

ÅRSREDOVISNING

för

Poland Energy Holdings II AB

Org.nr. 556725-7794

Styrelsen får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31

Innehåll	Sida
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Undertecknad styrelseledamot i Poland Energy Holdings II AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 2023-06-09. Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Malmö 2023-06-09



Oscar Ingelmark

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FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i EUR.

Verksamheten

Allmänt om verksamheten

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

Företagets säte är Malmö.

Väsentliga händelser under räkenskapsåret

Det har inte varit några väsentliga händelser under räkenskapsåret.

Flerårsöversikt

	2022	2021	2020	2019
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	-57 264	4 450 987	10 774 755	1 351 929
Soliditet (%)	99,80	99,92	99,97	99,96

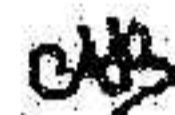
Definitioner av nyckeltal, se noter

Förändringar i eget kapital

	Aktiekapital	Reserv- fond	Fritt eget kapital
Belopp vid årets ingång	11 000	0	25 416 896
Resultatdisposition enligt beslut av årsstämma:			
Utdelning till aktieägare			-6 769 431
Återbetalning aktieägartillskott			-6 389 099
Årets resultat			-57 264
Belopp vid årets utgång	11 000	0	12 201 102
		2022-12-31	2021-12-31
Villkorade aktieägartillskott uppgår till:		0	6 389 099

Resultatdisposition

Medel att disponera:	
Balanserat resultat	12 258 366
Årets resultat	<u>-57 264</u>
	12 201 102
Förslag till disposition:	
Balanseras i ny räkning	<u>12 201 102</u>
	12 201 102

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter. 

Poland Energy Holdings II AB

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RESULTATRÄKNING

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Rörelseintäkter, lagerförändringar m.m.			
Nettoomsättning		0	0
Summa rörelseintäkter, lagerförändringar m.m.		0	0
Rörelsekostnader			
Övriga externa kostnader		-101 215	-66 397
Summa rörelsekostnader		-101 215	-66 397
Rörelseresultat		-101 215	-66 397
Finansiella poster			
Resultat från andelar i koncernföretag		0	3 848 014
Övriga ränteintäkter och liknande resultatposter		0	201 417
Förändring av nedskrivningar av finansiella anläggningstillgångar		0	631 125
Räntekostnader och liknande resultatposter		43 951	-163 172
Summa finansiella poster		43 951	4 517 384
Resultat efter finansiella poster		-57 264	4 450 987
Resultat före skatt		-57 264	4 450 987
Årets resultat		-57 264	4 450 987

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2023061407965

Poland Energy Holdings II AB
Org.nr. 556725-7794

2023061407966

BALANSRÄKNING

TILLGÅNGAR

Anläggningstillgångar

Finansiella anläggningstillgångar

Andelar i koncernföretag

Not
2

2022-12-31

2021-12-31

10 781 871

22 279 156

10 781 871

22 279 156

Summa finansiella anläggningstillgångar

Summa anläggningstillgångar

10 781 871

22 279 156

Omsättningstillgångar

Kortfristiga fordringar

Förutbetalda kostnader och upplupna intäkter

0

4 000

Summa kortfristiga fordringar

0

4 000

Kassa och bank

Kassa och bank

1 454 070

3 164 149

Summa kassa och bank

1 454 070

3 164 149

Summa omsättningstillgångar

1 454 070

3 168 149

SUMMA TILLGÅNGAR

12 235 941

25 447 305 *OKS*

Poland Energy Holdings II AB

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BALANSRÄKNING**EGET KAPITAL OCH SKULDER****Eget kapital****Bundet eget kapital**

Aktiekapital

2022-12-31

2021-12-31

Not

11 000

11 000

Summa bundet eget kapital

11 000

11 000

Fritt eget kapital

Balanserat resultat

12 258 366

20 965 910

Årets resultat

-57 2644 450 987**Summa fritt eget kapital**

12 201 102

25 416 897

Summa eget kapital

12 212 102

25 427 897

Kortfristiga skulder

Leverantörsskulder

1 539

17 408

Upplupna kostnader och förutbetalda intäkter

22 3002 000**Summa kortfristiga skulder**

23 839

19 408

SUMMA EGET KAPITAL OCH SKULDER

12 235 941

25 447 305 *eb*

2023061407967

Poland Energy Holdings II AB

Org.nr. 556725-7794

NOTER

Not 1 Redovisnings- och värderingsprinciper

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

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Andelar i dotterföretag

Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader.

