Consolidated Financial Statements of

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

And Independent Auditor's Report thereon

Year ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Energy Development Co-operative Limited

Opinion

We have audited the consolidated financial statements of Community Energy Development Co-operative Limited (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and total comprehensive loss for the year then ended
- the consolidated statement of changes in members' equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

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 ethical 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.

Emphasis of Matter - comparative information

We draw attention to Note 3 to the financial statements ("Note 3"), which explains that certain comparative information presented:

- for the year ended December 31, 2022 has been restated.
- as at January 1, 2022 has been derived from the financial statements for the year ended December 31, 2021 which have been restated (not presented herein).

Note 3 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented:

- for the year ended December 31, 2022
- as at January 1, 2022

In our opinion, such adjustments are appropriate and have been properly applied.

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 IFRS Accounting Standards, 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 conclusions are 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada
April 1, 2024

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for December 31, 2022 and January 1, 2022

	2023	2022 (Restated - Note 3)	Jan. 1, 2022
Assets			
Current assets:			
Cash	$ 834,278	$ 1,017,037	$ 2,160,947
Accounts receivable	200,116	204,719	194,052
Share subscriptions receivable	27,520	135,365	21,050
Prepaid expenses	61,601	49,778	42,070
	1,123,515	1,406,899	2,418,119
Restricted cash (note 8)	2,168,812	2,048,228	1,897,638
Below market leases (note 4)	323,635	347,904	372,170
Investments in associates	169,032	197,377	216,008
Energy generation equipment (note 5)	27,744,036	30,023,025	32,292,772
Right-of-use assets (note 6)	2,287,467	2,487,569	2,684,445
	$ 33,816,497	$ 36,511,002	$ 39,881,152
Liabilities and Members' Equity			
Current liabilities:			
Accounts payable and accrued liabilities (note 7)	$ 375,784	$ 271,655	$ 280,485
Harmonized sales tax payable	32,081	65,412	70,549
Due to related party (note 7)	73,231	-	-
Current portion of long-term debt (note 8)	1,670,308	6,547,234	1,370,023
Current portion of note payable (note 9)	96,711	92,148	87,681
Current portion of bonds issued (note 11)	856,631	1,256,887	1,254,796
Current portion of leasing obligations (note 14)	152,364	152,364	142,957
	3,257,110	8,385,700	3,206,491
Long-term liabilities:			
Due to related party (note 7)	-	85,222	97,212
Long-term debt (note 8)	15,317,915	12,201,689	18,623,462
Note payable (note 9)	830,709	927,421	1,019,569
Leasing obligations (note 14)	2,338,997	2,489,261	2,642,605
Bonds issued (note 11)	3,790,004	4,341,556	5,271,488
Deferred income taxes (note 10)	20,541	90,037	122,831
	22,298,166	20,135,186	27,777,167
Total liabilities	25,555,276	28,520,886	30,983,658
Members' equity:			
Share capital (note 12)			
Membership shares	8,270	8,100	7,980
Class A preference shares	5,178,385	5,182,320	5,278,142
Class B preference shares	2,885,853	2,931,378	2,934,937
Class C preference shares	5,921,976	4,096,245	3,456,556
	13,994,484	12,218,043	11,677,615
Deficit	(7,018,686)	(5,656,481)	(4,470,811)
Non-controlling interest	1,285,423	1,428,554	1,690,690
	8,261,221	7,990,116	8,897,494
Subsequent events (note 8 and 18)			
	$ 33,816,497	$ 36,511,002	$ 39,881,152

See accompanying notes to consolidated financial statements.

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Consolidated Statement of Operations and Total Comprehensive Loss

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - Note 3)
Revenue:		
Energy generation revenue	$ 4,949,819	$ 5,083,702
Direct costs:		
Project insurance	114,941	120,258
Repairs and maintenance (note 7)	456,122	472,609
System operating expenses	64,335	66,706
	635,398	659,573
Gross profit	4,314,421	4,424,129
Expenses:		
Operating and administrative:		
Advertising and promotion	3,194	9,124
Insurance	10,115	5,769
Interest and bank charges	2,033	2,264
Office	1,802	4,120
Professional fees	173,817	126,928
Management fees (note 7)	298,546	292,285
Board remuneration	41,996	40,731
Depreciation	2,343,039	2,338,353
Financial:		
Interest on debt, bonds, amort. of financing	1,569,735	1,695,892
Accreted interest on leasing obligations	165,991	174,137
Amortization of right-of-use assets (note 6)	197,216	197,216
Amortization of below market leases (note 4)	24,267	24,267
	4,831,751	4,911,086
Loss before other income	(517,330)	(486,957)
Share of net income of associates	28,698	17,239
Interest income	66,793	52,122
Loss before deferred income taxes	(421,839)	(417,596)
Deferred income tax recovery (note 10)	(69,496)	(32,794)
Net loss, being total comprehensive loss	$ (352,343)	$ (384,802)
Attributable to:		
Owners of the parent	$ (493,575)	$ (478,432)
Non-controlling interests	141,232	93,630
Net loss, being total comprehensive loss	$ (352,343)	$ (384,802)

See accompanying notes to consolidated financial statements.

