

2024070847576

Årsredovisning

för

Poland Energy Holdings II AB

556725-7794

Räkenskapsåret

2023

Fastställelseintyg

Undertecknad styrelseledamot i Poland Energy Holdings II AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2024-06-25. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Malmö 2024-06-27



Oscar Ingelmark

Årsredovisning

för

Poland Energy Holdings II AB

556725-7794

Räkenskapsåret

2023

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Styrelsen för Poland Energy Holdings II AB avger följande årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i EUR.

Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten

Verksamheten omfattar ägande och förvaltning av värdepapper i bolag som bedriver energiverksamhet och vindkraft samt bedriva därmed förenlig verksamhet.

Företaget har sitt säte i Malmö.

Väsentliga händelser under räkenskapsåret

Det har inte varit några väsentliga händelser under räkenskapsåret

Flerårsöversikt	2023	2022	2021	2020
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	-57 841	-57 264	4 450 987	10 774 755
Soliditet (%)	99,7	99,8	99,9	100,0

Förändringar i eget kapital

	Aktie- kapital	Fritt eget kapital	Årets resultat	Totalt
Belopp vid årets ingång	11 000	12 258 366	-57 264	12 212 102
Disposition enligt beslut av årsstämman:		-57 264	57 264	0
Utdelning till aktieägare		-7 364 619		-7 364 619
Årets resultat			-57 841	-57 841
Belopp vid årets utgång	11 000	4 836 483	-57 841	4 789 642

Resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	4 836 483
årets förlust	-57 841
	4 778 642
disponeras så att i ny räkning överföres	4 778 642
	4 778 642

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter. *AB*

Resultaträkning

Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Rörelsekostnader		
Övriga externa kostnader	-58 014	-101 215
Summa rörelsekostnader	-58 014	-101 215
Rörelseresultat	-58 014	-101 215
Finansiella poster		
Övriga ränteintäkter och liknande resultatposter	10 371	0
Räntekostnader och liknande resultatposter	-10 198	43 951
Summa finansiella poster	173	43 951
Resultat efter finansiella poster	-57 841	-57 264
Resultat före skatt	-57 841	-57 264
Årets resultat	-57 841	-57 264

2024070847579

OKS

Balansräkning

Not

2023-12-31

2022-12-31

TILLGÅNGAR

Anläggningstillgångar

Finansiella anläggningstillgångar

Andelar i koncernföretag

2

4 791 946

10 781 871

Summa finansiella anläggningstillgångar

4 791 946

10 781 871

Summa anläggningstillgångar

4 791 946

10 781 871

Omsättningstillgångar

Kortfristiga fordringar

Förutbetalda kostnader och upplupna intäkter

7 219

0

Summa kortfristiga fordringar

7 219

0

Kassa och bank

Kassa och bank

2 749

1 454 070

Summa kassa och bank

2 749

1 454 070

Summa omsättningstillgångar

9 968

1 454 070

SUMMA TILLGÅNGAR

4 801 914

12 235 941

OK

2024070847580

Balansräkning

Not

2023-12-31

2022-12-31

EGET KAPITAL OCH SKULDER

Eget kapital

Bundet eget kapital

Aktiekapital

11 000

11 000

Summa bundet eget kapital

11 000

11 000

Fritt eget kapital

Balanserat resultat

4 836 483

12 258 366

Årets resultat

-57 841

-57 264

Summa fritt eget kapital

4 778 642

12 201 102

Summa eget kapital

4 789 642

12 212 102

Kortfristiga skulder

Leverantörsskulder

0

1 539

Skulder till koncernföretag

9 772

0

Upplupna kostnader och förutbetalda intäkter

2 500

22 300

Summa kortfristiga skulder

12 272

23 839

SUMMA EGET KAPITAL OCH SKULDER

4 801 914

12 235 941 *AB*

Noter

Not 1 Redovisningsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

Nettoomsättning

Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster

Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Soliditet (%)

Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	10 781 871	22 279 155
Återbetalda aktieägartillskott dotterbolag	-5 989 925	-11 497 284
Utgående ackumulerade anskaffningsvärden	4 791 946	10 781 871
Ingående nedskrivningar	0	0
Återförda nedskrivningar	0	0
Utgående ackumulerade nedskrivningar	0	0
Utgående redovisat värde	4 791 946	10 781 871

Not 3 Uppgifter om moderföretag

Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.
Övergripande koncernredovisning upprättas av:
Invenergy Wind North America LLC, org nr 20-8234693, Chicago, USA

