SOLEK

SOLEK CHILE SERVICES SPA

Financial Statements

for the years ended 31 December 2022 and 2021

INDEPENDENT AUDITOR'S REPORT
(A free translation from the original in Spanish)

Santiago, May 31, 2023

To the Shareholders and Directors
Solek Chile Services SpA

We have audited the accompanying financial statements of Solek Chile Services SpA, which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation and maintenance of relevant internal control for the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Solek Chile Services SpA 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 International Financial Reporting Standards.

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Patricio Guesalaga Ulloa
RUT: 16.080.858-6

PricewaterhouseCoopers

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Statements of Comprehensive (Loss), for the years ended December 31, 2022, and 2021 (In thousands of Chilean pesos – ThCh$)

	Notes	2022 ThCh$	2021 ThCh$
Revenue	6	49,591,271	24,856,965
Cost of sale	7	(47,908,204)	(24,700,632)
Gross profit		**1,683,067**	**156,333**
Operating expenses	8	(3,511,858)	(1,745,715)
Depreciation and amortization	9	(257,928)	(147,239)
Impairment losses on non-financial assets	10	(629,837)	(14,271,370)
Other operating income		-	146,367
Operating profit (loss)		**(2,716,556)**	**(15,861,624)**
Finance income	11	1,459	1,000,000
Finance costs	11	(1,539,250)	(351,580)
Other gain (losses) net	12	(1,213,287)	(4,602,874)
Loss before income tax		**(5,467,634)**	**(19,816,078)**
Income tax	13	1,880,150	5,534,340
Loss for the year		**(3,587,484)**	**(14,281,738)**
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedge		-	-
Other comprehensive loss for the year		-	-
Total comprehensive loss for the year		**(3,587,484)**	**(14,281,738)**

The accompanying notes are an integral part of these financial statements

SOLEK

Statements of Financial Position
As of December 31, 2022 and 2021
(In thousands of Chilean pesos ThCh$)

	Notes	12/31/2022 ThCh$	12/31/2021 ThCh$
Assets			
Property, plant, and equipment	14	15,050,901	23,569,457
Rights of use of assets	15	46,343	245,767
Intangible assets other than goodwill		34,526	43,233
Investments accounted for using the equity method		-	1,000
Deferred tax assets	16	7,407,827	5,501,925
Non-current accounts receivable from related parties	17	32,720,563	4,336,034
Other non-current assets	19	1,369,185	177,397
Total non current assets		**56,629,345**	**33,874,813**
Trade receivables	18	6,760,259	16,546,310
Current tax assets		148,483	-
Current accounts receivable from related parties	17	1,121,108	4,920,065
Other current assets	19	3,823,869	4,373,616
Cash and cash equivalents	20	146,237	65,832
Total current assets		**11,999,956**	**25,905,823**
Total assets		**68,629,301**	**59,780,636**

The accompanying notes are an integral part of these financial statements

Statements of Financial Position
As of December 31, 2022 and 2021
(In thousands of Chilean pesos – ThCh$)

	Notes	12/31/2022 ThCh$	12/31/2021 ThCh$
Equity and liabilities			
Share and paid-in capital		17,964,301	3,500
Accumulated losses		(17,044,527)	(14,724,298)
Total equity		**919,774**	**(14,720,798)**
Lease liabilities		22,450	-
Non-Current accounts payable to related parties	17	60,868,884	50,572,719
Other non-current liabilities		25,900	17,331
Total non-current liabilities		**60,917,234**	**50,590,050**
Lease liabilities		-	157,530
Trade payables	24	6,136,966	23,399,375
Other current provisions	23	655,327	354,479
Total current liabilities		**6,792,293**	**23,911,384**
Total liabilities		**67,709,527**	**74,501,434**
Total equity and liabilities		**68,629,301**	**59,780,636**

The accompanying notes are an integral part of these financial statements

Statements of Changes in Equity for the years ended December 31, 2022 and 2021 (In thousands of Chilean pesos – ThCh$)

	Share and paid-in capital ThCh$	Accumulated Losses ThCh$	Total equity ThCh$
Balance as at 1 January 2021	**1,500**	**687,228**	**688,728**
Capital increase	2,000		**2,000**
Loss for the year	-	(14,281,738)	**(14,281,738)**
Decrease from other movements	-	(1,129,788)	**(1,129,788)**
Balance as at 31 December 2021	**3,500**	**(14,724,298)**	**(14,720,798)**
Capital increase	17,960,801	-	**17,960,801**
Loss for the year	-	(3,587,484)	**(3,587,484)**
Increase from other movements	-	1,267,255	**1,267,255**
Balance as at 31 December 2022	**17,964,301**	**(17,044,527)**	**919,774**

The accompanying notes are an integral part of these financial statements

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(In thousands of Chilean pesos – ThCh$)

	Notes	2022 ThCh$	2021 ThCh$
Cash flows from (used in) operating activities			
Collections from the sale of goods and services		47,892,116	16,808,342
Payments to suppliers for goods and services		(46,569,688	(25,613,897)
Net cash flows from (used in) operating activities		**1,322,428**	**(8,805,555)**
Cash flows from (used in) investing activities			
Purchases of property, plant and equipment		-	-
Interest received		-	-
Other		(284,219)	
Net cash flow from (used in) investing activities		**(284,219)**	**-**
Cash flows from (used in) financing activities			-
Loans from related companies		19,988,451	15,717,407
Payments of loan related companies		(20,810,386)	(6,716,442)
Net cash flow from financing activities		**(821,935)**	**9,000,965**
Net increase (decrease) in cash and cash equivalents		**216,274**	**195,410**
Cash and cash equivalents and at beginning of year		**65,832**	**12,153**
Effect of exchange rate on cash and cash equivalents		**(135,869)**	**(141,731)**
Cash and cash equivalents and cash at end of year	20	**146,237**	**65,832**

The accompanying notes are an integral part of these financial statements

Notes to the financial statements.

