

Financial Statements of

**HAMILTON RENEWABLE
POWER INCORPORATED**

And Independent Auditor's Report Thereon

Year ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Hamilton Renewable Power Incorporated

Opinion

We have audited the accompanying financial statements of Hamilton Renewable Power Incorporated (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of loss and comprehensive loss for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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.

- Obtain an understanding of internal control relevant to the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Ontario

Date

HAMILTON RENEWABLE POWER INCORPORATED

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HAMILTON RENEWABLE POWER INCORPORATED

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 850,084	\$ 842,315
Accounts receivable	175,306	145,681
Due from related party (note 7)	76,730	80,737
HST receivable	-	12,981
Payment in lieu of taxes receivable	-	167,405
Prepaid expenses	1,748	1,748
	1,103,868	1,250,867
Deposit (note 3)	32,000	32,000
Property, plant and equipment (note 4)	3,123,064	3,622,555
Deferred payment in lieu of taxes receivable (note 6)	245,634	-
	\$ 4,504,566	\$ 4,905,422
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 116,870	98,574
Due to related party (note 7)	398,250	421,436
HST payable	16,346	-
	531,466	520,010
Non-current liabilities:		
Deferred payment in lieu of taxes (note 6)	-	19,810
Total liabilities	531,466	539,820
Shareholder's equity:		
Common shares (note 5)	6,000,010	6,000,010
Deficit	(2,026,910)	(1,634,408)
	3,973,100	4,365,602
Economic dependence (note 8)		
	\$ 4,504,566	\$ 4,905,422

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

On behalf of the Board:

Director

Director

HAMILTON RENEWABLE POWER INCORPORATED

Statement of Loss and Comprehensive Loss

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Electricity distribution service charges	\$ 1,725,831	\$ 1,587,232
Thermal energy (note 7)	289,720	243,282
	2,015,551	1,830,514
Cost of goods sold:		
Methane purchases (note 7)	500,793	473,680
Gross profit	1,514,758	1,356,834
Expenses:		
Repairs and maintenance	1,150,210	1,094,848
Depreciation	499,491	472,511
Professional fees	287,755	269,261
Communication charges	44,861	43,053
Insurance	67,535	67,429
Bank charges and interest	482	559
Miscellaneous	32,394	31,053
	2,082,728	1,978,714
Loss from operating activities	(567,970)	(621,880)
Finance income	34,227	39,594
Loss before recovery in lieu of taxes	(533,743)	(582,286)
Payment (recovery) in lieu of taxes (note 6):		
Current	124,203	(15,602)
Deferred	(265,444)	(111,101)
	(141,241)	(126,703)
Net loss and comprehensive loss	\$ (392,502)	\$ (455,583)

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

HAMILTON RENEWABLE POWER INCORPORATED

Statement of Changes in Equity

Year ended December 31, 2024, with comparative information for 2023

	Common shares	Deficit	Total
Balance at January 1, 2023	\$ 6,000,010	\$ (1,178,825)	\$ 4,821,185
Net loss and comprehensive loss	—	(455,583)	(455,583)
Dividends	—	—	—
Balance at December 31, 2023	\$ 6,000,010	\$ (1,634,408)	\$ 4,365,602
Balance at January 1, 2024	\$ 6,000,010	\$ (1,634,408)	\$ 4,365,602
Net loss and comprehensive loss	—	(392,502)	(392,502)
Dividends	—	—	—
Balance at December 31, 2024	\$ 6,000,010	\$ (2,026,910)	\$ 3,973,100

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

HAMILTON RENEWABLE POWER INCORPORATED

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Operating activities:		
Net loss and comprehensive loss	\$ (392,502)	\$ (455,583)
Adjustments for:		
Depreciation	499,491	472,511
Recovery in lieu of income taxes expense	124,203	(15,602)
Finance income	(34,227)	(39,594)
Deferred payment in lieu of income taxes expense	(265,444)	(111,101)
Accounts receivable	(29,625)	(13,097)
HST payable	29,327	9,776
Prepaid expenses	—	(23)
Accounts payable and accrued liabilities	18,296	(35,095)
Cash used in operating activities	(50,481)	(187,808)
Finance charges received	34,227	39,594
Income taxes refund received	43,202	-
Net cash used in operating activities	26,948	(148,214)
Financing activities:		
Advances from the City of Hamilton	(19,179)	26,164
Net cash (used in) provided by financing activities	(19,179)	26,164
Increase (decrease) in cash	7,769	(122,050)
Cash, beginning of year	842,315	964,365
Cash, end of year	\$ 850,084	\$ 842,315

