20231004070

Årsredovisning

för

Westinghouse Electric Sweden AB

556070-6359

Räkenskapsåret

2022-01-01 - 2022-12-31

Fastställelseintyg

Undertecknad verkställande direktör i Westinghouse Electric Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 30 juni 2023. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Västerås den 27 september 2023

Aziz Dag

20230711144157

Årsredovisning

för

Westinghouse Electric Sweden AB

556070-6359

Räkenskapsåret

2022-01-01 - 2022-12-31

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Styrelsen och verkställande direktören för Westinghouse Electric Sweden AB avger följande årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Energibehovet i världen ökar samtidigt som kraven att på minska koldioxidutsläppen skärps. Stabil koldioxidfri elproduktion är viktigare än någonsin för att kunna stötta efterfrågan på el utan att generera ökade utsläpp. Tillsammans med förnyelsebar energi kan kärnkraften producera en stor del av världens totala energibehov under förhållanden som innebär liten klimatpåverkan. Som en ledande leverantör inom kärnkraftsbranschen gör Westinghouse skillnad i världen genom att säkerställa att våra kunder kan producera stabil koldioxidfri el.

Westinghouse Electric Company har en mer än 130-årig historia av innovation och utveckling som gjort skillnad i världen. Tydliga exempel är när grundaren, George Westinghouse, kommersialiserade växelströmmen och därmed för alltid förändrade hur el distribueras i världen. Under 1950-talet blev företaget pionjär inom kärnkraftsteknologi och Westinghouse teknik ligger till grund för närmare hälften av världens alla kommersiella kärnkraftverk i drift. Idag har företaget ca 10 000 medarbetare i 20 länder.

Westinghouse Electric Sweden AB, där vår svenska verksamhet bedrivs, bildades 1969 under namnet Asea Atom AB och integrerades i Westinghousekoncernen år 2000. Med den gemensamma bolagshistoriken, Westinghouse och Asea Atom, har dagens Westinghouse byggt alla 12 kommersiella reaktorer som är eller har varit i drift i Sverige, samt 2 reaktorer i Finland. Av dessa totalt 14 reaktorer är 11 Asea Atom-designade kokarvattenreaktorer (Boiling Water Reactor, BWR) och 3 är Westinghouse-designade tryckvattenreaktorer (Pressurized Water Reactor, PWR). Alla reaktorer byggdes och togs i drift på mindre än 20 år, från slutet av 1960-talet fram till mitten av 1985. Utöver dessa reaktorer byggdes även kärnbränslefabriken i Västerås för att stötta de svenska kokarvattenreaktorerna med kärnbränsle.

I mer än 50 år har det producerats kärnbränsle i fabriken i Västerås och tillverkningsvolymen har blivit betydligt större med åren. Från att fabriken endast tillverkade kärnbränsle till kokarvattenreaktorer (BWR) så har produktionsmixen växt och fabriken är idag unik i den mening att den tillverkar kärnbränsle till tre olika bränsletyper. Majoriteten av dagens bränsleproduktion är avsedd för tryckvattenreaktorer (PWR) i Europa med Frankrike som främsta marknad. Därefter kommer bränsle till VVER-reaktorer (Vodo-Vodyanoi Energetichesky Reactor), vilket är ett segment som växt snabbt det senaste årtiondet och är avsett för reaktorer i Östeuropa, framför allt i Ukraina. BWR är idag det minsta segmentet i fabrikens bränsleproduktionsmix efter att antalet kokarvattenreaktorer blivit färre i Europa. Förutom bränsle tillverkar fabriken även styrstavar till kokarvattenreaktorer runt om i världen.

Utöver fabrikens tillverkning av produkter jobbar de svenska medarbetarbetare med allt inom kärnkraft, från forskning och utveckling, bränsleproduktion, service och underhåll till avveckling när reaktorerna nått sin fulla livslängd. Med den breda kompetens som den svenska verksamheten besitter erbjuds helhetslösningar till kunder i hela världen så att de kan driva sina befintliga kärnkraftverk länge och säkert, samt avveckla när reaktorerna nått slutet av sin operativa livslängd.

I Sverige arbetar nästan 1000 medarbetare från företagets anläggningar i Västerås och Täby. Utöver dessa har företaget även filialer i Bulgarien, Slovakien och Ukraina.

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Väsentliga händelser under och efter året

Nuclear Fuel Operations
Under 2022 har produktmixen ändrats och innehåller en något större andel BWR än tidigare, vår nya produkt VVER440 samt en ökad mängd pulverproduktion. PWR har legat tämligen stabilt, medan VVER1000 minskat.

Programmet som syftar till att införa vår nya produkt har påskyndats och produktionsstart har tidigarelagts flera år mot förut planerat. Första leverans förväntas ske redan under 2023. Förutom förändrad produktmix och införande av en helt ny produkt, har 2022 även inneburit förberedelse för ökade volymer.

För att möjliggöra allt detta har en rad större investeringar samt utvecklingsprojekt genomförts under året. Den femårsstrategi som gäller effektivisering och digitalisering har förfinats ytterligare och flera insatser har genomförts för att optimera produktionsflödet, möta nya produktdesigner och öka utnyttjandegraden av utrustningen.

Environmental Services
Affärsområdet ansvarar för avveckling av kärnkraft och verksamheten 2022 har bestått av ett flertal större projekt i Europa främst inriktade på segmentering av reaktortankar och interndelar. Projekten, som både är omfattande och långsiktiga, har befunnit sig i olika stadier av färdigställande. I Tyskland, Slovakien och Finland har arbeten slutförts, samtidigt som andra projekt på den tyska, franska och svenska marknaden pågår alternativt har förberetts för arbete på site under kommande år.

Operating Plant Services
Ett flertal projekt har genomförts i Europa och Sverige under året. Därtill hör två så kallade avställningsprojekt, det vill säga olika typer av service utförda under den sommarperiod som kärnkraftverk normalt är avstängda. Två kontrakt gällande grafit har tecknats och delleveranser har redan har skeppats. Investeringar initierades i vår grafitverkstad för att stärka leveransförmåga och produktkvalitet. Under 2023 har ett antal åldrade bränslepatroner reparerats.

Nya kontrakt har tecknats inom området Instrumentation & Control i Finland och arbetet startade i december 2022. Vid sidan av detta har samarbetet med våra BWR-kunder fortsatt varit en god bas.

Expansionen har fortsatt på den finska marknaden med fler lokalanställda, vilket ytterligare förbättrat våra kundrelationer. Vid sidan av detta har ett antal rekryteringar genomförts i Sverige för att ersätta personal som gått i pension.

King Sweden AB
Den 30:e april 2021 förvärvade Westinghouse Electric Sweden AB bolaget King Sweden AB av ABB AB. Samtliga tillgångar såldes inom koncernen under de första månaderna 2022 och därefter fusionerades det då tömda King Sweden AB med Westinghouse Electric Sweden AB 2022-04-05.

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Forskning och utveckling

Nuclear Fuel
Bolagets forskning och utveckling inom bränslesektorn är huvudsakligen fokuserad kring utveckling av nya produkter i linje med kundernas behov, ökad tillförlitlighet samt minskade skaderisker för bränsle. Andra utvecklingsområden syftar till effektivisering och förbättrad stabilitet i produktionen.

Operating Plant Services
Som en naturlig följd av vårt breda utbud av tjänster inom kärnkraftssektorn är utveckling av olika verktyg ständigt pågående. Under året har ett flertal projekt pågått, vilka fortsätter under kommande år.

Förväntad framtida utveckling och väsentliga riskfaktorer

Bolagets kontrakt inom bränslesektorn är långsiktiga och den inneliggande orderstocken som sträcker sig över flera år har ökat kraftigt under 2022. Grunden för en fortsatt långsiktig verksamhet är därför god. Mot bakgrund av detta ökar inte riskbilden när vi gör de stora investeringar i både personal och utrustning som den förändrade produktmixen kräver. Vi inväntar den positiva effekt på resultatet som kommer att märkas först inom några år.

Inom Operating Plant Services förväntas antalet projekt minska under kommande år. Det beror på att flera åldrade patroner har reparerats under 2023 samtidigt som frekvensen av nya skadade patroner har gått ner.

Inom sektorn för avveckling av kärnkraft, Environmental Services, kommer flera stora projekt att startas upp i Europa i närtid och försäljningsarbetet för att vinna ytterligare kontrakt pågår. Den hårda konkurrensen som råder på marknaden och samtidigt kraftigt ökade priser på de varor och tjänster som ingår i projekten är stora utmaningar.

Generell riskbild
Westinghouse Electric Sweden AB opererar på den internationella marknaden och har en betydande del av omsättning och inköp i utländsk valuta. Kund- och leverantörsbetalningar regleras i huvudsak i olika valutor, vilket medför valutaexponering. Det finns således finansiella risker, vilka är kopplade till förändringar i valutakurser samt motpartsrisker. Bolaget arbetar aktivt med valutasäkring i olika finansiella instrument för att minska finansiella risker kopplade till förändrade valutakurser. För ytterligare information se Not 1 om finansiella instrument.

Inom flera delar av företaget finns behov av kvalificerade resurser som en följd av nya affärsmöjligheter och pensionsavgångar. På sikt finns risk att projekt fördröjs när nyckelkompetenser lämnar bolaget. Flera rekryteringar har gjorts under året och fler pågår, men processerna blir ibland långdragna när det är svårt att hitta rätt kompetenser.

I den totala riskbilden finns även legala och politiska risker som en naturlig följd av den bransch bolaget verkar i. Med anledning av det fokus energifrågan har i den politiska debatten, bedöms politiska risker ändå vara lägre än på mycket länge.

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Coronapandemins påverkan på verksamheten
Påverkan från pandemin har under 2022 varit måttlig. Sjukfrånvaron har varit något högre än åren före pandemin, i likhet med samhället i övrigt, men om det varit en följd av pandemin är svårt att avgöra. Perioder av hög sjukfrånvaro har påverkat ett fåtal projekt, men i stort har bolaget levererat enligt plan.

Westinghouse har fortsatt tillämpa de nya arbetssätt och tekniska lösningar som infördes under pandemin och stora delar av personalen har flexibiliteten att kunna arbeta delvis från hemmet, vilket minskat risken för sjukdom i tider av stor smittspridning.

Kriget i Ukraina
Bolagets affärer på den ukrainska marknaden är betydande framför allt inom bränsleproduktionen, men även andra verksamhetsgrenar har ett engagemang i landet. Stora insatser skedde på ett tidigt stadium för att hjälpa och skydda personal och deras anhöriga. Praktiska åtgärder vidtogs på plats för att förhindra tillgång till känslig information och tillgångar.

Antalet bränsleleveranser minskade betydligt i jämförelse mot planerat. Effekten mildrades genom att produktionen planerades om till förmån för andra kunder och redan producerade volymer kunde i stort sett återanvändas. Möjligheterna att leverera under kommande år är svåra att förutsäga med anledning av den osäkra situationen. Samtliga leveranser har skett till full betalning.

Som tidigare nämnts har Westinghouse Electric Sweden en mindre filial i Kiev, Ukraina. De projekt filialen hanterat var i slutfasen och har i stort sett pausats helt med anledning av kriget.

Bolaget har under året också anpassat verksamheten i Västerås till det förändrade säkerhetsläget i omvärlden och flera områden berörs. Ett tydligt exempel är att vår fabrik klassats som skyddsobjekt med avbildnings- och fotoförbud som en av följderna. Ett annat är en ytterligare skärpning av säkerheten kring hanteringen av vissa typer av information.

Vid sidan av situationen i Ukraina har kriget även fått andra effekter. Aktörer inom kärnkraftssektorn på framför allt den östeuropeiska marknaden letar nya leverantörer och frågan om säker tillgång till energi har fått stort fokus i Europa. Flera förhandlingar har pågått under 2022 och våren 2023 vilka resulterat i att nya kontrakt har tecknats. Diskussioner pågår fortsatt under 2023 och utgången av dessa är i skrivande stund inte känd.

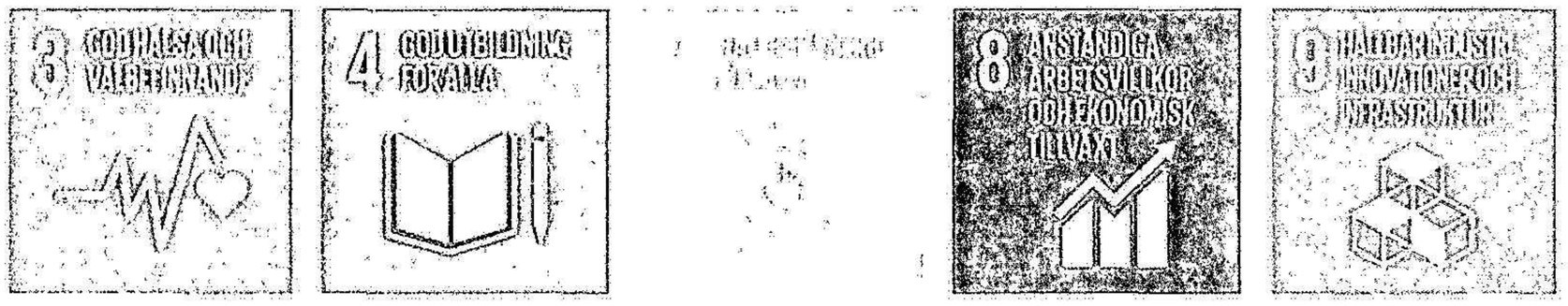
Hållbarhetsrapport

För Westinghouse Electric Sweden (Westinghouse) är det en självklarhet att vi ska bedriva vår verksamhet på ett hållbart sätt som är socialt ansvarsfullt och med minsta möjliga påverkan på miljön. Vår målsättning är att möta de högt ställda krav som både vi själva och våra intressenter har på oss och vår verksamhet. Dessa krav innefattar såväl miljöhänsyn och sociala aspekter, som säkerhet och kvalitet.

I vårt dagliga arbete förser vi kärnkraftsoperatörer runt om i världen, främst Europa, med produkter, tjänster och teknologier som bidrar till en fossilfri elproduktion. Som en stor aktör i kärnkraftens värdekedja har vi ett ansvar. För att vi ska kunna vara med och bidra till en hållbar energisektor är det viktigt att vi själva bedriver ett aktivt hållbarhetsarbete där vi hela tiden blir bättre – både som arbetsgivare, och att vi ständigt blir mer resurseffektiva och minskar våra utsläpp. Vi behöver säkerställa att våra produkter och tjänster håller högsta kvalitet för att bidra till en säker och hållbar drift i våra kunders kärnkraftverk.

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Vi påverkar och påverkas av många olika hållbarhetsaspekter. Vi ska arbeta för att ständigt minska de negativa effekterna av vår verksamhet och kontinuerligt öka våra positiva bidrag till en hållbar utveckling. Detta gäller såväl miljö som sociala och ekonomiska aspekter i vår egen verksamhet och våra leverantörsled



Figur 1. De globala mål som Westinghouse berörs mest av och kan bidra till.

Miljö

Att bidra till en ekologiskt hållbar framtid är en högt prioriterad fråga för Westinghouse. Vi arbetar kontinuerligt för att minska vårt ekologiska avtryck och förbättra vår miljöprestanda och vårt miljöarbete. Ett av våra största positiva bidrag till en hållbar utveckling är att vi är en viktig aktör i värdekedjan kring fossilfri elproduktion från kärnkraft. Westinghouse bränslefabrik i Västerås tillverkar och levererar årligen kärnkraftsbränsle med en energimängd motsvarande 100 miljoner ton kol. Därigenom gör vi det möjligt för våra kunder att producera stora mängder fossilfri el varje år.

Vår miljöpåverkan

Vår påverkan på miljön utgörs främst av utsläpp till luft och vatten, användning av resurser som vatten och energi samt uppkomst av avfall. Produktionens miljöpåverkan följs upp månadsvis genom systematisk egenkontroll. Vår bränslefabrik på Finnslätten och vår testanläggning i Tegnérlunden klassas båda som miljöfarlig verksamhet och har därmed tillstånd enligt miljöbalken. Under år 2022 har bränslefabriken tillverkat 520 ton urandioxidpulver. Under året har ett antal driftstörningar skett, dock utan någon större påverkan på miljön eller människors hälsa. Samtliga villkor i miljötillstånden har innehållits.

Miljöstyrning

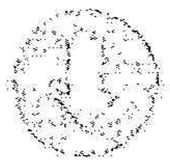
Ramarna för vårt miljöarbete sätts av vår integrerade verksamhetspolicy. Policyn ligger till grund för styrningen av vårt miljöarbete. Bolaget fastställer årligen våra mest betydande miljöaspekter, -risker och -möjligheter i enlighet med ISO 14001.

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Vi arbetar utifrån ett femårigt miljöprogram som sträcker sig fram till år 2025. Miljöprogrammet är beslutat av bolagsledningen och fastställer mål för tre områden:

1. Reducerad klimatpåverkan från energi, transporter och resor
2. Effektivare energianvändning
3. Minskade avfallsmängder

För varje mål finns en handlingsplan med aktiviteter för att driva arbetet framåt. Varje mål följs upp via indikatorer varje kvartal och resultatet sammanställs och utvärderas årligen för att kunna vidta ytterligare åtgärder vid behov.

Miljömål	Indikator	Utfall 2022	Trend
Reducera klimatpåverkande utsläpp från energianvändning, resor och transporter med minst 30% till år 2025 jämfört med år 2019.	CO_2-ekvivalenter	- 3 % jämfört med 2019	
Effektivisera energianvändningen med minst 10% till år 2025 jämfört med år 2019.	MWh energi per ton konverterad UO_2	+ 12 % jämfört med 2019	
Senast 2025 ska mängden radioaktivt avfall som årligen uppkommer ha minskat med 15% jämfört med 2019.	Volym (kg) avfall per ton konverterad UO_2	+ 26 % jämfört med 2019	
Senast 2025 ska minst 12 ton radioaktivt avfall årligen friklassas till återvinning. Stegvis årlig ökning under perioden, mål för 2022: 4 ton.	Ton friklassat avfall	4,6 ton	
Senast 2025 ska mängden konventionellt avfall som går till förbränning ha minskat med 15%.	Volym (ton) avfall	- 40 % jämfört med 2019	

Tabell 1. Miljömål med tillhörande indikatorer samt utfall för år 2022.
Förklaring av symboler i kolumnen Trend: Gul symbol = Oförändrat läge jämfört med basår
Grön = Positiv trend, Röd = Negativ trend

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Klimatpåverkan

Westinghouse har ett gemensamt globalt mål om att klimatpåverkan från vår verksamhet (scope 1 och 2) senast år 2050 ska vara netto noll. Utöver detta mål har vi för den svenska verksamheten ett mål att klimatpåverkan från vår verksamhet ska ha minskat med 30 procent till år 2025, jämfört med 2019. Målet omfattar energianvändning, resor och transporter. För att nå våra mål och minska våra klimatpåverkande utsläpp arbetar vi utifrån en handlingsplan med åtgärder.

Energianvändningen stod för 94 % av vårt uppmätta klimatavtryck under året. Från och med 2023 köper vi ursprungsgarantier för kärnkraftsel som en åtgärd för att minska klimatpåverkan av vår energianvändning. Parallellt med detta fortsätter vi arbeta med att effektivisera och minska vår energianvändning.

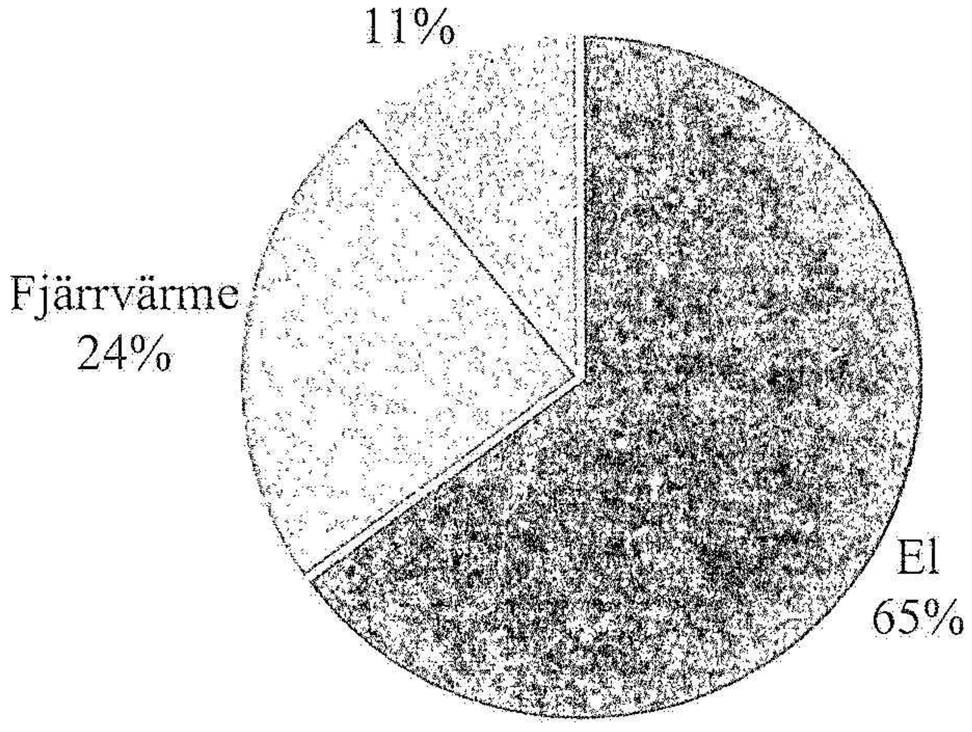
Energi

Under 2022 använde Westinghouse 47 GWh energi, fördelat på el, fjärrvärme och fjärrkyla.

Westinghouse har mål om att vi ska effektivisera energianvändningen med 10 % till år 2025, jämfört med 2019. Målet följs upp i relation till vår produktion, definierad som konverterad mängd urandioxid. Utfallet för 2022 visar på en ökning av energianvändningen per ton konverterad urandioxid med 12 % jämfört med 2019. Detta beror dock inte på att energianvändningen har ökat, utan på andra orsaker som rör produktionen och vår verksamhet. Den totala energianvändningen har mellan åren 2019 och 2022 minskat med 4 %.

Under året har en energikartläggning inom ramen för lagen om energikartläggning i stora företag genomförts där möjliga effektiviseringsåtgärder har identifierats.

Fördelning per energislag 2022



Avfall

Westinghouse har två huvudtyper av avfall: radioaktivt avfall och konventionellt avfall.