1. General information

Solek Chile Services SpA (hereinafter "Company" or "Company") was incorporated on September 25, 2014 with an initial capital of one million five hundred thousand pesos, divided into one hundred shares of a single series, nominative and without par value, under the name PV Power Chile SpA. nominal value, under the name of PV Power Chile SpA. As of December 31, 2020, the Company has changed its name to Solek its corporate name to Solek Chile Services SpA.

The address and head office locate at Apoquindo 5,400, 21st floor, office 2101 in Santiago, Chile.

Solek Czech Services S.R.O. are partners for development and investment in the field of renewable resources. They are a Czech company established in 2010. They have built photovoltaic power plants in various corners of the world, such as in Romania, the Czech Republic and Slovakia and in Chile, the largest market. the largest market. So far they have put into operation power plants with a capacity of more than 36 MW and we are planning to another 250 MW are planned for the next few years.

In addition to a solar park on a turnkey basis, they also offer individual services. They subsidize the projects from their own financial sources and cooperate with investors from the Czech Republic or from the countries where the project is realized. The company has established a fund of qualified investors SICAV SOLEK, consisting of its own financial sources and deposits from investors and banks, which invests in the projects. investors and banks, which invest the money in solar power plants worldwide.

The Company is developing projects for the generation, distribution and commercialization of electricity from renewable sources; investment, acquisition, sale, lease, administration and exploitation of all kinds of movable and immovable property with or without facilities, and the performance of real estate activities on its own behalf and on behalf of others; the provision of services and advice to third parties in connection with the activities of electric power and real estate or related to the development of power generation projects; the sale of machinery, tools, equipment and materials wholesale; the preparation of land, excavations and earthmoving; the incorporation, joining and forming part of other associations, communities, companies, societies of any nature or entities of any kind, or any other type of entity. The company also includes the sale of machinery, tools, equipment and materials wholesale; the preparation of land, excavations and earthmoving; incorporating, joining and forming part of other associations, communities, companies of any nature or entities of any line of business or purpose and acquiring rights, shares or participation in them.

The Company has merged by absorption of Solek Construcción SpA on December 31, 2020, under a public deed 2020 under public deed, where it changed its corporate name from PV Power Chile SpA to Solek Chile Services SpA.
SpA; as a result of this merger, the Company's capital has increased from CLP 1,500,000 divided into 100 ordinary shares, nominative in CLP 1,500,000 to CLP 1,500,000; nominative and no par value shares to CLP 2,500,000 divided into 250 ordinary, nominative and no par value shares ordinary shares, nominative and without par value.

On February 4, 2021, the Company increased the capital stock by CLP 1,000,000 by increased the capital stock by CLP 1,000,000, through the issuance of 100 ordinary shares of a unique series, nominative and with no par value. series, nominative and without par value.

As a result, the Company's capital was increased from CLP 2,500,000 divided into 250 ordinary, nominative shares with no par value to CLP 3,500,000 divided into 250 ordinary, nominative shares with no par value, to CLP 3,500,000 divided into 250 ordinary.

On November 30, 2022, Solek Desarrollos Spa merged with Solek Chile Servicios Spa, the latter surviving.

2. Statement of accounting policies

The Company's financial statements as of December 31, 2022 and 2021 have been prepared according to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Certain critical accounting estimates have been used in the preparation of these financial statements to quantify some assets, liabilities, income and expenses. Management is also required to use its judgment in the application of the Company's accounting policies. Note 5 describes the areas involving the greatest degree of judgment or complexity or areas in which the assumptions and estimates are significant to the separate financial statements.

2.1. Basis of preparation

The financial statements of Solek Chile Holding II SpA as of December 31, 2022 and 2021. approved by its Board of Directors at its meeting held on March 31, 2023, have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

These financial statements have been prepared under going concern assumptions on a historical cost basis except when, in accordance with IFRS, those assets and liabilities are measured at a fair value (see Note 4.8).

2.2. Responsibility for the information, judgments and estimates provided.

The Company's Board of Directors is responsible for the information contained in these financial statements and expressly states that all IFRS principles and standards have been fully implemented.

2.3. Subsidiaries

Subsidiaries are defined as those entities controlled either, directly or indirectly by Solek Chile Services SpA, Control is exercised if and only if the following conditions are met: the Company has i) power over the subsidiary; ii) exposure, or rights to variable returns from these entities; and iii) the ability to use its power to influence the amount of these return.

Solek Chile Services SpA has power over its subsidiaries when it holds the majority of substantive voting rights, or if this is not the case, when it holds the rights that grant it present capacity to direct their relevant activities, i.e., the activities that significantly affect the subsidiary's performance.
The Company will reassess whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the control elements listed above.

The entities in which the Company has the ability to exercise control and consequently are included in consolidation in these financial statements are detailed below:

Subsidiaries	**Country**	**Functional Currency**	**Ownership %**	
			2022	**2021**
Solek Desarrollos Spa	Chile	Chilean peso	-	100%

On November 30, 2022, Solek Desarrollos Spa merged with Solek Chile Servicios Spa, the latter surviving.

2.4. Functional currency

The functional and presentation currency of the financial statements of Solek Chile Holding II SpA is the Chilean peso (Ch$). The functional currency has been determined, considering the economic environment in which the Company operates.

2.5. Foreign currency translation

The functional currency has been determined as the currency of the primary economic environment in which they operate. Transactions in local and foreign currencies, other than the functional currency, are recorded at the exchange rates prevailing at the time of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated at the exchange rate of the functional currency at the balance sheet date. Gains and losses in currencies other than the functional currency resulting from such transactions and from the translation at the closing exchange rates of monetary assets and liabilities denominated in currencies other than the functional currency, are recognized in the statement of income in the line exchange differences.

