Financial Statements

AMANECER SOLAR MANAGEMENT SpA

Santiago, Chile
As of December 31, 2023 and 2022

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Report of the Independent Auditor

To the Shareholders of
Amanecer Solar Management SpA

Opinion

We have audited the financial statements of Amanecer Solar Management SpA, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the corresponding notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Amanecer Solar Management SpA as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with generally accepted auditing standards in Chile. Our responsibilities under those standards are further described in the "Auditor's Responsibility for the Audit of the Financial Statements" section of our report. We are required to be independent of Amanecer Solar Management SpA 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 ability of Amanecer Solar Management SpA, to continue as a going concern for at least the twelve months following the end of the reporting period, but not limited to that period.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements, 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 the generally accepted auditing standards in Chile 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, 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 generally accepted auditing standards in Chile, 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 the internal control relevant to an 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 internal control of Amanecer Solar Management SpA. 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 ability of Amanecer Solar Management SpA 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 and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identified during the audit.

Roberto López A.
EY Audit Ltda.

Santiago, April 26, 2024

AMANECER SOLAR MANAGEMENT SpA

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UF	:	Amounts expressed in unidades de fomento (UF: an inflation indexed monetary unit commonly used in business in Chile)
USD	:	Amounts expressed in United States dollars
CLP	:	Amounts expressed in Chilean pesos

Financial Statements

AMANECER SOLAR MANAGEMENT SpA

As of December 31, 2023 and 2022

AMANECER SOLAR MANAGEMENT SpA

Statements of Financial Position
as of December 31, 2023, and 2022
(Amounts in USD)

Assets	Note	2023	2022
Current assets:			
Cash and cash equivalents	8	1,630,595	1,335,033
Trade and other receivables		-	133,047
Accounts receivable from related companies	9	490,591	600,560
Other non-financial assets	11	163,944	193,111
Lease guarantee deposits	10	1,163	10,225
Total current assets		2,286,293	2,271,976
Non-current assets:			
Equipment	12	3,762	518
Deferred tax assets	13	21,220	15,252
Total non-current assets		24,982	15,770
Total assets		2,311,275	2,287,746
Liabilities and equity			
Current liabilities:			
Trade and other payables	14	55,194	141,049
Other non-financial liabilities	15	237,932	373,034
Total current liabilities		293,126	514,083
Shareholders' Equity	16	1,000	1,000
Gain/(Loss) for the year		2,017,149	1,772,663
Total equity (deficit)		2,018,149	1,773,663
Total liabilities and equity (deficit)		2,311,275	2,287,746

The accompanying notes are an integral part of these financial statements.

AMANECER SOLAR MANAGEMENT SpA

Statements of Changes in Equity (Deficit)
for the years ended December 31, 2023 and 2022
(Amounts in USD)

Income statements	Note	2023	2022
Revenue	17	2,439,872	2,383,847
Cost of sales	18	(1,797,525)	(1,527,994)
Depreciation	12	(1,055)	(3,850)
Gross profit		641,292	852,003
Administrative expenses	19	(257,998)	(238,004)
Other income (Expense)		-	23,174
Foreign currency exchange differences	20	(48,101)	(20,502)
Gain/(Loss) before tax		335,193	616,671
Income tax (expense) benefit	13	(96,677)	(158,306)
Deferred taxes	13	5,968	(6,736)
Gain/(Loss) for the year		244,485	451,629

The accompanying notes are an integral part of these financial statements.

AMANECER SOLAR MANAGEMENT SpA

Statements of Changes in Equity (Deficit)
for the years ended December 31, 2023 and 2022
(Amounts in USD)

	Share capital	Accumulated Equity (deficit)	Total Equity (deficit)
Opening balance as of January 1, 2023	1,000	1,772,663	1,773,663
Comprehensive income:			
Gain/(loss) for the year	-	244,486	244,486
Other comprehensive income	-	-	-
Comprehensive income	-	244,486	244,486
Capital increase/(decrease)	-	-	-
Dividends	-	-	-
Increase/(decrease) for transfers and other changes	-	-	-
Total changes in equity	-	244,486	244,486
Closing balance as of December 31, 2023	1,000	2,017,149	2,018,149
Opening balance as of January 1, 2022	1,000	1,321,034	1,322,034
Comprehensive income:			
Gain/(loss) for the year	-	451,629	451,629
Other comprehensive income	-	-	-
Comprehensive income	-	451,629	451,629
Capital increase/(decrease)	-	-	-
Dividends	-	-	-
Increase/(decrease) for transfers and other changes	-	-	-
Total changes in equity	-	451,629	451,629
Closing balance as of December 31, 2022	1,000	1,772,663	1,773,663

The accompanying notes are an integral part of these financial statements.