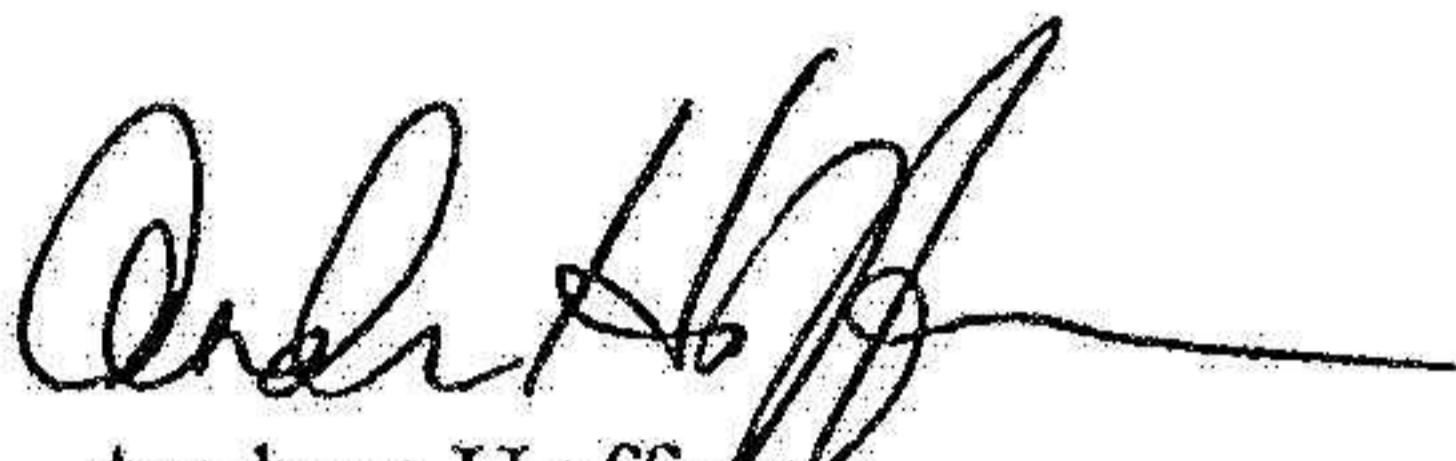
Malmö 2024-06-17



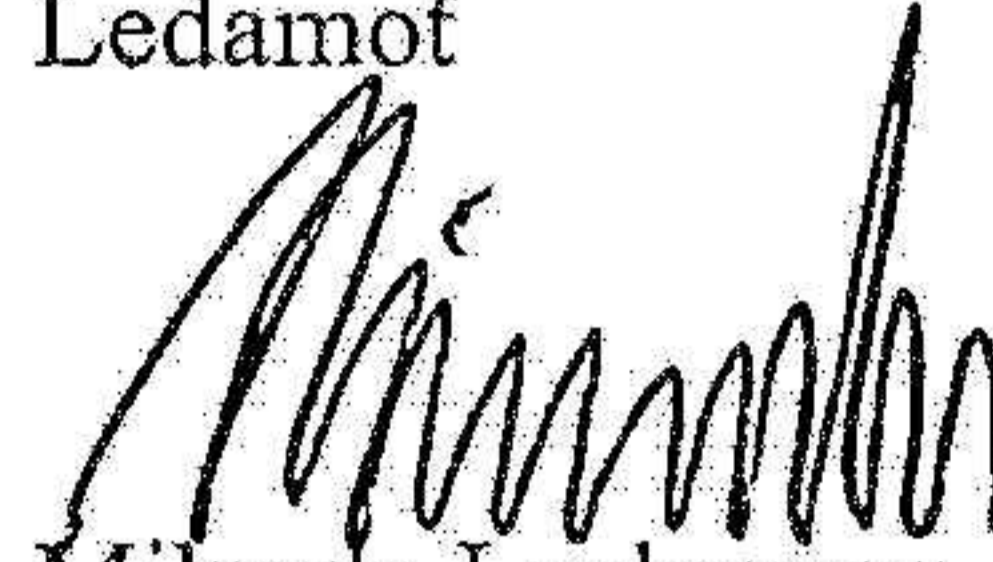
Oscar Ingelmark
Ordförande



William Borders III
Ledamot



Andrea Hoffmann
Ledamot



Mikaela Laaksonen
Ledamot

Vår revisionsberättelse har lämnats 24/6 2024

Deloitte AB



Ann Brenander
Auktoriserad revisor

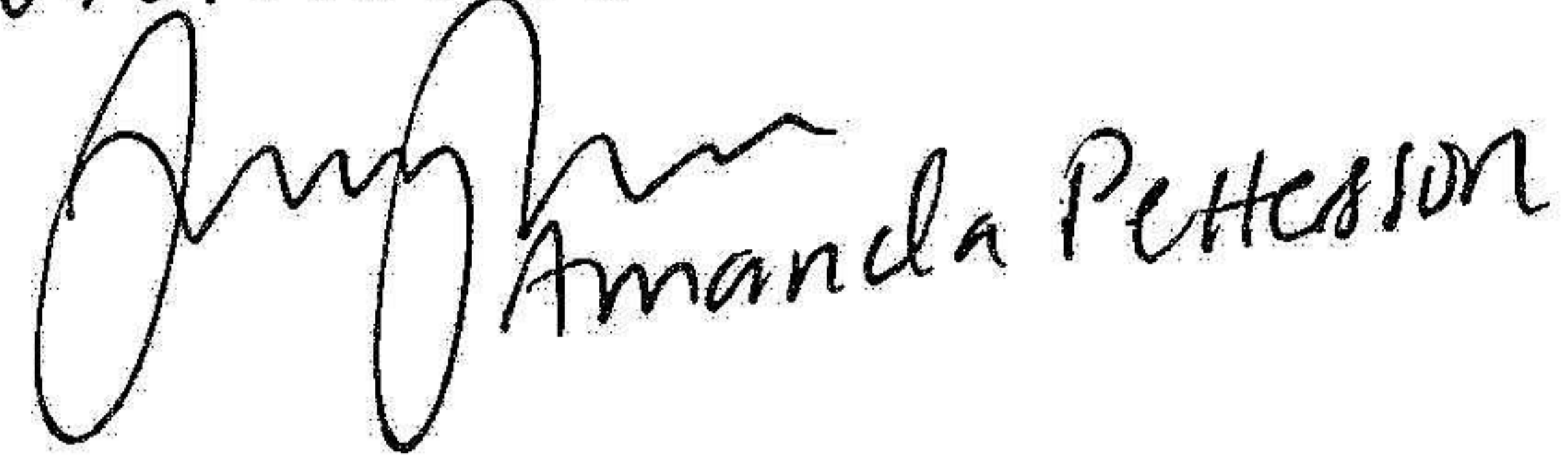
REVISIONSBERÄTTELSE

Till bolagsstämman i Poland Energy Holdings II AB
organisationsnummer 556725-7794

CERTIFIED COPY

2024-07-04

0701201428


Amanda Pettersson

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Poland Energy Holdings II AB för räkenskapsåret 2023-01-01 - 2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Poland Energy Holdings II ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Poland Energy Holdings II AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.


Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i

årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat. 