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Consolidated Statement of Changes in Members' Equity

Year ended December 31, 2023, with comparative information for 2022

	Share capital	Deficit	Accumulated revaluation surplus	Total	Non-controlling interest	Total equity
Balance, December 31, 2021 (previously stated)	$ 11,677,615	$ (4,696,805)	$ 2,810,015	$ 9,790,825	$ 2,689,168	$ 12,479,993
Adjustments relating to restatement (note 3)	$ -	$ 225,994	$ (2,810,015)	$ (2,584,021)	$ (998,478)	$ (3,582,499)
Balance, December 31, 2021	$ 11,677,615	$ (4,470,811)	$ -	$ 7,206,804	$ 1,690,690	$ 8,897,494
Net loss, being total comprehensive loss	-	(478,432)	-	(478,432)	93,630	(384,802)
Shares issued, net of issue costs	681,945	-	-	681,945	-	681,945
Shares redeemed, net of share issue costs derecognized	(141,517)	-	-	(141,517)	-	(141,517)
Cash disbursed to non-controlling interests	-	-	-	-	(355,766)	(355,766)
Dividends paid	-	(707,238)	-	(707,238)	-	(707,238)
Balance, December 31, 2022	12,218,043	(5,656,481)	-	6,561,562	1,428,554	7,990,116
Net loss, being total comprehensive loss	-	(493,575)	-	(493,575)	141,232	(352,343)
Shares issued, net of issue costs	1,997,049	-	-	1,997,049	-	1,997,049
Shares redeemed, net of share issue costs derecognized	(220,608)	-	-	(220,608)	-	(220,608)
Cash disbursed to non-controlling interests	-	-	-	-	(284,363)	(284,363)
Dividends paid	-	(868,630)	-	(868,630)	-	(868,630)
Balance, December 31, 2023	$ 13,994,484	$ (7,018,686)	$ -	$ 6,975,798	$ 1,285,423	$ 8,261,221

See accompanying notes to consolidated financial statements.

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.
Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - Note 3)
Cash provided by (used in)		
Operating activities:		
Net loss	$ (352,343)	$ (384,802)
Items not affecting cash (note 13)	2,996,903	3,116,612
Change in non-cash operating working capital (note 13)	171,423	(146,657)
	2,815,983	2,585,153
Financing activities:		
Repayment to related party	(11,991)	(11,990)
Repayment of long-term debt	(1,883,216)	(1,367,082)
Repayment of leasing obligations (note 7)	(316,255)	(317,969)
Repayment of bonds	(1,096,480)	(1,181,679)
Repayment of note payable	(92,149)	(87,681)
Redemption of Class A preferred shares	(3,970)	(96,660)
Redemption of Class B preferred shares	(46,310)	(3,620)
Issuance of Class C preferred shares, net of issue costs	1,656,585	513,105
Redemption of Class C preferred shares	(172,810)	(43,750)
Cash disbursed to non-controlling interests	(284,363)	(355,766)
Issuance of membership shares	170	170
Dividends paid in cash	(543,905)	(538,568)
	(2,794,694)	(3,491,490)
Investing activities:		
Increase in restricted cash	(120,584)	(150,590)
Purchase of energy generation equipment	(64,050)	(68,606)
Investments in associates	(19,414)	(18,377)
	(204,048)	(237,573)
Decrease in cash	(182,759)	(1,143,910)
Cash, beginning of period	1,017,037	2,160,947
Cash, end of period	$ 834,278	$ 1,017,037

1. General information and Statement of Compliance with IFRS:

Community Energy Development Co-operative Ltd. (the "Co-operative") is co-operative corporation incorporated on October 31, 2012, under the Ontario Co-Operative Corporations Act. Prior to December 10, 2020, the business of the Co-operative was restricted to generating and selling electricity from renewable energy sources. Pursuant to changes in the Co-operative's governing documents approved by the members on December 10, 2020, and a by-law approved at that time, the Co-operative's authorized business activities now include a wider range of activities related to the advancement and commercial exploitation of renewable energy technologies.

The Co-operative is incorporated and domiciled in Ontario. Its registered office and principal place of business is 3-5 Forwell Road, Kitchener, ON N2B 1W3.

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

The Board of Directors of the Co-operative approved these financial statements on April 1, 2024.

2. Material accounting policies:

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The material policies are detailed as follows:

(a) Principles of consolidation:

The consolidated financial statements include the assets, liabilities and results of operations of the Co-operative and its controlled entities (i.e. its subsidiaries). A controlled entity is any entity over which the Co-operative has the right and ability to exercise continuing power to determine the strategic operating, investing and financing policies without the co-operation of others, in order to obtain future economic benefits and where the Co-operative is exposed to the related risks.

In preparing the consolidated financial statements, all intra-group balances and transactions between the entities in the consolidated group have been eliminated.

Non-controlling interest represents the equity interest in a subsidiary that is not attributable directly or indirectly to the Co-operative and is shown separately within the Members’ equity section of the Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Other Comprehensive Loss, and the Consolidated Statement of Changes in Members’ Equity.

The Co-operative’s investments in associates are accounted for using the equity method.

2. Material accounting policies (continued):

(a) Principles of consolidation (continued):

The Co-operative's subsidiaries comprise six wholly-owned corporations and four limited partnerships:

<u>Wholly-owned corporations:</u>

- SolarDev1 Inc.
- SolarDev2 Inc.
- SolarDev3 Inc.
- SolarDev Inc.
- 2117921 Alberta Inc.
- 1702782 Alberta Inc.

SolarDev1 Inc., SolarDev2 Inc., SolarDev3 Inc., and SolarDev Inc. are in the business of managing the affairs of one of the limited partnerships discussed below. 2117921 Alberta Inc. and 1702782 Alberta Inc. own energy generation equipment and related contracts.