AMANECER SOLAR MANAGEMENT SpA

Statements of Cash Flows
for the years ended December 31, 2023 and 2022

	2023	2022
Cash flows from (used in) operating activities:		
Cash receipts from rendering of services	3,127,524	2,885,710
Cash receipts and payments for goods and services	(2,822,560)	(2,347,728)
Net cash flows generated from operating activities	304,963	537,982
Cash flows from (used in) financing activities:	-	-
Receipts from related party loan	-	-
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents, before the effect of movements in exchange rates on cash held	304,963	537,982
Effect of movements in Exchange rates on cash held	(9,402)	(29,230)
Cash and cash equivalents as of January 1, 2022	1,335,033	826,281
Cash and cash equivalents as of December 31, 2022	1,630,595	1,335,033

The accompanying notes are an integral part of these financial statements.

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(1) Reporting entity

(a) Description of business

Amanecer Solar Management SpA (hereinafter the "Company"), is a joint stock company incorporated via public deed on May 10, 2017. The Company's registered office is Suecia 172, piso 2, Oficina 10, Providencia, Santiago, Chile, CP 7510099. The Company currently operates under Taxpayer ID No. 76.754.072-8.

The company was registered with the local tax authority (SII) on June 21, 2017.

Share capital is composed of 100 shares which were paid during 2017.

The Group's ultimate Parent is Brookfield Asset Management, Inc., which is domiciled in the United States of America.

(b) Description of operations and main activities

Amanecer Solar Management SpA operates on its own or through third parties, individually or together with other parties and within the Chilean territory. The Company is engaged in management, financial, professional, technical and consulting services.

The financial statements have been prepared on a going concern basis considering that the Company will continue its operating activities in the foreseeable future and has no intention or need for suspending the scale of its operations.

(2) Basis of preparation

(a) Financial statements

The information contained in these financial statements is the responsibility of the Company's Management. Management expressly states that it has fully applied the principles and criteria included in International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

These financial statements were authorized for issue by the Company's Management on February 13, 2023.

(2) Basis of preparation, continued

(b) Periods covered by the financial statements

These financial statements cover the following periods:

- Statements of financial position for the years ended December 31, 2023 and 2022.
- Statements of comprehensive income, changes in equity (deficit) and cash flows for the period between January 1, 2023 and December 31, 2023 and for the period between January 1, 2022 and December 31, 2022.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for items that are recognized at fair value or deemed cost in accordance with International Financial Reporting Standards.

The methods used to measure fair value are described in Note 5.

(d) Functional and presentation currency

The financial statements are presented in United States dollars (USD), which is the Company's functional and reporting currency as of December 31, 2023.

(e) Use of estimates and judgments

In preparing the financial statements, certain estimates made by Management were used, where applicable, to quantify some of the assets, liabilities, income, expenses and commitments recorded therein.

Information about the most significant estimates and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

<u>Contingencies</u>

In preparing the financial statements, certain estimates made by Management were used, where applicable to, quantify some of the assets, liabilities, income, expenses and commitments recorded therein.

Such estimates relate to:

- The Company's profit or loss for tax purposes, which have served as the basis to register the different balances related to income tax in these financial statements, will be declared to the relevant tax authorities in the future.

Such estimates will be made on the basis of the best information available as of the date of the financial statements; although it is possible that events occur in the future that require their amendment (increase or decrease) in future periods, which will be performed prospectively recognizing the effects of the change in the estimate in the relevant future financial statements.

(2) Basis of preparation, continued

(f) Presentation of the financial statements

(i) Statements of financial position

The Company opted to present its statement of financial position under the classified format (Current and Non-current).

(ii) Statement of comprehensive income

The Company opted to present its statements of comprehensive income classified by function.

(iii) Statements of cash flows

The Company opted to present its statements of cash flows using the direct method.

(3) Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Company.

(a) Foreign currency and inflation-adjusted units

Transactions in foreign currencies are converted to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted to the functional currency at the exchange rate at that date. All differences are recognized through profit and loss.

