2023

SKYLINE
CLEAN ENERGY FUND

ANNUAL REPORT TO UNITHOLDERS - DECEMBER 31, 2023

CONTENTS

Grounded in real estate, **powered** by people, and **growing** for the future...

601 Canarctic Drive, North York, ON
225 kW DC Solar Photovoltaic System

SBE Limited Partnership
35 Earl Martin Drive, Elmira, ON
Receiving Floor at SBE Limited Partnership

HIGHLIGHTS

$412.74 MM	$16.12	10.03%
Total Assets Under Management (As at December 31, 2023)	Current Unit Value (As at January 1, 2024)	1-Year Return (As at January 1, 2024)

For the year ended December 31, 2023:

67,391,453	$20.9 MM	8.3%
kWh of Electricity Generated	Earnings Before Interest, Tax, Depreciation & Amortization	Net Operating Margin

191,002	140,363
Gigajoules (GJ) of Renewable Natural Gas (RNG) Produced	Tonnes of Waste Processed

The Fund's solar and biogas assets' expected annual energy production equivalencies: (1)

Homes Powered for 1 Year	Barrels of Oil Consumed	Passenger Vehicles Taken off the Road for 1 Year
25,441	103,134	16,716

(1) Metrics are estimated based on expected energy production from SCEF's solar and biogas assets and are calculated using the same methodology as the Natural Resource Canada's greenhouse gas equivalencies calculator but with the most up-to-date data. Please note that for ease of comparing different forms of renewable energy production in the Fund, the gigajoules (GJ) of renewable natural gas produced at our Lethbridge biogas facility has been converted into kWh of electricity produced using a factor of 277.778.

SKYLINE GROUP OF COMPANIES AWARDS

Best Managed Companies

Platinum Member — Skyline Group of Companies

Skyline has retained its Best Managed Companies status for nine years. Platinum Member winners demonstrate leadership in strategy, capabilities and innovation, culture and commitment, and financials.

Canadian Women in Real Estate (CWIRE) Award

Winner, National Category — BJ Santavy, Vice President, Skyline Living

Recognizing visionary leadership and transformative impact in the real estate sector.

Report on Business 2023 Canada's Top Growing Companies

Winner (ranked #409) — Skyline Group of Companies

Showcasing the emerging leaders transforming business today, with winners selected for their ideas, accomplishments, and impact.

CFAA 2023 Rental Housing Awards

Winner, Rental Housing Provider of the Year — Skyline Living

Recognizing a rental housing provider who has demonstrated exceptional leadership in the rental housing industry through an action, exceptional practice, or a dedicated initiative.

RHB Magazine 2023 "The Annual" Edition

Canada's Top 10 REITs List (#5) — Skyline Apartment REIT

Skyline Apartment REIT ranked #5 in Canada (number of apartment suites owned and managed within its portfolio). RHB's "The Annual" is "the complete market perspective for the Canadian rental housing industry.

Guelph Chamber of Commerce 2023 Awards of Excellence

Winner, Sustainability Award — Skyline Group of Companies

Recognizing a business or organization in the city of Guelph that has showcased an outstanding commitment to sustainability through operations, development, or processes.

Canadian Property Management Magazine 2023 "Who's Who" Ranking

Top 10 Apartment Owners & Managers (#7) — Skyline Apartment REIT

Skyline Apartment REIT ranked among Canada's Top 10 owners and managers of apartment real estate, based on total square footage within its portfolio.

Top 10 Industrial Owners & Managers (#8) – Skyline Industrial REIT

Skyline Industrial REIT ranked among Canada's Top 10 owners and managers of industrial real estate, based on total square footage within its portfolio.

IPOANS 2023 Innovation & Excellence Awards

Winner, Community Service — Skyline Group of Companies

Commemorating above-and-beyond achievement in community service over the previous year, awarding companies that go the extra mile in helping their surrounding communities.

Waterloo Area Top Employers 2023

Evaluating workplaces in the Kitchener-Waterloo area on eight criteria, including performance management, training and skills development, communications, community involvement, and more.

2023 Canadian HR Awards

Winner, Rising Star of the Year — Sarah Yusyp, Director, Human Resources, Skyline Living

Recognizing HR leaders of the future with 5-10 years of human resources experience and a demonstrated commitment to the function.

Canada's Clean50 Honouree

Winner — Rob Stein, President, Skyline Energy

Recognizing individuals who have done the most to advance climate action in Canada over the past two years.

SUSTAINABILITY AT SKYLINE GROUP OF COMPANIES

2023 SUSTAINABILITY HIGHLIGHTS

191,002 GJ[1] of Renewable Natural Gas (RNG) produced at our Lethbridge, Alberta biogas facility.

$316,600 donated to 41 charitable initiatives across Canada.

6.5 million square feet of Light-emitting Diode (LED) lighting installed at Skyline Industrial REIT properties.

9 sustainability-related awards won, and **3 funds successfully submitted** to GRESB.[2]

74,850,000 kWh[3] of electricity generated by Skyline-owned solar assets.

300 refugee families supported through the Skyline Refugee Program.

4,811 kgs of e-waste collected/ diverted from landfill.

23,226,897 kWh[4] of renewable electricity produced at our Elmira, Ontario and Lethbridge, Alberta biogas facilities.

[1] Gigajoule (GJ) is a metric energy measurement used for Renewable Natural Gas (RNG). One GJ of natural gas has the same amount of energy as 27 litres of fuel oil, 39 litres of propane, 26 litres of gasoline or 277 kilowatt hours of electricity. This figure is expressed in accordance with the Fund's percentage ownership of the assets (80%). Source: https://www.nrcan.gc.ca

[2] GRESB: Formerly the Global Real Estate Sustainability Benchmark.

[3] Please note the difference in annual kWh of electrical generation shown on page 2 is caused by the inclusion of additional generations from a recent solar acquisition as of the lock box date June 30th, 2023. The acquisition closed on Dec 29th, 2023, and the number on page 2 accounts for revenues received and recorded as of Dec 31st, 2023, which excludes all generations prior to the transfer of ownership. This figure is expressed in accordance with the Fund's percentage ownership of the assets.

[4] This figure is expressed in accordance with the Fund's percentage ownership of the assets (80%).

[5] In 2023, Skyline developed a Climate Change Risk Analysis following ISO 31000 guidelines.

OUR FOCUS AREAS FOR 2024

Exceed 2023 fundraising total for our community partners through Coldest Night of the Year, Spring Hope Food Drive, and Annual Charity Golf Classic.

Continue to use in-house mediated agreements to keep our tenants housed and update Skyline Living's RISE application to make the process easier and more efficient for tenants. Continue working on creating awareness of our RISE program with tenants.

Support charitable organizations through volunteering and monetary donations that focus on eliminating homelessness, food insecurity and supporting mental health in our communities.

Develop a plan to encourage active, healthy living and wellness promotion by offering quarterly wellness activities to our employees and a corporate fitness center discount.

Retrofit exterior lights at Skyline Retail REIT & Skyline Industrial REIT properties to LEDs and work with tenants to do the same for interior lights.

Conduct feasibility studies to determine if solar panels can be installed at select industrial and retail properties.

Maintain our reputation as an equitable, progressive, and highly sought-after place to work by administering a comprehensive benefits and retirement savings plan, recognizing employee milestones, and offering training and development opportunities.

Continue to strive for an inclusive and fair workplace by reviewing internal processes to promote **diversity in leadership** and **equitable compensation**.

Engage residential tenants in environmental awareness by running an Earth Hour campaign focused on reducing utility consumption.

Promote sustainable procurement practices by improving the inventory of our vendor information related to sustainability.

Collaborate with Skyline Retail REIT and Skyline Industrial REIT tenants to promote waste separation and provide an area on each property to allow additional bins where possible.

Reduce contamination of recycling and organic streams by 15% across our residential portfolio.

Investigate the results of our Climate Risk Analysis.[5]

PERTAINS TO ALL SDGs

Submit to the GRESB Benchmark to assess our performance and inform our sustainability strategy across Skyline's REIT portfolios. We aim to increase our inaugural year score by 10% for each REIT.

SKYLINE CLEAN ENERGY FUND 2023 TRANSACTIONS

Skyline Clean Energy Fund is a privately managed, growth-oriented investment product, focused on renewable and clean energy production

Uniting investor capital, green initiatives, and historically reliable returns into a growth-oriented equity investment.

ACQUISITION HIGHLIGHTS

RESOP Portfolio
Midwest, East Central, Northwest, and Southwest ON
7 Assets | 48,272 kW DC

OUR PURPOSE

To provide meaningful value and an exceptional experience for each of our stakeholders, while developing strong, supportive, and sustainable communities.

OUR MISSION

We bring passion, energy, and determination to make a positive impact with every interaction.

OUR P.R.I.D.E. VALUES

Professionalism
Respect
Integrity
Drive
Efficiency

Lethbridge Biogas
4456 8th Avenue North, Lethbridge, AB
Receiving Bays and Digestor at Lethbridge Biogas

CEO ADDRESS TO UNITHOLDERS

Skyline's 25th anniversary: a look back—and a look forward

This past January, Skyline turned 25 years old. It was a great time to reflect on the past and remind ourselves of the trials and tribulations we experienced over the years. We shared this moment with our Skyliners, from those who have been there with us from the beginning to our most recent hire. We looked back at and shared with them the phases we went through while evolving this company—from a mere idea, through the student rental years, shifting into apartments, the development of our Funds, building the businesses to service them, and all the memories and learning experiences we had along the way, big and small.

As we reminisced about those years, it brought us to the present day. The momentous occasion of our 25th anniversary not only compelled us to share with all those who helped us get here, but more importantly, it also spurred us to paint a very clear picture as to what the next 25 years will look like. I have learned over the years to stop predicting precisely what we will or will not do. However, in this case, I can say with great certainty that my fellow owners and I will be a major part of Skyline's next 25 years and continue to have a guiding hand in what it will look like as we move forward from here.

These businesses that we operate to service the Funds we all invest in are integral to the successful relationship we have with you, our Unitholders. Time and time again, when we tried, tested, and brought to market a new Fund requiring investment capital, you always stepped up to answer the call so that we could all grow and benefit from these ideas together. We spent a lot of time and hard work developing processes and procedures to make these investments something that would outperform and make us all proud to be a part of—just as you worked hard to earn the capital that is the life blood to secure the assets that make up these investments.

It is obvious—sometimes painfully so— that we take our time to perfect our trade. But because of this, we have become very confident that the "sweat" component we bring to this business relationship with you is first class. We have endured many unexpected and sometimes random economic circumstances, and we learned from them, made adjustments, and came out stronger and better poised for growth every time.

So, what now? With the comfort of not always having to check the rear-view mirror thanks to excellent operations, we are able to focus on looking out the front window as we drive the bus. As for what the road ahead looks like: we aim to set our focus on you, our investors. Sometimes I felt like our work, which continues to perform well by way of returns, was enough. But we can do more for you. We will do more for you. We are more than an asset manager: we are your wealth manager. Starting this year, you will hear more often from us and be in contact more often with us, and we will be inviting you to help us understand what more we can do for you. By us asking, and you sharing that information with us, we will improve your experience and interaction with Skyline.

We have set up this company to hold assets that are multi-generational; that is the way we think and invest ourselves as owners. We also know that just as we want and need a holistic understanding of our own personal investment situation, so too must our investors. In a world where economic information is available at our fingertips, I won't be able to tell you anything macro-economic-related that you don't already know or can't easily find in the many media available to us all. But one thing we can do, that is unique to us, is have stronger personal relationships with each of you—and that is the foundation on which all parts of Skyline have been built.

I look forward to the next 25 years—albeit with the hope that they do not fly by as fast as the last 25—because I want Skyline to be an even more important part of your multi-generational investment plan that we can all share and benefit from together.

"...We have become very confident that the "sweat" component we bring to this business relationship with you is first class. We have endured many unexpected and sometimes random economic circumstances, and we learned from them, made adjustments, and came out stronger and better poised for growth every time."

Jason Castellan

Co-Founder & Chief Executive Officer,
Skyline Group of Companies

PRESIDENT'S REPORT

We are delighted to share with you the remarkable achievements of Skyline Clean Energy Fund (SCEF) over the past year. Through strategic investment, prudent asset management, and a focus on essential sustainable infrastructure, SCEF not only weathered the economic uncertainties of 2023, but thrived, achieving a double-digit return for its Unitholders.

In the past year, we have made significant investment into the solar and biogas industries, bolstering our financial and operational performance. We are pleased to announce that SCEF's Total Assets Under Management (TAUM) grew by $118 million, representing a remarkable 40% increase from year-end 2022. Furthermore, our Unit Value experienced substantial growth, reaching $16.12 per Unit as of January 1, 2024. Our Class A Units had a 1-year return of 10.03%, a 3-year annualized return of 9.58%, a 5-year annualized return of 9.28% and an annualized return since inception of 8.92%, while our Class F Units had a 1-year return of 10.16%, an annualized return since inception of 10.97% and an annualized yield of 0.10%.

Looking ahead to 2024, SCEF is poised for continued momentum. Our operating assets are generating steady cash flow supported by long-term energy offtake contracts, with an average remaining term of 10 years. With a debt-to-assets ratio of roughly 60%, we have the flexibility to secure additional project-level non-recourse debt, aligning with the tenure of our energy offtake contracts. As we enter the prime generating months of the year and look to secure long-term financing for our biogas assets, we believe the excess cash will provide greater flexibility for SCEF to fuel its growth plans.

We are excited about the opportunities that lie ahead, with a robust pipeline of accretive assets awaiting execution in 2024. Within the clean energy industry as a whole, there is a current sense of optimism, with the anticipated alleviation of inflation, interest rates, and supply chain disruptions. Support for renewable energy continues to grow, with governments worldwide implementing incentives and new funding mechanisms to ensure renewable energy plays a significant role in the global energy mix. Initiatives such as the Inflation Reduction Act (IRA) in the United States, along with Investment Tax Credits (ITCs) and Carbon Offset Credits/Renewable Energy Credits (RECs) in Canada, are expected to yield substantial benefits for the sector over the long term.

Over the next five years, Canada's renewable energy sector is set to flourish, propelled by robust government support, rapid technological advancements, and heightened public consciousness about environmental stewardship. Anticipated growth in renewable energy capacity, particularly in regions abundant in renewable resources, promises a brighter, greener future. While challenges like grid integration and community engagement persist, they present opportunities for innovative solutions and inclusive partnerships, further driving the country toward a sustainable energy landscape.

Our long-term goal is to acquire clean energy assets with predictable cash flows that generate a minimum rate of return of 7.5%. To achieve this, we remain disciplined in deploying capital, leveraging our expertise to enhance value, and mitigating risk for our Unitholders. Our focus remains on selectively pursuing projects that align with our strategic objectives and targeted returns, as well as leveraging our core competencies in the renewable energy market that have the potential to further enhance SCEF's yields.

On behalf of our team and Trustees, I would like to thank you, our Unitholders, for your ongoing support. We are honored to be a part of Skyline Clean Energy Fund's journey and we look forward to building a cleaner and brighter future together!

"Our focus remains on selectively pursuing projects that align with our strategic objectives and targeted returns, as well as leveraging our core competencies in the renewable energy market that have the potential to further enhance SCEF's yields."

Rob Stein
President,
Skyline Clean Energy Fund

SENIOR MANAGEMENT

Skyline Clean Energy Fund unites Skyline's history of green initiatives with the stability of a professionally managed investment fund. Our mission is to provide investors with an incredible opportunity to invest in their own financial future, and the future of the planet.

Back row from left to right: **Andy Coutts**, Vice President, Operations, Skyline Group of Companies; **Matt Kennedy**, Director, Skyline Clean Energy Asset Management Inc.; **Mandi Sweiger**, Vice President, Human Resources, Skyline Group of Companies; **Krish Vadivale**, Vice President, Finance, Skyline Group of Companies.

Front row from left to right: **R. Jason Ashdown,** Co-Founder & Chief Sustainability Officer, Skyline Group of Companies; **Jason Castellan,** Co-Founder & Chief Executive Officer, Skyline Group of Companies; **Rob Stein**, President, Skyline Clean Energy Fund; **Martin Castellan,** Co-Founder & Chief Administrative Officer, Skyline Group of Companies; **Wayne Byrd,** Chief Financial Officer, Skyline Group of Companies.

TRUSTEES

Jason Castellan

With over 30 years of hands-on experience, Jason's combination of expertise, knowledge, and passion for the clean energy and real estate investment management business has served him well as the CEO for Skyline Group of Companies since its inception in 1999. Jason's thirst for growth and success are insatiable. His primary loyalty is always to his investors. Meeting and speaking with investors are the aspect of his job that he loves the most.

Jason also sits on the Board of Trustees for Skyline Apartment REIT, Skyline Industrial REIT, and Skyline Retail REIT.

Wayne Byrd

Wayne is dedicated to the responsible financial performance of Skyline Group of Companies and all its associated assets. With over 25 years in private sector finance, Wayne's proven business experience and insight make him an integral leader within Skyline Group of Companies as it vigorously pursues its vision for growth. Wayne's financial expertise and commitment to Skyline Group of Companies' vision result in a balanced approach to managing fiscal obligations and operational responsibility. His unique blend of analytical and leadership skills is fundamental to leading Skyline Group of Companies' operations and growth beyond the numbers.

Wayne also sits on the Board of Trustees for Skyline Retail REIT.

Deborah Whale - Independent Trustee

Deborah is a seasoned ambassador of Ontario's clean energy and agriculture sectors, having served on the Boards of Directors of the Ontario Power Authority (OPA) and the Independent Electricity System Operator (IESO), as well as on the Finance Committees of Farm Credit Canada, IESO, and the Grand River Agricultural Society.

Deborah's clean energy expertise extends to the installation of biodigesters and solar net metering systems for farm and residential use. Inducted into the Ontario Agricultural Hall of Fame in 2016, Deborah has also been designated an Honourary Professional Agrologist (2011) by the Ontario Institute of Agrology, and an Honourary Doctor of Laws (2017) by the University of Guelph.

Brennan Carson - Independent Trustee

Brennan Carson is a partner and portfolio manager at Equate Asset Management and the head of their wealth division, Solution Wealth. Equate is an independent investment management firm based in Oakville. Brennan manages the strategic direction for the firm, leads the client management team, and sets investment policy for both individual and institutional portfolios.