<u>Limited Partnerships (created under the *Limited Partnerships Act* (Ontario)):</u>

- Sunshare1 LP
- Sunshare2 LP
- Sunshare3 LP
- Sunshare4 LP

All four limited partnerships are in the business of owning and operating solar energy projects.

Pursuant to the terms of the limited partnership agreements, the affairs of each partnership are governed by the general partner, which has full power and exclusive authority to manage the affairs of the partnership. In the case of all four limited partnerships, the general partner is one of the wholly-owned subsidiary corporations of the Co-operative. Accordingly, the Co-operative, through its ownership of the general partners, has the power to control the financial and operating policies of the limited partnerships.

Each partnership is authorized to issue a number of different classes of units. Each class of units gives the holder the right to receive a specified percentage of the net income earned by one of more of the energy generation projects owned by the partnership.

2. Material accounting policies (continued):

(b) Revenue recognition:

Revenue from solar energy generation is recognized at the time the electricity is transferred to the provincial grid, provided that the amounts are determinable and the ability to collect is reasonably assured.

(c) Energy generation equipment:

Energy generation equipment is initially recognized at cost. Cost includes the purchase price and other acquisition costs, such as installation costs, including design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. In addition, because a contract to supply electricity to a local power authority is required in order for the Co-operative to realize economic benefits from the equipment, and since the estimated useful lives of the contracts and of the equipment is approximately the same, the cost of acquiring such contracts is added to the cost of the equipment.

The cost incurred to enhance the service potential of an item of energy generation equipment (betterment) is also included in the cost of an asset.

Energy generation equipment is depreciated using the straight-line method over the remaining life of the 20-year related contract to supply electricity to a local power authority.

(d) Leases:

Right-of-use leases

For all contracts, the Co-operative considers whether a contract is, or contains a lease.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Co-operative recognizes a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Co-operative, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentives received.

The Co-operative depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Co-operative also assesses the right-of-use asset for impairment when such indicators exist.

The Co-operative measures the lease liability at the present value of the lease payments unpaid at the lease commencement date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Co-operative’s incremental borrowing rate.

2. Material accounting policies (continued):

(d) Leases (continued):

Subsequent to initial measurement, the liability is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

Measurement and recognition of leases as a lessee (continued)

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

(e) Financial instruments:

The Co-operative considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Co-operative accounts for the following as financial instruments:

- cash
- accounts receivable
- share subscriptions receivable
- accounts payable and accrued liabilities
- due to related parties
- bonds issued
- long-term debt
- note payable
- HST payable
- restricted cash

A financial asset or liability is recognized when the Co-operative becomes party to contractual provisions of the instrument.

The Co-operative initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Cash, accounts receivable, restricted cash and bond and share subscriptions receivable are subsequently measured as financial assets at amortized cost.

Accounts payable and accrued liabilities, bonds subscribed and issued, long-term debt, amounts due to related party, a note payable, and harmonized sales tax payable are measured at amortized cost.

The Co-operative's accounts receivable result from transactions within the scope of IFRS 15 and do not contain a significant financing component. Accordingly, they qualify for the simplified approach for measuring impairment set out in IFRS 9, under which impairment is measured at an amount equal to lifetime expected credit losses. Impairment of other financial assets is measured at an amount equal to 12-month expected credit losses.

2. Material accounting policies (continued):

(e) Financial instruments (continued):

Impairment losses are recognized in profit or loss. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. Reversals of impairment losses are recognized in profit or loss.

Membership shares are redeemable at the option of the holder for a fixed amount of cash. The Cooperative's membership shares meet the conditions set out in IFRIC 2, and, accordingly, are classified as equity.

(f) Income taxes:

Income taxes comprise current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. The carrying amount of a deferred tax asset is reviewed at the end of each fiscal year and reduced to the extent that it is no longer probable that the related tax loss will be realized.

(g) Impairment of long-lived non-financial assets:

At the end of each fiscal year, the Co-operative reviews the carrying amounts of its investments in associates and long-lived tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Co-operative estimates the recoverable amount of the cash generating unit (“CGU”) to which the asset belongs. A CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or CGUs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs. Otherwise, assets are allocated to the smallest group of CGUs for which a reasonable and consistent allocation base can be identified.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

2. Material accounting policies (continued):

(h) Material management judgements:

The following are management judgements in applying the accounting policies of the Co-operative that have the most material effect on the financial statements.

Classification of investment in associates

The Co-operative assesses whether various legal agreements into which it has entered, which are described as “Joint Venture Agreements”, have resulted in the establishment of “separate vehicles”, as defined in IFRS 11. The key factor in making this assessment is the extent to which the legal agreements to which the joint ventures and the venturers are parties will result in the joint ventures carrying on business in their own right.

(i) Estimation uncertainty:

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or the possibility of impairment. Many items in the preparation of these financial statements require management’s best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include the following:

Impairment of non-financial assets

The Co-operative assesses the carrying value of its below market leases, investments in associates, and energy generation equipment for impairment as circumstances warrant. Recoverability of these assets is dependent on assumptions and judgments regarding future performance. A material change in assumptions may significantly impact the potential impairment of these assets. Assumptions used in the calculation of recoverable amounts include, future cash flows and gross margins, and the discount rate used to determine the present value of cash flows. Recoverability is estimated at the lowest level of independent cash flows, which could be an individual asset or CGU.

(j) New accounting pronouncements adopted during the period:

On January 1, 2023 the Company adopted amendments within IAS 1 Presentation of Financial Statements related to the Disclosure of Accounting Policies. The changes required an entity to disclose material rather than significant accounting policies and provided guidance identifying material accounting policies relevant to users of the financial statements. Accordingly, management reviewed its accounting policies and updated the accounting policy information within this note to align with these amendments.

