria, funding ‘Haus Mira’ which provides accommodation, support and care to displaced Ukrainian families.

Further projects will be evaluated and executed during 2024.

Non-Financial and Sustainability Information Statement

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

Reporting required	Relevant information	Policies, Standards and Commitments
Business model	Page 4 Business Model	Our values: <ul style="list-style-type: none"> • To care about our people’s health, safety, well-being and development • To expect, embrace and enable excellence and continuous learning through humility, and knowledge that we will fail but when we do, we will learn • To act transparently and with moral integrity • To honour the commitments of those who have placed their trust in us • To work hard and without boundaries as a multinational, integrated team
Principal risks and impact of business activity	Page 12 Principal risks and uncertainties	<ul style="list-style-type: none"> • Risk Management Framework

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Environmental matters	Page 27 Environment Page 29 Climate-related Financial Disclosures	Our environmental commitments include: <ul style="list-style-type: none"> • Complying with all environmental regulations and world-class best practices • Striving towards reducing our environmental footprint • Training and developing our workforce to understand our environmental and social responsibilities • Executing targeted social investments aligned with our core business • We are also a signatory of the United Nations Global Compact • Code of Conduct and Business Ethics • Supplier Code of Conduct • Social Responsibility & Environmental Sustainability policy
Employees	Page 25 Our People	<ul style="list-style-type: none"> • Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics
Social matters	Page 34 Communities	<ul style="list-style-type: none"> • Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics • Social Responsibility Environmental Sustainability policy • Social Investments Framework • United Nations Global Compact signatory
Human rights	Page 25 Our People Page 34 Communities	<ul style="list-style-type: none"> • Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics • Supplier Code of Conduct • ContourGlobal Modern Slavery Statement 2022 • Human Rights Policy Statement
Anti-corruption and anti-bribery	Page 21 Whistleblowing, Bribery and Anticorruption Page 12 Principal risks and uncertainties	<ul style="list-style-type: none"> • Code of Conduct and Business Ethics • Anti-Corruption Policy • Anti-Corruption Compliance Guide • Supplier Code of Conduct • Policy for Engaging Supplier and Third-Party Service Providers • Gifts & Hospitality Policy • Compliance Transactional Due Diligence Protocol • ContourGlobal Modern Slavery Statement 2022

Section 172 of the Companies Act 2006

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

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

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

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

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

- Ongoing strategy input, including assessing the long-term sustainable success of the Group and its growth activities and the associated impact on key stakeholders;
- The Board identifies the potential consequences of decisions in the short, medium and long term so that mitigation plans can be put in place to prevent, reduce or eliminate risks to our business and wider stakeholders (see Principal risks and uncertainties on page 12);
- The Board establishes the Group’s purpose, values and strategy and ensures they are aligned with our culture;
- Indirect stakeholder engagement, along with the themes emerging from such engagement (see page 22);
- Specific training for our directors and senior managers, including ongoing training on strategic, legal and regulatory developments.

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

The likely consequences of any decision in the long term	Business model (page 4) Principal risks and uncertainties (page 12)
The interests of the Group’s employees	Our people (page 25) Health and safety (page 26) Stakeholder engagement (page 22)
The need to foster the Company’s business relationships	KPIs (page 11) Stakeholder engagement (page 22)
The impact of the Company’s operations on the community and the environment	Our sustainability principles (page 5) Environment (page 27) Communities (page 34) Principal risks and uncertainties (page 12)
Maintaining a reputation for high standards of business conduct	Stakeholder engagement (page 22)
Acting fairly between members of the Company	Stakeholder engagement (page 22)

Approved and signed on behalf of the Board by:



Laurent Hullo
 Chief Financial Officer and Executive Vice President ContourGlobal Limited
 14 March 2024

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Directors Report
for the Year ended 31 December 2023

In accordance with section 415 of the Companies Act 2006, the directors of ContourGlobal Limited present their report on the audited consolidated financial statements for the year ended 31 December 2023.

Strategic report

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

Dividends

One non-cash dividend was paid during the year ended 31 December 2023 of \$539.2 million (2022: \$nil). The declaration and payment by the Company of any future dividends and the amounts of any such dividends will be determined at the Company's discretion.

Political Donations

It is the Company's policy not to make political donations. No political donations were made in 2023 (2022: £nil).

Financial Instruments

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

Directors

The Board has the power at any time to elect any person to be a director. The directors who served during 2023, and up to the date of this report were as follows:

- Laurent Hullo was appointed as a director on 31 January 2023
- Neil Robert Brown was appointed on 29 March 2023
- Ryan Kenneth Miller was appointed on 29 March 2023
- Vincent Olivier Policard was appointed on 29 March 2023
- Antonio Cammisecra was appointed on 5 February 2024
- Stefan Schellinger ceased to be a director on 31 January 2023
- Joseph Brandt ceased to be a director on 6 November 2023

Directors' and officers' liability insurance

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

Stakeholder and workforce engagement

We set out further details of our stakeholder engagement activity on page 22.

Employees

We set out further details of our Employees and associated policies and arrangements on page 25 Our people.

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Revolving credit facility and Euro Bonds

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

On 17 December 2020, a new Euro Bond composed of two tranches was issued for €410 million aggregate principal amount of 2.75% Senior Secured Notes due in 2026 and €300 million aggregate principal amount of 3.125% Senior Secured Notes due in 2028. On 6 January 2021, the Group redeemed the €450 million (\$549.7 million) aggregate principal amount of its 3.375% Senior Secured Notes due in 2023. In March 2023, the Group redeemed the €400 million (\$428 million) of Senior Secured Notes due in 2023.

The remaining Euro Bonds have an aggregate principal amount of €710 million split between two tranches: €410 million of 2.75% Senior Secured Notes due 2026 and €300 million of 3.125% Senior Secured Notes due in 2028.

The Euro Bond Indentures provide redemption conditions depending on the date of the redemption. If ContourGlobal sells certain of its assets or experiences specific kinds of changes in control (as defined in the Euro Bond Indenture), ContourGlobal must offer to purchase the Euro Bonds at a purchase price equal to 100% and 101% respectively of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the date of purchase. The KKR acquisition in 2022 did not trigger any such change in control provisions and as such had no impact on the Euro Bond Indentures.

KKR acquisition financing

In February and March 2023, ContourGlobal Limited acceded as a borrower to KKR's bridge facility agreement in the amount of €400 million (\$428 million). These proceeds were subsequently used to repay in full the outstanding €400 million (\$428 million) principal on the 2025 Corporate Bonds. ContourGlobal Limited also was novated the KKR acquisition loan of €509.7 million (\$546 million).

Then in November 2023, the Group entered into a Senior Facility Agreement which comprised an €800 million term loan at the project level with maturity 5 and 7 years, and two revolving credit facilities of €150 million at the project level and €40 million at corporate level as well as two letter of credit facilities totalling €125 million. The proceeds from this financing were used to repay in full the KKR bridge and acquisition loans.

Research and development

ContourGlobal Limited is engaged in utilising the exploring product innovations and opportunities as they arise relating to the usage of renewable energy technologies such as battery storage.

Corporate governance

The governance of the Group is the ultimate responsibility of the Board of Directors. In exercising this duty, the Board is supported by the Group's Executive Committee and other functional committees made up of senior members of management. The Executive and functional committees ensure that appropriate processes, controls, oversight and safeguards are in place for the effective and responsible operation of the business.

The Board receives reporting from the Executive and functional committees on at least a quarterly basis that covers the financial, operating and strategic performance of the business.

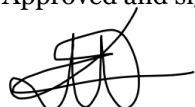
ContourGlobal Limited
(Registered number: 10982736)

Information incorporated by reference

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

Disclosure	Location
Future developments	Page 4
Going concern	Note 1.1 Consolidated Financial Statements
Employee matters	Page 25
Streamlined Energy and Carbon Reporting	Page 28
Directors' responsibilities	Page 41
Events since the reporting date	Note 1.41 Consolidated Financial Statements Note 14 Company Financial Statements
Non-financial information statement	Page 34
Financial risk management	Note 1.19 Consolidated Financial Statements

Approved and signed on behalf of the Board by:



Laurent Hullo
Chief Financial Officer and Executive Vice President
ContourGlobal Limited
14 March 2024

ContourGlobal Limited
(Registered number: 10982736)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

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



Laurent Hullo
Chief Financial Officer and Executive Vice President
ContourGlobal Limited
14 March 2024

Independent auditor's report to the members of ContourGlobal Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of ContourGlobal Limited (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement and other comprehensive income;
- the consolidated statement of financial position and Company balance sheet;
- the consolidated and Company statements of changes in equity;
- the consolidated statement of cash flow;
- Notes to financial statements which includes description of significant accounting policies; and
- the related notes 1 to 1.41.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, in-house legal counsel and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and relevant tax legislations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. This includes the relevant environmental regulations across the countries where the Group's assets operate in.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuation and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

Revenue recognition (Group)

There is a heightened risk identified in revenue recognition, where it has direct impact on the Group's Adjusted EBITDA given it is a key management performance metric as disclosed in the Strategic Report. We noted various risk factors in relation to revenue recognition across the Group due to its different revenue streams and the diversified markets in which it operates.

Our audit procedures done by both group audit team and component audit teams included the following:

- obtained and read copies of key underlying sales and revenue related agreements;
- assessed whether the revenue recognition policies adopted by each in-scope component is compliant with the underlying agreements and relevant accounting standards;
- obtained an understanding of the relevant controls relating to the recognition of revenue;
- performed testing of a sample of journal entries related to revenue that were deemed unusual or that might be indicative of fraud; and
- tested the accuracy of amounts recorded as revenue by agreeing a sample of invoices issued to customers and /or through confirmation from counterparties and confirmed the application of terms and conditions to those in the underlying PPA's/other relevant agreements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

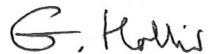
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Graham Hollis, ACA
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 March 2024

Consolidated Financial Statements

CONTOURGLOBAL LIMITED

As of 31 December, 2023

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CONTOURGLOBAL LIMITED
Consolidated statement of financial position
As of 31 December, 2023

In \$ millions	Note	31 December, 2023	31 December, 2022
Non-current assets		3,854.2	4,517.1
Intangible assets and goodwill	1.15	223.3	279.2
Property, plant and equipment	1.16	3,197.8	3,737.0
Finance lease and financial concession assets	1.17	323.4	346.4
Investments in associates	1.18	-	13.0
Derivative financial instruments	1.20	17.2	61.9
Other non-current assets	1.23	46.9	40.9
Deferred tax assets	1.14	45.6	38.7
Current assets		1,607.5	1,745.0
Inventories	1.24	545.8	763.9
Finance lease and financial concession assets	1.17	17.4	23.0
Trade and other receivables	1.25	409.3	348.5
Current income tax assets		11.0	13.0
Derivative financial instruments	1.20	30.4	35.4
Other current assets	1.26	55.4	51.6
Cash and cash equivalents	1.27	538.2	509.6
Assets held for sale		539.5	-
Total assets		6,001.2	6,262.1
In \$ millions		31 December, 2023	31 December, 2022
Total equity and non-controlling interests		(3.8)	641.7
Issued capital	1.28	8.8	8.8
Share premium		380.8	380.8
Retained earnings and other reserves		(552.1)	116.7
Non-controlling interests	1.29	158.7	135.4
Non-current liabilities		4,378.5	4,004.9
Borrowings	1.30	3,758.2	3,399.5
Derivative financial instruments	1.20	107.2	22.1
Deferred tax liabilities	1.14	376.1	363.6
Provisions	1.32	66.6	61.2
Other non-current liabilities	1.31	70.4	158.5
Current liabilities		1,204.5	1615.5
Trade and other payables	1.34	661.9	849.0
Borrowings	1.30	311.1	424.8
Derivative financial instruments	1.20	6.5	16.0
Current income tax liabilities		35.3	43.5
Provisions	1.32	6.6	12.4
Other current liabilities	1.35	183.1	269.8
Liabilities held for sale		422.0	-
Total liabilities		6,005.0	5,620.4
Total equity and non-controlling interests and liabilities		6,001.2	6,262.1

The financial statements on pages 48 to 137 were approved by the Board of Directors and authorised for issue on 14 March 2024 and signed on its behalf by Laurent Hullo, Chief Financial Officer:



CONTOURGLOBAL LIMITED
Consolidated statement of changes in equity
As of 31 December, 2023

In \$ millions	Share capital	Share premium	Treasury shares	Currency Translation Reserve	Hedging reserve	Cost of hedging reserve	Actuarial reserve	Retained earnings	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance as of 31 December, 2021	8.9	380.8	(37.8)	(150.0)	(54.3)	(1.7)	(2.4)	65.5	209.0	161.5	370.5
Balance as of 1 January, 2022	8.9	380.8	(37.8)	(150.0)	(54.3)	(1.7)	(2.4)	65.5	209.0	161.5	370.5
Profit for the period	-	-	-	-	-	-	-	231.3	231.3	22.2	253.5
Reclassification to profit or loss on disposal of Brazil Hydro assets	-	-	-	17.8	-	-	-	-	17.8	-	17.8
Other comprehensive profit	-	-	-	72.8	108.2	(0.2)	0.7	-	181.5	11.5	193.0
Total comprehensive income / (loss) for the period	-	-	-	90.6	108.2	(0.2)	0.7	231.3	430.6	33.7	464.3
Purchase of treasury shares (note 1.28)	(0.1)	-	37.8	-	-	-	-	(37.7)	-	-	-
Employee share schemes	-	-	-	-	-	-	-	5.8	5.8	-	5.8
Acquisition and contribution of non-controlling interest not resulting in a change of control (note 1.6)	-	-	-	-	-	-	-	(12.9)	(12.9)	(8.5)	(21.4)
Dividends (note 1.28)	-	-	-	-	-	-	-	(126.1)	(126.1)	(25.2)	(151.3)
Transaction with non-controlling interest	-	-	-	-	-	-	-	-	-	(26.2)	(26.2)
Other	-	-	-	-	-	-	-	(0.1)	(0.1)	0.1	-
Balance as of 31 December, 2022	8.8	380.8	-	(59.4)	53.9	(1.9)	(1.7)	125.8	506.3	135.4	641.7
Balance as of 1 January, 2023	8.8	380.8	-	(59.4)	53.9	(1.9)	(1.7)	125.8	506.3	135.4	641.7
(Loss) / profit for the period	-	-	-	-	-	-	-	(77.2)	(77.2)	24.0	(53.2)
Other comprehensive profit / (loss)	-	-	-	14.2	(43.3)	-	(0.1)	-	(29.2)	(5.7)	(34.9)
Total comprehensive profit / (loss) for the period	-	-	-	14.2	(43.3)	-	(0.1)	(77.2)	(106.4)	18.3	(88.1)
Acquisition of non-controlling interest resulting in a change of control (note 1.6)	-	-	-	-	-	-	-	(23.2)	(23.2)	23.2	-
Dividends (note 1.28)	-	-	-	-	-	-	-	(539.2)	(539.2)	(15.9)	(555.1)
Transaction with non-controlling interests (note 1.29)	-	-	-	-	-	-	-	-	-	(2.3)	(2.3)
Balance as of 31 December, 2023	8.8	380.8	-	(45.2)	10.6	(1.9)	(1.8)	(513.8)	(162.5)	158.7	(3.8)

CONTOURGLOBAL LIMITED
Consolidated statement of cash flows
As of 31 December, 2023

In \$ millions	Note	Years ended 31 December	
		2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Net (loss) / profit		(53.2)	253.5
Adjustment for:			
Depreciation and amortisation expense	1.10	393.1	361.2
Impairment of assets	1.16	70.1	-
Change in provisions		2.6	(3.6)
Share of profit in associates	1.18	(4.3)	(16.3)
Net foreign exchange gains and change in fair value of derivatives	1.13	93.9	(10.5)
Interest expenses - net	1.13	213.9	177.1
Other financial items	1.13	91.1	65.1
Income tax expense	1.14	79.3	107.0
Mexico CHP fixed margin swap	1.8	(22.7)	(2.9)
Change in finance lease and financial concession assets	1.8	31.3	34.3
Gain on Brazil hydro sale	1.7	-	(121.2)
Gain on deemed disposal of Termoemcali	1.6	(6.2)	-
Gain on deemed disposal of Sochagota	1.7	-	(16.8)
Other items		12.0	(2.6)
Change in working capital		(58.1)	49.0
Income tax paid		(93.7)	(61.0)
Non-cash tax item	1.7	-	(29.1)
Contribution received from associates	1.18	0.5	1.8
Net cash generated from operating activities		749.6	785.0
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(145.1)	(129.3)
Purchase of intangibles		(10.7)	(6.1)
Acquisition of subsidiaries, net of cash received	1.6	(10.6)	(12.1)
Sale of subsidiaries, net of divested cash	1.7	-	125.9
Other investing activities		37.7	5.1
Net cash used in investing activities		(128.7)	(16.5)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		-	(126.1)
Proceeds from borrowings	1.30	1,733.8	396.4
Repayment of borrowings	1.30	(1,871.2)	(565.6)
Debt issuance costs		(36.6)	(12.3)
Interest paid		(241.2)	(172.9)
Cash distribution to non-controlling interests	1.29	(21.8)	(16.6)
Dividends paid to non-controlling interest holders	1.29	(14.8)	(23.5)
Transactions with non-controlling interest holders, cash received	1.29	-	6.1
Transactions with non-controlling interest holders, cash paid	1.29	(43.0)	(102.0)
Other financing activities and derivatives		(42.0)	(69.5)
Net cash used in financing activities		(536.8)	(686.0)
Exchange gains on cash and cash equivalents		25.7	45.6
Net change in cash and cash equivalents		109.8	128.1
Cash & cash equivalents at beginning of the period		509.6	381.5
Included in cash and cash equivalents in the balance sheet		509.6	369.1

CONTOURGLOBAL LIMITED*Consolidated statement of cash flows***As of 31 December, 2023**

Included in assets held for sale	-	12.4
Cash & cash equivalents at end of the period	619.4	509.6
Included in cash and cash equivalents in the balance sheet	538.2	509.6
Included in the assets held for sale	81.2	-

As of 31 December, 2023

1. Notes to the consolidated financial statements

1.1. General information

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

Tintagel House
92 Albert Embankment
London
SE1 7TY
United Kingdom

Registered number: 10982736

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), Milan (Italy), Sao Paulo (Brazil), Madrid (Spain) and Vienna (Austria) and these offices provide administrative and technical support to operations and development activities.