Brennan has 25 years of experience in the investment industry spanning both public and private markets, and has always embraced his fiduciary role, independent and objective, helping deliver customized solutions for his clients. He speaks regularly on the topics of investment democratization and integrating sustainability and responsibility into wealth management – his passion for which led him to getting involved with the Skyline Clean Energy Fund.

2023 FINANCIAL REPORTING

SBE Limited Partnership
35 Earl Martin Drive, Elmira, ON

Forward-Looking Disclaimer

The following Management's Discussion and Analysis ("MD&A") of the results of operations and conditions for the year ended December 31, 2023, should be read in conjunction with Skyline Clean Energy Fund's (the "Fund" or "SCEF") audited consolidated financial statements. Certain statements in this MD&A could be considered forward-looking information within the meaning of applicable securities legislation. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Fund's control, which could cause actual results to differ materially from those disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, general and local economic and business conditions, energy market volatility, changing regulations, our ability to refinance maturing debt, our ability to source and complete accretive acquisitions, and interest rates.

The information in this MD&A is based on information available to Management as of April 30, 2024, except where otherwise noted. The Fund does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise.

In some instances, forward-looking information can be identified by the use of terms such as "may", "should", "expect", "will", "anticipate", "believe", "intend", "estimate", "predict", "potentially", "starting", "beginning", "begun", "moving", "continue", or other similar expressions concerning matters that are not historical facts. Forward-looking statements in this MD&A include, but are not limited to, statements related to acquisitions or dispositions, development activities, future maintenance expenditures, financing and the availability of financing, tenant incentives, and occupancy levels.

Non-IFRS Measures

The Fund releases audited consolidated annual financial statements in accordance with International Financial Reporting Standards ("IFRS"). In this MD&A, as a complement to results provided in accordance with IFRS, the Fund also discloses and discusses certain financial measures not recognized under IFRS and that do not have standard meanings prescribed by IFRS. These include adjusted earnings before interest, income taxes, depreciation and amortization ("adjusted EBITDA") and applicable per unit amounts (collectively, the "Non-IFRS Measures").

These Non-IFRS Measures are further defined and discussed in the "Key Performance Indicators" section of this MD&A. Since EBITDA and per units amounts are not measures recognized under IFRS, they may not be comparable to similarly titled measures reported by other issuers. The Fund has presented the Non-IFRS measures because Management believes these Non-IFRS measures are relevant measures of the ability of the Fund to earn revenue and to evaluate the Fund's performance. A reconciliation of the Non-IFRS measures is provided in the "EBITDA" section. The Non-IFRS measures should not be construed as alternatives to net income (loss) or cash flows from operating activities determined in accordance with IFRS as indicators of the Fund's performance or the sustainability of our distributions.

MD&A Overview

This MD&A focuses on key areas from the consolidated financial statements and pertains to major known risks and uncertainties relating to the renewable infrastructure industry, in general, and the Fund's business, in particular. This discussion should not be considered all-inclusive as it excludes changes that may occur in general economic, political, and environmental conditions. Additionally, other elements may or may not occur, which could affect the organization in the future. To ensure that the reader is obtaining the best overall perspective, this discussion should be read in conjunction with material contained in the audited consolidated financial statements for the year ended December 31, 2023, along with all other information regarding the Fund publicly posted by the Fund or its affiliates. It is not our intent to reproduce information that is located in these other reported documents, but rather to highlight some of the key points and refer you to these documents for more detailed information.

Business Overview

The Fund is an unincorporated, open-ended investment trust created by a declaration of trust made as of May 3, 2018 and most recently amended and restated as of December 5, 2022 (the "Declaration of Trust" or "DOT") and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Fund earns income from investments in a diversified portfolio of clean energy assets, located in Canada.

Management Strategy

As Manager of the Fund; Skyline Clean Energy Asset Management Inc. (the "Asset Manager") implements its unique values and proprietary strategies as it fulfills its responsibilities. The Fund's mandate is clear and focused on the following strategies:

- **Enhancement of the Fund's Clean Energy Asset Portfolio.** The Asset Manager will focus its acquisition strategy on good quality clean energy assets in strong markets across North America, and will use the strength of its extensive market relationships to obtain more competitive financing, construction and maintenance services, and higher quality assets. The Asset Manager's goal is to build a strong and growth-oriented clean energy portfolio, enhancing overall portfolio incomes by diversifying the asset-type and geography of the assets purchased.

- **Growth Potential.** The Asset Manager believes that clean energy assets offer an attractive investment opportunity with significant growth potential. The ability to acquire good quality, well located assets will allow the Asset Manager to potentially enhance the underlying portfolio's cash flow and investor returns. The Asset Manager will also look to acquire clean energy assets in markets where the Asset Manager has existing platforms to build off of existing market relationships to capitalize on local economies of scale. As the Fund grows through the acquisition of new clean energy assets and the issuance of additional units, the Fund will likely increase the stability of its income stream.

- **Maintenance and Repair Programs.** Management is fundamentally driven by efficiencies and cost-effective programs that are accretive to the Fund's short-term and long-term value proposition. Management has positioned the Fund to take full advantage of efficiency programs and capital investments that will enhance the overall value of the portfolio. Furthermore, the Asset Manager oversees and manages the operations and maintenance activities of the Fund. The Asset Manager is responsible for providing routine preventative and corrective maintenance for SCEF's solar assets in order to ensure that the solar assets are operating efficiently and at their full production capacity.

- **Detailed Financial Reporting.** Management utilizes sophisticated financial tools to maximize the Fund's income and to measure the effectiveness of cost control and other efficiency programs. Management distributes in-depth financial reporting to those involved and who have a direct impact on the financial success and control of those particular incomes and expenses.

- **Strategic Debt Management.** The Asset Manager works diligently to seek out financing opportunities to optimize the Fund's leveraged returns. Attention to longer-term loan maturities with natural staggering due to financing terms being tied to revenue contract lengths, within maximum leverage amounts set out in the Declaration of Trust, ensures that the Fund's exposure to fluctuating interest rates over the short and long term are both minimized and utilized to the greatest benefit.

- **Communications.** Skyline Wealth Management Inc. (the "Wealth Manager") delivers current and relevant information to prospective and existing Unitholders to keep them informed and engaged. Ongoing communications occur through regular mass email updates, online postings to the website and quarterly newsletters. Wealth manager communications cover relevant topics as they relate to the Fund, including; new acquisitions and dispositions, major capital expenditure projects, special investor events and general corporate news.

Key Performance Indicators

To meet its objectives and to evaluate the success of its strategies, the Fund uses several key operating and performance indicators:

- **Net Operating Income ("NOI").** This is defined as operating revenues less direct operating expenses, and is a key measure of operating performance. It is a key non-International Financial Reporting Standards ("**IFRS**") financial measure of the operating performance of the Fund. For the year ended December 31, 2023, the Fund's NOI margin was 8.3% (2022 – 11.7%).

- **Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA").** This is calculated as the Fund's net income (loss) in accordance with IFRS adjusted for non-cash items, including the depreciation and amortization of solar and biogas equipment and prepaid leases, net finance costs, unrealized gain on swap agreements and other adjustments as appropriate. Management believes adjusted EBITDA is a meaningful measure of SCEF's operating performance because it excludes certain items included in the calculation of net income (loss) that may not be appropriate determinants of long-term operating performance. For the year ended December 31, 2023, the Fund's EBITDA was $20.9MM (2022 - $20.4MM).

- **Total Assets Under Management ("TAUM").** Total assets under management is calculated as the total assets on the Fund's statement of financial position, with joint venture assets otherwise reported on a net asset basis by way of International Financial Reporting Standard 11 – Joint Arrangements ("IFRS 11"), being instead reflected as if the proportionately owned assets and liabilities were consolidated into the Fund's total assets and total liabilities separately rather than on a net basis (i.e. accounted for if "joint control" was established under IFRS 11).

- **Active Portfolio Management.** Management is targeting both stabilized and distressed clean energy assets offering accretive returns generated through stable cash flows in strong energy markets. The Fund's Asset Manager aims to implement margin enhancement initiatives, manage system performance and improve system optimization to increase cash flows. By maximizing the performance, each asset increases in value leading to equity growth and the acquisitions of new assets.

- **Financing.** Management is continually managing and planning its financing strategies for the portfolio. This ensures that the portfolio is well-positioned to mitigate interest rate uncertainty.

- **Liability to Asset ("LTA").** The Portfolio is regularly evaluated based upon key leverage ratios, including but not limited to total liabilities against total assets. The Declaration of Trust requires that the total liabilities against total assets ratio not exceed 85%, and at the close of 2023, that ratio was 60.46% (2022 – 40.91%).

Goals And Objectives Of The Fund

In accordance with the Declaration of Trust, the goals and objectives of the Fund are:

i. To provide Unitholders with a growing investment opportunity in a diversified portfolio of income-producing clean energy assets located in North America;

ii. To enhance operating income; and

iii. To maximize unit value through the ongoing management of the Fund's assets, through the future acquisition, repositioning and disposition of assets.

2023 Highlights

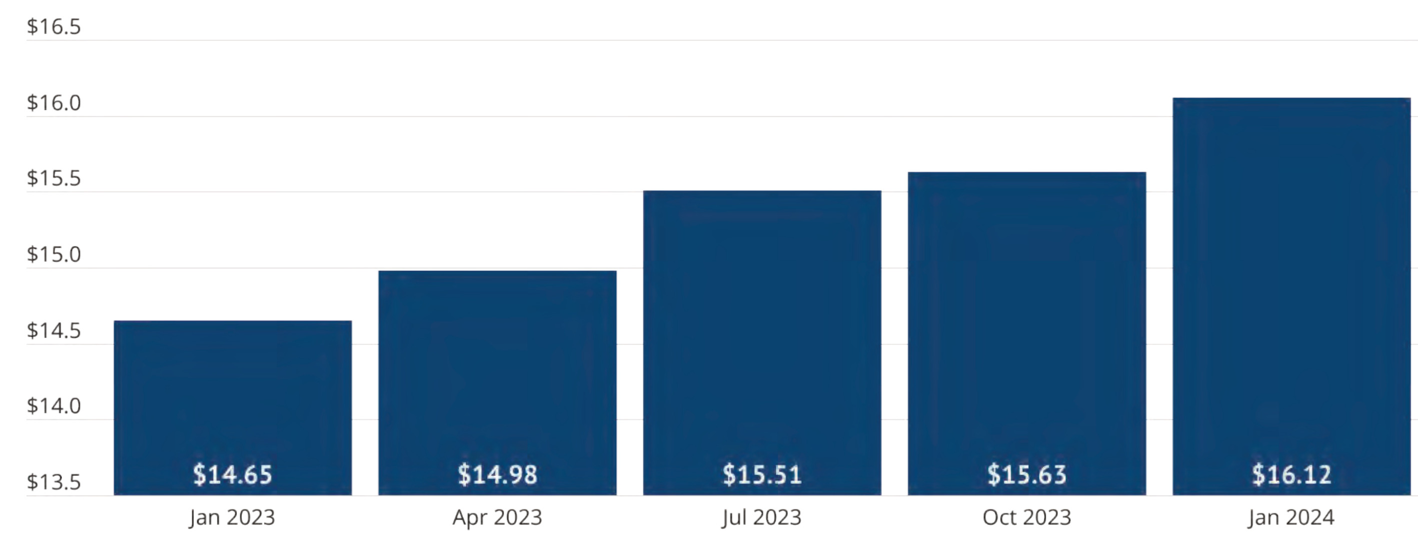
- Raised $34.6MM in investor equity during 2023, while growing the value per SCEF unit to $16.12 at January 1, 2024 which resulted in a 1-year annual return of 10.03%.

- Purchased 7 operating solar assets, adding $151.7MM of gross assets as detailed by the Acquisitions on page 25. These assets were purchased on December 29, 2023 and therefore, did not generate any significant kWh or solar income during the Fund's 2023 ownership period.

- The Fund increased annual electricity production by 14% during the year ended December 31, 2023, by generating 8,517,103 more kilowatt hours when compared to 2022; increasing solar income by $2.2MM. The Fund increased annual waste processed by 23% during the year ended December 31, 2023, by processing 26,172 more tonnes when compared to 2022; increasing tipping fees revenue by $0.6MM. The Fund increased renewable natural gas ("RNG") production by 98% during the year ended December 31, 2023, by generating 94,676 more gigajoules ("GJ") of RNG when compared to 2022; increasing RNG revenue by $3.0MM.

- Excluding non-controlling interests, generated $1.72 in EBITDA Per Unit.

Financial Highlights **($ thousands, except where noted)**	**2023**	**2022**
Income	$35,621	$31,516
Direct operating expenses	32,672	27,833
Net operating income ("NOI")	**$2,949**	**$3,683**
Net loss	**$(23,233)**	**$(540)**
Earnings before interest, tax, depreciation and amortization ("EBITDA")	**$20,899**	**$20,369**
Weighted average units outstanding	**12,143,958**	**10,590,284**
Per Unit:		
EBITDA attributable to unitholders	**$1.72**	**$1.92**



SCEF's Unit Value Growth

Solar & Biogas Portfolio

At December 31, 2023, through active portfolio management; the portfolio consisted of 81 solar assets and one biogas asset located throughout Ontario, as well as one biogas asset located in Alberta. With a total portfolio size of 98,414 kilowatts direct current (kW DC), the Fund's Ontario-based solar and biogas assets are expected to generate over 117,415 MWh annually and process 88,000 tonnes of organic material annually, while the Alberta-based biogas asset is expected to generate up to 224,000 GJ of RNG annually and process up to 96,000 tonnes of waste annually.

The Fund continues to look at further expanding and enhancing the portfolio in markets across Canada.

Through its active asset management strategies and proactive capital investment programs, the Fund strives to achieve the highest possible solar income in accordance with the weather conditions.

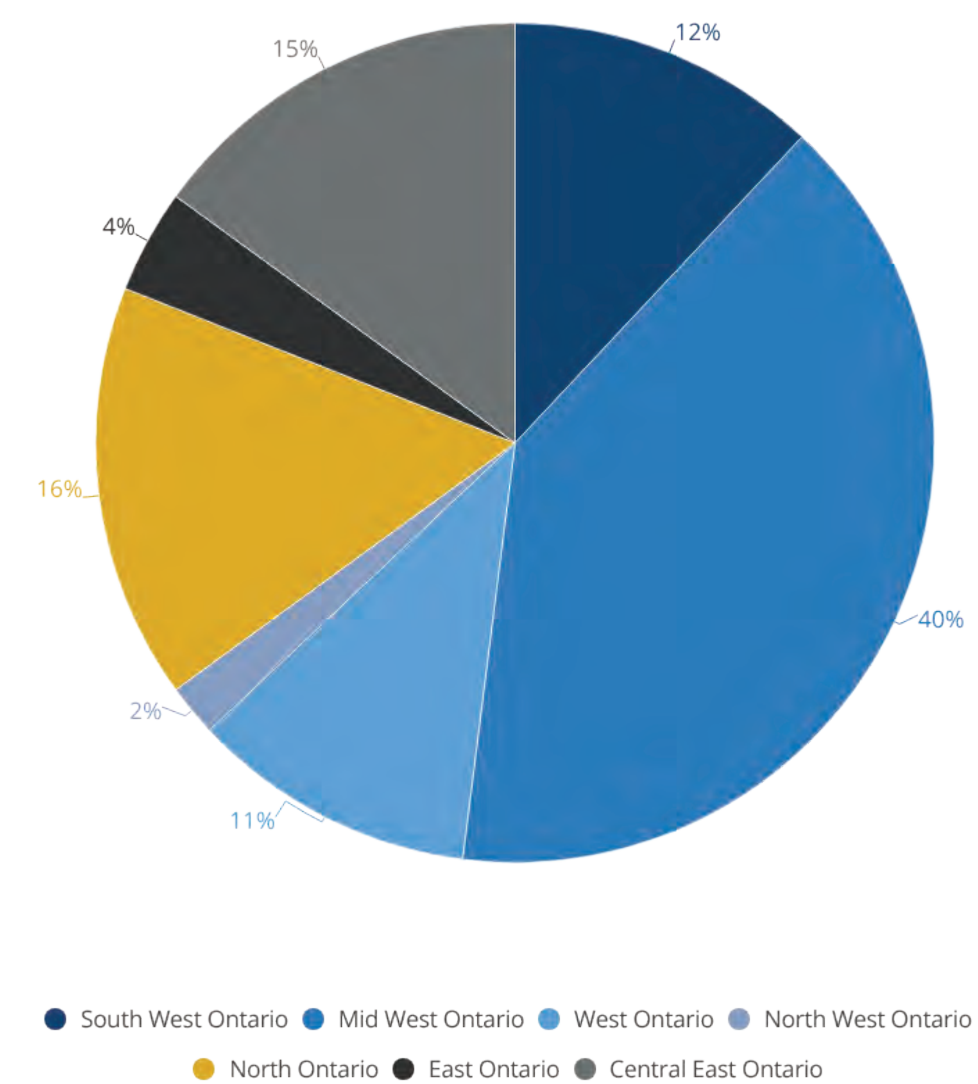
Management also strives, through a focused, hands-on approach to its business, to generate the highest profit per tonne of feedstock from tipping fees and hydro and RNG generation production as the Fund's output is constrained by its system size.