Currency	2022 Ch$	2021 Ch$
Chilean peso	855.86	844.69
Euro	915.95	955.64
UF	35,110.98	30,991.74

2.6. Going concern

Company's management have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.
The Company's management is constantly preparing and revising forecasts of future cash flows covering the next 24 months. These forecasts already reflect management's expectations in terms of the completion and realization of projects, their sales and any funds generated.
The Company's management has assessed the relevant inputs and cash flow forecasts and believes that the Company will be able to obtain all funds in a timely manner and to the extent necessary to continue as a going concern.
Accordingly, the Company will continue to adopt the going concern basis of accounting in preparing the financial statements.

2.7. New standards and interpretations

Adoption of new or revised standards and interpretations

New and amended IFRS accounting rules adopted by the Company.

In preparing these financial statements, the Group has considered the following amendments to IFRS, effective from 1 January 2022, which have no effect on the results and information presented in these financial statements compared to the previous financial statements for 2022:

IASB Standards or Interpretations effective for the first time for the year ending 31 December 2022		
New Standard / Interpretation and its description	**IASB effective date for calendar year-end preparers**	**Effective date - detailed text**
Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant or equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are now recognised in profit or loss. An entity has to use IAS 2 to measure the cost of those items. Cost does not include depreciation of the asset being tested because it is not yet ready for its intended use. The amendment to IAS 16 also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. An asset might therefore be capable of operating as intended by management and subject to depreciation before it has achieved the level of operating performance expected by management. The amendment to IAS 37 clarifies the meaning of 'costs to fulfill a contract'. The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract; and an allocation of other costs that relate directly to fulfilling. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. IFRS 3 was amended to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. Prior to the amendment, IFRS 3 referred to the 2001 Conceptual Framework for Financial Reporting, In addition, a new exception in IFRS 3 was added for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 or IFRIC 21, rather than the 2018 Conceptual Framework. Without this new exception, an entity would have recognised some liabilities in a business combination that it would not recognise under IAS 37. Therefore, immediately after the acquisition, the entity would have had to derecognise such liabilities and recognise a gain that did not depict an economic gain, It was also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.	**1 January 2022**	**IASB Effective date: Annual periods beginning 1 January 2022**

The amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender, Under the amendment, costs or fees paid to third parties will not be included in the 10% test. Illustrative Example 13 that accompanies IFRS 16 was amended to remove the illustration of payments from the lessor relating to leasehold improvements. The reason for the amendment is to remove any potential confusion about the treatment of lease incentives. IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent, The subsidiary can measure its assets and liabilities at the carrying amounts that would be included in its parent's financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary, IFRS 1 was amended to allow entities that have taken this IFRS 1 exemption to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. The amendment to IFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters, This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. The requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41 was removed. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.		
Covid-19-Related Rent Concessions – Amendments to IFRS 16 (issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021), In May 2020 an amendment to IFRS 16 was issued that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19, resulting in a reduction in lease payments due on or before 30 June 2021, was a lease modification. An amendment issued on 31 March 2021 extended the date of the practical expedient from 30 June 2021 to 30 June 2022.	**1 April 2021**	**IASB Effective date: Annual periods beginning 1 April 2021**

IASB Standards or interpretations effective from 1 January 2023 or later		
New Standard / Interpretation	IASB effective date for calendar year-end preparers	Effective date - detailed text
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB), These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. The Company's management is evaluating the potential impact of these standards.	**A date to be determined by the IASB**	**IASB Effective date: Annual periods beginning on or after a date to be determined by the IASB**
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023), IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed, However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company's management estimates that the adoption of the standards, interpretations and amendments described above will not have a significant impact on the Company's separate financial statements in the period of first-time application.	**1 January 2023**	**IASB Effective date: Annual periods beginning 1 January 2023**
Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023), The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates. The Company's management estimates that the adoption of the standards, interpretations and amendments described above will not have a significant impact on the Company's separate financial statements in the period of first-time application.	**1 January 2023**	**IASB Effective date: Annual periods beginning 1 January 2023**
Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023), The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations, In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which both an asset and a liability are recognised. The amendments clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable	**1 January 2023**	**IASB Effective date: Annual periods beginning 1 January 2023**

and deductible temporary differences. The Company's management is evaluating the potential impact of these standards.		
Transition option to insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023), The amendment to the transition requirements in IFRS 17 provides insurers with an option aimed at improving the usefulness of information to investors on initial application of IFRS 17. The amendment relates to insurers' transition to IFRS 17 only and does not affect any other requirements in IFRS 17. The transition requirements in IFRS 17 and IFRS 9 apply at different dates and will result in the following one-time classification differences in the comparative information presented on initial application of IFRS 17: accounting mismatches between insurance contract liabilities measured at current value and any related financial assets measured at amortised cost; and if an entity chooses to restate comparative information for IFRS 9, classification differences between financial assets derecognised in the comparative period (to which IFRS 9 will not apply) and other financial assets (to which IFRS 9 will apply), The amendment will help insurers to avoid these temporary accounting mismatches and, therefore, will improve the usefulness of comparative information for investors, It does this by providing insurers with an option for the presentation of comparative information about financial assets, When initially applying IFRS 17, entities would, for the purpose of presenting comparative information, be permitted to apply a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information, The transition option would be available, on an instrument-by-instrument basis; allow an entity to present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but not require an entity to apply the impairment requirements of IFRS 9; and require an entity that applies the classification overlay to a financial asset to use reasonable and supportable information available at the transition date to determine how the entity expects that financial asset to be classified applying IFRS 9. The Company's management estimates that the adoption of the standards, interpretations and amendments described above will not have a significant impact on the Company's separate financial statements in the period of first-time application.	**1 January 2023**	**IASB Effective date: Annual periods beginning 1 January 2023**
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024), The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate. The Company's management is evaluating the potential impact of these standards.	**1 January 2024**	**IASB Effective date: Annual periods beginning 1 January 2024**
Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024), These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to	**1 January 2022 - deferred to 1 January 2024 by the amendments to IAS 1**	**IASB Effective date: Annual periods beginning 1 January 2022 (deferred to 1 January 2024)**

defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date, In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity, 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. The Company's management estimates that the adoption of the standards, interpretations and amendments described above will not have a significant impact on the Company's separate financial statements in the period of first-time application.		