2. Material accounting policies (continued):

(l) New accounting pronouncements:

The International Accounting Standards Board has issued the following amendment to standards that are not yet effective, have not yet been adopted by the Co-operative and are not expected to have a material impact on the consolidated financial statements:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In January 2020, the IASB issued amendments to IAS 1, “Presentation of Financial Statements”, (the 2020 amendments), providing a more general approach to the classification of liabilities based on the contractual agreements in place at the reporting date. On October 31, 2022 the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) (the 2022 amendments), to improve the information provided about long-term debt with covenants. The 2020 amendments and the 2022 amendments (collectively “the Amendments”) are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted.

The Amendments to IAS 1 affect only the presentation of liabilities in the statement of financial position and seek to clarify that the classification of liabilities as current or non-current should be based on the rights that are in existence at the end of the reporting period. Further, the Amendments make clear that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and that the settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

3. Change in accounting policy:

On January 1, 2023, the entity made an accounting policy change from the revaluation model of accounting for its energy generation equipment assets to the cost model. The change in accounting policy is intended to result in the financial statements being more reliable and providing relevant to the users of the financial statements. The change allows for a better understanding of the value of the energy generation equipment. The cost model represents better alignment with the Feed-In-Tariff contracts associated with the energy generation equipment for a stable depreciation expense. The cost model also eliminates the need for significant accounting estimates and inherent uncertainty involved in the revaluation model, making financial statements more relevant and reliable for users.

The accounting policy change results in adjustments to previously presented information. These adjustments can be summarized as follows:

3. Change in accounting policy (continued):

(a) Consolidated Statement of Financial Position:

December 31, 2022		**As previously reported**		**Change**		**As Restated**
Investments in associates	$	320,238	$	(122,861)	$	197,377
Energy generation equipment		34,525,535		(4,502,510)		30,023,025
Total Assets		**41,136,373**		**(4,625,371)**		**36,511,002**
Deferred income taxes		1,302,904		(1,212,867)		90,037
Total Liabilities		**29,733,751**		**(1,212,865)**		**28,520,886**
Deficit		(5,769,478)		112,997		(5,656,481)
Accumulated other comprehensive income		2,501,180		(2,501,180)		-
Non-controlling interest		2,452,877		(1,024,323)		1,428,554
Total Equity		**11,402,622**		**(3,412,506)**		**7,990,116**

3. Change in accounting policy (continued):

(b) Consolidated Statement of Operations:

December 31, 2022		As previously reported		Change		As Restated
Depreciation	$	2,672,385	$	(334,032)	$	2,338,353
Losses (reversals of losses) on revaluation of energy generation equipment		71,117		(71,117)		-
Loss before other income		**(892,106)**		**405,149**		**(486,957)**
Share of net income of associates		17,010		229		17,239
Loss before deferred income taxes		**(822,974)**		**405,378**		**(417,596)**
Deferred income tax recovery		(206,971)		174,177		(32,794)
Net loss		**(616,003)**		**231,201**		**(384,802)**
Gains on revaluation of energy generation equipment		83,275		(83,275)		-
Deferred income tax expense		(22,067)		22,067		-
Net loss, being total comprehensive loss		**(554,795)**		**169,993**		**(384,802)**
Attributable to:						
Owners of the parent		(666,062)		187,630		(478,432)
Non-controlling interests		50,059		43,571		93,630

3. Change in accounting policy (continued):

(c) Consolidated Statement of Changes in Members' Equity:

December 31, 2021		As previously reported		Change		As Restated
Deficit	$	(4,696,805)	$	225,994	$	(4,470,811)
Accumulated revaluation surplus		2,810,015		(2,810,015)		-
Total		**9,790,825**		**(2, 584,021)**		**7,206,804**
Non-controlling interest		2,689,168		(998,478)		1,690,690
Total Equity		**12,479,993**		**(3,582,499)**		**8,897,494**
December 31, 2022						
Deficit						
Net income (loss)	$	(666,062)	$	187,630	$	(478,432)
Transfer from revaluation surplus to retained earnings		300,627		(300,627)		-
Deficit		**(5,769,478)**		**112,997**		**(5,656,481)**
Accumulated revaluation surplus						
Gains on revaluation of energy equipment, net of deferred taxes		(8,208)		8,208		-
Transfer from revaluation surplus to retained earnings		(300,627)		300,627		-
Accumulated revaluation surplus		**(308,835)**		**308,835**		**-**
Total		**8,949,745**		**(2,388,183)**		**6,561,562**
Non-controlling interest						
Net income (loss)		50,059		43,571		93,630
Gains on revaluation of energy equipment, net of deferred taxes		69,416		(69,416)		-
Non-controlling interest		**2,452,877**		**(1,024,323)**		**1,428,554**
Total Equity						
Net income (loss)		(616,003)		231,201		(384,802)
Gains on revaluation of energy equipment, net of deferred taxes		61,208		(61,208)		-
Total Equity		**11,402,622**		**(3,412,506)**		**7,990,116**

3. Change in accounting policy (continued):

(d) Consolidated Statement of Cash Flows:

December 31, 2022		**As previously reported**		**Change**		**As Restated**
Net loss	$	(616,003)	$	231,201	$	(384,802)
Items not affecting cash		3,347,813		(231,201)		3,116,612
Decrease in cash		**(1,143,910)**		**-**		**(1,143,910)**

4. Below market leases:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Below market leases	$ 471,552	$ 147,917	$ 323,635	$ 347,904

Amortization expense for the above below market leases in the year was $24,267 (2022 - $24,267).