Noter till balansräkningen

Not 2 Andelar i koncernföretag

			2022-12-31	2021-12-31
Företag		Antal /Kapital- andel %	Redovisat värde	Redovisat värde
Organisationsnummer	Säte			
Jezycki Wind Invest Sp.z.o.o 0000318365	Warszawa	100 100,00%	5 079 819	9 010 558
Dobieslaw Wind Invest Sp.z.o.o 0000323720	Warszawa	50 100,00%	1 824 181	5 429 929
Wind Invest Sp.z.o.o 0000251267	Warszawa	100 100,00%	3 877 871	7 838 668
			<hr/>	<hr/>
			10 781 871	22 279 155
Uppgifter om eget kapital och resultat			Eget kapital	Resultat
Jezycki Wind Invest Sp.z.o.o			19 969 067	3 614 434
Dobieslaw Wind Invest Sp.z.o.o			9 721 162	5 202 670
Wind Invest Sp.z.o.o			16 305 756	3 976 742
Jezycki Wind Invest Sp.z.o.o				
Ingående anskaffningsvärden			9 010 558	9 010 558
Återbetalning aktieägartillskott dotterbolag			-3 930 739	0
Utgående anskaffningsvärden			<hr/>	<hr/>
Redovisat värde			5 079 819	9 010 558

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Poland Energy Holdings II AB

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NOTER

Dobieslaw Wind Invest Sp.z.o.o		
Ingående anskaffningsvärden	5 429 929	9 829 217
Återbetalning aktieägartillskott dotterbolag	-3 605 748	-4 399 288
Utgående anskaffningsvärden	1 824 181	5 429 929
Ingående nedskrivningar	0	-631 124
Återförda nedskrivningar	0	631 124
Redovisat värde	1 824 181	5 429 929
Wind Invest Sp.z.o.o		
Ingående anskaffningsvärden	7 838 668	7 838 668
Återbetalning aktieägartillskott dotterbolag	-3 960 797	0
Utgående anskaffningsvärden	3 877 871	7 838 668
Redovisat värde	3 877 871	7 838 668

Övriga noter


Not 3 Väsentliga händelser efter räkenskapsårets slut

I slutet av 2022 införde polska regeringen ett pristak för försäljning av energi i ett försök att minska kostnaderna för slut konsumenterna. Marknadspriserna har varit och är för närvarande över detta pristak, vilket har påverkat dotterbolagen negativt. Den nuvarande lagstiftningen kommer att gälla till slutet av 2023 så förhoppningen är att det inte ska ha långsikt inverkan på dotterbolagen.

Not 4 Koncernförhållanden

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

Not 5 Definition av nyckeltal

Soliditet
Justerat eget kapital i procent av balansslutning 

Poland Energy Holdings II AB

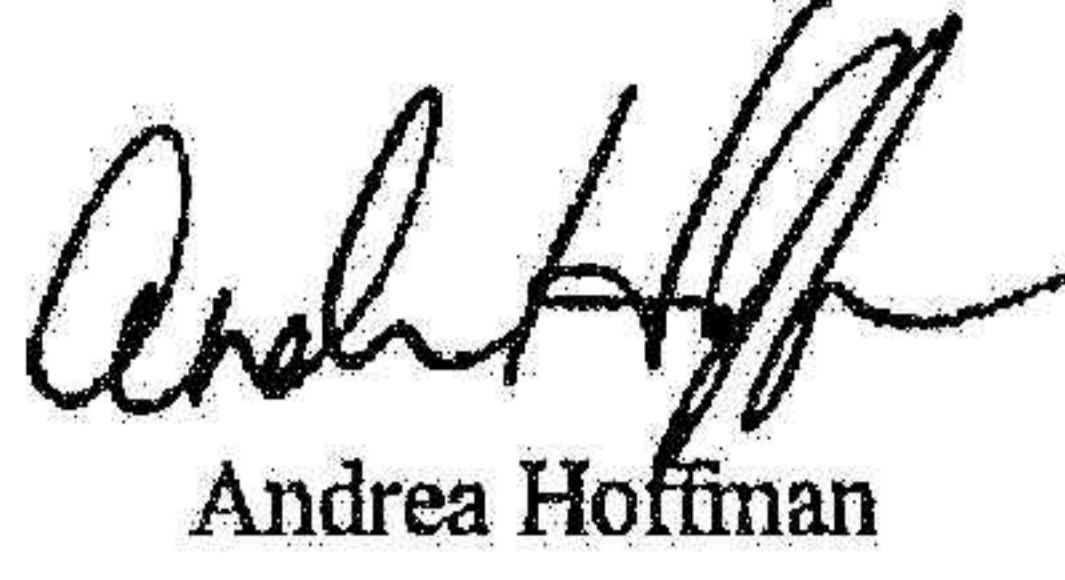
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NOTER