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Poland Energy Holdings II AB för räkenskapsåret 2023-01-01 - 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisions sed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Poland Energy Holdings II AB enligt god revisions sed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisions sed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisions sed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Oskarshamn den 24 juni 2024

Deloitte AB



Ann Brenander
Auktoriserad revisor

Invenergy Wind North America LLC and Subsidiaries

Consolidated Financial Statements as of and
for the Year Ended December 31, 2023, and
Independent Auditor's Report



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Chicago, IL 60606
USA

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INDEPENDENT AUDITOR'S REPORT

To the Managing Member of
Invenergy Wind North America LLC and Subsidiaries
Chicago, Illinois

Opinion

We have audited the consolidated financial statements of Invenergy Wind North America LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

April 19, 2024
Chicago, Illinois

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2023 (In USD '000s)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	60,566
Restricted cash		10,784
Accounts receivable		12,520
Notes receivable		24,327
Prepaid expenses and other current assets		5,878
Total current assets		<u>114,075</u>

LONG-TERM ASSETS:

Property, plant and equipment — net		874,200
Intangible assets — net		4,686
Investments in unconsolidated affiliates		94,336
Long-term restricted cash		10,531
Long-term accounts receivable — related parties		6,648
Long-term notes receivable		107,537
Other long-term assets		16,361
Total long-term assets		<u>1,114,299</u>

TOTAL⁽¹⁾

\$ 1,228,374

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

Accounts payable	\$	2,400
Accounts payable — related parties		2,814
Current portion of long-term debt — net		13,310
Other liabilities and accrued expenses		16,393
Total current liabilities		<u>34,917</u>

LONG-TERM LIABILITIES:

Long-term debt — net		83,966
Asset retirement obligations		47,362
Long-term accounts payable		160,271
Other long-term liabilities		31,671
Total long-term liabilities		<u>323,270</u>
Total liabilities ⁽¹⁾		<u>358,187</u>

COMMITMENTS AND CONTINGENCIES

EQUITY:

Contributed capital and retained earnings		111,817
Accumulated other comprehensive loss		(4,065)
Noncontrolling interest		762,435
Total equity		<u>870,187</u>

TOTAL

\$ 1,228,374

⁽¹⁾ Consolidated assets at December 31, 2023 include total assets of \$926,999 of variable interest entities (“VIEs”) that can only be used to settle the liabilities of the respective VIEs. Consolidated liabilities at December 31, 2023 include total liabilities of \$51,466 of certain VIEs. See Note 12.

See notes to consolidated financial statements.

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023 (In USD '000s)

OPERATING REVENUES	\$ 145,338
OPERATING EXPENSES:	
Plant operating and maintenance expense	61,452
Depreciation, amortization and accretion expense	67,411
General and administrative expense	12,581
Taxes (other than income taxes)	5,229
Business development expense	4,376
Total operating expenses	<u>151,049</u>
LOSS FROM OPERATIONS	<u>(5,711)</u>
OTHER INCOME (EXPENSE):	
Interest expense	(20,397)
Interest income	8,904
Loss from investments in unconsolidated affiliates	(20,658)
Other — net	(778)
Total other expense	<u>(32,929)</u>
LOSS BEFORE PROVISION FOR INCOME TAX EXPENSE	(38,640)
INCOME TAX EXPENSE	(15,115)
NET LOSS	<u>(53,755)</u>
NONCONTROLLING INTEREST SHARE	15,142
NET LOSS ATTRIBUTABLE TO MEMBER	<u>\$ (68,897)</u>

See notes to consolidated financial statements.

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) FOR THE YEAR ENDED DECEMBER 31, 2023 (In USD '000s)

NET LOSS	\$ (53,755)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:	
Investments in unconsolidated affiliates	(18)
Foreign currency translation adjustments	7,200
Total other comprehensive income, net of tax	<u>7,182</u>
COMPREHENSIVE LOSS	(46,573)
NONCONTROLLING INTEREST SHARE OF COMPREHENSIVE LOSS, NET OF TAX	<u>17,161</u>
COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBER	<u>\$ (63,734)</u>

See notes to consolidated financial statements.

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023 (In USD '000s)

	Total	Member		Noncontrolling Interest
		Contributed Capital and Retained Earnings	Accumulated Other Comprehensive Income (Loss)	
BEGINNING EQUITY — January 1, 2023	\$ 942,052	\$ 173,457	\$ (9,228)	\$ 777,823
Comprehensive income (loss):				
Net income (loss)	(53,755)	(68,897)	—	15,142
Other comprehensive income (loss), net of tax:				
Investments in unconsolidated affiliates	(18)	—	(18)	—
Foreign currency translation adjustments	7,200	—	5,181	2,019
Total comprehensive income (loss)	(46,573)	(68,897)	5,163	17,161
Capital contributions	8,216	7,257	—	959
Capital distributions	(33,508)	—	—	(33,508)
ENDING EQUITY — December 31, 2023	\$ 870,187	\$ 111,817	\$ (4,065)	\$ 762,435

See notes to consolidated financial statements.

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023 (In USD '000s)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (53,755)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation, amortization and accretion expense	67,411
Unrealized (gains) losses on risk management contracts	1,182
Deferred income taxes	(42)
Return on investments in unconsolidated affiliates	21,001
Other operating activities	15,409
Changes in assets and liabilities:	
Accounts receivable	1,602
Prepaid expenses and other current assets	(696)
Other long-term assets	(1,239)
Accounts payable	(2,665)
Accounts payable — related parties	(128)
Other liabilities and accrued expenses	13,683
Net cash provided by operating activities	<u>61,763</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Additions to property, plant and equipment	(2,666)
Net investment in unconsolidated affiliates	(7,000)
Collections on notes receivable	15,875
Other investing	(3,884)
Net cash provided by investing activities	<u>2,325</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Debt repayments	(26,785)
Capital contributions	2,734
Capital contributions from noncontrolling interest	959
Capital distributions to noncontrolling interest	(33,441)
Other financing activities	1,152
Net cash used in financing activities	<u>(55,381)</u>

EFFECT OF EXCHANGE RATE CHANGES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH

1,375

NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

10,082

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — Beginning of year

71,799

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — End of year

\$ 81,881

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for interest during the year, net of capitalized interest	<u>\$ 8,100</u>
Cash paid for income taxes during the year	<u>\$ 2,377</u>

See notes to consolidated financial statements.