The Sunshare1, Sunshare2, and Sunshare3 Limited Partnerships own certain energy generation projects that are located on property owned by entities which also own non-controlling interests in the limited partnerships, under long-term leases requiring no rent or nominal rent. In accordance with IFRS 3, the Co-operative recognized the fair value of these below market leases in accounting for the acquisition of the businesses that operate these projects. The Co-operative's rights under the leases are being amortized using the straight-line method over the terms thereof.

5. Energy generation equipment:

Cost:	
Balance at January 1, 2022	42,725,282
Energy generation equipment additions	68,606
Balance at December 31, 2022	42,793,888
Energy generation equipment additions	64,050
Balance at December 31, 2023	$ 42,857,938
Accumulated depreciation:	
Balance at January 1, 2022	(10,432,510)
Depreciation for the year	(2,338,353)
Balance at December 31, 2022	(12,770,863)
Depreciation for the year	(2,343,039)
Balance at December 31, 2023	$(15,113,902)
Net book value at December 31, 2022	$ 30,023,025
Net book value at December 31, 2023	$ 27,744,036

6. Right-of-use assets:

All of the Co-operative's energy generation projects are located on premises that are leased under long-term leases.

As set out in note 3, certain of those long-term leases require no rent or nominal rent. The Cooperative's interest in those projects was acquired in the course of business combinations, to which IFRS 3 applied. In accordance with IFRS 3, the Co-operative recognized the fair value of those below market leases in accounting for the acquisition of the businesses that operate these projects.

6. Right-of-use assets (continued):

The Co-operative's remaining leases are accounted for in accordance with IFRS 16, under which it recognizes both a right-of-use asset and a related lease liability (See note 14).

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Right-of-use assets	$ 3,279,430	$ 991,963	$ 2,287,467	$ 2,487,569

Additional information on the right-of-use assets is as follows:

	2023	2022
Carrying amount at beginning of year	$ 2,487,569	$ 2,684,445
Remeasurements of leasing obligations	(2,886)	340
Depreciation expense for the year	(197,216)	(197,216)
	$ 2,287,467	$ 2,487,569

7. Related party transactions

(a) During the year, the Co-operative entered into the following transactions paid to VCT Group Inc. ("VCT") and Vigor Clean Tech Inc., corporations which are related by virtue of common management:

	2023	2022
Management and consulting fees	$ 298,546	$ 292,285
Lease payments, including property taxes	90,000	92,672
Repairs and maintenance	456,122	472,609

Included Class C preference shares issued are costs of issuance of $31,279 (2022 –$26,146) for offering expenses incurred by the Co-operative as charged by VCT.

Key management is employed by VCT, which compensates management staff from the management fees it receives.

(b) Due to related party:

	2023	2022
Advances from Vigor Clean Tech	$ 73,231	$ 85,222

These advances are unsecured, non-interest bearing, with no set terms of repayment.

(c) Accounts payable and accrued liabilities include the following amounts payable to VCT:

	2023	2022
Payable to VCT	$ 108,512	$ 36,734

8. Long-term debt:

Long term debt comprises CWB Maxium Financial Inc. term loans. All loans are payable in blended quarterly instalments, with interest payable at various rates between 5.11% and 6.21%. All loans except one are amortized over 17 years, but are due on the tenth anniversary date. At that time, the Co-operative will have the option of renewing the loans for an additional 7 years, at then-current interest rates, or repaying them in full. The remaining loan is amortized and repayable over 10 years.

	2023	2022
Loan payable at 5.49%, quarterly instalments of principal and interest ranging from $63,862 - $223,517, due January 30, 2027, secured by specific energy generation equipment with a net book value of $6,404,368.	$ 4,777,218	$ 5,234,214
Loan payable at 5.31%, quarterly instalments of principal and interest ranging from $60,716 - $212,507, due April 28, 2027 secured by specific energy generation equipment with a net book value of $6,646,417.	4,670,054	5,106,325
Loan payable at 5.11%, quarterly instalments of principal and interest ranging from $7,057 - $24,698, due June 7, 2027, secured by specific energy generation equipment with a net book value of $689,652.	558,204	609,255
Loan payable at 5.70%, quarterly instalments of principal and interest ranging from $49,324 - $172,632, due December 21, 2027, secured by specific energy generation equipment with a net book value of $4,762,838.	3,976,135	4,327,380
Loan payable at 6.21%, quarterly instalments of principal and interest ranging from $54,478 - $190,672, due October 1, 2028, secured by specific energy generation equipment with a net book value of $4,186,916.	2,216,409	2,711,461
Loan payable at 5.83%, quarterly instalments of principal and interest ranging from $14,086 - $49,302, due March 31, 2028, secured by specific energy generation equipment with a net book value of $1,339,484.	1,134,514	1,227,117
Canada Emergency Business Account (CEBA), three non-interest bearing loans.	120,000	120,000
	17,452,534	19,335,752
Less: unaccreted costs of issuing debt	464,311	586,829
	16,988,223	18,748,923
Less: current portion	1,670,308	6,547,234
	$ 15,317,915	$ 12,201,689

8. Long-term debt (continued):

Estimated principal repayments are as follows:

2024	$ 1,670,308
2025	1,640,308
2026	1,735,553
2027	8,408,669
2028	3,997,696
Thereafter	-
	$ 17,452,534