Malmö 2023-05-26



Mikaela Laaksonen



Andrea Hoffman




William Borders III



Oscar Ingelmark

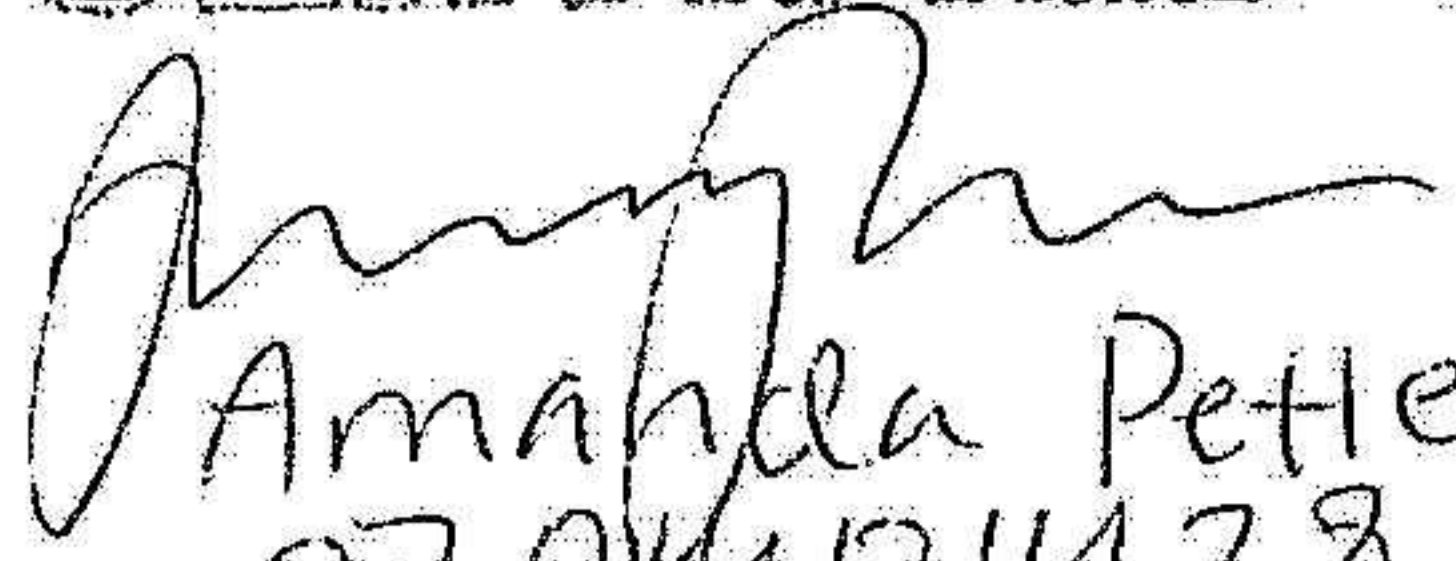
Vår revisionsberättelse har lämnats den 26/5 2023.

Deloitte AB



Ann Brenander
Auktoriserad revisor

2023061407970


Amalia Pettersson
0704401428
2023-06-12

REVISIONSBERÄTTELSE

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

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Poland Energy Holding II AB för räkenskapsåret 2022-01-01 - 2022-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Poland Energy Holding II ABs finansiella ställning per den 31 december 2022 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 Holding 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 uppger, 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:

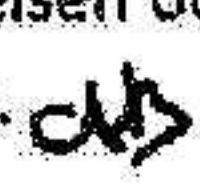
- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund 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 Holding II AB för räkenskapsåret 2022-01-01 - 2022-12-31 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 revisionsred i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Poland Energy Holding II AB enligt god revisorsred 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 ersättningskyldighet 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 revisionsred i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningskyldighet 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 revisionsred 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 26 maj 2023

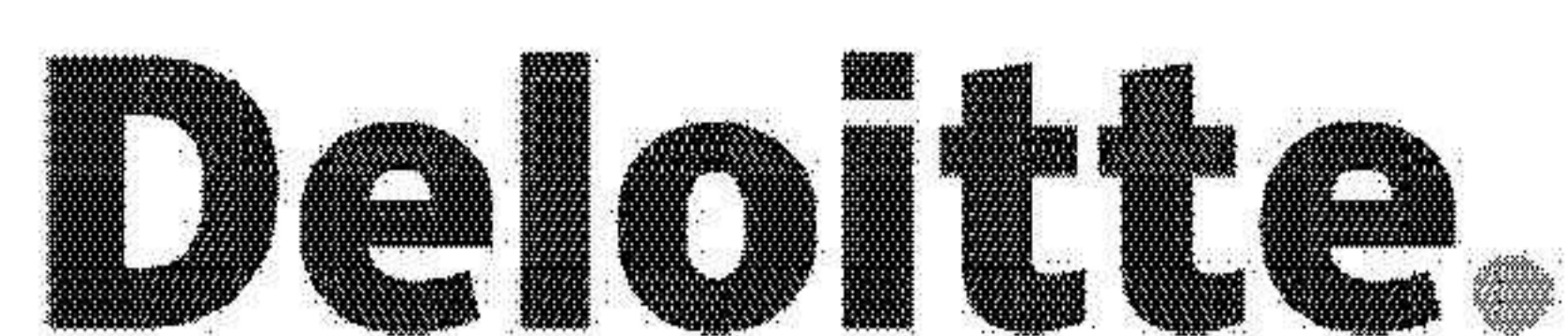
Deloitte AB



Ann Brenander
Auktoriserad revisor

Invenergy Wind North America LLC and Subsidiaries

Consolidated Financial Statements as of and
for the Year Ended December 31, 2022, and
Independent Auditor's Report



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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, 2022, 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, 2022, 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.