3. Accounting policies

3.1. Revenue recognition

Revenues are recognized at the transaction price. The transaction price is the amount of consideration to which the Company is entitled in exchange for the transfer of control of a promised asset or service to a customer, excluding the amounts collected on behalf of third parties. Revenue is recognized net of discounts, value added taxes, export duties and similar mandatory payments.

3.2. Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business, Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The Company applies a simplified approach for trade receivables, so that the impairment provision is always recognized related to the lifetime expected credit losses for the accounts receivable. This is the approach that the Company has mostly applied because trade receivables represent the main financial asset of Company.

Analytical or individual evaluation: if accounts receivable is considered individually significant by Management and there is specific information regarding any significant increase in the credit risk, the Company applies an individual evaluation of accounts receivable.

On the basis of the benchmark market and the regulatory context of the sector, as well as the recovery expectations after 90 days, for those accounts receivable, the Company mainly applies a predetermined definition of 180 days overdue to determine expected credit losses, since this is considered an effective indicator of a significant increase in credit risk. Consequently, financial assets that are more than 90 days overdue generally are not considered to be in default.

Based on specific assessments made by management, the prospective adjustment may be applied taking into account qualitative and quantitative information to reflect possible future events and macroeconomic scenarios, which may affect the risk of accounts receivable.

3.3. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 15 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

3.4. Taxation

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future,

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.5. Provisions

The Company has recognized a provision related to legal obligations associated with the retirement of the Solar Power Plant. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material),

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

3.6. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities.

3.7. Financial assets and financial liabilities

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortized cost using the effective interest method:

(a) The contractual return to the holder is () a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a),

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current year or prior years.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs

(a) to (c),

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Except for some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognized when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognized only when the obligation specified in the contract is discharged, cancelled, or expires.

3.8. Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to interest rate movements, The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re- measured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3.9. Fair value measurement

The Company measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place, If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Valuation models are used primarily to value unlisted equity for which markets were or have been inactive during the financial year, Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk, See Note 25 for further details.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Financial assest and financial liabilities Note 4.6
- Derivative financial instruments Note 4.7

3.10. Property, plant and equipment

Property, plant and equipment are generally measured at acquisition cost, net of accumulated depreciation and any impairment losses experienced, In addition to the price paid to acquire each item, the cost also includes the following concepts where applicable:

- Finance costs accrued during the construction period that are directly attributable to the acquisition, construction, or production of qualifying assets, which require a substantial period of time before being ready for use; such as e.g., electricity generation or distribution facilities. The interest rate used is that corresponding to the specific financing or, if it does not exist, the average financing rate of the company making the investment.
- Employee expenses directly related to construction in progress,
- Future disbursements that the Company will have to make to close its facilities are added to the value of the asset at fair value, recognizing the related provision for dismantling or restoration. Changes in the measurement of the provision resulting from changes in the estimated amount or timing of future expenditures required to settle the obligation, or changes in the discount rate, are added to or deducted from the cost of the asset, as appropriate.

Assets under construction are transferred to operating assets once the testing period has been completed and they are available for use, at which time depreciation begins.

Expansion, modernization or improvement costs that represent an increase in productivity, capacity or efficiency, or a longer useful life are capitalized as an increase in the cost of the related assets.

The replacement or overhaul of entire components that increase the asset's useful life or economic capacity are recorded as an increase in cost of the related assets, derecognizing the replaced or overhauled components.

Expenditures for periodic maintenance and repair are recognized directly as an expense for the year in which they are incurred.

Future disbursements that the Company will have to make to close its facilities are added to the value of the asset at fair value, recognizing the related provision for dismantling or restoration. Changes in the measurement of the provision resulting from changes in the estimated amount or timing of future expenditures required to settle the obligation, or changes in the discount rate, are added to or deducted from the cost of the asset, as appropriate (Note 23).

Depreciation is calculated considering zero residual value.

Estimated useful life of solar power plants and other tangible fixed assets:

Property, plant and equipment	Method	Useful life
Cars, curve meters, other machines	Straight-line	5 years

3.11. Right-of-use assets

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis, Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease, If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is i,ised, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease year to produce a constant year rate of interest on the remaining balance of the liability for each year.

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

- amount of the initial measurement of the lease liability;
- lease payments made up to the commencement date, less lease incentives received
- the initial direct costs incurred; and
- estimated decommissioning or restoration costs,

The amount of the initial measurement of lease liability

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

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

3.12. Impairment of non-financial assets

During the period, and mainly at the end of each reporting period, the Company evaluates whether there is any indication that an asset has been impaired, If any such indication exists, the Company estimates the recoverable amount of that asset to determine the amount of the impairment loss.
Recoverable amount is the higher of fair value less costs of disposal and value in use, which is defined as the present value of the estimated future cash flows.
If the recoverable amount of the CGU is less than the net carrying amount of the asset, the related impairment loss is recognized for the difference, and charged to “Impairment losses on non-financial assets" in the statement of

comprehensive income. The impairment is first allocated to the CGU's goodwill carrying amount, if any, and then to the other assets comprising it, prorated on the basis of the carrying amount of each one, limited to the fair value less costs of disposal, or value in use.

3.13. Statement of cash flows

The statement of cash flows reflects changes in cash and cash equivalents that took place during the period, determined with the direct method. It uses the following definitions and related meanings:

- Cash flows: inflows and outflows of cash or cash equivalents, which are defined as highly liquid investments maturing in less than three months with a low risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Group that cannot be considered investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the total equity and borrowings of the Group.

4. Critical accounting estimates

In the application of the Company's accounting policies, which are described in note 3, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future periods if the revision affects both current and future years.
The following are the critical judgements, apart from those involving estimations (which are dealt with separately above), that the members have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognized in financial statements.