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023 (IN USD '000s)

1. DESCRIPTION OF BUSINESS

Invenergy Wind North America LLC, a Delaware limited liability company, was formed on September 13, 2006, and together with its subsidiaries, which were formed beginning in 2004, is herein defined as the “Company”. The purpose of the Company is to own, operate and maintain, and invest in wind energy projects (“Projects”) and certain related activities.

Invenergy Wind North America LLC is wholly owned by Invenergy Renewables Global LLC, a Delaware limited liability company (“Member”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation — The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). All intercompany accounts and transactions are eliminated in consolidation.

Subsequent events were evaluated through April 19, 2024, the date the consolidated financial statements were available to be issued.

Management Estimates — The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Foreign Currency Translation — The assets and liabilities of foreign entities are translated into U.S. dollars at the year-end exchange rate. Revenues and expenses are translated at monthly average rates. Translation adjustments resulting from fluctuations in exchange rates are recorded as a separate component of other comprehensive income (loss) (“OCI” or “OCL”) on the consolidated statement of comprehensive income (loss) while foreign currency transaction gains or losses are included on the consolidated statement of operations (see Note 4). Cash flows of the consolidated foreign subsidiaries are translated at monthly average rates and the effects of exchange rate changes on cash balances held in foreign currencies are reported in effect of exchange rate changes on cash, cash equivalents, and restricted cash on the consolidated statement of cash flows.

Cash and Cash Equivalents — Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less. The carrying amount of cash equivalents approximates fair value because of the short maturity of these instruments. The Company has not experienced any losses in such accounts.

Restricted Cash — Restricted cash consists of funds held for purposes of paying operating and maintenance costs, capital expenditures, debt service obligations or collateralizing letters of credit. Classification on the consolidated balance sheet is consistent with the related agreements. The carrying amount of restricted cash approximates fair market value because of the short maturity of these instruments. The restrictions will lapse when the related debt and derivative instruments mature.

Cash, Cash Equivalents and Restricted Cash Reconciliation — The following table reconciles the 2023 cash, cash equivalents and restricted cash from the consolidated balance sheet to the consolidated statement of cash flows:

Cash and cash equivalents	\$ 60,566
Restricted cash	10,784
Long-term restricted cash	10,531
Total cash, cash equivalents and restricted cash	<u>\$ 81,881</u>

Centralized Cash Management Program — The Company uses a centralized treasury function in which a parent entity controls certain cash transactions on behalf of the Company and maintains certain cash accounts. This arrangement results in due-to-parent or due-from-parent balances in the Company's financial statements since certain cash accounts at the Company sweep all cash balances to the parent. At the end of each period, the Company records net-due-from-parent balances in investing activities and net-due-to-parent balances in financing activities on the consolidated statement of cash flows. During 2023, the Company converted \$4,523 of accounts payable — related party to contributions from its parent.

Inventory — Inventory is stated at the lower of cost or net realizable value using the average cost method. Inventory consists primarily of spare parts used to generate electricity. As of December 31, 2023, \$7,444 of inventory was recorded in other long-term assets on the consolidated balance sheet.

Property, Plant and Equipment — net — Property, plant and equipment is categorized as the following:

- Land and land improvements – costs related to the purchase of land used for the Projects, as well as any additional costs associated with making the land ready for use.
- Plant – costs related to the purchase, construction or improvement of the Projects.
- Other property and equipment – any costs not associated with either land and land improvements or plant activities that add lasting value to the Projects.

Property, plant and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 30 years. Land is not depreciated. Maintenance and repairs are expensed in the period incurred, while major plant and equipment improvements which extend the useful lives or improve the quality of the assets, are capitalized (see Note 5).

Intangible Assets — net — In connection with the acquisition of entities and the application of purchase accounting, intangible assets are recorded based on the fair value of the cash flows assumed in the purchase. Intangible assets represent specific rights and contracts, including power purchase and energy supply agreements, acquired by the Company. Intangible assets are amortized on a straight-line basis over the period of expected economic benefit and associated cash flows for each intangible asset (see Note 6).

Impairment of Long-Lived Assets — The Company assesses the recoverability of its long-lived tangible and intangible assets when conditions are present which may indicate a potential impairment. The Company compares the carrying value of the assets to the undiscounted cash flows of the related operations to determine whether any impairment exists. Relevant factors, along with management's plans with respect to operations, are considered in assessing the recoverability of long-lived assets. If the Company determines, based on such measures, that the carrying amount is impaired, the long-lived assets will be written down to their fair value with a corresponding charge to the consolidated statement of operations. No impairment was recorded in 2023.

Investments in Unconsolidated Affiliates — The Company holds noncontrolling investments in various operating wind projects. These investments are initially recorded on the consolidated balance sheet at cost.

Investments in which the Company exercises significant influence but does not maintain a controlling interest over the investee's operating and financial policies are accounted for using the equity method of

accounting. The Company's pro-rata share of the investee's income (loss) is recorded on the consolidated statement of operations in other — net, and the pro-rata share of the investee's other comprehensive income (loss) is recorded on the consolidated statement of comprehensive income (loss). Financial statements of the unconsolidated affiliates are generally received by the Company on a three month lag. As such, the Company records income (loss) from the unconsolidated affiliates once the affiliates' financial statements are received. The Company reviews and evaluates any material events that may have occurred from the affiliates' financial statement date to the Company's consolidated balance sheet date to determine whether the effects of such events should be disclosed or recorded in the Company's consolidated financial statements (see Note 7).

Investments in unconsolidated affiliates are assessed for other than temporary declines in value. If a decline in value is determined to be other than temporary, the investment will be written to its fair value with a corresponding charge to the consolidated statement of operations.