Disclaimer of Opinion on Supplementary Information in Schedule A

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary Schedule A on page 23 is presented for the purpose of additional analysis and is not a required part of the financial statements. This supplementary information is the responsibility of the Company's management. Such information has not been subjected to the auditing procedures applied in our audit of the financial statements, and accordingly it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Deloitte & Touche LLP

April 13, 2023
Chicago, Illinois

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2022 (In USD '000s)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 49,386
Restricted cash	15,681
Accounts receivable	16,164
Risk management assets	1,182
Notes receivable	23,850
Prepaid expenses and other current assets	4,896
Total current assets	111,159

LONG-TERM ASSETS:

Property, plant and equipment — net	923,787
Intangible assets — net	6,277
Investments in unconsolidated affiliates	108,490
Long-term restricted cash	6,732
Long-term accounts receivable — related parties	6,506
Long-term notes receivable	123,980
Other long-term assets	11,968
Total long-term assets	1,187,740

TOTAL⁽¹⁾

\$ 1,298,899

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 4,306
Accounts payable — related parties	7,466
Short-term debt and current portion of long-term debt — net	24,969
Other liabilities and accrued expenses	12,602
Total current liabilities	49,343

LONG-TERM LIABILITIES:

Long-term debt — net	97,170
Asset retirement obligations	43,347
Long-term accounts payable	147,707
Other long-term liabilities	19,280
Total long-term liabilities	307,504
Total liabilities ⁽¹⁾	356,847

COMMITMENTS AND CONTINGENCIES

EQUITY:

Contributed capital and retained earnings	173,457
Accumulated other comprehensive loss	(9,228)
Noncontrolling interest	777,823
Total equity	942,052

TOTAL

\$ 1,298,899

⁽¹⁾ Consolidated assets at December 31, 2022 include total assets of \$991,320 of variable interest entities (“VIEs”) that can only be used to settle the liabilities of the respective VIEs. Consolidated liabilities at December 31, 2022 include total liabilities of \$48,073 of certain VIEs. See Note 14.

See notes to consolidated financial statements.

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2022 (In USD '000s)

OPERATING REVENUES	\$ 171,396
OPERATING EXPENSES:	
Plant operating and maintenance expense	47,392
Depreciation, amortization and accretion expense	66,226
General and administrative expense	9,438
Taxes (other than income taxes)	5,186
Business development expense	2,677
Total operating expenses	<u>130,919</u>
INCOME FROM OPERATIONS	<u>40,477</u>
OTHER INCOME (EXPENSE):	
Interest expense	(15,638)
Interest income	8,898
Loss from investments in unconsolidated affiliates	(26,145)
Other — net	3,256
Total other expense	<u>(29,629)</u>
INCOME BEFORE PROVISION FOR INCOME TAX EXPENSE	10,848
INCOME TAX EXPENSE	<u>(5,983)</u>
NET INCOME	4,865
NONCONTROLLING INTEREST SHARE	22,515
NET LOSS ATTRIBUTABLE TO MEMBER	<u>\$ (17,650)</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, 2022 (In USD '000s)

NET INCOME	\$ 4,865
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:	
Investments in unconsolidated affiliates	389
Foreign currency translation adjustments	<u>(4,950)</u>
Total other comprehensive loss, net of tax	<u>(4,561)</u>
COMPREHENSIVE INCOME	304
NONCONTROLLING INTEREST SHARE OF COMPREHENSIVE INCOME, NET OF TAX	<u>21,768</u>
COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBER	<u>\$ (21,464)</u>

See notes to consolidated financial statements.

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022 (In USD '000s)

	Total	Member		Noncontrolling Interest
		Contributed Capital and Retained Earnings	Accumulated Other Comprehensive Income (Loss)	
BEGINNING EQUITY — January 1, 2022	\$ 995,182	\$ 188,281	\$ (5,414)	\$ 812,315
Adoption of ASC 842 ⁽¹⁾	10,825	8,285	—	2,540
Comprehensive income (loss):				
Net income (loss)	4,865	(17,650)	—	22,515
Other comprehensive income (loss), net of tax:				
Investments in unconsolidated affiliates	389	—	389	—
Foreign currency translation adjustments	(4,950)	—	(4,203)	(747)
Total comprehensive income (loss)	304	(17,650)	(3,814)	21,768
Capital contributions	3,533	3,533	—	—
Capital distributions	(67,792)	(8,992)	—	(58,800)
ENDING EQUITY — December 31, 2022	<u>\$ 942,052</u>	<u>\$ 173,457</u>	<u>\$ (9,228)</u>	<u>\$ 777,823</u>

⁽¹⁾ Amounts reflect a cumulative effect adjustment due to implementation of a new accounting standard related to Accounting Standards Codification (“ASC”) 842, *Leases*. See Note 2 for more information.