Radioaktivt avfall är omgärdat av strikta regelverk och får inte hanteras på samma sätt som konventionellt avfall. Vi arbetar aktivt med att dels minimera uppkomsten av nytt radioaktivt avfall, dels dekontaminera och friklassa radioaktivt avfall som redan uppkommit för att detta istället ska kunna gå in i de konventionella avfallsströmmarna och återvinnas. Under året friklassades 4,6 ton radioaktivt avfall.

För det konventionella avfallet arbetar vi efter avfallstrappan. Sedan år 2019 har vi minskat mängden avfall till förbränning med 40 %. Detta är ett resultat av vårt arbete med att dels förebygga uppkomsten av avfall, dels öka återanvändning och återvinning.

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Socialt åtagande

Arbetsmiljö och hälsa hos medarbetare

Ramarna för vårt arbetsmiljöarbete sätts av vår integrerade verksamhetspolicy. Policyn ligger till grund för styrningen av vårt arbetsmiljöarbete. Vi arbetar aktivt och systematiskt med att förebygga olycksfall och ohälsa orsakat av arbete, med en nollvision för skador orsakat av arbete. Årligen beslutas ett arbetsmiljöprogram innehållandes mål, mätetal och handlingsplaner. Programmet utgår ifrån en uppföljning och analys av föregående års statistik och aktiviteter.

Vi arbetar aktivt med att skapa en hälsosam kultur inom företaget där värderingar, attityder och beteenden ligger i fokus. Säkerhet och kvalitet går hand i hand i detta arbete. Vi har ett arbetssätt med årliga ”kulturdialoger” inom verksamheten för att främja en säker och sund arbetsmiljö. Säkerhetskulturutvärdering genomförs med fokus på att skapa ett öppet arbetsklimat där medarbetare känner sig trygga med att lyfta frågor och oro kopplat till säkerhet och kvalitet. Utfallet av utvärderingen ligger sedan till grund för vårt kontinuerliga förbättringsarbete på området.

Alla medarbetare genomgår en obligatorisk arbetsmiljöutbildning samt regelbundet återkommande brandskyddsutbildningar och andra säkerhetsutbildningar. Vi erbjuder även alla anställda utbildning inom hjärt- och lungräddning. Alla chefer genomgår därtill ytterligare arbetsmiljöutbildning.

Inom Westinghouse finns många olika roller och arbetsuppgifter med varierande grad av arbetsmiljörisker. Störst risk föreligger för befattningar i produktionen i vår bränslefabrik. Under 2022 inträffade 27 olycksfall av varierande slag och allvarlighetsgrad. Kläm- och skärskador på fingrar var den mest förekommande typen av olycksfall. Under 2023 kommer bakomliggande orsaker till de arbetsskador och -olyckor som uppstått att utredas mer djupgående i syfte att identifiera åtgärder som förhindrar och förebygger denna typ av skador i framtiden.

Vi arbetar aktivt och systematiskt med förebyggande åtgärder, såsom skyddsronder och riskbedömningar. Alla medarbetare förväntas bidra till en säker och trygg arbetsmiljö och ska rapportera in brister och risker som upptäcks, för att säkerställa att vi i så stor utsträckning som möjligt omhändertar och åtgärdar dessa innan olyckor sker. ”Go look and see” är ett etablerat arbetssätt inom företaget, vilket innebär att alla medarbetare förväntas besöka olika delar av verksamheten och rapportera in observationer och eventuella risker som noteras. Vi har etablerat en kultur där vi hellre rapporterar en gång för mycket än för lite, vilket också tydliggörs genom att vi har mål och mätetal för hur många rapporteringar om observationer som *minst* ska ske under ett år.

Även den psykosociala arbetsmiljön för våra medarbetare är viktig. För att kontinuerligt kunna följa upp hur våra medarbetare mår och trivs på sin arbetsplats och med sin arbetssituation använder vi det digitala verktyget ”HealthWatch”. Genom verktyget utvärderar medarbetarna löpande själva sin upplevda arbetssituation. Chefer får möjlighet att följa utvecklingen bland sina medarbetare på aggregerad nivå för att vid behov kunna vidta åtgärder. Detta gör att trender kring den psykosociala arbetsmiljön kan följas över tid. Under 2022 svarade 57 % av våra medarbetare på frågorna minst en gång i månaden. Vi arbetar löpande för att öka svarsfrekvensen för att vi ska kunna få en bättre bild av hur våra medarbetare trivs och mår. Varje år genomförs även en medarbetarundersökning där medarbetarna får svara på frågor om hur de upplever att det är att arbeta på företaget. Svaren analyseras och åtgärder och insatser sätts in där det behövs

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Attraktiv arbetsgivare

Kompetenta medarbetare är vårt företags viktigaste resurs. För att trygga vår kompetensförsörjning behöver vi ständigt arbeta med att stärka vår attraktivitet och vårt erbjudande som arbetsgivare. Westinghouse ska vara en attraktiv arbetsgivare där medarbetare vill stanna. I vårt erbjudande till medarbetarna ingår bland annat:

- Flexibelt arbetssätt för medarbetare med arbetsuppgifter som tillåter detta.
- Ständigt lärande och möjlighet till kompetensutveckling. Årliga utvecklingsmål och kompetensutvärderingar som ligger till grund för utvecklingsplaner för våra medarbetare.
- Goda möjligheter till internrotation och karriärsförflyttning inom företaget.
- Nätverk inom branschen. Westinghouse möjliggör och uppmuntrar våra medarbetare att delta i "Young Generation" och "Women in Nuclear", som är nätverk för unga respektive kvinnliga medarbetare som vill öka sin kunskap inom det kärntekniska området, knyta kontakter och utbyta erfarenheter med kollegor inom andra företag i branschen.
- Föräldralön, i form av löneutfyllnad under föräldraledighet för att minska den anställdes inkomstbortfall under frånvarotiden.

Pandemin blev för oss, liksom för många andra företag, startskottet för arbetet mot ett nytt, mer flexibelt arbetssätt. Vårt arbetssätt är idag mer digitalt och medarbetare med arbetsuppgifter som inte kräver ständig fysisk närvaro har idag möjlighet att jobba delvis på distans. Denna flexibilitet underlättar för medarbetares balans mellan arbete och privatliv i vardagen, och ger oss möjligheten till ett mer hållbart arbetsliv.

Vi jobbar med olika medel för att främja mångfald och jämlikhet i företaget. Exempelvis jobbar vi för ökad mångfald i våra rekryteringsprocesser genom att jobbannonser skrivs på engelska, samt att vi har flytt- och migrationsstöd för att möjliggöra för nyanställda att flytta till Västerås.

Bland de anställda är 70 % män och 30 % kvinnor, vilket också är fördelningen på chefsnivå. I vår ledningsgrupp är 65 % män och 35 % kvinnor.

Åldersgrupp	Andel av anställda
Under 35 år	15 %
36-50 år	38 %
Över 50 år	47 %

Tabell 2. Åldersfördelning anställda.

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Samarbete med skolor och lärosäten

Vi arbetar tillsammans med skolor och lärosäten för att barn och unga samt vuxna på väg ut i arbetslivet ska få en inblick i vår spännande bransch och känna till oss som företag. Bland annat har vi samarbeten med Mälardalens Universitet (MDU), Teknikcollege samt yrkeshögskolan i syfte att främja vår framtida kompetensförsörjning och skapa relationer. Vi deltar i arbetsmarknadsdagar på MDU, Kungliga Tekniska Högskolan och Uppsala Universitet. Vi tar årligen emot sommarjobbare samt studenter som gör examensarbeten hos oss. Vi besöker även grund- och gymnasieskolor för att berätta om energisektorn, kärnkraft och oss som företag.

Samhällsengagemang

För Westinghouse är det en självklarhet att ge tillbaka och bidra till en positiv utveckling i de lokalsamhällen där vi verkar.

Vi samarbetar sedan flera år med Lokala Hjälpen, tidigare Företagsvolontärerna, som är en ideell organisation i Västerås som stöttar lokala initiativ och organisationer med fokus på social hållbarhet och att bryta utanförskap. Genom Lokala Hjälpen bidrog vi under 2022 bland annat i den årliga julinsamlingen där ekonomiskt utsatta familjer får stöd och hjälp med bland annat matkassar.

Westinghouse stöttar sedan många år Västerås Friidrottsklubb. Klubben har en stor ungdomsverksamhet, något som Westinghouse är stolta över att stötta.

Westinghouse är medlemmar i Competence (tidigare Jobba i Västerås), som är en ekonomisk förening som arbetar långsiktigt för att utveckla och främja kompetensförsörjningen i Västerås. Föreningen arbetar bland annat med aktiviteter som syftar till att höja ungas kunskap om arbetsmarknaden och att vägleda unga och arbetssökande till utbildningar med goda jobbutsikter. Competence driver även Energy Competence Center (ECC) där vi tillsammans med Västerås stad, Länsstyrelsen, MDU och andra företag i Västerås samverkar för att stärka kompetensförsörjningen i energibranschen i regionen. Bland annat arrangerar ECC den årliga konferensen HUB.

Mänskliga rättigheter

Inom Westinghouse är det en självklarhet att mänskliga rättigheter ska respekteras och vi ställer även höga krav på våra leverantörer i det avseendet. För att bli godkänd som leverantör till Westinghouse måste företaget bekräfta att de tagit del av och uppfyller kraven i vår uppförandekod för leverantörer.
Uppförandekoden innehåller bland annat krav på anständiga arbetsvillkor och löner, respekterande av mänskliga rättigheter samt nolltolerans mot barnarbete och tvångsarbete. Dessa krav gäller oavsett i vilket land leverantören har sin verksamhet.

Under året har inga överträdelser gällande mänskliga rättigheter rapporterats i vår verksamhet.

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Anti-korruption

Westinghouse har nolltolerans mot alla former av korruption, mutor, konkurrenshämmade aktiviteter och liknande beteenden. Våra affärer sker på ett etiskt, ärligt och korrekt sätt. Vi ställer även krav gällande korrekt och etiskt agerande gällande affärer och anti-korruption från våra leverantörer och samarbetspartners genom vår uppförandekod för leverantörer.

Vårt mål är att inga interna eller externa incidenter gällande korruption ska inträffa. Under 2022 har inga överträdelser rapporterats.

Westinghouse har ett strikt och omfattande regelverk med riktlinjer för etiskt uppförande som gäller såväl våra egna medarbetare och fristående aktörer som arbetar på företagets uppdrag. Utöver en tydlig policy gällande korruption och mutor är en av grundbultarna vår globala etiska uppförandekod som gäller för all vår verksamhet och ska följas av alla medarbetare. Alla våra medarbetare utbildas i enlighet med vår uppförandekod, och genomförda utbildningar dokumenteras och följs upp för att säkerställa att informationen når ut till samtliga anställda.

Vi har flera kanaler för inrapportering av oegentligheter och rådgivning gällande etiska frågeställningar. Bland annat finns en hjälplinje som kan nås både digitalt och via telefon, där möjlighet ges att vara anonym. Westinghouse har uttryckliga förbud mot vedergällningar mot den som lyfter etiska frågor och tveksamheter eller rapporterar oegentligheter.

Flerårsöversikt (Tkr)	**2022**	**2021**	**2020**	**2019**	**2018**
Nettoomsättning	2 643 541	3 113 399	2 809 520	3 219 338	2 163 853
Resultat efter finansnetto	17 796	74 305	-149	96 043	47 421
Justerat eget kapital	1 586 061	1 626 267	1 556 444	1 568 899	1 283 674
Omsättning per anställd	3 264	4 118	3 625	4 143	2 712
Medelantalet anställda	810	756	775	777	798

Justerat eget kapital består av eget kapital samt en del av obeskattade reserver motsvarande 78% för 2018 och 78,6% för åren 2019 - 2020 samt 79,4% för åren därefter. Omsättning per anställd består av nettoomsättning dividerat med medelantalet anställda.

Förändringar i eget kapital

	Aktiekapital	**Reservfond**	**Fria reserver**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	100 000	20 000	1 022 597	81 077	**1 223 674**
Fusionsresultat			-39 467		**-39 467**
Disposition enligt beslut av årsstämman:			81 077	-81 077	**0**
Omräkningsdifferens			-4 376		**-4 376**
Årets resultat				28 901	**28 901**
Belopp vid årets utgång	**100 000**	**20 000**	**1 059 831**	**28 901**	**1 208 732**

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Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	1 059 830 811
årets vinst	28 901 131
	1 088 731 942

disponeras så att	
i ny räkning överföres	1 088 731 942

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning
Tkr

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Nettoomsättning	3	2 643 541	3 113 399
Förändring av lagervaror under tillverkning, färdiga varor och pågående arbete för annans räkning		285 025	-156 423
Aktiverat arbete för egen räkning		38 603	27 026
Övriga rörelseintäkter	4	172 627	125 333
		3 139 796	**3 109 335**
Rörelsens kostnader			
Råvaror och förnödenheter		-1 085 807	-1 408 474
Övriga externa kostnader	5, 6	-866 659	-744 685
Personalkostnader	7, 8	-789 434	-742 230
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-64 964	-113 744
Övriga rörelsekostnader	9	-333 386	-36 739
		-3 140 250	**-3 045 872**
Rörelseresultat		**-454**	**63 463**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	10	19 164	14 224
Räntekostnader och liknande resultatposter	11	-914	-3 382
		18 250	**10 842**
Resultat efter finansiella poster		**17 796**	**74 305**
Bokslutsdispositioner	12	24 962	41 317
Resultat före skatt		**42 758**	**115 622**
Skatt på årets resultat	13	-13 857	-34 545
Årets resultat		**28 901**	**81 077**

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Balansräkning

Tkr

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar	14		
Dataprogram		5 369	9 188
		5 369	**9 188**
Materiella anläggningstillgångar			
Byggnader och mark	15	105 098	109 927
Maskiner och andra tekniska anläggningar	16	485 834	495 035
Inventarier, verktyg och installationer	17	13 957	19 440
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	18	311 180	159 235
		916 069	**783 637**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	19, 20	15 155	65 801
Andra långfristiga fordringar		12 580	11 327
		27 735	**77 128**
Summa anläggningstillgångar		**949 173**	**869 953**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		665 945	488 672
Varor under tillverkning		671 461	548 324
Förskott till leverantörer		791	3 568
		1 338 197	**1 040 564**
Kortfristiga fordringar			
Kundfordringar		200 537	377 245
Fordringar hos koncernföretag	21	1 085 914	1 343 382
Aktuella skattefordringar		21 885	0
Övriga fordringar		43 636	59 391
Upparbetad men ej fakturerad intäkt	22	91 750	113 411
Förutbetalda kostnader och upplupna intäkter	23	273 631	238 475
		1 717 353	**2 131 904**
Kassa och bank	24	213 595	124 940
Summa omsättningstillgångar		**3 269 145**	**3 297 408**
SUMMA TILLGÅNGAR		**4 218 318**	**4 167 361**

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Balansräkning

Tkr

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	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100 000	100 000
Reservfond		20 000	20 000
		120 000	**120 000**
Fritt eget kapital	33		
Balanserad vinst eller förlust		1 059 831	1 022 597
Årets resultat		28 901	81 077
		1 088 732	**1 103 674**
Summa eget kapital		**1 208 732**	**1 223 674**
Obeskattade reserver	25	475 226	507 044
Avsättningar	26		
Övriga avsättningar för pensioner och liknande förpliktelser		305 558	286 325
Övriga avsättningar		100 173	100 373
Summa avsättningar		**405 731**	**386 698**
Kortfristiga skulder			
Förskott från kunder		864 949	750 244
Leverantörsskulder		254 680	263 416
Skulder till koncernföretag	21	403 317	494 512
Aktuella skatteskulder		41	2
Övriga skulder	27	70 746	103 272
Fakturerad men ej upparbetad intäkt	28	204 374	79 770
Upplupna kostnader och förutbetalda intäkter	29	330 522	358 729
Summa kortfristiga skulder		**2 128 629**	**2 049 945**
SUMMA EGET KAPITAL OCH SKULDER		**4 218 318**	**4 167 361**

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Kassaflödesanalys

Tkr

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Den löpande verksamheten			
Resultat efter finansiella poster		17 796	74 305
Justeringar för poster som inte ingår i kassaflödet	30	79 621	91 690
Betald skatt		-35 703	-31 599
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**61 714**	**134 396**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager och pågående arbete		-297 633	325 728
Förändring av kundfordringar		176 707	207 654
Förändring av kortfristiga fordringar		259 728	-838 241
Förändring av leverantörsskulder		-8 736	70 311
Förändring av kortfristiga skulder		87 381	324 758
Kassaflöde från den löpande verksamheten		**279 161**	**224 606**
Investeringsverksamheten			
Investeringar i immateriella och materiella anläggningstillgångar		-193 577	-127 748
Investeringar i finansiella anläggningstillgångar		-39 466	-50 660
Förändring av övriga finansiella anläggningstillgångar		49 393	-756
Kassaflöde från investeringsverksamheten		**-183 650**	**-179 164**
Finansieringsverksamheten			
Erhållna (lämnade) koncernbidrag		-6 856	15 015
Kassaflöde från finansieringsverksamheten		**-6 856**	**15 015**
Årets kassaflöde		**88 655**	**60 457**
Likvida medel vid årets början		124 940	64 483
Likvida medel vid årets slut		**213 595**	**124 940**

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Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen upprättas med tillämpning av Årsredovisningslagen (1995:1554) och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Värdering- och redovisningsprinciperna som använts vid upprättandet av de finansiella rapporterna sammanfattas nedan.

RESULTATRÄKNING

Intäktsredovisning
Nettoomsättningen omfattar försäljningsintäkter från kärnverksamheten, det vill säga leverans av bränslepatroner med tillhörande kringtjänster samt intäkter från entreprenadavtal. Intäkter värderas till det belopp som influtit eller beräknas inflyta, med hänsyn till rabatter och efter avdrag för moms och punktskatter.

Varor
Försäljningsintäkter för bränsleprodukter och produktnära tjänster redovisas när leveransvillkoret är uppfyllt. Eventuella förskott redovisas i posten "förskott från kunder". Reservering av eventuell förlustorder sker så snart den befaras, till omfattningen att täcka alla förväntade kostnader.

Tjänsteuppdrag
För redovisning av intäkter från kundprojekt inom service och automation tillämpas successiv vinstavräkning. Det innebär att inkomster redovisas som intäkter baserad på färdigställandegraden per balansdagen. Som grund för färdigställandegrad per kundprojekt ligger kostnad för nedlagt arbete i förhållande till totalt prognostiserad kostnad. Upparbetad, ej fakturerad intäkt tas i balansräkning upp till det belopp som beräknas bli fakturerat och redovisas i posten "Upparbetad men ej fakturerad intäkt". Fakturerad intäkt per kundprojekt som överstiger upparbetad intäkt redovisas i posten "Fakturerad men ej upparbetad intäkt". Reservering av eventuell förlustorder sker så snart den befaras, till omfattningen att täcka alla förväntade kostnader.

Ränteintäkter och räntekostnader
Ränteintäkter och räntekostnader redovisas i takt med att de upparbetas och härrör till tillgodohavanden eller kortfristiga skulder på bank.

Ersättningar till anställda
Kortfristiga ersättningar
Kortfristiga ersättningar i bolaget utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro, sjukvård och bonus. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.

Pensionsplaner
Det förekommer såväl avgiftsbestämda som förmånsbestämda pensionsplaner hos bolaget. I avgiftsbestämda planer betalar bolaget fastställda avgifter till ett annat företag och har inte någon legal eller informell förpliktelse att betala något ytterligare även om det andra företaget inte kan uppfylla sitt åtagande. Bolagets resultat belastas för kostnader i takt med att de anställdas plikter intjänas.

Bolaget innehar förmånsbestämda pensionsplaner som finansieras i egen regi, dessa planer är frysta sedan 2002. Pensionsplaner som finansieras i egen regi redovisas i enlighet med förenklingsreglerna i BFNAR 2012:1 enligt den beloppsuppgift som erhålls från PRI. Därutöver har bolaget förmånsbestämda pensionsplaner där en pensionspremie betalas. Dessa planer redovisas som avgiftsbestämda planer i enlighet med förenklingsregeln i BFNAR 2012:1.

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Ersättningar vid uppsägning
Avsättning för avgångsvederlag redovisas endast om bolaget är förpliktigat att avsluta en anställning före den normala tidpunkten eller när ersättningar lämnas som ett erbjudande för att uppmuntra frivillig avgång. Avsättning görs för den delen av uppsägningslönen som den anställde får utan arbetsplikt med tillägg för sociala avgifter.

Leasingavtal
Samtliga leasingavtal där företaget är leasetagare redovisas som operationell leasing, oavsett om avtalen är finansiella eller operationella. Leasingavgiften redovisas som en kostnad linjärt över leasing perioden.

Forskning och utveckling
Kostnader för forskning och utveckling mm redovisas som omkostnader när de uppstår.

Avskrivningar
Immateriella och materiella anläggningstillgångar skrivs av linjärt över tillgångarnas eller komponenternas bedömda nyttjandeperiod. Avskrivningen beräknas på det avskrivningsbara beloppet vilket utgörs av tillgångens anskaffningsvärde. Bolagets mark har obegränsad nyttjandeperiod och skrivs inte av.

Följande avskrivningstider tillämpas:

Immateriella anläggningstillgångar	
Programvara	3-5 år
Materiella anläggningstillgångar	
Byggnader	12-33 år
Maskiner och inventarier	3-20 år

Nedskrivningar
Nedskrivningar av immateriella och materiella tillgångar
Vid indikation på att en tillgångs värde minskat, görs en prövning av nedskrivningsbehov. Har tillgången ett återvinningsvärde som är lägre än det redovisade värdet, skrivs den ner till återvinningsvärdet. I resultaträkningen redovisas nedskrivningar och återföringar av nedskrivningar i posten "Avskrivningar & nedskrivningar".

Återföring av nedskrivningar
Nedskrivningar av immateriella och materiella anläggningstillgångar återförs om skälen som låg till grund för beräkningen av återvinningsvärde vid den senaste nedskrivningen har förändrats.

Bokslutsdispositioner
Koncernbidrag redovisas som bokslutsdispositioner.

BALANSRÄKNING

Immateriella anläggningstillgångar
Immateriella tillgångar redovisas enligt kostnadsföringsmodellen. Metoden innebär att interna utgifter för framtagande av en immateriell anläggningstillgång kostnadsförs direkt när de uppkommer. Immateriella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade av- och nedskrivningar.

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Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas som en tillgång i balansräkningen, om det är sannolikt att framtida ekonomiska fördelar som är förknippade med tillgången sannolikt kommer att tillfalla bolaget, samt om anskaffningsvärdet kan mätas på ett tillförlitligt sätt. Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar och eventuella nedskrivningar.

