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Table of Contents**4.8.2 Certified Emission Reductions (CERs)**

The Company recognizes CERs in accordance with IAS 2 *Inventory* because they are held for sale in the ordinary course of business. CERs are measured, initially and subsequently, at fair value.

**4.9 Intangible assets**

Intangible assets acquired separately are measured initially at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, as necessary. The Company records the intangible assets generated internally as expenses in the year in which they are incurred, except for development costs that are capitalized.

The useful lives of intangible assets are assessed to be either finite or indefinite. Energía Eólica only has intangible assets with finite useful lives, which are amortized under the straight-line method over the assets' estimated useful lives, which are periodically reviewed by Management.

Gains or losses from the derecognition of an intangible asset are determined by the Company as the difference between the proceeds from sale or disposal and the net carrying amount of the intangible asset, recognizing them in the results of the year in which they are incurred.

**4.9.1 Connectivity rights**

As part of the obligations set forth in PPA with ENEE, the Company had to build, at its own cost, an electrical substation on behalf of ENEE. Because the Company does not own the physical asset, the respective cost was considered a right to be able to operate the wind park and therefore recognized as an intangible asset. Connectivity rights are amortized on a straight-line basis over the PPA term.

**4.9.2 Research and development costs**

Research costs are expensed as incurred.

Development activities involved a plan or design for the construction of new wind power generation projects. An intangible asset arising from the development phase of a project is recognized if the Company can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete the asset and use it or sell it, its ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical and financial resources to complete the development and to use or sell the asset, and its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Useful life for intangible assets arising from development costs is determined based on the PPA term and amortization occurs on a straight-line basis.

**4.9.3 Software**

Software represents the cost of accounting software licenses. Software is amortized over a useful life between one and three years, on a straight-line basis.

**4.10 Property, plant and equipment**

Property, plant, and equipment are stated at acquisition cost less accumulated depreciation and losses due to impairment, if any. These costs include the cost of replacing the components of plant or equipment.

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