
Table of Contents**4.10 Impairment of non-financial assets**

The Company assesses the carrying amounts of its non-current assets at each reporting date to determine reductions in value when events or circumstances indicate that recorded values may not be recovered. If any such indication exists, and the carrying amount exceeds the recoverable amount, the Company measures the assets or cash-generating units at their recoverable amounts, defined as the greater of fair value less selling costs or the value in use. Resulting adjustments are recorded in the results of the year in which they are determined.

4.11 Revenue recognition

The Company measures its revenue from ordinary activities using the fair value of the benefit received or to be received, derived from revenue.

4.11.1 Revenue from construction services

The Company records revenue from construction activities using the percentage of completion method, recognizing revenue in relation to the physical progress of the Project.

4.11.2 Interest income from financial instruments

Revenue arising from financial instruments is recognized in relation to the passage of time, calculated over the average monthly balances for the invested principal, applying the effective interest method. Interest income is included in finance income in the statement of comprehensive income.

4.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Borrowing costs include interest, exchange differences and other borrowing costs. Borrowing costs that do not meet the criteria for capitalization are recorded in the results of the year in which they are incurred.

Borrowing costs, including transaction costs, related to notes and loans payable for the financing of qualifying assets under construction are initially recognized as a non-current asset and subsequently reclassified to the balance of notes and loans payable when the funds from the financing have been substantially withdrawn by the Company.

4.13 Benefits for termination of employment contracts

In accordance with Costa Rica's Labor Code, severance compensations accumulated on behalf of employees shall be reimbursed in the event of death, retirement or unjustified termination. Compensation is determined as 6.33% of average monthly salaries earned by the employee during the last six months of work for each year worked, for a maximum of 8 years. The Company transfers 3% of employees' monthly salaries to the Complementary Pension Fund established by law.

Any severance paid by the Company during termination in excess of amounts transferred and the definite severance calculated based on the labor rights mentioned is recognized as an expense in the year in which it occurs. Given the limited number of employees, the Company believes that any potential future liability related to current employees is immaterial to the accompanying financial statements.

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