Anskaffningsvärde
I anskaffningsvärdet ingår inköpspriset och utgifter som är direkt hänförbara till inköpet och syftar till att bringa tillgången på plats och i skick att utnyttjas i enlighet med företagsledningens avsikt med förvärvet. Till direkt hänförbara utgifter räknas utgifter för leverans, hantering, installation och montering samt konsulttjänster.

Uppdelning av anläggningar sker i betydande komponenter och skrivs av efter uppskattad livslängd. När en betydande komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras.

Tillkommande utgifter
Tillkommande utgifter aktiveras endast om det är sannolikt att de framtida ekonomiska fördelar som är förknippande med tillgången kommer att komma bolaget till del och anskaffningsvärdet kan beräknas på ett tillförlitligt sätt. Om anskaffningsvärdet ej kan beräknas på ett tillförlitligt sätt kostnadsförs utgifter under det räkenskapsåret som de uppkommer.

Finansiella instrument
Finansiella instrument redovisas initialt till anskaffningsvärde vilket motsvarar instrumentets verkliga värde med tillägg för transaktionskostnader. En finansiell tillgång eller en finansiell skuld redovisas i balansräkningen när bolaget blir part enligt instrumentets avtalsenliga villkor. Kundfordringar redovisas när en faktura har skickats till kund. Skuld tas upp när motparten har utfört sin prestation och bolaget därmed har en avtalsenlig skyldighet att betala även om faktura inte har erhållits. Leverantörsskulder redovisas när en faktura har mottagits.

Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört. Övervägande delen av finansiella tillgångar och skulder tas bort från balansräkningen genom erhållande eller erläggande av betalning.

Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Finansiella skulder
Leverantörsskulder värderas till nominellt belopp.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag görs bedömning om det finns indikation på nedskrivningsbehov i någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående.

Derivatinstrument och säkringsredovisning
Bolaget använder derivatinstrument för att säkra valutarisker. Valutasäkring sker enbart av säkra in- och utflöden, det för att skydda bolaget mot förändringar i valutakurser genom att kontrakten fastställs till en kurs vilken tillgången eller skulden i utländsk valuta, kommer att realiseras.

Bolaget tillämpar säkringsredovisning, vilket innebär att värdering av den säkrade posten och säkringsinstrumentet sker tillsammans som om de vore en transaktion. Huvudregeln är att alla transaktioner ska värderas för sig.
Säkringsredovisningen ska därmed ses som en alternativregel som innebär att två eller flera transaktioner värderas tillsammans. Med detta sker redovisning av derivatinstrument initialt enligt anskaffningsmetoden, vilket innebär att så länge som derivatinstrumentet är effektivt sker ingen redovisning.

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Derivatinstrument och säkringsredovisning (forts.)
Dokumentation sker av bolagets bedömning, både när säkringen ingås och fortlöpande, av huruvida de derivatinstrument som används i säkringstransaktioner är effektiva när det gäller att motverka förändringar i kassaflöden som är hänförliga till de säkrade posterna. Effekten av förändringar i valutakurserna redovisas i resultaträkningen när säkringen upphör och säkringsinstrumenten förfaller till betalning. De transaktioner som inte uppfyller kraven för säkringsredovisning värderas i enlighet med lägsta värdets princip, varvid de värdeförändringar som uppkommer redovisas i resultaträkningen.

Varulager
För råvaror ingår alla utgifter som är direkt hänförliga till anskaffningen av varorna i anskaffningsvärdet, de värderas till genomsnittligt inköpsvärde bestämt enligt först-in, först-ut-metoden (FIFU). Varor under tillverkning och färdiga varor har värderats till nedlagda kostnader med skälig andel av indirekta kostnader. Inkuransbedömning utförs löpande, reservering sker vid behov.

Fordringar och skulder i utländsk valuta
Monetära fordringar och skulder i utländsk valuta värderas till balansdagens kurs. Kursförändringar på kundfordringar och leverantörsskulder i utländsk valuta redovisas i rörelseresultatet som övriga rörelseintäkter eller rörelsekostnader.

Kursförändringar avseende övriga fordringar och skulder redovisas i det finansiella resultatet.

Förskott till leverantörer eller från kunder värderas till kurs vid respektive betalningstillfälle, eftersom återbetalningsskyldighet ej förutses inträffa.

Inkomstskatter
Redovisade inkomstskatter täcker skatt som skall betalas eller erhållas avseende aktuellt år, samt justering avseende tidigare års aktuella skatt. Skatteskulder/fordringar värderas till vad som enligt bolagets bedömning, kommer erläggas till eller erhållas från Skatteverket.

Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner. Uppskjuten skatteskuld och uppskjuten skattefordran värderas enligt de skattesatser och skatteregler som är beslutade före balansdagen.

Avsättningar
Bolaget gör en avsättning när det finns en legal eller informell förpliktelse, beräkning sker utifrån rimlig risk och tidpunkt för fullgörande. Avsättningen tas endast i anspråk för de utgifter som avsättningen ursprungligen är avsedd för och prövas per varje balansdag.

Avsättning avseende dekontaminering
Som ett led i att Bolaget omfattas av Lag (2006:647) om finansiella åtgärder för hantering av restprodukter från kärnteknisk verksamhet erlägger bolaget en årlig avgift till Kärnavfallsfonden baserat på den aktuella kostnadsberäkningen för avveckling och avfallshantering. Fonden betalar tillbaka medlen i takt med att kärnkraftsföretagen har utbetalningar för hantering och slutförvaring av radioaktivt avfall. Inbetalningen till Kärnavfallsfonden kostnadsförs löpande och avsättning görs till den del åtagandet överstiger inbetalda avgifter. Produktionsanläggningen förväntas att vara i drift fram till år 2058 då merparten av avsatta medel kommer att tas i bruk, se not 26. Den kortfristiga delen av avsättningen redovisas under övriga upplupna kostnader. Uttjänt material specificeras i not 26 under rubriken "Reserv för hantering och återvinning av restprodukter från produktion".

Omstrukturering
Avsättningar för omstrukturering görs när det föreligger en fastställd och utförlig omstruktureringsplan och berörda personer har informerats.

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Förlust och garantiärenden
Avsättningar finns upptagna för förlustkontrakt och garantiärenden. Försäljningskalkyler analyseras löpande och förlustkontrakt sätts av så fort som de befaras. Avsättning görs med det lägsta av den oundvikliga förlusten om kontraktet fullföljs, eller utgifter i form av skadestånd eller liknande om kontraktet bryts. Avseende garantiärenden sätts medel av så fort som information erhållits från kunden om eventuellt garantiärende. Inom branschen kan det i många fall vara svårt att definiera vilken risk som är förknippad med bolaget. Avsättningar justeras löpande i takt med utredning och kartläggning av defekten.

Aktier och andelar i koncernbolag
Aktier och andelar i koncernbolag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när de uppkommer.

Obeskattade reserver
Obeskattade reserver redovisas med bruttobelopp i balansräkningen, inklusive den uppskjutna skatteskuld som är hänförlig till reserverna.

ÖVRIGT

Eventualförpliktelser
Som ansvarsförbindelse redovisas en befintlig förpliktelse till följd av inträffad händelse som inte redovisas som skuld eller avsättning då det inte är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen eller förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Likvida medel
Likvida medel utgörs av disponibla tillgodohavanden hos banker och andra kreditinstitut och kortfristiga, likvida placeringar som lätt kan omvandlas till ett känt belopp.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar. Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut.

Moderbolag
Bolaget är ett helägt dotterbolag till Westinghouse Electric UK Holdings Ltd. Koncernens moderbolag är Brookfield WEC Holdings Sub-Aggregator LP.

Koncernredovisning
Med stöd av ÅRL 7 kap 2§ upprättar Westinghouse Electric Sweden AB ingen koncernredovisning. Moderbolaget upprättar tillsammans med bolaget Brookfield WEC Holdings Sub-Aggregator LP en gemensam koncernredovisning då bolagen har samma ägare, kontroll och ledning. Denna koncernredovisning är upprättad enligt amerikanska redovisningsregler (US GAAP). Koncernredovisningen per 31 december 2022 har reviderats av bolagets revisorer.

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Not 2 Uppskattningar och bedömningar

Bolaget gör uppskattningar och bedömningar för det som kan innebära en betydande risk för justering på de redovisande beloppen i denna årsredovisning. Uppskattningar och bedömningar som är betydande baseras på historisk erfarenhet och andra faktorer som under rådande förhållande anses vara rimliga. Uppskattningar och bedömningar ses över årligen.

Effekterna av ändringar i dessa redovisas i resultaträkningen under det räkenskapsår som ändringen görs samt under framtida räkenskapsår om ändringen påverkar både aktuellt och kommande räkenskapsår.

Viktiga uppskattningar och bedömningar beskrivs nedan:

Dekontaminering
Avsättning avseende dekontaminering av fabrikens lokaler, maskinpark samt avfall finns upptagen. Avsättningen avseende dekontaminering för fabriksyta och maskinpark bygger på beräkning som godkänns av Strålskyddsmyndigheten och statlig fondering finns uppsatt, s.k. Kärnavfallsfonden. Vår avsättning motsvarar fonderingens krav på avsättning reducerat med det som vi ackumulerat har betalat in till fonden. För övrigt avfall finns motsvarande avsättning gjord, beräkningen sker internt utifrån kända och framtida metoder. Nuvärdesberäkning sker av avsättningarna till diskonteringsränta 1,5% och inflationsmål 2,0%.

Inkuransbedömning
Lagervaror som inte nyttjats inom en period av 18 månader, analyseras på detaljerad nivå för att kunna fastställa om dessa kommer användas till framtida produktion. Nedskrivning sker för de lagervaror som inte har någon framtida nytta för kundleveranser.

Garantiåtagande
Reservering sker av garantiåtagande i tid med att information kommer företaget till handa. Bedömning om avsättningens storlek sker av verksamheten och uppdateras allt eftersom bilden kring åtagandet gentemot kund klargörs. Det finns tydliga processer för verksamheten att följa, vad det gäller återkoppling för att reservering ska kunna ske i rätt tid.

Projektuppföljning
Analyser sker utifrån projektkalkyler och utfall, för att se om det finns indikation om eventuella förlustuppdrag. Reservering sker vid behov. Projektuppföljning och uppdatering av projektkalkyler sker kontinuerligt. Verksamheten arbetar efter tydliga processer för att säkerställa att uppdatering av kalkyler sker i rätt tid

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Not 3 Nettoomsättningens fördelning

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Nettoomsättningens fördelning på geografiska områden:		
Bulgarien	157 588	79 883
Finland	184 371	149 777
Frankrike	1 171 861	1 347 523
Schweiz	73 136	19 041
Slovakien	103 532	94 022
Slovenien	1 714	3 906
Spanien	9 641	13 996
Storbritannien	9 804	1 663
Sverige	249 669	247 868
Sydkorea	1 772	19 548
Tyskland	79 320	197 291
Ukraina	227 422	766 318
USA	238 553	170 437
Övriga marknader	135 157	2 129
	2 643 541	**3 113 399**
Nettoomsättningens fördelning på affärsområden:		
Nuclear Fuel %	79	84
Operating Plant Services %	13	11
Environmental Services %	8	5
Energy Systems %	0	0
	100	**100**

Not 4 Övriga rörelseintäkter

I rörelseresultatet ingår valutakursdifferenser avseende rörelsefordringar och rörelseskulder samt intäkter som hör till omstruktureringar enligt följande.

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Omstruktureringsintäkter	483	0
Valutaförändringar av fordringar/skulder	172 144	125 333
	172 627	**125 333**

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Not 5 Leasingavtal

Årets leasingkostnader avseende leasingavtal, uppgår till 51 042 (34 172) Tkr.

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2022-01-01 -2022-12-31	**2021-01-01 -2021-12-31**
Inom ett år	18 944	18 392
Senare än ett år men inom fem år	29 908	28 822
Senare än fem år	0	0
	48 852	**47 214**

I bolagets redovisning utgörs den operationella leasingen i allt väsentligt av hyrda fastigheter för kontorsverksamhet och fabrikslokaler samt leasing av uran för processflödet.

Avtal om kontorsbyggnad samt en större fabriksbyggnad förfaller år 2023. I övrigt avser leasingavgifter serverutrustning, bilar och kontorsutrustningar.

Not 6 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2022-01-01 -2022-12-31	**2021-01-01 -2021-12-31**
Revisionsuppdrag	2 130	1 993
	2 130	**1 993**

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Not 7 Personalkostnader

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Löner och andra ersättningar		
Styrelse och verkställande direktör	2 759	2 604
Tantiem och liknande ersättning till styrelse och VD	637	790
Övriga anställda	495 438	481 382
	498 835	**484 776**
Sociala kostnader		
Pensionskostnader för styrelse och VD	1 202	1 076
Pensionskostnader för övriga anställda	111 499	79 502
Övriga sociala avgifter enligt lag och avtal	174 337	167 436
	287 038	**248 014**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**785 873**	**732 790**

Avtal om avgångsvederlag har ingåtts med VD och uppgår till motsvarande en årslön.

Not 8 Personal

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Medelantalet anställda		
Kvinnor	226	213
Män	584	543
	810	**756**
Könsfördelning i företagets styrelse		
Kvinnor	2	2
Män	3	3
	5	**5**
Könsfördelning i företagets ledning		
Kvinnor	5	4
Män	7	8
	12	**12**

Not 9 Övriga rörelsekostnader

I rörelseresultatet ingår valutakursdifferenser avseende rörelsefordringar och rörelseskulder samt kostnader som hör till omstruktureringar enligt följande:

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Omstruktureringskostnader	0	3 794
Valutaförändringar av fordringar/ skulder	333 386	32 945
	333 386	**36 739**

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Not 10 Övriga ränteintäkter och liknande resultatposter

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Ränteintäkter	19 164	14 224
	19 164	**14 224**

Not 11 Räntekostnader och liknande resultatposter

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Räntekostnader	914	3 382
	914	**3 382**

Not 12 Bokslutsdispositioner

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	-13 482	4 302
Förändringar av periodiseringsfond	45 300	22 000
Koncernbidrag	-6 856	15 015
	24 962	**41 317**

Not 13 Skatt på årets resultat

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Aktuell skatt	-13 857	-34 545

Avstämning av effektiv skatt

	2022-01-01 -2022-12-31		2021-01-01 -2021-12-31	
	Procent	Belopp	Procent	Belopp
Redovisat resultat före skatt		42 758		115 622
Skatt enligt gällande skattesats	20,60	-8 808	20,60	-23 818
Ej avdragsgilla kostnader	15,43	-6 596	5,42	-6 271
Ej skattepliktiga intäkter	-13,30	5 686	-5,99	6 928
Skatt hänförlig till tidigare års resultat	8,44	-3 607	9,26	-10 703
Övrig kostnad	-1,01	431	-0,25	284
Schablonränta på periodiseringsfond	2,25	-962	0,83	-964
Redovisad effektiv skatt	**32,41**	**-13 857**	**29,88**	**-34 545**

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Not 14 Immateriella anläggningstillgångar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	90 773	90 498
Försäljningar/utrangeringar	-4 384	0
Omklassificeringar	0	275
Utgående ackumulerade anskaffningsvärden	**86 388**	**90 773**
Ingående avskrivningar	-81 585	-77 501
Försäljningar/utrangeringar	4 384	0
Årets avskrivningar	-3 819	-4 084
Justeringar föregående år	0	0
Utgående ackumulerade avskrivningar	**-81 020**	**-81 585**
Utgående redovisat värde	**5 369**	**9 188**

Not 15 Byggnader och mark

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	211 725	209 911
Omklassificeringar	464	1 814
Utgående ackumulerade anskaffningsvärden	**212 189**	**211 725**
Ingående avskrivningar	-101 798	-96 569
Årets avskrivningar	-5 294	-5 229
Utgående ackumulerade avskrivningar	**-107 092**	**-101 798**
Utgående redovisat värde	**105 098**	**109 927**

Not 16 Maskiner och andra tekniska anläggningar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	1 841 404	1 768 734
Försäljningar/utrangeringar	-12 838	-6 950
Omklassificeringar	82 064	79 620
Utgående ackumulerade anskaffningsvärden	**1 910 630**	**1 841 404**
Ingående avskrivningar	-1 346 369	-1 265 622
Försäljningar/utrangeringar	12 824	4 746
Årets avskrivningar	-91 251	-85 493
Utgående ackumulerade avskrivningar	**-1 424 796**	**-1 346 369**
Utgående redovisat värde	**485 834**	**495 035**

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Not 17 Inventarier, verktyg och installationer

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	195 234	190 365
Försäljningar/utrangeringar	-4 745	-186
Omklassificeringar	11 263	5 055
Utgående ackumulerade anskaffningsvärden	**201 752**	**195 234**
Ingående avskrivningar	-175 794	-158 122
Försäljningar/utrangeringar	4 745	186
Årets avskrivningar	-16 746	-17 858
Utgående ackumulerade avskrivningar	**-187 795**	**-175 794**
Utgående redovisat värde	**13 957**	**19 440**

Not 18 Pågående nyanläggningar

	2022-12-31	2021-12-31
Ingående nedlagda kostnader	159 235	117 127
Nedlagda kostnader	246 323	128 967
Omklassificeringar	-94 378	-86 859
Skrotningar	0	0
Utgående nedlagda kostnader	**311 180**	**159 235**
Utgående redovisat värde	**311 180**	**159 235**

Not 19 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	73 961	23 301
Inköp		50 660
Försäljningar/utrangeringar	-50 646	
Utgående ackumulerade anskaffningsvärden	**23 315**	**73 961**
Ingående nedskrivningar	-8 160	-8 160
Utgående ackumulerade nedskrivningar	**-8 160**	**-8 160**
Utgående redovisat värde	**15 155**	**65 801**

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Not 20 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal aktier	Bokfört värde 2022	Bokfört värde 2021
Wesdyne Sweden AB	100	100	14 000	15 002	15 002
Westinghouse Electric Ukraine AB	100	100	1 000	139	139
King Sweden AB				0	50 646
Ukraine Power Bridge Co Ltd	5	5	625	14	14
				15 155	**65 801**

	Org.nr	Säte
Wesdyne Sweden AB	556176-3896	Täby
Westinghouse Electric Ukraine AB	556792-4401	Västerås
King Sweden AB	559261-3094	Västerås
Ukraine Power Bridge Co Ltd		Dublin

Not 21 Koncernmellanhavanden

	2022-12-31	2021-12-31
Mellanhavanden med andra koncernföretag:		
Kundfordringar	1 085 914	1 343 382
	1 085 914	**1 343 382**
Leverantörsskulder	-325 420	-360 392
Övriga skulder	-77 897	-134 120
	-403 317	**-494 512**
Nedan anges andelen av årets inköp och försäljning under verksamhetsåren:		
Inköp %	44	36
Försäljning %	17	11

Vid inköp och försäljning mellan koncernföretag tillämpas samma principer för prissättning som vid transaktioner med externa parter.

Not 22 Upparbetad men ej fakturerad intäkt

	2022-12-31	2021-12-31
Upparbetade intäkter	371 887	665 895
Fakturerade belopp	-280 137	-552 484
	91 750	**113 411**

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Not 23 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Förutbetalda hyror	2 756	4 354
Förutbetalda inkommande lagervaror	141 539	91 717
Övriga poster	129 336	142 404
	273 631	**238 475**

Not 24 Likvida medel

	2022-12-31	2021-12-31
Likvida medel		
Banktillgodohavanden	213 595	124 940
	213 595	**124 940**

Not 25 Obeskattade reserver

	2022-12-31	2021-12-31
Ackumulerad skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	326 126	312 644
Periodiseringsfond tax 19		61 800
Periodiseringsfond tax 20	26 800	26 800
Periodiseringsfond tax 21	48 400	48 400
Periodiseringsfond tax 22	19 400	19 400
Periodiseringsfond tax 23	38 000	38 000
Periodiseringsfond tax 24	16 500	
	475 226	**507 044**
Uppskjuten skatt avseende obeskattade reserver	98 786	98 277

Not 26 Avsättningar

	2022-12-31	2021-12-31
Pensioner och liknande förpliktelser*	305 558	286 325
Övriga avsättningar	100 173	100 373
	405 731	**386 698**
Pensioner och liknande förpliktelser		
Belopp vid årets ingång	286 325	294 457
Under året ianspråktagna belopp	0	-8 132
Förändring i aktuariella antaganden	19 233	0
	305 558	**286 325**
Övriga avsättningar		
Belopp vid årets ingång	100 373	119 659
Förra årets kortfristiga del	37 955	21 290
Årets avsättningar	44 677	51 793
Under året ianspråktagna belopp	-33 090	-29 775
Under året återförda belopp	-49 742	-62 593
	100 173	**100 373**

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Not 26 Avsättningar, forts.

Specifikation övriga avsättningar	2022-12-31	2021-12-31
Garantiåtaganden	21 969	17 224
Reserv för hantering och återvinning av restprodukter från produktion	51 301	57 731
Reserv för framtida utgifter för återställande av byggnad	25 259	23 656
Omstruktureringsreserv	0	1 357
Förlustreserver och framtida åtaganden för leveranser till kund	1 644	404
	100 173	**100 373**

* Beloppet avser i sin helhet avsättningar som omfattas av tryggandelagen.

Not 27 Upplysningar om finansiella instrument

Verkliga värden på derivatinstrument uppgick på balansdagen till följande belopp:

	2022-12-31	2021-12-31
Verkligt värde på derivatinstrument (Tkr)		
EUR	7 575	7 223
USD	-2 278	-2 742
	5 297	**4 481**
Nominellt värde på derivatinstrument (Tkr)		
EUR	7 849	7 408
USD	-1 917	-2 662
	5 932	**4 746**

Ytterligare information beträffande säkringsredovisningen återfinns i avsnittet användning av finansiella instrument i förvaltningsberättelsen.

Not 28 Fakturerad men ej upparbetad intäkt

	2022-12-31	2021-12-31
Uppdrag med successiv vinstavräkning:		
Upparbetade intäkter	-387 204	-315 993
Fakturerade belopp	591 578	395 763
	204 374	**79 770**

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Not 29 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna personalrelaterade kostnader	144 727	141 950
Reserv för hantering och återvinning av restprodukter från bränsletillverkning	16 197	9 999
Levererade varor och tjänster, ej fakturerade	145 022	178 554
Mottagna lagervaror, ej fakturerade	24 575	28 225
	330 522	**358 729**

Not 30 Justering för poster som inte ingår i kassaflödet

	2022-12-31	2021-12-31
Avskrivningar och nedskrivningar	64 964	113 744
Avsättningar	19 033	-27 418
Omräkningsdifferens	-4 376	5 364
	79 621	**91 690**

Not 31 Ställda säkerheter

Bolaget saknar ställda säkerheter.