Regional Solar Energy Production

Region	2023 Solar Generation				2022 Solar Generation		
	Asset Size (in kW DC) (2)	Solar Generation (in kWh) (2)	Solar Income ($ thousands)	Increase (Decrease) in Solar Income ($ thousands) (3)	Asset Size (in kW DC) (2)	Solar Generation (in kWh) (2)	Solar Income ($ thousands)
South West Ontario	5,087	5,462,721	2,466	128	4,971	5,393,422	2,338
Mid West Ontario	9,541	8,793,108	4,602	(292)	8,196	8,237,384	4,894
West Ontario	4,275	4,684,519	2,466	20	3,663	4,064,396	2,446
North West Ontario	963	969,756	369	(15)	963	981,490	384
North Ontario	7,485	6,922,111	2,902	2,244	7,485	1,676,297	658
East Ontario	2,089	1,959,611	647	(17)	2,089	2,023,605	664
Central East Ontario	2,327	2,315,611	1,255	95	2,114	2,045,753	1,160
Total - solar assets	**31,767**	**31,107,437**	**$14,707**	**$2,163**	**29,481**	**24,422,347**	**$12,544**
Central East Ontario (1) (4)	19,540	4,404,118	N/A	N/A	4,540	4,703,098	N/A
South West Ontario (5)	4,651	-	N/A	N/A	-	-	N/A
Mid West Ontario (1)	18,579	8,653,001	N/A	N/A	9,290	8,743,915	N/A
North Ontario (4)	19,314	-	N/A	N/A	-	-	N/A
Total - solar portfolio	**93,851**	**44,164,556**	**$14,707**	**$2,163**	**43,311**	**37,869,360**	**$12,544**

(1) The Fund held a 50% interest in SunE Sky First Light LP, which owns a solar asset located in Napanee, Ontario, up until December 29, 2023 when it acquired the remaining 50% interest. It also held a 50% interest in both SunE Sky 13th Sideroad LP and SunE Sky Ryerse LP, which each own a solar asset located in Simcoe, Ontario, up until December 29, 2023 when it acquired the remaining 50% interests. These 50% interests were all accounted for as investments in joint ventures and therefore the Fund recorded its share of net earnings from SunE Sky First Light LP, SunE Sky 13th Sideroad LP, and SunE Sky Ryerse LP, rather than the gross solar income and operating expenses. The above generation amounts have been reported at 50% of each limited partnerships' total generation to reflect the Fund's 50% ownership for most of the fiscal year. The above asset size is reported at 100% of each limited partnerships' total solar asset size to reflect the Fund's 100% ownership as of year end.
(2) These values are adjusted for the Fund's economic ownership in the assets.
(3) Large increases (decreases) are attributable to new assets acquired during the current year or partway during the prior year.
(4) On December 29, 2023, the Fund acquired a 100% interest in First Light 2 LP, which owns a solar asset located in Napanee, Ontario. On December 29, 2023, the Fund also acquired a 100% interest in Thunder Bay Solar 1 LP and Thunder Bay Solar 2 LP, which each own a solar asset located in Thunder Bay, Ontario.
(5) On December 29, 2023, the Fund acquired a 50% interest in SunE Sky Erie Ridge LP, which owns a solar asset located in Ridgetown, Ontario. This 50% interest is accounted for as an investment in joint ventures and therefore the Fund records its share of net earnings from SunE Sky Erie Ridge LP, rather than the gross solar income and operating expenses. The above asset size and generation amounts have been reported at 50% of the limited partnerships' total solar asset size and generation to reflect the Fund's 50% ownership.

Regional Solar Production during the year ended December 31, 2023



Regional Biogas Production

City	Region	2023 Biogas Hydro Generation: Asset Size (in kW DC) (1)	Hydro Generation (in kWh) (1)	Hydro Revenue ($ thousands)	Increase (Decrease) in Hydro Revenue ($ thousands)(2)	2022 Biogas Hydro Generation: Asset Size (in kW DC) (1)	Hydro Generation (in kWh) (1)	Hydro Revenue ($ thousands)
Elmira	North West Ontario	2,282	15,049,174	$3,444	$(384)	2,282	16,708,297	$3,828
Lethbridge	Alberta	2,280	8,177,723	1,544	149	2,280	4,296,692	1,395
Total - bio-gas assets		**4,562**	**23,226,897**	**$4,988**	**$(235)**	**4,562**	**21,004,989**	**$5,223**

City	Region	2023 Biogas Waste Processed: Asset Size (in Tonnes of Organic Waste Processing Capacity) (1)	Waste Processed (in tonnes) (1)	Tipping Fees Revenue ($ thousands)	Increase (Decrease) in Tipping Fees Revenue ($ thousands)(2)	2022 Biogas Waste Processed: Asset Size (in Tonnes of Organic Waste Processing Capacity) (1)	Waste Processed (in tonnes) (1)	Tipping Fees Revenue ($ thousands)
Elmira	North West Ontario	88,000	61,132	$5,755	$229	88,000	73,106	$5,526
Lethbridge	Alberta	96,000	79,231	1,722	407	96,000	41,085	1,315
Total - bio-gas assets		**184,000**	**140,363**	**$7,477**	**$636**	**184,000**	**114,191**	**$6,841**

City	Region	2023 Biogas RNG Production: Asset Size (in GJ) (1)	RNG Production (in GJ) (1)	RNG Revenue ($ thousands)	Increase (Decrease) in RNG Revenue ($ thousands)(2)	2022 Biogas RNG Production: Asset Size (in GJ) (1)	RNG Production (in GJ) (1)	RNG Revenue ($ thousands)
Elmira	North West Ontario	-	-	-	-	-	-	-
Lethbridge	Alberta	224,000	191,002	6,015	3,034	224,000	96,326	2,981
Total - bio-gas assets		**224,000**	**191,002**	**$6,015**	**$3,034**	224,000	96,326	$2,981

(1) These values are adjusted for the Fund's economic ownership in the assets.
(2) Large increases (decreases) are attributable to new assets acquired during the current year or partway during the prior year.

Acquisitions

Acquisitions completed during the year ended December 31, 2023
($ thousands, except where noted)

Asset Name	SkyPower	TOTAL
Purchase Date	29-Dec-23	
Size of Portfolio (kW DC)	48,272	48,272
Size of Portfolio (GJ)	-	-
Organic Waste Capacity (tonnes)	-	-
Number of Assets	7	7
Province	Ontario	
Region	Mid West, Central East, North & South West	
Total Gross Assets Acquired	**$151,728**	**$151,728**

2023 Operating Highlights

Operational Highlights ($ thousands, except where noted)	2023	% (1)	2022	% (1)
Income				
Solar revenues	$14,707	41.3%	$12,544	39.8%
Biogas income	18,603	52.2%	15,172	48.1%
Other income	2,311	6.5%	2,620	8.3%
Battery sales	-	0.0%	1,180	3.7%
Total income	**$35,621**	**100.0%**	**$31,516**	**100.0%**
Direct operating expenses				
Utilities	$2,362	6.6%	$1,722	5.5%
Insurance	1,166	3.3%	914	2.9%
Amortization	17,694	49.7%	15,177	48.2%
Operations and maintenance fees	300	0.8%	1,385	4.4%
Management fees	587	1.6%	1,158	3.7%
Property tax	313	0.9%	221	0.7%
Royalty expense	10	0.0%	16	0.1%
Other direct operating expenses	10,240	28.7%	6,221	19.7%
Battery cost of sales	-	0.0%	1,019	3.2%
Total direct operating expenses	**$32,672**	**91.7%**	**$27,833**	**88.3%**
Net operating income ("NOI")	**$2,949**	**8.3%**	**$3,683**	**11.7%**

(1) As a percentage of total income

(table continued on next page)

Regional Highlights

Regional Location of Solar and Biogas Assets ($ thousands, except where noted)	2023		2022	
	EBITDA	%	EBITDA	%
South West Ontario	$2,218	12%	$2,067	13%
Mid West Ontario	4,089	22%	4,360	27%
West Ontario	2,172	12%	2,144	13%
North West Ontario	278	1%	309	2%
North Ontario	2,510	13%	459	3%
East Ontario	490	3%	504	3%
Central East Ontario	1,123	6%	966	6%
Elmira, Ontario (Biogas)	1,582	8%	3,018	19%
Lethbridge, Alberta (Biogas)	4,385	23%	2,390	15%
Total EBITDA generated from solar and biogas assets	**$18,847**	**100%**	**$16,217**	**100%**
Add: Corporate-level activity and EBITDA adjustments	**2,052**		**4,152**	
Total consolidated EBITDA	**$20,899**		**$20,369**	

Financial Results

A reconciliation of IFRS comprehensive income to EBITDA is as follows:

($ thousands, except where noted)	2023	2022
Profit & Loss		
Income	$35,621	$31,516
Direct operating expenses	(32,672)	(27,833)
Net operating income	**$2,949**	**$3,683**
Share of net earnings from investments	$1,250	$3,383
Financing costs	(7,303)	(7,217)
Administrative expenses	(2,975)	(1,572)
Asset management fees	(770)	(506)
Property management fees	(224)	(186)
Wealth management fees	(604)	(465)
Interest income	496	404
Income tax provision	(542)	(94)
Unrealized gain on swap agreements	537	2,399
Foreign exchange (loss) gain	(17)	(7)
Loss on disposed assets	(6,030)	(362)
Loss on extinguishment of debt	(1,210)	-
Impairment loss	(4,642)	-
Loss on remeasurement of equity in joint ventures	(4,148)	-
Loss and comprehensive loss for the year	**$(23,233)**	**$(540)**
Net loss attributable to:		
Unitholders	$(20,133)	$(82)
Non-controlling interests	(3,100)	(458)
Loss and comprehensive loss for the year	**$(23,233)**	**$(540)**
Non-cash add-backs:		
Amortization	$17,694	$15,177
Unrealized gain on swap agreements	(537)	(2,399)
Financing costs	7,303	7,217

(table continued on next page)

($ thousands, except where noted)	2023	2022
Income tax provision	542	94
Loss on disposed assets	6,030	362
Loss on extinguishment of debt	1,210	-
Impairment loss	4,642	-
Loss on remeasurement of equity in joint ventures	4,148	-
Elimination of non-controlling interests	3,100	458
Earnings before interest, tax, depreciation and amortization	**$20,899**	**$20,369**

Changes in SCEF's financial position are summarized as follows:

($ thousands, except where noted)	December 31, 2023	December 31, 2022
Assets		
Solar equipment and structures	$156,221	$60,827
Biogas equipment	31,369	36,637
Clean energy contracts	136,519	111,567
Prepaid leases	1,206	1,296
Right-of-use assets	8,427	12,970
Land	10,057	5,984
Investments in joint ventures	2,433	11,892
Investments in associates	1,780	1,450
Convertible debenture receivable	4,005	3,715
Interest rate swap agreements	1,882	1,726
Loans receivable	3,849	823
Inventory	3,067	1,997
Other assets	8,937	2,729
Accounts receivable	7,324	4,830
Short term investments	2,397	-
Restricted cash	9,813	1,775
Cash	12,138	10,094
Total assets	**$401,424**	**$270,312**

(table continued on next page)

($ thousands, except where noted)	December 31, 2023	December 31, 2022
Liabilities and unitholders' equity		
Loans payable	$201,625	60,311
Note payable	13,284	4,605
Lease liability	7,892	7,832
Decommissioning liability	1,219	1,175
Unamortized government assistance	6,140	6,784
Due to related parties	5,104	19,869
Accounts payable and accrued liabilities	7,432	3,581
Revolving credit facilities	-	6,418
Total liabilities	**242,696**	**110,575**
Unitholders' equity	136,578	135,481
Non-controlling interests	22,150	24,256
Total equity	**158,728**	**159,737**
Total liabilities and unitholders' equity	**$401,424**	**$270,312**

Solar and Biogas Assets

The Fund's solar and biogas assets are comprised of solar equipment and structures, biogas equipment, clean energy contracts, prepaid leases, right-of-use assets (with corresponding lease liabilities) and land as disclosed in SCEF's consolidated financial statements for the year ended December 31, 2023.

Under International Financial Reporting Standards ("IFRS"), the solar equipment and structures, biogas equipment and land are accounted for under the cost model as prescribed by International Accounting Standard ("IAS") 16 – Property, Plant and Equipment ("IAS 16"). The solar equipment and structures and biogas equipment are recorded at cost, net of accumulated depreciation. The land is recorded at cost.

Under International Financial Reporting Standards ("IFRS"), the clean energy contracts are accounted for under the cost model as prescribed by International Accounting Standard ("IAS") 38 – Intangible Assets ("IAS 38"). These assets are recorded at cost, net of accumulated depreciation.

The Fund's prepaid leases and right-of-use assets are accounted for under IFRS 16 – Leases ("IFRS 16") and are amortized on a straight-line basis over the length of the related lease agreements. Right-of-use assets are recorded with a corresponding lease liability at the date that the leased asset is available for the Fund.

Changes in the carrying amounts of the solar assets are summarized as follows:

($ thousands, except where noted)	Opening balance at January 1, 2023	Additions through purchase of assets	Additions through capital expenditures	Amortization	Reclassification	Disposals of assets	Impairment loss	Interest expense and lease payments	Closing balance at December 31, 2023
Solar equipment and structures	$60,827	$103,539	$161	$(4,808)	$-	$(3,498)	$-	$-	$156,221
Biogas equipment	36,637	-	1,454	(3,775)	(72)	(2,875)	-	-	31,369
Clean energy contracts	111,567	32,558	813	(8,419)	-	-	-	-	136,519
Prepaid leases	1,296	-	-	(90)	-	-	-	-	1,206
Right-of-use assets (1)	12,970	657	-	(558)	-	-	(4,642)	-	8,427
Land (2)(3)	5,984	4,001	-	-	72	-	-	-	10,057
Lease liabilities	(7,832)	(657)	-	-	-	-	-	597	(7,892)
Total	**$221,449**	**$140,098**	**$2,428**	**$(17,650)**	**$-**	**$(6,373)**	**$(4,642)**	**$597**	**$335,907**

($ thousands, except where noted)	Opening balance at January 1, 2022	Additions through purchase of assets	Additions through capital expenditures	Amortization	Derecognition due to purchase of land	Disposals of Assets	Interest expense and lease payments	Closing balance at December 31, 2022
Solar equipment and structures	$48,974	$15,553	$159	$(3,859)	$-	$-	$-	$60,827
Biogas equipment	14,577	25,173	1,332	(4,083)	-	(362)	-	36,637
Clean energy contracts	62,143	54,173	1,544	(6,293)	-	-	-	111,567
Prepaid leases	1,387	-	-	(91)	-	-	-	1,296
Right-of-use assets (1)	8,801	5,842	138	(817)	(994)	-	-	12,970
Land (4)(5)	-	5,984	-	-	-	-	-	5,984
Lease liabilities	(8,551)	(690)	(138)	-	973	-	574	(7,832)
Total	**$127,331**	**$106,035**	**$3,035**	**$(15,143)**	**$(21)**	**$(362)**	**$574**	**$221,449**

(1) Included in right-of-use assets are $4.7MM of intellectual property and licenses acquired in 2022 as part of the Lethbridge Biogas acquisition. This was written off in 2023 when the related revenue stream was decommissioned.
(2) Land is owned as part of the SBE biogas asset, Lethbridge biogas asset, Balsam Lake solar asset, Bassano solar development project, 13th Sideroad solar asset, Ryerse solar asset, First Light 1 solar asset and First Light 2 solar asset.
(3) Not included in land is the land owned in the Fund's investments in joint ventures. The Fund's 50% share is valued at $0.3MM.
(4) Land is owned as part of the SBE biogas asset, Lethbridge biogas asset, Balsam Lake solar asset and Bassano solar development project.
(5) Not included in land is the land owned in the Fund's investments in joint ventures. The Fund's 50% share is valued at $0.9MM.

Capital Expenditures

In general, the Fund is committed to increasing the value of these assets by investing in capital expenditure initiatives and other programs in order to improve the overall quality of the portfolio and ultimately to sustain and expand the portfolio's future clean energy income-producing potential over its expected life span.

In correlation with industry peers, the Fund has two types of capital expenditures: maintenance capital expenditures and stabilizing and value-enhancing capital expenditures. The main difference between these two types of capital expenditures is whether the costs incurred are to maintain existing cash flows, or to achieve the longer-term goal of producing enhanced cash flows and unitholder returns.

Stabilizing and value-enhancing capital expenditures are made with the intention of increasing the productivity of the portfolio. They improve the economic life span and value of the assets and are mainly long-term in nature. The timing of these expenditures varies according to Management's capital plans and they are funded with construction financings, refinancing, equity issuances, and cash flow from existing assets.

During 2023, capital expenditures were minimal as Management focused primarily on acquiring and assessing its initial solar and biogas asset portfolios. Management is committed to the ongoing future maintenance and enhancement of the Fund's portfolio and a 2024 capital budget is in place for the upcoming fiscal year.

Capital Structure

"Capital" is defined as the aggregate of debt and unitholders' equity. Management's objectives with respect to capital is to maintain its ongoing ability to meet its debt repayment obligations, and to ensure there are sufficient funds available to meet the capital requirements of the portfolio.

The Fund's Declaration of Trust permits the maximum amount of total liabilities to be 85% of the Fund's total assets. Under IFRS reporting, Management still continues to evaluate LTA ratios on both a market value basis and a traditional historical cost basis, whereby historical cost is defined as the acquisition cost of the properties plus the capital improvements expended thereon.

The total capital of the Fund as at December 31, 2023 is summarized in the following chart:

As at December 31, 2022 **($ thousands, except where noted)**	**2023**	**2022**
Total assets	**$401,424**	**$270,312**
Total liabilities	**$242,696**	**$110,575**
Unitholders' equity	136,578	135,481
Non-controlling interests	22,150	24,256
Total capital	**$401,424**	**$270,312**
Total liabilities to total assets	**60.46%**	**40.91%**

Loans Payable **($ thousands, except where noted)**	**Future minimum principal payments**	**% of total loans**
2024	$21,073	10.5%
2025	20,372	10.1%
2026	21,160	10.5%
2027	22,008	10.9%
2028	22,821	11.3%
Thereafter	94,191	46.7%
Total loans payable as at December 31, 2023	**$201,625**	**100.0%**

Investment Summary

During the year ended December 31, 2023, the Fund received net proceeds of $21.5MM through new investments, net of redemptions.

During the year ended December 31, 2023, Management purchased $13.1MM units for redemption at 100% of unit market value.