Basis of preparation

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

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

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

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

The financial information presented is at and for the financial years ended 31 December 2023 and 31 December 2022. Financial year ends have been referred to as 31 December throughout the consolidated financial statements as this is the accounting reference date of ContourGlobal Limited. Financial years are referred to as 2023 and 2022 in these consolidated financial statements.

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

Going concern

The Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that both the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of signing this report. The assessment performed by the Directors covers the period until 30 June 2025 and considers the ongoing liquidity requirements including the Euro Bond and 'Midco' term loan group financings and the associated covenant compliance. Refer to Note 1.19 for our consideration of liquidity risks and Note 1.30 for further details of these borrowings.

The assessment, which includes plausible downside scenarios, is based on future forecasts and projections of the Group's and the Company's financial resources and the ability of the Group's assets to generate free cash flow. In both the base case and the severe but plausible downside sensitivity scenario, the forecasts indicate that there is sufficient headroom and liquidity for the business to continue based on the facilities available to the Group. In each of these scenarios, the Group is also forecast to be in compliance with the required covenants on the aforementioned borrowing facilities.

As a consequence of the assessment performed, the Directors have concluded that there is a reasonable expectation that both the Group and the Company are well placed to manage their business risks and to continue to meet their obligations as they fall due for the foreseeable future (being at least for the 12 month period from the approval date of these financial statements). Accordingly, the Directors continue to adopt the going concern basis in preparing both the consolidated and Company financial statements.

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

The Group has applied the accounting standard amendments for the first time for their annual reporting period commencing 1 January 2023:

- IFRS 17 Insurance Contracts;
- IAS 1 Presentation of Financial Statements – Amendments;
- IAS 12 Income Taxes – Amendments;
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments.

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

1.3. New standards and interpretations not yet mandatorily applicable

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

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1.4. Summary of significant accounting policies

Principles of consolidation

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

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

(a) Subsidiaries

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

(b) Associates

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

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

Business combinations

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

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

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

Changes in ownership interests in subsidiaries without change of control

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

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

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

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

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

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

Functional and presentation currency and currency translation

The assets and liabilities of foreign undertakings are translated into US dollars, the Group’s presentation currency, at the year-end exchange rates. The results of foreign undertakings are translated into US dollars at the relevant average rates of exchange for the year. Foreign exchange differences arising on retranslation of opening net assets, and the difference between average exchange rates and year end exchange rates on the result for the year are recognised 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 recognised at year end exchange rates in the consolidated statement of income line which most appropriately reflects the nature of the item or transaction.

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

Currency	CLOSING RATES		AVERAGE RATES	
	Year ended 31st December		Year ended 31st December	
	2023	2022	2023	2022
EUR / USD	1,1039	1.0706	1,0816	1.0542
BRL / USD	0,2066	0.1917	0,2004	0.1941
BGN / USD	0,5644	0.5474	0,5530	0.5390
MXN / USD	0,0592	0.0515	0,0564	0.0497

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

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Operating and reportable segments

The Group's reporting segments reflect the operating segments which are based on the organizational structure and financial information provided to the Chief Executive Officer, who represents the chief operating decision-maker ("CODM"). Following the acquisition of ContourGlobal by KKR in December 2022 an organizational restructure took place which resulted in a change in internal Management structures. This change was from a technology based Management structure (with performance monitored on a Thermal and Renewable segment basis) to a geographical Management structure with the two key segments being Americas and Europe & Africa.

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

Revenue recognition

The Group revenue is mainly generated from the following:

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

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

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

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

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

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

Certain of the Group's power plants sell their output under Power Purchase Agreements ("PPAs") and other long-term arrangements. Under such arrangements it is usual for the Group to receive payment for the provision of electrical capacity or availability whether or not the offtaker requests the electrical

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output (capacity payments) and for the variable costs of production (energy payments). In such situations, revenue is recognised in respect of capacity payments as:

- a) Service income in accordance with the contractual terms, to the extent that the capacity has been made available to the contracted offtaker during the period and / or energy produced and delivered in the period. This income is recognised as part of revenue from power sales;
- b) Financial return on the operating financial asset where the PPA is considered to be or to contain a finance lease or where the contract is considered to be a financial asset under interpretation IFRIC 12: “Service concession arrangements”.
- c) Service income related to environmental, operational and maintenance services rendered to offtakers are presented as part of Other revenue.

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

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

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

Concession arrangements

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

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

- (a) The “grantor” (i.e. the public sector entity – the offtaker) controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price, and
- b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement. Infrastructure used in a public-to-private service concession arrangement for its entire useful life (a whole of life asset) is within the scope of IFRIC 12 if the conditions in a) are met.

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

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return, is reflected within the “Revenue from concession and finance lease assets” line in note 1.9. Cash outflows relating to the acquisition of contract assets under concession agreements are presented as part of cash flow from investing activities. Net cash inflows generated by the contract assets' operations are presented as part of cash flow from operating activities.

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

Share-based compensation plans

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

Following the delisting from the London Stock Exchange done on 21 December 2022, there is no more Long Term Incentive Plan.

Acquisition, disposal and other transactions related items

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

Finance income and finance costs

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

Intangible assets and goodwill*Goodwill*

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

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

Goodwill impairment reviews are undertaken at least annually.

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Intangible assets

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

Property, plant and equipment*Initial recognition and subsequent measurement*

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

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

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

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

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

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

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Depreciation

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

	Useful lives as of 31 December, 2022 and 2023
Power plant assets	
Lignite, coal, gas, oil, biomass power plants	3 to 32 years
Hydro plants and equipment	24 to 67 years
Wind farms	16 to 25 years
Tri and quad-generation combined heat power plants	15 to 23 years
Solar plants	11 to 20 years

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

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

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

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

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

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

Leases

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

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

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

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

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

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

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

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

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

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

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

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

(i) Accounting for finance leases as lessor

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

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

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(ii) Accounting for operating leases as lessor

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

Impairment of non-financial assets

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

Financial assets

Classification of financial assets

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

a) Financial assets at fair value through profit and loss

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

b) Financial assets held at amortised cost

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

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

Recognition and measurement

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

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

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

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a) Financial assets at fair value through statement of income

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

b) Financial assets held at amortised cost

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

Impairment

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

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

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

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

- (1) Trade and other receivables
- (2) Finance lease and financial concession assets
- (3) Other financial assets

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

Derivative financial instruments and hedging activities

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

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

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

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

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

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

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

Items qualifying as hedges

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

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

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

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

- b) Derivatives that do not qualify for hedge accounting

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

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

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Inventories

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

Emission quotas

Some companies of the Group emit CO₂ and have as a result obligations to buy emission quotas on the basis of local legislation. The emissions made by the companies emitting CO₂ which are in excess of any allocated quotas are purchased at free market price and shown as inventory before their effective use. If emissions are higher than allocated quotas, the companies recognise an expense and respective liability for those emissions at prevailing market value.

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

Cash and cash equivalents

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

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

Share capital and share premium

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

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

Treasury shares

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

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

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

Following the delisting from the London Stock Exchange on December 21, 2022, the Group holds no Treasury shares.

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Financial liabilities

a) Borrowings

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

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

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

b) Trade and other payables

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

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

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

Provisions

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

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

Current and deferred income tax

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

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

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

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substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

1.5. Critical accounting estimates and judgments

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

Critical accounting judgments

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

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

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

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

All other PPAs are determined to be service contracts.

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

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

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

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

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

The Group also considers the end date of the PPAs as part of the impairment indicator analysis and assesses if the market conditions are significantly adverse such that the expiry of the PPA indicates an impairment trigger. The Group has notably considered PPA in Maritsa which end in February 2024 and combined with the change in the market outlook for merchant operations in Bulgaria concluded that an indicator of impairment was present. Refer to Note 1.16 for details.

During 2023, the Vorotan hydro business was also assessed for impairment indicators. It was concluded that due to the low level of resources experienced in recent years that an impairment indicator was present, resulting in an impairment test being performed. Refer to Note 1.16 for details.

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

Provisions for claims

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

The main judgments are related to the litigations disclosed in the note 1.38.

Functional currency of the operating assets

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

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Cash generating units (“CGUs”)

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

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

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

Regulatory changes in MexicoAmendment to permit modification

In October 2020, CRE (Energy Regulatory Commission) issued a new resolution amending the general administrative rules to modify and transfer the “Legado” permits. This amendment included additional restrictions on including new offtakers in the “Legado” permits. The Resolution 1094 is expected to be used by CRE to reject the permit modifications required for expanding the offtakers and the load points in the “Legado” permits. CGA filed an Amparo against these changes, claiming them to be unconstitutional which was successfully granted in June 2021. Given the Amparo remains in place and having taken legal advice the Company has concluded that those changes do not constitute an indicator of impairment as at 31 December, 2023.

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

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

On 31 January 2024, the Supreme Court of Justice ruled that the LIE amendments were unconstitutional. The LIE’s reforms (which would adversely affect both CGA and CELCSA) remain suspended as to other market participants, including CGA and CELCSA.

Given the positive development in the Supreme Court of Justice, management has concluded that these potential changes do not constitute an indication of impairment (impairment “trigger”) as per IAS 36 as of 31 December, 2023.

Kosovo e Re project arbitration

On 24 May 2020, ContourGlobal Kosovo LLC (“CG Kosovo”), a wholly-owned subsidiary within the ContourGlobal Group, sent a notice of termination to the Government of Kosovo (represented by the Ministry of Economy and Environment of the Government of Kosovo) (the “GoK”) and other publicly owned entities, namely Kosovo Energy Corporation, J.S.C., New Kosovo Electric Company J.S.C., HPE Ibër-Lepenc, J.S.C. and Operator Sistemi, Transmission Dhe Tregu –KOSTT, SH.A., under various

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project documents entered into with each of those entities in respect of a project whereby CG was to build a coal-fired power plant in Kosovo. The notice of termination was sent as a result of the failure of the above-mentioned entities to meet certain obligations and conditions precedent under such project documents, which prevented the project from meeting certain required milestones by its required completion date and therefore meant the project could not go forward.

On 25 September 2020, CG Kosovo sent a formal written notice of dispute under the project documents seeking recovery of costs incurred to date, as anticipated and set out in the project contracts and capped at €19.7 million (\$21.7 million) plus interest for late payment, to which CG Kosovo is entitled where the termination of the project is attributable to failures by GoK and/or the relevant publicly owned entities. On 19 November 2020, CG Kosovo filed a request for arbitration with ICSID. For procedural reasons, the arbitration was subsequently refiled before the International Chamber of Commerce's International Court of Arbitration. The arbitration took place during 2022 and on 28 August 2023 the tribunal issued its final award ordering the Government of Kosovo to pay €20.1 million in development costs and damages. In November 2023, the Government of Kosovo filed a motion before the UK High Court seeking to set aside the award. A hearing on that motion will take place on 12 April 2024. Given management's assessment of the GoK's probability of success on that motion the amount under dispute remains as a receivable on the balance sheet, and we do not consider there to be any potential impairment risk.

Assets held for sale and discontinued operations

Where a disposal group is undergoing a sale process, we consider whether or not the disposal group meets the definition of assets held for sale and discontinued operations. During 2022, a sale process was initiated for the Brazil Wind asset portfolios which resulted in a Sale and Purchase Agreement ('SPA') being signed on 5 December 2023. At year end we assessed whether this asset portfolio should be classified as held for sale and given the signed SPA and the status of the sale process we concluded that it met the requirements of IFRS 5 given the sale is subject only to customary terms and we consider the sale to be highly probable to complete in the coming twelve months.

We also considered whether the Brazil Wind portfolio constituted a discontinued operation. Given the portfolio does not constitute a major line of business or a geographical area of operations, management concluded that it does not meet the definition of a discontinued operation.

Critical accounting estimates

Estimation of useful lives of property, plant and equipment

Property, plant and equipment represents a significant proportion of the asset base of the Group, primarily due to power plants owned, being 54.6% (2022: 59.6%) of the Group's total assets. Estimates and assumptions made to determine their carrying value and related depreciation are significant to the Group's financial position and performance. The annual depreciation charge is determined after estimating an asset's expected useful life and its residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The Group derives useful economic lives based on experience of similar assets, including use of third party experts at the time of acquisition of assets, and these lives may exceed the period covered by contracted power purchase agreements.

Emerging governmental policies are also considered when reviewing the appropriateness of useful economic lives, including whether asset life assessments could be impacted by factors arising from climate transition or other regulatory and market factors. This includes consideration of government energy transition policies, and how the Group's thermal assets are expected to be used, in particular to provide a secure supply during a medium to long-term transition to renewables. In particular, during 2023 the expiration of the Maritsa PPA in February 2024 was considered together with the emerging geopolitical issues and the expected demand for coal generation. As a result, during the year, the useful life of the asset was decreased. The impact on depreciation of the decrease in the assets' useful life was not material.

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A decrease in the average useful life by one year in power plant assets would result in a decrease in the net book value of \$19.9 million (2022: \$16.0 million).

Recoverable amount of property, plant and equipment and intangible assets

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

Management applies judgment in selecting input assumptions in its DCF models, including (but not limited to) discount rates and capacity / availability factors. These assumptions are consistent with the Group's internal budgets and forecasts for such valuations. Examples of the input assumptions that budgets and cash-flow forecasts have considered include macroeconomic factors such as energy price, inflation, exchange rates, and, in the case of renewables plants, environmental factors such as wind, solar and water resource forecast. Where a plant has a future period that is uncontracted and operating on a merchant basis, market captured price also requires estimation. Changes in these assumptions could have a material impact on the asset or cash generating unit recoverable amount and could result in further impairment or impairment reversal.

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

As noted in the Critical accounting judgements above, an impairment indicator was noted in relation to the Group's Maritsa and Vorotan cash generating units as at 31 December 2023, resulting in impairment tests being performed. The key estimates applied by management are disclosed in the sensitivity analysis performed in note 1.16.

Fixed margin swap

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

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1.6. 2023 transactions

Acquisition 24.91% shareholding of Termoemcali

On 29 September 2023 ContourGlobal's subsidiary ContourGlobal Colombia Holding, S.L.U. acquired from Ashmore their 24.9% stake in Termoemcali, a 240 MW natural gas power station in Colombia. Following completion of the acquisition, this increased ContourGlobal's ownership to 62.3% from 37.4%, resulting in ContourGlobal obtaining control.

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

In \$ millions	
Deemed disposal of equity interest in associate (37.4%) at fair value	23.0
Carrying value of investment in associate	16.8
Gain on deemed disposal	6.2

The total consideration to acquire the 24.9% controlling interest was \$15.3m, fully paid in cash.

The gain on deemed disposal of \$6.2 million has been recognised in Profit on acquisition / disposal of power generating plants in the Consolidated Statement of Income.

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

In \$ millions	
Consideration payable to third party (24.9%)	15.3
Fair value of equity interest in associate (37.4%)	23.1
Fair value of remaining minority interest (37.7%)	23.2
Consideration attributable to the net assets acquired	61.6

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

In \$ millions	Fair value of assets and liabilities acquired
Property, plant and equipment	70.6
Inventories ⁽¹⁾	7.0
Trade receivables ⁽¹⁾	3.8
Other assets	6.1
Cash and cash equivalents	4.7
Borrowings	(2.2)
Deferred tax liabilities	(21.5)
Other liabilities	(6.9)
Net assets acquired	61.6

(1) Contractual value equivalent to fair value

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Net assets of \$61.6m were acquired at their fair value. The transaction did not give rise to goodwill or a bargain purchase.