- Income taxes and deferred taxes

During normal operation of the business, many transactions and calculations take place, for which the accurate calculation is uncertain, In the case that the final taxes after audit are different than the amounts initially posted, these differences will affect income tax and provisions for deferred tax during the year when the determination of tax differences took place. The Company believes that income tax and deferred taxes for the unaudited tax year have correctly been estimated and deterred taxes have been recognized to the extent that differences between accounting and taxable profits were considered to be temporary.

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5. Revenue

The detail of revenue presented in the statement of comprehensive income for the years ended December 31, 2022 and 2021. is as follows:

	2022 ThCh$	2021 ThCh$
Power plants projects and related EPC contracts	35,621,730	24,689,132
Development services	12,216,186	-
Operating and maintenance services	1,753,355	167,833
Total revenues	**49,591,271**	**24,856,965**

6. Cost of sale

The detail of cost of sale presented in the statement of comprehensive income for the years ended December 31, 2022 and 2021 is as follows:

	2022 ThCh$	2021 ThCh$
Power plants projects and related EPC contracts	(46,224,013)	(24,700,632)
Operations and Maintenance Services	(1,684,191)	-
Total cost of sale	**(47,908,204)**	**(24,700,632)**

Costs of selling solar power plant projects mainly consists of solar power plants components with addition of capitalized directly attributable operating expense.

7. Operating expenses

The detail of Operating expenses used presented in profit or loss for the years ended December 31, 2022 and 2021. is as follow:

	2022 ThCh$	2021 ThCh$
Salaries and wages	(2,357,308)	(2,738,468)
Travel	(929,659)	(333,060)
Legal services	(251,669)	(43,108)
Consulting and Professional fees	(351,540)	(1,496,285)
Rentals of warehouse, office, vehicles and other equipment	(937,027)	(553,250)
Impairment (loss) determined in accordance with IFRS 9	(1,156,817)	-
Project-related administrative expenses	3,796,671	3,480,837
Others administrative expenses	(1,324,509)	(62,381)
Total	**(3,511,858)**	**(1,745,715)**

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8. Depreciation and amortization expenses

The detail of depreciation expenses presented in profit or loss for the years ended December 31, 2022 and 2021. is as follow:

	Note	2022 ThCh$	2021 ThCh$
Property, plant and equipment	14	(119,602)	(110,390)
Software		(8,707)	(7,163)
Rights to use assets	15	(129.619)	(29,686)
Total		**(257,928)**	**(147,239)**

9. Impairment losses on non-financial assets

The detail of impairment losses on non-financial assets presented in profit or loss for the years ended December 31, 2022 and 2021 is as follow:

	Note	2022 ThCh$	2021 ThCh$
Cancelled projects	14	(629,837)	(14,271,370)
Total		**(629,837)**	**(14,271,370)**

10. Finance income and cost

Finance income and costs for the years ended December 31, 2022 and 2021 are as follows:

Finance income	2022 ThCh$	2021 ThCh$
Interest income	1,459	-
Dividends income	-	1,000,000
Total	**1,459**	**1,000,000**

Finance cost	2022 ThCh$	2021 ThCh$
Financial cost	(1,516,162)	(351,580)
Other financial costs	(23,088)	-
Total	**(1,539,250)**	**(351,580)**

11. Other gains (losses) – net

Other gains (losses) are comprised of inflation-indexed units and foreign exchange gains (losses) and :

	2022 ThCh$	2021 ThCh$
Inflation-indexed units and foreign exchange gains (losses)	(1,213,287)	(4,602,874)
Total	**(1,213,287)**	**(4,602,874)**

The net gain on derivative instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting.

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12. Income tax

The income tax has been calculated as an aggregation of the income tax expenses of each individual Company, In order to calculate the taxable income of the entities individually, the accounting profit is adjusted for the temporary and permanent differences, recording the corresponding deferred tax assets and liabilities. At each income statement date, a current tax asset or liability is recorded, representing income taxes currently refundable or payable. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates.

Current tax:

	2022 ThCh$	2021 ThCh$
Benefit from deferred taxes for origination and reversal of temporary differences	1,880,150	5,534,340
Income tax benefit	**1,880,150**	**5,534,340**

The following table reconciles the tax income at the standard rate to the actual tax:

Current tax:

	2022 ThCh$	2021 ThCh$
Profit (Loss) on ordinary activities before taxation	(5,467,634)	(19,816,078)
Total tax beneft at Chile standard rate of 27% (2021: 27%)	1,476,261	5,350,341
Other effects	403,889	183,999
Income tax	**1,880,150**	**5,534,340**

All of the Company´s taxable income is generated in Chile.

13. Property, plant and equipment

The following table sets forth the property, plant and equipment as of December 31, 2022 and 2021:

Description	Note	Solar power plants under construction ThCh$	Machines and other equipment ThCh$	Total ThCh$
Balance as at 1 January 2022		**23,033,344**	**536,113**	**23,569,457**
Additions		34,793,353	37,027	34,830,380
Disposal		(42,599,497)	-	(42,599,497)
Impairment recognized in profit or loss	10	(629,837)	-	(629,837)
Others		-	286,254	286,254
Balance as at 31 December 2022		**14,597,363**	**859,394**	**15,456,757**
Accumulated depreciation as at 1 January 2021		-	**(286,254)**	**(286,254)**
Depreciation for the year	9	-	(119,602)	(119,602)
Accumulated as at 31 December 2022		**-**	**(405,856)**	**(405,856)**
Total balance as at 31 December 2022		**14,597,363**	**453,538**	**15,050,901**

Description	Note	Solar power plants under construction ThCh$	Machines and other equipment ThCh$	Total ThCh$
Balance as at 1 January 2021		**10,996,167**	**731,963**	**11,728,130**
Additions		49,185,888	90,404	49,276,292
Disposal		(22,877,341)	-	(22,877,341)
Impairment recognized in profit or loss	10	(14,271,370)	-	(14,271,370)
Balance as at 31 December 2021		**23,033,344**	**822,367**	**23,855,711**
Accumulated depreciation as at 1 January 2021		-	**(175,864)**	**(175,864)**
Depreciation for the year	9	-	(110,390)	(110,390)
Accumulated as at 31 December 2021		-	**(286,254)**	**(286,254)**
Total Balance as at 31 December 2021		**23,033,344**	**536,113**	**23,569,457**

The depreciation charge for the years ended 31 December 2022 and 2021 was ThCh$119,602and ThCh$110,390 respectively.