Assets and liabilities expressed in a currency other than the United States dollar have been measured at the exchange rates at the end of each financial year. The resulting foreign currency translation differences have been recognized through profit or loss with, the net amount is presented in the caption foreign currency translation differences of statement of financial position.

Non-monetary assets other than the United States dollar which are measured based on historical costs have been translated using the exchange rate at the date of the transaction. Non-monetary assets that are measured at fair value in a currency other than the United States dollar, are retranslated to the exchange rate to the date in which the fair value was determined.

Assets and liabilities in UF (inflation-adjusted units) are measured at the period-end value of this index-adjusted unit at the reporting date as published by the Chilean National Institute of Statistics (INE).

(3) Significant accounting policies, continued

(a) Foreign currency and inflation-adjusted units, continued

As of December 31, 2023, and 2022, the exchange rates of foreign currencies and inflation-adjusted units are as follows:

US$ per unit	2023	2022
Chilean pesos (CLP)	0.001140	0.001168
Unidad de Fomento (UF) (inflation-adjusted units)	0.023836	0.024368

(b) Equipment

(i) Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and impairment losses, if any.

(c) Property, plant and equipment

(i) Recognition and measurement

Cost includes acquisition cost, import duties and any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the caption other gains (losses) in the statement of comprehensive income.

(ii) Subsequent costs

The cost of replacing an item of equipment is recognized at it carrying amount, if it is possible that the future economic benefits included within the item flow to the Company and cost can be measured reliably. The carrying amount of the replaced item is derecognized.

(iii) Depreciation

Depreciation is recognized in profit or loss using the straight-line method based on the estimated useful life of each component of equipment.

The estimated useful lives of items of equipment is as follows:

	Estimated useful life
Equipment	24 months

(3) Significant accounting policies, continued

(d) Impairment

(i) Financial assets

At each reporting date, a financial asset is assessed to determine whether there is objective evidence that it is impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. All impairment losses are recognized in comprehensive income.

(ii) Non-financial assets

The recoverable amount of an asset or (Cash-generating unit) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (cash-generating unit).

An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognized through profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

(e) Capital

(i) Share capital

(i.1) Ordinary shares

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effect.

(i.2) Preference share capital

For the period between January 1, 2023 and December 31, 2023, the Company has no preference shares.

(3) Significant accounting policies, continued

(f) Provisions (Accruals)

A provision is recognized when, as a result of a past event, the Company has a legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined discounting the expected future cash flows with the pre-tax rate that reflects current market assessment of the time value of money and those risks specific to the liability. Changes in the amount of the provision due to the passage of time are recognized as finance costs.

(g) Income and deferred taxes

Tax expense comprises current and deferred taxes. Tax assets and liabilities are measured at the amount that is expected to be recovered from or paid to the tax authorities. Tax rates and tax laws used to calculate the amounts are the rates enacted at the reporting date.

The amount of deferred taxes is obtained from temporary differences generated by differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are recognized in accordance with IAS 12 “Income Taxes.” The Company recognizes deferred tax assets for unused tax losses to the extent that the use of such tax losses is probable considering the probability of sufficient future taxable profits.

As established by Law Nº 20.780 because the Company is a shareholders’ corporation it will by default use the Partially-integrated system with a corporate tax rate of 27%.

On February 8, 2016, Law Nº 20.899 was published in the Official Gazette introducing changes in the currently effective tax system and amending certain aspects of Law Nº 20.780. Law Nº 20.899 establishes that the Company will by default be subject to the use of the Partially Integrated system and because it is a shareholders’ corporation it will not be allowed opting for the use of the Semi-integrated system as previously allowed by Law Nº 20.780.

(h) Revenue and expenses recognition

The Company’s revenue and expenses are recognized on an accrual basis. Revenue comprises the fair value of the consideration received or receivable for the services in the ordinary course of the Company’s activities. Revenue is shown net of value added tax, returns, rebates and discounts.

The company’s revenue arises from the administration service given to the FV Plant Llano de Llampos owned by Amanecer Solar SpA. The revenue is earned on a quarterly basis.

The Company recognizes revenue when the amount of revenue can be measured reliably.

(3) Significant accounting policies, continued

(i) Financial instruments

The Company recognizes financial assets and financial liabilities when it assumes the obligations or acquires the contractual rights thereof.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, in banks, time deposits and other short-term highly-liquid investments (equal to or of less than 90 days from the acquisition date) that are readily converted into cash and have low risk of changes in their amount.