Classification considerations:

The Co-operative experienced unusually low sun hours during 2022 in most geographic areas where its energy generation equipment was located. The Co-operative also incurred added repair costs after a windstorm damaged some of its energy generation equipment in a subsidiary of the Co-operative, Sunshare2 LP. These combined factors resulted in relatively unfavourable financial performance of Sunshare2 LP for 2022. Per the terms of the lending agreement, the conditions required for equity distribution were not met during the year, indicating a breach of these conditions. Upon becoming aware of the situation, the Co-operative obtained a waiver from the lender CWB Maxium Financial Inc. Per the lending agreement, since this waiver was issued within the cure period, this did not result in an event of default for Sunshare2 LP or the Co-operative. Per IAS 1, the Co-operative was required to report the entire balance of the loan as a current liability at December 31, 2022, since it did not have the unconditional right to defer its settlement of the loan for at least twelve months. The total amount of debt classified as current at December 31, 2022, that would have otherwise been classified as long term, was $4,977,711. However, as a result of obtaining the waiver within the cure period, the acceleration of repayments of the loan was automatically annulled and the loan was reclassified to long term on March 17, 2023. The Co-operative was not required to make changes to the lending agreement in exchange for the waiver.

Restricted cash:

Under the terms of its loan agreements with CWB Maxium, the Co-operative is required to retain a portion of the income earned from the energy generation equipment that is pledged as security for the loans in segregated bank accounts at CWB Maxium's parent, Canada Western Bank. The segregated funds are designated for financing repairs required for the energy generation equipment, as well as for maintaining a reserve to finance loan payments, should the cash flow from the projects be insufficient to make the required payments.

8. Long-term debt (continued):

Canada Emergency Business Account loans

The loans were repaid subsequent to year end without fees or penalties.

9. Note payable:

		2023		2022
Note payable to 2300070 Ontario Inc. bearing interest at 5% per annum, unsecured, payable in quarterly blended instalments of $35,350, due December 23, 2031.	$	927,420	$	1,019,569
Less: current portion		96,711		92,148
	$	830,709	$	927,421

Estimated principal repayments are as follows:

2024		96,711
2025		101,770
2026		106,955
2027		112,403
2028		118,057
Thereafter		391,524
	$	927,420

10. Deferred income taxes:

Tax-affected temporary differences between accounting and taxable income which result in future income tax assets (liabilities) are as follows:

	2023	2022
Undeducted losses for tax purposes available for carryforward	$ 3,744,808	$ 3,720,865
Temporary differences between carrying value of energy generation equipment and tax value	(3,619,808)	(3,650,726)
Temporary differences between carrying value of unamortized costs of arranging financing and tax value	(178,586)	(201,001)
Temporary difference between value of right-of-use asset and lease obligation	33,045	40,825
	$ (20,541)	$ (90,037)

Deferred income tax recovery recorded through profit and loss in the consolidated financial statements differs from the amount which would have been obtained by applying the statutory income tax rate of 26.5% to the net loss for the year as follows:

	2023	2022
Anticipated deferred income tax expense (recovery)	$ (111,787)	$ (110,663)
Permanent	11,753	85,226
Other	30,538	(7,357)
	$ (69,496)	$ (32,794)

Deferred income tax liability comprises the following:

	2023	2022
Cumulative deferred income tax recovery recorded through profit and loss	$ 240,642	$ 171,146
Deferred taxes recognized on business combinations	(225,077)	(225,077)
Deferred taxes resulting from difference between cost and tax basis of assets acquired	(36,106)	(36,106)
	$ (20,541)	$ (90,037)

11. Bonds issued and subscribed:

	2023	2022
Unsecured series L1-4 bonds:		
Bonds issued	$ 1,914,247	1,933,438
Accrued interest	1,408,974	1,341,190
Unsecured series Q1 bonds:		
Bonds issued	960,296	1,125,795
Unsecured series P1 bonds:		
Bonds issued	5,187	130,325
Unsecured series O2 bonds:		
Bonds issued	-	410,745
Unsecured series P2 bonds:		
Bonds issued	394,807	710,965
	4,683,511	5,652,458
Less: unaccreted costs of issuing debt	36,876	54,015
	4,646,635	5,598,443
Less: current portion	856,631	1,256,887
	$ 3,790,004	$ 4,341,556

11. Bonds issued and subscribed (continued):

Estimated principal repayments are as follows:

2024	$	856,631
2025		238,337
2026		189,129
2027		420,710
2028		517,724
Thereafter		2,460,980
	$	4,683,511

The Co-operative may at any time redeem, without the consent of the bondholders, all or any part of the issued and outstanding bonds upon payment of the principal together with any accrued interest. The rights of the holders of each series of bonds may be modified or waived at a meeting of all holders of that series of bond with a vote of at least two-thirds of the aggregate principal present, provided that quorum is achieved. Quorum is achieved if at least 25% of the principal amount of the bonds are represented in person or rendered by instruments in writing signed by the holders of at least two-thirds of the aggregate principal amount.

Except as otherwise stated, none of the bonds are redeemable by the holder on demand, nor are the bondholders entitled to demand the redemption of their outstanding principal upon withdrawal from membership in the Co-operative.

All of the bonds are junior in rank with respect to the payment of interest and principal on the Co-operative's term loans. All series of bonds are equivalent in rank with respect to the payment of interest and principal of all other bonds of the Co-operative. All series of bonds are senior in rank to the payment of dividends on and redemption amount of the Class A preference shares, Class B preference shares, Class C preference shares, and membership shares upon dissolution.

