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A breakdown of estimated useful lives is as follows:

	Useful life
Machinery and equipment (primarily wind turbines)	20 Years
Furniture and equipment	5-10 years
Vehicles	10 years

A component of project equipment is derecognized when it is sold or when the Company does not expect future economic benefits from its use. Any loss or gain from the disposal of the asset, calculated as the difference between the net carrying amount and the sales proceeds, is recognized in income in the year in which it occurs.

4.9 Intangible assets

Intangible assets acquired separately are initially measured 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 as expenses the intangible assets generated internally 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. The Company's intangible assets have finite useful lives only. Intangible assets with finite lives are amortized under the straight-line method over the assets' estimated useful lives, which are periodically reviewed by the Company. Expenses for the amortization of intangible assets are recognized in the income statement of the year in which they are incurred.

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

4.9.2 Service concession arrangement

The Company, as operator under the PPA, recognizes an intangible asset equivalent to the consideration receivable for the construction of the wind farm (Note 8). This recognition is based on the premises of IFRIC Interpretation 12 *Service Concession Arrangements* by which Orosí does not have an unconditional contractual right to receive cash or another financial asset in return for the public service provided.

During the construction phase of the Project, the intangible asset is comprised of advances made to sub-contractors as well as the construction revenue for the construction services performed by Orosí, which are measured in accordance with International Accounting Standard 11 *Construction Contracts*. The intangible asset will be amortized over the PPA term once the wind park is available for its intended use.