(ii) Trade and other payables

Trade payables are initially recognized at fair value at amortized cost using the effective interest method.

(iii) Interest-bearing borrowings

Borrowings and financial liabilities of a similar nature are initially recognized at fair value, net of costs incurred for the transaction. Subsequently, they are measured at amortized cost and any difference between the funds obtained (net of costs necessary for obtaining them) and the reimbursement amount, is recognized in the statement of income over the term of the debt using the effective interest method.

(j) Statement of cash flows

For the preparation of the statements of cash flows the Company uses the direct method and the statement of cash flows includes the following definitions:

(i) Cash flows

Cash flows are inflows and outflows of cash and cash equivalents, understanding as such highly-liquid investments for a period of less than three months and low risk of fluctuations in amounts.

(ii) Operating activities

These are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

(iii) Investing activities

These are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

(iv) Financing activities

Are activities that result in changes in the size and composition of equity and borrowings of the Company.

(4) Changes in accounting policies and disclosures

New IFRS and Interpretations of the IFRS Interpretations Committee (IFRIC)

a) The following new standards and amendments have been adopted in these financial statements:

Amendments to IFRS	Date of mandatory application
IFRS 3, *Reference to the Conceptual Framework*	January 1, 2022
IAS 16, *Property, plant and equipment: proceeds before intended use*	January 1, 2022
IAS 37 *Onerous contracts – cost of fulfilling a contract*	January 1, 2022
IFRS 1, IFRS 9, IFRS 16, IAS 41 *Annual Improvements to the 2018-2020 Standards*	January 1, 2022

IFRS 3 Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. These amendments are intended to replace the reference to a previous version of the IASB Conceptual Framework (1989 Framework) with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the problem of potential “day 2” gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Assets. Contingencies or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria of IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for acquisition-date recognition.

The amendments must be applied prospectively.

The amendment is applicable for the first time in 2022, however, it does not have an impact on the entity’s financial statements.

(4) New accounting pronouncements, continued

New IFRS and Interpretations of the IFRS Interpretations Committee (IFRIC), continued

a) The following new standards and amendments have been adopted in these financial statements: continued

IAS 16 Property, plant and equipment: proceeds before intended use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds from the sale of items produced while that asset is brought to the location and condition necessary for it to be able to operate in the manner intended by the administration. Instead, an entity recognizes the proceeds from the sale of those items and the costs of producing those items in profit or loss.

The amendment should be applied retroactively only to items of PP&E available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendment is applicable for the first time in 2022, however, it does not have an impact on the entity's financial statements.

IAS 37 Onerous contracts – cost of fulfilling a contract

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify the costs that an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see an increase in provisions to reflect the inclusion of costs directly related to contract activities, while entities that previously recognized provisions for contract losses using the previous standard's guidance, IAS 11 Construction Contracts, should exclude the allocation of indirect costs from their provisions. Judgment will be required to determine which costs are "directly related to contract activities", but we believe the guidance in IFRS 15 will be relevant.

The amendments should be applied prospectively to contracts for which an entity has not yet complied with all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). . Early application is allowed and must be disclosed.

The amendment is applicable for the first time in 2022, however, it does not have an impact on the entity's financial statements.

(4) New accounting pronouncements, continued

New IFRS and Interpretations of the IFRS Interpretations Committee (IFRIC), continued

a) The following new standards and amendments have been adopted in these financial statements: continued

IFRS 1, IFRS 9, IFRS 16, IAS 41 *Annual Improvements to the 2018-2020 Standards*

The IASB has issued "Annual Improvements to IFRS Standards 2018–2020". The pronouncement contains amendments to four International Financial Reporting Standards (IFRS) as a result of the IASB's annual improvements project.

IFRS 1: Subsidiary as first-time adopter. The amendment allows a subsidiary that chooses to apply paragraph D16(a) of IFRS 1, to measure the cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the date of transition to IFRS. of the parent, if no adjustments were made for consolidation and for the effects of the business combination in which the parent acquired the subsidiary. This amendment also applies to an associate or joint venture that chooses to apply paragraph D16(a) of IFRS 1.

IFRS 9: Commissions in the '10 percent' test for the derecognition of financial liabilities. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are materially different from the terms of the original financial liability. These fees include only those fees paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other. There is no similar amendment proposed for IAS 39.