The detail of ongoing project work as of December 31, 2022 and 2021 is as follows:

Ongoing projects	2022 ThCh$	2021 ThCh$
El Palqui	2,257,444	575,868
La Rosa	2,119,660	1,431,266
Los Cauquenes	1,940,330	1,024,485
Doña Carmen	692,454	82,013
Pueblo Seco	685,076	86,064
Don Chacho	646,311	68,985
Barrancon	500,378	407,779
Alianza	482,442	105,370
Parque Alsol	386,403	166,298
Parque Tara	320,719	122,156
San Isidro	301,597	163,932
Parque Alagua	291,971	176,181
Parque Santa Rebeca	283,525	130,217
Santa Eulalia	277,277	22,576
Chinchorro	258,960	96,814
Orilla de Maule	242,772	148,393
Villa Longavi	235,899	80,828
San Bernando	233,168	86,210
PMG Castilla (1)	-	2,130,403
Parque del Sol	223,991	132,275
Parque El Roque	215,631	140,966
El Conquistador (1)	-	1,677,943
Membrillo Alhue (2)	-	1,563,913
Parque Valparaiso (1)	-	1,445,568
Nancagua (1)	-	1,296,127
Palmilla Cruz (2)	-	1,240,076
Parque El Huaso (3)	-	1,186,359
Romero (2)	-	945,791
Others projects	2,001,355	6,298,488
Total	**14,597,363**	**23,033,344**

(1) Project sold during 2022
(2) Project transferred to Solek Holding II during 2022
(3) Project transferred to Solek Holding III during 2022

14. Rights to use assets

Right-of-use assets as of December 31, 2022 and 2021. is as follows:

As at 31 December 2022

	2022 ThCh$
Balance as at 1 January 2022	**245,767**
Amortization for the year (note 8)	(129.619)
Other decreases	(69,805)
Net book value as at 31 December 2022	**46,343**

As at 31 December 2021

	2021 ThCh$
Balance as at 1 January 2021	-
Additions	260,954
Other increases	14,499
Amortization for the year (note8)	(29,686)
Net book value as at 31 December 2021	**245,767**

15. Deferred tax assets

The origin of and changes in deferred tax assets and liabilities as of December 31, 2022 and 2021 are as follows:

	2022 ThCh$	2021 ThCh$
Tax loss carryforwards	7,407,827	5,501,925
Total	**7,407,827**	**5,501,925**

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. The Company have incurred the losses over the years as they are developing projects of solar energy. The Company has concluded that it is probable that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The losses can be carried forward indefinitely and have no expiry date.

16. Balances and transactions with related parties

Related party transactions are performed at current market conditions.

Transactions between companies comprising the Company have been eliminated in the consolidation process and are not disclosed in this Note. As of the date of these financial statements, there are no allowances for doubtful accounts between related entities.

There were no transactions with key management personnel during the current and prior year. The amounts outstanding are unsecured and will be settled cash.

No guarantees have been given or received

16.1. The balances of accounts receivable and payable as of December 31, 2022 and 2021 are as follows:

a) Receivables from related parties non-current

Company	Country	Relationship	Transaction	Currency	2022 ThCh$	2021 ThCh$
Parque Solar Lo Prado SpA	Chile	Common Inmediate Parent	Other services	CLP	2,325,028	1,865,324
Parque Solar La Muralla Dos SpA	Chile	Common Inmediate Parent	Other services	CLP	4,958,921	898,897
Parque Solar Lo Chacón SpA	Chile	Common Inmediate Parent	Other services	CLP	-	881,641
Solek Chile Holding SpA	Chile	Common Inmediate Parent	Other services	CLP	-	223,550
Parque Solar El Sauce SpA	Chile	Common Inmediate Parent	Other services	CLP	674,468	16,821
Parque Solar Meco Chillan SpA	Chile	Common Inmediate Parent	Other services	CLP	-	6,769
Solek Chile Holding III SpA	Chile	Common Inmediate Parent	Other services	CLP	264,519	-
Solek Chile Holding V SpA	Chile	Common Inmediate Parent	Other services	CLP	217,756	-
Parque Solar Tabolango SpA	Chile	Common Inmediate Parent	Other services	CLP	1,679,218	-
Parque Solar La Rosa II SPA	Chile	Common Inmediate Parent	Other services	CLP	1,412,104	-
Parque Solar La Rosa SPA	Chile	Common Inmediate Parent	Other services	CLP	6,091,307	-
Parque Solar Dona Carmen SpA	Chile	Common Inmediate Parent	Other services	CLP	841,154	-
Parque Solar Don Chacho SpA	Chile	Common Inmediate Parent	Other services	CLP	766,981	-
Parque Solar Del Sol SpA	Chile	Common Inmediate Parent	Other services	CLP	843,152	-
Parque Solar El Trigal SpA	Chile	Common Inmediate Parent	Other services	CLP	562,151	-
Fenix Solar SpA	Chile	Common Inmediate Parent	Other services	CLP	825,375	-
Parque Solar Don Flavio SpA	Chile	Common Inmediate Parent	Other services	CLP	906,680	-
Parque Solar Jotabeche SpA	Chile	Common Inmediate Parent	Other services	CLP	598,985	-
Parque Solar Kali SpA	Chile	Common Inmediate Parent	Other services	CLP	390,885	-
Parque Solar Barrancon SpA	Chile	Common Inmediate Parent	Other services	CLP	841,154	-
Parque Solar Cantillana SpA	Chile	Common Inmediate Parent	Other services	CLP	857,273	-
Champa Solar SpA	Chile	Common Inmediate Parent	Other services	CLP	557,087	-
Other entities					7,106,365	443,032
Total					**32,720,563**	**4,336,034**