Cash distributions from equity method investees are classified in the consolidated statement of cash flows using the cumulative earnings approach. Cumulative distributions received that do not exceed cumulative equity in earnings represent returns on investment and are classified as cash inflows from operating activities. Cumulative distributions received in excess of the Company's cumulative equity in earnings represent returns of investment and are therefore classified as cash inflows from investing activities.

Notes Receivable — The Company holds notes receivables which are recorded at amortized cost. Interest on the notes are based on effective interest rates. The Company has experienced no collection losses to date on its notes receivable; therefore, no allowance for losses has been provided (see Note 8). The Company recorded collections of the principal of the notes receivable as a component of investing activities on the consolidated statement of cash flows.

Deferred Financing Costs — Costs incurred in connection with obtaining financing are deferred and amortized over the lives of the related loans using the effective interest method. Deferred financing costs are capitalized and recorded net with the respective loans on the consolidated balance sheet (see Note 9). Amortization of deferred financing costs is recorded as interest expense on the consolidated statement of operations.

Derivative Instruments and Hedging Activities — The Company utilized a derivative instrument to manage its exposure to fluctuations in electricity prices ("Energy Hedge") (see Note 10). The Energy Hedge was fully settled during 2023. Prior to the settlement date, the Company recognized all derivative instruments on the consolidated balance sheet as either assets or liabilities at fair value with the change in fair value immediately recognized in earnings as a component of operating revenues on the consolidated statement of operations.

Long-Term Accounts Payable — The Company has unpaid settlements in connection with a certain inactive Energy Hedge that are recorded within long-term accounts payable on the consolidated balance sheet. The outstanding balance incurs a market-based interest rate. The Company records the payments on the long-term accounts payable as a component of financing activities on the consolidated statement of cash flows.

Asset Retirement Obligations — The Company enters into land agreements on which to operate its wind energy projects. Pursuant to certain land agreements, the Company is required to decommission its wind energy projects to provide for the restoration of the property at the end of the agreements.

The Company recognizes asset retirement obligations ("AROs") when it has a legal obligation to perform decommissioning, reclamation or removal activities upon retirement of an asset.

When recording an ARO, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted each period over the maximum term of the contractual agreements. The Company records an offsetting asset to the obligation as an increase to the carrying amount of the related long-lived asset and depreciates the asset over the maximum

term of the contractual agreements. The residual value of the related long-lived asset is excluded from the calculation (see Note 11).

The Company uses significant assumptions and estimates to determine the amount of the ARO, including the amount and timing of future expenditures, the discount rate, and the inflation effect on decommissioning costs. Since these estimates can change based on new information, the Company periodically re-evaluates these assumptions and estimates.

Variable Interest Entities (“VIEs”) — An entity is considered to be a VIE when its total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support, or its equity investors, as a group, lack the characteristics of having a controlling financial interest. A reporting company is required to consolidate a VIE as its primary beneficiary when it has both the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company evaluates whether an entity is a VIE whenever reconsideration events as defined by the accounting guidance occur (see Note 12).

Noncontrolling Interest — The Company maintains control of certain subsidiaries through its management and contractual rights even though ownership interests are held by owners other than the Company or its related parties. As a result, the Company is required to consolidate these subsidiaries and present the other owners’ interests as noncontrolling interests on the consolidated financial statements. Noncontrolling interest represents the portion of the Company’s net income (loss), net assets and comprehensive income (loss) that is allocated to the third-party owners. Noncontrolling interest is included as a component of equity on the consolidated balance sheet.

Certain operating agreements of the Company’s subsidiaries with noncontrolling interest call for the allocation of profit and loss on an income tax basis. Additionally, cash and other benefits associated with these agreements are allocated in varying amounts throughout the lives of the subsidiaries. Therefore, the Company and other investors’ (collectively the “Owners”) interests in the subsidiaries are not fixed, and the subsidiaries apply the Hypothetical Liquidation at Book Value (“HLBV”) method in allocating book profit or loss and other comprehensive income or loss (all measured on a pre-tax basis) to the Owners.

The HLBV method measures the amount of cash that each Owner would receive at each reporting date, including tax benefits realized by the Owners, upon a hypothetical liquidation of the subsidiary at the net book value of its underlying assets. The change in the amount of cash that each Owner would receive at the reporting date compared to the amount it would have received on the previous reporting date represents the amount of profit or loss and other comprehensive income (loss) allocated to each Owner for the reporting period.

Other operating agreements of the Company’s subsidiaries with noncontrolling interest call for the allocation of profit and loss based on their pro rata share of the ownership interest in the respective subsidiary. Therefore, the Company allocates net income or loss and other comprehensive income (loss) of these subsidiaries to the Owners based on their pro rata share.

Revenue Recognition — The Company earns operating revenues through electricity delivered under power purchase agreements (“PPAs”), sales to wholesale electric power markets, sales of RECs, and settlements under Energy Hedges.

The terms of the contracts will determine whether the Company accounts for the contracts as derivatives under Accounting Standards Codification (“ASC”) Topic 815, *Derivatives and Hedging*, or as contracts with customers under ASC 606, *Revenues from Contracts with Customers*. For derivative contracts at certain of the Company’s subsidiaries, the Company records revenues from cash settlements and unrealized gains and losses representing changes in the fair value for derivatives that are not designated as hedging instruments (see Note 10). For all other contracts, the Company records revenues in accordance with ASC 606 as disclosed below.

Electricity Sales – Certain subsidiaries of the Company sell electricity on a stand-alone basis or along with related RECs, capacity, or ancillary services for a bundled price under PPAs that contain various performance obligations. Certain performance obligations such as electricity and capacity are generally satisfied over time as the customer simultaneously receives and consumes benefits upon the delivery of electricity and related products. Other performance obligations, such as RECs, are satisfied at a point in time. In either case, revenues related to all the performance obligations in such bundled PPA contracts are generally recognized concurrently as the electricity is delivered. Revenue is recorded based upon the output delivered and capacity provided at market rates or rates specified under the PPA contracts. The invoiced amounts reasonably represent the value to the customer for the Company’s performance. As such, the Company has elected the invoicing practical expedient and recognizes revenues in the amount to which the Company has a right to invoice. There are no significant judgments in allocating the transaction price since all performance obligations are satisfied simultaneously upon the delivery of electricity from the facility. Payment terms generally require that the customer pays for the power or the energy-related commodity within the month following delivery to the customer.