IFRS 1, IFRS 9, IFRS 16, IAS 41 Annual Improvements to the 2018-2020 Standards, continued

An entity applies the modification to financial liabilities that are modified or exchanged from the beginning of the annual reporting period in which the entity first applies the modification.

Illustrative Examples Accompanying IFRS 16: Leasing Incentives. The amendment removes the illustration of lessor payments in relation to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

The amendment is applicable for the first time in 2022, however, it does not have an impact on the entity's financial statements.

IAS 41: Taxation on fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxes when measuring the fair value of assets within the scope of IAS 41.

(4) New accounting pronouncements, continued

New IFRS and Interpretations of the IFRS Interpretations Committee (IFRIC), continued

b) Standards, amendments and interpretations that have been issued but whose date of application is not yet effective:

News IFRS	Date of mandatory application
IFRS 17, *Insurance Contracts*	January 1, 2023
Amendments to IFRS	Date of mandatory application
IAS 1, *Classification of liabilities as current or non-current*	January 1, 2024
IAS 8, *Definition of accounting estimates*	January 1, 2023
AS 1, *Disclosure of accounting policies*	January 1, 2023
IAS 12, *Deferred tax related to assets and liabilities arising from a single transaction*	January 1, 2023
IFRS 10 and IAS 28, *Consolidated Financial Statements - sale or contribution of assets between and investor and its associate or joint venture*	To be determined
IFRS 16 *Lease Liability in a Sale and Leaseback*	January 1, 2024

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard specific to insurance contracts that covers recognition, measurement, presentation and disclosure. Once it enters into force, it will replace IFRS 4 Insurance Contracts issued in 2005. The new standard applies to all types of insurance contracts, regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with certain characteristics of discretionary participation. Some exceptions within the scope may apply.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application. of IFRS 17.

If an entity chooses to apply the classification overlay, it can only do so for comparative periods to which IFRS 17 applies (is from the date of transition to the date of initial application of IFRS 17).

IFRS 17 will be effective for periods beginning on or after January 1, 2023, requiring comparative figures. Early application is permitted, provided that the entity applies IFRS 9 Financial Instruments on or before the date on which IFRS 17 is applied for the first time.

(4) New accounting pronouncements, continued

New IFRS and Interpretations of the IFRS Interpretations Committee (IFRIC), continued

b) Standards, amendments and interpretations that have been issued but whose date of application is not yet effective: continued

IAS 1 Presentation of Financial Statements - Classification of liabilities as current or non-current

In 2020 and 2022 The IASB issued amendments to IAS 1 to specify the requirements for classification of liabilities as current or non-current. The amendments clarify:

1. What is meant by a right to defer settlement
2. That a right to defer must exist at the end of the reporting period
3. That classification is unaffected by the likelihood that an entity will exercise its deferral right
4. That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments will be effective for periods commencing on or after January 1, 2024.
The amendments must be applied prospectively. Earlier application is permitted and must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments and vice versa.

The entity will evaluate the impact of this amendment once it enters into force.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of “accounting estimates.” The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop the accounting of estimates.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates, continued

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. This definition of a change in the accounting estimate specified that the change in accounting estimates can result from new information or new developments. Therefore, said changes are not necessarily the correction of errors.

The amendment will be effective for annual periods commencing on or after January 1, 2023.

(4) New accounting pronouncements, continued

New IFRS and Interpretations of the IFRS Interpretations Committee (IFRIC), continued

b) Standards, amendments and interpretations that have been issued but whose date of application is not yet effective: continued

IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and to IFRS Practice Statement 2 Making Materiality Judgments, to provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and

- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

By evaluating the materiality of information on accounting policies, entities must consider both the size of the transactions and other events or conditions, and the nature of these.

The amendment will be effective for annual periods commencing on or after January 1, 2023. Early adoption is permitted, provided that it is disclosed.

IAS 12, Deferred tax related to assets and liabilities arising from a single transaction

In May 2021, the IASB issued amendments to IAS 12 that narrowed the scope of the recognition exemption in IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The amendments clarify that when payments made to settle a liability are deductible for tax purposes, it is a matter of judgment (according to the applicable tax legislation) whether these deductions are attributable to the liability recognized in the Financial Statements (and interest expense) or the related asset (and interest expense) for tax purposes. This judgment is important to determine whether there are temporary differences upon initial recognition of assets and liabilities.