Not 32 Väsentliga händelser efter räkenskapsårets slut

Under våren 2023 har nya långsiktiga bränslekontrakt tecknats, vilka kommer att ge positiva effekter på resultatet under kommande år.

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Not 33 Disposition av vinst eller förlust

	2022-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
balanserad vinst	1 059 831
årets vinst	28 901
	1 088 732
disponeras så att	
i ny räkning överföres	1 088 732

Underskrifter

Västerås 2023-06-19

Carina Önneby
Ordförande

Johan Janson

Björn Näsström

Richard Alan Swanson

Helena Jansson

Aziz Dag
Verkställande direktör

Vår revisionsberättelse har lämnats 28/6 2023

Deloitte AB

Pontus Pålsson
Auktoriserad revisor

20230711144191

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Westinghouse Electric Sweden AB
organisationsnummer 556070-6359

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Westinghouse Electric Sweden AB för räkenskapsåret 2022-01-01 - 2022-12-31 med undantag för hållbarhetsrapporten på sidorna 4–11.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Westinghouse Electric Sweden ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Våra uttalanden omfattar inte hållbarhetsrapporten på sidorna 4–11.

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 Westinghouse Electric Sweden 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.

Annan information än årsredovisningen

Detta dokument innehåller även annan information än årsredovisningen och återfinns på sidorna 4-11. Det är styrelsen och verkställande direktören som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de 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 och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De 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 styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

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 och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt

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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 och verkställande direktörens förvaltning för Westinghouse Electric Sweden 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 och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Westinghouse Electric Sweden 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 och verkställande direktörens 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. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas 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 eller verkställande direktören 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 revisionssed 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 revisionssed 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.

Anmärkning

Under 2022 har avdragen skatt och sociala avgifter vid flera tillfällen inte betalats i rätt tid. Bolaget har därmed ej fullgjort sina skyldigheter enligt skatteförfarandelagen. Dröjsmålen har berott på bristande rutiner. Dessa brister och försummelser har inte medfört någon skada för bolaget, utöver dröjsmålsräntor.

Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Det är styrelsen som har ansvaret för hållbarhetsrapporten på sidorna 4–11 och för att den är upprättad i enlighet med årsredovisningslagen.

Vår granskning har skett enligt FARs rekommendation RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger mig oss tillräcklig grund för vårt uttalande.

En hållbarhetsrapport har upprättats.

Deloitte.

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Stockholm den 28 juni 2023

Deloitte AB

Pontus Pålsson
Auktoriserad revisor

Westinghouse Proprietary Class 2

2023100407007

Brookfield WEC Holdings Sub-Aggregator LP

Consolidated Financial Statements

As of December 31, 2022 and 2021 and for the
Years Ended December 31, 2022 and 2021

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CONSOLIDATED FINANCIAL STATEMENTS

Brookfield WEC Holdings Sub-Aggregator LP
As of December 31, 2022 and 2021 and for the
Years Ended December 31, 2022 and 2021

With Independent Auditor's Report

Information included in this material is proprietary and confidential and cannot be disclosed or used for any reason beyond the intended purpose without the prior written consent of Westinghouse Electric Company LLC.

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Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To Management of Brookfield WEC Holdings Sub-Aggregator and
The Audit Committee of
Westinghouse Electric Company LLC:

Opinion

We have audited the consolidated financial statements of Brookfield WEC Holdings Sub-Aggregator LP and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations and comprehensive income, equity (deficit), and cash flows for the years 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 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 audits. 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

March 16, 2023

20231004070009

Brookfield WEC Holdings Sub-Aggregator LP

Consolidated Balance Sheets

	December 31, 2022	December 31, 2021
	(In Thousands)	*(In Thousands)*
Assets		
Current assets:		
Cash and cash equivalents	$ 138,597	$ 135,997
Receivables, net of allowance for doubtful accounts of $8,119 and $6,683	497,147	411,131
Inventories, net	575,377	524,786
Costs and estimated earnings in excess of billings on uncompleted contracts	290,809	247,679
Assets held for sale	276,665	—
Other current assets	157,959	148,540
Total current assets	1,936,554	1,468,133
Noncurrent assets:		
Property, plant and equipment, net	898,456	894,612
Operating lease right-of-use assets	162,974	174,485
Goodwill	410,206	170,991
Other intangible assets, net	2,072,861	2,041,223
Uranium assets	85,387	89,193
Deferred income tax assets	309,829	19,633
Investment in unconsolidated subsidiaries	17,592	8,435
Other noncurrent assets	339,154	325,461
Total noncurrent assets	4,296,459	3,724,033
Total assets	$ 6,233,013	$ 5,192,166
Liabilities and equity (deficit)		
Current liabilities:		
Accounts payable	$ 315,657	$ 296,221
Billings in excess of costs and estimated earnings on uncompleted contracts	808,401	908,999
Current portion of long-term debt	172,084	17,499
Liabilities held for sale	36,744	—
Other current liabilities	445,845	396,905
Total current liabilities	1,778,731	1,619,624
Noncurrent liabilities:		
Reserves for decommissioning matters	194,245	178,289
Benefit obligations	342,715	408,305
Deferred income tax liabilities	34,498	83,310
Long-term debt	3,440,118	2,908,460
Long-term operating lease liabilities	145,618	155,716
Other noncurrent liabilities	113,649	187,817
Total noncurrent liabilities	4,270,843	3,921,897
Equity (deficit):		
Owners' equity (deficit)	165,948	(366,214)
Noncontrolling interests	17,491	16,859
Total equity (deficit)	183,439	(349,355)
Total liabilities and equity (deficit)	$ 6,233,013	$ 5,192,166

See notes to consolidated financial statements.

Brookfield WEC Holdings Sub-Aggregator LP

Consolidated Statements of Operations and Comprehensive Income

	Year Ended December 31, 2022	Year Ended December 31, 2021
	(In Thousands)	*(In Thousands)*
Net revenues	$ 3,783,600	$ 3,285,818
Cost of goods sold	2,726,233	2,385,988
Gross profit	1,057,367	899,830
Marketing, administrative and general expenses	602,075	492,540
Amortization of intangibles	234,188	159,775
Income from operations	221,104	247,515
Interest and other (expense) income:		
Interest income	1,931	1,350
Interest expense	(193,649)	(177,974)
Loss on foreign currency transactions, net	(9,276)	(270)
Other income, net	28,673	38,673
Total interest and other expense	(172,321)	(138,221)
Income before income taxes	48,783	109,294
Income tax benefit	(391,568)	(16,764)
Net income	440,351	126,058
Less net income attributable to noncontrolling interests	2,166	4,987
Net income attributable to Brookfield WEC Holdings Sub-Aggregator LP	$ 438,185	$ 121,071
Net income	$ 440,351	$ 126,058
Other comprehensive income, net of tax:		
Unrealized gain on derivatives	99,161	94,600
Change in unrecognized (losses) gains and prior service cost related to pension and other postretirement benefit plans	(15,164)	175,934
Foreign currency translation adjustments	9,400	(21,425)
Other comprehensive income, net of tax	93,397	249,109
Comprehensive income	533,748	375,167
Less comprehensive income attributable to noncontrolling interests	1,586	3,987
Comprehensive income attributable to Brookfield WEC Holdings Sub-Aggregator LP	$ 532,162	$ 371,180

See notes to consolidated financial statements.

Brookfield WEC Holdings Sub-Aggregator LP

Consolidated Statements of Equity (Deficit)

	Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive (Loss) Income	Owners' Equity (Deficit)	Noncontrolling Interests	Total Equity (Deficit)
			(In Thousands)			
Balance at January 1, 2021	$ 66,240	$ (9,275)	$ (494,359)	$ (437,394)	$ 14,264	$ (423,130)
Comprehensive income (loss):						
Net income attributable to controlling and noncontrolling interests	—	121,071	—	121,071	4,987	126,058
Unrealized gain on derivatives, net of tax effect	—	—	94,600	94,600	—	94,600
Change in unrecognized gains and prior service cost related to pension and other postretirement benefit plans, net of tax effect	—	—	175,934	175,934	—	175,934
Foreign currency translation adjustments	—	—	(20,425)	(20,425)	(1,000)	(21,425)
Total comprehensive income	—	121,071	250,109	371,180	3,987	375,167
Return of capital	(66,240)	(233,760)	—	(300,000)	—	(300,000)
Dividends	—	—	—	—	(1,392)	(1,392)
Balance at December 31, 2021	—	(121,964)	(244,250)	(366,214)	16,859	(349,355)
Comprehensive income (loss):						
Net income attributable to controlling and noncontrolling interests	—	438,185	—	438,185	2,166	440,351
Unrealized gain on derivatives, net of tax effect	—	—	99,161	99,161	—	99,161
Change in unrecognized losses and prior service cost related to pension and other postretirement benefit plans, net of tax effect	—	—	(15,164)	(15,164)	—	(15,164)
Foreign currency translation adjustments	—	—	9,980	9,980	(580)	9,400
Total comprehensive income	—	438,185	93,977	532,162	1,586	533,748
Dividends	—	—	—	—	(1,050)	(1,050)
Acquisition of noncontrolling interest	—	—	—	—	96	96
Balance at December 31, 2022	$ —	$ 316,221	$ (150,273)	$ 165,948	$ 17,491	$ 183,439

See notes to consolidated financial statements.

Brookfield WEC Holdings Sub-Aggregator LP

Unaudited Condensed Consolidated Statements of Cash Flows

	Year Ended December 31, 2022 *(In Thousands)*	Year Ended December 31, 2021 *(In Thousands)*
Operating activities:		
Net income	$ 440,351	$ 126,058
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	373,937	303,042
Amortization of deferred financing costs and original issuance discount	19,917	16,004
Deferred income tax benefit	(419,741)	(20,897)
(Gain) loss on disposal of property, plant and equipment, net	(4,192)	6,639
Loss on foreign currency transactions, net	9,276	270
Equity in earnings of unconsolidated subsidiaries	(5,078)	(1,903)
Pension and OPEB benefit	(10,894)	(18,382)
Changes in:		
Receivables	44,819	(47,402)
Inventories and uranium assets	(70,740)	114,522
Costs and estimated earnings in excess of billings on uncompleted contracts	(19,577)	553
Other current assets	7,508	(12,449)
Other noncurrent assets	6,499	(7,283)
Accounts payable and other current liabilities	(63,817)	70,665
Billings in excess of costs and estimated earnings on uncompleted contracts	(93,030)	(47,109)
Noncurrent liabilities	(13,600)	(47,012)
Net cash provided by operating activities	201,638	435,316
Investing activities:		
Acquisition of businesses, net of cash and restricted cash acquired	(717,356)	(6,314)
Purchases of property, plant and equipment and intangible assets	(164,877)	(153,946)
Proceeds from sale of property, plant and equipment and intangible assets	6,040	3,689
Inflow from net investment hedge settlements	63,392	—
Outflow from net investment hedge settlements	(4,445)	—
Other investing activities	2,953	147
Net cash used in investing activities	(814,293)	(156,424)
Financing activities:		
Return of capital	—	(300,000)
Proceeds from long-term debt, net of discount	530,929	—
Repayments of long-term debt	(37,046)	(30,004)
Proceeds from revolving credit agreements	385,000	120,000
Repayments of revolving credit agreements	(235,000)	(120,000)
Payment of debt issuance costs	(1,516)	(3,440)
Payments on finance lease liabilities, net of incentives	(1,113)	(6,319)
Repayments of note payable	(6,526)	(5,949)
Other financing activities	(1,050)	(2,584)
Net cash provided by (used in) financing activities	633,678	(348,296)
Effect of foreign currency translation	(14,899)	(8,049)
Net increase (decrease) in cash, cash equivalents and restricted cash	6,124	(77,453)
Cash, cash equivalents and restricted cash, beginning of year	331,318	408,771
Cash, cash equivalents and restricted cash, end of year	$ 337,442	$ 331,318
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 189,895	$ 162,986
Cash paid for income taxes, net	$ 15,810	$ 10,090

See notes to consolidated financial statements.

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1. Basis of Presentation and Summary of Significant Accounting Policies

Organization

On August 1, 2018, Brookfield Business Partners L.P. ("Brookfield") acquired holding company TSB Nuclear Energy Services Inc., its subsidiary Westinghouse Electric Company LLC, Westinghouse Electric UK Holdings Limited and subsidiaries (collectively referred to as "Westinghouse"). Brookfield owns Westinghouse through an indirect subsidiary Brookfield WEC Holdings Sub-Aggregator LP, which, along with its subsidiaries, are collectively referred to herein as the "Company."

On October 11, 2022, Brookfield agreed to sell Westinghouse to a strategic consortium led by Brookfield Renewable Partners and Cameco Corporation for a total enterprise value of approximately $8 billion. The transaction is expected to close in the second half of 2023, subject to certain conditions including regulatory approvals and other customary conditions. There is no impact on the accompanying consolidated financial statements.

Description of Business

The Company operates as Westinghouse, serving the domestic and international nuclear power industry by supplying advanced nuclear plant designs and equipment, fuel and a wide range of other products and services to the owners and operators of commercial nuclear power plants.

Basis of Financial Statement Presentation

The Company operates on a fiscal year ended December 31st.

The accompanying consolidated financial statements include the assets and liabilities of the Company, its wholly-owned subsidiaries, jointly-owned subsidiaries over which it exercises control and entities for which it has been determined to be the primary beneficiary as of December 31, 2022 and 2021, and the results of operations and cash flows for the years ended December 31, 2022 and 2021. Noncontrolling interest amounts relating to the Company's less-than-wholly owned consolidated subsidiaries are included within net income attributable to noncontrolling interests in the accompanying consolidated statements of operations and comprehensive income and within noncontrolling interests in the accompanying consolidated balance sheets.

Investments in entities in which the Company has the ability to exercise significant influence but does not exercise control are accounted for using the equity method and are included in investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets. All material intercompany transactions and balances have been eliminated in consolidation.

Unless otherwise indicated, all dollar amounts in these financial statements and notes thereto are presented in thousands.

Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

1. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Significant Accounting Policies

Use of estimates – Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue recognition – The Company's products are generally sold based upon purchase orders or contracts with customers that do not include right of return provisions or other significant post-delivery obligations, beyond warranty obligations.

The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers" ("ASC 606") when its customers obtain control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for the arrangements that are within the scope of ASC 606, the Company performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. See Note 3 for additional information.

Costs and estimated earnings in excess of billings on uncompleted contracts (an asset) primarily represent costs and estimated profit thereon in excess of related contract billings on contracts that are accounted for over time and in progress as of the balance sheet date. Billings in excess of costs and estimated earnings on uncompleted contracts (a liability) primarily represent billings on contracts in excess of related contract costs and estimated profit thereon as of the balance sheet date. Billings are generally based on the invoicing terms for contracts accounted for over time and may have no direct relationship to the revenue recognized at a given point in time.

In addition, under certain contracts to supply nuclear fuel to operating plants, the Company may receive advanced payments ahead of shipments or it may ship and defer billing for a short period of time. The resulting balance sheet impact of such is recorded within costs and estimated earnings in excess of billings on uncompleted contracts (an asset) and billings in excess of costs and estimated earnings on uncompleted contracts (a liability). Revenue for these contracts is generally recognized as of a point in time when control is transferred to the customer.

Shipping and handling costs – The Company expenses shipping and handling costs as incurred. These costs are included in cost of goods sold in the accompanying consolidated statements of operations and comprehensive income.

Research and development expenditures – Research and development expenditures on projects not specifically recoverable directly from customers are charged to operations in the period in which incurred. The Company recorded research and development costs, which are included in marketing, administrative and general expenses in the accompanying consolidated statements of operations and comprehensive income, of $76.3 million and $51.4 million for the years ended December 31, 2022 and 2021, respectively.

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Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

1. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Environmental cost – Environmental expenditures that do not extend the service lives of assets or otherwise benefit future years are expensed as incurred. Environmental expenditures related to operations that generate current or future revenues are expensed or capitalized, as appropriate. The Company records liabilities when environmental assessments or remedial efforts are probable and the costs can be reasonably estimated. Such estimates are adjusted, if necessary, as new remediation requirements are defined or as additional information becomes available.

Income taxes – The Company's U.S.-based subsidiaries file a consolidated federal income tax return. The Company files other state and foreign jurisdictional returns as required. Deferred income taxes have been provided for temporary differences between the financial reporting basis and tax carrying amounts of assets and liabilities. These differences create taxable or tax deductible amounts in future periods. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets unless it is more likely than not that such assets will be realized. Interest and penalties on uncertain tax positions are recorded in income tax benefit in the accompanying consolidated statements of operations and comprehensive income. See Note 5 for additional information.

Translation of foreign currencies – In general, the local currencies of the Company's foreign operations have been determined to be their functional currencies. Assets and liabilities of foreign operations are translated into U.S. dollars at exchange rates as of the balance sheet date. Translation adjustments resulting from fluctuations in exchange rates are included as a separate component of accumulated other comprehensive income ("AOCI"). Revenue and expense accounts of these operations are translated at average exchange rates prevailing during the period. Gains and losses arising from transactions denominated in currencies other than the functional currency are included in the results of operations of the period in which they occur.

Cash, cash equivalents and restricted cash – For the purposes of the accompanying consolidated financial statements, all highly liquid investments with original maturities of three months or less are considered to be cash equivalents. Restricted cash is included in other current and other noncurrent assets in the accompanying consolidated balance sheets (see Note 14).

Cash, cash equivalents and restricted cash are included in the following line items on the accompanying consolidated balance sheets:

(in thousands)	December 31, 2022	December 31, 2021
Cash and cash equivalents	$ 138,597	$ 135,997
Restricted cash included in:		
Assets held for sale	1,443	—
Other current assets	1,466	565
Other noncurrent assets	195,936	194,756
Cash, cash equivalents and restricted cash	$ 337,442	$ 331,318

Restricted cash included in other noncurrent assets primarily includes cash held pursuant to requirements to fund nuclear decommissioning which are held in standby trusts to support decommissioning obligations.

1. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Receivables – Credit is regularly extended to customers for purchases made in the ordinary course of business based upon the Company's assessment of creditworthiness. An allowance for doubtful accounts is provided for those accounts for which collection is estimated as doubtful and reflects our best estimate of probable losses inherent in the trade receivable balance. We determine the allowance based on known doubtful accounts, historical payment and loss experiences, and current economic conditions. Increases in the allowance are charged to marketing, administrative and general expenses in the accompanying consolidated statements of operations and comprehensive income. Uncollectible accounts are written off and charged against the allowance.

Inventories – Inventories are stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out ("FIFO") or average cost method depending on the nature of the inventory. Inventories are reported net of any related reserves. The elements of cost included in inventories are labor, direct material and certain overhead, including depreciation.

Uranium assets – Uranium, held in various forms, is used in the nuclear fuel fabrication operations of the business. The Company maintains uranium working stock in order to ensure efficient manufacturing processes. The Company classifies all uranium working stock as a noncurrent asset, and the majority of this is denominated in U.S. dollars. The Company also holds an amount of uranium inventory, for which it periodically enters into transactions to sell uranium when appropriate opportunities arise. Such sales depend on many factors, including market price conditions, availability of willing purchasers and projected internal needs for uranium. Uranium inventory is stated at the lower of cost or net realizable value and included in inventories, unless committed for sales beyond one year. See Note 13 for additional information.

Property, plant and equipment – Additions and improvements to property, plant and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets. Construction in progress is recorded at cost and is not depreciated until placed in service. Leasehold improvements are depreciated over the shorter of the remaining expected lease term or the estimated useful lives of the assets. The estimated lives used for depreciation purposes are as follows:

Buildings and improvements	15 to 45 years
Machinery and equipment	3 to 20 years
Computer software	3 to 10 years

Costs of improvements and renewals are capitalized, while costs of normal maintenance and repairs are charged to expense as incurred. When property, plant and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved and any resulting gain or loss is recognized in marketing, administrative and general expenses.

Asset retirement obligations are recognized for decommissioning and other legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred, if a reasonable estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset. This additional carrying amount is then depreciated over the estimated useful life of the asset. See Note 11 for additional information.

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1. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Leases – The Company leases certain facilities, machinery and equipment used in operations. Certain of these leases contain renewal options for additional periods or rent escalation clauses.

The Company assesses whether a contract is or contains a lease at inception of the contract and recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a term of 12 months or less). For these leases, the Company recognizes the lease payments on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of its future lease payments. The discount rate used to determine present value was based on the rate of interest that the Company estimated it would have to pay to borrow, on a collateralized-basis over a similar term, an amount equal to the lease payments in a similar economic environment. The Company reassesses the discount rate for new and modified lease contracts as of the lease effective date.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term or useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. See Note 19 for additional information.

Goodwill and other intangible assets – Goodwill consists of the cost in excess of the fair value of the identifiable net assets of entities acquired in business combinations. Goodwill is not amortized but is tested annually for impairment on October 1st, with more frequent tests required if indications of impairment exist.

Goodwill is allocated among and evaluated for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment.

The Company evaluates goodwill using a qualitative assessment to determine whether it is more likely than not that the fair value of any reporting unit is less than its carrying amount, including goodwill. We may elect to bypass the qualitative assessment and perform a quantitative assessment. When a quantitative test is performed, the fair value of each reporting unit is estimated and compared to its respective carrying amounts. If the carrying amount exceeds the fair value, the goodwill of the reporting unit is determined to be impaired. The amount of the impairment is the lesser of total goodwill for the reporting unit or the amount by which carrying amount exceeds fair value for the reporting unit. If the fair value of the reporting unit exceeds the carrying amount, the goodwill of the reporting report is determined to not be impaired.

1. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Under a quantitative test, the Company determines the fair values of its reporting units using the income approach. Under the income approach, the Company estimates the fair value of a reporting unit based on the present value of estimated future cash flows. Cash flow projections are based on management's estimates of revenue growth rates, operating margins and general and administrative expenses, taking into consideration industry and market conditions. The discount rate used is based on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the business' ability to generate the projected cash flows.

During the years ended December 31, 2022 and 2021, the Company completed reporting unit reorganizations, which triggered interim goodwill impairment tests. These tests resulted in no impairment charges. There were also no impairment charges related to the annual tests performed for the years ended December 31, 2022 and 2021. See Note 12 for additional information about goodwill.

Indefinite-lived intangible assets, consisting of the Westinghouse trade name, are also evaluated for impairment on an annual basis on October 1st and on an interim basis if events or changes in circumstances between annual tests indicate that the asset might be impaired. There were no impairment charges related to indefinite-lived intangible assets for the years ended December 31, 2022 and 2021.