a.1) Receivables from related parties Current

Company	Country	Relationship	Transaction	Currency	2022 ThCh$	2021 ThCh$
Solek Czech Services S.R.O.	Chile	Common Inmediate Parent	Other services	CLP	-	3,587,024
Solek Holding IV SpA	Chile	Common Inmediate Parent	Other services	CLP	-	30,156
Solek Chile Holding V SpA	Chile	Common Inmediate Parent	Other services	CLP	22,840	23,250
Solek Desarrollos SpA	Chile	Common Inmediate Parent	Other services	CLP	-	9,490
Solek Latam Holding SpA	Chile	Common Inmediate Parent	Other services	CLP	-	8,862
Solek Chile Holding SpA	Chile	Common Inmediate Parent	Other services	CLP	-	26,806
Solek Holding III SpA	Chile	Common Inmediate Parent	Other services	CLP	1,166	2,927
Solek Chile Holding II SpA	Chile	Common Inmediate Parent	Other services	CLP	-	130
Other entities					1,097,102	1,231,420
Total					**1,121,108**	**4,920,065**

b) Accounts payable to related parties Non-current:

Company	Country	Relationship	Transaction	Currency	2022 ThCh$	2021 ThCh$
Solek Czech Services S.R.O.	Czech Republic	Common Inmediate Parent	Other services	USD	-	30,652,700
Solek Latam Holding SpA	Chile	Common Inmediate Parent	Other services	USD	43,859,574	5,150,564
Solek Latam Holding SpA	Chile	Common Inmediate Parent	Other services	CLP	-	4,793,868
Solek Chile Holding SpA	Chile	Common Inmediate Parent	Other services	USD	13,640	2,881,586
Solek Chile Holding SpA	Chile	Common Inmediate Parent	Other services	CLP	6,682,858	2,248,046
Solek Czech Services S.R.O.	Czech Republic	Common Inmediate Parent	Other services	CLP	5,600,040	1,448,975
Solek Administration S.R.O.	Czech Republic	Common Inmediate Parent	Other services	USD	1,531,282	1,185,680
Solek Desarrollos SpA	Chile	Common Inmediate Parent	Other services	CLP	-	975,130
Solek Chile Holding II SpA	Chile	Common Inmediate Parent	Other services	CLP	25,911	23,000
Solek Cyprus Services Limited	Czech Republic	Common Inmediate Parent	Other services	USD	132,638	
Solek Chile Holding IV SpA	Chile	Common Inmediate Parent	Other services	CLP	1,212,681	
Other entities					1,810,260	1,213,170
Total					**60,868,884**	**50,572,719**

c) Significant transactions and effects on profit or loss:

Company	Country	Relationship	Transaction	Currency	2022 ThCh$	2021 ThCh$
Solek LATAM SpA	Chile	Common Inmediate Parent	Financial expenses	USD	(1,126,381)	(306,900)
Solek Holding SE	Czech Republic	Common Inmediate Parent	Financial expenses	USD	(864)	-
Solek Chile Holding SpA	Chile	Common Inmediate Parent	Financial expenses	USD	(104,519)	-

These transactions had no effect on the income statement for the years ended December 31, 2022 and 2021.

There are no outstanding balances receivable and payable between the Company and and Company Management.

There are no transactions other than remuneration between the Company and Company Management

No guarantees have been given to key management personnel.

17. Trade and other receivables

The detail of trade and other receivables as of December 31, 2022, and 2021 is as follows:

	2022 ThCh$	2021 ThCh$
Advances to suppliers	-	10,248,448
Trade receivables from sale of projects	6,705,979	5,006,824
Other accounts receivable	275,281	1,291,038
Allowance for doubtful accounts	(221,001)	-
Total	**6,760,259**	**16,546,310**

The Company applies the simplified approach of IFRS 9 to the measurement of expected credit losses, which uses the provision for expected losses for all trade receivables and contract assets during their lifetime. In order to measure expected credit losses, receivables were grouped based on a common credit risk and days past due characteristics.

Regarding the credit risk related to trade receivables, this risk is historically very limited because the customer collection period is short, accordingly, no significant individual amounts are accumulated before the service is shut-off due to late payment, according to contract conditions. For this reason, credit risk is continuously monitored, measuring the maximum amounts exposed to payment risk which is very limited.

Trade and other receivables by maturity:

	2022 ThCh$	2021 ThCh$
Up to 30 days past due	5,898,129	3,662,619
31-90 days past due	862,130	1,302,709
91-180 days past due	-	73,790
181-360 days past due	-	10,714,966
361 and more days past due	-	792,226
Total	**6,760,259**	**16,546,310**

18. Other current and non-current assets

The detail of Other current assets as of December 31, 2022 and 2021. is as follows:

	Current 2022 ThCh$	Current 2021 ThCh$	Non-current 2022 ThCh$	Non-current 2021 ThCh$
Tax receivables	3,823,869	3,431,377	-	-
Guarantee deposits	-	618,925	1,369,185	177,397
Other current assets	-	323,314	-	-
Total	**3,823,869**	**4,373,616**	**1,369,185**	**177,397**

19. Cash and cash equivalents

The details of cash and cash equivalents as of December 31, 2022 and 2021 are as follows:

	2022 ThCh$	2021 ThCh$
Cash in hand and at banks	146,237	65,832
Total	**146,237**	**65,832**

The structure of deposits at individual banks:

Bank	Currency	Total 2022 ThCh$	Total 2021 ThCh$
Cash on hand	CLP	1,000	1,000
Banco de Chile	CLP	1,840	8,999
Banco de Chile	USD	420	-
Banco Bice	USD	7,787	21,684
Banco Bice	CLP	135,190	34,149
Total		**146,237**	**65,832**

As of December 31, 2022 and 2021, the Company has no restricted cash balances.