On a consolidated basis, had this acquisition taken place as of 1 January 2023, the Group would have recognised consolidated revenue of \$2,386.8 million, Adjusted EBITDA of \$929.7 million, and consolidated net loss of \$45.8 million. From the acquisition date on 29 September 2023 to 31 December 2023, this acquisition contributed to consolidated revenue, Adjusted EBITDA and net profit of \$74.1 million, \$27.7 million and \$17.0 million respectively.

Brazil Wind portfolio held for sale

On 5 December 2023, the Group signed an SPA to sell our holding company in Brazil to Patria investments, the same fund that acquired our hydro plants in 2022. CG Brazil Holding owns our wind farms Chapada and Asa Branca, the Sao Paulo office, and the Intelligence Center in Natal, the total Brazil portfolio hereto referred to as 'Brazil Wind'. Given the SPA in place, the Brazil Wind business was classified as held for sale with the major classes of assets and liabilities within the disposal group as follows:

In \$ millions	
Intangible assets	37.4
Property, plant and equipment	406.5
Cash and cash equivalents	81.2
Trade and other receivables	14.5
Total assets	539.6
Borrowings non-current	55.1
Borrowings current	206.4
Provisions non-current	5.1
Other non-current liabilities	31.1
Other current liabilities	124.4
Total liabilities	422.1

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1.7. 2022 transactions

Acquisition remaining 51% shareholding of Sochagota

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

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

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

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

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

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

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

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

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

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

(1) Contractual value equivalent to fair value

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

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

In the twelve month period since the acquisition, no adjustments have been made to the fair value of assets and liabilities in the acquisition balance sheet.

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

Brazil Hydro sale

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

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

The gain on disposal of \$121.2 million was presented in Profit on disposal of subsidiaries in the 2022 Consolidated Statement of Income. The gain net of withholding tax (\$29.1 million) of \$92.1 million is

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attributable to the shareholders of the Group as \$73.7 million and to non-controlling interests as \$18.4 million.

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

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

Prior to disposal the assets and liabilities of the Brazil Hydro group were classified as assets and liabilities held for sale with a carrying value of \$186.3 million and \$155.3 million respectively. Assets held for sale included 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
- Goiás 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 non-controlling interests which did not result in a change of control

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

As of 31 December, 2023

1.8. Segment reporting

The Group's reporting segments reflect the operating segments which are based on the organizational structure and financial information provided to the Chief Executive Officer, who represents the chief operating decision-maker ("CODM"). Following the acquisition of ContourGlobal by KKR in December 2022 an organizational restructure took place which resulted in a change in internal Management structures. This change was from a technology based Management structure (with performance monitored on a Thermal and Renewable segment basis) to a geographical Management structure with the two key segments being Americas and Europe & Africa.

Americas for power generating plants operating from coal, natural gas, fuel oil, diesel and for power generating plants operating from renewable resources such as wind, solar and batteries. Americas plants include Mexican CHP, US and Trinidad & Tobago assets, Sochagota, Bonaire, Energies Saint-Martin, Asa Branca, Chapada I, II, III, Inka and Termoemcali. The Group acquired on 30 December 2022 the 51% remaining shares in Sochagota and 24.91% in Termoemcali in September 2023 (see note 1.6).

Europe & Africa for power generating plants operating from coal, natural gas, fuel oil, diesel and for power generating plants operating from renewable resources such as wind, hydro and solar. Europe plants include Vorotan, Austria Portfolio 1 & 2, Maritsa, Arrubal, Spanish Concentrated Solar Power and our other European plants. Africa plants include Nigeria, Togo, Senegal and Rwanda.

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

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

As of 31 December, 2023

All revenue is derived from external customers.

In \$ millions	Years ended 31 December	
	2023	2022
Revenue ⁽¹⁾		
Americas ⁽²⁾	902.6	944.4
Europe & Africa ⁽³⁾	1,460.3	1,883.9
Total revenue	2,362.9	2,828.3
Adjusted EBITDA ⁽⁴⁾		
Americas ⁽⁴⁾	388.1	399.0
Europe & Africa ⁽⁵⁾	551.9	533.3
Corporate & Other ⁽⁶⁾	(21.3)	(31.9)
Total adjusted EBITDA	918.6	900.5
Proportionate adjusted EBITDA	765.7	759.6
Non-controlling interests	152.9	140.9
Total adjusted EBITDA	918.6	900.5
Reconciliation to profit before income tax		
Depreciation and amortisation (note 1.10)	(393.1)	(361.2)
Impairment of assets (note 1.15 and 1.16)	(70.1)	-
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives (note 1.13)	(399.0)	(231.8)
Share of adjusted EBITDA in associates ⁽⁷⁾	(6.4)	(25.6)
Share of profit in associates (note 1.18)	4.3	16.3
Acquisition, disposal and other transactions related items (note 1.12)	(12.8)	(49.2)
Mexico CHP fixed margin swap ⁽⁸⁾	22.7	2.9
Change in finance lease and financial concession assets ⁽⁹⁾	(31.3)	(34.3)
Gain on Brazil Hydro sale (note 1.6) ⁽¹⁰⁾	-	121.2
Gain on Sochagota acquisition (note 1.6)	-	16.8
Gain on Termoemcali acquisition (note 1.6)	6.2	-
Other	(13.1)	4.8
Profit before income tax	26.1	360.5

- (1) Prior year restated to reflect change in segments.
- (2) Revenue generated in 2023 in Brazil and Mexico amounted to \$96.2 million and \$289.7 million respectively (31 December 2022: \$125.4 million and \$394.4 million respectively).
- (3) Revenue generated in 2023 in Bulgaria and Spain amounted to \$663.6 million and \$431.2 million respectively (31 December 2022: \$910.0 million and \$620.6 million respectively).
- (4) Adjusted EBITDA generated in 2023 in Brazil and Mexico amounted to \$59.1 million and \$119.6 million respectively (31 December 2022: \$79.5 million and \$129.2 million respectively).
- (5) Adjusted EBITDA generated in 2023 in Bulgaria and Spain amounted to \$127.7 million and \$211.4 million respectively (31 December 2022: \$121.8 million and \$207.9 million respectively).

As of 31 December, 2023

- (6) Corporate costs mainly correspond to selling, general and administrative expenses before depreciation and amortization of \$6.4 million (31 December 2022: \$5.9 million).
- (7) Corresponds to our share of Adjusted EBITDA of plants accounted for under the equity method (Termoemcali and Sochagota) which are reviewed by our CODM as part of our Americas Energy segment. On 30 December 2022 the Group acquired the remaining 51% shares in Sochagota, resulting in the discontinuation of equity accounting. On 29 September 2023 the Group acquired 24.91% shares in Termoemcali, resulting in the discontinuation of equity accounting.
- (8) Reflects an adjustment to align the recognised 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”.
- (9) Reflects an adjustment to align the recognised 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”.
- (10) Represents the gain on disposal on Brazil Hydro sale described in note 1.6.

Cash outflows on capital expenditure

Prior year restated to reflect change in segments.

In \$ millions	Years ended 31 December	
	2023	2022
Americas	69.0	48.5
Europe & Africa	73.7	80.0
Corporate & Other	2.4	0.8
Total capital expenditure	145.1	129.3

Geographical information

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

In \$ millions	31 December	
	2023	2022
Americas	1,836.4	2,284.4
Europe & Africa	1,950.5	2,116.1
Corporate	4.5	15.9
Total non-current assets	3,791.4	4,416.4

Prior year restated to reflect change in segments.

As of 31 December, 2023

1.9. Revenue

In \$ millions	Years ended 31 December	
	2023	2022
Revenue from power sales ⁽¹⁾	1,995.7	2,455.1
Revenue from operating leases ⁽²⁾	192.7	207.6
Revenue from concession and finance lease assets ⁽³⁾	22.1	28.3
Other revenue ⁽⁴⁾	152.4	137.3
Total revenue	2,362.9	2,828.3

Revenue from power sales and Other revenue are recognised under IFRS 15 and total \$2,148.2 million in the year 31 December 2023 (31 December 2022: \$2,592.4 million). Revenue from operating leases and revenue from concession and finance lease assets are recognised under IFRS 16 and IFRIC 12 respectively.

(1) The decrease in Revenue from power sales from \$2,455.1 million to \$1,995.7 million is principally due to revenue decrease in our Maritsa plant of \$243.8 million due to lower generation and lower revenue from the CO₂ pass-through, Mexico CHP for \$104.7 million due to the decrease in gas prices and revenue decrease in Arrubal for \$204.5 million mainly due to lower energy sales as a result of lower captured prices. This was partially offset with the acquisition of Sochagota in December 2022 contributing \$117.7 million in 31 December 2023 and the acquisition of 24% in Termoemcali in September 2023 contributing \$74.1 million in 31 December 2023.

(2) Revenue from operating leases mainly includes \$53.1 million relating to our Solutions plants, \$50.0 million relating to our Bonaire plant, \$89.6 million relating to certain US and Trinidad and Tobago assets (31 December 2022: \$62.9 million, \$50.9 million, and \$93.9 million respectively).

(3) Some of our 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 PPAs 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 (December 2022: one customer).

	Years ended 31 December	
	2023	2022
Customer A	28.1%	32.2%

As of 31 December, 2023

1.10. Expenses by nature

In \$ millions	Years ended 31 December	
	2023	2022
Fuel costs	577.0	925.7
Depreciation and amortisation	393.1	361.2
Operation and maintenance costs	86.4	80.8
Employee costs (note 1.11)	123.0	111.3
Emission allowance utilized ⁽¹⁾	449.5	666.6
Professional fees	17.1	17.9
Purchased power	76.1	42.1
Transmission charges	29.4	43.8
Operating consumables and supplies	29.6	25.3
Insurance costs	36.9	36.1
Other expenses ⁽²⁾	48.6	45.8
Total cost of sales and selling, general and administrative expenses	1,866.7	2,356.6

(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 \$18.8 million at 31 December 2023 (31 December 2022: \$17.3 million) and provision for bad debt of \$3.1 million at 31 December 2023 (31 December 2022: \$9.3 million).

As of 31 December, 2023

1.11. Employee costs and numbers

In \$ millions	Years ended 31 December	
	2023	2022
Wages and salaries	(98.0)	(84.9)
Social security costs	(16.9)	(17.6)
Share-based payments ⁽¹⁾	-	(2.1)
Pension and other post-retirement benefit costs	(0.8)	(0.7)
Other	(7.3)	(6.0)
Total employee costs	(123.0)	(111.3)
Monthly average number of full-time equivalent employees ⁽¹⁾ :		
- Americas	440	328
- Europe & Africas	1,004	1,017
- Corporate	180	196

(1) Prior year restated to reflect change in segments.

1.12. Acquisition, disposal and other transactions related items

In \$ millions	Years ended 31 December	
	2023	2022
Acquisition and disposal related items ⁽¹⁾	4.3	9.3
Other transactions related items ⁽²⁾	8.5	39.9
Acquisition, disposal and other transactions related items	12.8	49.2

(1) Acquisition and disposal related items costs include notably pre-acquisition costs such as due diligence costs and professional fees and other related incremental costs incurred as part of completed or contemplated acquisitions and disposals. In the year ended 31 December 2023, costs incurred related primarily to the ongoing sale of the Brazil Wind portfolio (31 December 2022: corresponds mainly to the sale of the Brazil Hydro portfolio).

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

As of 31 December, 2023

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

In \$ millions	Years ended 31 December	
	2023	2022
Finance income	30.7	12.0
Net change in fair value of fixed margin derivative ⁽¹⁾	(65.8)	(16.1)
Net fair value changes of other derivatives and reclassification from cash flow hedge reserve ⁽²⁾	19.5	4.2
Net foreign exchange differences ⁽³⁾	(47.6)	22.3
Net foreign exchange gains and (losses) and change in fair value of derivatives	(93.9)	10.5
Interest expense on borrowings	(244.7)	(189.1)
Amortization of deferred financing costs	(19.6)	(15.1)
Unwinding of discounting ⁽⁴⁾	(15.7)	(23.8)
Other ⁽⁵⁾	(55.8)	(26.4)
Finance costs	(335.9)	(254.3)
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives	(399.0)	(231.8)

- (1) Net change in fair value of derivative related to the CHP Mexico fixed margin liability.
- (2) Within this balance the Group recognised a profit of \$19.5 million in the 12 months ended 31 December 2023 in relation to its interest rate, cross currency and financial swaps, foreign exchange options and forward contracts (31 December 2022: profit of \$4.5 million) which relates to fair value changes on unsettled derivatives that are not hedge accounted and settled derivatives that are hedge accounted reclassified from the cash flow hedge reserve.
- (3) Net foreign exchange differences include foreign exchange gains and losses primarily related to conversion of foreign currency denominated cash balances and foreign exchange differences relating to loans in subsidiaries that have a functional currency different to the currency in which the loans are denominated.
- (4) Unwinding of discounting mainly relates to other long-term liabilities in the 12 months ended 31 December 2023 and 2022.
- (5) Other mainly includes costs associated with other financing, Maritsa debt to non-controlling interests, costs associated with various financings and letter of credit charges.

As of 31 December, 2023

1.14. Income tax expense and deferred income tax

Income tax expense

In \$ millions	Years ended 31 December	
	2023	2022
Current tax		
- current tax expense of the year	(97.5)	(108.2)
- prior year adjustment	7.6	(1.7)
Total current tax expense	(89.9)	(109.9)
Deferred tax		
- deferred tax expense of the year	12.4	3.9
- prior year adjustment	(1.8)	(1.0)
Total deferred tax expense	10.6	2.9
Income tax expense	(79.3)	(107.0)

The decrease of the tax charge in 2023 compared 2022 is mainly attributable to the withholding tax applied on the sale of the Brazilian hydro business in 2022.

The main jurisdictions contributing to the income tax expense for the year ending 31st December 2023 are i) Spain, ii) Colombia, iii) Brazil and iv) Mexico.

During 2021, the OECD published a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups ("Pillar Two"). As of the end of 2023 Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group is potentially in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief would not apply and the Pillar Two effective tax rate is close to 15% based on the most recent available data. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

As of 31 December, 2023

The tax on the Group's profit before income tax differs from the theoretical amount that would arise from applying the statutory tax rate of the parent company (2023: 25%, 2022: 19%) to the results of the consolidated entities as follows:

Effective tax rate reconciliation

In \$ millions	Years ended 31 December	
	2023	2022
Profit before income tax	26.1	360.5
Profit before income tax at UK statutory tax rate	(6.5)	(68.5)
<u>Tax effects of:</u>		
Differences between statutory tax rate and foreign statutory tax rates ⁽¹⁾	1.2	(3.3)
Changes in unrecognised deferred tax assets ⁽²⁾	(46.7)	(5.3)
Reduced rate and specific taxation regime ⁽³⁾	(1.1)	9.7
Foreign exchange movement ⁽⁴⁾	(8.7)	9.6
Prior year adjustment - current tax	7.1	(1.7)
Prior year adjustment - deferred tax	4.9	(1.0)
Brazil hydro business sale ⁽⁵⁾	-	(6.7)
Permanent differences and other items ⁽⁶⁾	(23.6)	(37.0)
Withholding taxes	(6.0)	(3.0)
Income tax expense	(79.3)	(107.0)
Effective rate of income tax	304.1%	29.7%

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

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

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

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

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

(6) This category is composed of tax impacts of inflationary adjustments (2023: \$5.1 million, 2022: \$9.1 million), non-deductible group costs (2023: \$2.7 million, 2022: \$4.6 million), and financing costs (2023: \$9.1 million, 2022: \$4.8 million) as well as a number of individually immaterial items.

As of 31 December, 2023

Net deferred tax movement

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

In \$ millions	31 December	
	2023	2022
Net deferred tax assets (liabilities) as of 1 January	(324.8)	(275.5)
Statement of income	10.6	2.9
Deferred tax recognised directly in other comprehensive income	13.2	(41.6)
Acquisitions	(21.3)	(15.0)
Currency translation differences and other	(8.0)	4.4
Net deferred tax assets (liabilities) as of 31 December	(330.4)	(324.8)
<i>Including net deferred tax assets balance of:</i>	<i>45.6</i>	<i>38.7</i>
<i>Deferred tax liabilities balance of:</i>	<i>(376.1)</i>	<i>(363.6)</i>

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

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

In \$ millions	Tax losses	Property, plant and equipment	Intangible assets ⁽¹⁾	Derivative financial instruments ⁽²⁾	Deferred financing costs	Other ⁽³⁾	Total
As of 1 January 2022,	138.8	(497.8)	18.6	14.9	26.8	23.2	(275.5)
Statement of income	(30.5)	11.8	12.1	(0.3)	4.3	5.4	2.9
Other comprehensive income	-	-	-	(41.6)	-	-	(41.6)
Acquisitions	-	(15.0)	-	-	-	-	(15.0)
Currency translations and other	(0.4)	8.3	(0.4)	0.3	(2.1)	(1.4)	4.4
As of 31 December 2022,	107.8	(492.7)	30.4	(26.6)	29.0	27.2	(324.8)
Statement of income	(40.2)	45.2	(4.2)	1.4	0.1	8.4	10.6
Other comprehensive income	-	-	-	13.2	-	-	12.3
Acquisitions ⁽⁴⁾	-	(29.7)	9.6	-	(1.3)	0.9	(20.4)
Currency translations and other	0.2	(6.4)	0.4	(0.2)	0.6	(2.7)	(8.0)
As of 31 December 2023,	67.8	(483.6)	36.1	(12.2)	28.5	32.9	(330.4)

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

(2) \$13.2 million (31st December 2022: -\$41.6 million) of the current year movement through other comprehensive income predominantly represents the movement in the year of hedging expenses in Austria, Italy, Mexico, Senegal and the USA.