See notes to consolidated financial statements.

INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022 (In USD '000s)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 4,865
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation, amortization and accretion expense	66,226
Unrealized (gains) losses on risk management contracts	(890)
Deferred income taxes	890
Return on investments in unconsolidated affiliates	26,423
Other operating activities	7,459
Changes in assets and liabilities:	
Accounts receivable	(9,170)
Prepaid expenses and other current assets	(1,240)
Other long-term assets	(3,455)
Accounts payable	2,508
Accounts payable — related parties	(1,780)
Other liabilities and accrued expenses	(4,313)
Net cash provided by operating activities	<u>87,523</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Additions to property, plant and equipment	(316)
Proceeds from sale of unconsolidated affiliates	20,127
Net investment in unconsolidated affiliates	(28,085)
Collections on notes receivable	14,568
Net cash provided by investing activities	<u>6,294</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Debt repayments	(17,028)
Repayment of notes payable	(11,435)
Debt proceeds — related parties	4,523
Capital contributions	3,533
Capital distributions	(8,992)
Capital distributions to noncontrolling interest	(58,800)
Net cash used in financing activities	<u>(88,199)</u>

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

	(550)
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	5,068
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — Beginning of year	66,731
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — End of year	<u>\$ 71,799</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for interest during the year, net of capitalized interest	<u>\$ 9,160</u>
Cash paid for income taxes during the year	<u>\$ 4,712</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, 2022 (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. See Schedule A for a list of Projects in operation and consolidated by the Company as of and for the year ended December 31, 2022.

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 13, 2023, 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.

Fair Value Measurements — Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market in which the reporting entity transacts based on the assumptions market participants would use when pricing the asset or liability. The Company also incorporates non-performance risk in net liability positions based on an assessment of market participants’ assumptions of the Company’s potential risk of default.

Financial assets and liabilities are recorded at fair value on the consolidated balance sheet using inputs from the three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement (see Note 4). The Company’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. The three levels are as follows:

- Level 1 – Inputs are quoted prices (unadjusted) for identical financial assets or liabilities in active markets that the Company has the ability to access at the measurement date.
- Level 2 – Inputs other than quoted prices that are directly observable for similar financial assets or liabilities or indirectly observable through corroboration with observable market data.
- Level 3 – Unobservable inputs for assets or liabilities that are only used when there is little, if any, market data available at the measurement date. The Company develops these inputs based on the best information available, including its own data.

Observable and unobservable third-party forward price inputs used in the valuation are obtained from a third-party pricing source and are subject to a review by the Company’s management at each reporting period.

Company management performs procedures around both inputs and industry standard techniques utilized to ensure that the results of the valuation are reasonable.

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 5). 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 2022 cash, cash equivalents and restricted cash from the consolidated balance sheet to the consolidated statement of cash flows:

Cash and cash equivalents	\$ 49,386
Restricted cash	15,681
Long-term restricted cash	<u>6,732</u>
Total cash, cash equivalents and restricted cash	<u><u>\$ 71,799</u></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 2022, the Company received \$4,523 from its parent, which was recorded within financing activities on the consolidated statement of cash flows.

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, 2022, \$5,793 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 6).

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 7).

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.

The Company performed an impairment test of the carrying value of certain long-lived tangible assets at multiple projects as of December 31, 2022. The test includes significant inputs, including average forward electricity and renewable energy credit ("REC") prices, electricity generation, expected useful life of the wind farm, and residual value. The impairment test concluded the undiscounted cash flows expected from the long-lived assets during their estimated useful life and their residual value still exceeded their carrying value as of December 31, 2022, resulting in no impairment. If a determination is made that the carrying amount of the long-lived assets exceeds the undiscounted cash flows in a future period, the resulting impairment charge could be material.

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 8).

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 9). 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 10). Amortization of deferred financing costs is recorded as interest expense on the consolidated statement of operations.

Derivative Instruments and Hedging Activities — The Company utilizes derivative instruments to manage its exposure to fluctuations in electricity prices (“Energy Hedge”) (see Note 11). The Energy Hedge is secured by the respective Project’s cash collateral.

The Company has entered into an Energy Hedge whereby the Company either pays or receives funds pursuant to the terms of the agreement in order to fix its sales price for a portion of the output of the respective Project. Revenue related to net settlements under the Energy Hedge is recognized per the settlement terms of the Energy Hedge agreement.

Derivative instruments are accounted for under fair value accounting and are recorded on the consolidated balance sheet at fair value unless the contract terms and conditions qualify for the “normal purchase and normal sales” (“NPNS”) exception, in which the Company elects accrual accounting. For derivative instruments not subject to NPNS, the change in fair value is immediately recognized in earnings as a component of operating revenues on the consolidated statement of operations.