SCEF Unitholders - Investment Activity **($ thousands, except where noted)**	**2023**		**2022**	
	Number of Units	**Amount ($)**	**Number of Units**	**Amount ($)**
SCEF units outstanding, beginning of year	**11,462,295**	**$139,030**	**9,457,403**	**$111,467**
Proceeds from units issued - Class A	1,999,492	30,642	2,694,826	37,038
Proceeds from units issued - Class F	259,226	3,980	-	-
Redemption of units - Class A	(856,995)	(13,098)	(689,934)	(9,475)
Redemption of units - Class F	-	-	-	-
SCEF units outstanding, end of year	**12,864,018**	**$160,555**	**11,462,295**	**$139,030**
Weighted average SCEF units outstanding	**12,143,958**		**10,590,284**	

(table continued on next page)

	Number of Investors	Amount ($)	Number of Investors	Amount ($)
Number of new investors - Class A	**148**	**$18,751**	**157**	**$21,287**
Number of repeat investors - Class A	**78**	**$11,891**	**70**	**$15,751**
Number of redemptions - Class A	**60**	**$(13,098)**	**54**	**$(9,475)**
Number of new investors - Class F	**58**	**$3,560**	**-**	**$-**
Number of repeat investors - Class F	**2**	**$420**	**-**	**$-**
Number of redemptions - Class F	**-**	**$-**	**-**	**$-**
New investment average ($) - Class A		$127		$136
Repeat investment average ($) - Class A		$152		$225
Redemption average ($) - Class A		$(218)		$(175)
New investment average ($) - Class F		$61		$-
Repeat investment average ($) - Class F		$210		$-
Redemption average ($) - Class F		$-		$-

Non-Controlling Interests

During the year ended December 31, 2023, the balance of non-controlling interests consisted of:

($ thousands, except where noted)	2023	2022
Opening balance at beginning of year	$24,256	$13,064
Non-controlling interests' ownership of net identifiable assets acquired	-	11,555
Contributions paid by non-controlling interests	175	-
Net loss attributable to non-controlling interests	(3,100)	(458)
Recovery of distribution to non-controlling interests	819	95
Closing balance at end of year	**$22,150**	**$24,256**

Unitholder Taxation

Each SCEF unit represents an undivided beneficial interest in distributions by the Fund, whether of net income, net realized capital gains or other amounts, and, in the event of a liquidation, dissolution, winding-up or other termination of the Fund, in the net assets of the Fund remaining after satisfaction of all liabilities. The distribution entitlement of each SCEF unit is intended to and will be derived from the same sources.

The Declaration of Trust provides that the Fund may distribute to unitholders as determined by the Trustees in their discretion for each calendar month or other calendar period selected by the Trustees.

It is the current intention of the Trustees that, until such time as the Trustees determine otherwise, any distributions received by the Fund from Skyline Clean Energy Limited Partnership ("SCELP") will be reinvested so that additional clean energy assets may be acquired by SCELP. Unitholders may be taxed on net income of the Fund which is paid or payable to them to the extent that the Fund deducts such amounts in computing its income. As a result, unitholders may be required to pay tax on such amounts although no cash was received from the fund.

During the year ended December 31, 2023, there were no distributions paid to Class A unitholders, $636 of distributions paid to Class F unitholders, $25,026 of additional SCEF units distributed to Class F unitholders and no net income was paid or payable. Therefore, there was no tax impact to SCEF unitholders for fiscal 2023.

Related Party Transactions

The executive officers of the Fund do not receive direct salary compensation from the Fund. Rather, Skyline Clean Energy General Partner Inc. ("**SCEGPI**"), as General Partner of SCELP, is entitled to distributions under the limited partnership agreement ("**GP Sharing**"). Additionally, the executive officers receive compensation from the related management companies that service the Fund and SCELP ("**Management Services**").

GP Sharing

Distributions accrued as at December 31, 2023 are as follows:

($ thousands, except where noted)	2023	2022
General Partner sharing on net income	$-	$1,261
Total General Partner distribution payable	**$-**	**$1,261**

Distributions under the GP Sharing arrangement occur when SCEF's net income, excluding depreciation and unrealized gain or loss, for a fiscal year is greater than 7.5% of the weighted average retained earnings for such fiscal year. This variance is shared at a ratio of 20% to the general partner and 80% to the LP. A provision for the future distributions payable to SCEGPI has not been recorded since the timing and amount of the distributions payable cannot be reasonably estimated. During December 31, 2023, SCEGPI earned distributions of $0MM (2022 - $1.3MM).

Management Services

Fees incurred for the year ended December 31, 2023 are as follows:

($ thousands, except where noted)	2023	2022
Asset management fees	$770	$506
Property management fees	224	186
Acquisition fees	1,648	1,065
Wealth management and equity raise fees	880	782
Legal and administrative fees	435	222
Operations and maintenance fees	234	354
Advertising and promotion fees	179	190
Accounting and finance fees	442	435
Total management fees	**$4,812**	**$3,740**

SCEF has an asset management agreement with Skyline Clean Energy Asset Management Inc. (the “Asset Manager”), which provides for the payment of an annual asset management fee to the Asset Manager during the term in an amount equal to 2% of the gross revenues of the solar and biogas assets which will be calculated and payable monthly, a property management fee that varies from $2 per kW DC to $5 per kW DC, plus an annual flat fee of $1 to $3 per asset, and an acquisition fee equal to a maximum of 1% of the total deal value acquired, which is calculated as the equity consideration for the transaction plus the amount of assumed debt, adjusted for the ownership percentage and paid upon completion of the acquisition. Under the asset management agreement, the Asset Manager is responsible for employment expenses of its personnel, rent, and other office expenses of the Asset Manager.

SCEF has a wealth management agreement with Skyline Wealth Management Inc. (the “**Wealth Manager**”) that provides for the payment of a wealth management fee, payable monthly, equal to 1/12 of 0.3% of the Fund’s Class A equity under management (calculated as the product of the outstanding Class A SCEF units multiplied by the then-market value of one SCEF unit) plus 1/12 of 0.2% of the Fund’s Class F equity under management (calculated as the product of the outstanding Class F SCEF units multiplied by the then-market value of one SCEF unit). During 2023, the Wealth Manager was entitled to an equity raise fee equal to a maximum of 1% on the capital raised in offerings of SCEF units, subject to adjustment. Under the Wealth Management Agreement, the Wealth Manager is responsible for employment expenses of its personnel, rent and other office expenses of the Wealth Manager in connection with providing services to the Fund under the Wealth Management Agreement.

SCEF paid fees to Skyline Private Investment Capital Inc. (“SPICI”) for access to legal management and administrative services. Subject to the receipt of the applicable fees, SPICI is responsible for employment expenses of its personnel, rent and other office expenses.

SCEF has an agreement with the Asset Manager, which provides for the payment of operations and maintenance services for the solar assets. Under these agreements, the Asset Manager is responsible for employment expenses of its personnel, rent, and other office expenses of the Asset Manager.

SCEF paid fees to the Wealth Manager for access to advertising and promotion services. Subject to the receipt of the applicable fees, the Wealth Manager is responsible for employment expenses of its personnel, rent and other office expenses.

SCEF paid fees to SPICI for access to accounting and finance services. Subject to the receipt of the applicable fees, SPICI is responsible for employment expenses of its personnel, rent and other office expenses.

Risks And Uncertanties

There are certain risk factors inherent in an investment in the units and in the activities of the Fund, which subscribers should carefully consider before subscribing for the units. If any such risks actually occur, the financial condition and results of operations of the Fund could be materially adversely affected and the financial performance of the Fund and the ability of the Fund to satisfy requests for redemptions of units could be materially adversely affected.

Risk of Changes to Government Incentives

Development of new clean energy sources and the overall growth of the clean energy industry has recently been supported by provincial and/or national policies and incentives. Some of the Fund’s projects may benefit from such policies and incentives. The attractiveness of clean energy to purchasers of clean energy assets, as well as the economic return available to project sponsors, is often enhanced by such policies and incentives. There is a risk that policies and regulations that provide incentives for clean energy could change or expire in a manner that adversely impacts the market for renewables generally. Any such changes may impact the competitiveness of clean energy generally and the economic value of clean energy projects in particular.

In 2018, the government of the Province of Ontario passed legislation to repeal the Green Energy Act, and thereby terminate the FIT Program. Nonetheless, the Fund believes that it is unlikely that the repeal of the Green Energy Act will impact existing FIT Contracts that are operational or in advanced stages of development, referred to by IESO as having received a “Notice to Proceed”. Since the Fund would only acquire clean energy assets that were at or after this stage, the Fund believes that the risk of changes resulting from the repeal of the Green Energy Act is manageable.

In addition, the Fund, in the future may be subject to the application of environmental and social governance (“ESG”) legislation and/or regulation. Such ESG legislation and/or regulation may cause the Fund to incur costs to comply with same.

Regulatory and Political Risks

The Fund’s business activities are subject to changes in governmental regulatory requirements and the applicable governing statutes, including regulations related to the environment, unforeseen environmental effects, general economic conditions and other matters beyond the control of the Fund.

Moreover, the Fund’s operations may be subject to extensive regulation by various government agencies at the municipal, provincial, state and federal levels. There is always the risk of changes being made in government policies and laws, which may result in increased rates, such as for water rentals, and for income, capital and municipal taxes.

Equipment Failure

The Fund’s clean energy assets may not sustain continued levels of performance because of the risk of equipment failure due to, among other factors, wear and tear, design error, operator error, latent defect, or early obsolescence, all or any of which could have materially adverse effects to the Fund’s financial position and operations.

Waste / Feedstock / Digestate Market Volatility

Revenue from the Fund’s Biogas Portfolio is derived from a combination of: (i) energy sales and (ii) fees under short, medium and long term contracts from various feedstock (waste) suppliers including municipalities, commercial and industrial partners, and individual farmers and (iii) sales of digestate as fertilizer. While energy sales are primarily based on fixed price contracts, market prices for feedstock may be impacted by a number of factors including: transportation costs; access to a closer processing facility; reduced carbon intensity; competition; regulatory changes (specifically landfill diversion policies); price of fertilizer; price of renewable fuels (renewable natural gas and electricity); cost of emitting CO2 (specifically to feedstock suppliers); and the structure of the electricity and renewable fuels markets.

Energy Market Volatility

While revenue from the majority of the Fund’s clean energy assets is currently derived from fixed-rate, long-term, contracts, the Fund may, from time to time, invest in clean energy assets that are in markets that may have exposure, either directly or indirectly, to a wholesale market price for energy. Additionally when clean energy assets with fixed-rate, long-term, contracts reach the end of those contracts they may have exposure, either directly or indirectly, to a wholesale market price for energy. Wholesale market prices are impacted by a number of factors including: the price of fuel (e.g. natural gas) that is used to generate electricity; the distribution of electricity generation and excess generation capacity relative to load in a particular market; the cost of controlling emissions of pollution, including the cost of emitting CO2 (specifically to other market participants); the structure of the electricity and renewable fuels markets; and the weather conditions that impact electrical load.

Liquidity

An investment in SCEF units is an illiquid investment. There is currently no market through which SCEF units may be sold and redemptions are subject to restrictions imposed in the Declaration of Trust and applicable securities regulation. The Fund is not a "reporting issuer" in any jurisdiction, and a prospectus has not qualified the issuance of SCEF units. Accordingly, investors will be unable to sell their SCEF units, subject to some limited exceptions.

Redemptions

The entitlement of SCEF Unitholders to receive cash in respect of SCEF units tendered for redemption is subject to a Monthly Limit. Where the Monthly Limit is exceeded (subject to the discretion of the Trustees), a portion of the Redemption Amount to which the Unitholder would otherwise be entitled shall be paid and satisfied in cash and, subject to receipt of all necessary regulatory approvals, the remainder shall be paid and satisfied by way of issuance to the SCEF Unitholder of a Trust Note in accordance with the Declaration of Trust.

No Assurance of Achieving Investment Objectives

There is no assurance the Fund will be able to achieve its investment objectives or be able to preserve capital. There is no assurance that the Fund's portfolio of clean energy assets will earn any return. An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment and who can withstand the effect of distributions not being paid in any period or at all.

Contract Non-renewal

The Fund proposes to hold multiple fixed and variable-rate, long-term contracts to generate and sell energy. Alongside these contracts are long-term lease agreements to the facilities on which certain clean energy assets are housed. The Fund generally expects that such contracts will be renewed; however, if the Fund is not granted such renewal rights, or if such renewal rights are subject to conditions which would result in additional costs, or would impose additional restrictions to income (e.g., a cap on energy production), the profitability and operational activity of the Fund could be negatively impacted.

Competition

The Fund will experience competition in all aspects of its business, including competition for investment opportunities, financing, personnel, and feedstock supplies. As renewable energy markets expand and mature, competition may increase and have a material adverse effect on the Fund's business, financial condition and results of operations.

Financing

The Fund may utilize debt financing, and will be subject to the risks associated with debt financing, including the risk that the Fund may be unable to make interest or principal payments or meet loan covenants, the risk that defaults under a loan could result in cross defaults or other lender rights or remedies under other loans, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness.

Interest Rates

It is anticipated that the market value for the SCEF units at any given time may be affected by the level of interest rates prevailing at that time. A rise in interest rates may have a negative effect on the market price of the SCEF units.

Adverse Changes to the Availability of Investment Opportunities

The Fund's strategy for building value for its unitholders is to seek out and acquire or develop high-quality clean energy assets and businesses that generate sustainable, growing cash flows, with the objective of achieving appropriate risk-adjusted returns over the long-term. However, no certainty can be provided that the Fund will be able to find sufficient investment opportunities and complete transactions that meet the desired investment criteria. As of the date of this report, the Fund's main competitor in respect to the investment in solar energy assets is Potential Renewables, a Canadian solar energy company focused on the acquisition, development, engineering, procurement, construction and long-term ownership of solar projects. Competition for assets may grow significantly, and competition from other well-capitalized investors or companies may significantly increase the purchase price of desired investments, which may inhibit the Fund's ability to compete for future acquisitions.

Access to and Dependence on Key Personnel

The Asset Operators and Asset Manager depend on the availability of qualified personnel and may be dependent upon the services of certain key personnel. The loss of or inability to hire qualified personnel or the loss of key personnel could have a material adverse effect on the Fund.

Concentration and Composition of the Portfolio

The Fund will primarily invest in clean energy assets, although the Fund may also hold clean energy-related investments and some cash and cash equivalents. Given the concentration of clean energy assets, the Fund will be more susceptible to adverse economic or regulatory occurrences affecting clean energy assets than investment vehicles such as investment funds that hold a diversified portfolio of securities. Investments in clean energy assets are relatively illiquid. Such illiquidity will tend to limit the Fund's ability to vary its portfolio of clean energy assets promptly in response to changing economic or investment conditions.

The investment objectives and investment restrictions of the Fund permit the Fund to invest in a broad spectrum of clean energy assets. Therefore, the composition of the Fund's asset may vary widely from time to time. As a result, the returns generated by the Fund's clean energy assets may change as the portfolio of assets changes.

Changing Regulation

Assets in the clean energy market are often subject to extensive regulation by various government agencies and regulatory bodies. As legal requirements commonly change and are the subject of varying interpretation and discretion, the Fund may be unable to predict the ultimate cost of compliance with these requirements or their long-term effects on operations. Any new law, rule or regulation may require additional unforeseen expenditures to achieve or maintain compliance or could negatively impact the Fund's ability to generate and deliver energy. Also, operations that are not currently regulated may become subject to regulation which could ultimately result in additional cost to the Fund's business model.

General Economic Conditions

There are economic trends and factors that are beyond the Fund's control. Such trends and factors include adverse changes in the conditions of the clean energy market, changes in the conditions of the broader energy market and the conditions of the domestic or global economy generally.

It is not possible for the Fund to accurately predict economic fluctuations and the impact of such fluctuations on the Fund's performance.

Access to Capital

The clean energy industry is highly capital intensive. The Fund will require access to capital to maintain its clean energy assets, as well as to fund its growth. There is no assurance that capital will be available when needed or on favourable terms.

Tax Related Risks

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Fund or the SCEF Unitholders.

In addition, SCEF Unitholders may become subject to provincial taxes in respect of their SCEF units.

If the Fund fails or ceases to qualify as a mutual fund trust for the purposes of the Tax Act, the tax implications for the Fund would in some respects be materially and adversely different. Such adverse differences would include that if the Fund did not qualify as a mutual fund trust throughout a taxation year, it would be subject to a special tax under Part XII.2 of the Tax Act for such taxation year to the extent that it has designated income (which includes income from real property and income from businesses carried on in Canada) to an investor which is a designated beneficiary (which includes non-resident persons and certain tax-exempt persons).

If investments in the Fund become publicly listed or traded, there can be no assurances that the Fund will not be subject to the Specified Investment Flow-Through Trust Rules at that time.

The Fund or its subsidiaries may be reassessed for taxes from time to time. Such reassessments together with associated interest and penalties could adversely affect the Fund.

SCEF Unitholders will be taxable on net income of the Fund which is paid or payable to them in cash or by issuance of additional SCEF units to the extent that the Fund deducts such amounts in computing its income. As a result, SCEF Unitholders may be required to pay tax on such amounts although no cash was received from the Fund.

Since the net income of the Fund may be distributed in any given month, a purchaser of a unit may become taxable on a portion of the net income of the Fund accrued or realized by the Fund in a month before the time the unit was purchased but which was not paid or made payable to SCEF Unitholders until the end of the month and after the time the unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized in a year before the time the unit was purchased, but which is paid or made payable to SCEF Unitholders at year-end and after the time the unit was purchased.

The Loss Restriction Event Rules could potentially apply to the Fund if a person (or group of persons) was to acquire more than 50% of the fair market value of the units.

Tax Proposals released on February 4, 2022, and revised on November 3, 2022, August 4, 2023 and November 28, 2023 relating to the excessive interest and financing expenses limitation rules (“EIFEL Rules”) are intended to limit the deductibility of certain interest and other financing expenses. Under the EIFEL Rules, effective for taxation years beginning on or after October 1, 2023, the amount of net interest and other financing expenses incurred by a corporation or trust, whether incurred directly or through a partnership (including Skyline Clean Energy LP), that may be deducted in computing its income for Canadian income tax purposes will generally be limited to no more than a fixed ratio of its “adjusted taxable income”, which is intended to reflect the earnings before interest, taxes and depreciation generated by its activities in Canada. If the EIFEL Rules are enacted as proposed, the income of the Fund for Canadian income tax purposes may be increased which could have an adverse impact on the after tax return of a SCEF Unitholder and on the value of SCEF units. The EIFEL Rules may also apply to a corporation or trust held directly or indirectly by the Fund. Further, a SCEF Unitholder who makes a leveraged investment in SCEF units may be adversely affected. SCEF Unitholders and prospective unitholders should consult their own tax advisors in this regard.