(3) This category is made up of various items, including finance lease capitalization of \$(12.0) million (2022: \$(11.7) million) and Mexico fixed margin swap of \$23.9 million (2022: \$11 million). This category also includes the net impact of deferred tax on Right of Use Assets and Lease Liabilities - the gross values associated with Right of Use Assets and Lease Liabilities is \$41.4 million and \$41.5 million respectively and predominantly associated with positions in Austria, Italy, Peru and the United States.

(4) \$(21.5) million relates to opening balance sheet deferred tax liabilities on the Termoemcali acquisition whereby ContourGlobal took its interest from a minority to majority shareholding.

As of 31 December, 2023

Deferred tax assets recognised in the consolidated statement of financial position

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

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

Unrecognised deferred tax assets amount to \$341.0 million as of 31 December 2023 (31 December 2022: \$278.0 million) and can be broken down as follows:

In \$ millions	31 December	
	2023	2022
Unrecognised deferred tax assets on tax losses	300.2	256.4
Unrecognised deferred tax assets on deductible temporary differences	40.8	21.6
Total unrecognised deferred tax assets	341.0	278.0

The total amount of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised amounts to \$1,324.6 million (2022: \$1,086.7 million) and is broken down as follows:

	31 December	
	2023	2022
Tax losses - no deferred tax asset recognised	1,138.1	992.7
Deductible temporary differences - no deferred tax asset recognised	186.5	94.0
Total	1,324.6	1,086.7

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

With respect to Luxembourg, tax losses of \$271.6 million arising prior to 31 December 2016 can be carried forward without time limit. As from January 1, 2017, new tax losses expire after 17 years and therefore tax losses of \$49.7 million, \$93.1 million, \$143.2 million, \$163.4 million, \$20.3 million, \$52.5 million and \$22.1 million expire on 31 December 2034, 2035, 2036, 2037, 2038, 2039 and 2040 respectively.

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

As of 31 December, 2023

1.15. Intangible assets and goodwill

In \$ millions	Goodwill	Work in progress	Legado rights	Contracts	Permits, licenses and other project development	Software and Other	Total
Cost	4.1	0.1	233.3	31.4	89.0	50.3	408.2
Accumulated amortisation and impairment	-	-	(28.6)	(8.1)	(34.5)	(31.6)	(102.8)
Carrying amount as of 1 January 2022	4.1	0.1	204.7	23.3	54.5	18.7	305.4
Additions	-	4.6	-	-	0.5	1.0	6.1
Disposals	-	-	-	-	-	-	-
Currency translation differences	(0.1)	-	-	-	2.2	-	2.1
Reclassification	-	(3.9)	-	-	1.8	2.1	-
Amortisation charge	-	-	(13.7)	(9.3)	(6.7)	(4.7)	(34.4)
Closing net book amount	4.0	0.8	191.0	14.0	52.3	17.1	279.1
Cost	4.0	0.8	233.3	31.4	94.7	65.6	429.8
Accumulated amortisation and impairment	-	-	(42.3)	(17.4)	(42.4)	(48.5)	(150.6)
Carrying amount as of 1 January 2023	4.0	0.8	191.0	14.0	52.3	17.1	279.2
Additions	-	1.1	-	-	9.2	0.5	10.8
Acquired through business combination	-	-	-	-	-	0.2	0.2
Brazil Wind business held for sale	-	-	-	-	(37.2)	(0.2)	(37.4)
Currency translation differences	-	-	-	-	2.7	0.2	2.9
Reclassification	-	(1.1)	-	-	1.8	0.9	1.6
Amortisation charge	-	-	(13.7)	(9.3)	(6.6)	(4.0)	(33.6)
Impairment charge	(0.5)	-	-	-	-	-	(0.5)
Closing net book amount	3.5	0.8	177.3	4.7	22.2	14.7	223.3
Cost	4.0	0.8	233.3	31.4	47.3	60.9	377.7
Accumulated amortisation and impairment	(0.5)	-	(56.0)	(26.7)	(25.0)	(46.2)	(154.4)
Carrying amount as of 31 December 2023	3.5	0.8	177.3	4.7	22.3	14.7	223.3

Assets acquired through business combinations and assets recognised as held for sale are explained in Note 1.6.

Contracts relate to the fair valuation on acquisition of power purchase agreements in the United States of America performed in 2021. Contracts are subsequently measured at amortised 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 recognised on acquisition of Mexico CHP.

Amortization included in 'cost of sales' in the consolidated statement of income amounted to \$29.7 million in the year ended 31 December 2023 (31 December 2022: \$30.6 million) and amortization included in 'selling, general and administrative expenses' amount to \$3.9 million in the year ended 31 December 2023 (31 December 2022: \$3.8 million).

As of 31 December, 2023

1.16. Property, plant and equipment

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

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

Assets acquired through business combinations and assets recognised as held for sale are explained in Note 1.6.

In \$ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	67.6	5,843.0	53.5	57.0	215.4	6,236.4
Accumulated depreciation and impairment	(0.8)	(2,361.0)	-	(21.2)	(116.4)	(2,499.4)
Carrying amount as of 1 January 2023	66.8	3,482.0	53.5	35.8	99.0	3,737.0
Additions	-	11.6	121.2	11.0	18.9	162.7
Disposals	(1.4)	(5.8)	(0.8)	(0.1)	(0.6)	(8.7)
Reclassification	0.6	120.9	(133.5)	-	14.1	2.1
Acquired through business combination	2.3	65.8	-	-	2.6	70.7
Assets recognized as held for sale	-	(396.2)	(0.9)	(0.3)	(8.9)	(406.3)
Currency translation differences	1.7	63.6	1.1	0.9	2.2	69.6
Depreciation charge	(0.1)	(332.6)	-	(6.4)	(20.4)	(359.5)
Impairment charge ⁽⁴⁾	(4.9)	(64.7)	-	-	-	(69.6)
Closing net book amount	65.0	2,944.6	40.6	40.9	106.8	3,197.8
Cost	70.9	5,605.5	40.6	66.7	245.1	6,028.7
Accumulated depreciation and impairment	(5.9)	(2,660.9)	-	(25.8)	(138.3)	(2,830.9)
Carrying amount as of 31 December 2023	65.0	2,944.6	40.6	40.9	106.8	3,197.8

Construction work in progress as of 31 December 2023 predominantly relates to our ongoing Austria Wind repowering project and projects at Bonaire and Vorotan. Reclassification from Construction work in progress to Power plant assets primarily relates to Austria Wind repowering project.

As of 31 December 2023, the Other category mainly related to \$53.4 million of instruments and tools and \$17.5 million of critical spare parts.

Depreciation included in 'cost of sales' in the consolidated statement of income amounted to \$357.1 million in the year ended 31 December 2023 (31 December 2022: \$324.7 million) and depreciation included in 'selling, general and administrative expenses' amount to \$2.4 million in the year ended 31 December 2023 (31 December 2022: \$2.1 million).

As of 31 December, 2023

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

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

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

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

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

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

Impairment tests on tangible and intangible assets

Certain triggering events were identified in the year ended 31 December 2023, in relation to;

- Our Maritsa coal plant in Bulgaria, driven by the end of the PPA contract in February 2024 and the corresponding inherent uncertainty associated with merchant operations; and
- Our Vorotan hydro cascade in Armenia, driven by variations in resource levels particularly in the current year.

The recoverable amounts were determined as the higher of the value in use determined by the discounted value of future cash flows (discounted cash flow method or "DCF", determined by using cash flow projections consistent with the following year budget and the most recent forecasts prepared by management and approved by the Board) and the fair value (less costs to sell), determined on the basis of market data (comparison with the value attributed to similar assets or companies in recent transactions).

As of 31 December, 2023

An impairment test was performed on both Maritsa and Vorotan as at 31 December 2023 using the following assumptions and result.

In \$ millions	Valuation approach	Post tax discount rate	Net book value	Recoverable value	Impairment recognised
Maritsa	DCF	8.2%	161.2	91.6	69.6
Vorotan	DCF	7.9%	248.1	393.1	-

Sensitivity analysis was also performed as follows:

In \$ millions	Scenario	Metric	Sensitivity impact
Maritsa		Base case: Power price range (€/MWh); €130.4 – €137.0 CO2 price range(€/ton); €70.3 – €81.5 Generation (TWh); 3.9 – 4.5	
	1) High gas, high CO2	1) Power price range (€/MWh); €141.5 – €157.5 CO2 price range (€/ton); €80.2 – €91.6 Generation (TWh); 3.7 – 4.9	1) Additional impairment of \$2.5 million
	2) High gas, low CO2	2) Power price range (€/MWh); €141.5 – €157.5 CO2 price range (€/ton); €65.2 – €70.3 Generation (TWh): 3.7 – 4.9	2) No impairment recorded
	3) Low gas	3) Power price range (€/MWh); €120.3 – €130.3 Generation (TWh): 3.6 – 4.3	3) Additional impairment of \$43.9 million
	4) High gas	4) Power price range (€/MWh); €132.1 – €149.0 Generation (TWh): 4.9 – 5.0	4) No impairment recorded
Vorotan	1) Discount rate increased	1) 1%	No impairment in either scenario
	2) Reduction in generation	2) 12%	

The sensitivity calculations for Maritsa were performed using an estimated future price curve for gas and CO2 prices within the Bulgarian energy market. These are the most appropriate sensitivities as gas pricing drives how economic it is for gas-fired power baseload generation in the South Eastern Europe energy market which in turn impacts the competitiveness of coal fired baseload generation.

Other than as disclosed in the sensitivity analysis above, there are no reasonably possible changes to the key impairment test assumptions that would result in a material impairment charge.

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1.17. Finance lease and financial concession assets

In \$ millions	31 December	
	2023	2022
Contract assets - Concession arrangements ⁽¹⁾	332.4	346.9
Finance lease receivables ⁽²⁾	-	4.9
Other	8.4	17.7
Total finance lease and financial concession assets	340.8	369.4
Total finance lease and financial concession assets non-current portion	323.4	346.4
Total finance lease and financial concession assets current portion	17.4	23.0

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

Our Rwanda power plant consists of the development, construction and operation of Gas Extraction Facilities (“GEF”) and an associated power plant. The GEF is used to extract methane and biogas from the depths of Lake Kivu in Rwanda and deliver the gas via submerged gas transport pipelines to shore-based power production facilities totalling 26 MW of gross capacity. The PPA runs for 25 years starting on the commercial operation date (31 December 2015) and ending in 2040, when the GEF along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Rwanda.

Our Togo power plant was commissioned in 2010 and is operated under a power purchase agreement with a unique offtaker, Compagnie Energie Electrique du Togo (“CEET”) which has an average remaining contract life of approximately 11.8 years as of 31 December 2023 (31 December 2022: 12.8 years). At expiration, the Togo plant, along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Togo. This arrangement is accounted for as a concession arrangement and the value of the asset is recorded as a financial asset. The all-in base capacity tariff under the Togo power purchase agreement is adjusted annually for a combination of US\$, Euro and local consumer price index related to the cost structure.

Our Cap des Biches power plant in Senegal consists of the development, construction and operation of five engines with a flexi-cycle system technology based on waste heat recovery totalling about 86MW. A PPA integrating all the Cap des Biches requirements and agreements on price was signed for 20 years starting on the commercial operation date of the project (2016) and ending in 2036, the date when the power plant along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Senegal.

(2) Relates to finance leases where the Group acts as a lessor, and includes our Saint Martin plant in the French Territory. Saint Martin has no remaining contract life as of 31 December 2023 (31 December 2022: 0.3 years).

No losses from impairment of contracted concessional assets and finance lease receivables in the above projects were recorded during the years ended 31 December 2023 and 2022.

Net cash inflows generated by the financial assets under concession agreements amounted to \$69.1 million as of 31 December 2023 (31 December 2022: \$53.1 million).

As of 31 December, 2023

1.18. Investments in associates

Set out below are the associates of the Group as of 31 December 2023:

Operational plant	Country of incorporation	Ownership interests		Date of acquisition	
		2023	2022		
Termoemcali	Subsidiary / Associate	Colombia	62.3%	37.4%	2010
Evacuacion Villanueva del Rey, S.L.	Associate	Spain	34.6%	34.6%	2018

The Group acquired the 24.91% shares in Termoemcali on September 29, 2023, resulting in the Group obtaining control. As such this constitutes a deemed disposal of the investment in associate. See note 1.6 for details.

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

In \$ millions	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Net income
Year ended 31 December 2022						
Termoemcali	19.4	48.9	13.1	17.9	30.6	14.4
Evacuacion Villanueva del Rey, S.L.	0.2	2.3	0.3	2.2	0.3	-
Year ended 31 December 2023						
Evacuacion Villanueva del Rey, S.L.	0.2	2.2	0.2	2.2	-	-

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

In \$ millions	Years ended 31st December	
	2023	2022
Balance as of 1 January,	13.0	33.5
Share of profit	4.3	16.3
Dividends	(0.5)	(14.1)
Deemed disposal ⁽¹⁾	(16.8)	(19.6)
Other	-	(3.1)
Balance as of 31 December,	(0.0)	13.0

(1) See note 1.6 for a description of the acquisition of an additional 24.91% interest in Termoemcali.

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1.19. Management of financial risk

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

Interest rate risk

Interest rate risk arises primarily from our long-term borrowings. Interest cash flow risk arises from borrowings issued at variable rates, partially offset by cash held at variable rates. To hedge interest rate exposures, the Group enters into interest rate swaps and cross currency swaps that have similar critical terms to the hedged items, such as the notional amounts, payment dates, reference rate and maturities. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of outstanding loans up to the notional amount of the swaps.

Typically the Group hedges variable interest risk on newly issued debt in a range of 70% to 100% of the nominal debt value but in doing so takes into account factors such as the projected level of debt, term of the debt, interest rates and interest cover. Interest rate risk is managed on an asset by asset basis through entering into interest rate swap agreements, entered into with commercial banks and other institutions. The interest rate swaps qualify as cash flow hedges. Approximately 13.1% of the Group’s existing external debt obligations carry variable interest rates in 2023 (2022: 8.0%) (after taking into account the effect of interest rate swaps).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. As all critical terms match, there is an economic relationship and the hedge ratio is established as 1:1. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

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

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

In \$ millions	Years ended 31 December	
	2023	2022
Brought forward cash-flow hedge reserve	86.9	(72.7)
Interest rate and cross currency swap contracts:		
Net fair value (loss) / gain on effective hedges	(45.5)	164.2
Amounts reclassified to Net finance cost	(22.0)	(4.6)
Carried forward cash-flow hedge reserve ⁽¹⁾	19.4	86.9

(1) The above table show pre-tax cash flow hedge positions, including non-controlling interest. The amounts on the balance sheet include \$11.7 million deferred tax liability (2022: \$21.4 million deferred tax liability).

The debit value adjustment on the interest rate swaps and cross currency swaps in the interest rate hedge amounts to nil million (2022: nil million). These amounts are recognised on the financial

As of 31 December, 2023

statements against the fair value of derivative (note 1.20). Aside from the IFRS 13 credit/debit risk adjustment, cash-flow hedges can also generated ineffectiveness which is recognised in the income statement through finance costs. In 2023 hedge ineffectiveness was nil.

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

In \$ millions

Hedged item	Hedged exposure	Hedging instrument	Change in value of hedged item for calculating ineffectiveness	Change in value of hedging instrument for calculating ineffectiveness
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As of 31 December 2022

Cash flows payable on a proportion of borrowings	Interest rate risk	Interest rate swaps	(78.8)	78.8
Cash flows payable on a proportion of borrowings	Interest rate risk and foreign currency risk	Cross currency swaps	(8.1)	8.1

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Cash flows payable on a proportion of borrowings	Interest rate risk	Interest rate swaps	(15.1)	15.1
Cash flows payable on a proportion of borrowings	Interest rate risk and foreign currency risk	Cross currency swaps	(4.3)	4.3

Hedged cash flows are contractual such that the maturity dates on the interest rate swaps are aligned to the hedged item, except for hedged cash flows on \$621.0 million principal, with swaps maturing between 2025 and 2033, in relation to CHP assets in Mexico, United States portfolio and Caribbean assets that are anticipated to be subject to refinancing before maturity in 2026 for CHP assets in Mexico and 2027 for the United States portfolio and Caribbean assets. Refinancing for an additional five, six and four years to match the term of the swap is considered highly probable since the Group will continue to maintain significant levels of US\$ debt in relation to the contracted CHP assets in Mexico, United States portfolio assets and the Caribbean assets through to 2033.