In addition, according to the amendments issued, the initial recognition exception does not apply to transactions that give rise to equal taxable and deductible temporary differences upon initial recognition. This exception only applies if the recognition of a lease asset and a lease liability (or a decommissioning liability and decommissioning asset component) do not give rise to equal taxable and deductible temporary differences. However, the resulting deferred tax assets and liabilities may not be equal (for example, if the entity is not eligible to tax deductions or if different tax rates apply to taxable and deductible temporary differences). In such cases, an entity would account for the difference between the deferred tax asset and the deferred tax liability in Income.

The amendment will be effective for annual periods commencing on or after January 1, 2023.

(4) New accounting pronouncements, continued

New IFRS and Interpretations of the IFRS Interpretations Committee (IFRIC), continued

b) Standards, amendments and interpretations that have been issued but whose date of application is not yet effective: continued

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures– sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address an inconsistency recognized between the requirements of IFRS 10 and those of IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture.

The amendments, issued in September 2014, establish that when the transaction involves a business (found in a subsidiary or not), a complete profit or loss is recognized. A partial profit or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are found in a subsidiary. The date of mandatory application of these amendments is yet to be determined, as the IASB is waiting for the results of its investigation project on the accounting using the equity method.

The Company's Management is evaluating the initial effects of the application of these new standards and amendments. It estimates that future adoptions will not have any material impact on the Financial Statements.

IFRS 16 Lease Liability in a Sale and Leaseback

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction.

The amendment explains that after the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

(4) New accounting pronouncements, continued

New IFRS and Interpretations of the IFRS Interpretations Committee (IFRIC), continued

b) Standards, amendments and interpretations that have been issued but whose date of application is not yet effective: continued

IFRS 16 Lease Liability in a Sale and Leaseback continued

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The entity will evaluate the impact of this amendment once it enters into force.

(5) Determination of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values for valuation and/or disclosure purposes have been determined based on the methods that are detailed below. If applicable, further information is disclosed of the assumptions used for the determination of fair values in the specific notes referred to such asset or liability.

(a) Trade and other receivables

The fair value of trade and other receivables are estimated at the present value of future cash flows, discounted at the market interest rate, at the reporting date. Short-term receivables with no interest rate are measured at the amount of the original invoice if the effect of the discount is immaterial. The fair value is determined at the initial recognition and, for disclosure purposes, on each annual reporting date.

(b) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at the fair value at the initial recognition; and for disclosure purposes, at each annual reporting date. The fair value is calculated on the present value of future principal owed and interest flows, discounted at a market interest rate at the measurement date. For financial leases, the market interest rate is determined as a reference to similar lease contracts.

(5) Determination of fair values, continued

(b) Other non-derivative financial liabilities, continued

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into various levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into various levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(6) Financial risk management

The Company has exposure to certain risks that are managed through the application of identification, measurement, limitation of concentrations and oversight systems.

Some of the basic principles defined are listed as follows:

- Compliance with the Management’s standards guidelines.
- Operating with authorized agents.
- For each market in which they participate, businesses establish their risk appetite in line with the strategy defined.
- All business operations are performed within the limits approved by Management.
- The businesses, lines of business and companies establish the risk management controls necessary to ensure that transactions in markets are performed in accordance with the Company’s policies, standards and procedures.

(a) Interest rate risk

As of December 31, 2023, and 2022, the Company's debt is represented by a loan from a related party that is at a zero-coupon rate. Therefore, the Company is not exposed to the risk of interest rates.

(b) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in exchange rates.

The Company’s exposition to currency risk is mainly associated with the balances of cash on hand and in banks in addition to borrowings obtained from related parties in USD.

(6) Financial risk management, continued

(c) Credit risk

The Company has not invested any cash surpluses during the period under review. The risk associated with customers (commercial debtors and other accounts receivable) is very low.

(d) Liquidity risk

The Company finances its activities with its own resources and affiliated financing, if needed.

(e) Capital management

The Company's policy is to maintain a solid positive cash flow basis and to sustain the business future development.

(7) Changes in accounting policies

The Company has consistently applied the accounting policies described in Note 3 to the financial statements to the periods presented as of December 31, 2023 and 2022.