Notes Payable — The Company was party to promissory notes in which it agreed to repay outstanding obligations to a third party. The promissory notes incurred a market-based interest rate and any unpaid interest balance was added to the notes payable balance on a monthly basis (see Note 12). The Company recorded the payments on the principal of the notes payable as a component of financing activities on the consolidated statement of cash flows.

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 13).

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 14).

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 11). 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, 2022:

Electricity sales - PPAs	\$	18,919
Electricity sales - Merchant		112,301
Renewable energy credits		22,528
Other ⁽¹⁾		17,648
Total operating revenue	\$	<u>171,396</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, 2022 and December 31, 2021 were \$12,740 and \$5,882, respectively. The Company’s contract liabilities consist of payments due on the contracts with customers and totaled \$1,460 and \$231, respectively, as of December 31, 2022 and December 31, 2021.

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

During 2022, the Company agreed to receive a lower settlement amount related to 2021 Electric Reliability Council of Texas (“ERCOT”) receivables than what was previously recorded. As such, the Company recorded \$836 of bad debt expense within plant operating and maintenance expense on the consolidated statement of operations. The Company has experienced no other credit losses to date on its sales; therefore, no allowance for doubtful accounts has been provided.

Land Agreements — The Company has entered into land agreements. In 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02: *Leases (Topic 842)* and related ASUs, which requires lease assets and lease liabilities, including operating leases, to be recognized on the consolidated balance sheet for all leases with terms longer than twelve months. The Company adopted the standard on January 1, 2022 on a modified retrospective basis which recognizes and measures leases existing at, or entered into after, the beginning of the period of adoption. Prior to the adoption of ASC 842, the Company accounted for the land agreements as operating leases under ASC 840, *Leases*. Upon implementation of ASC 842, the Company’s land agreements do not meet the definition of a lease based on the Company not obtaining substantially all of the economic benefits of the underlying asset and therefore will be accounted for as executory contracts. Upon adoption of ASC 842, the Company recognized an adjustment to beginning retained earnings of \$10,825 related to previously recorded liabilities for land agreements.

Certain 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 16). 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, 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 \$5,983 for the year ended December 31, 2022. Income taxes payable as of December 31, 2022 were \$498 and included in other current liabilities on the consolidated balance sheet (see Note 15).

3. RECENT ACCOUNTING PRONOUNCEMENTS

The following table provides a brief description of recent accounting pronouncements that could have a material effect on the consolidated financial statements:

Standard	Description	Expected Date of Adoption	Effect on the consolidated financial statements or other significant matters
<i>Standards that are not yet adopted as of December 31, 2022</i>			
ASU 2016-13 <i>Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements and related ASUs</i>	The standard requires the replacement of the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The effective date of adoption for private companies has been extended to January 1, 2023.	January 1, 2023	The Company has assessed the impact of the adoption of the updated guidance and determined it will not have a material impact on the consolidated financial statements and related disclosures.

4. FAIR VALUE MEASUREMENTS

The Company identified its derivative instrument as an item governed under fair value accounting as of December 31, 2022, and therefore, it is recorded at fair value on the consolidated balance sheet. The Company utilizes the income approach to determine fair value.

Energy Hedge – The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to value the Energy Hedge. Inputs for the Energy Hedge can be readily observable, market corroborated, or deemed insignificant and is designated Level 2 for purposes of disclosure.

The following table presents the Company's assets measured and recorded at fair value on the consolidated balance sheet on a recurring basis and their level within the fair value hierarchy:

	Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Risk Management Assets				
Energy Hedge	\$ —	\$ 1,182	\$ —	\$ 1,182

5. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table represents the activity in AOCI (AOCL), net of tax, during 2022 :

	Investments in Unconsolidated Affiliates	Foreign Currency	Total
Balance — January 1	\$ (234)	\$ (5,180)	\$ (5,414)
OCI (OCL)	389	(5,116)	(4,727)
Noncontrolling interest share of OCI or OCL	—	747	747
Deferred tax impact	—	166	166
Balance — December 31	<u>\$ 155</u>	<u>\$ (9,383)</u>	<u>\$ (9,228)</u>

6. PROPERTY, PLANT AND EQUIPMENT — NET

As of December 31, 2022, property, plant and equipment — net consisted of the following:

Land and land improvements	\$ 65,665
Plant	1,883,748
Other property and equipment	33,413
Subtotal	<u>1,982,826</u>
Less accumulated depreciation	<u>(1,059,039)</u>
Property, plant and equipment — net	<u>\$ 923,787</u>

For the year ended December 31, 2022, \$62,837 of depreciation expense was recorded on the consolidated statement of operations.

7. INTANGIBLE ASSETS — NET

As of December 31, 2022, the Company recorded intangible assets of \$6,277, net of accumulated amortization of \$16,553. Amortization expense was \$1,505 for the year ended December 31, 2022.