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

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements

Year ended December 31, 2024

1. Purpose of the organization:

Hamilton Renewable Power Inc. ("the Entity") owns and operates two renewable power generation facilities in Hamilton, Ontario. The Woodward Plant is a 1.6 Megawatt ("MW") cogeneration facility, which is fueled by methane gas provided from the City of Hamilton's wastewater treatment facility. The Glanbrook Plant, is comprised of two 1.6 MW generators (3.2 MW in total) and is fueled by methane gas provided by a landfill gas collection system in the Glanbrook Landfill. Electricity produced by both plants is sold to the Independent Electricity System Operator. Thermal energy produced at Woodward is used by the wastewater treatment facility processes and for space heating.

The address of the Entity's registered office is 71 Main Street West, Hamilton, Ontario, Canada.

2. Material accounting policies:

In February 2021, the IASB amended IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements, to require entities to disclose material accounting policies rather than significant accounting policies. Further amendments to IAS 1 were made to explain how an entity can identify a material accounting policy. The amendments did not have a material impact on the Entity's financial statements. The accounting policies set out below have been applied consistently in all years presented in these financial statements.

a) Basis of presentation:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized by the Board of Directors on **DATE**.

b) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Entity's functional currency.

c) Revenue recognition:

Electricity distribution and thermal energy service charges

These charges comprise charges to customers for use of the Entity's electricity and thermal distribution systems. The performance obligations are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity and thermal services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Entity has the right to bill.

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Material accounting policies (continued):

d) Expenses:

Expenses are reported on the accrual basis of accounting which recognizes expenses as they are incurred and measurable as a result of a receipt of goods or services and the creation of a legal obligation to pay.

e) Property, plant and equipment and depreciation:

Property, plant and equipment and depreciation are initially recorded at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Entity's management. All property, plant and equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the estimated service life of property, plant and equipment, less its residual value as follows:

Asset	Service life
Building	20 years
Generating equipment	45,000-180,000 hours
Interconnect to Grid	20 years
Pipeline	20 years

Material residual value estimates and estimates of useful life are updated as required, but are reviewed at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss.

f) Impairment:

(i) Financial assets measured at amortized cost:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Material accounting policies (continued):

f) Impairment (continued):

(ii) Non-financial assets:

The carrying amounts of the Entity's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of 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 (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU 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 risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

g) Payments in Lieu of Taxes ("PILs"):

The Entity is currently exempt from taxes under the Income Tax Act of Canada ("ITA") and the Ontario Corporations Tax Act ("OCTA"). Pursuant to the Electricity Act, 1998 (Ontario) ("EA"), the Entity is required to compute taxes under the ITA and OCTA and remit such amounts to the Ontario Electricity Financial Corporation ("OEFC").

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year using rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable with respect to previous years.

Deferred tax assets and liabilities is recognized in respect of temporary differences between the tax basis of assets and liabilities and their respective carrying amounts for accounting purposes. A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Material accounting policies (continued):

h) Equity and dividend payments:

Share capital represents the nominal value of shares that have been issued. Retained earnings include all current and prior period retained profits. Dividend distributions payable to the shareholder are included in liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with the shareholder are recorded separately within equity.

i) Financial instruments:

All financial instruments are recognized on the balance sheet when the Entity becomes a party to the contractual provision of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of all financial assets and liabilities, except those held-for-trading and available for sale, are measured at amortized cost determined using the effective interest rate method.