(8) Cash and cash equivalents

As of December 31, 2023, and 2022, cash and cash equivalents are composed of the following:

	Currency	2023	2022
		USD	USD
Cash in banks	CLP	16,646	98,592
Cash in banks	USD	1,613,949	1,236,441
Total		1,630,595	1,335,033

(9) Accounts receivable from related party and other receivables

The composition of this caption as of December 31, 2023 and 2022, is as follows:

(a) Accounts receivable from related parties

Tax ID No.	Company	Relationship	Currency	2023 Current	2023 Non-current	2022 Current	2022 Non-current
				USD	USD	USD	USD
76.754.072-8	Amanecer Solar S.p.A.	Service Co.	Dollars	490,591	-	600,560	-
Totals				490,591	-	600,560	-

(9) Accounts receivable from related party and other receivables continued

(b) Significant transactions with related parties

2023

Tax ID No.	Company	Relationship	Transaction description	Amount	Effect on profit or loss
				USD	USD
76.273.559-8	Amanecer Solar S.p.A.	Sister Co.	Operations and maintenance	1,926,215	1,926,215
76.273.559-8	Amanecer Solar S.p.A.	Sister Co.	Management Services	513,657	513,657

2022

Tax ID No.	Company	Relationship	Transaction description	Amount	Effect on profit or loss
				USD	USD
76.273.559-8	Amanecer Solar S.p.A.	Sister Co.	Operations and maintenance	1,975,758	1,975,758
76.273.559-8	Amanecer Solar S.p.A.	Sister Co.	Management Services	408,088	408,088

As of December 31, 2023, and 2022, there was no impairment of receivables. The balance due from the related party correspond to the fees accrued for the fourth quarter, which is paid during the first month after the quarter ends. The average collection period for the fees from the related party entity is less than 30 days.

(10) Lease guarantee deposits

The composition of this item as of December 31, 2023 and 2022, is as follows:

	2023		2022	
	Current	Non-current	Current	Non-current
Office Rental	1,163		10,225	-
Containers Rental	-		-	-
Totals	1,163		10,225	-

(11) Other non-financial assets

	2023		2022	
	Current	Non-current	Current	Non-current
Prepaid Taxes	145,828		151,078	-
Value-added tax receivable	18,116		42,033	
Totals	163,944		193,111	-

(12) Equipment

Gross balances for 2023	Equipment	Total
	USD	USD
Opening balance as of January 1, 2023	24,077	24,077
Movements:		
Plus: Additions	4,299	4,299
Less: Disposals	-	-
Other increase/(decreases)	-	-
Closing balance as of December 31, 2023	28,376	28,376
Accumulated depreciation		
Opening balance as of January 1, 2023	(23,559)	(23,559)
Depreciation for the year (*)	(1,055)	(1,055)
Other increase/(decreases)	-	-
Closing balance as of December 31, 2023	(24,614)	(24,614)
Net total	3,762	3,762

Gross balances for 2022	Equipment	Total
	USD	USD
Opening balance as of January 1, 2022	24,077	24,077
Movements:		
Plus: Additions	-	-
Less: Disposals	-	-
Other increase/(decreases)	-	-
Closing balance as of December 31, 2022	24,077	24,077
Accumulated depreciation		
Opening balance as of January 1, 2022	(19,709)	(19,709)
Depreciation for the year (*)	(3,850)	(3,850)
Other increase/(decreases)	-	-
Closing balance as of December 31, 2022	(23,559)	(23,559)
Net total	518	518

(13) Income tax and deferred taxes

(a) General information

As of December 31, 2023, the income tax expense recorded by the Company amounts to USD 96,677 based on profit of USD 335,193 and for 2022 the Company recorded an income tax expense of USD 158,306 based on profit of USD 616,671.

(b) Deferred tax assets and liabilities

Deferred tax assets and liabilities are composed of the following:

	2023		2022	
	Asset USD	Liability USD	Asset USD	Liability USD
Deductible temporary differences	22,236	-	15,392	
Taxable temporary differences	-	(1,016)		(140)
Total	22,236	(1,016)	15,392	(140)
Net position, deferred tax asset (liability)	21,220	-	15,252	

(c) Income tax benefit/(expense)

This caption is composed of the following:

	2023 USD	2022 USD
Deferred tax benefit /(expense)	5,968	(6,736)
Total benefit/(expense), net	5,968	(6,736)

(13) Income tax and deferred taxes, continued

(d) Reconciliation of income tax

The reconciliation between the income tax expense recorded in the statement of profit or loss and the amount determined by multiplying the legal tax rate as of December 31, 2023 and 2022 on profit or loss, net of tax, is as follows:

		2023 USD		2022 USD
Gain/(Loss) before taxes		335,193		616,671
Tax benefit (expenses) using the current rate	27.00%	(90,502)	27.00%	(166,501)
Effect of deferred taxes		5,968		(6,736)
Total adjustment to tax (expense)/benefit using the legal tax rate	27.06%	(6,175)		8,195
Net total income tax (expense)/benefit		(90,709)	26.76%	(165,042)

(*) On September 29, 2014, Law No. 20,780 was published in the Official Gazette, which introduces changes to the current Chilean Tax System (the Tax Reform Law). This Law establishes the substitution of the current tax system, starting 2017, with two alternative tax systems: the attributed income system and the partially-integrated system.

The Tax Reform considers a gradual increase in the corporate tax rate. This tax will increase to 21% in 2014, 22.5% in 2015, and 24% in 2016. Taxpayers subject to the attributed income system will have a rate of 25% starting from 2017 and taxpayers subject to the partially-integrated system will have a rate of 25,5% starting from 2017 and 27% starting from 2021.

(14) Trade and other payables

As of December 31, 2022, and December 31, 2021, this caption is composed of the following:

	2023		2022	
	Current USD	Non-current USD	Current USD	Non-current USD
Accounts payable	55,194	-	141,049	-
Total	55,194	-	141,049	-

(15) Other non-financial liabilities

	2023		2022	
	Current	Non-current	Current	Non-current
	USD	USD	USD	USD
Other monthly taxes other than income taxes	24,323	-	39,420	-
Income tax payable	96.471	-	160,304	-
Value-added tax payable	38,545	-	116,821	-
Vacation Accrual	78,593	-	56,489	-
Total	237,932	-	373,034	-

(16) Capital and reserves

(a) Capital management

The Company’s objective for capital management is maintaining an adequate level of capitalization that allows it to ensure the access to financial markets to achieve its mid and long-term objectives, optimizing the return for its shareholders and maintaining a sound financial position

(b) Capital and number of shares

As of December 31, 2023 and 2022, this caption comprises the following:

Number of shares

Series	No. of shares Issued	No. of fully-paid shares	No. of voting-right Shares
Single	100	100	100

Equity

Series	Share capital	Subscribed and fully-paid capital	Total equity
Single	1,000	1,000	1,000

Share capital was composed of 100 shares which as of December 31, 2023 and 2022, were fully paid.

(c) Shareholders

The Company’s shares are owned by 100% by Amanecer Solar Holding SpA.

(17) Revenue

As of December 31, 2023, and 2022, this caption is composed of the following:

	2023 USD	2022 USD
O&M fees	1,926,215	1,975,758
MSA fees	513,657	408,089
Total	2,439,872	2,383,847

(18) Cost of sales

As of December 31, 2023, and 2022, this caption is composed of the following:

	2023 USD	2022 USD
Operation and maintenance costs	1,229,514	996,187
Professional fees	36,392	136,418
Payroll expenses	531,619	395,389
Total	1,797,525	1,527,994

(19) Administration expenses

As of December 31, 2023, and 2022, this caption is composed of the following:

	2023 USD	2022 USD
Professional services	216,581	173,769
Office rent	9,116	31,138
Travel expense	8,201	13,877
Other administration expense	24,100	19,220
Total	257,998	238,004

(20) Foreign currency exchange differences

As of December 31, 2023, and 2022, this caption is composed of the following:

	2023 USD	2022 USD
Foreign exchange	(48,101)	(20,502)
Total	(48,101)	(20,502)

(21) Relevant Facts

There were no relevant facts during the year 2023.

(22) Commitments and Contingencies

As of December 31, 2023, the Company recorded no contingencies related to lawsuits and/or financial contingencies.

(23) Sanctions

No sanctions have been imposed on the Company or its managers by any regulating body or other administrative authorities.

(24) Environment

At the reporting date of these financial statements, the Company has not assumed any obligations that directly or indirectly affect environmental protection.

(25) Financial Situation

As of December 31, the Company has a positive working capital of USD 1,993,167 (USD 1,757,893 in 2022), a gain of USD 244,485 (gain of USD 451,629 in 2022), positive net equity of USD 2,018,149 (USD 1,773,663 in 2022).

(26) Subsequent events

During the period between January 1, 2024 and the date of issuance of these financial statements, there have been no other significant events of a financial-accounting nature that could affect the interpretation of these financial statements.