The trade name is valued using the relief-from-royalty method, estimating the amount of royalty income that would be generated if the assets were licensed in an arm's-length transaction to a third party. An impairment loss is recognized when the estimated fair value of the indefinite-lived intangible asset is less than its carrying value.

Other intangible assets with definite lives are recorded at fair value at the time of acquisition and are amortized over their estimated useful lives on a straight-line basis. See Note 12 for additional information about intangible assets.

Impairment of long-lived assets – The carrying values of long-lived assets, which include property, plant and equipment, right-of-use assets, uranium working stock and definite-lived intangible assets (developed technology, customer relationships, backlog and certain trade names), are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. When factors indicate that an asset group should be evaluated for possible impairment, the Company reviews long-lived assets to assess recoverability from future operations using undiscounted cash flows. If future undiscounted cash flows are less than the carrying value, an impairment is recognized to the extent that the carrying value exceeds fair value.

Pensions and postretirement benefits – The Company provides postretirement benefits in the form of pensions, defined medical, dental and life insurance for eligible retirees and dependents for the benefit of the majority of employees.

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1. Basis of Presentation and Summary of Significant Accounting Policies (continued)

The contributions to each of the funded pension plans are based on independent actuarial valuations designed to secure or partially secure the benefits as defined by local country rules. The plans are funded by contributions from the Company, and for certain plans partly from the contributions of employees to separately administered funds. Actuarially calculated costs are charged in the accompanying consolidated statements of operations and comprehensive income so as to spread the cost of pensions over the employees' working lives. The normal cost is attributed to years of employment using a projected unit credit method. Variations in projected net pension liability from the actuarial assumptions, which are identified as a result of actuarial valuations, are amortized over the average expected remaining working lives of employees. The disclosures for the Company's pension plans are detailed in Note 16.

Derivative instruments – The Company has entered into derivative contracts to minimize the risk to cash flows from exposure to fluctuations in foreign exchange rates and interest rates. The Company recognizes all derivatives as either assets or liabilities within the accompanying consolidated balance sheets at fair value. Derivative contracts entered into by the Company may be designated as either a hedge of a forecasted transaction or future cash flows (cash flow hedge), or a hedge of investments in foreign operations (net investment hedge), if certain conditions are met. For all hedge contracts, the Company prepares formal documentation of the hedge in accordance with ASC 815, "Derivatives and Hedging". In addition, at inception and every three months, the Company formally assesses whether the hedge contract is highly effective in offsetting changes in cash flows of hedged items. The Company documents hedging activity by transaction type and risk management strategy, and does not enter into derivative instruments or hedging activities for speculative or trading purposes. See Note 7 for additional information.

Concentrations of credit and other risks – Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash, restricted cash, cash equivalents and trade receivables. It is the Company's practice to place its cash equivalents in high-quality securities with various investment institutions.

The Company has limited exposure to credit-related losses in the event of nonperformance by counterparties to derivative instruments. The Company enters into derivative instruments with a diverse group of financial institutions, which are selected based on their credit ratings, profitability, and a capacity for timely payment of financial commitments. Agreements with certain counterparties contain master netting arrangements that allow for offsetting of all contracts with a given counterparty in the event of bankruptcy or default. The Company continually monitors its positions and the credit ratings of its counterparties. Under these master netting agreements, net settlement generally permits the Company or the counterparty to determine the net amount payable for contracts due on the same date and in the same currency for similar types of derivative transactions. In the accompanying consolidated financial statements derivative transactions are presented on a gross basis.

Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

1. Basis of Presentation and Summary of Significant Accounting Policies (continued)

The Company derives the majority of its revenue from sales and services to the nuclear power industry. Sales to individual customers representing 10% or more of net revenues were:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Number of customers	One	Two
Respective percentage of net revenues	14%	19% and 12%

Trade receivables are generated from a broad group of customers. As of December 31, 2022 and 2021, there was no single customer and one single customer, respectively, who individually accounted for at least 10% of total receivables as follows:

	December 31, 2022	December 31, 2021
Number of customers	Zero	One
Respective percentage of total receivables	—%	17%

Less than 10% of the Company's workforce is union represented in the U.S. subject to collective bargaining agreements as of December 31, 2022 and 2021. Certain of these collective bargaining agreements will expire and be renegotiated during the year ending December 31, 2023. The individual unions may limit the Company's flexibility in dealing with its workforce. Any work stoppage or instability within the workforce could delay the production or development of the Company's products. This could strain relationships with customers and cause a loss of revenues, which would adversely affect the Company's operations.

New Accounting Standards

Recently adopted accounting standards – The following new accounting standards have been adopted by the Company during the year ended December 31, 2022:

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2019-12, "Income Taxes (Topic 740) – Simplifying the Accounting for Income Taxes", which removes certain exceptions to the general principles in ASC 740, "Income Taxes." The amendments also improve consistent application of and simplify U.S. GAAP for other areas by clarifying and amending existing guidance. The Company adopted this ASU on January 1, 2022. The adoption did not have a material impact on the Company's financial statements.

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1. Basis of Presentation and Summary of Significant Accounting Policies (continued)

In November 2021, the FASB issued ASU 2021-10, "Government Assistance (Topic 832) - Disclosures by Business Entities about Government Assistance". The amendments in this update improve financial reporting by requiring disclosures that increase the transparency of transactions with a government accounted for by applying a grant or contribution accounting model by analogy, including (1) the types of transactions, (2) the accounting for those transactions, and (3) the effect of those transactions on an entity's financial statements. The Company adopted this ASU on January 1, 2022. The adoption had no impact on the Company's financial statements, as the requirements only impact disclosures. See Note 6.

Recently issued accounting standards – The following new accounting standards have been issued, but have not yet been adopted by the Company, as of December 31, 2022:

In September 2022, the FASB issued ASU 2022-04 "Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations". The amendments in this ASU require the buyer in a supplier finance program to disclose qualitative and quantitative information about the program including key terms, amount of obligations outstanding, and rollforward information for the annual period. The amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the disclosure of rollforward information, which is effective for fiscal years beginning after December 15, 2023. The Company is currently evaluating the potential impact this ASU will have on its financial statements.

In October 2021, the FASB issued ASU 2021-08 "Business Combinations (Topic 805) - Accounting for Contract Assets and Contract Liabilities from Contracts with Customers". The amendments in this ASU require acquiring entities to apply ASC 606, "Revenue from Contracts with Customers", to recognize and measure contract assets acquired and contract liabilities assumed in a business combination. The amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The amendments in this ASU should be applied prospectively to business combinations occurring on or after the effective date of the amendments. The Company is currently evaluating the potential impact this ASU will have on its financial statements.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments." This ASU introduces a new current expected credit losses model, which applies to financial assets subject to credit losses and measured at amortized cost, including held-to-maturity securities and certain off-balance sheet credit exposures. The amendments in this ASU are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is currently evaluating the potential impact this ASU will have on its financial statements.

All other issued but not yet effective accounting pronouncements are not expected to have a material impact on the Company's financial statements.

2. Acquisitions

BHI Energy

On March 15, 2022, the Company signed an agreement to acquire 100% of the voting interests of BHI Energy ("BHI"), which provides specialty services supporting the daily operations, routine maintenance and capital investment requirements for the power generation, power delivery and industrial end markets.

On May 27, 2022, the Company closed on the agreement with an initial purchase price of $741.1 million, subject to purchase price adjustments, and accounted for the transaction as a business combination. In November 2022, purchase price was adjusted based on final working capital as of the closing date resulting in a decrease to consideration and return of cash to the Company of $4.3 million. The adjusted, final purchase price was $736.8 million.

The preliminary allocation of purchase price to the net assets acquired and liabilities assumed reflects preliminary fair value estimates, based on management analysis, which is subject to change within the measurement period as valuations are finalized. Open items include the finalization of tax assets and liabilities and any resulting goodwill effects. The Company expects to finalize these amounts as soon as possible but no later than one year from the acquisition date.

The following is a summary of the preliminary allocation of the purchase price to the fair values of assets acquired and liabilities assumed:

(in thousands)		**May 27, 2022**
Assets acquired:		
Cash and cash equivalents	$	14,518
Receivables		210,853
Inventories		2,261
Costs and estimated earnings in excess of billings on uncompleted contracts		2,513
Other current assets		5,515
Property, plant and equipment		46,178
Operating lease right-of-use assets		5,412
Goodwill		256,474
Other intangible assets		390,000
Total assets acquired	$	933,724
Liabilities assumed:		
Accounts payable	$	30,546
Billings in excess of costs and estimated earnings on uncompleted contracts		16,344
Other current liabilities		68,086
Deferred income tax liabilities		77,163
Long-term operating lease liabilities		3,360
Other noncurrent liabilities		1,407
Total liabilities assumed	$	196,906
Total purchase price	$	736,818

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2. Acquisitions (continued)

Other intangible assets are comprised of customer relationships, backlog and trade name of $290 million, $65 million and $35 million, respectively. Customer relationships and backlog were valued using the multi-period excess-earnings method, a form of the income approach. The principle behind this method is that the value of the intangible assets are equal to the present value of the after-tax cash flows attributable to the intangible asset only. The useful life of customer relationships is estimated to be 15 years. The useful life of backlog was estimated to be seven months and fully amortized during the period ended December 31, 2022. The trade name was valued using the relief-from-royalty method. The principle behind this method is that the value of the intangible asset is equal to the present value of the after-tax royalty savings attributable to owning the intangible asset. The useful life of the trade name is estimated to be 10 years.

All other assets and liabilities were valued at the existing carrying values as they represented the fair value of those items at the time of the acquisition, based on management's judgments and estimates.

Tecnatom, S.A.

On August 27, 2021, the Company signed a share purchase agreement to acquire 50% ("SPA") of Tecnatom, S.A. ("Tecnatom"), a Spanish engineering and outage services business providing engineering, maintenance and training services primarily to nuclear power plants. The acquisition of Tecnatom provides the Company with unique engineering and maintenance capabilities and a strong presence in Spain. Tecnatom also services aerospace, fossil plants and other industrial customers across Europe, Asia and the Americas.

On March 10, 2022, the Company closed on the SPA with an initial purchase price of $22.6 million, subject to purchase price adjustments, and accounted for the transaction as a business combination. During the three months ended June 30, 2022, purchase price was adjusted based on final working capital and financial net debt as of the closing date resulting in a decrease to consideration and return of cash to the Company of $2.6 million. The adjusted, final purchase price was $20.0 million.

Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

2. Acquisitions (continued)

During the year ended December 31, 2022, the Company finalized the fair values of assets acquired and liabilities assumed. The following is a summary of the allocation of the purchase price:

(in thousands)		**March 10, 2022**
Assets acquired:		
Cash and cash equivalents	$	22,182
Receivables		15,077
Inventories		1,762
Costs and estimated earnings in excess of billings on uncompleted contracts		16,234
Other current assets		5,660
Property, plant and equipment		16,312
Operating lease right-of-use assets		1,367
Deferred income tax assets		15,345
Investment in unconsolidated subsidiaries		8,735
Other noncurrent assets		82
Total assets acquired	$	102,756
Liabilities assumed:		
Accounts payable	$	8,705
Billings in excess of costs and estimated earnings on uncompleted contracts		96
Current portion of long-term debt		7,441
Other current liabilities		13,560
Long-term debt		19,320
Long-term operating lease liabilities		1,136
Other noncurrent liabilities		2,963
Total liabilities assumed	$	53,221
Non-controlling interest	$	96

Laveer Engineering Limited

On May 31, 2021, the Company acquired Laveer Engineering Limited ("Laveer Engineering"), a Canadian-based company serving the Canada deuterium uranium ("CANDU") nuclear reactor market for approximately $7.2 million and accounted for the transaction as a business combination. During the year ended December 31, 2021, the Company finalized the purchase price and fair values of assets acquired and liabilities assumed. Adjustments between the preliminary and final purchase price allocations related to standard measurement period adjustments did not materially impact the Company's consolidated financial statements. The final purchase price was primarily allocated to goodwill of $5.7 million and the remainder allocated to working capital.

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2. Acquisitions (continued)

AC160N Platform

On April 29, 2021, the Company closed on an asset acquisition, primarily for a developed technology intangible asset supporting its instrumentation and control business, for approximately $25 million. The cash for this purchase had been previously placed in escrow during 2020 and was included within current restricted cash. Upon close of the transaction, restricted cash was released and the acquired assets were recorded in the accompanying consolidated balance sheets.

3. Revenue Recognition

Under ASC 606, a contract with a customer is an agreement which both parties have approved, that creates enforceable rights and obligations, has commercial substance and where payment terms are identified and collectability is probable.

Performance Obligations

Once the Company has entered a contract, it is evaluated to identify performance obligations. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in ASC 606. A contract's transaction price is allocated to each distinct performance obligation within that contract and recognized as revenue when, or as, the performance obligation is satisfied. The majority of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and is, therefore, not distinct. Some of our contracts have multiple performance obligations whereby we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract. The primary methods used to allocate transaction price are either the expected cost plus a margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service, or the use of contractual pricing that reflects standalone selling price.

Contract modifications are routine in the performance of our contracts. Contracts are often modified to account for changes in contract specifications or requirements. In most instances, contract modifications are for goods or services that are not distinct and, therefore, are accounted for as part of the existing contract.

The majority of the Company's revenue is derived from long-term contracts that can span several years. Our performance obligations are satisfied over time as work progresses or at a point in time. Revenue from products and services transferred to customers over time accounted for 66% of our revenue for the year ended December 31, 2022, and 58% for the year ended December 31, 2021. Such revenue is recognized over time, because control is transferred continuously to our customers. Typically, revenue is recognized over time using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the customer. Contract costs include labor, material, overhead and, when appropriate, general and administrative expenses.

3. Revenue Recognition (continued)

Revenue from goods and services transferred to customers at a point in time accounted for 34% of our revenue in for the year ended December 31, 2022, and 42% for the year ended December 31, 2021. The majority of our revenue recognized at a point in time is for the delivery of fuel assemblies, core components, and nuclear parts. Revenue on these contracts is recognized when the customer obtains control of the asset, which is generally upon delivery.

On December 31, 2022 and 2021, the Company had approximately $9.2 billion and $9.3 billion, respectively, of remaining performance obligations, which are also referred to as total backlog. Included in this amount is an estimate of expected future performance obligations related to long-term arrangements to provide fuel assemblies and associated components. This estimation is based on the time period over which the arrangement is effective as well as the historical frequency of deliveries to the customer and their planned reactor outage cycles. The Company expects to recognize approximately 25% of this amount as revenue in 2023, and the balance thereafter.

Contract Estimates

Accounting for long-term contracts and programs involves the use of various techniques to estimate total contract revenue and costs. For long-term contracts, we estimate the profit on a contract as the difference between the total estimated revenue and expected costs to complete a contract and recognize that profit over the life of the contract.

Contract estimates are based on various assumptions to project the outcome of future events that often span several years. These assumptions include labor productivity and availability; the complexity of the work to be performed; the cost and availability of materials; the performance of subcontractors; and the availability and timing of funding from the customer.

The nature of our contracts gives rise to several types of variable consideration, including claims and incentive fees. We include in our contract estimates additional revenue for submitted contract modifications or claims against the customer or others when we believe we have an enforceable right to the modification or claim, the amount can be estimated reliably and its realization is probable. In evaluating these criteria, we consider the contractual/legal basis for the claim, the cause of any additional costs incurred, the reasonableness of those costs and the objective evidence available to support the claim. We include incentive fees in the estimated transaction price when there is a basis to reasonably estimate the amount of the fee. These estimates are based on historical experience, anticipated performance and our best judgment at the time. When we have reasonable certainty in estimating these amounts and we have determined it is probable that a material reversal of revenue will not occur, they are included in the transaction price of our contracts and the associated remaining performance obligations.

As a significant change in one or more of these estimates could affect the profitability of our contracts, we review and update our contract-related estimates regularly. We recognize adjustments in estimated profit on contracts under the cumulative catch-up method. Under this method, the impact of the adjustment on profit recorded to date on a contract is recognized in the period the adjustment is identified. Revenue and profit in future periods of contract performance are recognized using the adjusted estimate. If at any time the estimate of contract profitability indicates an anticipated loss on the contract, we recognize the total loss in the period it is identified.

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3. Revenue Recognition (continued)

Disaggregation of Revenue

Revenue from contracts with customers is disaggregated by business unit, as it best depicts the nature and amount of the Company's revenue.

	Goods and Services Timing of Transfer for the Year Ended December 31, 2022					
	Operating Plant Services	Nuclear Fuel	Energy Systems	Environmental Services	Eliminations/ Other	Total
(in thousands)						
Over Time	$ 1,893,101	$ 64,598	$ 362,925	$ 174,944	$ 1,956	$ 2,497,524
Point-in-Time	225,316	1,018,529	42,231	—	—	1,286,076
Total	$ 2,118,417	$ 1,083,127	$ 405,156	$ 174,944	$ 1,956	$ 3,783,600

	Goods and Services Timing of Transfer for the Year Ended December 31, 2021					
	Operating Plant Services	Nuclear Fuel	Energy Systems	Environmental Services	Eliminations/ Other	Total
(in thousands)						
Over Time	$ 1,225,426	$ 64,803	$ 416,150	$ 188,384	$ 4,705	$ 1,899,468
Point-in-Time	103,419	1,272,626	10,305	—	—	1,386,350
Total	$ 1,328,845	$ 1,337,429	$ 426,455	$ 188,384	$ 4,705	$ 3,285,818

The following table presents revenue disaggregated by geographical region based on the location of the Company's customer:

	December 31, 2022	December 31, 2021
(in thousands)		
Americas	$ 2,232,318	$ 1,641,583
Europe, Middle East, and Africa	1,107,959	1,165,820
Asia	443,221	478,383
Other	102	32
Total	$ 3,783,600	$ 3,285,818

3. Revenue Recognition (continued)

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the consolidated balance sheet. Revenue recognized during the year ended December 31, 2022 that was included in the contract liability balance at the beginning of 2022 was $656.6 million. Revenue recognized during the year ended December 31, 2021 that was included in the contract liability balance at the beginning of 2021 was $753.4 million.

Claims and Unapproved Change Orders

The Company has recognized revenue from several claims and unapproved change orders where the amount has been estimated reliably, realization is probable and there is a legal basis for the claim. The following table summarizes significant claims and unapproved change orders included in costs and estimated earnings in excess of billings on uncompleted contracts and billings in excess of costs and estimated earnings on uncompleted contracts in the accompanying consolidated balance sheets as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
(in thousands)		
Claims and unapproved change orders	$ 19,162	$ 18,435

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4. Restructuring Activities

The Company is engaged in certain ongoing restructuring activities related to overhead processes, the disposition of assets and improving operational efficiency. These activities include workforce reductions and exiting certain facilities and/or businesses. For the years ended December 31, 2022 and 2021, costs incurred related to the restructuring activities consist of the following:

	Year Ended December 31, 2022	Year Ended December 31, 2021
(in thousands)		
Severance costs	$ 18,435	$ 25,848
Asset impairments	—	1,172
Other associated (income) costs	(377)	528
Total restructuring and other costs	$ 18,058	$ 27,548

Total restructuring and other costs recorded during the years ended December 31, 2022 and 2021 were included in marketing, administrative and general expenses in the accompanying consolidated statements of operations and comprehensive income.

Amounts accrued for severance, terminated leases, and other exit-related obligations are included in other current liabilities in the accompanying consolidated balance sheets. The following table summarizes activity and liability balances associated with the Company's restructuring liabilities for the years ended December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
(in thousands)		
Balance, beginning of year	$ 9,288	$ 5,990
Accruals	18,058	27,548
Payments	(23,600)	(24,250)
Balance, end of year	$ 3,746	$ 9,288

Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

5. Income Taxes

Components of income tax (benefit) expense are as follows:

(in thousands)	Year Ended December 31, 2022	Year Ended December 31, 2021
Current income taxes:		
U.S. Federal	$ 4,020	$ (37,900)
State	591	181
Non-U.S.	23,562	41,852
Total current income tax expense	28,173	4,133
Deferred income taxes:		
U.S. Federal	(367,808)	8,659
State	(59,128)	4,690
Non-U.S.	7,195	(34,246)
Total deferred income tax benefit	(419,741)	(20,897)
Total income tax benefit	$ (391,568)	$ (16,764)

Income (loss) before income taxes was:

(in thousands)	Year Ended December 31, 2022	Year Ended December 31, 2021
U.S.	$ (12,684)	$ 131,919
Non-U.S.	61,467	(22,625)
Income before income taxes	$ 48,783	$ 109,294

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Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

5. Income Taxes (continued)

Income tax (benefit) expense is reconciled to the U.S. statutory rate as follows:

(in thousands)	Year Ended December 31, 2022	Year Ended December 31, 2021 [1]
U.S. statutory tax rate of 21%	$ 10,244	$ 22,952
Non-U.S. earnings taxed at different statutory rates	3,298	1,917
Tax effects of U.S. operations in foreign jurisdictions	6,098	2,140
State income taxes, net of U.S. federal effects	(2,194)	9,638
Changes to valuation allowances	(412,088)	(32,918)
Unrecognized tax benefits	2,935	(425)
Adjustments of prior years' taxes	(3,284)	(18,108)
Tax credits	(3,000)	(4,724)
U.S. permanent differences	4,217	601
Non-U.S. permanent differences	2,514	792
Other	(308)	1,371
Total income tax benefit	$ (391,568)	$ (16,764)
Income before income taxes	$ 48,783	$ 109,294
Effective tax rate	(802.7)%	(15.3)%

[1] Presentation adjustments were made to conform to current year disclosure presentation and may affect the comparability of the financial information in the prior year.

For the year ended December 31, 2022, our effective tax rate is significantly influenced by changes in valuation allowances. This change was principally the result of a $421.6 million deferred tax benefit to release our U.S. federal and state valuation allowance previously recorded against deferred tax assets as a result of cumulative three-year income and a forecast of future earnings supported by a firm backlog of long-term customer contracts. Also included in changes in valuation allowances are deferred tax charges due to continued losses in Italy and Canada.

For the year ended December 31, 2021, changes in valuation allowances include a $28.5 million deferred tax benefit to release the remaining France valuation allowance recorded against deferred tax assets as a result of cumulative earnings in recent years and a firm contract backlog supporting future income. Also included in changes in valuation allowances is a $19.0 million deferred tax benefit in the U.S. principally the result of current year income absorbing previously unrecognized tax attributes, and a deferred tax charge of $14.3 million to record additional valuation allowance primarily against current year losses of our Italian affiliate. Adjustments of prior years' taxes includes a net $15.2 million current tax benefit for a favorable Competent Authority settlement between the Internal Revenue Service and Her Majesty's Revenue and Customs. The settlement was in agreement with our position that certain income of our UK affiliate reported in the U.S. from 2012-2016 should have been reported in the UK. Accordingly, our UK affiliate is due a $37.9 million refund of U.S. taxes paid plus interest and will pay $22.7 million of UK tax plus interest on that income. The net benefit is the result of a lower UK statutory tax rate applied to the income. The taxes and interest are reasonably expected to be cash settled in 2023.

Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

5. Income Taxes (continued)

Significant components of deferred tax assets and liabilities are:

(in thousands)	December 31, 2022	December 31, 2021
Deferred tax assets:		
Goodwill	$ 509,245	$ 553,663
Net operating loss carryforwards	281,113	308,340
Compensation and benefits	83,578	81,111
Operating lease liability	40,128	41,045
Decommissioning liability	44,095	37,574
Reserves and accruals	25,305	30,087
U.S. disallowed interest	48,849	9,506
Capitalized research and development	27,708	—
Other deferred tax assets	12,664	30,026
Gross deferred tax assets	1,072,685	1,091,352
Valuation allowance	(126,157)	(567,053)
Net deferred tax assets	$ 946,528	$ 524,299
Deferred tax liabilities:		
Intangible assets	$ (516,812)	$ (474,963)
Property, plant and equipment	(78,937)	(59,229)
Operating lease right-of-use assets	(38,952)	(39,712)
Other deferred tax liabilities	(36,496)	(14,072)
Deferred tax liabilities	(671,197)	(587,976)
Net deferred tax assets (liabilities)	$ 275,331	$ (63,677)

Enacted as part of the 2017 Tax Cuts and Jobs Act ("TCJA"), U.S. taxpayers are required to capitalize and amortize research and development costs over 5 years if incurred in U.S. and 15 years if incurred outside the U.S. for tax years beginning after December 31, 2021. Under prior law, U.S. taxpayers were able to deduct research and development costs as incurred.

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5. Income Taxes (continued)

In jurisdictions where there is a three-year cumulative loss, there is a general presumption that deferred tax assets will not be realized, and a valuation allowance is recorded after due consideration of potential future taxable income or tax planning strategies in relevant jurisdictions. In assessing the need for a valuation allowance, as well as any subsequent recognition of deferred tax assets that have been impaired with a valuation allowance, all objectively verifiable positive and negative evidence is evaluated and weighted accordingly. Any subsequent recognition of deferred tax assets that have been impaired with a valuation allowance will reduce income tax expense in the period recognized. Principal components of the valuation allowance were:

	December 31, 2022	December 31, 2021
(in thousands)		
U.S. Federal	$ —	$ (381,404)
U.S. State	—	(57,984)
Belgium	(4,764)	(4,859)
Canada	(8,951)	(7,085)
China	(2,509)	(3,532)
Germany	(5,688)	(7,776)
Italy	(99,084)	(99,150)
UK	(3,727)	(3,492)
Other jurisdictions	(1,434)	(1,771)
Total valuation allowance	$ (126,157)	$ (567,053)

The decrease in the valuation allowance was reported in the following components:

	Amount
(in thousands)	
Net income	$ 429,871
Accumulated other comprehensive income	2,952
Foreign currency translation adjustments	8,073
Total decrease in valuation allowance	$ 440,896

As a result of accumulated losses, a full valuation allowance had been previously established on U.S. federal and state net deferred tax assets. During the year ended December 31, 2022, the Company determined that sufficient positive evidence supported releasing all U.S. federal and state valuation allowances totaling $421.6 million. In forming its conclusion, Management placed substantial weight on the existence of significant cumulative three-year income, a strong forecast of future earnings supported by a firm backlog of long-term customer contracts, and planned future growth opportunities. Management acknowledges there are certain risks and uncertainties associated with estimates of future taxable income. Management also considered that although deferred tax assets associated with net operating loss and interest disallowance carryforwards do not expire, they are subject to yearly limitations prolonging their ability to be fully utilized. In weighing all this evidence, Management concluded there is objectively verifiable positive evidence of sufficient quantity and quality supporting U.S. federal and state deferred tax assets will more likely than not be realized in the foreseeable future.

5. Income Taxes (continued)

Pre-tax net operating loss carryforwards for the year ended December 31, 2022 are as follows:

	Amount	Expiration
(in thousands)		
U.S. Federal	$ 546,440	Indefinite
Belgium	32,163	Indefinite
Canada	28,588	2039 - 2042
China	8,345	2024 - 2027
France	110,154	Indefinite
Germany	28,197	Indefinite
Italy	310,143	Indefinite
Spain	9,160	Indefinite
UK	75,520	Indefinite
Other jurisdictions	4,433	2024 - Indefinite
Total net operating loss carryforwards	$ 1,153,143	

State net operating losses on a post-apportioned basis of $283.8 million principally relate to Georgia, Pennsylvania, Illinois, Kentucky, Connecticut and South Carolina and will begin to expire in 2026 or have an indefinite carryforward period.

Certain net operating losses may be subject to an annual limitation on the amount that may be utilized to offset taxable income in a future year. Such provisions have been taken into account in establishing deferred tax.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
(in thousands)		
Unrecognized tax benefit, beginning of year	$ 4,215	$ 1,438
Prior period increases	2,293	3,281
Prior period decreases	(269)	(733)
Current period tax positions	600	229
Unrecognized tax benefits, end of year	$ 6,839	$ 4,215
Amounts affecting the effective tax rate if recognized	$ 5,370	$ 3,346

Prior period increases for the year ended December 31, 2022 principally reflects the establishment of a reserve for potential tax on the capital gain arising from the disposal of the manufacturing business of our French branch.

Prior period increases for the year ended December 31, 2021 reflects the establishment of a reserve recorded against acquired net operating losses by our UK affiliate due to a potential restriction on their use.

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5. Income Taxes (continued)

The Company recognizes interest expense and related penalties associated with unrecognized tax benefits as a component of income tax benefit in the accompanying consolidated statements of operations and comprehensive income. For the years ended December 31, 2022 and 2021, interest and penalties were not material.

It is not anticipated that unrecognized tax benefits will significantly increase or decrease in the next twelve months.

The Company is generally no longer subject to examinations by taxing authorities for U.S. federal, state, local or outside the U.S. for years prior to 2019.

U.S. Inflation Reduction Act of 2022
On August 16, 2022 the Inflation Reduction Act was enacted in the U.S. and includes a 15% minimum tax on adjusted financial statement income ("AFSI"), as well as other tax provisions not expected to be applicable to Westinghouse such as a 1% excise tax on stock repurchases and incentives for the generation of clean energy. The minimum tax rules do not take effect until tax years beginning after December 31, 2022. Accordingly, there is no impact on the 2022 Consolidated Financial Statements, and the Company will monitor and assess the impact of the minimum tax in future periods.

6. Government Grants

The Company receives government grants in the form of cash primarily from the U.S. Department of Energy to partially fund certain research & development activities aimed at advancing nuclear technology. Grants vary in size, duration, and conditions as defined by the applicable grant agreements. The Company recognizes government grants when there is reasonable assurance that it will comply with any conditions and the grants will be received, which is generally when billed. Government grants are recognized as an offset to related research & development expenses within marketing, general and administrative expenses in the accompanying statements of operations and comprehensive income. Amounts recognized were $24.3 million and $28.4 million for the years ended December 31, 2022 and 2021, respectively.

7. Fair Value Measurements and Derivative Instruments

Assets and Liabilities Measured At Fair Value on a Recurring Basis

The fair value of financial instruments classified as cash and cash equivalents, restricted cash, receivables, and accounts payable approximate carrying value due to the short-term nature and the relative liquidity of the instruments. The fair value of the Company's variable rate debt reflects recent market transactions and approximates carrying value.

The Company uses derivative financial instruments as part of its risk management program to mitigate the market risk of changes in foreign exchange rates and interest rates that could adversely affect the Company's cash flows, not for speculative or trading purposes.

7. Fair Value Measurements and Derivative Instruments (continued)

Changes in the fair value of a derivative designated and qualified as a cash flow hedge, to the extent effective, are included in equity (deficit) as AOCI until earnings are affected by the hedged transaction. Changes in the fair value of components excluded from hedge accounting for cash flow hedges are recorded within the same line item as the hedged transaction on the consolidated statement of operations and comprehensive income. Changes in the fair value of a derivative designated and qualified as a net investment hedge, to the extent effective, are included in equity (deficit) as AOCI until the hedged net investment is sold or substantially liquidated. Changes in the fair value of components excluded from hedge accounting for net investment hedges are recorded within the interest expense on the consolidated statement of operations and comprehensive income. Cash inflows and outflows related to cash flow hedges and net investment hedges are a component of operating cash flows and investing cash flows, respectively, on the accompanying consolidated statements of cash flows. The Company discontinues hedge accounting prospectively when it has determined that a derivative no longer qualifies as an effective hedge. Amounts in AOCI associated with de-designated hedges will be reclassified into income when the underlying exposure is set to mature and also when an exposure changes enough that it no longer would qualify for hedge accounting. The degree of judgment utilized in measuring the fair value of the instruments generally correlates to the level of pricing observability.

Pricing observability is impacted by a number of factors, including the type of asset or liability, whether the asset or liability has an established market and the characteristics specific to the transaction. Instruments with readily active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of pricing observability and a lesser degree of judgment utilized in measuring fair value. Conversely, assets rarely traded or not quoted will generally have less, or no, pricing observability and a higher degree of judgment utilized in measuring fair value.

Under existing GAAP, there is a disclosure framework hierarchy associated with the level of pricing observability utilized in measuring assets and liabilities at fair value. The three broad levels defined by the hierarchy are as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities at the measurement date.

- Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities including the following:

  - Quoted prices for similar assets and liabilities in active markets
  - Quoted prices for identical or similar assets or liabilities in markets that are not active
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

- Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

The Company has classified all foreign exchange contracts, interest rate swaps, and debt as Level 2 with respect to the fair value hierarchy, and there were no transfers between the levels during this or comparable periods.

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7. Fair Value Measurements and Derivative Instruments (continued)

Derivative Instruments and Hedging Activities

Interest rate hedging – The Company uses interest rate swaps to manage interest rate exposures. These derivative instruments meet the criteria for hedge accounting and are designated as cash flow hedges. The Company is exposed to interest rate volatility with regard to existing floating rate debt. The primary exposure is with the London Interbank Offered Rates ("LIBOR"). The effective portion of gains and losses on cash flow hedges are deferred as a component of AOCI and are recognized in interest expense at the time the hedged interest payments affect earnings. During the year ended December 31, 2022, a portion of the interest rate hedge portfolio was liquidated. The resulting gain from these trades of $33.1 million will remain in AOCI and be reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings, or September 30, 2023, through interest expense, the same income statement line item as the earnings effect of the hedged item.

Foreign currency hedging – Forward foreign exchange contracts are primarily utilized to reduce the risk from foreign currency price fluctuations related to firm or anticipated sales transactions, and commitments to purchase or sell equipment, materials and/or services. These contracts generally have an expiration date of five years or less. Certain foreign exchange contracts meet the criteria for hedge accounting and are designated as cash flow hedges.

Forward foreign exchange contracts are also utilized to hedge net investments in foreign operations against adverse changes in the exchange rates between the U.S. Dollar ("USD"), British Pound Sterling ("GBP"), Euro ("EUR") and Swedish Krona ("SEK"). At December 31, 2021, the total notional amount of contracts outstanding was $751.8 million. During the year ended December 31, 2022, the net investment hedge portfolio was liquidated. The total gain from all trades of $58.9 million will remain deferred in the foreign currency translation adjustments section of AOCI until such time that the hedged net investment is sold or substantially liquidated.

The following table presents the notional amounts of outstanding derivatives designated as hedging instruments as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
(in thousands)		
Interest rate swap contracts	$ —	$ 2,000,000
Interest rate cap contracts	—	250,000
Interest rate swap contracts not yet effective	1,500,000	1,500,000
Foreign exchange contracts	1,040,225	1,141,697
Net investment hedges	—	751,764

The Company determines the fair value of foreign exchange contracts using a mark-to-market model, incorporating real market pricing with probable variables, with amounts recognized in equity (deficit) as AOCI for cash flow hedges designated and qualifying for hedge accounting and in the consolidated statements of operations and comprehensive income for all undesignated hedges.

7. Fair Value Measurements and Derivative Instruments (continued)

Although the Company is party to master netting agreements (ISDA agreements) with all derivative counterparties, the fair values in the tables below and in the consolidated balance sheets as of December 31, 2022 and 2021 have been presented on a gross basis. According to the netting agreements, transaction amounts payable to a counterparty on the same date and in the same currency can be netted. The Company has chosen not to offset the amounts subject to netting agreements.

Derivatives Not Designated As Hedging Instruments

Derivatives not designated as hedging instruments relate to economic hedges and are marked-to-market with all amounts recognized in the consolidated statements of operations and comprehensive income.

The following table presents the fair values of derivative instruments included in the accompanying consolidated balance sheets as of December 31, 2022 and 2021:

		Asset Derivatives	
(in thousands)	**Balance Sheet Location**	**December 31, 2022**	**December 31, 2021**
Derivatives designated as hedging instruments:			
Foreign exchange contracts	Other current assets	$ 15,799	$ 24,402
Foreign exchange contracts	Other noncurrent assets	17,228	24,353
Interest rate swap contracts	Other noncurrent assets	76,013	17,030
Derivatives not designated as hedging instruments:			
Foreign exchange contracts	Other current assets	5,756	1,170
Total asset derivatives		$ 114,796	$ 66,955

		Liability Derivatives	
(in thousands)	**Balance Sheet Location**	**December 31, 2022**	**December 31, 2021**
Derivatives designated as hedging instruments:			
Foreign exchange contracts	Other current liabilities	$ (9,883)	$ (7,709)
Foreign exchange contracts	Other noncurrent liabilities	(20,841)	(4,107)
Interest rate swap contracts	Other noncurrent liabilities	—	(67,638)
Derivatives not designated as hedging instruments:			
Foreign exchange contracts	Other current liabilities	(895)	(4,462)
Total liability derivatives		$ (31,619)	$ (83,916)
Net asset (liability) position		$ 83,177	$ (16,961)

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Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements and Derivative Instruments (continued)

The following table presents the pretax effect of derivative instruments in the accompanying consolidated statements of operations and other comprehensive income ("OCI") for the years ended December 31, 2022 and 2021.

	Amount of Gain Recognized in OCI on Derivatives	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Derivatives designated as hedging instruments:		
Interest rate swap contracts	$ 148,981	$ 38,974
Foreign exchange contracts	41,121	40,356
Total gain recognized in OCI [1]	$ 190,102	$ 79,330

[1] Impacts of net investment hedges recognized as foreign currency translation adjustments within OCI $53,554 and $28,540 for the years ended December 31, 2022 and 2021, respectively.

	Amount of Gain (Loss) Reclassified from OCI Into Income		
(in thousands)	Year Ended December 31, 2022	Year Ended December 31, 2021	Location
Derivatives designated as hedging instruments:			
Interest rate swap contracts	$ (10,055)	$ (52,130)	Interest expense
Foreign exchange contracts	2,181	7,558	Net revenues
Foreign exchange contracts	12,135	(391)	Cost of goods sold
Total amount recognized in income	$ 4,261	$ (44,963)	

	Amount of Gain (Loss) Recognized in Income on Derivatives		
(in thousands)	Year Ended December 31, 2022	Year Ended December 31, 2021	Location
Derivatives designated as hedging instruments:			
Foreign exchange contracts	$ 8,510	$ 1,153	Interest expense
Foreign exchange contracts	(11,224)	(14,328)	Cost of goods sold
Foreign exchange contracts	11,339	11,996	Net revenues
Derivatives not designated as hedging instruments:			
Foreign exchange contracts	6,029	(13,211)	(Loss) gain on foreign currency transactions, net
Total amount recognized in income	$ 14,654	$ (14,390)	

7. Fair Value Measurements and Derivative Instruments (continued)

Assuming markets remain the same, the Company estimates $11.4 million of the unrealized net losses on these derivatives to be reclassified into earnings in the next 12 months. At December 31, 2022, the maximum length of time over which the Company is hedging its exposure to the variability in future cash flows to foreign currency forecasted and interest rate transactions is through July 2027 and July 2025, respectively.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

In addition to assets and liabilities that are measured at fair value on a recurring basis, the Company also has assets and liabilities in its balance sheet that are measured at fair value on a non-recurring basis. Assets and liabilities that are measured at fair value on a non-recurring basis include assets and liabilities acquired in a business combination (see Note 2) and long-lived assets. These long-lived assets are measured at fair value if determined to be impaired. There were no impairments of long-lived assets during the periods presented in the accompanying consolidated financial statements.

8. Assets Held for Sale

On September 28, 2022, the Company signed an agreement to sell the power delivery business of BHI. The power delivery business provides specialty services in design, construction, maintenance and storm restoration to the transmission and distribution end markets. In divesting the power delivery business, the Company strengthens its focus on its core nuclear markets and complementary industrial and renewables service offerings.

The sale closed on February 10, 2023 with initial cash proceeds of $270.2 million, subject to post-closing purchase price adjustments, and a preliminary gain of approximately $20 million recognized during the year ending December 31, 2023. There was no impact from the sale closing on the accompanying consolidated financial statements for the year ended December 31, 2022.

The assets and liabilities of the power delivery business were classified as held for sale in the accompanying consolidated balance sheet as of December 31, 2022. The Company determined that the disposal does not meet the criteria for discontinued operations reporting, as it does not represent a strategic shift that will have a major effect on the Company's operations and financial results.

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8. Assets Held for Sale (continued)

The following table summarizes the major classes of assets and liabilities classified as held for sale in the accompanying consolidated balance sheet as of December 31, 2022:

(in thousands)		**December 31, 2022**
Assets held for sale:		
Receivables	$	98,674
Inventories, net		941
Costs and estimated earnings in excess of billings on uncompleted contracts		1,434
Other current assets		2,813
Property, plant and equipment		51,873
Operating lease right-of-use assets		2,195
Goodwill		11,179
Other intangible assets		107,556
Total assets held for sale	$	276,665
Liabilities held for sale:		
Accounts payable	$	10,413
Billings in excess of costs and estimated earnings on uncompleted contracts		991
Other current liabilities		22,594
Long-term operating lease liabilities		1,029
Other noncurrent liabilities		1,717
Total liabilities held for sale	$	36,744

9. Receivables

At December 31, 2022 and 2021, receivables, net consist of the following:

	December 31, 2022	December 31, 2021
(in thousands)		
Trade receivables	$ 505,266	$ 417,814
Allowance for doubtful accounts	(8,119)	(6,683)
Receivables, net	$ 497,147	$ 411,131

Activity in the allowance for doubtful accounts during the years ended December 31, 2022 and 2021 was as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
(in thousands)		
Balance, beginning of period	$ (6,683)	$ (6,942)
Increase in allowance	(5,112)	(3,360)
Amounts written off during the year	3,606	3,527
Foreign currency translation effect	70	92
Balance, end of period	$ (8,119)	$ (6,683)

10. Inventories

At December 31, 2022 and 2021, inventories, net consist of the following:

	December 31, 2022	December 31, 2021
(in thousands)		
Raw materials	$ 194,141	$ 170,770
Work in process	167,619	142,655
Finished goods	178,362	168,937
Uranium inventory	46,057	52,011
Gross inventories	586,179	534,373
Inventory reserve	(10,802)	(9,587)
Inventories, net	$ 575,377	$ 524,786

Inventories, other than those related to long-term contracts and uranium inventory, are generally sold within one year.

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11. Property, Plant and Equipment

At December 31, 2022 and 2021, property, plant and equipment consist of the following:

	December 31, 2022	December 31, 2021
(in thousands)		
Land	$ 37,605	$ 37,674
Buildings and improvements	373,383	346,786
Machinery and equipment	440,086	380,735
Computer software	224,093	209,230
Construction in progress	234,817	214,011
Total	1,309,984	1,188,436
Accumulated depreciation	(411,528)	(293,824)
Property, plant and equipment, net	$ 898,456	$ 894,612

Depreciation expense for the years ended December 31, 2022 and 2021 has been classified in the accompanying consolidated statements of operations and comprehensive income as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
(in thousands)		
Cost of goods sold	$ 108,801	$ 113,761
Marketing, administrative and general expenses	30,948	29,506
Total	$ 139,749	$ 143,267

12. Goodwill and Intangible Assets

Goodwill

Changes in the carrying amount of goodwill for the years ended December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
(in thousands)		
Balance, beginning of year	$ 170,991	$ 168,730
Acquisition of BHI	256,474	—
Acquisition of Laveer Engineering	—	5,726
Adjustments due to finalization of purchase price allocations [1]	—	246
Reclassification to assets held for sale	(11,179)	—
Foreign currency translation adjustments	(6,080)	(3,711)
Balance, end of year	$ 410,206	$ 170,991

[1] Changes during the year ended December 31, 2021 are the result of measurement period adjustments from acquisitions occurring in 2020.

Intangible Assets

The carrying amounts and accumulated amortization of identifiable intangible assets as of December 31, 2022 and 2021 are as follows:

		December 31, 2022		
	Life (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
(in thousands)				
Developed technology	5–20	$ 1,895,653	$ 555,777	$ 1,339,876
Customer relationships	15	392,604	69,949	322,655
Backlog	10	208,782	128,410	80,372
Westinghouse trade name	Indefinite	297,000	—	297,000
Other trade name	10	35,000	2,042	32,958
Total		$ 2,829,039	$ 756,178	$ 2,072,861

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12. Goodwill and Intangible Assets (continued)

	Life (in years)	December 31, 2021 Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
(in thousands)				
Developed technology	5–20	$ 1,907,237	$ 430,977	$ 1,476,260
Customer relationships	15	219,110	50,018	169,092
Backlog	10	150,001	51,130	98,871
Westinghouse trade name	Indefinite	297,000	—	297,000
Total		$ 2,573,348	$ 532,125	$ 2,041,223

Amortization expense was $234.2 million and $159.8 million for the years ended December 31, 2022 and 2021, respectively.

The table below presents the expected amortization expense for definite-lived intangible assets for the next five years and thereafter as of December 31, 2022. The amortization amounts disclosed below are estimates. Actual amounts may differ from these estimates due to such factors as sales or impairments of intangible assets, acquisition of additional intangible assets, foreign currency translation and other events.