These agreements involve the receipt of variable payments in exchange for fixed payments over the term of the agreements without the exchange of the underlying principal amounts. The main interest rate exposure for the Group relates to the floating rates with the TJLP, EURIBOR, LIBOR and SOFR which are not hedged through interest rate swaps (refer to note 1.30). A change of 0.5% of those floating rates would result in an increase in interest expenses by \$2.8 million in the year ended 31 December 2023 (2022: \$1.6 million).

The replacement of benchmark interest rates such as LIBOR and other interbank offered rates (IBORs) is ongoing globally. At the end of 2021, the polled publication of JPY, CHF and GBP LIBORs ceased, while certain USD LIBORs (overnight, 1-, 3-, 6- and 12-month tenors) polled publication ceased in 2023. Issuance of new floating-rate loans referencing USD LIBOR are no longer permitted after the end of 2021, and new LIBOR-based swaps traded after 2021 are only permitted if they demonstrably reduce an entity's LIBOR-based risk. The European Central Bank ("ECB") has disclosed

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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 and USD LIBOR. During 2022 and 2023 all of the Group's borrowings and interest rate swaps referencing USD LIBOR have been transitioned to TERM SOFR. No other borrowings or interest rate swaps were transitioned during the period.

In \$ millions

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

	Measurement basis	Carrying value at 31 December 2023		Notional
		Assets	Liabilities	
Borrowings nominal outstanding - EURIBOR	Amortised cost	-	1,512.1	
Borrowings nominal outstanding - USD LIBOR	Amortised cost	-	604.7	
Borrowings nominal outstanding - SOFR	Amortised cost	-	388.8	
Derivatives - EURIBOR	Cash flow hedge	10.9	28.8	949.0
Derivatives - USD LIBOR	Cash flow hedge	17.4	-	379.4
Derivatives - SOFR	Cash flow hedge	8.4	-	401.3

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

Foreign currency risk

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

As of 31 December, 2023

To mitigate foreign exchange risk, (i) most revenues and operating costs incurred in the countries where the Group operates are denominated in the functional currency of the project company, (ii) the external financial debt is mostly denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk, and (iii) the Group enters into various foreign currency sale / forward and / or option transactions at a corporate level to hedge against the risk of lower distribution. Typically, the Group hedges its future distributions in Brazil through a combination of forwards and options. The analysis of financial debt by currency is presented in note 1.30.

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

- if the US dollar had weakened/strengthened by 10% against the Euro, post-tax profit for the year ended 31 December 2023 would have been \$2.0 million higher/lower (2022: \$5.1 million higher/lower); and
- if the US dollar had weakened/strengthened by 10% against the Brazilian Real, post-tax profit for the year ended 31 December 2023 would have been \$1.4 million higher/lower (2022: \$1.3 million higher/lower).

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

Commodity and electricity pricing risk

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

Credit risk

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

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

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

As of 31 December, 2023

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

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

In \$ millions

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

	Carrying value at 31 December 2023			Total
	Investment grade	Non Investment grade with PRI	Non Investment grade	
Contract assets - Concession arrangements	-	333.0	-	333.0
Trade receivables - gross	41.0	190.7	17.5	249.2

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

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2023 or 31 December 2022 respectively and the corresponding historical credit losses experienced within this period. In this context, the Group has taken into account available information on past events (such as customer payment behaving), current conditions and forward-looking factors that might impact the credit risk of the Group's debtors.

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

As of 31 December, 2023

Ageing of trade receivables – net are analysed below:

In \$ millions	31 December	
	2023	2022
Trade receivables not overdue	125.7	99.9
Past due up to 90 days	83.0	40.2
Past due between 90 - 180 days	14.9	11.5
Past due over 180 days	7.1	-
Total trade receivables	230.7	151.6

As of 31 December 2023, \$40.9 million and \$40.3 million (31 December 2022: \$50.7million and \$29.6 million) of trade receivables were outstanding in connection with our Cap des Biches in Senegal and Bulgarian power plant, Maritsa East 3. Past due receivables over 180 days mainly related to our Kivuwatt plant in Rwanda.

The trade receivables include an expected credit loss of \$18.4 million (31 December 2022: \$13.7 million) with an increase in allowance recognised in profit and loss of \$3.1 million in 2023 (31 December 2022: \$9.3 million).

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

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

Liquidity risk

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

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

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

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

As of 31 December, 2023

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

In \$ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Year ended 31 December 2022	1,485.7	2,622.2	1,016.5	5,124.4
Borrowings ⁽¹⁾	411.8	2,476.1	989.3	3,877.2
Trade and other payables	849.0	-	-	849.0
Derivative financial instruments	16.0	19.2	2.9	38.1
IFRS 16 lease liabilities	5.4	21.7	8.1	35.2
Other current liabilities	203.5	-	-	203.5
Other non current liabilities	-	105.2	16.2	121.4
Year ended 31 December 2023	1,109.9	2,737.8	1,271.3	5,119.0
Borrowings ⁽²⁾	304.5	2,589.6	-	4,144.7
Trade and other payables	661.9	-	-	661.9
Derivative financial instruments	6.5	103.6	3.6	113.7
IFRS 16 lease liabilities	5.8	23.4	11.8	41.0
Other current liabilities ⁽³⁾	131.2	-	-	131.2
Other non current liabilities ⁽³⁾	-	21.2	5.3	26.4

(1) Borrowings represent the outstanding nominal amount (note 1.30). Short-term debt of \$411.8 million as of 31 December 2022 related to the short-term portion of long-term financing that matured within the next 12 months, that was repaid using cash on hand and cash received from operations.

(2) Borrowings represent the outstanding nominal amount (note 1.30). Short-term debt of \$304.5 million as of 31 December 2023 relates to the short-term portion of long-term financing that matures within the next 12 months, that we expect to repay using cash on hand and cash received from operations.

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

As of 31 December, 2023

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

Year ended December 31, 2022				
In \$ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Forecast interest expense to be paid	175.7	458.9	207.0	841.6
Year ended December 31, 2023				
In \$ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Forecast interest expense to be paid	215.8	573.6	202.0	991.4

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

Capital risk management

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

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

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

As of 31 December, 2023

1.20. Derivative financial instruments

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

In \$ millions	31 December		31 December	
	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - Cash flow hedge ⁽¹⁾	33.1	28.8	80.9	-
Cross currency swaps - Cash flow hedge ⁽²⁾	3.6	-	9.8	-
Foreign exchange forward contracts - Trading ⁽³⁾	-	4.0	0.4	-
Option contracts - not in hedge relationships ⁽⁴⁾	0.1	-	-	-
Financial swap on commodity ⁽⁵⁾	1.4	1.3	0.2	1.6
Fixed margin swap ⁽⁶⁾	-	79.6	-	36.6
Other ⁽⁷⁾	9.4	-	6.1	-
Total	47.6	113.7	97.3	38.1
Less non-current portion:				
Interest rate swaps - Cash flow hedge	15.0	28.7	53.1	-
Cross currency swaps - Cash flow hedge	0.8	-	6.5	-
Foreign exchange forward contracts - Trading	-	0.5	-	-
Option contracts - not in hedge relationships	-	-	-	-
Financial swap on commodity	1.4	-	0.2	-
Fixed margin swap	-	78.0	-	22.1
Other	-	-	2.0	-
Total non-current portion	17.2	107.2	61.9	22.1
Current portion	30.4	6.5	35.4	16.0

(1) Interest rate swaps are used to hedge floating rate borrowings such that in effect the Group will be paying interest at a fixed rate. The fair value of the interest rate swaps mostly relate to contracts in Italy, Mexico and Austria for asset \$8.2 million (31 December 2022: to contracts in Italy, Mexico and Austria for liability \$53.0 million) maturing between December 2026 and December 2043. Fair value of the Interest rate swaps remains constant in line with floating interest rates. Interest rate swaps are hedge accounted and as a result changes in fair value are recognised in other comprehensive income.

(2) In 2015, the Group entered into cross currency interest swaps in our Cap des Biches project in Senegal. The fair value of the instruments as of 31 December 2023 amounts to asset \$3.6 million (31 December 2022: asset \$9.8 million) maturing in July 2033. Currency interest rate swaps are hedge accounted and as a result changes in fair value are recognised in other comprehensive income.

(3) The Group has executed a series of offsets to protect in value, in USD terms, of EUR, BRL, MXN and COP denominated expected distributions. The EUR and MXN denominated distributions have been hedged using forward exchange contracts with a fair value of asset \$0.1 million and maturity between January 2024 and January 2026. The BRL, COP and MXN denominated distributions have been hedged using forward exchange contracts with a fair value of liability \$4.1 million and maturity between January 2024 and December 2024 (31 December 2022: EUR-denominated distributions with a fair value of asset \$0.4 million). Hedge accounting is not applied to these foreign exchange forward contracts, as a result changes in fair value are recognised in the consolidated statement of income.

As of 31 December, 2023

(4) The Group entered into financial swaps related to our Mexican CHP business to protect some purchase power agreements against the variations of the natural gas price maturing between January 2024 and September 2024.

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

(6) Contract derivative recognised 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 \$1,711.4 million (31 December 2022: \$1,422.4 million), bearing interest ranging between -0.15% and 4.58% as of 31 December 2023 (31 December 2022: -0.15% and 4.58%).

- the outstanding foreign exchange forward contracts amounted to \$245.9 million as of 31 December 2023 (31 December 2022: \$4.7 million); and

- the commodity swaps (gas) relates to some PPAs in our Mexican CHP plant amounting to \$31.7 million as of 31 December 2023 (31 December 2022: \$12.3 million) and our Austrian business amounting to \$2.6 million as of 31 December 2023.

The Group recognised in Net Finance costs a loss in respect of changes in fair value of derivatives listed above of \$66.9 million in the year ended 31 December 2023 (31 December 2022: loss of \$11.6 million) and a gain of \$20.5 million in the year ended 31 December 2023 in relation to settled positions (31 December 2022: loss of \$0.2 million).

As of 31 December, 2023

1.21. Fair value measurements

Fair value measurements of financial instruments are presented through the use of a three-level fair value hierarchy that prioritizes the valuation techniques used in fair value calculations. The Group's policy is to recognise 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 31 December 2022 and 31 December 2023.

When measuring our interest rate, cross currency swaps and foreign exchange forward and option contracts at fair value on a recurring basis at both 31 December 2023 and 31 December 2022, 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 valuation 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 recognised 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 31 December 2022 of \$43.1 million is driven by the movement of market inputs, in particular the natural gas price, accounting for \$11.6 million of the total variance and CFE tariff, accounting for \$15.5 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 \$7.78 million (31 December 2022: decrease/increase by \$6.9 million), (ii) for an increase/decrease of 5% in the natural gas cost, the fixed margin swap liability will decrease/increase by \$3.3 million (31 December 2022: decrease/increase by \$3.2 million), (iii) for an increase/decrease of 25% in discount rates, the fixed margin swap liability will decrease/increase by \$4.2 million (31 December 2022: decrease/increase by \$1.6 million), and (iv) and for an increase/decrease of 5% in the CFE tariff, the fixed margin swap liability will increase/decrease by \$13.0 million (31 December 2022: increase/decrease by \$9.2 million). For the other level 3 derivative, the contract derivative recognised on acquisition of Western Generation, there are no reasonably possible sensitivities that could have a material impact.

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

As of 31 December, 2023

1.22. Financial instruments by category

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

In \$ millions	Financial asset category			
	Financial assets at amortised costs	Assets at fair value through profit and loss	Derivative used for hedging	Total net book value per balance sheet
As at 31 December 2023				
Derivative financial instruments	-	0.1	47.5	47.6
Finance lease and financial concession assets	340.8	-	-	340.8
Trade and other receivables (1)	377.9	-	-	377.9
Other current assets	0.9	-	-	0.9
Other non-current assets (1)	46.3	-	-	46.3
Cash and cash equivalents	273.5	264.7	-	538.2
Total	1,039.4	264.8	47.5	1,351.6

In \$ millions	Financial liability category			
	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
As at 31 December 2022				
Borrowings	-	3,824.3	-	3,824.3
Derivative financial instruments	36.6	-	1.6	38.1
Trade and other payables	-	849.0	-	849.0
Other current liabilities (1)	-	209.0	-	209.0
Other non current liabilities	-	151.2	-	151.2
Total	36.6	5,033.5	1.6	5,071.6

In \$ millions	Financial liability category			
	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
As at 31 December 2023				
Borrowings	-	4,069.3	-	4,069.3
Derivative financial instruments	83.6	-	30.1	113.7
Trade and other payables	-	661.9	-	661.9
Other current liabilities (1)	-	137.0	-	137.0
Other non current liabilities	-	61.6	-	61.6
Total	83.6	4,929.8	30.1	5,043.5

As of 31 December, 2023

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

1.23. Other non-current assets

In \$ millions	31 December	
	2023	2022
Kosovo receivables (1)	21.7	21.1
Other	25.2	19.8
Total other non-current assets	46.9	40.9

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

1.24. Inventories

In \$ millions	31 December	
	2023	2022
Emission allowance	429.0	656.6
Spare parts	63.3	55.5
Fuel	38.6	22.4
Other	19.4	30.6
Total	550.3	765.1
Provision	(0.2)	(1.2)
Impairment	(4.3)	-
Total inventories	545.8	763.9

Decrease in inventories mainly relates to the Group's Maritsa plant and the decrease in the Group's emission allowances during the year (see note 1.9).

As of 31 December, 2023

1.25. Trade and other receivables

In \$ millions	31 December	
	2023	2022
Trade receivables - gross	249.2	165.4
Accrued revenue (unbilled)	132.6	131.3
Provision for impairment of trade receivables	(18.4)	(13.7)
Trade receivables - Net	363.4	283.0
Other taxes receivables	31.4	37.1
Other receivables	14.5	28.5
Trade and other receivables	409.3	348.5

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

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

1.26. Other current assets

In \$ millions	31 December	
	2023	2022
Prepaid expenses	37.7	20.5
Advances to suppliers	6.5	7.8
Other ⁽¹⁾	11.2	23.2
Other current assets	55.4	51.6

(1) In 2022 primarily corresponds to deposits in our Arrubal and Mexico CHP plants.

1.27. Cash and cash equivalents

Certain restrictions on the Group’s cash and cash equivalents have been primarily imposed by financing agreements or long-term obligations. They mainly include short-term security deposits kept as collateral and debt service reserves that cover short-term repayments and which meet the definition of cash and cash equivalents. Money market funds comprise investments in funds that are subject to an insignificant risk of changes in fair value. 50.4% of our cash and cash equivalents as of 31 December 2023 is pledged as security in relation with the Group’s project financings (31 December 2022: 76.9%); cash and cash equivalents includes \$42.4 million as of 31 December 2023 (31 December 2022: \$70.0 million) of cash balances relating to debt service reserves required by project finance agreements and \$264.7 million in money market funds (31 December 2022: \$98.5 million).

As of 31 December, 2023

1.28. Equity

Issued capital

Issued capital of the Company amounted to \$8.8 million as at 31 December 2023 (2022: \$8.8 million). The Company's issued ordinary share capital ranks equally in all respects and carries the right to receive all dividends and distributions declared, made or paid on or in respect of the ordinary shares.

Allotted, authorised, called up and fully paid	Number	Nominal value in £	£ million	\$ million
As at 31 December 2022	663,048,789	0.01	6.6	8.8
As at 31 December 2023	663,048,789	0.01	6.6	8.8

During the year, the Company paid no cash dividends (2022: \$126.1 million) but declared a dividend of \$539.2 million which was used to fully settle, on a non-cash basis, the intercompany receivable relating to the novation of the KKR acquisition loan.

In \$ millions	Years ended 31 December	
	2023	2022
Declared during the financial year:		
Final dividend for the year ended 31 December 2021: 4.44650 US cents per share	-	29.3
Interim dividends for the year ended 31 December 2022: 14.7345 US cents per share	-	96.8
Dividend declared to fully settle, on a non-cash basis, the intercompany receivable relating to the novation of the KKR acquisition loan	539.2	-
Total dividends provided for or paid	539.2	126.1

Treasury shares

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

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

During 2022, 6,907,934 treasury shares were utilised relating to accelerated vesting of long-term incentive plans. The remaining 7,664,131 shares were then cancelled, following the de-listing of the Company from the London Stock Exchange on 21 December 2022, resulting in a closing balance of nil treasury shares as at 31 December 2022.