Dilution

The number of SCEF units that the Fund is authorized to issue is unlimited. Any issuance of additional SCEF units may have a dilutive effect on the holders of SCEF units.

Unexpected Costs or Liabilities Related to Acquisitions

A risk associated with acquisitions is that there may be an undisclosed or unknown liability concerning an acquired asset, and the Fund may not be indemnified for some or all of these liabilities. Following an acquisition, the Fund may discover that it has acquired undisclosed liabilities, which may be material. The due diligence procedures performed by the Asset Manager are designed to address this risk. The Asset Manager will perform what it believes to be an appropriate level of investigation in connection with the acquisition of clean energy assets by the Fund and seeks through contract or insurance to mitigate risks.

Future Project Acquisitions

The acquisition of the Projects Under Consideration are not conditional upon completion of this report.

Impact of Climate Change, Natural Disasters and Other Events

Various events, including climate change, natural disasters, extreme weather conditions, war and terrorism may cause a significant decline in the value of the Fund’s assets, thereby having a material adverse effect on the Fund’s business, financial condition and results of operations.

Unitholder Liability

Because of uncertainties in the law relating to investment trusts, there is a risk that a Unitholder could be held personally liable for obligations of the Fund (to the extent that claims are not satisfied by the Fund) in respect of contracts which the Fund enters into and for certain liabilities arising other than out of contract including claims in tort, claims for taxes and possibly certain other statutory liabilities. The Trustees intend to cause the Fund’s operations to be conducted in such a way as to minimize any such risk including by obtaining appropriate insurance and, where feasible, attempting to have every material written contract or commitment of the Fund contain an express disavowal of liability against Unitholders.

Litigation Risk

The Fund or Skyline Clean Energy LP may, from time to time, become involved in legal proceedings in the course of its business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. The unfavourable resolution of any legal proceedings could have an adverse effect on the Fund’s and its financial position and results of operations that could be material.

Cybersecurity Risk

The efficient operation of the Fund’s business is dependent on computer hardware and software systems. Information systems are vulnerable to cybersecurity incidents. A cybersecurity incident is considered to be any material adverse event that threatens the confidentiality, integrity or availability of the Fund’s information resources. A cybersecurity incident is an intentional attack or an unintentional event including, but not limited to, malicious software, attempts to gain unauthorized access to data or information systems, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. The Fund’s primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, the disclosure of confidential information including personally identifiable information, potential liability to third parties, loss of revenue, additional regulatory scrutiny, and fines, as well as litigation and other costs and expenses. The Fund takes data privacy and protection seriously and has implemented processes, procedures and controls to help mitigate these risks. Access to personal data is controlled through physical security and IT security mechanisms. For information stored with or processed by third parties, the Fund undertakes due diligence prior to working with them and uses contractual means to ensure compliance to standards set by the Fund. Additionally, the Fund monitors and assesses risks surrounding collection, usage, storage, protection, and retention/destruction practices of personal data. These measures, as well as its increased awareness of a risk of a cyber incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

Infrastructure Inaccessibility

The Fund’s ability to sell electricity and renewable fuels is reliant on the availability of, and access to, the various transmission systems used to deliver power to the delivery points that will be stipulated by the Fund’s energy fulfillment contracts. The absence of this availability and access to infrastructure, or the operational failure of existing transmission systems, may have a material adverse effect on the Fund’s ability to deliver electricity and/or renewable fuel to its various counterparties, which could, in turn, negatively impact the Fund’s financial position and operations.

Health, Safety, Security and Environmental

The ownership and operation of the Fund’s clean energy assets carries inherent risks related to health, safety, security, and the environment, including the risk of government-imposed orders to remedy unsafe conditions. The Fund could be exposed to potential penalties and civil liability if health, safety, security, and environmental laws are contravened.

Asset Impairment due to Changing Technologies

There exist other competing technologies for clean energy production, and while many of these still rely on subsidies to compete with conventional energy generation, research and development activities may aid such technologies in reducing production cost. In such an event, those technologies may compete directly or indirectly with the Fund for favourable energy fulfillment contracts, which may in turn have an adverse effect on the Fund’s long-term financial position and operations.

Social Acceptance of Renewable Energy Projects

The social acceptance by local stakeholders, including, in some cases, First Nations and other Indigenous peoples, and local communities is critical to the Fund’s ability to find and develop new sites suitable for viable renewable energy projects. Failure to obtain proper social acceptance for a project may prevent the development and construction of a project and lead to the loss of all investments made in the development and the write-off of such prospective project.

Nature of SCEF Units

SCEF units are not the same as shares of a corporation. As a result, SCEF Unitholders will not have the statutory rights and remedies normally associated with share ownership, such as the right to bring “oppression” or “derivative” actions.

SCEF units are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of that act or any other legislation. Furthermore, the Fund is not a trust company and, accordingly, it is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Potential Conflicts of Interest

The Fund may be subject to various conflicts of interest because of the fact that certain of the Trustees and senior officers of the Fund and certain senior officers of the Asset Manager and the Exempt Market Dealer are engaged in a wide range of other business activities. The Fund may become involved in transactions which conflict with the interests of the foregoing.

The Trustees may from time-to-time deal with persons, firms, institutions or corporations with which the Fund may be dealing, or which may be seeking investments similar to those desired by the Fund. The interests of these persons could conflict with those of the Fund. In addition, from time to time, these persons may be competing with the Fund for available investment opportunities.

The Declaration of Trust contains “conflicts of interest” provisions requiring Trustees to disclose material interests in material contracts and transactions and to refrain from voting thereon.

Critical Accounting Estimates

Preparing the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and the revision affects both current and future periods.

Significant estimates and assumptions include the fair values assigned to clean energy contracts. Valuation of these clean energy contracts is one of the principal estimates and uncertainties of these financial statements.

Additional information on the significant estimates, judgments and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 in the audited annual consolidated financial statements for the period ended December 31, 2023.

Subsequent Events

Subsequent to December 31, 2023, SCEF issued 337,043 Class A units for an aggregate value of $5,433, 55,456 Class F units for an aggregate value of $894 and redeemed 385,035 Class A units for an aggregate value of $6,207.

The following unit price changes occurred subsequent to year end:

Effective Date	Unit Price
January 1, 2024	**$16.12**
April 1, 2024	**$16.49**

SCEF Unitholders - 2024 Investment Activity (to date) ($ thousands, except where noted)	**January 1, 2024 to March 31, 2024**	
	Number of Units	**Amount ($)**
SCEF units outstanding, January 1, 2024	**12,864,018**	**$160,555**
Proceeds from units issued - Class A	337,043	5,433
Proceeds from units issued - Class F	55,456	894
Redemption of units - Class A	(385,035)	(6,207)
Redemption of units - Class F	-	-
SCEF units outstanding, March 31, 2024	**12,871,482**	**$160,675**

On April 11, 2024, SCEF loaned $2,000 to Liquor Labs Incorporated. This loan bears interest at 10% and matures April 11, 2026. Liquor Labs Incorporated is a company headquartered in Constantine, Michigan, focused on the development of renewable ethanol as a sustainable aviation fuel.

SKYLINE CLEAN ENERGY FUND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

SKYLINE CLEAN ENERGY FUND

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of: Skyline Clean Energy Fund

Opinion
We have audited the accompanying financial statements of Skyline Clean Energy Fund, which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statements of changes in unitholders' equity, loss and comprehensive loss and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Skyline Clean Energy Fund as at December 31, 2023 and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis of 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 report. We are independent of Skyline Clean Energy Fund 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 qualified opinion.

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

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

Those charged with governance are responsible for overseeing Skyline Clean Energy Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 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 Skyline Clean Energy Fund'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 Skyline Clean Energy Fund'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 consolidated 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 Skyline Clean Energy Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We 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.

RLB LLP

Guelph, Ontario
April 29, 2024

Chartered Professional Accountants
Licensed Public Accountants

SKYLINE CLEAN ENERGY FUND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

(in thousands of Canadian dollars)

	2023	2022
ASSETS		
Solar equipment and structures (notes 6, 7)	$ 156,221	$ 60,827
Biogas equipment (notes 6, 8)	31,369	36,637
Clean energy contracts (notes 6, 9)	136,519	111,567
Prepaid leases (note 10)	1,206	1,296
Right-of-use assets (notes 6, 11)	8,427	12,970
Land (notes 6, 12)	10,057	5,984
Investments in joint ventures (notes 6, 13)	2,433	11,892
Investments in associates (note 14)	1,780	1,450
Convertible debenture receivable (note 15)	4,005	3,715
Interest rate swap agreements (notes 6, 24)	1,882	1,726
Loans receivable (note 16)	3,849	823
Inventory (note 17)	3,067	1,997
Other assets (note 18)	8,937	2,729
Accounts receivable (note 19)	7,324	4,830
Short term investments (note 20)	2,397	0
Restricted cash (note 21)	9,813	1,775
Cash	12,138	10,094
	$ 401,424	$ 270,312
LIABILITIES AND UNITHOLDERS' EQUITY		
Loans payable (notes 6, 22)	$ 201,625	$ 60,311
Note payable (notes 6, 23)	13,284	4,605
Lease liability (notes 6, 25)	7,892	7,832
Decommissioning liability (notes 6, 28)	1,219	1,175
Unamortized government assistance (notes 6, 29)	6,140	6,784
Due to related parties (note 26)	5,104	19,869
Accounts payable and accrued liabilities (note 27)	7,432	3,581
Revolving credit facilities (note 32)	0	6,418
	242,696	110,575
Unitholders' equity (page 6)	136,578	135,481
Non-controlling interests (page 6) (note 35)	22,150	24,256
	158,728	159,737
	$ 401,424	$ 270,312

Trustee

Trustee

See notes to the consolidated financial statements

SKYLINE CLEAN ENERGY FUND

CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Canadian dollars)

	Unitholders' Equity	Non-Controlling Interests	Total
OPENING BALANCE - January 1, 2023	$ 135,481	$ 24,256	$ 159,737
Proceeds from units issued (note 36)	34,622	0	34,622
Units issued through distribution reinvestment plan (note 36)	25	0	25
Issuance costs (notes 26, 36)	(306)	0	(306)
Loss and comprehensive loss for the year	(20,133)	(3,100)	(23,233)
Recovery of distribution to non-controlling interest (note 35)	0	819	819
Contributions to non-controlling interest (note 35)	0	175	175
Redemptions (note 36)	(13,085)	0	(13,085)
Distributions paid	(26)	0	(26)
CLOSING BALANCE - December 31, 2023	$ 136,578	$ 22,150	$ 158,728
OPENING BALANCE - January 1, 2022	$ 108,322	$ 13,064	$ 121,386
Proceeds from units issued (note 36)	37,038	0	37,038
Issuance costs (notes 26, 36)	(322)	0	(322)
Loss and comprehensive loss for the year	(82)	(458)	(540)
Recovery of distribution to non-controlling interest (note 35)	0	95	95
Non-controlling interests ownership of biogas assets acquired (note 35)	0	11,555	11,555
Redemptions (note 36)	(9,475)	0	(9,475)
CLOSING BALANCE - December 31, 2022	$ 135,481	$ 24,256	$ 159,737

See notes to the consolidated financial statements

SKYLINE CLEAN ENERGY FUND

CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Canadian dollars)

	2023	2022 (note 37)
INCOME		
Solar income	$ 14,707	$ 12,544
Biogas income	18,603	15,172
Other income	2,311	2,620
Battery sales	0	1,180
	35,621	31,516
DIRECT OPERATING EXPENSES		
Utilities	2,362	1,722
Insurance	1,166	914
Amortization (notes 7, 8, 9, 10, 11, 28)	17,694	15,177
Operations and maintenance fees (note 26)	300	1,385
Management fees	587	1,158
Property tax	313	221
Royalty expense	10	16
Other direct operating expenses (note 26)	10,240	6,221
Battery cost of sales (note 17)	0	1,019
	32,672	27,833
NET OPERATING INCOME	2,949	3,683
OTHER EXPENSES (INCOME)		
Share of net earnings from investments (notes 13, 14)	(1,250)	(3,383)
Financing costs (notes 26, 30)	7,303	7,217
Administrative expenses (note 26)	2,975	1,572
Asset management fees (note 26)	770	506
Property management fees (note 26)	224	186
Wealth management fees (note 26)	604	465
Interest income	(496)	(404)
	10,130	6,159
LOSS BEFORE UNDERNOTED	(7,181)	(2,476)
Income tax provision	(542)	(94)
Unrealized gain on swap agreements (note 24)	537	2,399
Foreign exchange loss	(17)	(7)
Loss on disposed assets	(6,030)	(362)
Loss on extinguishment of debt	(1,210)	0
Impairment loss	(4,642)	0
Loss on remeasurement of equity in joint ventures	(4,148)	0
	(16,052)	1,936
LOSS AND COMPREHENSIVE LOSS for the year	$ (23,233)	$ (540)
Net loss attributable to:		
Unitholders	$ (20,133)	$ (82)
Non-controlling interests (note 35)	(3,100)	(458)
Net loss and comprehensive loss	$ (23,233)	$ (540)

See notes to the consolidated financial statements

SKYLINE CLEAN ENERGY FUND

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Canadian dollars)

	2023	2022
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Loss and comprehensive loss for the year	$ (23,233)	$ (540)
Items not requiring an outlay of cash:		
Amortization (notes 7, 8, 9, 10, 11)	17,650	15,143
Amortization of financing costs (note 30)	342	478
Accretion on decommissioning liability (note 28)	44	34
Financing costs in operations (note 30)	6,961	6,739
Loss on extinguishment of debt	1,210	0
Impairment loss	4,642	0
Loss on remeasurement of equity in joint ventures	4,148	0
Unrealized gain on swap agreements (note 24)	(537)	(2,399)
Interest rate swap payments (note 24)	333	(377)
Loss on disposed assets	6,030	362
Non-controlling interests in ownership of biogas assets acquired (note 35)	0	11,555
Share of net earnings from investments (notes 13, 14)	(1,250)	(3,383)
Derecognition of ROU and lease liability due to purchase of land (notes 11, 25)	0	21
Unamortized government assistance recognized in income (note 29)	(644)	(407)
	15,696	27,226
Changes in non-cash working capital		
Short term investments	(2,397)	0
Accounts receivable (note 19)	(2,494)	(2,074)
Inventory (note 17)	(1,070)	786
Other assets (note 18)	(6,208)	17,966
Accounts payable and accrued liabilities (note 27)	3,851	(279)
	7,378	43,625
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Due to related parties (note 26)	(14,765)	18,795
Note payable proceeds (note 23)	8,500	(3,468)
Loan proceeds, net of repayments (note 22)	139,733	13,953
Revolving credit facility advances (note 32)	(6,418)	6,418
Interest paid on debt (note 30)	(6,145)	(5,018)
Distribution paid to general partner (note 30)	0	(1,261)
Lease payments made on lease liability (note 25)	(1,030)	(1,004)
Restricted cash (note 21)	(8,038)	(488)
Proceeds from units issued (page 6)	34,622	37,038
Redemptions (page 6)	(13,085)	(9,475)
Issuance costs (note 26) (page 6)	(306)	(322)
Recovery of distribution to non-controlling interest (note 35)	819	95
Distributions paid (net of distribution reinvestment plan)	(1)	0
	133,886	55,263

See notes to the consolidated financial statements

SKYLINE CLEAN ENERGY FUND

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Canadian dollars)

	2023	**2022**
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Acquired solar assets, biogas assets and clean energy contracts (note 6)	(127,703)	(94,899)
Net additions to solar and biogas assets (notes 7, 8, 9)	(2,219)	(3,035)
Proceeds on disposal of assets	134	0
Decommissioning liability (note 28)	0	227
Acquired convertible debenture (note 15)	0	(182)
Acquired interest rate swap agreements (note 24)	(1,742)	0
Disposal of interest rate swap agreements (note 24)	1,790	0
Accrued interest on convertible debentures (note 15)	(290)	(284)
Purchase of LP units in joint venture (note 13)	(2,433)	0
Investment in associate (note 14)	(580)	(320)
Acquired unamortized government assistance (note 29)	0	7,191
Acquired land (note 12)	(4,001)	(5,984)
Distribution from investments in joint ventures (note 13)	850	231
Loans receivable advanced (note 16)	(3,150)	0
Acquired right-of-use assets (note 11)	0	(5,152)
Interest on loans receivable (note 16)	(93)	(83)
Principal payment received on loan receivable (note 16)	217	48
	(139,220)	(102,242)
NET INCREASE (DECREASE) IN CASH	2,044	(3,354)
CASH, beginning of year	10,094	13,448
CASH, end of year	$ 12,138	$ 10,094

See notes to the consolidated financial statements

1. NATURE OF BUSINESS

Skyline Clean Energy Fund ("SCEF") is an unincorporated, open ended mutual fund trust established under the laws of the Province of Ontario that was created pursuant to a Declaration of Trust dated May 3, 2018.

Skyline Clean Energy Limited Partnership ("SCELP") was created on May 3, 2018 as a limited partnership under the laws of the Province of Ontario. The general partner is Skyline Clean Energy GP Inc. and the majority limited partner is SCEF.

SCEF is domiciled in Ontario, Canada. The address of SCEF's registered office and its principal place of business is 5 Douglas Street, Suite 301, Guelph, Ontario, N1H 2S8.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

The consolidated financial statements of SCEF for the year ended December 31, 2023 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgment in applying SCEF's accounting policies.

The consolidated financial statements are presented in accordance with International Accounting Standard "IAS" 1 - Presentation of Financial Statements. SCEF has elected to present the consolidated statement of income and comprehensive income in one statement.

The consolidated financial statements for the year ended December 31, 2023 were approved for issue by the Board of Trustees on April 29, 2024.

(b) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial instruments, as set out in the relevant accounting policies.

(c) FUNCTIONAL CURRENCY AND PRESENTATION

The consolidated financial statements are presented in Canadian dollars, which is also SCEF's functional currency.