All of the bonds are unsecured and non-voting, with interest compounding annually.

Additional information regarding the terms of the bonds is presented in Schedule 1.

12. Share capital:

Authorized:

- 100,000 Membership shares, par value of $10 each, redeemable at par value at the option of the holder.
- 10,000,000 Class A preference shares, par value of $5 each, variable, non-cumulative preferential dividend rate determined by the Board of Directors, non-voting, redeemable at the option of the Co-operative.
- 10,000,000 Class B preference shares, par value of $5 each, variable, non-cumulative preferential dividend rate determined by the Board of Directors, non-voting, redeemable at the option of the Co-operative.
- 10,000,000 Class C preference shares, par value of $5 each, variable, non-cumulative preferential dividend rate determined by the Board of Directors, non-voting, redeemable at the option of the Co-operative.

Issued:

	2023	2022
827 membership shares (2022 - 810)	$ 8,270	$ 8,100

17 shares (2022 – 17) were issued for proceeds of $170 (2022 - $170) and zero shares (2022 – 5) were redeemed during the year.

	2023	2022
Class A preference shares issued	$ 5,223,690	$ 5,227,660
Less: Issue costs	(45,305)	(45,340)
Class B preference shares issued	2,935,590	2,981,900
Less: Issue costs	(49,737)	(50,522)
Class C preference shares issued	6,094,665	4,245,185
Less: Issue costs	(172,689)	(148,940)
	$ 13,986,214	$ 12,209,943

These shares are not redeemable at the option of the holder. Therefore, the shares have been classified as equity. From time-to-time, the Co-operative may, upon written request from a shareholder and subject to Board approval, redeem the shares. If the Co-operative is unable or unwilling to comply with the request, the Co-operative will attempt to facilitate a transfer to a third party on a best-efforts basis.

12. Share capital (continued):

Additional information on the share capital is as follows:

Year ended December 31, 2023

Share type	Opening	Issued	Redeemed	Closing
Class A preference shares				
Share count	1,045,532	-	(794)	1,044,738
Share value	$ 5,227,660	$ -	$ (3,970)	$ 5,223,690
Class B preference shares				
Share count	596,380	-	(9,262)	587,118
Share value	$ 2,981,900	$ -	$ (46,310)	$ 2,935,590
Class C preference shares				
Share count	849,037	404,458	(34,562)	1,218,933
Share value	$ 4,245,185	$ 2,022,290	$ (172,810)	$ 6,094,665

Year ended December 31, 2022

Share type	Opening	Issued	Redeemed	Closing
Class A preference shares				
Share count	1,064,864	-	(19,332)	1,045,532
Share value	$ 5,324,320	$ -	$ (96,660)	$ 5,227,660
Class B preference shares				
Share count	597,104	-	(724)	596,380
Share value	$ 2,985,520	$ -	$ (3,620)	$ 2,981,900
Class C preference shares				
Share count	710,522	147,265	(8,750)	849,037
Share value	$ 3,552,610	$ 736,325	$ (43,750)	$ 4,245,185

13. Supplementary cash flow information:

(a) Items not affecting cash:

	2023	2022
Depreciation of energy generation equipment	$ 2,343,039	$ 2,338,353
Depreciation of right-of-use assets	197,216	197,216
Deferred income taxes	(69,496)	(32,794)
Accrued interest added to bonds payable	144,672	241,322
Derecognition of bond and share issue costs	18,051	14,479
Accretion of debt issue costs	122,518	122,517
Share of depreciation recorded by associates	47,759	37,008
Amortization of below market leases	24,267	24,267
Remeasurement of right of use assets	2,886	107
Accreted interest on leasing obligations	165,991	174,137
	$ 2,996,903	$ 3,116,612

(b) Change in non-cash working capital items:

	2023	2022
Accounts receivable	$ 4,603	$ (10,667)
Prepaid expenses	(11,823)	(7,708)
Share subscriptions receivable	107,845	(114,315)
Accounts payable and accrued liabilities	104,129	(8,830)
Harmonized sales tax payable	(33,331)	(5,137)
	$ 171,423	$ (146,657)

(c) Non-cash transactions:

	2023	2022
Stock dividends for preferred C shares	$ 324,725	$ 168,670
	$ 324,725	$ 168,670

Cash interest paid during the year was $1,425,063 (2022 - $1,454,570).

14. Leasing obligations:

All of the Co-operative's energy generation projects are located on premises that are leased under long-term leases. Other than certain leases for nominal consideration that were acquired as part of business combinations in prior years and which are accounted for in accordance with IFRS 3, the Co-operative applies IFRS 16 to accounts for its leases, recognizing a right-of-use asset (see note 6) and related leasing obligation. The leasing obligation is presented in the statement of financial position as follows:

	2023	2022
Current	$ 152,364	$ 152,364
Non-current	2,338,997	2,489,261
	$ 2,491,361	$ 2,641,625

In 2023, the Co-operative had 104 right-of-use assets leased, with a range of 7 to 14 years remaining in the lease terms, and an average of 9 years remaining. The Co-operative had no leases with an option to purchase, extend or terminate the lease, and there are no leases with variable payments.

Future minimum lease payments at December 31, 2023 were as follows:

	Lease payments	Finance charges	Net present values
Within 1 year	$ 318,354	$ 165,990	$ 152,364
1-2 years	318,747	145,948	172,799
2-3 years	319,146	135,148	183,998
3-4 years	319,551	123,648	195,903
4-5 years	319,964	111,404	208,560
After 5 years	2,017,193	439,456	1,577,737
	$ 3,612,955	$ 1,121,594	$ 2,491,361

The Co-operative does not have any short-term leases or low value leases.