As of 31 December, 2023

1.29. Non-controlling interests

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

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

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

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

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

As of 31 December, 2023

In \$ millions		Year ended 31 December 2023					
Non-controlling interest	CG assets	Accumulated NCI	(Loss)/Profit allocated to NCI	Dividends paid to NCI	Distribution paid to NCI	Contribution received from NCI	Proportionate adjusted EBITDA NCI(1)
Electrobras (49%)	Chapadas I (Wind Brazil)	16.1	(3.1)	-	-	-	7.5
Electrobras (49%)	Chapadas II (Wind Brazil)	38.6	0.4	-	-	-	9.0
NEK (27%)	Maritsa (Bulgaria)	53.3	-	-	21.8(2)	-	34.5
EIP Energy Infrastructure Holding (49%)	Italy Solar	2.3	9.6	1.6	2.3	-	22.3
EIP Energy Infrastructure Holding (49%)	Spain CSP	17.5	7.9	3.8	40.5	-	62.0
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	7.2	0.5	0.5	0.1	-	1.9
Other		23.8	8.7	8.9	0.1	-	15.7
Total		158.8	24.0	14.8	64.8	-	152.9

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

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

As of 31 December, 2023

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

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

In \$ millions		Year ended 31 December 2023					
Non-controlling interest	CG assets	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit / (Loss)
Electrobras (49%)	Chapadas I (Wind Brazil)	145.1	25.9	3.9	136.6	24.2	(6.2)
Electrobras (49%)	Chapadas II (Wind Brazil)	162.0	26.8	2.8	106.7	27.7	0.9
NEK (27%)	Maritsa (Bulgaria)	102.8	536.6	18.0	506.8	663.6	7.0
EIP Energy Infrastructure Holding (49%)	Italy Solar	196.8	35.8	191.9	40.2	53.3	19.2
EIP Energy Infrastructure Holding (49%)	Spain CSP	833.0	61.5	809.1	45.5	156.9	16.2
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	18.0	3.9	12.5	5.0	5.8	1.4

As of 31 December, 2023

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

In \$ millions		Year ended 31 December 2023		
Non-controlling interest	CG assets	Net cash generated by operating activities	Net cash generated by investing activities	Net cash generated by financing activities
Electrobras (49%)	Chapadas I (Wind Brazil)	13.9	(2.9)	(18.5)
Electrobras (49%)	Chapadas II (Wind Brazil)	16.1	(1.5)	(14.5)
NEK (27%)	Maritsa (Bulgaria)	102.8	(7.4)	(83.5)
EIP Energy Infrastructure Holding (49%)	Italy Solar	52.6	1.8	(44.3)
EIP Energy Infrastructure Holding (49%)	Spain CSP	74.0	(32.1)	(70.0)
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	5.5	0.1	(5.0)

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

- Cash distribution to non-controlling interests: only reflects the payments done as payment of the Debt to NCI in our Maritsa asset disclosed in the Note 1.31.
- Dividends paid to NCI: reflects the payments to NCI in the form of dividends payments.
- Transactions with NCI (cash received): reflects the cash received from NCI usually in the form of capital contributions and proceeds from sell down transactions.
- Transactions with NCI (cash paid): reflects the payments/distributions to NCI in a form other than dividends (principally as capital reduction, shareholders’ loans principal and interest repayments or payment for acquisition of non controlling interests).

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

As of 31 December, 2023

1.30. Borrowings

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

The Group's principal borrowings with a nominal outstanding amount of \$4,144.4 million in total as of 31 December 2023 (31 December 2022: \$3,877.2 million) primarily relate to the following:

Type of borrowing	Currency	Project Financing	Issue	Maturity	Outstanding nominal amount 31 December 2023 (\$ million)	Outstanding nominal amount 31 December 2022 (\$ million)	Rate
Senior facility agreement (1)	EUR	Project level financing	2023	2030	1,021.0	-	EURIBOR/SOFR 6M
Corporate bond (2)	EUR	Corporate Indenture	2020	2026 2028	783.7	760.1	2.75%, 3.125%
Corporate bond (2)	EUR	Corporate Indenture	2018	2025	-	428.2	4.125%
Loan Agreement	USD	Mexican CHP	2019	2026	400.6	438.6	USD-LIBOR + 2.5%
Loan Agreement	USD	US and Trinidad and Tobago	2022	2027	291.8	305.5	SOFR 3M + 2.0%
Loan Agreement	EUR	Spanish CSP	2018	2026 2038	267.8	283.5	Fixed 5.8% and 6.7%
Loan Agreement	EUR	Spanish CSP	2018	2036	255.2	267.4	3.438%
Loan agreement (3)	EUR	Solar Italy	2023	2030	200.5	-	EURIBOR/SOFR 6M
Project bond	USD	Inka	2014	2034	148.9	157.9	6.0%
Loan agreement (3)	EUR	Solar Italy	2019	2030	-	152.9	EURIBOR 6M + 1.7%
Loan Agreement	EUR	Spanish CSP	2021	2028 2034	132.4	140.1	EURIBOR + 1.8% Fixed + 2.5%
Loan Agreement	EUR	Austria Wind	2013 2020	2027 2033	131.6	129.6	EURIBOR 6M + 2.45% and 4.305% / EURIBOR 3M+1.95% and 4.0% / EURIBOR 6M +1.55%
Loan Agreement / Debentures (4)	BRL	Chapada I	2015	2032 2029	-	106.8	TJLP + 2.18% / IPCA + 8%
Loan Agreement	USD	Vorotan	2016	2034	98.3	105.8	USD-LIBOR + 4.625%
Loan Agreement	USD	French Caribbean	2022	2027	97.0	102.2	SOFR 3M + 3.5%
Loan Agreement	USD	Cap des Biches	2015	2033	79.9	85.5	USD-LIBOR BBA (ICE)+3.20%
Loan Agreement (4)	BRL	Chapada II	2016	2032	-	70.2	TJLP + 2.18%
Loan Agreement (4)	BRL	Asa Branca	2021	2032	-	63.9	TJLP+ 6.25%
Loan Agreement	USD	Togo	2008	2028	53.5	63.2	7.16% (Weighted average)
Other Credit facilities (individually < \$50 million)	Various	Various	2012 - 2021	2021 - 2034	182.2	215.8	Mix of fix and variable rates
Total					4,144.4	3,877.2	

As of 31 December, 2023

(1) In November 2023, the Group entered into a Senior Facility Agreement which comprised an €800 million term loan at the project level with split between three tranches with maturity of 5 and 7 years as well as a revolving credit facility of €150 million. The proceeds from this financing were used to repay in full the KKR bridge and acquisition loans.

(2) 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 17 December 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 6 January 2021, the Group redeemed the €450 million (\$549.7 million) aggregate principal amount of its 3.375% senior secured notes due 2023. On 13 February 2023 the Group redeemed the €400 million (\$428.2 million) aggregate principal amount of its 4.125% senior secured notes due in 2025.

(3) On November 10, 2023 ContourGlobal Solar Holdings (Italy) entered into a €202.5 million facilities agreement with Bank of America, Crédit Agricole Corporate and Investment Bank, Milan Branch, ING Bank N.V., Milan Branch, Intesa Sanpaolo (IMI Corporate & Investment Banking Division) and Banco BPM, which acted as Bookrunners and Mandated Lead Arrangers. In addition, Intesa Sanpaolo acted as Agent and Account Bank and Crédit Agricole Corporate and Investment Bank, Milan Branch, as Green Loan Coordinator, refinancing all the existing Italian Solar Plants facilities. The Facility bears interest at EURIBOR 6-month plus 1.50% per year and matures on 31 December 2030.

(4) Brazil Wind borrowings were reclassified in liabilities held for sale as of 31 December 2023 for a total of nominal debt of \$263.3 million. (see note 1.6)

With the exception of the Group's corporate bond and corporate revolving credit facility, all external borrowings relate to project level or specific project financing. Except for the Senior facility agreement, specific project financings are generally non-recourse (subject to certain guarantees).

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

In \$ millions	31 December	
	2023	2022
US Dollars	1,221.0	1,266.8
Euros	2,831.3	2,280.5
Brazilian Reals	-	261.2
Other	17.0	15.8
Total	4,069.3	3,824.3
Non-current borrowings	3,758.2	3,399.5
Current borrowings	311.1	424.8
Total	4,069.3	3,824.3

As of 31 December, 2023

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

In \$ millions	Carrying amount		Fair Value	
	Years ended 31 December		Years ended 31 December	
	2023	2022	2023	2022
Credit facilities	3,143.4	2,482.5	3,138.1	2,474.8
Bonds	925.9	1,341.8	887.8	1,240.5
Total	4,069.3	3,824.3	4,025.9	3,715.3

Net debt as of 31 December 2023 and 2022 is as follows:

In \$ millions	31 December	
	2023	2022
Cash and cash equivalents	538.2	509.6
Borrowings - repayable within one year	(304.5)	(411.8)
Borrowings - repayable after one year	(3,839.7)	(3,465.4)
Interest payable, deferred financing costs and other	75.1	52.9
IFRS 16 liabilities	(41.0)	(35.2)
Net debt	(3,572.1)	(3,349.9)
Cash and cash equivalents	538.2	509.6
Borrowings - fixed interest rates ⁽¹⁾	(3,601.8)	(3,562.8)
Borrowings - variable interest rates	(542.6)	(314.4)
Interest payable, deferred financing costs and other	75.1	52.9
IFRS 16 liabilities	(41.0)	(35.2)
Net debt	(3,572.1)	(3,349.9)

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

As of 31 December, 2023

In \$ millions	Cash and cash equivalents	Borrowings	IFRS 16 liabilities	Total net debt
As of 1 January 2022	369.1	(4,176.1)	(30.2)	(3,837.2)
Cash-flows	77.7	-	-	77.7
Acquisitions / disposals	17.3	(15.8)	-	1.5
Proceeds of borrowings	-	(396.4)	-	(396.4)
Repayments of borrowings	-	565.6	-	565.6
Repayments of borrowings and interests to NCI ⁽¹⁾	-	35.4	-	35.4
Liabilities held for sale	-	-	-	-
Currency translations differences and other	45.5	163.0	-	208.5
IFRS 16 liabilities net movement ⁽²⁾	-	-	(5.0)	(5.0)
As of 31 December 2022	509.6	(3,824.3)	(35.2)	(3,349.9)
Cash-flows	79.9	-	-	79.9
Acquisitions / disposals	4.1	(2.2)	-	1.9
Proceeds of borrowings	-	(2,279.4)	-	(2,279.4)
Repayments of borrowings	-	1,871.2	-	1,871.2
Repayments of borrowings and interests to NCI ⁽¹⁾	-	40.7	-	40.7
Liabilities held for sale	(81.2)	263.3	-	182.1
Currency translations differences and other	25.8	(138.6)	-	(112.8)
IFRS 16 liabilities net movement ⁽²⁾	-	-	(5.8)	(5.8)
As of 31 December 2023	538.2	(4,069.3)	(41.0)	(3,572.1)

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

(2) IFRS 16 liabilities net movement includes nil million for assets acquired through business combination, -\$10.8 million lease additions (2022: -\$12.8 million), \$6.7 million lease payments (2022: \$6.9 million), \$0.3 million for liabilities recognised as held for sale (2022: nil) and \$1.9 million currency translation adjustment (2022: \$0.9 million).

Debt covenants and restrictions

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

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

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

The following technical breaches in an agreement condition were noted at year end:

- Following a change in external auditor in Togo, we did not seek consent as was required under the relevant loan agreement resulting in ContourGlobal Togo being in breach at 31 December 2023. As a result the full carrying value of the loan of \$53.6 million is presented in current borrowings.

As of 31 December, 2023

- There is a technical breach in a minor condition regarding the number of authorised offshore bank accounts in relation to the financing of our Cap des Biches asset. The Group has performed a technical analysis and concluded that it has an unconditional right to defer payment for at least 12 months and hence \$73.8 million of debt is presented as non-current in line with the contracted repayment schedule.

The Company has a financing agreement with the Brazilian Development Bank (BNDES) which has covenants clauses. As established in this agreement, the Company calculated the Debt Service Coverage Ratio (DSCR) for the closing of 31 December 2023 and the minimum ratio required was not reached. Given the Brazilian business is currently held for sale, the associated \$261.4 million of debt is presented in liabilities held for sale.

Securities given

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

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

As of 31 December, 2023

Project financing	Facility	Maturity	Security / Guarantee given
CSP Spain (excluding Alvarado)	Long Term Facility	2036	First ranking security interest in the shares of all the entities in the borrower group plus pledge of receivables and project accounts. Assignment of insurances.
Alvarado 2021	Long Term Facility	2034	Pledge over all the shares of the Borrower, Pledge over the Borrower's Accounts, Pledge over all credit rights of the Borrower under Major Project Documents and the Hedging Agreements to which it is a party, Promissory mortgage over the Project assets. ContourGlobal Limited guarantee in case of Tax Group Exit.
Asa Branca 2021	Debentures	2033	Chattel mortgage of shares of the Issuer and the SPE, fiduciary assignment of all dividends as a result of Issuer's and the SPE's shares.
Austria Wind Refinancing 2020	Long Term Facility	2043	Share pledge on the Borrower and each Obligor, pledge of receivables, pledge over accounts, step in rights agreements in Project Contracts.
Berg 2021	Long Term Facility	2035	First ranking security over the shares held in the Borrower, Assignment over the Borrower's rights under Project Documents, pledge over project accounts, pledge over the windfarm superstructures (Superädifikate).
Caribbean 2021	Long Term Facility	2026	Pledge of shares, Pledge over project accounts, Pledge of Receivables ContourGlobal Limited guarantee on Debt service reserve facility and Working Capital facility.
Inka	Senior secured notes	2034	Pledge of shares of Energia Eolica SA, EESA assets, accounts, assignment of receivables of the project contracts and insurances.
Chapada I	Long Term Facility	2032	Pledge of shares of Chapada I SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances. ContourGlobal Limited guarantee to LC providers in case Chapada I cannot serve debt.
Vorotan	Long Term Facility	2034	Pledge of shares of ContourGlobal HydroCascade CSJC assets and project accounts, assignment of receivables arising from the project contracts and insurances.
Chapada II	Long Term Facility	2032	Pledge of shares of Chapada II SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances.
Cap des Biches	Credit Facility	2033	Pledge over CG Senegal and CG Cap des Biches Sénégal shares, pledge over the project accounts, charge over the assets of CG Cap des Biches Sénégal, assignment of receivables of CG Cap des Biches Sénégal and the insurance policies, direct agreement on the project contracts.
Togo	Loan agreement	2028	ContourGlobal Limited guarantee on cash shortfall for Debt service, and (i) a pledge of CG Togo LLC and CG Togo SA capital stock, (ii) a charge on equipment, material and assets of CG Togo SA, (iii) the assignment of receivables of CG Togo SA, (iv) the assignment of insurance policies, and (v) a pledge on the project accounts.
Kivuwatt	Financing Arrangement	2026	- Secured by, among others, (i) KivuWatt Holdings' pledge of all of the shares of KivuWatt held by KivuWatt Holdings, (ii) certain of KivuWatt's bank accounts and (iii) KivuWatt's movable and immovable assets. - ContourGlobal Limited \$1.2 million guarantee for the benefit of KivuWatt under the PPA and Gas Concession to the Government of Rwanda and to Electrogaz (outside of the loan guarantee). - \$8.5million ContourGlobal Limited guarantee to cover DSRA as of 31 December 2023.
Chapada III	Long Term Facility	2032	Pledge of shares of Chapada III SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances. Corporate guarantee from ContourGlobal do Brazil Holding Ltda until Financial Completion.
Hobbs	Long Term Facility	2027	Pledge over shares of the borrower, pledge over the project accounts, mortgage over the assets, assignment of the insurance policies.
Mexican CHP	Long Term Facility	2026	Pledge of the CGA I and CELCSA shares, assets and accounts, assignment of receivables and insurance policies. \$35.0m ContourGlobal Limited guarantee for the Debt Service Reserve Account.
Raiffeisen Windparks	Long Term Facility	2026	Pledge of Project Accounts. Pledge of shares. Pledge of rights under Project Contracts.
Solar Italy	Long Term Facility	2030	Pledge over Project Accounts. Pledge over shares. Assignment of Receivables of Borrower and SPVs.
Solar Slovakia	Long Term Facility	2030	Pledge over receivables. Pledge over movables. Pledge of ownership interest. Mortgage over real estate property.
Trautsmansdorf	Long Term Facility	2034	Pledge of Project Accounts. Pledge of shares. Pledge of rights under Project Contracts.
Waterside	Long Term Facility	2024	Assignment of membership interests. Assignment of rights under the Operating Agreement. Assignment of " Additional Membership Interests ". Assignment of rights appurtenant to property. Assignment of proceeds from collateral.
WGP	Long Term Facility	2023	Pledge of stock. Pledge of Debt Securities. Pledge of receivables. Pledge of shares. Mortgage of property.
Zistersdorf	Long Term Facility	2027	Pledge of share. Pledge of Project property or Trumpet Area. Pledge of DSRA. Assignment of the retention of title to the privileged portions of the Wind Turbine Systems. Assignment of rights under Project Agreements.