SCEF presents its consolidated statement of financial position based on the liquidity method, where all assets and liabilities are presented in the ascending order of liquidity.

2. BASIS OF PRESENTATION (continued)

(d) USE OF ESTIMATES

The preparation of these consolidated financial statements requires SCEF to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimates are revised and the revision affects both current and future periods.

Significant estimates and assumptions include the useful life of solar equipment, structures, biogas equipment and clean energy contracts, the valuation of right-to-use assets and lease liabilities, the valuation of interest rate swap agreements, the valuation of the decommissioning liability and accounts payable and accrued liabilities.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRS and include the following significant accounting policies (and any changes thereto):

Accounting standards implemented in 2023

On January 1, 2023, SCEF adopted the following amendment to IAS 1 - Presentation of financial statements. The amended standard will update the definition of accounting policy information. There is no material impact from the adoption of this amendment.

On January 1, 2023, SCEF adopted the following amendment to IAS 8 - Accounting policies, changes in accounting estimates and errors. The amended standard clarifies the difference between an accounting estimate and an accounting policy. There is no material impact from the adoption of this amendment.

Material accounting policies

(a) CLEAN ENERGY CONTRACTS

The clean energy contracts give SCEF the ability to participate in the Feed-In Tariff (“FIT”) program which allows it to sell electricity generated from its solar and biogas equipment to the Local Distribution Company ("LDC"). The clean energy contracts meet the definition of an intangible asset under IAS 38 - Intangible assets (“IAS 38”). The clean energy contracts are accounted for under the cost model of IAS 38 and are recorded at cost, net of accumulated amortization and/or impairment losses, if any. In accordance with IFRS 15 - Revenue from contracts with customers ("IFRS 15"), amortization is recorded on a straight-line basis at rates designed to amortize the cost of clean energy contracts over the length of the contracts.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) PREPAID LEASES

The prepaid leases are agreements that allow SCEF to lease the land from a landlord, to build a structure upon which solar equipment and structures can be installed for the purposes of generating income. The prepaid leases are amortized straight-line over the length of the lease agreement.

(c) LEASES

Under IFRS 16 - Leases ("IFRS 16"), leases are recognized as a right-of-use asset with a corresponding liability at the date of which the leased asset is available for use by SCEF. Each lease payment is allocated between the lease liability and financing costs. The financing cost is charged to the consolidated statement of (loss) income and comprehensive (loss) income over the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each reporting period. The right-of-use asset is depreciated over the term of the lease agreement on a straight-line basis.

(d) DECOMMISSIONING LIABILITY

A decommissioning liability is recognized at the best estimate of the expenditure required to settle the present obligation at the consolidated statement of financial position date when the liability for a decommissioning liability is incurred and a reasonable estimate of the obligation is determinable. The best estimate of the decommissioning liability is the present value of the amount SCEF would rationally pay to settle the obligation, or transfer it to a third party, at the consolidated statement of financial position date.

When a liability is recognized, a corresponding decommissioning cost is capitalized to the carrying amount of the related asset. The decommissioning cost is amortized over the estimated useful life of the related asset.

SCEF recognizes changes to the liability due to the passage of time in operating expenses, as accretion. Changes due to passage of time are calculated by applying an interest method of allocation using the discount rate used in the original calculation of the decommissioning liability. SCEF recognizes changes to the liability arising from revisions to the timing, amount of expected undiscounted cash flows or discount rate as an increase or decrease to the carrying amounts of the decommissioning liability and the related decommissioning capitalized cost.

(e) REVENUE RECOGNITION

Under IFRS 15, solar and biogas income is recognized over time as the related electricity is delivered. SCEF's solar and biogas equipment generates electricity, which is then either sold to the LDC at fixed rates (or initially fixed rates, indexed to inflation), or through the open market in the case of the Lethbridge Biogas facility. The fixed rates are determined by the Ontario Power Authority ("OPA") or Independent Electricity System Operator ("IESO") contracts, on a per kilowatt basis. This solar or biogas income is recognized at the time the electricity is transferred to the LDC.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) REVENUE RECOGNITION (continued)

Each of SCEF's clean energy contracts contain a distinct performance obligation for the delivery of electricity. Determining what goods or services promised to the customer constitute a distinct performance obligation requires significant judgment. SCEF considered all goods and services promised in its clean energy contracts and determined that, while certain promises do have stand-alone value to the customer, they are not distinct in the context of the contract. SCEF views each kilowatt hour (kWh) of electricity delivered to be a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer as measured using an output method. The amount that SCEF has a right to bill the customer reflects the pattern of transfer and value of the completed performance to the customer. As a result, SCEF applies the "right to invoice" practical expedient under IFRS 15 to measure and recognize revenue.

Biogas income is also recognized as tipping fees upon the receipt or pick up of organic waste from the customer. Biogas income is recognized as the service is performed.

Battery sales are recognized as the batteries are delivered and SCEF no longer controls the assets.

Revenue from the sale of renewable natural gas ("RNG") is captured in biogas income and is recognized over time as the RNG is delivered. SCEF's biogas equipment generates RNG, which is then sold to the customer at an initially fixed rate, indexed to inflation. The fixed rate is based on the contract with the customer, on a per gigajoule basis.

Revenue from sale of electricity, carbon offsets, generator credits, bioenergy producer credits, disposal of organic material, operator contract, renewable natural gas and income from parts and labour is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

In accordance with IAS 20 - Accounting for government grants and disclosure of government assistance, government assistance is deferred and is amortized into revenue at the same basis as the related fixed assets.

(f) SOLAR AND BIOGAS EQUIPMENT

Solar and biogas equipment is utilized to earn solar and biogas income, respectively, and is accounted for using the cost model as prescribed under IAS 16 – Property, plant and equipment ("IAS 16"). The equipment is recorded at cost, net of accumulated amortization and/or impairment losses, if any. The cost of solar and biogas equipment includes the cost of replacing part of the solar or biogas equipment and borrowing costs for long term construction projects, if the recognition criteria are met.

Amortization is recorded on a straight-line basis at rates designed to amortize the cost of solar equipment over its estimated useful life. Biogas equipment is amortized on a straight-line basis with the exception of the RNG system and processing equipment which use a 20% declining balance method, an anaerobic digester which uses a 9% declining balance method and buildings which use a 5% declining balance method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) STRUCTURES

Structures are used to mount and house the solar equipment that are utilized to generate solar income. The structures are accounted for using the cost model as prescribed under IAS 16. The structures are recorded at cost, net of accumulated depreciation and/or impairment losses, if any. The cost of the structures includes the cost of replacing part of the solar equipment and borrowing costs for long term construction projects, if the recognition criteria are met.

Amortization is recorded on a straight-line basis at rates designed to amortize the cost of the structures over their estimated useful lives.

(h) FINANCIAL INSTRUMENTS

SCEF's financial instruments and their respective classification and measurement characteristics, are as follows:

Asset/Liability	Classification/Measurement
Cash	Amortized cost
Short term investments	Amortized cost
Restricted cash	Amortized cost
Accounts receivable	Amortized cost
Loans receivable	Amortized cost
Convertible debenture receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Notes payable	Amortized cost
Interest rate swap agreements	FVTPL
Decommissioning liability	Amortized cost
Due to related parties	Amortized cost

Financial Assets

Financial assets are classified at initial recognition, as either financial assets at fair value through profit or loss ("FVTPL") or amortized cost. Financial assets that give rise to specified payments of principal and interest are carried at amortized cost when they are held to collect contractual cash flows. All other financial assets are carried at FVTPL. When financial assets are recognized initially, they are measured at fair value, plus directly attributable transaction costs for those financial assets not subsequently measured at fair value.

SCEF’s financial assets are derecognized only when the contractual rights to the cash flows from the financial asset expire or substantially the entity loses control of all or part of the assets.

SCEF’s financial assets that are classified as amortized cost include cash, short term investments, restricted cash, accounts receivable, loans receivable and convertible debenture receivable. They are initially recognized at fair value and subsequently measured at amortized cost less provision for impairment.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(h) FINANCIAL INSTRUMENTS (continued)

Provision for impairment is made based on the simplified expected credit loss ("ECL") model. Under the simplified ECL model, SCEF estimates lifetime expected losses for its receivables at each consolidated statement of financial position date based on available information. To measure the expected losses, amounts receivable are grouped based on days past due. The results of the simplified ECL model are used to reduce the carrying amount of the financial asset through an allowance account, and the changes in the measurement of the allowance account are recognized through the profit and loss. Bad debt write-offs occur when SCEF determines collection is not possible. If, in a subsequent period, the impairment loss decreases and the decrease can be related objectively to an event occurring in the subsequent period, the impairment loss is reversed to no more than its previous carrying amount by adjusting the allowance. The reversal is recognized through profit and loss. Impaired receivables are derecognized when they become uncollectible.

<u>Financial Liabilities</u>
Financial liabilities are classified at initial recognition as either financial liabilities at fair value through profit and loss or amortized cost, as appropriate. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

SCEF's financial liabilities classified as amortized cost include accounts payable and accrued liabilities, loans payable, notes payable, decommissioning liability and due to related parties. These financial liabilities are measured initially at fair value and subsequently at amortized cost. The fair value of a non-interest bearing liability is its discounted payment amount. If the due date of the liability is less than one year, discounting is omitted.

(i) INCOME TAXES

SCEF qualifies as a mutual fund trust pursuant to the Income Tax Act. Under current legislation, a mutual fund trust is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes provided its taxable income is fully distributed to unitholders. SCEF intends to continue to qualify as a mutual fund trust and to make distributions not less than the amount necessary to ensure that SCEF will not be liable to pay income taxes.

(j) FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. In estimating the fair value of an asset or a liability, SCEF considers the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Assets and liabilities measured at fair value in the consolidated statement of financial position are categorized by level according to the significance of the inputs used in making the measurements. The levels of inputs are defined as follows:

<u>Level 1 inputs</u>
Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) FAIR VALUE MEASUREMENT (continued)

Level 2 inputs
Inputs other than quoted prices (included within Level 1) that are observable for the asset or the liability, either directly or indirectly.

Level 3 inputs
Unobservable inputs for the asset or liability.

SCEF's policy is to recognize transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

(k) JOINT ARRANGEMENTS

In accordance with IFRS 11 – Joint arrangements ("IFRS 11"), SCEF has investments over which SCEF has joint control and whereby the parties that share joint control have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in joint ventures are accounted using the equity method. Under the equity method, the investment is carried on the consolidated statement of financial position at cost, adjusted for SCEF's proportionate share of post-acquisition profits and losses and for post-acquisition changes in excess of SCEF's carrying amount of its investment over the net assets of the equity accounted investments, less any identified impairment loss. SCEF's share of profits and losses is recognized in the consolidated statement of loss and comprehensive loss.

(l) INVENTORY

Inventory includes energy storage systems that are held for sale by SCEF and are carried at the lesser of cost and net realizable value. In addition inventory includes supplies that are to be used in the production of solar and biogas income that are held at the lower of cost and net realizable value.

(m) INVESTMENTS IN ASSOCIATES

In accordance with IAS 28 - Investments in associates ("IAS 28"), SCEF has investments over which SCEF has significant influence. Generally, SCEF is considered to exert significant influence when it holds more than a 20% interest in an entity or partnership. However, determining significant influence is a matter of judgment and specific circumstances. The financial results of SCEF's investments in associates are included in SCEF's consolidated financial statements using the equity method, whereby the investment is carried on the consolidated statement of financial position at cost, adjusted for SCEF's proportionate share of post-acquisition profits and losses and for post-acquisition changes in excess of SCEF's carrying amount of its investment over the net assets of the equity accounted investments, less any identified impairment loss. SCEF's share of profits and losses is recognized in the consolidated statement of loss and comprehensive loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(n) LAND

In accordance with IAS 16, land is recorded at cost.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of SCEF's consolidated financial statements are disclosed below. SCEF intends to adopt these standards, if applicable, when they become effective.

IAS 1 - In January 2020, the IASB issued an amendment to IAS 1 - Presentation of financial statements which will be effective for years beginning on or after January 1, 2024. The amended standard will update the definition of a liability and the classification of liabilities between current and non-current.

IAS 1 - In October 2022, the IASB issued an amendment to IAS 1 - Presentation of financial statements which will be effective for years beginning on or after January 1, 2024. The amended standard will update the criteria for classifying liabilities with covenants as current or non-current.

IAS 7 - In May 2023, the IASB issued an amendment to IAS 7 - Statement of cash flows which will be effective for years beginning on or after January 1, 2024. The amended standard requires the entity to disclose information about its supplier finance arrangements that enables users of the financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. IFRS 7 - Financial instruments: disclosures has also been amended for the entity to include disclosures on concentrations of risk in relation to the amended IAS 7 - Statement of cash flows.

IAS 28 - In May 2014, the IASB issued an amendment to IAS 28 - Investments in associates and joint ventures. The amended standard will update the equity method procedures for recognizing the sale or contribution of assets between an investor and its associate or joint venture. The effective date has been deferred indefinitely.

SCEF does not expect any significant impact as a result of these amendments.

5. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the consolidated financial statements of Skyline Clean Energy Fund and its subsidiary, SCELP.

Subsidiaries are entities over which Skyline Clean Energy Fund has control, where control is defined as the power to govern financial and operating policies of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date control is transferred to Skyline Clean Energy Fund, and are de-consolidated from the date control ceases. Intercompany transactions between subsidiaries are eliminated on consolidation. All subsidiaries have a reporting date of December 31.

(in thousands of Canadian dollars, except per unit amounts)

6. ACQUISITIONS

The following assets were acquired during the year. The results of the acquisitions are included in these consolidated financial statements from the date of acquisition:

SkyPower Acquisition - On December 29, 2023, SCEF acquired all of the outstanding units of SkyPower RESOP Holdings LP and all of the outstanding shares of SkyPower RESOP Holdings GP Inc. SkyPower RESOP Holdings LP indirectly owns six solar assets, which are comprised of solar equipment, clean energy contracts, right-of-use assets and land. In addition, as part of this acquisition an investment in joint venture was also purchased.

The following table contains details of SCEF's 2023 and 2022 acquisitions:

	2023	2022
Net assets acquired:		
Solar equipment	$ 103,539	$ 15,553
Biogas equipment	0	25,173
Clean energy contracts	32,558	54,173
Right-of-use assets	657	5,842
Land	4,001	5,984
Interest rate swap agreements	1,742	0
Investment in joint venture	2,433	0
Solar development costs	0	791
Debt assumed:		
Loan payable	(111,637)	(35,591)
Unamortized government assistance	0	(7,191)
Decommissioning liability	0	(227)
Net working capital:	6,798	6,275
Total identifiable net assets	$ 40,091	$ 70,782
Consideration paid, funded by:		
Lease liability	$ 657	$ 690
Investments in joint ventures	6,519	0
Gain on bargain purchase	1,874	0
SCEF units	0	1,200
Promissory note payable	8,500	0
Non-controlling interest	0	11,455
Cash on hand	22,541	57,437
Total consideration paid	$ 40,091	$ 70,782

(in thousands of Canadian dollars, except per unit amounts)

7. SOLAR EQUIPMENT AND STRUCTURES

Changes to the carrying amounts of the solar equipment and structures presented in the consolidated statement of financial position are summarized as follows:

	2023	2022
Opening balance	$ 60,827	$ 48,974
Additions through purchase of assets (note 6)	103,539	15,553
Additions through capital expenditures	161	159
Disposals	(3,498)	0
Amortization	(4,808)	(3,859)
Closing balance	$ 156,221	$ 60,827

8. BIOGAS EQUIPMENT

Changes to the carrying amounts of the biogas equipment presented in the consolidated statement of financial position are summarized as follows:

	2023	2022
Opening balance	$ 36,637	$ 14,577
Additions through purchase of assets (note 6)	0	25,173
Reclassification of land transfer tax to land	(72)	0
Additions through capital expenditures	1,454	1,332
Disposal of assets	(2,875)	(362)
Amortization	(3,775)	(4,083)
Closing balance	$ 31,369	$ 36,637

9. CLEAN ENERGY CONTRACTS

Changes to the carrying amounts of the clean energy contracts presented in the consolidated statement of financial position are summarized as follows:

	2023	2022
Opening balance	$ 111,567	$ 62,143
Additions through purchase of assets (note 6)	32,558	54,173
Additions through capital expenditures	813	1,544
Amortization	(8,419)	(6,293)
Closing balance	$ 136,519	$ 111,567

10. PREPAID LEASES

Changes to the carrying amounts of the prepaid leases presented in the consolidated statement of financial position are summarized as follows:

	2023	2022
Opening balance	$ 1,296	$ 1,387
Amortization	(90)	(91)
Closing balance	$ 1,206	$ 1,296

(in thousands of Canadian dollars, except per unit amounts)

11. RIGHT-OF-USE ASSETS

Changes to the carrying amounts of the right-of-use assets presented in the consolidated statement of financial position are summarized as follows:

	2023	2022
Opening balance	$ 12,970	$ 8,801
Derecognition due to purchase of land	0	(994)
Additions through purchase of assets (note 6)	657	5,842
Additions through capital expenditures	0	138
Impairment loss	(4,642)	0
Amortization	(558)	(817)
Closing balance	$ 8,427	$ 12,970

12. LAND

Changes to the carrying amounts of the land presented in the consolidated statement of financial position are summarized as follows:

	2023	2022
Opening balance	$ 5,984	$ 0
Reclassification of land transfer tax from biogas equipment	72	0
Additions through purchase of assets (note 6)	4,001	5,984
Closing balance	$ 10,057	$ 5,984

13. INVESTMENTS IN JOINT VENTURES

As of December 31, 2023, SCEF has invested in 50% ownership of one (2022 - three) joint venture which holds a solar asset.