All financial assets and financial liabilities are classified as amortized cost. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 1 (f). The Entity does not enter into derivative instruments.

j) Capital disclosures:

The Entity is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year.

k) Provisions:

A provision is recognized if, as a result of a past event, the Entity has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation.

l) Finance income and finance charges:

Finance income is recognized as it accrues in net income and comprises interest earned on cash and cash equivalents.

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Material accounting policies (continued):

m) Estimation uncertainty:

The preparation of financial statements requires that the Entity's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Entity's assets and liabilities at the end of each reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Actual future outcomes could differ from present estimates and assumptions potentially having a material future effect on the Entity's historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Entity's assets and liabilities are accounted for prospectively.

Areas requiring the use of assumptions and that have a risk of resulting in adjustments to the carrying amounts of the Entity's assets and liabilities are as follows:

Useful lives of depreciable assets

Management reviews its estimate of useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of the asset.

Impairment of property, plant and equipment

Management reviews property, plant and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable

3. Deposit:

The balance is made up of a security deposit of \$32,000 (2022 - \$32,000) paid to the Ontario Electricity Financial Corporation ("OEFC"). On December 23, 2004, Hamilton Renewable Power Inc. (then called Hamilton Hydro Energy Inc.) signed a Renewable Power Energy Supply contract with the OEFC, which was subsequently transferred by the OEFC to the Independent Electricity System Operator ("IESO"), for the supply of 1.6 MW of electricity. During 2007, the IESO determined the security required under this contract to be \$32,000.

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

4. Property, plant and equipment:

	Building	Generating equipment	Interconnect to grid	Pipeline	Total
<i>Cost or deemed cost</i>					
Balance at January 1, 2023	\$ 498,509	\$ 8,278,911	\$ 2,659,720	\$ 1,528,917	\$ 12,966,057
Additions	—	—	—	—	—
Transfers	—	—	—	—	—
Disposals	—	—	—	—	—
Balance at December 31, 2023	\$ 498,509	\$ 8,278,911	\$ 2,659,720	\$ 1,528,917	\$ 12,966,057
Balance at January 1, 2024	\$ 498,509	\$ 8,278,911	\$ 2,659,720	\$ 1,528,917	\$ 12,966,057
Additions	—	—	—	—	—
Transfers	—	—	—	—	—
Disposals	—	—	—	—	—
Balance at December 31, 2024	\$ 498,509	\$ 8,278,911	\$ 2,659,720	\$ 1,528,917	\$ 12,966,057
<i>Accumulated Depreciation</i>					
Balance at January 1, 2023	\$ 391,267	\$ 5,424,889	\$ 1,913,675	\$ 1,141,160	\$ 8,870,991
Additions	24,925	238,154	132,986	76,446	472,511
Transfers	—	—	—	—	—
Disposals	—	—	—	—	—
Balance at December 31, 2023	\$ 416,192	\$ 5,663,043	\$ 2,046,661	\$ 1,217,606	\$ 9,343,502
Balance at January 1, 2024	\$ 416,192	\$ 5,663,043	\$ 2,046,661	\$ 1,217,606	\$ 9,343,502
Additions	24,925	265,134	132,986	76,446	499,491
Transfers	—	—	—	—	—
Disposals	—	—	—	—	—
Balance at December 31, 2024	\$ 441,117	\$ 5,928,177	\$ 2,179,647	\$ 1,294,052	\$ 9,842,993
<i>Carrying amount</i>					
December 31, 2023	\$ 82,317	\$ 2,615,868	\$ 613,059	\$ 311,311	\$ 3,622,555
December 31, 2024	\$ 57,392	\$ 2,350,734	\$ 480,073	\$ 234,865	\$ 3,123,064

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

5. Common shares:

The Entity is authorized to issue an unlimited number of common shares. Any invitation to the public to subscribe for shares of the Entity is prohibited.

	2024	2023
Issued:		
600,001 Common shares	\$ 6,000,010	\$ 6,000,010

The Entity did not pay any dividends in the year on common shares (2023 - \$nil).