As of 31 December, 2023

1.31. Other non-current liabilities

In \$ millions	31 December	
	2023	2022
Debt to non-controlling interest ⁽¹⁾	-	10.6
Deferred payments on acquisitions ⁽²⁾	-	29.7
IFRS 16 lease liabilities	35.2	29.8
Other ⁽³⁾	35.2	88.4
Total other non-current liabilities	70.4	158.5

(1) Debt to non-controlling interests: relates to a liability recognised on acquisition of the Maritsa plant in 2011 which was initially recognised at fair value based on the best estimate of the future obligations to settle the liability over the contracted life of the plant and subsequently measured at amortised cost. As of 31 December 2023, the remaining portion of the amortised cost of \$10.6 million was reclassified to current liabilities.

In \$ millions	31 December	
	2023	2022
Beginning of the year	21.1	32.6
Dividends paid	(21.7)	(16.6)
Unwinding of discount	-	-
True up of forecasted dividend	11.1	7.2
Currency translation adjustments	0.4	(2.1)
End of the year	10.9	21.1
Current liabilities	10.9	10.5
Non-current liabilities	-	10.6
As of 31 December	10.9	21.1

(2) As of 31 December 2023, deferred payments and earn-outs on acquired entities related to deferred payments to be made to initial developers of certain Brazil Wind assets of \$15.9 million were reclassified in liabilities held for sale (31 December 2022: \$12.0 million) and the earn-out relating to the acquisition of our Borger assets in the United States of \$17.7 million was reclassified in other current liabilities (31 December 2022: \$17.7 million).

(3) Mainly relates to \$23.0 million at 31 December 2023 (31 December 2022: \$15.0 million) in relation to Spain CSP, which represents the excess cash received based on the net market price compared to the pre-established prices for the current regulatory period, which will be settled over future regulatory periods. Contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA of \$15.0 million were reclassified in liabilities held for sale in 2023 (31 December 2022: \$23.0 million).

As of 31 December, 2023

1.32. Provisions

In \$ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
As of 1 January 2022	72.3	18.3	90.6
Additions	5.5	2.9	8.4
Unused amounts reversed	(21.8)	(1.4)	(23.2)
Amounts used during the period	(3.3)	(0.4)	(3.7)
Currency translation differences and other	2.4	(0.8)	1.6
As of 31 December 2022	55.0	18.6	73.6
Additions	8.2	3.1	11.3
Unused amounts reversed	(2.9)	(6.3)	(9.2)
Amounts used during the period	(0.6)	(0.3)	(0.9)
Liabilities held for sale (note 1.6)	(4.6)	(0.5)	(5.1)
Currency translation differences and other	3.4	-	3.4
As of 31 December 2023	58.5	14.6	73.2

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

In \$ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
Current liabilities	0.2	12.3	12.5
Non-current liabilities	54.9	6.3	61.2
As of 31 December 2022	55.1	18.6	73.7
Current liabilities	0.1	6.5	6.6
Non-current liabilities	58.4	8.1	66.6
As of 31 December 2023	58.5	14.6	73.2

Site decommissioning provisions are recognised based on assessment of future decommissioning costs which would need to be incurred in accordance with existing legislation to restore the sites and expected to occur between 1 and 22 years.

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

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

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1.33. Share-based compensation plans

ContourGlobal long-term incentive plan

There were no long-term incentive plans in place during 2023 and hence no impact on the current year financial statements.

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

- i) EBITDA condition: 50.0 % of award to the compounded annual growth rate of the Company’s EBITDA over the Performance Period.
- ii) IRR condition: 25.0 % of award to the internal rate of return on qualifying Company projects over the Performance Period.
- iii) LTIR condition: 25.0 % of award to the lost time incident rate of the Company over the Performance Period.

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

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

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

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

The Group’s charge for equity-settled share-based incentives for the year ended 31 December 2022 of \$2.1 million has been included within Selling, general and administrative expenses in the consolidated statement of income.

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

As a consequence, the Group recorded in 2022 an accelerated vesting impact of \$3.7 million recorded in “acquisition and other transactions related items” in the consolidated statement of income.

As of 31 December, 2023

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

	Number of shares
Outstanding as of 31 December 2021	6,438,031
Granted during the year	2,160,085
Forfeited	(1,524,969)
Vested	(7,073,147)
Outstanding as of 31 December 2022	-

1.34. Trade and other payables

In \$ millions	31 December	
	2023	2022
Trade payables	134.5	105.5
Accrued expenses	527.4	743.5
Trade and other payables	661.9	849.0

The decrease mainly comes from lower Maritsa CO2 liabilities due to lower generation and lower CO2 price.

1.35. Other current liabilities

In \$ millions	31 December	
	2023	2022
Deferred revenue	4.2	8.1
Deferred payment on acquisition ⁽¹⁾	12.1	16.9
Other taxes payable	41.9	52.7
IFRS 16 lease liabilities	5.8	5.4
Other ⁽²⁾	119.1	186.6
Other current liabilities	183.1	269.8

(1) As of 31 December 2023, deferred payments and earn-outs on acquisition relate the acquisition of our Borger assets in the United States (31 December 2022: \$16.9 million related to deferred payment for inventories acquired by Spain CSP from their previous owner).

(2) Mainly relates to Arrubal CO2 quota for \$42.9 million at 31 December 2023 (31 December 2022: \$40.9 million), Maritsa current portion of the non-controlling interest debt for \$10.9 million at 31 December 2023 (31 December 2022: \$10.5 million); Maritsa CO2 quota for \$28.7 million at 31 December 2023 (31 December 2022: \$6.9 million). Contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA of \$109.7 million were reclassified in liabilities held for sale in 2023 (31 December 2022: \$94.8 million).

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

As of 31 December, 2023

1.36. Group undertakings

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

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal Limited		United Kingdom	Tintagel House, 92 Albert Embankment, London, United Kingdom, SE1 7TY
ContourGlobal Hydro Cascade CJSC	100%	Armenia	AGBU building; 2/2 Meliq-Adamyán str.,0010 Yerevan, Armenia
ContourGlobal erneuerbare Energie Europa GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark HAGN GmbH	95%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark HAGN GmbH & Co KG	95%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark Deutsch Haslau GmbH	62%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Zistersdorf Ost GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Berg GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Scharndorf GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Trautmannsdorf GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Velm GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Management Europa GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Wind Holding GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Development GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Beteiligung GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Carib Power SRL	100%	Barbedos	The Corporate Secretary Ltd, White Park House, Bridgetown, Barbados
ContourGlobal Maritsa East 3 AD	73%	Bulgaria	48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
ContourGlobal Operations Bulgaria AD	73%	Bulgaria	TPP ContourGlobal Maritsa East 3, Mednikarovo village 6294, Galabovo District, Stara Zagora Region, Bulgaria
ContourGlobal Management Sofia EOOD	100%	Bulgaria	Serdika offices, 48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
ContourGlobal Development Bulgaria AD	100.0	Bulgaria	Serdika offices, 48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
Contour Global Do Brasil Holding Ltda	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana IX Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana X Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XI Energias Renováveis S.A	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XII Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XIII Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XV Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana XVI Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca Holding S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil

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Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Tespias Geração de Energia Ltda.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca IV Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca V Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca VI Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca VII Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Asa Branca VIII Energias Renováveis SA	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana I Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana III Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana IV Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana V Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santa Joana VII Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santo Augusto IV Energias Renováveis S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Chapada do Piauí I Holdings S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santo Augusto III Energias Renováveis S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Ventos de Santo Augusto V Energias Renováveis S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Desenvolvimento S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Chapada do Piauí II Holding S.A.	51%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
Chapada do Piauí III Holding S.A.	100%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Solutions Balsa Ltda	80%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Solutions Rio Ltda	80%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Solutions Mogi Ltda	80.0	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Solutions Holding Ltda	80%	Brazil	Rua James Joule, 65, conj. 161– Cidade Monções – São Paulo -SP- BR - CEP 04576-080, Brasil
ContourGlobal Riptide Chile Holdco SpA	100%	Chile	Av. Apoquindo 3721, Las Condes, Chile
TermoemCali I S.A. E.S.P.	62%	Colombia	Carrera 5A No. 71-45, Bogotá, Colombia
ContourGlobal LATAM S.A.	100%	Colombia	Carrera 7 No. 74-09, Bogota, Colombia
Compañía Eléctrica de Sochagota S.A. E.S.P.	100%	Colombia	Carrera 14 No. 20-21 Local 205A, Plaza Real, Tunja, Colombia
ContourGlobal Solutions Holdings Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
ContourGlobal Solutions Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
Selenium Holdings Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
ContourGlobal La Rioja, S.L	100%	Spain	Arrúbal Power Plant, Polígono Industrial El Sequero, 26150 Arrúbal, La Rioja, Spain.

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

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Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal One Srl	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Sole Srl	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
Solar 6 S.R.L.	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
BS Energia New S.R.L.	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Management Italy S.R.L.	100%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
IT35 - ContourGlobal Horus srl	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
IT36 - Green Hunter Group Spa	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
IT37 - Green Hunter Spa	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
IT38 - Actasol 5 S.R.L.	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
IT39 - Actasol 6 S.R.L.	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
IT40 - Cinque S.R.L.	51%	H2PC21223 - Italy	Via T. Grossi 2, Milan 20121, Italy
Spf Energy Uno Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Spf Energy Due Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
Spf Energy Tre Srl	51%	Italy	Via T. Grossi 2, Milan 20121, Italy
ContourGlobal Kosovo L.L.C.	100%	Kosovo	Anton çeta 5a 1000 Pristina Republic of Kosovo
ContourGlobal Luxembourg S.à.r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
Kani Lux Holdings S.à r.l.	80%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Africa Holdings S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Bulgaria Holding S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain Holding S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Latam Holding S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
Vorotan Holding S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 2 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 3 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Development Holdings S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 5 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 6 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Solutions Holdings S.a.r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg

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ContourGlobal Senegal Holdings S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra Holdings S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Power Holdings S.A.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Worldwide Holdings S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 1 S.à.r.l	51%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 2 S.à.r.l	51%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 3 S.à.r.l	51%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain O&M HoldCo S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Intermediate O&M S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Ursaria 3 S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 7 S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 4 S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Africa Topoco S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Africa Energy S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Arrubal S.à.r.l	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Armenia Renewables Sarl	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Italy Holdco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Austria Holdco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Peru Midco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror Holdco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Solar Italy S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Italy Midco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mexico Midco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror Midco S.a.r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Solutions Topco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Arrubal Topco S.a r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Finance Holding S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Finance Holding Topco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg

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ContourGlobal Mexico Holdco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Caribbean Holdco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Peru Holdco S.à r.l.	100%	Luxembourg	5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg
Aero Flash Wind, S.A.P.I. DE C.V.	75%	Mexico	Boulevard agua caliente 10611, Tijuana, Baja California, Mexico
ContourGlobal holding de generación de energía de México	100%	Mexico	Av. Ricardo Margain Zozaya, Torre 2, Piso 12, No. ext. 335, Col. Valle del Campestre, San Pedro Garza García, Nuevo León, C.P. 66265
ContourGlobal Servicios Administrativos de generación	100%	Mexico	Av. Ricardo Margain Zozaya, Torre 2, Piso 12, No. ext. 335, Col. Valle del Campestre, San Pedro Garza García, Nuevo León, C.P. 66265
ContourGlobal Servicios Operacionales de México	100%	Mexico	Av. Ricardo Margain Zozaya, Torre 2, Piso 12, No. ext. 335, Col. Valle del Campestre, San Pedro Garza García, Nuevo León, C.P. 66265
Cogeneración de Altamira, S.A. DE C.V.	100%	Mexico	Highway Tampico – Mante km 17.5, postal code 89603 - Colony Name - Puerto Industrial de Altamira, Mexico
Cogeneración de Energía Limpia De Cosoleacaque S.A De C.V.	100%	Mexico	Building Buena Vista de Torres, without number postal code 96340 - Colony Name - Cosoleacaque. Mexico
KivuWatt Holdings	100%	Mauritius	4th Floor, Tower A, 1CyberCity, c/o Citco (Mauritius) Limited, Ebene, Mauritius
ContourGlobal Solutions (Nigeria) Ltd	100%	Nigeria	2nd Floor, Moji Brimmo Akewusola House, No. 4 Salvation Road Opebi, Ikeja, Nigeria
Contourglobal Bonaire B.V.	100%	Netherlands	Kaya Carlos A. Nicolaas 3 , Bonaire, Netherlands
Energía Eólica S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
ContourGlobal Peru SAC	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
Energía Renovable Peruana S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
Energía Renovable del Norte S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
ContourGlobal Solutions (Poland) Sp. Z o.o.	100%	Poland	Warsaw (00-133) on Aleja Jana Pawła II, Poland
ContourGlobal Solutions (Ploiesti) S.R.L.	100%	Romania	Ploeisti, 285 Gheorge Grigore, Cantacuzino street, Prahova County, Ploeisti, Romania
Petosolar S.R.L.	100%	Romania	7 Ghiocei street, ap. 1, Panciu locality, Panciu city, Vrancea county, Romania
Kivu Watt Ltd	100%	Rwanda	Plot 9714, Nyarutarama, P. O. Box 6679, Kigali, Rwanda
RENERGIE Solarny Park Holding SK I a.s.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
PV Lucenec S.R.O.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Rimavské Jánovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Dulovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Gemer s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Hodejov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Jesenské s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Nižná Pokoradz s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia

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RENERGIE Solárny park Riečka s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Rohov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Starňa s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Včelince 2 s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Hurbanovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
AlfaPark s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Druhá snečná s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
SLO3 s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Bánovce nad Ondavou s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Bory s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Budulov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Kalinovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
ZetaPark Lefantovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny Lefantovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Michalovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Nižný Skálnik s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Otročok s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Paňovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Gomboš s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Rimavská Sobota s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Horné Turovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Uzovská Panica s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
RENERGIE Solárny park Zemplínsky Branč s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
ZetaPark s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava, Slovakia
ContourGlobal Cap des Biches Senegal S.à r.l.	100%	Senegal	2, Place de L'Indépendance, Dakar, BP 23607, Senegal
ContourGlobal Togo S.A.	100%	Togo	Route D'Aného, Baguida, BP 3662 , Lomé - Togo
ContourGlobal Trinity Power Ltd	100%	Trinidad and Tobago	P.O. BAG 498, Railway Road, Dow Village, Couva, Trinidad and Tobago, W.I.
ContourGlobal Solutions Ukraine LLC	100%	Ukraine	32, Konstantiniska street, 04071 Kiev, Ukraine

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ContourGlobal Solutions (Northern Ireland) Limited	100%	United Kingdom	6th Floor Lesley Tower, 42-26 Fountain Street, Belfast BT1 5EF, Ireland
ContourGlobal Europe Limited	100%	United Kingdom	55 Baker Street, London, United Kingdom, W1U 8EW
Contour Global Hummingbird UK Holdco I Ltd	100%	United Kingdom	55 Baker Street, London, United Kingdom, W1U 8EW
Contour Global Hummingbird UK Holdco II Ltd	100%	United Kingdom	55 Baker Street, London, United Kingdom, W1U 8EW
Contour Global LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Contour Global Management Inc	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal Services Brazil LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal Togo LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal Senegal Holdings LLC	100%	US	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808
ContourGlobal Senegal LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
CG Solutions Global Holding Company LLC	100%	US	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801
Lea Power Partners, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Borger Energy Associates, LP	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Waterside Power, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Badger Creek Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Bear Mountain Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Chalk Cliff Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Live Oak Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
McKittrick Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Kern Front Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Double C Generation Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
High Sierra Limited	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WCAC Operating Company California, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WGP Holdings II, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WG Partners Holdings, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WG Partners Acquisition, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal Hummingbird US HoldCo Inc.	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
ContourGlobal US Holdco Inc.	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America

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Hobbs Power Funding, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Waterside Power Funding, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
WGP Redwood Holdings, LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
LSP-Borger, Inc	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Juniper Generation LLC	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Live Oak Cogen, L.L.C.	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America
Brea Canyon Cogen, L.L.C.	100%	US	888 Westheimer, Suite 300, Houston, TX 77006, United States of America

Investments in associates accounted under the equity method:	Ownership	Country of incorporation	Registered address
Evacuacion Villanueva des Rey, S.L.	18%	Spain	Calle Orense 34, 7ª planta, 28020 Madrid, Spain

During the year ended 31 December 2023 the only change in ownership are related to Termoemcali (previous ownership 37.37% see note 1.6).

As of 31 December, 2023

1.37. Related party disclosure

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

As of 31 December 2023, ContourGlobal Limited and its subsidiaries have no significant trading relationship with the Group's main shareholder, Cretaceous Bidco Limited and Kohlberg Kravis Roberts & Co. L.P. which ultimately controls ContourGlobal Limited. It is the Directors' expectation that the smallest and largest group of undertakings which ContourGlobal Limited forms part of Cretaceous Holdco 1 S.à r.l and these consolidated accounts will be lodged with the Luxembourg trade and business register where they are publicly available.

Key management personnel

Compensation paid to key management (executive and non-executive committee members) amounted to \$5.9 million at 31 December, 2023 (31 December, 2022: \$15.3 million).