Renewable Energy Credits – The Company sells stand-alone RECs to customers under long-term agreements or spot sales. The Company’s performance obligation, the transfer of a REC from a renewable energy facility to a customer, is satisfied at a point in time. One REC is evidence that one megawatt-hour (“MWh”) of electricity was generated from a renewable energy source. Revenue related to the RECs is recognized at the transfer of the REC certificate. Payment terms generally require customers pay within the month following delivery of the invoice of the REC attributes being billed.

The following table presents the Company’s revenues for the year ended December 31, 2023:

Electricity sales – PPAs	\$	22,394
Electricity sales – Merchant		67,018
Renewable energy credits		25,687
Other ⁽¹⁾		30,239
Total operating revenue	\$	<u>145,338</u>

⁽¹⁾ Includes derivative contracts accounted for under ASC 815.

The Company’s receivables and liabilities associated with revenues earned from contracts with customers consist of billed and unbilled amounts, which are recorded in accounts receivable on the Company’s consolidated balance sheet. The amount of accounts receivable outstanding related to contracts with customers as of December 31, 2023 and December 31, 2022 were \$9,916 and \$12,740, respectively. The Company’s contract liabilities consist of payments due on the contracts with customers and totaled \$182 and \$1,460, respectively, as of December 31, 2023 and December 31, 2022.

Concentration of Credit Risk — The Company derives the majority of its revenues from PPA counterparties, REC counterparties and sales to various independent system operators.

The Company has experienced no other credit losses to date on its sales; therefore, no allowance for doubtful accounts has been provided.

Effective January 1, 2023, the Company adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU amends the impairment model to utilize an expected loss methodology in place of the incurred loss methodology for financial instruments, including trade receivables. The ASU requires entities to consider a broader range of information to estimate credit losses, which may result in earlier recognition of loss. The impact of adopting this ASU had no impact on the consolidated financial statements or related disclosures.

Land Agreements — The Company has entered into land agreements, which are accounted for as executory contracts. Some of the land agreements include contingent payments based on a predetermined percentage of operating revenues of the applicable Project. Contingent payments are recognized in the period in which they

occur (see Note 14). Expense related to executory contracts is recorded in plant operating and maintenance expense on the consolidated statement of operations.

Income Taxes — As a single member limited liability company treated as a disregarded entity, the Company is treated for United States federal income tax purposes in the same manner as its owner. The Company is taxed as a partnership under United States federal income tax and is not subject to federal income taxation.

The Company is subject to entity-level income taxes in Illinois, Michigan, Tennessee, Texas, Canada, Cyprus, Luxembourg, Netherlands, Poland, Spain and Sweden, where it operates. Therefore, the Company has made no accrual for United States federal taxes but has recorded an income tax expense of \$15,115 for the year ended December 31, 2023. Income taxes payable as of December 31, 2023 were \$472 and included in other liabilities and accrued expenses on the consolidated balance sheet (see Note 13).

3. RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed all recently issued accounting pronouncements and concluded they were either not applicable or not expected to have a significant impact on the Company's financial statements and related disclosures.

4. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table represents the activity in AOCI (AOCL), net of tax, during 2023 :

	Investments in Unconsolidated Affiliates	Foreign Currency	Total
Balance — January 1	\$ 155	\$ (9,383)	\$ (9,228)
OCI (OCL)	(18)	8,291	8,273
Noncontrolling interest share of OCI or OCL	—	(2,019)	(2,019)
Deferred tax impact	—	(1,091)	(1,091)
Balance — December 31	<u>\$ 137</u>	<u>\$ (4,202)</u>	<u>\$ (4,065)</u>

5. PROPERTY, PLANT AND EQUIPMENT — NET

As of December 31, 2023, property, plant and equipment — net consisted of the following:

Land and land improvements	\$ 65,668
Plant	1,904,382
Other property and equipment	35,798
Subtotal	<u>2,005,848</u>
Less: accumulated depreciation	<u>(1,131,648)</u>
Property, plant and equipment — net	<u>\$ 874,200</u>

For the year ended December 31, 2023, \$63,141 of depreciation expense was recorded on the consolidated statement of operations.

6. INTANGIBLE ASSETS — NET

As of December 31, 2023, the Company recorded intangible assets of \$4,686, net of accumulated amortization of \$18,160. Amortization expense was \$1,593 for the year ended December 31, 2023.

Annual amortization expense is anticipated to be as follows:

Years Ending December 31

2024	\$ 1,511
2025	1,511
2026	1,566
2027	98
Total	<u>\$ 4,686</u>

7. INVESTMENTS IN UNCONSOLIDATED AFFILIATES

The Company's investments in unconsolidated affiliates represent noncontrolling investments in operating wind projects controlled by related and third-party entities.