Annual amortization expense is anticipated to be as follows:

Years Ending December 31	
2023	\$ 1,511
2024	1,511
2025	1,511
2026	1,564
2027	180
Total	<u>\$ 6,277</u>

8. 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, 2022</u>	<u>For the Year Ended December 31, 2022</u>	
Carrying Value of Investment in Unconsolidated Affiliates	Loss from Investments in Unconsolidated Affiliates	Other Comprehensive Income (Loss)
\$ 108,490	\$ (26,145)	\$ 389

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, 2022</u>		<u>For the Year Ended December 31, 2022</u>	
Current assets	\$ 27,954	Operating revenues	\$ (42,999)
Long-term assets	321,077	Operating loss	(70,200)
Current liabilities	12,030	Net income attributable to Class B interests	(46,561)
Long-term liabilities	132,786		
Noncontrolling interest	44,706		

9. 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, 2022, notes receivable of \$23,850 and \$123,980 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, 2022:

Notes receivable	\$ 184,365
Discount on notes receivable	(36,535)
Total	<u>\$ 147,830</u>

10. DEBT OBLIGATIONS

Debt obligations consisted of the following as of December 31, 2022:

Debt Obligations	Carrying Value		Interest Rate	Maturity Date
	Current	Long-term		
Project financings ⁽¹⁾	\$ 25,631	\$ 97,760	5.50% - 10.05% ⁽²⁾	2025 to 2031
Unamortized deferred financing costs ⁽³⁾	(662)	(590)		
Total	\$ 24,969	\$ 97,170		

⁽¹⁾ Includes \$13,460 in Polish Zloty denominated loans.

⁽²⁾ Represents either variable or fixed rate interest. Variable rate is based on an underlying index plus a margin.

⁽³⁾ For the year ended December 31, 2022, \$155 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, 2022 are scheduled as follows:

Years Ending December 31

2023	\$ 18,260
2024	18,227
2025	16,983
2026	15,850
2027	20,923
Thereafter	33,148
Total	<u>\$ 123,391</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, 2022 was \$20,305.

Certain Polish project-level subsidiaries are in breach of their respective credit agreements due to certain actions by power purchasers with respect to their long-term power agreements. As of December 31, 2022, \$13,460 of outstanding debt obligations under these credit agreements has been classified as short-term debt on the consolidated balance sheet. However, the Company is current with its debt service obligations and is in negotiations with the lenders to cure the default and maintain the long-term nature of these credit agreements. The Polish project-level subsidiaries received waivers on the breaches to the respective credit agreements for calendar year 2023, which allows the projects to distribute available cash flow. These affected project financings are non-recourse in nature.

11. RISK MANAGEMENT AND HEDGING ACTIVITIES

In 2022, a subsidiary of the Company entered into new Energy Hedge positions that ends in March 2023. Additionally, an existing Energy Hedge position at another subsidiary of the Company was fully settled during 2022.

The following table summarizes the significant terms of the derivative instrument as of December 31, 2022:

Derivative Instrument	Outstanding Notional	Fixed Rate	Floating Rate	Maturity Date
Energy Hedge	10,800 MWh	\$297.62 - \$307.88 / MWh	TGE Base	March 2023

The following table summarizes the fair value of Company's derivative instrument recorded on the Company's consolidated balance sheet as of December 31, 2022:

	Risk Management Assets	
	Current	Long-Term
Derivative Instrument Not Designated for Hedge Accounting		
Energy Hedge	\$ 1,182	\$ —

Gains or losses related to the Company's Energy Hedge are recorded on the consolidated statement of operations as follows for the year ended December 31, 2022:

	Settlement Revenue and Net Settlement Receipts	Changes in Fair Value in Operating Revenues
Derivative Instrument Not Designated for Hedge Accounting		
Energy Hedge	\$ (2,641)	\$ 1,716
Total Derivative Instrument	\$ (2,641)	\$ 1,716

At the inception of the settled Energy Hedge, the Company determined that the value of the forecasted fixed price settlements under the settled Energy Hedge was less than the value of the forecasted market settlements utilizing forward interest rates ("Inception Fair Value Loss"). This Inception Fair Value Loss was recorded on the consolidated balance sheet and recognized within revenues on the consolidated statement of operations as the forecasted settlements occur throughout the life of the settled Energy Hedge. For the year ended December 31, 2022, \$826 of Inception Fair Value Loss was amortized.

12. NOTES PAYABLE

During 2018, the Company executed promissory notes to repay the outstanding tracking account obligations associated with the expiration of hedges. The promissory notes were repaid in full during the year ended December 31, 2022. During 2022, the Company made principal payments totaling \$11,435 and incurred \$357 of interest expense related to the promissory notes.