20. Equity

The structure of the equity interest as of December 31, 2022, and 2021 is as follows:

Shareholders	2022		2021	
	Shares	%	Shares	%
Solek Czech Services s.r.o.	1,796,430	100%	350	100%
Total	**1,796,430**	**100%**	**350**	**100**

On September 1, 2022, the Company increased its capital stock by ThCh$17,960,801, through the issuance of 1,796,080 common shares of one series, registered and without par value. As a result, the capital stock of the Company increases from ThCh$3,500, divided into 350 common shares of one series, nominative and without par value, to ThCh$17,964,301, divided into 1,795,430 common shares of one series, nominative and without par value.

The distribution of dividends of the company is conditioned to the compliance with the commitments assumed with the entities that financed the project.

21. Equity management

The main goal of the Company is to maintain a healthy balance between equity and liabilities, which will support the SOLEK Group's business and maximize value for shareholders. The Company monitors its capital structure and makes changes with respect to changes in the business environment. The Company maintains an optimal capital structure, especially with regard to the future value of projects under construction.

22. Other current-term provisions

The detail of Provisions as of December 31, 2022, and 2021 is as follows:

	2022 ThCh$	2021 ThCh$
Employee benefits	296,762	229,479
Other	358,565	125,000
Total	**655,327**	**354,479**

23. Trade payables

The detail of trade and other current payables as of December 31, 2022, and 2021 is as follows:

	ThCh$ 2022	ThCh$ 2021
Payables for goods and services	4,677,214	17,126,886
Advance from customers	255,357	4,467,510
Other payables	1,204,395	1,804,979
Total	**6,136,966**	**23,399,375**

24. Financial risk management

The Company´s policies and procedures for risk management are defined in order to identify and analyze the risks faced by the Company Appropriate risk limits are set and controls are designed so that the Group can monitor these risks and comply with the set limits.

Risk management policies and procedures are reviewed on an ongoing basis to reflect changes in the Company's activities and changes in market conditions.

In connection with its business activities, the Company is exposed to the following financial risks:

- Operacional risk
- Liquidity risk
- Credit risk
- Interest rate risk

- **Operational risks**

Operational risks, resulting from a generation lower than estimated in the projects, failure to inject a volume of energy equal to or greater than the withdrawals. The supply obligations commit the Company to participate in the balance on behalf of the concessionaires with whom it has contracts, and the energy withdrawn is paid for in the name of the concessionaires, contracts, and the energy withdrawn is paid at the instantaneous marginal cost of the system and is remunerated through the contracts, contracts. This risk would be limited as the difference between the awarded price and the marginal cost projections, as well as the projections of marginal costs, as well as the energy purchase contracts signed with other companies of the group, companies of the Company.

- **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities, which are settled through cash or another financial asset.
The Company's management focuses on the methods used by financial institutions, i.e. on the diversification of financial resources. This diversification gives the Company flexibility and reduces its potential dependence on a single source of funding. Liquidity risk is assessed primarily by monitoring changes in the funding structure and comparing these changes with the Company's liquidity risk management strategy. Part of the strategy is the preparation of a cash flow forecast for the entire Company on a daily basis and monitoring the development and maturity of individual debt instruments. The Company continues to keep part of its own assets in highly liquid funds.
The Company's approach to liquidity management is to ensure, whenever possible, sufficient liquidity to meet its obligations under both normal and stress conditions, without incurring unacceptable losses or damaging the Company's reputation.

- **Credit risk**

The credit risk to which the Company is exposed relates to the non-fulfillment of contractual obligations by the counterparty. The risk arises from accounts receivable, cash and cash equivalents. Due to the nature of Company's business accounts receivable balance is low, so it doesn't raise material credit risk (refer also to note 16. Trade accounts receivable). As for cash and cash equivalents, they are placed with financial institutions with assessed credit risk (see note 18, Cash and cash equivalents for more details).
Based on the internal methodology, the Company determines the maximum credit exposure and the expected potential loss, Based on the maximum credit exposure a credit limit and an expected potential loss is assessed.

- **Interest rate risk**

The exposure to this risk is high since the Company's financing structure includes loans with related entities with a fixed interest rate set and includes loans with third parties with a variable interest rate, the Company has no financial assets significantly affected by variable interest rates. The Company does not have financial assets significantly affected by variable interest rates.

25. Contingencies, litigations, and others

As of December 31, 2022, and 2021 the Company and their subsidiaries do nor face any judicial or extrajudicial contingencies that, according to the info from the Company's legal advisors, could result in material or significant losses or gains for the Company and its subsidiaries.

26. Guarantees with third parties, contingent assets and liabilities, and other commitments

The detail of Guarantees with third parties, contingent assets and liabilities, and other commitments as of December 31, 2022, and 2021 is as follows:

N° de Garantia	RUT	Beneficiario	Fecha Emisión	Fecha Vencimiento	2022 ThCh$
4021058	61.202.000-0	Direccion Regional de Vialidad Metropolitana	27-07-2021	31-12-2022	1,488
4022984	61.202.000-0	Direccion Regional de Vialidad Metropolitana	05-10-2021	31-12-2022	1,385
4024210	61.216.000-7	Empresa de los Ferrocarriles del Estado	17-11-2021	16-05-2023	45,887
4029641	76.975.911-5	Besalco Transmision SpA	15-06-2022	14-12-2023	46,046
4032746	61.202.000-0	Direccion Regional de Vialidad Region de Valparaiso	09-09-2022	09-09-2023	2,174
4033208	76.411.321-7	Compañía General de Electricidad S.A.	04-10-2022	31-12-2023	24,019
4034793	77.470.427-2	Luz Parra Transmision S.A.	01-12-2022	30-11-2023	24,372
					145,371

27. Subsequent events

Between January 1, 2023 and the date of issuance of these financial statements, we are not aware of other events of a financial or any other nature that could significantly affect the financial position and the results presented herein.