Amounts recorded related to these investments are summarized as follows:

<u>As of December 31, 2023</u>	<u>For the Year Ended December 31, 2023</u>	
Carrying Value of Investment in Unconsolidated Affiliates	Loss from Investments in Unconsolidated Affiliates	Other Comprehensive Income (Loss)
\$ 94,336	\$ (20,658)	\$ (18)

The majority of the Company's investment in unconsolidated affiliates relates to a subsidiary's 49.9% membership interest in Miami Wind I Class B Holdings LLC ("MWICB"). The operating agreement of MWICB calls for the allocation of profit and loss on an income tax basis; therefore, MWICB applies the HLBV method in allocating both profit or loss and other comprehensive income or loss (all measured on a pre-tax basis) to the Owners. The summary aggregate financial information from the financial statements of MWICB is as follows:

<u>As of December 31, 2023</u>		<u>For the Year Ended December 31, 2023</u>	
Current assets	\$ 23,328	Operating revenues	\$ 8,875
Long-term assets	296,439	Operating loss	(22,345)
Current liabilities	20,495	Net loss attributable to Class B interests	(40,252)
Long-term liabilities	147,480		
Noncontrolling interest	28,737		

8. NOTES RECEIVABLE

In 2007 and 2011, the Company sold its ownership interest in two wind farms and the related transmission lines in exchange for 40 years of annual payments from an unrelated third-party. These sales qualified as installment sales. The imputed interest rates on the notes range from 5.00% to 6.32%. As of December 31, 2023, notes receivable of \$24,327 and \$107,537 were recorded in notes receivable and long-term notes receivable, respectively, on the consolidated balance sheet.

Breakdown of the notes receivable balance is as follows as of December 31, 2023:

Notes receivable	\$ 160,424
Discount on notes receivable	(28,560)
Total	<u>\$ 131,864</u>

9. DEBT OBLIGATIONS

Debt obligations consisted of the following as of December 31, 2023:

Debt Obligations	Carrying Value		Interest Rate	Maturity Date
	Current	Long-term		
Project financings	\$ 13,310	\$ 84,449	5.50% - 6.67% ⁽¹⁾	2027 to 2031
Unamortized deferred financing costs ⁽³⁾	—	(483)		
Total	<u>\$ 13,310</u>	<u>\$ 83,966</u>		

⁽¹⁾ Represents fixed interest rate.

⁽³⁾ For the year ended December 31, 2023, \$158 was amortized and included as part of interest expense on the consolidated statement of operations and other operating activities on the consolidated statement of cash flows.

Repayments through the original maturity of outstanding debt obligations as of December 31, 2023 are scheduled as follows:

Years Ending December 31

2024	\$ 13,310
2025	14,529
2026	15,850
2027	20,923
2028	6,813
Thereafter	26,334
Total	<u>\$ 97,759</u>

Project financings consist of debt obligations held at Project-related entities and are secured by the respective assets or notes receivable and are non-recourse in nature.

Certain project financings of the Company include paid-in-kind (“PIK”) interest provisions. This interest is not required to be paid in cash, but based on the terms of the respective agreement, it is converted into PIK interest notes and included in the related debt obligation balance. The total PIK interest notes included in the Company’s debt obligations as of December 31, 2023 was \$11,904.

10. RISK MANAGEMENT AND HEDGING ACTIVITIES

As of December 31, 2023, the Company’s Energy Hedge was fully settled.

Gains or losses related to the Company’s derivative instrument are recorded in operating revenues on the consolidated statement of operations as follows for the year ended December 31, 2023:

	Settlement Revenue and Net Settlement Receipts	Changes in Fair Value in Operating Revenues
Derivative Instrument Not Designated for Hedge Accounting		
Energy Hedge	\$ 1,189	\$ (1,182)
Total Derivative Instrument	<u>\$ 1,189</u>	<u>\$ (1,182)</u>

11. ASSET RETIREMENT OBLIGATIONS

The following table provides a reconciliation of the ending aggregate carrying amount of the AROs for the year ended December 31, 2023:

Balance — January 1	\$ 43,347
Accretion expense	2,677
Revision in ARO estimates in current year	780
Foreign currency translation adjustments	558
Balance — December 31	<u>\$ 47,362</u>

12. VARIABLE INTEREST ENTITIES

The Company is an equity investor in Projects that it shares ownership rights with third-parties. Under the arrangements, the Company maintains the decision rights around operations and maintenance of the respective Projects and has the obligation to absorb a significant portion of expected losses through its equity interest. Accordingly, the Company is determined to be the primary beneficiary under the arrangements and consolidates the entities within the consolidated financial statements.

Total assets and total liabilities of the VIEs were as follows as of December 31, 2023:

Assets

Current assets	\$ 45,523
Property, plant and equipment — net	791,876
Other long-term assets	89,600
Total assets	<u>\$ 926,999</u>

Liabilities

Current liabilities	9,702
Asset retirement obligations	36,829
Other long-term liabilities	4,935
Total liabilities	<u>\$ 51,466</u>

13. INCOME TAXES

The income tax (benefit) expense for the year ended December 31, 2023 is as follows:

Current — federal	\$ 10
Current — state	321
Current — foreign	14,826
Total current	<u>15,157</u>
Deferred — federal	—
Deferred — state	(393)
Deferred — foreign	351
Total deferred	<u>(42)</u>
Total income tax expense	<u>\$ 15,115</u>

The components of deferred income tax assets and liabilities at December 31, 2023 were as follows:

Total gross long-term deferred income tax assets	\$ 13,629
Less valuation allowances	<u>(10,974)</u>
Total net long-term deferred income tax assets	<u>\$ 2,655</u>
Total gross long-term deferred income tax liabilities	<u>\$ (21,303)</u>
Net long-term deferred income tax assets classified as other long-term assets on the consolidated balance sheet	\$ 1,996
Net long-term deferred income tax liabilities classified as other long-term liabilities on the consolidated balance sheet	\$ (20,664)

The components of gross deferred income tax liabilities are comprised primarily of temporary differences for depreciation recognized in different years for book and tax. The gross deferred income tax assets primarily relate to net operating loss carry forwards which were generated in various state and foreign jurisdictions and temporary differences related to Energy Hedges and depreciation recognized in different years for book and tax. The gross deferred tax assets and liabilities of the same jurisdiction are netted together. The valuation allowance has a balance of \$10,974 as of December 31, 2023.

Net operating loss carry forwards for income tax purposes were approximately \$47,050 at December 31, 2023. A substantial portion of these losses expire in 2024 through 2043, while approximately \$26,913 has an unlimited expiration date.