Changes to the aggregate carrying value of SCEF's investment is summarized as follows:

	2023	2022
Opening balance	$ 11,892	$ 8,520
Additions through purchase of units (note 6)	2,433	0
Derecognition of investment in joint venture (note 6)	(6,519)	0
Loss on revaluation of equity interest	(6,023)	0
Share of net earnings	1,500	3,603
Distributions	(850)	(231)
Closing balance	$ 2,433	$ 11,892

(in thousands of Canadian dollars, except per unit amounts)

13. INVESTMENTS IN JOINT VENTURES (continued)

The following details SCEF's share of the limited partnership's aggregated assets, liabilities, and results of operations accounted for under the equity method:

As at December 31, 2023:

	SunE Sky Erie Ridge LP
Solar equipment	$ 12,464
Land	300
Current assets	1,385
Total assets	14,149
Non-current liabilities	9,812
Current liabilities	1,904
Net equity	$ 2,433

For the year ended December 31, 2023:

	SunE Sky Erie Ridge LP	SunE Sky First Light LP	SunE Sky 13th Sideroad LP	SunE Sky Ryerse LP	Total
Solar revenue	$ 0	$ 1,840	$ 1,660	$ 1,969	$ 5,469
Operating expenses	0	1,411	1,623	1,634	4,668
Net operating income	0	429	37	335	801
Other income	0	209	272	218	699
Net income	$ 0	$ 638	$ 309	$ 553	$ 1,500

(in thousands of Canadian dollars, except per unit amounts)

13. INVESTMENT IN JOINT VENTURES (continued)

As at December 31, 2022:

	SunE Sky First Light LP	SunE Sky 13th Sideroad LP	SunE Sky Ryerse LP	Total
Solar equipment	$ 12,180	$ 10,385	$ 10,244	$ 32,809
Land	447	286	159	892
Current assets	1,111	3,560	3,468	8,139
Total assets	13,738	14,231	13,871	41,840
Non-current liabilities	6,465	8,548	8,575	23,588
Current liabilities	3,827	1,267	1,266	6,360
Net equity	$ 3,446	$ 4,416	$ 4,030	$ 11,892

For the year ended December 31, 2022:

	SunE Sky First Light LP	SunE Sky 13th Sideroad LP	SunE Sky Ryerse LP	Total
Solar revenue	$ 1,876	$ 1,838	$ 1,861	$ 5,575
Operating expenses	1,630	1,423	1,474	4,527
Net operating income	246	415	387	1,048
Other income	679	984	892	2,555
Net income	$ 925	$ 1,399	$ 1,279	$ 3,603

14. INVESTMENTS IN ASSOCIATES

On December 31, 2023, SCEF has significant influence over one associate.

Changes to the aggregate carrying value of SCEF's investment is summarized as follows:

	2023	**2022**
Opening balance	$ 1,450	$ 1,350
Additions through capital contribution	580	320
Share of net loss	(250)	(220)
Closing balance	$ 1,780	$ 1,450

(in thousands of Canadian dollars, except per unit amounts)

14. INVESTMENTS IN ASSOCIATES (continued)

The following details SCEF's share of the associate's aggregated assets, liabilities, and results of operations accounted for under the equity method:

	2023	2022
Non-current assets	$ 183	$ 0
Current assets	1,622	1,496
Total assets	1,805	1,496
Non-current liabilities	0	0
Current liabilities	25	46
Net equity	$ 1,780	$ 1,450

	2023	2022
Revenue	$ 0	$ 0
Operating expenses	250	220
Net operating loss	(250)	(220)
Other income	0	0
Net loss	$ (250)	$ (220)

15. CONVERTIBLE DEBENTURE RECEIVABLE

During the year ended December 31, 2021, SCEF paid $3,040 to purchase convertible debentures. These debentures are convertible anytime after September 1, 2021 at a conversion price of $10.00 per Class A share, being the ratio of 100 Class A shares per $1,000 of principal amount of debentures. The debenture bears interest at an annual rate of 9% and has a maturity date of June 30, 2036. Changes to the aggregate carrying value of SCEF's convertible debenture receivable is summarized as follows:

	2023	2022
Opening balance	$ 3,715	$ 3,249
Additions through capital contribution	0	182
Accrued interest	290	284
Closing balance	$ 4,005	$ 3,715

16. LOANS RECEIVABLE

On August 14, 2023 SCEF issued a $288 loan receivable to an entity under the indirect control of the non-controlling interest of SkyMar Biogas Holdings LP in order to provide financial assistance to replace a prior letter of credit.

(in thousands of Canadian dollars, except per unit amounts)

16. LOANS RECEIVABLE (continued)

On June 8, 2023, July 11, 2023 and August 8, 2023, SCEF issued promissory notes to the entity that it holds the convertible debentures in (for $101, $109 and $118 respectively). The promissory notes bear interest at an annual rate of 9%. The promissory notes have no set terms of repayment.

On May 2, 2023, SCEF issued a $2,534 non-interest bearing promissory note to the N&G LP non-controlling interest (note 35) with all distributions to the non-controlling interest to be applied against the principal balance of the promissory note.

On June 12, 2020, SCEF issued a $130 loan receivable to a third party to provide financial assistance to replace a prior loan. The loan bears interest at an annual rate of 4% and is due on demand.

On August 20, 2018, SCEF assumed a $535 loan receivable from the non-controlling interest of 601 Canarctic Solar LP (note 35). The non-controlling interest is required to make annual blended payments of $91 to SCEF starting in 2019, with interest charged at 15.54%. The loan will be fully repaid by 2035.

Changes to the carrying amount of the loan receivable presented in the consolidated statement of financial position can be summarized as follows:

	2023	2022
Opening balance	$ 823	$ 788
Loans advanced	3,150	0
Interest receivable	93	83
Loan repayment	(454)	0
Distribution payable to non-controlling interest, applied to principal balance of loan receivable (note 35)	237	(48)
Closing balance	$ 3,849	$ 823

17. INVENTORY

As at December 31, 2023, SCEF owned $3,067 (2022 - $1,997) in supplies to be used to produce solar and biogas income. The amount of inventory expensed in 2023 was $955 (2022 - $1,019).

18. OTHER ASSETS

The components of other assets are as follows:

	2023	2022
Prepaid expenses	$ 954	$ 1,136
Deposits on potential acquisitions	355	320
Operating deposits	967	0
Pre-acquisition costs	60	50
Development costs	6,601	1,223
Balance at the end of the year	$ 8,937	$ 2,729

(in thousands of Canadian dollars, except per unit amounts)

19. ACCOUNTS RECEIVABLE

The components of accounts receivable are as follows:

	2023	2022
Solar income receivable	$ 1,534	$ 986
Biogas income receivable	3,043	2,786
Carbon emissions rebate receivable	1,223	433
HST receivable	339	181
Other receivable	1,185	444
Balance at the end of the year	$ 7,324	$ 4,830

20. SHORT TERM INVESTMENTS

SCEF has various guaranteed investment certificates ("GICs") outstanding as at December 31, 2023. The carrying value of these investments are $2,397 (2022 - $0). The rates on these GICs range from 4.75% to 5.54% and have maturities ranging from January 2024 to December 2024.

21. RESTRICTED CASH

On December 29, 2023, in connection with the Skypower Acquisition and Nomura loan financing (note 22), SCEF assumed three debt service reserve accounts and seven major maintenance reserve accounts. The debt service reserve acts as additional assurance to the lender that all repayments will be made in accordance with the credit agreement, as the lender can direct withdrawals for any debt payment shortfalls from the debt service reserve account. Similarly, the lender can direct withdrawals from the major maintenance reserve to be applied towards rehabilitation, replacement, maintenance or repairs to the secured solar assets.

On July 25, 2023, in connection with the issuance of senior secured bonds to Computershare Trust Company of Canada (note 22). SCEF established two reserve accounts. The debt service reserve acts as additional assurance to the trustee that all quarterly repayments will be made in accordance with the trust indenture, as the trustee can direct withdrawals for any debt payment shortfalls from the debt service reserve account. Similarly, the trustee can direct withdrawals from the O&M reserve to be applied towards rehabilitation, replacement, maintenance or repairs to the secured solar assets

On December 23, 2020, in connection with the Ozz Acquisition and PNC loan financing (note 22), SCEF assumed six debt reserve accounts. The debt service reserve acts as additional assurance to the lender that all quarterly repayments will be made in accordance with the credit agreement, as the lender can direct withdrawals for any debt payment shortfalls from the debt service reserve account.

On December 4, 2020, in connection with the Vine Fresh Equitable Bank Loan financing (note 22), SCEF established two reserve accounts. The debt service reserve acts as additional assurance to the lender that all quarterly repayments will be made in accordance with the credit agreement, as the lender can direct withdrawals for any debt payment shortfalls from the debt service reserve account. Similarly, the lender can direct withdrawals from the major maintenance reserve to be applied towards rehabilitation, replacement, maintenance or repairs to the secured solar assets.

(in thousands of Canadian dollars, except per unit amounts)

21. RESTRICTED CASH (continued)

On August 23, 2019, in connection with the Equitable Bank Loan financing (note 22), SCEF established two reserve accounts. The debt service reserve acts as additional assurance to the lender that all quarterly repayments will be made in accordance with the credit agreement, as the lender can direct withdrawals for any debt payment shortfalls from the debt service reserve account. Similarly, the lender can direct withdrawals from the major maintenance reserve to be applied towards rehabilitation, replacement, maintenance or repairs to the secured solar assets.

The components of restricted cash are as follows:

	2023	2022
Debt service reserve (note 22)	$ 4,568	$ 1,339
Major maintenance reserve (note 22)	4,822	436
Operations and maintenance reserve	423	0
Balance at the end of the year	$ 9,813	$ 1,775

22. LOANS PAYABLE

SCEF has the following loans outstanding:

(a) Loan payable to Equitable Bank that is secured by one solar asset (the "Vine Fresh Equitable Bank Loan"). The loan bears an interest rate of 3.827% and matures on March 4, 2033. The agreement with Equitable Bank requires that SCEF maintain a debt service coverage ratio of 1.68:1. SCEF is in compliance with this covenant as at December 31, 2023.

(b) Loan payable to Equitable Bank that is secured by eighteen solar assets (the "Hay Solar Equitable Bank Loan"). The loan bears an interest rate of 4.058% and matures in September 2036. The agreement with Equitable Bank requires that SCEF maintain a debt service coverage ratio of 1.35:1. As at December 31, 2023, SCEF's debt service coverage ratio is 1.23:1. As a result of not meeting the ratio of 1.35:1, SCEF paid additional funds into the debt service reserve account in 2022.

(c) Six loans payable to PNC Bank. These loans are secured by six solar assets (the "PNC Bank Loan"). Four loans have interest rate swap agreements (note 24) and bear interest at the CDOR plus 3.07%. One loan has an interest rate swap agreement (note 24) and bears interest at the CDOR plus 3.35%. One loan has a fixed interest at rate of 5.45%. All six loans mature in 2030.

(d) Loan payable to the general partner of the non-controlling interest of SPN LP 2 (note 35) through its ownership of SPN LP 2 (the "SFN loan"). No payments were due until 2022, with interest accruing at 15% annually. Commencing in 2022, SCEF is required to make annual blended payments of $47, with interest charged at 7% annually, to the general partner of the non-controlling interest.

22. LOANS PAYABLE (continued)

(e) Guaranteed note payable to the Alberta Treasury Branch. The guaranteed note is secured by property, land, a guarantee from Lethbridge Biogas General Partner Inc. and an assignment of claims from SBE LP. The guaranteed note is repayable in 30 to 90 day instalments at the option of the borrower. The interest rate is reset at the end of the applicable period at the prevailing CDOR rate plus 3.00%. In addition there is a non-revolving demand loan payable to the Alberta Treasury Branch with interest only payments at prime plus 3.00% which matures in April 2024. The agreement with the Alberta Treasury Branch requires SCEF to maintain a debt service coverage ratio of 1.30:1 and an adjusted working capital ratio of 1.10:1. SCEF is in compliance with both of these covenants as at December 31, 2023.

(f) Senior secured bonds payable to Computershare Trust Company of Canada (the "Computershare Bonds"). The Computershare Bonds are secured by forty-eight solar assets, bear an interest rate of 5.664%, and mature in December 2037. The Computershare Bonds require that SCEF maintain a debt service coverage ratio of 1.15:1. SCEF is in compliance with this covenant as at December 31, 2023.

(g) Loan payable to Daimler Truck Financial Services Canada Corporation that is secured by a vehicle. The loan bears an interest rate of 7.65% and matures in 2028. SCEF is required to make monthly blended payments of $5.

(h) Loan payable to the non-controlling interest of 601 Canarctic Solar LP. SCEF is required to make annual blended payments of $91 to the non-controlling interest of 601 Canarctic Solar LP starting in 2019, with interest charged at 15.54%. The loan matures in 2035.

(i) Four loans payable to Nomura Corp Funding Americas, LLC (the "Nomura bank loan") were assumed as part of the SkyPower Acquisition. These loans are secured by six solar assets. Two loans have interest rate swap agreements (note 24), bear interest at the CDOR rate plus 1.75% and mature in March 2029 and June 2030. One loan has an interest rate swap agreement (note 24), bears interest at the CDOR rate plus 1.625% and matures in May 2030. One loan has a fixed interest at rate of 4.22% and matures in May 2032. In addition to the four term facilities, there are four letter of credit facilities (“LC facilities”) in the amount of $10,150 (2022 - $10,150) assumed by SCEF to fund the debt service reserve accounts. These facilities have maturities ranging between February 2024 and December 2024. Under the term facilities, SCEF is, subject to certain conditions, permitted to make semi-annual cash distributions to partners provided that, as of specified calculation dates of June 30 and December 31, the debt service coverage ratio for the immediately preceding 12-month period and the projected debt service coverage ratio for the 12-month period following the calculation date is equal to or greater than (i) 1.10:1.00 for the period during which the solar shortfall insurance is in full force and effect, or (ii) 1.15:1.00 for any period that the solar shortfall insurance is not in full force and effect. As at December 31, 2023, the debt service coverage ratio requirement was met for three of the four LC facilities. For the three LC facilities where the debt service coverage ratio is met, SCEF is eligible to declare and pay distributions in accordance with the term facility. For the fourth LC facility, SCEF is not eligible to declare and pay distributions in accordance with the term facility.

(in thousands of Canadian dollars, except per unit amounts)

22. LOANS PAYABLE (continued)

Future minimum principal payments on these debt obligations are as follows:

2024	$	21,073
2025		20,372
2026		21,160
2027		22,008
2028		22,821
Thereafter		94,191
	$	201,625

Changes to the carrying amount of the loan payable presented in the consolidated statement of financial position can be summarized as follows:

	2023	2022
Balance at the beginning of the year	$ 60,311	$ 45,850
Proceeds from new debt	167,618	17,979
Repayment of existing debt	(24,961)	(3,640)
Change in deferred financing costs	(1,714)	(386)
Total changes from financing cash flows	140,943	13,953
Amortization of financing costs (note 30)	342	478
Interest expense included in operations (note 30)	5,415	2,797
Interest and financing costs paid	(5,386)	(2,767)
Total liability-related charges	371	508
Balance at end of the year	$ 201,625	$ 60,311

23. NOTES PAYABLE

At December 31, 2023, SCEF had two notes payable. One of the notes payable is due to a minority partner of SBE Limited Partnership. This note payable bears interest at 9% with no set terms of repayment. The carrying amount of this note payable is $4,784 (2022 - $4,605). The other note payable bears interest at 7.5% and has a maturity date of June 2024. The carrying amount of this note payable is $8,500 (2022 - $0).

24. INTEREST RATE SWAP AGREEMENTS

SCEF has entered into various interest rate swap agreements to limit its interest rate exposure from floating to fixed for the terms of certain mortgages. The interest rate swap agreements expire co-terminously upon the maturity of the corresponding mortgages. The notional principal amount of the outstanding interest rate swap agreements at December 31, 2023 was $51,809 (2022 - $24,618). The fair value of the interest rate swap agreements as determined by the financial institution is reflected on the consolidated statement of financial position.

(in thousands of Canadian dollars, except per unit amounts)

24. INTEREST RATE SWAP AGREEMENTS (continued)

	2023	2022
Balance at the beginning of the year	$ 1,726	$ (1,050)
Additions (note 6)	1,742	0
Disposals	(1,790)	0
Change in fair value of interest rate swap agreements	204	2,776
Balance at end of the year	$ 1,882	$ 1,726

During the year ended December 31, 2023, the gain on the interest rate swap agreements was comprised of the following:

	2023	2022
Interest rate swap payments	$ 333	$ (377)
Change in fair value of interest rate swap agreements	204	2,776
Balance for the year	$ 537	$ 2,399

25. LEASE LIABILITY

Changes to the carrying amount of the lease liability presented in the consolidated statement of financial position can be summarized as follows:

	2023	2022
Balance at the beginning of the year	$ 7,832	$ 8,551
Additions due to purchase of assets (note 6)	657	690
Additions due to capital expenditure	0	138
Derecognition due to purchase of land	0	(973)
Interest expense (note 30)	433	430
Lease payments	(1,030)	(1,004)
Balance at end of the year	$ 7,892	$ 7,832

SCEF incurs lease payments related to agreements that allow SCEF to lease the land from a landlord, to build a structure upon which solar equipment and structures can be installed for the purposes of generating income. SCEF has recognized a lease liability in relation to all lease agreements measured at the present value of the remaining lease payments.

The following table details the undiscounted cash flows and contractual maturities of SCEF's lease liability as at December 31, 2023:

2024	$ 1,229
2025	1,225
2026	1,220
2027	1,207
2028	1,188
Thereafter	7,798
Balance at end of the year	$ 13,867

(in thousands of Canadian dollars, except per unit amounts)

26. RELATED PARTY TRANSACTIONS

Due to related parties

Amounts due to related parties are unsecured, non-interest bearing and have no set terms of repayment except for the balance due to Skyline Transfer Funds Inc. ("STFI"). The balance due to STFI bears interest at 9% with no set terms of repayment. All of these entities qualify as a related entity under IAS 24. Interest paid on related party loans during 2023 was $1,113 (2022 - $1,718) The balance consists of the following:

		2023		2022
Due to STFI	$	29	$	15,969
Due to Skyline Clean Energy Asset Management Inc.		2,910		2,047
Due to Skyline Wealth Management Inc.		100		69
Due to Skyline Private Investment Capital Inc.		417		128
Due to Skyline Clean Energy General Partner Inc.		1,618		1,625
Due to Skyline Retail REIT		30		31
Balance at the end of the year	$	5,104	$	19,869

Asset management fees, property management fees and acquisition fees

SCEF has an asset management agreement with Skyline Clean Energy Asset Management Inc. (“SCEAMI”), an entity that is controlled by a person or persons that qualify as a related person under IAS 24. Fees payable under the asset management agreement are 2% of gross revenue, a property management fee that varies from $2 per kW DC to $5 per kW DC, plus an annual flat fee of $1 to $3 per asset, and an acquisition fee calculated as up to 1% of the asset value acquired. For the year ended December 31, 2023, SCEF incurred $770 in asset management fees (2022 - $506), $224 in property management fees (2022 - $186) and $1,648 in acquisition fees (2022 - $1,065).