For the calendar year ending December 31:	*(in thousands)*
2023	$ 173,137
2024	170,156
2025	170,156
2026	170,131
2027	170,098
Thereafter	922,183
Total	$ 1,775,861

13. Uranium Assets

Below is the classification of uranium assets within the accompanying consolidated balance sheets as of December 31, 2022 and 2021:

(in thousands)	December 31, 2022	December 31, 2021
Current uranium assets:		
Available for sale	$ 46,057	$ 52,011
Total current uranium assets (included within inventories, net)	46,057	52,011
Noncurrent uranium assets:		
Long-term uranium working stock	85,387	89,193
Total noncurrent uranium assets	85,387	89,193
Uranium assets	$ 131,444	$ 141,204

14. Other Current and Noncurrent Assets

At December 31, 2022 and 2021, other current and noncurrent assets consist of the following:

(in thousands)	December 31, 2022	December 31, 2021
Other current assets:		
Prepaid insurance, taxes and other services	$ 123,176	$ 116,226
Derivative instruments	21,555	25,572
Deferred financing costs	2,483	2,322
Restricted cash	1,466	565
Other	9,279	3,855
Other current assets	$ 157,959	$ 148,540

(in thousands)	December 31, 2022	December 31, 2021
Other noncurrent assets:		
Restricted cash	$ 195,936	$ 194,756
Derivative instruments	93,241	41,383
Pension asset	38,150	75,019
Deferred financing costs	6,207	8,128
Other	5,620	6,175
Other noncurrent assets	$ 339,154	$ 325,461

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15. Asset Retirement Obligations

The Company's asset retirement obligations relate primarily to the decommissioning of licensed nuclear facilities. These obligations address the decommissioning, cleanup and release for acceptable alternate use of such facilities. The Company recognizes an asset retirement obligation at its fair value in the period in which it is incurred, if a reasonable estimate of fair value can be made. The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows, selection of discount rates and cost escalation rates, among other factors. The liability is adjusted for any revisions to the expected value of the retirement obligation (with corresponding adjustments to the related asset) and for accretion of the liability due to passage of time.

Changes to asset retirement obligations for the years ended December 31, 2022 and 2021 are as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
(in thousands)		
Balance, beginning of year	$ 181,819	$ 193,587
Liabilities settled	(3,100)	(8,196)
Liabilities incurred	104	311
Accretion expense	8,021	8,749
Foreign currency translation effect	(3,396)	(2,788)
Revisions in estimated cash flows	13,697	(9,844)
Balance, end of year	$ 197,145	$ 181,819
Less: amounts included within other current liabilities	(2,900)	(3,530)
Reserves for decommissioning matters	$ 194,245	$ 178,289

16. Pension and Other Postretirement Benefit Plans

Pension Plans

The majority of the employees of the Company are covered under separate pension plans sponsored by Westinghouse Electric Company LLC (U.S. Plans) and separate plans sponsored by Westinghouse Electric UK/Uranium Asset Management, Ltd., Springfields Fuels Limited, Westinghouse Electric Belgium SA, Westinghouse Electric Germany GmbH, Westinghouse Electrique France SAS, Astare, and Westinghouse Electric Sweden AB (Non-U.S. Plans). Details of the aforementioned plans can be found in the following tables.

In prior years, the U.S. Plans had been closed to new entrants. In February 2017, the Company announced that the U.S. Plans will be further amended to freeze future benefit accruals. Consequently, participants in the U.S. Plans will cease earning additional benefits. This amendment was effective for non-represented employees and represented employees on April 1, 2017 and January 1, 2018, respectively.

The following table presents the net periodic pension (benefits) costs covering current and former employees of the Company:

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
(in thousands)						
Service cost	$ —	$ 12,501	$ 12,501	$ —	$ 17,519	$ 17,519
Interest cost	50,989	7,902	58,891	49,413	6,317	55,730
Expected return on plan assets	(74,607)	(12,707)	(87,314)	(89,293)	(13,439)	(102,732)
Amortization of loss (gain)	4,522	(13)	4,509	7,382	151	7,533
Amortization of prior service cost (credit)	46	(129)	(83)	—	(182)	(182)
Ongoing periodic pension (benefit) cost	(19,050)	7,554	(11,496)	(32,498)	10,366	(22,132)
Settlement or curtailment charges	—	(187)	(187)	197	1,604	1,801
Net periodic pension (benefit) cost	$ (19,050)	$ 7,367	$ (11,683)	$ (32,301)	$ 11,970	$ (20,331)

The service cost component of net periodic pension (benefit) cost is recorded in cost of goods sold and marketing, administrative and general expenses while other components are recorded in other income, net in the accompanying consolidated statements of operations and comprehensive income.

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16. Pension and Other Postretirement Benefit Plans (continued)

The weighted-average assumptions used to develop the net periodic pension (benefit) cost and the present value of benefit obligations are shown below:

	December 31, 2022		December 31, 2021	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate for obligations	5.23 %	4.59 %	3.06 %	1.74 %
Compensation increase rate for obligations	N/A	2.19 %	N/A	2.08 %
Long-term rate of return on plan assets	6.49 %	5.35 %	5.74 %	3.06 %

	Year Ended December 31, 2022		Year Ended December 31, 2021	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate for expense	3.06 %	1.74 %	2.77 %	1.23 %
Compensation increase rate for expense	N/A	2.08 %	N/A	1.87 %

Discount rate assumptions used to value pension and other postretirement benefit obligations reflect the rates available on high-quality, fixed income investments as of the measurement date with similar terms as the projected future cash outflows.

Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

16. Pension and Other Postretirement Benefit Plans (continued)

The long-term rate of return on plan assets is the estimated long-term rate of return that will be earned on the investments used to fund the benefit obligations. To determine the expected long-term rate of return on pension plan assets, we consider our asset allocation, capital markets' future expectations, as well as historical and expected returns on various categories of plan assets.

The following tables set forth the aggregate funded status and changes in benefit obligations and plan assets of the defined benefit pension plans and amounts recognized in the accompanying consolidated balance sheets:

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
(in thousands)						
Accumulated benefit obligation	$ 1,284,923	$ 275,397	$1,560,320	$ 1,701,982	$ 467,153	$2,169,135
Change in benefit obligation:						
Benefit obligation, beginning of year	$ 1,701,982	$ 500,129	$2,202,111	$ 1,816,837	$516,471	$2,333,308
Service cost	—	12,501	12,501	—	17,519	17,519
Interest cost	50,989	7,902	58,891	49,413	6,317	55,730
Employee contributions	—	833	833	—	1,677	1,677
Settlements, amendments, and curtailments [1]	1,110	(1,235)	(125)	(42,239)	(1,665)	(43,904)
Benefits paid	(66,205)	(11,469)	(77,674)	(65,655)	(13,094)	(78,749)
Actuarial gain	(402,952)	(169,241)	(572,193)	(56,374)	(10,218)	(66,592)
Foreign currency exchange rate changes	—	(47,538)	(47,538)	—	(16,878)	(16,878)
Benefit obligation, end of year	$1,284,924	$ 291,882	$1,576,806	$1,701,982	$ 500,129	$2,202,111
Change in plan assets:						
Plan assets at fair value, beginning of year	$1,424,199	$462,649	$1,886,848	$ 1,364,179	$ 390,826	$1,755,005
Actual return on plan assets	(334,643)	(183,704)	(518,347)	146,804	57,655	204,459
Employer contributions	6,362	29,842	36,204	21,110	36,923	58,033
Employee contributions	—	833	833	—	1,677	1,677
Benefits paid from plan assets	(66,205)	(11,469)	(77,674)	(65,655)	(13,094)	(78,749)
Settlements [1]	—	(1,235)	(1,235)	(42,239)	(3,934)	(46,173)
Foreign currency exchange rate changes	—	(44,274)	(44,274)	—	(7,404)	(7,404)
Plan assets at fair value, end of year	1,029,713	252,642	1,282,355	1,424,199	462,649	1,886,848
Funded status, end of year	$(255,211)	$ (39,240)	$(294,451)	$(277,783)	$(37,480)	$(315,263)

[1] On October 8, 2021, Westinghouse purchased a non-participating, irrevocable group annuity contract from an insurance company transferring gross defined benefit pension obligations and related plan assets of $42.2 million from the U.S. Plans to the insurance company.

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16. Pension and Other Postretirement Benefit Plans (continued)

	December 31, 2022			December 31, 2021		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
(in thousands)						
Amounts included in the consolidated balance sheet consist of:						
Noncurrent assets	$ —	$ 38,150	$ 38,150	$ 738	$ 74,281	$ 75,019
Other current liabilities	(6,369)	(5,671)	(12,040)	(6,131)	(5,882)	(12,013)
Noncurrent benefit obligation	(248,842)	(71,719)	(320,561)	(272,390)	(105,879)	(378,269)
Net benefit obligation	$ (255,211)	$ (39,240)	$ (294,451)	$ (277,783)	$ (37,480)	$ (315,263)
Amounts recognized in AOCI consist of:						
Net actuarial (loss) gain	$ (200,831)	$ (15,446)	$ (216,277)	$ (199,055)	$ 10,549	$ (188,506)
Prior service (cost) credit	(1,064)	1,092	28	—	1,364	1,364
Net amount recognized, before tax effect	$ (201,895)	$ (14,354)	$ (216,249)	$ (199,055)	$ 11,913	$ (187,142)

During the year ended December 31, 2022, the actuarial gain on the pension obligation was primarily driven by the significant increase in the discount rate. This gain was partially offset by a loss due to fewer terminations and deaths than expected. During the year ended December 31, 2021, the actuarial gain on the pension obligation was primarily driven by the increase in the discount rate in addition to a small gain due to the annuity purchase for certain retirees. This gain was partially offset by the net impact of updated assumptions for retirement, termination, and disability rates, changes to the payment form elections and spousal age difference assumptions, and the adoption of the MP 2021 mortality improvement projection scale.

16. Pension and Other Postretirement Benefit Plans (continued)

Plan Assets

The following table sets forth, by level within the fair value hierarchy, the plan assets carried at fair value as of December 31, 2022 and 2021, respectively:

	Assets at Fair Value as of December 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
(in thousands)				
Equity securities	$ 11,737	$ 39,409	$ —	$ 51,146
Real estate investments	887	6,635	—	7,522
Fixed income securities	173,817	147,803	—	321,620
Money market funds	40,967	—	—	40,967
Total investments at fair value	$ 227,408	$ 193,847	$ —	$ 421,255
Investments measured at net asset value: [1]				
Equity collective investment trusts or funds				444,957
Fixed income collective investment trusts or funds				384,089
Real estate investments				27,531
Total investments measured at net asset value				856,577
Pension trust receivable [2]				4,523
Total plan assets at fair value				$ 1,282,355

	Assets at Fair Value as of December 31, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
(in thousands)				
Equity securities	$ 15,738	$ 109,774	$ —	$ 125,512
Fixed income securities	249,015	318,963	—	567,978
Money market funds	15,764	—	—	15,764
Total investments at fair value	$ 280,517	$ 428,737	$ —	$ 709,254
Investments measured at net asset value: [1]				
Equity collective investment trusts or funds				563,466
Fixed income collective investment trusts or funds				589,172
Total investments measured at net asset value				1,152,638
Pension trust receivable [2]				24,956
Total plan assets at fair value				$ 1,886,848

[1] In accordance with ASC 820-10, "Fair Value Measurement", certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to total plan assets at fair value.

[2] As of December 31, 2022 and 2021, the total fair value of plan assets includes a receivable of $5 million and $25 million, respectively, which represents securities not yet settled.

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16. Pension and Other Postretirement Benefit Plans (continued)

The U.S. Plans – The assets of the U.S. Plans are managed by an Outsourced Chief Investment Officer via the Westinghouse Electric Company Pension Master Trust ("Trust"). The Westinghouse Electric Company Pension Investment Committee ("Committee") has been appointed to review the investment performance and other matters of the U.S. Plans, including development of investment policies and strategies. These investment policies and strategies are detailed in the Plans' Investment Policy Statement. The asset allocation decision reflects the plans' return requirements, as well as the Committee's tolerance for return variability (risk). The assets are invested in long-term strategies and evaluated within the context of a long-term investment horizon. The majority of investments will generally be restricted to marketable securities with privately-placed collective investment trusts or funds.

Investment objectives are designed to provide quantitative standards against which to measure and evaluate the progress of the plans, their major asset class composites and each individual investment manager. The overall objective for the Trust is to generate a rate of return, net of all fees and expenses, in excess of a policy index that is comprised of a weighted average of the market benchmarks for each asset class.

The Non-U.S. Plans – The investment management of the Non-U.S. Plans is handled either by an independent trustee body or an appointed Asset Manager depending on the country of the plan sponsor. In both cases, strategic asset allocation is determined following local funding regimes and the prudent person principle via a mix of different asset classes.

There is an established Strategic Asset Allocation agreed to by the Company for these plans, but in some cases, the Asset Manager has the flexibility to modify the allocation while still adhering to set minimum and maximum bounds for each class of asset. This allows the Asset Manager to optimize the portfolio within defined risk guidelines.

The Company's target and pension asset allocations at December 31, 2022 consist of the following:

Asset Category	Target	Actual
U.S. Plans:		
Equity securities	40 %	43 %
Fixed income securities	55	54
Real estate investments	5	3
Total	100 %	100 %
Non-U.S. Plans (weighted average):		
Equity securities	23 %	24 %
Fixed income securities	75	73
Real estate investments	2	3
Total	100 %	100 %

16. Pension and Other Postretirement Benefit Plans (continued)

Estimated Future Benefit Payments

Annual benefit payments for the years subsequent to December 31, 2022 are estimated as follows:

(in thousands)	U.S.	Non-U.S.	Total
For the calendar year ending December 31:			
2023	$ 74,757	$ 10,614	$ 85,371
2024	75,619	10,250	85,869
2025	78,208	10,907	89,115
2026	80,680	10,142	90,822
2027	82,378	10,428	92,806
2028–2032	428,933	55,004	483,937

Contributions

The Company anticipates cash contributions to be paid during the fiscal year ending December 31, 2023 to fund its defined benefit pension plans will be as follows:

	U.S.	Non-U.S.	Total
(in thousands)			
Expected contributions	$ 21,369	$ 30,230	$ 51,599

Other Postretirement Benefit Plan

The Company also sponsors an other postretirement benefit plan in the U.S. that provides defined medical, dental and life insurance for eligible retirees and dependents.

The components of net periodic other postretirement benefit costs for the periods presented was as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
(in thousands)		
Service cost	$ 220	$ 584
Interest cost	932	1,155
Amortization of prior service cost	64	64
Amortization of (gain) loss	(427)	146
Net periodic other postretirement benefit costs	$ 789	$ 1,949

The service cost component of net periodic other postretirement benefit cost is recorded in cost of goods sold and marketing, administrative and general expenses while other components are recorded in other income, net in the accompanying consolidated statements of operations and comprehensive income.

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16. Pension and Other Postretirement Benefit Plans (continued)

The assumptions used to develop the net periodic other postretirement benefit cost and the present value of benefit obligations as of December 31, 2022 and 2021 are shown below:

	December 31, 2022	December 31, 2021
Discount rate for obligations	5.22%	2.98%
Long-term rate of return on plan assets	N/A	N/A
Discount rate for expense	2.98%	2.59%
Health care cost trend rates:		
Initial	4.00%	4.00%
Ultimate	4.00%	4.00%
Year in which ultimate rates were reached	2022	2021

Net periodic other postretirement benefit cost is determined using the assumptions as of the beginning of the year. The funded status is determined using the assumptions as of the end of the year. The funded status, changes in benefit obligation and amounts recognized in the accompanying consolidated balance sheets are as follows:

(in thousands)	Year Ended December 31, 2022	Year Ended December 31, 2021
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 32,490	$ 45,312
Service cost	220	584
Interest cost	932	1,155
Employee contributions	2,350	3,171
Actuarial gain	(4,953)	(11,377)
Benefits paid	(6,808)	(6,355)
Benefit obligation, end of year	$ 24,231	$ 32,490

As of December 31, 2022 and 2021, $2.1 million and $2.5 million, respectively, are considered an other current liability in the accompanying consolidated balance sheets, which represents the expected settlement of liabilities over the next twelve months.

(in thousands)	December 31, 2022	December 31, 2021
Amounts recognized in AOCI consist of:		
Net actuarial gain	$ 11,006	$ 6,480
Prior service cost	(355)	(419)
Net amount recognized, before tax effect	$ 10,651	$ 6,061

16. Pension and Other Postretirement Benefit Plans (continued)

During the year ended December 31, 2022, the actuarial gain on the postretirement benefit obligation was primarily driven by the significant increase in the discount rate and to a lesser extent fewer retirements than expected. This gain was partially offset by a loss due to fewer terminations than expected. During the year ended December 31, 2021, the actuarial gain on the postretirement benefit obligation was primarily driven by a decrease in the participation and spousal coverage rate assumptions. The gain was also attributable to an increase in the discount rate, updated dental rates, the net impact of updated assumptions for retirement, termination, and disability rates, and the adoption of the MP 2021 mortality improvement projection scale.

Annual benefit payments for the other postretirement benefit plan, net of employee contributions, for the fiscal years subsequent to December 31, 2022 are estimated to be as follows:

	(in thousands)
For the calendar year ending December 31:	
2023	$ 2,077
2024	1,852
2025	1,732
2026	1,616
2027	1,567
2028–2032	7,640

Savings Plans

The Company also provides defined contribution ("DC") plans to U.S. employees. Employees may contribute from 2% to 35% of their compensation on a pretax or after-tax basis. The Company matches 50% of the first 6% of an employee's compensation contribution. Effective for employees hired after July 1, 2013 or those that elected not to participate in the U.S. pension plan at that time, the Company makes an additional 3% of pay contribution annually to a Retirement Contribution Account ("RCA") within the savings plan, subject to the condition of earning eligibility service on December 31 of the given year. The Company contributed $33.3 million and $33.5 million for the years ended December 31, 2022 and 2021, respectively, to U.S. DC plans.

In addition, the Company offers similar plans to employees in other countries outside of the U.S. Westinghouse Electric Spain S.A.U. and Westinghouse Technology Services, S.A. in Spain are the sponsors of an occupational DC plan where employees' annual contributions equal to 1%–2% of their pension-qualifying salary, which is matched by the sponsor with a contribution equal to 250% of the participant's annual basic contribution. Westinghouse Electric UK and Springfields Fuels Limited in the UK sponsor DC plans where employees' annual contributions equal 3%–100% of their pensionable pay, which is matched by the sponsor equal to 8.0%–14.5% of the participants' annual contribution. The Company contributed $4.4 million and $4.4 million for the years ended December 31, 2022 and 2021, respectively, to Non-U.S. DC plans.

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17. Debt and Credit Facilities

Long-term debt was comprised of the following as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
(in thousands)		
First Lien Term Loan	$ 2,940,417	$ 2,970,421
Incremental Term Loan	548,625	—
Short term borrowings under Revolving Credit Agreement	150,000	—
Subsidiary borrowings	27,378	—
Unamortized discount (including deferred financing costs)	(54,218)	(44,462)
Total outstanding debt	3,612,202	2,925,959
Less: current portion of long-term debt (including deferred financing costs)	172,084	17,499
Long-term debt	$ 3,440,118	$ 2,908,460

On August 1, 2018, Brookfield WEC Holdings Inc., a wholly-owned subsidiary of Brookfield WEC Holdings Sub-Aggregator LP, entered into three credit agreements (the First Lien Credit Agreement, the Second Lien Credit Agreement, and the Revolving Credit Agreement) with a syndicate of banks and other financial institutions. The Second Lien Credit Agreement provided total borrowing capacity of $325 million in the form of a $325 million Term Loan (Second Lien Term Loan). The Second Lien Term Loan was paid in full and extinguished on August 1, 2019. The majority of the Company's assets have been pledged as collateral, unless disallowed by regulatory restrictions, to secure the credit agreements. The credit agreements contain certain customary affirmative and negative covenants including, but not limited to, certain investments, payment of dividends, incurrence of additional indebtedness, and acquisitions and divestures. The Company must also maintain a certain level of excess availability, and in certain circumstances will be required to maintain a consolidated fixed charge coverage ratio of not less than 1.00 to 1.00. The First Lien Net Leverage Ratio must also not be greater than 6.95 to 1.00. As of December 31, 2022 and 2021, the Company has complied with all applicable covenants, and there have been no events of default.

17. Debt and Credit Facilities (continued)

First Lien Credit Agreement

On July 16, 2019, the Company entered into the first incremental facility amendment that provided for an additional letter of credit facility of $125 million, and on August 1, 2019 the Company entered into a second incremental facility amendment that provided for an incremental term loan of $330 million. On January 17, 2020, the Company executed a third amendment to its First Lien Credit Agreement to further reduce the overall interest rate on the First Lien Term Loans by consolidating the initial term loan borrowed on August 1, 2018 under the First Lien Credit Agreement and the incremental term loan into a single term loan commitment and reducing the margin on outstanding borrowings under the First Lien Term Loan by 0.50%. The Company accounted for this transaction as a modification of the First Lien Credit Agreement. $1.6 million of new transaction fees and expenses paid to the existing lender were deferred with the existing unamortized deferred financing costs and original issue discount ("OID") and presented as a direct reduction of the liabilities. Collectively, these amendments comprise the Amended First Lien Credit Agreement. On January 29, 2021, the Company executed the first amendment to the Amended First Lien Credit Agreement to further reduce the overall interest rate on the First Lien Term Loan by reducing the margin by 0.25%, and reducing the associated floor on LIBOR by 0.25%. The Company accounted for this transaction as a modification of the Amended First Lien Credit Agreement. $1.5 million of new transaction fees and expenses were paid to the existing lender and capitalized and will be amortized over the life of the First Lien Term Loan using the effective interest rate method through interest expense. The Amended First Lien Credit Agreement provides total borrowing capacity of $3,635 million, comprised of a $3,060 million term loan, a $200 million Revolving Credit Facility (RC Facility), and $375 million in letter of credit facilities (collectively, the First Lien LC Facility).

Deferred financing costs and OID are amortized over the life of the First Lien Term Loan using the effective interest rate method with related amortization totaling $14.9 million and $16.0 million for the years ended December 31, 2022 and 2021, respectively, and recorded as a component of interest expense within the accompanying consolidated statements of operations and comprehensive income.

The First Lien Term Loan matures on August 1, 2025 and has quarterly repayments of $7.5 million, which was reduced from $7.6 million by the January 2021 amendment to the Amended First Lien Credit Agreement, with any remaining outstanding amounts due at maturity. The Company does have the right, in accordance with the terms of the Amended First Lien Credit Agreement, to make voluntary prepayments of the First Lien Term Loan.