Total cash outflow for leases for the year ended December 31, 2023 was $316,255 (2022 - $317,969).

Accreted interest on leasing obligations for the year ended December 31, 2023 was $165,991 (2022 - $174,137).

15. Capital management

The Co-operative's objectives when managing capital are to provide a return for members and ensure sufficient resources are available to meet day-to-day operations. Capital is considered to consist of total members equity, bonds issued, long-term debt, and note payable. As at December 31, 2023, capital was $30,823,499 (2022 - $33,357,049).

The Co-operative manages its capital structure and makes adjustments to it, based on the funds available to the Co-operative or in the light of changes in economic conditions and the risk characteristics of the underlying assets. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Co-operative, is reasonable.

There has been no change in the overall capital risk management strategy during the year.

16. Financial instruments:

The Co-operative is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides a measure of the Co-operative's risk exposures and concentrations at December 31, 2023.

(a) Liquidity risk:

Liquidity risk is the risk that the Co-operative will encounter difficulty in meeting the obligations associated with its financial liabilities. The Co-operative is exposed to this risk mainly in respect of amounts owing to vendors, its lenders, its note holder, bond holders, lessors related to lease obligations, and a related corporation. The Co-operative's ability to meet obligations depends largely on its operating receipts and other related sources, whether in the form of revenue or advances.

(b) Market risk:

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Co-operative is mainly exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Co-operative's long-term debt instruments bear interest at fixed rates. Accordingly, the Co-operative is exposed to fair value risk. Currently, the fair value of all financial assets and financial liabilities except for long-term debt, notes payable and bonds issued approximates the carrying value. The fair value of long-term debt was $21,254,156 (2022 - $24,336,780), notes payable was $932,150 (2022 - $1,024,768) and bonds issued was $3,143,370 (2022 - $4,270,718). The fair value of these instruments was determined by using a discounted cash flow model based on prevailing market interest rates at the year-end date for similar instruments.

16. Financial instruments (continued):

The following are the carrying amounts and anticipated contractual maturities of the Co-operative's financial liabilities:

December 31, 2023	Carrying amount	1 year or less	1-2 years	2-5 years
Accounts payable and accrued liabilities	$ 375,784	$ 375,784	$ -	$ -
Harmonized sales tax payable	32,081	32,081	-	-
Long-term debt	16,988,223	1,670,308	1,735,553	13,582,363
Note payable	927,420	96,711	101,770	337,415
Bonds issued	4,646,635	856,631	238,337	1,127,564
Leasing obligations	2,491,361	152,364	172,799	588,461
Due to related party	73,231	11,991	11,991	35,973
	$ 25,534,735	$ 3,195,870	$ 2,260,450	$ 15,671,776

December 31, 2022	Carrying amount	1 year or less	1-2 years	2-5 years
Accounts payable and accrued liabilities	$ 271,655	$ 271,655	$ –	$ –
Harmonized sales tax payable	65,412	65,412	–	–
Long-term debt	18,748,921	2,565,655	2,485,065	13,954,399
Note payable	1,019,569	141,400	141,400	424,200
Bonds issued	5,598,443	1,283,033	890,408	1,034,364
Leasing obligations	2,641,625	319,284	318,747	958,661
Due to related party	85,222	11,991	11,991	35,973
	$ 28,430,847	$ 4,658,430	$ 3,847,611	$ 16,407,597

17. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2023 financial statements.

18. Subsequent events

Offering Statement Raise:

Subsequent to year end, the Co-operative has signed commitments totaling $595,240 for the issuance of Class C Preferred Shares, and has received $80,685 in respect of the commitments.

Short Term Loan:

Subsequent to year end, an unsecured short term loan, from a related party, in the amount of $300,000 was obtained for cash flow purposes. The loan is not required to be repaid until September 20, 2025, but is an open loan and may be repaid at any time, without penalty.

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Schedule 1 - Supplementary Information on Terms of Bonds Payable

Year Ended December 31, 2023

	Authorized issuance	Number of bonds in package (note 1)	Bond number	Proportion of investment allocated	Interest rate	Term (in years)	Payment terms
Series L1-4 Long Term Bonds (2014)	$ 4,000,000	4	1	16%	7.00%	8	At maturity
Allow the Co-operative to manage its cash flow in respect of			2	16%	7.50%	12	At maturity
future loan payments and future cash flow from the			3	32%	8.00%	16	At maturity
exploitation of FIT contracts			4	36%	8.50%	20	At maturity
Series P1 5-Yr Bonds (2017)	$ 2,000,000	1	N/A	N/A	5.00%	5	Annual blended payments of $231 per $1,000
To mirror the anticipated early cash flows of the Co-operative							
Series Q1 10-Yr Bonds (2017)	$ 2,000,000	1	N/A	N/A	6.00%	10	Annual blended payments of $136 per $1,000
To mirror the anticipated early cash flows of the Co-operative							
Series P2 bonds (2019)	$ 1,500,000	1	N/A	N/A	5.00%	5	Annual blended payments of $231 per $1,000
Designed for a those looking to make the investment through an RRSP or TFSA and looking for annual cash flows							

Note 1: Some series of bonds consist of packages of several bonds. Each bond within a package has a different interest rate and maturity date, and the amount that each bondholder purchases is allocated in the percentages shown in the table.