6. Payments in lieu of income taxes:

The provision for payments in lieu of income taxes ("PILs") recognized in income is as follows:

	2024	2023
Current PILs:		
Current year expense (recovery)	\$ 124,203	\$ (15,602)
Deferred PILs:		
Origination and reversal of temporary differences	(265,444)	(111,101)
	\$ (141,241)	\$ (126,703)

Reconciliation of effective tax rate

The provision for PILs is computed by applying the Entity's combined statutory income tax rate of 26.5% (2023 – 26.5%) to income before payment in lieu of taxes.

Deferred payments in lieu of income tax

Significant component of the Entity's deferred PILs is as follows:

	2024	2023
Deferred PILs asset (liability):		
Property, plant and equipment	\$ (19,810)	\$ (71,130)
Non-capital loss	265,444	51,320
	\$ 245,634	\$ (19,810)

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

7. Related party transactions:

The Entity sold \$289,720 (2023 - \$243,282) of thermal energy to the sole shareholder, the City of Hamilton, and incurred methane purchase costs of \$500,793 (2023 - \$473,680) from the City of Hamilton, which are included in cost of goods sold. These transactions are recorded at fair value.

The Entity paid \$280,255 (2023 - \$261,761) to the City of Hamilton for administrative support.

The Entity paid \$178,646 (2023 - \$167,070) to a corporation under common control for operation charges related to the Woodward co-generation facility.

These transactions are in the normal course of operations and are measured at the exchange amount as agreed upon by the related parties.

Amounts due to and from related party included in current assets \$76,730 (2023 - \$80,737) and current liabilities \$398,251 (2023 - \$421,436) were due to/from the City of Hamilton. These balances have payment terms of net 30, with interest accruing at prime plus 2%.

8. Economic dependence:

The Entity earns thermal energy revenue from the City of Hamilton and electricity generated revenue from the Independent Electricity System Operator based on the terms of two supply contracts that expire in July 2026 and November 2028.

9. Financial instruments:

Fair value

The carrying value of the Entity's financial instruments as at December 31, 2024 approximate fair value.

Financial risk management

The types of financial risk exposure and the way in which such exposure is managed by the Entity are as follows:

Credit risk

The Entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. 100% of the Entity's revenue is attributable to sales transactions with three customers. The carrying amounts of the Entity's accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in net income. The balance of the allowance for impairment as at December 31, 2024 is \$nil (2023 - \$nil). The Entity's exposure to credit risk and management of this risk has not changed from the previous year. Management believes that the exposure is minimal as all amounts receivable are not past due.

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Financial instruments (continued):

Liquidity risk

Liquidity risk is the risk that the Entity will be unable to meet its financial obligations as they become due. The Entity manages liquidity risk by ensuring that it has sufficient cash available to meet its obligations. The Entity forecasts cash flows for a period of 12 months to identify financial requirements. These requirements are met through cash flows from operations. Management believes that the Entity's exposure to liquidity risk and management of this risk has not changed from the previous year.

At December 31, 2024, the Entity's current liabilities consisted of accounts payable and accrued liabilities and due to related party. The Entity's cash and cash equivalents together with projected cash flows over the next 12 months is sufficient to pay these current liabilities.

10. New standards and interpretations not yet effective:

The following new accounting standards/amendments have been published by the International Accounting Standards Board (IASB) but are not effective as at December 31, 2024, and have not been adopted in these financial statements:

Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued Amendments to the classification and Measurement of Financial Instruments which amended IFRS 9 and IFRS 7. The requirements will be effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted, and are related to:

- settling financial liabilities using electronic payments systems; and
- assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

The Entity is in the process of assessing the impact of the new amendments.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements:

- entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
- enhanced guidance is provided on how to group information in the financial statements.

HAMILTON RENEWABLE POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2024

10. New standards and interpretations not yet effective (continued):

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Entity is in the process of assessing the impact of the new standard, particularly with respect to the structure of the Corporation's statement of comprehensive income, statement of cash flows and the additional disclosure required for MPMs. The Corporation is also assessing the impact on how information is grouped in the financial statements, including for items currently labeled as 'other'.

DRAFT