The RC Facility matures on June 24, 2026 and does not have contractual repayments prior to this date. The RC Facility contains availability of up to $200 million which includes a $50 million sublimit for letters of credit. As of December 31, 2022 and 2021, there were no outstanding borrowings under the RC Facility and there were commitments for letters of credit of $0 and $25.9 million, respectively. A quarterly facility fee is payable by the Company based upon the total commitments under the RC Facility and the Net Leverage Ratio as set forth in the Amended First Lien Credit Agreement. The Company borrowed and fully repaid $170.0 million during the year ended December 31, 2022. The Company did not borrow on this facility during the year ended December 31, 2021. These borrowings and repayments are presented on a gross basis within the Company's consolidated statement of cash flows.

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17. Debt and Credit Facilities (continued)

The First Lien LC Facility matures on June 24, 2026 and does not have contractual repayments prior to this date. Total outstanding letters of credit were $383.7 million and $346.5 million at December 31, 2022 and 2021, respectively. A quarterly facility fee is payable by the Company based upon the total commitments under the First Lien LC Facility and the Net Leverage Ratio as set forth in the Amended First Lien Credit Agreement.

The interest rates on amounts borrowed under the Amended First Lien Credit Agreement are based upon a LIBOR rate (subject to a floor of 0.50%) plus, in each case, an applicable margin based upon the achievement of certain ratings conditions as set forth in the Amended First Lien Credit Agreement. The interest rate per annum on outstanding borrowings ranged from 3.250% to 6.821% for the year ended December 31, 2022. The interest rate per annum on outstanding borrowings ranged from 3.25% to 3.75% for the year ended December 31, 2021.

Incremental Term Loan

On May 27, 2022, to partially finance the acquisition of BHI, the Company entered into a new incremental term loan for $550.0 million, with net proceeds of $522.8 million and an OID and deferred financing fees of $27.2 million. The interest rates on amounts borrowed under the credit agreement are based upon a secured overnight financing rate ("SOFR") (subject to a floor of 0.50%) plus, in each case, an applicable rate based upon the achievement of certain ratings conditions as set forth in the credit agreement, in this case 3.75%. Affirmative and negative covenants are effectively similar to the existing credit agreements. As of December 31, 2022, the Company has complied with all applicable covenants, and there have been no events of default. The interest rate per annum on outstanding borrowings ranged from 4.725% to 7.836% for the year ended December 31, 2022.

The Incremental Term Loan matures on July 1, 2025 and has quarterly repayments of $1.4 million, with any remaining outstanding amounts due at maturity. OID is amortized over the life of the Incremental Term Loan using the effective interest rate method with related amortization and totaling $5.0 million for the year ended December 31, 2022, and recorded as a component of interest expense within the accompanying consolidated statements of operations and comprehensive income.

Revolving Credit Agreement

The Revolving Credit Agreement provides total borrowing capacity of $200 million, comprised of a $150 million US subfacility (US Subfacility) and a $50 million UK subfacility (UK Subfacility). Borrowings under the Revolving Credit Agreement may be denominated in US Dollars, Euro, or Sterling. The Revolving Credit Facility includes a commitment fee that is paid quarterly beginning January 1, 2019 and through the maturity date. The commitment fee is determined from the daily difference between the total commitments under the respective US and UK Subfacilities and the amounts borrowed under the US and UK Subfacilities, respectively, multiplied by an applicable rate that is 0.375% for less than 50% usage and 0.25% for greater than 50% usage. The commitment fee was 0.375% for the years ended December 31, 2022 and 2021.

17. Debt and Credit Facilities (continued)

The US Subfacility matures on June 24, 2026. The US Subfacility consists of a $40 million sublimit for swing loans, a $50 million sublimit for letters of credit, and the remaining amounts consisting of revolving loans. There were outstanding borrowings under the US Subfacility of $150 million and $0, at December 31, 2022 and 2021, respectively. During the year ended December 31, 2022, there were short term borrowings and repayments of $215 million and $65 million, respectively. The Company borrowed and fully repaid $120 million during the year ended December 31, 2021. These borrowings and repayments are presented on a gross basis within the Company's consolidated statement of cash flows. There are no outstanding commitments for letters of credit at December 31, 2022 and 2021.

The UK Subfacility matures on June 24, 2026. The UK Subfacility consists of a $10 million sublimit for swing loans with the remaining amounts consisting of revolving loans. There are no outstanding borrowings under the UK Subfacility as of December 31, 2022 and 2021.

The interest rate on amounts borrowed under the Revolving Credit Agreement is dependent upon if the Company chooses to make Alternate Base Rate (ABR) borrowings or eurocurrency borrowings. For ABR borrowings the interest rate will be the ABR, as defined in the Revolving Credit Agreement, plus a margin between 1.0% and 1.5%, which is determined based upon Average Global Availability as set forth in the Revolving Credit Agreement. For eurocurrency borrowings the interest rate will be the adjusted eurocurrency rate, as defined in the Revolving Credit Agreement, plus a margin between 2.0% to 2.5% which is determined based upon Average Global Availability as set forth in the Revolving Credit Agreement. The interest rate per annum on outstanding borrowings ranged from 1.861% to 6.217% for the year ended December 31, 2022. The interest rate per annum on outstanding borrowings was 2.12% for the year ended December 31, 2021.

Subsidiary Borrowings

The acquisition of Tecnatom included debt facilities totaling $27.4 million at December 31, 2022. The facilities consist of fixed and floating interest rate debt with maturities ranging from January 2023 to April 2030. At December 31, 2022, the fixed and floating interest rates per annum on outstanding subsidiary borrowings ranged from 0.80% to 3.33% and 0.80% to 3.69%, respectively.

The Company incurred certain deferred financing costs that have been capitalized as assets within other current assets and other noncurrent assets and will be amortized on a straight-line basis over the term of the debt to which they specifically relate. On June 24, 2021, the Company executed an amendment to extend the maturity date on all liquidity facilities to June 24, 2026, incurring $1.9 million of additional transaction fees. The unamortized deferred financing costs within other current assets and other noncurrent assets totaled $8.7 million and $10.5 million at December 31, 2022 and 2021, respectively (see Note 14).

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17. Debt and Credit Facilities (continued)

Future principal payments due on outstanding debt as of December 31, 2022 are as follows:

For the calendar year ending December 31:		*(in thousands)*
2023	$	172,084
2024		20,005
2025		3,410,549
2026		3,878
2027		2,814
Thereafter		2,872
Total future principal payments	$	3,612,202

18. Commitments and Contingencies

Environmental Matters

Compliance with federal, state and local laws and regulations relating to the discharge of pollutants into the environment, the disposal of hazardous wastes and other related activities affecting the environment have had and will continue to have an impact on the Company. It is difficult to estimate the timing and ultimate costs to be incurred in the future due to uncertainties about the status of laws, regulations and technology, the adequacy of information available for individual sites, the extended time periods over which site remediation occurs, the availability of waste disposal capacity and the identification of new sites.

The Company has, however, recognized an estimated liability of $32.5 million and $34.8 million as of December 31, 2022 and 2021, respectively, measured in current dollars, for those sites where it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company recognizes changes in estimates as new remediation requirements are defined or as more information becomes available. These liabilities are included in other current and noncurrent liabilities in the accompanying consolidated balance sheets (also see Note 20).

Operating expenses that are recurring and associated with managing hazardous waste and pollutants in ongoing operations totaled $13.2 million and $12.0 million for the years ended December 31, 2022 and 2021, respectively. These expenses are included in cost of goods sold in the accompanying consolidated statements of operations and comprehensive income.

Management believes that the Company has adequately provided for its present environmental obligations and that complying with existing governmental regulations will not materially impact the Company's financial position, liquidity or results of operations.

18. Commitments and Contingencies (continued)

Legal Proceedings

The Company is involved in various litigation matters in the ordinary course of business. Reserves are included in the accompanying consolidated balance sheets for issues when a negative outcome is probable and the amount is reasonably estimable. In the opinion of management, while it is possible that certain outcomes could be unfavorable to the Company, the ultimate resolution of such matters will not result in judgments that, in the aggregate, would materially affect the Company's financial position or results of operations.

In August 2021, the Company signed an agreement in relation to the U.S. Attorney's Office's investigation into the abandonment of the V.C. Summer project in South Carolina. All conduct alleged in the investigation occurred prior to the 2017 voluntary filing of petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. The full amount associated with this non-recurring legal settlement of $21.25 million was accrued during the year ended December 31, 2021 and included as a component of other current liabilities in the accompanying consolidated balance sheets as of December 31, 2022 and 2021. Insurance proceeds of $4.5 million associated with this settlement was received during the year ended December 31, 2021.

Product Warranty

The Company provides various warranties on its products and contracts for specific periods of time. Warranties vary depending upon the nature of the product or contract and other factors. The liability for warranties is based upon future product performance and durability and is estimated largely based upon historical experience. Adjustments are made to accruals as claim data and historical experience warrant.

The changes in the provision for those warranties for the years ended December 31, 2022 and 2021 are as follows:

(in thousands)	December 31, 2022	December 31, 2021
Balance, beginning of year	$ 48,639	$ 71,214
Liabilities settled	(20,035)	(15,529)
Additional liabilities accrued	1,938	8,743
Adjustment in warranty provision	(6,406)	(13,918)
Foreign currency translation effect	(881)	(1,871)
Balance, end of year	$ 23,255	$ 48,639

(in thousands)	December 31, 2022	December 31, 2021
Recorded in balance sheet as:		
Other current liabilities	$ 9,512	$ 17,773
Other noncurrent liabilities	13,743	30,866
Balance, end of year	$ 23,255	$ 48,639

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18. Commitments and Contingencies (continued)

Commitments

In the ordinary course of business, letters of credit, bank guarantees, and surety bonds are issued on behalf of the Company. As of December 31, 2022, the Company had $445.5 million under letters of credit and bank guarantees, including $383.7 million under the facilities disclosed in Note 17, and $188.1 million under surety bond obligations. As of December 31, 2021, the Company had $424.4 million under letters of credit and bank guarantees, including $372.4 million under the facilities disclosed in Note 17, and $59.2 million under surety bond obligations.

19. Leases

Right-of-use assets and lease liabilities comprised of the following as of December 31, 2022 and 2021:

(in thousands)	December 31, 2022	December 31, 2021
Operating lease right-of-use assets	$ 162,974	$ 174,485
Finance lease right-of-use assets[1]	32,279	47,667
Total right-of-use assets	$ 195,253	$ 222,152
Operating lease liabilities[2]	$ (168,609)	$ (180,088)
Finance lease liabilities[3]	(24,880)	(33,252)
Total lease liabilities	$ (193,489)	$ (213,340)

[1] Included in buildings and improvements within property, plant and equipment, net in the accompanying consolidated balance sheets.

[2] Current portion included within other current liabilities in the accompanying consolidated balance sheets.

[3] Included within other current and other noncurrent liabilities in the accompanying consolidated balance sheets.

Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

19. Leases (continued)

The components of lease cost and supplemental disclosure for the accompanying consolidated statements of cash flows were as follows:

(in thousands)	Year Ended December 31, 2022	Year Ended December 31, 2021
Lease cost:		
Finance lease cost:		
Amortization of right-of-use assets	$ 6,189	$ 6,341
Interest on lease liabilities	1,413	1,761
Operating lease cost	35,359	37,377
Short-term lease cost	461	702
Variable lease costs	1,865	2,234
Sublease income	(4,696)	(4,563)
Total lease cost	$ 40,591	$ 43,852
Other information:		
Finance lease – operating cash flows	$ 799	$ 1,075
Finance lease – financing cash flows	$ 6,511	$ 6,319
Operating lease – operating cash flows (fixed payments)	$ 35,250	$ 36,589
Operating lease right-of-use assets obtained in exchange for lease obligations	$ 12,730	$ 8,493

The weighted average lease term and the weighted average discount rate of our leases were as follows:

	December 31, 2022	December 31, 2021
Weighted average lease term – finance leases	81.3 years	69.4 years
Weighted average lease term – operating leases	8.7 years	9.2 years
Weighted average discount rate – finance leases	6.06 %	5.97 %
Weighted average discount rate – operating leases	6.12 %	6.05 %

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19. Leases (continued)

Minimum lease payments under the Company's operating lease liabilities as of December 31, 2022 are as follows:

		(in thousands)
For calendar year ending December 31:		
2023	$	31,075
2024		26,025
2025		23,807
2026		22,139
2027		20,833
Thereafter		96,521
Total future minimum lease payments		220,400
Less: lease liability expense		(51,791)
Minimum lease payments	$	168,609

Minimum lease payments under the Company's finance lease liabilities as of December 31, 2022 are as follows:

		(in thousands)
For calendar year ending December 31:		
2023	$	7,283
2024		5,112
2025		905
2026		905
2027		905
Thereafter		119,635
Total future minimum lease payments		134,745
Less: amount representing interest		(109,865)
Present value of minimum lease payments	$	24,880

20. Other Current and Noncurrent Liabilities

At December 31, 2022 and 2021, other current and noncurrent liabilities consist of the following:

(in thousands)	December 31, 2022	December 31, 2021
Other current liabilities:		
Accrued payroll and other employee compensation	$ 101,725	$ 98,450
Accrued income and other taxes	77,050	61,547
Contract and other reserves	41,519	58,555
Vacation liability	31,475	25,546
Operating lease liability	22,991	24,372
Legal provision	21,250	21,250
Pension liability	12,040	12,013
Derivative instruments	10,778	12,171
Environmental liabilities	9,788	11,717
Accrued product warranty	9,512	17,773
Finance lease liability	6,718	6,847
Reserve for restructuring liabilities	3,746	9,288
Reserve for decommissioning matters	2,900	3,530
Note payable	2,318	6,526
Other postretirement benefit obligation	2,077	2,454
Other	89,958	24,866
Other current liabilities	$ 445,845	$ 396,905

(in thousands)	December 31, 2022	December 31, 2021
Other noncurrent liabilities:		
Environmental liabilities	$ 22,666	$ 23,081
Derivative instruments	20,841	71,745
Finance lease liability	18,162	26,405
Accrued product warranty	13,743	30,866
Note payable	—	2,318
Other	38,237	33,402
Other noncurrent liabilities	$ 113,649	$ 187,817

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21. Variable Interest Entities

The Company evaluates at inception each joint venture to determine if it qualifies as a variable interest entity (VIE) under ASC 810, "Consolidation" ("ASC 810"). If the joint venture does not meet the scope exception under ASC 810, an entity is considered a VIE if either (a) the total equity investment is not sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) characteristics of a controlling financial interest are missing (either the ability to make decisions through voting or other rights, the obligation to absorb the expected losses of the entity or the right to receive the expected residual returns of the entity), or (c) the voting rights of the equity holders are not proportional to their obligations to absorb the expected losses of the entity and/or their rights to receive the expected residual returns of the entity, and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights. The majority of the Company's joint ventures qualify as VIEs because the total equity investment is typically nominal and not sufficient to permit the entity to finance its activities without additional subordinated financial support.

The Company also evaluates whether it is the primary beneficiary of each VIE in accordance with ASC 810 by determining if the Company has both (1) the power to direct the economically significant activities of the entity and (2) the obligation to absorb losses of, or the right to receive benefits from, the entity that could potentially be significant to the variable interest entity. The Company considers the contractual agreements that define the ownership structure, distribution of profits and losses, risks, responsibilities, indebtedness, voting rights and board representation of the respective parties in determining whether it qualifies as the primary beneficiary. The Company also considers all parties that have direct or implicit variable interests when determining whether it is the primary beneficiary. If the Company is deemed to be the primary beneficiary, the Company will consolidate the VIE into its financial statements.

Each quarter, the Company reassesses its VIEs in accordance with ASC 810 to determine whether there are any changes in the status of the VIEs or changes to the primary beneficiary designation of each VIE. As of December 31, 2022, the Company concluded that no unconsolidated joint ventures should be consolidated and that no consolidated joint ventures should be deconsolidated.

In March 2022, the Company acquired a 50% interest in Tecnatom. See Note 2 for additional information. The applicable financial information of Tecnatom's unconsolidated subsidiaries since the acquisition are included in the summarized financial information below.

Unconsolidated VIEs

The Company uses the equity method of accounting for its unconsolidated entities. Under the equity method, the Company recognizes its proportionate share of the net earnings of the joint ventures within other income, net in the accompanying consolidated statements of operations and comprehensive income.

Brookfield WEC Holdings Sub-Aggregator LP

Notes to Consolidated Financial Statements (continued)

21. Variable Interest Entities (continued)

The Company does not have the power to direct the activity that most significantly impacts the performance of unconsolidated VIEs. Based on these facts, the Company does not consolidate the entities and accounts for the entities under the equity method of accounting. Summarized financial information for all jointly owned entities that are accounted for using the equity method of accounting is as follows:

	December 31, 2022	December 31, 2021
(in thousands)		
Current assets	$ 66,455	$ 47,076
Noncurrent assets	62,695	2,220
Total assets	$ 129,150	$ 49,296
Current liabilities	$ 25,890	$ 19,978
Noncurrent liabilities	6,274	268
Borrowings	28,139	—
Member's equity	68,847	29,050
Total liabilities and member's equity	$ 129,150	$ 49,296

	Year Ended December 31, 2022	Year Ended December 31, 2021
(in thousands)		
Revenue	$ 180,894	$ 149,818
Income from operations	$ 9,321	$ 7,310
Net income	$ 9,239	$ 6,787

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21. Variable Interest Entities (continued)

Consolidated VIEs

For consolidated VIEs, the Company has the power to direct the significant activities and right to receive benefits or obligation to absorb losses. The Company is also required to contribute capital to each entity on an as-needed basis based on percentage of ownership interest. Based on these facts, the Company is the primary beneficiary and has consolidated these entities in the accompanying consolidated financial statements. The creditors of the consolidated VIEs do not have recourse to the general credit of the primary beneficiary.

The following is a summary of the consolidated VIEs of the Company at December 31, 2022 and 2021:

	December 31, 2022	
	Total Assets	**Total Liabilities**
(in thousands)		
Tecnatom	$ 127,174	$ 64,658
KW Nuclear Components Co. LTD	$ 32,917	$ 1,379
Westron	$ 11,921	$ 685
Westinghouse Technology Services S.A.	$ 12,161	$ 10,488
Springfields Segregated Assets Limited	$ 6,462	$ 6,776
SNPTC-WEC Nuclear Power Technical Services (Beijing) Co.	$ 1,330	$ 3,634
Kontec	$ 599	$ 5

	December 31, 2021	
	Total Assets	**Total Liabilities**
(in thousands)		
KW Nuclear Components Co. LTD	$ 36,190	$ 6,975
Westron	$ 14,622	$ 1,682
Westinghouse Technology Services S.A.	$ 12,536	$ 10,952
Springfields Segregated Assets Limited	$ 7,308	$ 7,717
SNPTC-WEC Nuclear Power Technical Services (Beijing) Co.	$ 1,893	$ 3,971
Kontec	$ 677	$ 31

The assets of the Company's consolidated joint ventures are restricted for use only by the particular joint venture and are not available for the Company's general operations.

22. Accumulated Other Comprehensive (Loss) Income

The components of AOCI and activity for the period are as follows:

(in thousands)	Net Unrealized Gain (Loss) on Derivatives	Foreign Currency Translation Adjustments	Pension and Other Postretirement Benefits Adjustment	Total
Balance at January 1, 2021	$ (136,168)	$ 3,365	$ (361,556)	$ (494,359)
Other comprehensive (losses) gains before reclassifications [1]	48,152	(20,425)	166,970	194,697
Reclassifications to net income of previously deferred losses [2]	46,448	—	8,964	55,412
Other comprehensive (loss) income	94,600	(20,425)	175,934	250,109
Balance at December 31, 2021	$ (41,568)	$ (17,060)	$ (185,622)	$ (244,250)
Other comprehensive gains (losses) before reclassifications [3]	102,901	9,980	(18,048)	94,833
Reclassifications to net income of previously deferred losses [4]	(3,740)	—	2,884	(856)
Other comprehensive income (loss)	99,161	9,980	(15,164)	93,977
Balance at December 31, 2022	$ 57,593	$ (7,080)	$ (200,786)	$ (150,273)

[1] Net of tax (benefit) expense of $(332), $1,206, $10,213 and $11,087, respectively.

[2] Net of tax (benefit) expense of $1,485, $0, $(398) and $1,087, respectively.

[3] Net of tax (benefit) expense of $32,606, $0, $(8,361) and $24,245, respectively.

[4] Net of tax (benefit) expense of $521, $0, $(992) and $(471), respectively.

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22. Accumulated Other Comprehensive (Loss) Income (continued)

The following table summarizes the reclassifications from AOCI to the accompanying consolidated statements of operations and comprehensive income:

(in thousands)	December 31, 2022	December 31, 2021
Net unrealized loss (gain) on derivatives:		
Losses from cash flow hedges – interest rate swaps [1]	$ 10,055	$ 52,130
Gains from cash flow hedges – foreign exchange contracts [2]	(14,316)	(7,167)
Total before tax	(4,261)	44,963
Tax expense	521	1,485
Total net of tax	$ (3,740)	$ 46,448
Pension and other postretirement benefits adjustment:		
Amortization of loss [3]	$ 4,082	$ 7,679
Settlement or curtailment charges [3]	(187)	1,801
Amortization of prior service cost [3]	(19)	(118)
Total before tax	3,876	9,362
Tax benefit	(992)	(398)
Total net of tax	$ 2,884	$ 8,964

[1] Amount recorded to interest expense. See Note 7 for additional information.

[2] During the year ended December 31, 2022, $(2,181) recorded to net revenues and $(12,135) recorded to cost of goods sold. See Note 7 for additional information. During the year ended December 31, 2021, $(7,558) recorded to net revenues and $391 recorded to cost of goods sold. See Note 7 for additional information.

[3] Amounts reclassified out of AOCI are included in the computation of net periodic benefit costs and net periodic other postretirement benefit costs.

23. Owners' Equity (Deficit)

The Company is a partnership with one limited partner owning 99.99% and one general partner owning 0.01%. The general partner has waived its economic interest in the Company. Dividends are paid entirely to the limited partner.

Return of Capital

During the year ended December 31, 2021, the Company paid dividends to its owner of $300.0 million. Dividends paid of $66.2 million fully reduced capital in the accompanying consolidated statements of equity (deficit). Dividends paid in addition to this amount of $233.8 million was deducted from retained earnings (deficit) in the accompanying consolidated statements of equity (deficit).

24. Subsequent Events

On February 10, 2023, the Company sold the power delivery business of BHI. See Note 8 for additional information.

On March 10, 2023, the Company paid a dividend to its owner of $160.0 million from which $10.4 million was withheld for taxes, resulting in a net distribution of $149.6 million.

The Company has evaluated subsequent events through March 16, 2023, the date the consolidated financial statements were available to be issued. The Company has determined any subsequent events that would require disclosure in or adjustment to the accompanying consolidated financial statements have been properly recognized or disclosed.