The Company files income tax returns in federal jurisdictions in the United States, Canada, Cyprus, Luxembourg, Netherlands, Poland, Spain, Sweden and multiple state jurisdictions within the United States. With a few exceptions, the Company is subject to audit by taxing authorities for the tax year ended 2017 through the current fiscal year.

One of the Company's Polish subsidiaries was selected for a Polish dividend withholding tax audit for dividends paid to its sole shareholder in the Netherlands in 2017 and 2018. In 2023, the Polish tax authority issued a preliminary decision on the audits and claimed the subsidiary failed to fulfill its obligations as a payer of the dividend, and therefore is subject to a 19% income tax on the dividends. On February 27, 2024, the Polish tax authority issued a final decision related to the 2017 and 2018 audits and assessed the subsidiary a 19% income tax on the dividends. On March 26, 2024, the subsidiary filed a dispute.

As a result of the decisions, the Company recorded \$12,202 of income tax expense for the 19% income tax on all dividends made by all Polish subsidiaries from 2017 through 2021, inclusive of \$3,635 of related interest and penalty charges. Tax years 2019 through 2021 remain subject to examination by the Polish tax authority.

A reconciliation of unrecognized tax benefits is as follows:

Unrecognized tax benefits – December 31, 2022	\$ —
Total increases – current year positions	<u>12,202</u>
Unrecognized tax benefits – December 31, 2023	<u>\$ 12,202</u>

At December 31, 2023, the total unrecognized tax benefits recorded in other short-term liabilities and other long-term liabilities on the consolidated balance sheet were \$2,716 and \$9,486, respectively. It is reasonably possible that a reduction of up to \$4,328 of unrecognized tax benefits could occur within 12 months resulting from the expiration of tax statute of limitations. Furthermore, \$2,716 of unrecognized tax benefits that are recorded in short-term liabilities will reduce to zero as deposits were made during 2024.

14. COMMITMENTS AND CONTINGENCIES

Commitments – The Company has a variety of land agreements used by the Project accounted for as executory contracts that extend through 2058. For 2023, total land costs incurred were \$6,184 of which \$5,219 represented minimum land costs and \$965 represented contingent land costs.

The following is a schedule of future minimum payments required under land agreements that have an initial or remaining non-cancellable terms in excess of one year as of December 31, 2023:

Years Ending December 31

2024	\$ 5,483
2025	5,502
2026	5,515
2027	5,605
2028	5,767
Thereafter	94,389
Total	<u>\$ 122,261</u>

Contingencies – The Company utilizes letters of credit and surety bonds to provide support for obligations under Project-related contracts. The balances of such are as follows as of December 31, 2023:

	<u>Issued</u>	<u>Available</u>	<u>Total Amount</u>
Letters of credit	\$ 10,102	\$ —	\$ 10,102

Depending on the purpose, these letters of credit are supported by cash collateral, security in an individual Project, or a guarantee from the Company or a subsidiary. As of December 31, 2023, the Company had pledged \$10,102 to cash collateralize these letters of credit.

The Company has provided guarantees, on behalf of a certain affiliate, related to agreements entered into by the affiliate with various counterparties. The guarantee arrangements enhance the credit standing of the affiliate to enable them to conduct business. The possibility of the Company having to honor these contingent obligations is largely dependent upon the future operations of the affiliate or the occurrence of certain future events. The Company performs ongoing assessments of its respective guarantee obligations to assess its potential exposure to future liabilities under these guarantees. That assessment includes mitigating factors that would offset the Company's obligations such as contractual limits on liability and corresponding credit support provided to the Company's affiliates.

As of December 31, 2023, the Company believes there is no material exposure related to these guarantee arrangements and the likelihood of having to make any material cash payments under these guarantees is remote. There are no liabilities recorded by the Company as of December 31, 2023 related to guarantees.

The terms of the guarantees provided by the Company at December 31, 2023 are as follows:

<u>Beneficiary</u>	<u>Purpose</u>	<u>Estimated Maximum Amount</u>	<u>Estimated Expiration Date</u>
Equipment Supplier	To guarantee certain Company obligations	\$25,473	2024

In the ordinary course of business, the Company is involved in legal proceedings. Based on current knowledge of these legal proceedings, the Company does not expect their ultimate resolution to have a material adverse effect on the consolidated financial statements.

Pursuant to terms under certain PPAs, subsidiaries of the Company may be required to make payments to the relevant power purchaser under certain conditions, such as failure to achieve minimum availability. The Company does not believe that such payments are likely to be material in the future.

15. RELATED PARTY TRANSACTIONS

Certain subsidiaries of the Company have entered into Facility Management Agreements (“Agreements”) with Invenergy Services LLC and affiliates (“Services”). Under these Agreements, the Project subsidiaries pay fixed monthly administrative and management fees, both escalating annually for the Consumer Price Index (“CPI”), and reimbursements for all direct operating costs, including facility labor. Some of the Agreements also require fees related to remote monitoring and reset services. Such related party transactions for the year ended December 31, 2023 amounted to \$20,295, which was recorded in plant operating and maintenance expense on the consolidated statement of operations.

Certain subsidiaries have entered into Energy Services Agreements with Invenergy LLC, a related party under common control with the Company, to provide set up, scheduling and settlement services in the related wholesale electric power market. Invenergy LLC shall be reimbursed for all actual costs incurred related to such activities. Such related party transactions for the year ended December 31, 2023 amounted to \$954, which was recorded in plant operating and maintenance expense on the consolidated statement of operations.

Some third-party invoices are paid by Services or other related affiliates on behalf of the Company. Such invoices are billed to the Company and reimbursed at cost.

16. SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES

Noncash activities of the Company for the year ended December 31, 2023 that have been excluded from the consolidated statement of cash flows include the following:

Noncash investing activities:

Additions to property, plant and equipment	\$	(634)
Revisions in ARO estimates in current year		(780)
Disposal of property, plant and equipment		331

Noncash financing activities:

Capital contributions	\$	4,523
Capital distributions to noncontrolling interest		(67)