13. ASSET RETIREMENT OBLIGATIONS

The following table provides a reconciliation of the ending aggregate carrying amount of the AROs for the year ended December 31, 2022:

Balance — January 1	\$ 43,141
Accretion expense	1,884
Revision in ARO estimates in current year	(1,178)
Foreign currency translation adjustments	(500)
Balance — December 31	<u>\$ 43,347</u>

14. 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, 2022:

Assets	
Current assets	\$ 45,043
Property, plant and equipment — net	844,561
Other long-term assets	101,716
Total assets	<u>\$ 991,320</u>
Liabilities	
Current liabilities	9,299
Asset retirement obligations	34,722
Other long-term liabilities	4,052
Total liabilities	<u>\$ 48,073</u>

15. INCOME TAXES

The income tax (benefit) expense for the year ended December 31, 2022 is as follows:

Current — federal	\$ 18
Current — state	289
Current — foreign	4,786
Total current	<u>5,093</u>
Deferred — federal	—
Deferred — state	526
Deferred — foreign	364
Total deferred	<u>890</u>
Total income tax expense	<u>\$ 5,983</u>

The components of deferred income tax assets and liabilities at December 31, 2022 were as follows:

Total gross long-term deferred income tax assets	\$ 11,755
Less valuation allowances	<u>(7,535)</u>
Total net long-term deferred income tax assets	<u>\$ 4,220</u>
Total gross long-term deferred income tax liabilities	<u>\$ (19,844)</u>
Net long-term deferred income tax assets classified as other long-term assets on the consolidated balance sheet	\$ 2,986
Net long-term deferred income tax liabilities classified as other long-term liabilities on the consolidated balance sheet	\$ (18,610)

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 \$7,535 as of December 31, 2022.

Net operating loss carry forwards for income tax purposes were approximately \$36,365 at December 31, 2022. A substantial portion of these losses expire in 2023 through 2042, while approximately \$25,951 has an unlimited expiration date.

The Company files income tax returns in federal jurisdictions in the United States, Canada, Cyprus, Luxembourg, Netherlands, Poland, Spain and 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 2016 through the current fiscal year.

16. 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 2022, total land costs incurred were \$7,172 of which \$5,103 represented minimum land costs and \$2,069 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, 2022:

Years Ending December 31	
2023	\$ 5,219
2024	5,441
2025	5,460
2026	5,474
2027	5,563
Thereafter	<u>99,631</u>
Total	<u>\$ 126,788</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, 2022:

	Issued	Available	Total Amount
Letters of credit	\$ 6,502	\$ —	\$ 6,502
Surety bonds	300	—	300
Total	<u>\$ 6,802</u>	<u>\$ —</u>	<u>\$ 6,802</u>

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, 2022, the Company had pledged \$6,502 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, 2022, 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, 2022 related to guarantees.

The terms of the guarantees provided by the Company at December 31, 2022 are as follows:

Beneficiary	Purpose	Estimated Maximum Amount	Estimated Expiration Date
Equipment Supplier	To guarantee certain Company obligations	\$25,473	2023

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.

17. 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, 2022 amounted to \$17,989, 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, 2022 amounted to \$857, 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.

18. SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES

Noncash activities of the Company for the year ended December 31, 2022 that have been excluded from the consolidated statement of cash flows include the following:

Noncash financing activities:

Revisions in ARO estimates in current year	\$ (1,178)
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INVENERGY WIND NORTH AMERICA LLC AND SUBSIDIARIES

SCHEDULE A

UNAUDITED SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

UNITED STATES OF AMERICA PROJECTS

Consolidated Projects	Location	COD	Gross Capacity (MW)
Buffalo Mountain	Tennessee	2004	27.0
Camp Springs I	Texas	2007	130.5
Grand Ridge	Illinois	2008	99.0
McAdoo	Texas	2008	150.0
Camp Springs II	Texas	2008	120.0
Stanton	Texas	2008	120.0
Turkey Track	Texas	2008	169.5
Willow Creek	Oregon	2009	72.0
Sheldon	New York	2009	112.5
Total United States of America Projects			1,000.5

INTERNATIONAL PROJECTS

Project Name	Location	COD	Gross Capacity (MW)
Tymien	Poland	2006	50.0
Wiekowice (Darlowo Phase I)	Poland	2012	25.0
Jezyce (Darlowo Phase I)	Poland	2012	27.5
Dobieslaw (Darlowo Phase I)	Poland	2012	27.5
Total International Projects			130.0

Total Consolidated Projects

1,130.5

INVESTMENTS IN UNCONSOLIDATED AFFILIATES

Investee	Location	Ownership Percentage⁽¹⁾	Gross Capacity (MW)
Miami Wind I Class B Holdings LLC		49.9% ⁽²⁾	
Miami Wind I	Texas		288.0
Total Unconsolidated Projects			288.0

⁽¹⁾ Accounted for under the equity method of accounting.

⁽²⁾ MWICB owns 100% of the Class B interests in Miami Wind I.