Wealth management fees

SCEF has a wealth management agreement with Skyline Wealth Management Inc. (“SWMI”), an entity that is controlled by a person or persons that qualify as a related person under IAS 24. Fees payable under the wealth management agreement include wealth management fees of 0.3% of unitholders’ equity, and equity raise fees ranging from 0.5% to 1% of proceeds on units issued and redeemed during the year. For the year ended December 31, 2023, SCEF incurred $604 in wealth management fees and $276 in equity raise fees (2022 - $465 and $317 respectively).

Legal and administrative fees

Skyline Asset Management Inc. (“SAMI”), an entity that is controlled by a person or persons that qualify as a related person under IAS 24, provided legal and administrative services until February 2022. For the year ended December 31, 2023, SCEF incurred $nil in legal and administrative fees (2022 - recovered $156).

Starting in March 2022, Skyline Private Investment Capital Inc. ("SPICI"), an entity that is controlled by a person or persons that qualify as a related person under IAS 24, provided legal and administrative services. For the year ended December 31, 2023, SCEF incurred $435 in legal and administrative fees (2022 - $378).

Operations and maintenance fees

SCEF had an agreement with Anvil Crawler Development Corp. ("ACDC"), an entity that is controlled by a person or persons that qualify as a related person under IAS 24, to provide operations and maintenance services for the solar assets until April 2023. For the year ended December 31, 2023, SCEF incurred $108 in operations and maintenance fees (2022 - $354).

(in thousands of Canadian dollars, except per unit amounts)

26. RELATED PARTY TRANSACTIONS (continued)

Operations and maintenance fees (continued)
Starting in May 2023, SCEF entered an agreement with SCEAMI to provide operations and maintenance services for the solar assets. For the year ended December 31, 2023, SCEF incurred $126 in operations and maintenance fees (2022 - $0).

Other direct operating expenses and capital improvements
ACDC performs repairs and maintenance and capital improvements on the assets of SCEF. For the year ended December 31, 2023, SCEF incurred $112 in repairs and maintenance expenses and $58 in capital improvements costs (2022 - $195 and $82 respectively).

Administrative expenses
SWMI provides advertising and promotion services to SCEF. For the year ended December 31, 2023, SCEF incurred $179 in advertising and promotion fees (2022 - $190).

SPICI provides accounting and finance services to SCEF. For the year ended December 31, 2023, SCEF incurred $442 in accounting and finance fees (2022 - $435).

For the year ended December 31, 2023, SCEF incurred $24 (2022 - $27) in rent expense to ACDC.

For the year ended December 31, 2023, SCEF incurred $18 (2022 - $48) in environmental, social and governance fees to Skyline Enterprises Management Inc. an entity that is controlled by a person or persons that qualify as a related person under IAS 24.

Distribution to partners
Skyline Clean Energy General Partner Incorporated (“SCEGPI”) is the general partner of SCEF and is entitled to distributions under the limited partnership agreement. This occurs when SCEF's net income, excluding depreciation and unrealized gain or loss, for a fiscal year is greater than 7.5% of the weighted average retained earnings for such fiscal year. This surplus is shared at a ratio of 20% to the general partner and 80% to the limited partner. A provision for the future distributions payable to SCEGPI has not been recorded since the timing and amount of the distributions payable cannot be reasonably estimated. For the year ended December 31, 2023, there were distributions payable of $0 owing to SCEGPI (2022 - $1,261)

27. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The components of accounts payable and accrued liabilities are as follows:

	2023	2022
Operating accruals	$ 5,912	$ 2,413
Interest accruals	1,393	467
Distribution payable to non-controlling interest (note 35)	0	574
Other	127	127
Balance at the end of the year	$ 7,432	$ 3,581

(in thousands of Canadian dollars, except per unit amounts)

28. DECOMMISSIONING LIABILITY

SCEF is contractually obligated to dismantle and remove the twenty-two solar assets acquired in connection with the NSNW Acquisition at the end of the 20-year FIT contracts. In 2022, in connection with the Balsam Lake acquisition, SCEF is contractually obligated to dismantle and remove the solar asset at the end of its FIT contract. Upon initial recognition of the decommissioning liability, a corresponding amount was capitalized as a decommissioning cost and added to the carrying value of solar equipment.

The components of the decommissioning liability are as follows:

	2023	2022
Balance at the beginning of the year	$ 1,175	$ 914
Decommissioning liability acquired (note 6)	0	227
Accretion	44	34
Balance at the end of the year	$ 1,219	$ 1,175

29. UNAMORTIZED GOVERNMENT ASSISTANCE

The components of the unamortized government assistance are as follows:

	2023	2022
Balance at the beginning of the year	$ 6,784	$ 0
Unamortized government assistance acquired (note 6)	0	7,191
Recognized in income	(644)	(407)
Balance at the end of the year	$ 6,140	$ 6,784

30. FINANCING COSTS

During the years ended December 31, 2023 and December 31, 2022, SCEF paid the following financing costs:

	2023	2022
Interest on loans payable (note 22)	$ 5,415	$ 2,797
Interest on lease liability (note 25)	433	430
Interest to related parties (note 26)	1,113	1,718
Amortization of deferred financing costs (note 22)	342	478
Distribution to general partner (note 26)	0	1,261
Other interest	0	533
	$ 7,303	$ 7,217

31. FAIR VALUE MEASUREMENT

Assets and liabilities measured at fair value

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis in the consolidated statement of financial position is as follows:

As at	**December 31, 2023**			**December 31, 2022**		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Interest rate swap agreements	$ 0	$ 1,882	$ 0	$ 0	$ 1,726	$ 0

Transfers between levels in the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. For liabilities measured at fair value there were no transfers between Level 1, Level 2 and Level 3 liabilities.

Financial assets and liabilities carried at amortized cost

The fair values of SCEF's cash, short term investments, restricted cash, accounts receivable, loans receivable, convertible debenture receivable, notes payable, accounts payable and accrued liabilities and due to related parties approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments.

The fair value of loans payable and the decommissioning liability have been determined by discounting the cash flows of these financial obligations using year end market rates for debt of similar terms and credit risks. The fair value of the loans payable approximate their carrying amounts.

32. FINANCIAL RISK MANAGEMENT

Financial risks are risks arising from the financial instruments to which SCEF is exposed during or at the end of the reporting period. Financial risk comprises market risk, credit risk and liquidity risk.

Risk management is carried out by Management and the Board of Trustees of SCEF. Management identifies and evaluates financial risks and the Board provides oversight on overall risk management, including specific areas such as interest rate risk, liquidity and investing policies.

Key financial risk management reports are produced on a monthly basis and key indicators are reviewed by Management and the Board of Trustees of SCEF.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. SCEF's market risks arise from open positions in interest bearing assets and liabilities, to the extent that these are exposed to market fluctuations.

a. Interest rate risk

SCEF is exposed to interest rate risk arising from its fixed and variable rate loans payable. As fixed and variable rate debt matures, SCEF will be further exposed to cash flow risk.

(in thousands of Canadian dollars, except per unit amounts)

32. FINANCIAL RISK MANAGEMENT (continued)

i) Market risk (continued)

b. Price risk
SCEF has no significant exposure to price risk with respect to financial instruments as it does not hold any equity securities or commodities.

c. Foreign exchange risk
SCEF is exposed to foreign exchange risk on the investments in associates.

ii) Liquidity risk
Liquidity risk management entails maintaining sufficient cash and credit facilities available to close out market positions. SCEF ensures flexibility in funding by keeping committed credit lines available, and raising capital from partners when needed. SCEF's liquidity position is monitored on a regular basis by Management.

SCEF has access to an operating facility to a maximum of $10,000 (2022 - $10,000) calculated based on the aggregate value of assets pledged as security with interest at prime + 1.50% or, at the option of the borrower, a fixed rate equal to the floating bankers acceptance rate plus 2.50%. At December 31, 2023, the borrowing limit is $0 (2022- $9,215) and the total drawn on the operating facility was $0 (2022 - $6,418). The facility is secured by an unlimited guarantee from SCELP and its general partner, SCEGPI.

Under the financing agreement, SCEF is required to maintain a consolidated debt service coverage ratio of 1.20 or higher, a total debt to total assets ratio of less than 0.75, SCELP must constitute more than 95% of the revenue of SCEF and SCELP must constitute more than 95% of the assets of SCEF. At December 31, 2023, SCEF was in compliance with these covenants.

Financial liabilities and their maturities are as follows:

December 31, 2023	On demand	Less than one year	One to five years	More than five years	**Total**
Loans payable	$ 18,222	$ 0	$ 223	$ 183,180	$ 201,625
Note payable	4,784	8,500	0	0	13,284
Due to related parties	5,104	0	0	0	5,104
Decommissioning liability	0	0	0	1,219	1,219
Accounts payable and accrued liabilities	0	7,432	0	0	7,432
	$ 28,110	$ 15,932	$ 223	$ 184,399	$ 228,664

(in thousands of Canadian dollars, except per unit amounts)

32. FINANCIAL RISK MANAGEMENT (continued)

ii) Liquidity risk (continued)

December 31, 2022	On demand	Less than one year	One to five years	More than five years	**Total**
Loans payable	$ 0	$ 0	$ 0	$ 60,311	$ 60,311
Notes payable	4,605	0	0	0	4,605
Due to related parties	19,869	0	0	0	19,869
Decommissioning liability	0	0	0	1,175	1,175
Accounts payable and accrued liabilities	0	3,581	0	0	3,581
	$ 24,474	$ 3,581	$ 0	$ 61,486	$ 89,541

33. CAPITAL RISK MANAGEMENT

SCEF's objectives when managing capital are to safeguard the entity's ability to continue as a going concern in order to provide returns for partners, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, SCEF has the ability to adjust the amount of distributions paid to partners, return capital to partners, issue additional units, refinance existing debt or sell investment property to reduce debt.

SCEF monitors capital primarily using a loan to value ratio, which is calculated as the amount of outstanding debt divided by the valuation of the assets within the portfolio. As of December 31, 2023, the loan to value ratio was 60% (2022 - 41%).

34. SEGMENTED DISCLOSURE

For the year ended December 31, 2023, the operating results of the Canadian solar assets and the Canadian biogas assets are reviewed regularly by SCEF's management to make decisions about resources to be allocated to the segment and to assess its performance. SCEF's management has chosen to identify the reportable segments based on differences in how energy is generated.

(in thousands of Canadian dollars, except per unit amounts)

34. SEGMENTED DISCLOSURE (continued)

For the year ended December 31, 2023:

	Canadian Solar	Canadian Biogas	Total
Income from energy production	$ 14,707	$ 18,603	$ 33,310
Other income	24	2,287	2,311
Battery sales	0	0	0
Total income	14,731	20,890	35,621
Amortization expense	8,360	9,334	17,694
Other operating expenses	1,583	13,395	14,978
	9,943	22,729	32,672
Net operating income (loss)	4,788	(1,839)	2,949
Income from joint ventures and investments in associates	(1,250)	0	(1,250)
Other income and expenses	16,932	10,500	27,432
Net loss	$ (10,894)	$ (12,339)	$ (23,233)

Selected consolidated statement of financial position information for the year ended December 31, 2023:

	Canadian Solar	Canadian Biogas	Total
Biogas equipment	$ 0	$ 31,369	$ 31,369
Clean energy contracts	64,855	71,664	136,519
Right-of-use assets	8,337	90	8,427
Land	5,521	4,536	10,057
Loans receivable	3,561	288	3,849
Inventory	934	2,133	3,067
Other assets	3,767	5,170	8,937
Accounts receivable	3,058	4,266	7,324
Cash	8,470	3,668	12,138
	$ 98,503	$ 123,184	$ 221,687
Loans payable	$ 183,179	$ 18,446	$ 201,625
Lease liability	7,788	104	7,892
Note payable	12,843	441	13,284
Unamortized government assistance	0	6,140	6,140
Accounts payable and accrued liabilities	3,975	3,457	7,432
	$ 207,785	$ 28,588	$ 236,373

For the year ended December 31, 2023, all assets and liabilities not otherwise disclosed separately, relate to Canadian solar assets. All acquisitions to non-current assets in 2023 relate to solar assets.

(in thousands of Canadian dollars, except per unit amounts)

34. SEGMENTED DISCLOSURE (continued)

For the year ended December 31, 2022:

	Canadian Solar	Canadian Biogas	Total
Income from energy production	$ 12,544	$ 15,172	$ 27,716
Other income	1,701	919	2,620
Battery sales	1,180	0	1,180
Total income	15,425	16,091	31,516
Amortization expense	6,234	8,943	15,177
Other operating expenses	3,071	9,585	12,656
	9,305	18,528	27,833
Net operating income (loss)	6,120	(2,437)	3,683
Income from joint ventures and investments in associates	(3,383)	0	(3,383)
Other income and expenses	5,083	2,523	7,606
Net income (loss)	$ 4,420	$ (4,960)	$ (540)

Selected consolidated statement of financial position information for the year ended December 31, 2022:

	Canadian Solar	Canadian Biogas	Total
Biogas equipment	$ 0	$ 36,637	$ 36,637
Clean energy contracts	33,186	78,381	111,567
Right-of-use assets	7,680	5,290	12,970
Land	1,519	4,465	5,984
Inventory	223	1,774	1,997
Other assets	1,359	1,370	2,729
Accounts receivable	1,570	3,260	4,830
Cash	6,478	3,616	10,094
	$ 52,015	$ 134,793	$ 186,808
Loans payable	$ 42,621	$ 17,690	$ 60,311
Lease liability	7,708	124	7,832
Note payable	0	4,605	4,605
Unamortized government assistance	0	6,784	6,784
Accounts payable and accrued liabilities	1,610	1,971	3,581
	$ 51,939	$ 31,174	$ 83,113

For the year ended December 31, 2022, all assets and liabilities not otherwise disclosed separately, relate to Canadian solar assets.

(in thousands of Canadian dollars, except per unit amounts)

34. SEGMENTED DISCLOSURE (continued)

Additions through purchases to non-current assets for the year ended December 31, 2022:

	Canadian Solar	Canadian Biogas	Total
Solar equipment and structures	$ 15,553	$ 0	$ 15,553
Biogas equipment	0	25,173	25,173
Clean energy contracts	10,154	44,019	54,173
Land	1,519	4,465	5,984
Right-of-use assets	690	5,152	5,842

35. NON-CONTROLLING INTERESTS

In May 2023, SCEF acquired the 50.9% economic interest of N&G LP from the non-controlling interest. The N&G LP non-controlling interest remains a 50.9% owner and is entitled to distributions, which are to be applied against the principal balance of the promissory note to SCEF (note 16).

The components of non-controlling interests are as follows:

	2023	2022
Balance at the beginning of the year	$ 24,256	$ 13,064
80% of SBE LP net identifiable assets acquired (note 6)	0	11,555
Total net identifiable assets allocated to non-controlling interests	24,256	24,619
Contribution paid by SCELP on behalf of non-controlling interest of SkyMar Biogas Holdings LP	175	0
	24,431	24,619
14.9985% of SPN LP 2 net loss	(38)	(50)
50.9% of 601 Canarctic Solar LP net (loss) income	(315)	19
50.1% of CK Solar Projects LP net loss	(58)	(16)
50.9% of N&G LP net (loss) income	(213)	696
15% of Nautilus Eagle Lake Solar I LP net (loss) income	(8)	39
20% of SkyMar Biogas Holdings LP net loss	(2,468)	(1,146)
Total net loss allocated to non-controlling interest	(3,100)	(458)
Recovery of distribution to (Distribution to) 601 Canarctic Solar LP non-controlling interest	237	(48)
Recovery of distribution to (Distribution to) CK Solar Projects LP non-controlling interest	499	(157)
Recovery of distribution to (Distribution to) N&G LP non-controlling interest	68	299
Recovery of distribution to Nautilus Eagle Lake I LP non-controlling interest	15	1
	819	95
Balance at the end of the year	$ 22,150	$ 24,256

(in thousands of Canadian dollars, except per unit amounts)

36. UNITHOLDERS' EQUITY

SCEF is authorized to issue an unlimited number of Class A and Class F units. Each unit represents an undivided beneficial interest in the distributions of SCEF, whether of net income, net realized capital gains or other amounts, and in the event of a liquidation, dissolution, winding-up or other termination of SCEF, in the net assets of SCEF remaining after satisfaction of all liabilities. As at December 31, 2023 the price per unit for newly issued units and units to be redeemed was $15.63 (2022 - $14.41). The units issued and outstanding are as follows:

Class A Units	2023 Units	2022 Units
Units outstanding, beginning of year	11,462,295	9,457,403
Units issued	1,999,492	2,694,826
Units converted to Class F units	(1,465,101)	0
Redemptions during the year	(856,995)	(689,934)
Units outstanding, end of year	11,139,691	11,462,295

Class F Units	2023 Units	2022 Units
Units outstanding, beginning of year	0	0
Units issued	257,624	0
Distribution reinvestment plan	1,601	0
Units converted from Class A units	1,465,101	0
Units outstanding, end of year	1,724,326	0

37. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform to the current year's presentation. The solar monitoring costs previously included in other direct operating expenses has been reclassified to utilities.

38. SUBSEQUENT EVENTS

Effective January 1, 2024, the price at which SCEF units are subscribed and redeemed, increased to $16.12 from $15.63. Subsequently on April 1, 2024, the price at which SCEF units are subscribed and redeemed, increased to $16.49 from $16.12.

On April 11, 2024, SCEF loaned $2,000 to Liquor Labs Incorporated. This loan bears interest at 10% and matures April 11, 2026.

SKYLINE
CLEAN ENERGY FUND