In \$ millions	Years ended 31 December	
	2023	2022
Salaries and short-term employee benefits	4.6	5.4
Termination benefits	0.5	0.2
Post employment benefits	-	-
Profit-sharing and bonus schemes	0.8	4.9
Non-executive Directors' emoluments	-	0.8
Other share based payments	-	4.0
Total	5.9	15.3

Directors emolument note

In \$ millions	Years ended 31 December	
	2023	2022
Aggregate emoluments	3.0	6.2
Total	3.0	6.2

The emolument to the highest paid director in the year amounts to \$1.3 million (2022: \$7.0 million). In 31 December 2022, the highest paid director also received and exercised shares in respect of qualifying services under the Long Term Incentive Plan (see note share-based compensation plans 1.33).

No director received payments into a defined benefit contribution plan in 2023 and 2022.

No directors exercised shares under the long term incentive plan during the year (2022: two directors)

No directors received shares under the long term incentive plan in 2023 (2022: two directors).

1.38. Financial commitments and contingent liabilities

a) Commitments

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

The Group has contractual arrangements with Operating and Maintenance (O&M) providers and transmission operators in relation to certain of its operating assets. Maritsa has a long-term Lignite

As of 31 December, 2023

Supply Agreement (LSA) with Maritsa Iztok Mines (MMI) for the purchase of lignite. According to the agreement, Maritsa has to purchase minimum monthly quantities, amounting to 6,187 thousand standard tons per calendar year. The total commitment through the remaining term of the LSA (February 2024) is 862 thousand standard tons, equal to \$9.1 million at December 2023 prices (\$10.56 per standard ton), as compared to 7,218 thousand standard tons equal to \$74.0 million at the end of 2022 (\$10.25 per standard ton). In the event of a failure on the part of CG Maritsa East 3 AD (ME-3) to take a minimum monthly quantity in any month, ME-3 shall, except in cases caused by Force Majeure and certain actions of Bulgarian authorities as described in the contract, pay to MMI an amount equal to the difference between (i) the aggregate amount paid or payable in respect of lignite delivered during such month and (ii) the aggregate amount that would have been payable had the minimum monthly quantity been taken during such month.

The Group also has agreements related to our Austria Wind project repowering started in 2017. As of 31 December 2023, we are committed to purchase €4.4 million (\$4.7 million) worth of equipment and installation during 2024 (31 December 2022 \$4.2 million).

b) Contingent liabilities

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

Togo

ContourGlobal Togo received in late December 2020 a notification from CEET (offtaker of the power purchase agreement) and the Republic of Togo regarding certain alleged breaches of the PPA and concession agreement, respectively, questioning the performance of the Togo plant and alleging overpayment of \$58 million under “take or pay” provisions. The breaches alleged by CEET relate to generation by the plant using heavy fuel oil (‘HFO’) and gas. As of 31 December 2023 a provision of \$3.3 million was recognised, reflecting our offer to settle any liability associated with historical generation using gas. The risk of liability relating to generation using HFO has been assessed as remote.

Taxes

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

As of 31 December, 2023

c) Leasing activities

Operating lease as a lessor

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

In \$ millions	Years ended 31 December	
	2023	2022
Minimum lease payments receivable		
No later than 1 year	151.0	153.8
Later than 1 year and no later than 5 years	417.1	478.7
Later than 5 years	329.6	419.0
Total	897.7	1,051.5

The property, plant and equipment related to the assets as the operating lease as a lessor relates to Solutions plants, Energie Antilles, Bonaire, Hobbs and Trinity for the year ended 31 December 2023, as follows.

In \$ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	3.4	833.6	8.3	1.3	22.7	869.3
Accumulated depreciation and impairment	-	(255.5)	-	(0.5)	(8.4)	(264.4)
Carrying amount as of January 1, 2023	3.4	578.1	8.3	0.8	14.3	604.9
Additions	-	5.8	16.9	-	0.4	23.1
Disposals	-	(0.2)	-	-	-	(0.2)
Reclassification	-	22.9	(22.7)	0.6	(0.8)	-
Currency translation differences	-	(2.2)	-	-	(0.4)	(2.6)
Depreciation charge	-	(57.3)	-	(0.2)	(0.8)	(58.3)
Closing net book amount	3.4	547.1	2.5	1.2	12.7	566.9
Cost	3.4	845.6	2.5	1.9	17.0	870.4
Accumulated depreciation and impairment	-	(298.5)	-	(0.7)	(4.3)	(303.5)
Carrying amount as of 31 December 2023	3.4	547.1	2.5	1.2	12.7	566.9

As of 31 December, 2023

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

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

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

Finance lease as a lessor

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

In \$ millions	Years ended 31 December	
	2023	2022
Minimum lease payments receivable		
No later than 1 year	-	5.3
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
Gross investment in the lease	-	5.3
Less: unearned finance income	-	(0.4)
Total	-	4.9

As of 31 December, 2023

In \$ millions	Years ended 31 December	
	2023	2022
Analysed as:		
Present value of minimum lease payments receivable:		
No later than 1 year	-	4.9
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
Total	-	4.9

1.39. Guarantees and letters of credit

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

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

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

1.40. Statutory Auditor's fees

In \$ millions	Years ended 31 December	
	2023	2022
Fees payable to the Group's auditor for the audit of the Group's annual accounts and consolidated financial statements	1.6	1.5
Fees payable to the Group's auditor and its associates for other services:		
- The audit of the Group's subsidiaries	1.4	1.3
- Audit- related assurance services	-	0.6
- Other assurance services	-	0.8
- Tax compliance services	0.4	-
- Tax advisory services	0.6	-
- Other non-audit services	-	-
Total (net of out of pocket expenses)	4.0	4.2

1.41. Subsequent events

On 20 February 2024 the Maritsa PPA expired following which the business transitioned to operating under a merchant model. This change was anticipated by the business and has been considered within our impairment testing of the Maritsa cash generating unit, refer to Note 1.16 for details.

CONTOURGLOBAL LIMITED

Year ended December 31, 2023

Company balance sheet

At of 31 December 2023

In \$ millions	Note	2023	2022
Fixed assets			
Investments	6	2,059.8	2,130.0
Current assets			
Debtors	7	5.2	11.4
Cash at bank and in hand		1.0	12.5
		6.2	23.9
Creditors: amounts falling due within one year	8	(7.6)	(24.7)
Net current liabilities		(1.4)	(0.8)
Creditors: amounts falling due after one year	9	(71.8)	-
Net assets		1,986.6	2,129.2
Capital and reserves			
Called-up share capital	10	8.8	8.8
Share premium account		380.8	380.8
Treasury shares	11	-	-
Retained earnings and other reserves		1,597.0	1,739.6
Total Shareholders' funds		1,986.6	2,129.2

The Company's profit for the year ended 31 December 2023 was \$396.6 million (2022: \$99.5 million).

The financial statements on pages 138 to 143 were approved and authorised for issue by the board and were signed on its behalf by:



Laurent Hullo
Director

14 March 2024

Registered Number: 10982736

Company statement of changes in equity

For the year ended 31 December 2023

in \$ millions	Called-up share capital	Share premium account	Treasury shares	Retained earnings and other reserves	Total
At 1 st January 2022	8.9	380.8	(37.8)	1,798.1	2,150.0
Share based payments ⁽¹⁾	-	-	-	5.8	5.8
Dividends distribution ⁽²⁾	-	-	-	(126.1)	(126.1)
Treasury shares ⁽³⁾	(0.1)	-	37.8	(37.7)	-
Profit for the year	-	-	-	99.5	99.5
At 31st December 2022	8.8	380.8	-	1,739.6	2,129.2
Share based payments	-	-	-	-	-
Dividends distribution ⁽²⁾	-	-	-	(539.2)	(539.2)
Treasury shares	-	-	-	-	-
Profit for the year	-	-	-	396.6	396.6
At 31st December 2023	8.8	380.8	-	1,597.0	1,986.6

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

(2) During the year ended 31 December 2023 the Group paid a non cash dividends of \$539.2 million on March 15, 2023. During the year ended 31 December 2022 the Group paid dividends of \$29.2 million on April 14, 2022, \$32.3 million on June 10, 2022, \$32.3 million on September 9, 2022 and \$32.3 million on November 25, 2022.

(3) See note 11.

CONTOURGLOBAL LIMITED

Notes to the company financial statements

Year ended December 31, 2023

Notes to the Company financial statements

1. General information

ContourGlobal Limited (the “Company”) is a private company, limited by shares and domiciled in the United Kingdom and incorporated in England and Wales and its registered office is:

Tintagel House
92 Albert Embankment
6th Floor
London
SE1 7TY
United Kingdom

2. Statement of compliance

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

3. Summary of significant accounting policies

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

3.1. Basis of preparation

The Company financial statements have been prepared under the historical cost convention. The current year financial information presented is for the year ended 31 December 2023, and the comparative year financial information presented is for the year ended 31 December 2022.

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

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

3.2 Exemptions for qualifying entities under FRS 102

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

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

3.3 Foreign currency

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

CONTOURGLOBAL LIMITED

Notes to the company financial statements

Year ended December 31, 2023

3.4 Investments in subsidiaries

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

3.5 Share capital

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

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

Treasury shares

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

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

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

3.6 Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax arises from timing differences that are differences between taxable profits and profit for the year as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Unrecognised deferred tax assets as at 31 December 2023 were \$20.9 million (\$17.2 million in 2022).

3.7 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

a) Financial assets

Financial assets including amounts owed by group undertakings and other receivables and cash at bank and in hand are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed.

The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

Financial liabilities include trade and other payables (including from intercompany Group companies).

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CONTOURGLOBAL LIMITED

Notes to the company financial statements

Year ended December 31, 2023

3.8 Dividend distribution

Dividends to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders in the case of final dividends. In respect of interim dividends, these are recognised in the period in which they are paid.

3.9 Critical accounting judgements and estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical judgements and accounting estimates. It also requires management to exercise their judgement in the process of applying the Company's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements is:

- Critical judgement: Carrying value of investments.

The Company considers annually whether there is any indication of impairment in the carrying value of investments in accordance with the accounting policy stated.

In the event that there is an indicator of impairment, the Company performs an impairment assessment to determine if the carrying value of the investment is supported by its recoverable amount. In 2023 following a restructuring of the ContourGlobal Group the direct subsidiary of ContourGlobal Limited, ContourGlobal Hummingbird Holdco I was wound up. As a result of this restructuring and company wind up, the investment in ContourGlobal Hummingbird Holdco I of \$506.3 million was impaired to nil.

No key sources of estimation uncertainty were identified.

3.10 Going concern

The accounts have been prepared on a going concern basis, as described in the Directors' Report and note 1.1 of the consolidated financial statements.

4. Directors' emoluments and employees

The Company had four directors and an average of two employees in the year to 31 December 2023 (the Company had two Directors, seven non-executive directors and an average of two employees in the year to 31 December 2022). In 2023, of the four directors, none were remunerated by the Company, one was remunerated by another company in the Group and the other directors were remunerated by parent entities. In 2022 of the two directors, one was remunerated by the company and the other director was remunerated by another company in the Group. In 2022 the non-executive directors were remunerated by the Company. The amount of employee charges recognised in the Company's profit and loss statement in 2023 amounted to \$0.5million (2022: \$3.5 million).

in \$ millions	2023	2022
Wages and salaries	0.4	0.7
Social security costs	0.1	0.7
Share-based payments ¹	-	2.1
Total employee costs	0.5	3.5

¹The share based payments charge relates to all employees in the Long term incentive plan (LTIP) plan for the Group (2022: \$2. million).

No director received payments into a defined benefit contribution plan during the year 2023 (2022: none).

No director exercised shares under the long term incentive plan during the year 2023 (2022: one director).

No director received shares under the long term incentive plan in 2023 (2022: one director).

5. Auditor's fees

The amount payable to the Company's auditor in respect of the statutory audit were \$26,000 (2022: \$24,000).

6. Investments in subsidiaries

in \$ millions	2023	2022
At 1st January	2,130.0	2,148.0
Capital increase of CG Worldwide Holdings SARL	435.8	57.3
Capital increase CG Hummingbird UK Holdco I limited	0.3	-
Impairment	(506.3)	(75.3)
At 31 December	2,059.8	2,130.0

In 2023 the Company received \$565.0 million of dividends from ContourGlobal Worldwide Holdings SARL (2022: \$162.5 million) and \$435.8 million of dividends from ContourGlobal Hummingbird UK Holdco I limited (2022: \$59.8 million).

CONTOURGLOBAL LIMITED

Notes to the company financial statements

Year ended December 31, 2023

The Company's directly wholly owned subsidiaries are ContourGlobal Worldwide Holdings S.à.r.l and ContourGlobal Hummingbird UK Holdco I limited that was created in 2021 for the acquisition of the Western Generation portfolio in February 2021. A full list of indirect subsidiaries and other undertakings as required by Section 409 of the Companies' Act 2006 is shown in Note 1.36 of the Group's financial statements.

In 2023 the Company recorded an impairment of \$506.3 million on the value of the investment following a restructuring of the ContourGlobal Group the direct subsidiary of ContourGlobal Limited, ContourGlobal Hummingbird Holdco I was wound up. In 2022 the Company recorded an impairment of \$75.3 million on the value of the investments following the acquisition of the Company by KKR, which closed in December 2022 and valued the Group at \$2.14 billion, less the Company's best estimate of costs of disposal.

7. Debtors

In \$ millions	2023	2022
Amounts owed by Group undertakings	3.5	4.5
VAT recoverable	1.2	6.4
Prepayments and accrued income	0.5	0.5
	5.2	11.4

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Creditors: amounts falling due within one year

In \$ millions	2023	2022
Trade payables	0.8	4.9
Accrued expenses	4.8	3.6
Amounts owed to Group undertakings	2.0	16.2
	7.6	24.7

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. Creditors: amounts falling due after one year

In \$ millions	2023	2022
Intercompany Loan	71.8	-

Intercompany loan was agreed between ContourGlobal Terra Holdings S.a.r.l as lender and ContourGlobal Limited as borrower for an amount of €65 million on 28 November 2023. The loan bears an interest rate of 7.41% per year and maturity date 28 November 2030.

10. Called-up share capital

Issued capital of the Company amounted to \$8.8 million as at 31 December 2023 and 2022.

As of 31 December 2023, the Company has issued 663,048,789 shares of £0.01 each (2022: 663,048,789), corresponding to an allotted, called up and fully paid capital of £6.7 million, or \$8.8 million. There has been no change in the called-up share capital in either year.

11. Treasury shares

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

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

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

No treasury shares were issued during 2023.

CONTOURGLOBAL LIMITED

Notes to the company financial statements

Year ended December 31, 2023

12. Contingent liabilities

The Company acts as a guarantor to certain of its subsidiaries with respect to various financial obligations and project financing agreements entered into by its subsidiaries. The Company considers outflow relating to these guarantees to be remote and therefore no fair value liability has been recognised. The main financial obligations are listed below:

- \$8.5 million guarantee to cover Kivuwatt debt service reserve account;
- Guarantee on cash shortfall for debt service in ContourGlobal Togo; the loan balance as at 31 December 2022 is \$53.5 million;
- Guarantee to Goldman Sachs, Credit Suisse International, Citibank Europe plc, HSBC Bank USA National Association, JP Morgan Securities plc, and Mizuho Capital Markets LLC in relation with the hedging instruments existing at ContourGlobal Power Holdings S.A. As at 31 December 2022 this related to instruments with a nominal value of \$4.7 million and a fair value as at year-end of \$0.4 million;
- Parent guarantor (as defined in the indenture) under the €710 million bond indenture dated 17 December 2020;
- Guarantor under the corporate level revolving credit facility of €40 million dated 10 December 2020 undrawn as of 31 December 2023;
- Guarantor under the corporate level letter of credit facility of €50 million dated 10 March 2020;
- BRL 67.6 million guarantee to Chapada I letters of credit providers corresponding to 25% of the debt;
- Guarantor under the Mexican CHP \$35 million letter of credit signed on February 5, 2021; and
- \$12.0 million guarantee to cover Caribbean refinancing debt service reserve letter of credit.

Securities given:

- The Corporate bond, Revolving Credit Facility and UniCredit LC facility at CG Power Holdings level are secured by pledges of shares of certain subsidiaries (ContourGlobal LLC, ContourGlobal Spain Holding Sàrl, ContourGlobal Bulgaria Holding Sàrl, ContourGlobal Latam Holding Sàrl, ContourGlobal Terra Holdings Sàrl and ContourGlobal Worldwide Holdings Sàrl), and guarantees from ContourGlobal Limited, and the above subsidiaries.
- ContourGlobal Limited provided guarantees to HSBC Bank USA National Association, JP Morgan Securities plc, and Mizuho Capital Markets LLC in relation to the hedging instruments existing at ContourGlobal Power Holdings S.A.

13. Related parties

In 2022 and 2023 none of the Company or its subsidiaries have contracted with related parties. As of 31 December 2023 and 31 December 2022, the Company has no balance due to or receivables from related parties other than amounts due to and from subsidiary undertakings.

14. Subsequent events

No reportable subsequent events took place between 31 December 2023 and the date of authorisation of the financial statements.