

MPC CARIBBEAN CLEAN ENERGY LIMITED

**Unaudited Financial Statements for the
Year ended December 31, 2020
and Compilation Report**

MPC CARIBBEAN CLEAN ENERGY LIMITED

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Chairman's Report to the Shareholders
Fourth Quarter Ended December 31, 2020

Dear Shareholders,

On behalf of the board of directors, I am pleased to present the unaudited financial results of MPC Caribbean Clean Energy Limited (**Company or MPCCEL**) for the fourth quarter ended December 31, 2020.

Fourth Quarter 2020 Activities

During the fourth quarter, the Trinidad and Tobago Securities and Exchange Commission approved the USD 10 million convertible promissory note issued by the Company and subscribed by RBC Trust (Trinidad and Tobago). The convertible promissory note does not bear a fixed coupon or interest, but allows for a profit participation and is convertible into Class B shares in 2023 subject to approval by the AGM. The convertible promissory note is recognized on the balance sheet as a long term liability. After a satisfactory KYC process, MPCCEL will make a third investment into MPC Caribbean Clean Energy Fund LLC (**the Investment Company**).

Furthermore, the Investment Company has signed the acquisition of the 6.4 MWp solar park San Isidro (**San Isidro**) located in El Salvador in December 2020 with subsequent closing in early March 2021. San Isidro became the third asset acquired by the MPC Caribbean Clean Energy Fund LLC.

Portfolio Highlights

The below KPIs reflect the pro-rated share of the Company in the financial performance of the underlying investees of the Investment Company as well as the average technical performance at the collective portfolio level.

KPI	Q4 2020
EBITDA	US\$ 845,423.74
Energy Output Variation	-8.93%
Weighted Average Availability	97.79%

The Energy Output Variation is calculated as an accumulated difference of the actual generated energy (kWh) and the forecast (P50) energy output for the relevant period. P50 is essentially a statistical level of confidence and basis for our predicted energy generation.

Availability is defined as the percentage of time during a month that the wind turbine is operations-ready and available to produce power. This is independent of whether or not enough wind is available for the wind turbine to produce power. In regards to solar parks, it is the proportion of time that the is operations-ready and usable to produce power over a specified time period.

Please note that the productive irradiation hours and wind speeds are depending on short (daily), mid (monthly) and long-term (annual and multi-year) weather patterns. Therefore, the high degree of variability of revenue and cost patterns are shown and revenue and costs are not equally distributed throughout the year. Subsequently, the KPI are most meaningful in an annual comparison or with previous years' quarter (meaning comparing for instance Q4 of year (t) with Q4 of year (t-1) rather than with Q3 of year (t)).



Operations of the wind farm Tilawind were un-affected by COVID-19 during 2020, despite the existence of mobility restrictions and infection rates reported Costa Rica. However, the generation continues to be lower than forecasted due to the previously communicated La Niña period which causes poor weather conditions. Additionally, blade repairs were carried out by the O&M provider and during this process cracks identified on blades from three of the wind turbines were repaired between October and November. Another four blades were repaired given the damage caused by erosion in the leading edge. The blade repairs produced a total of 438 hours of turbine downtime, which resulted in lower availability during the quarter.

During the fourth quarter, the performance issues of Paradise Park caused by damaged DC cable decreased considerably compared to previous quarter and as a result, the performance of the plant significantly increased. Nevertheless, irradiation during the quarter was below the forecast, mostly because of the impact of hurricane Iota during the month of November. Consequently, the performance of the plant was negatively affected and the actual revenues were lower than forecasted.

Outlook

The repair of blades in the Tilawind wind farm and the permanent replacement of all damaged DC cables at Paradise Park are expected to be completed in the first half of 2021.

I thank our shareholders and my fellow directors for their support and trust during this precedent period.

Respectfully Yours,
For and on behalf of the Company

A handwritten signature in blue ink that reads "Jose Fernando Zuniga G." The signature is written in a cursive style and is positioned to the left of a vertical line.

Fernando Zuniga
Chairman of the Board of Director



MPC CARIBBEAN CLEAN ENERGY LIMITED
TOP 10 SHAREHOLDINGS
As at December 31st, 2020

	Name	Joint Holder/ Connected interest	Volume	Percentage
1	TEACHERS CREDIT UNION CO-OPERATIVE SOCIETY	-	5,448,301	25.15%
2	SAGICOR POOLED EQUITY FUND	-	4,192,300	19.35%
3	SAGICOR BALANCED FUND	-	2,307,690	10.65%
4	JN FUND MANAGERS LIMITED FOR JN POOLED PENSION LOCAL EQUITY FUND	-	1,494,428	6.90%
5	DEVELOPMENT BANK OF JAMAICA	-	1,000,000	4.62%
6	MF&G TRUST & FINANCE LTD - A/C 57	-	822,000	3.79%
7	CARIBBEAN CLEAN ENERGY FEEDER LIMITED	-	691,821	3.19%
8	NCB INSURANCE CO. LTD. A/C WT157	-	429,000	1.98%
9	SAGICOR EQUITY FUND	-	384,610	1.78%
10	JAMAICA MONEY MARKET BROKERS LTD FM10	-	321,000	1.48%

MPC CARIBBEAN CLEAN ENERGY LIMITED
DIRECTOR SHAREHOLDINGS
As at December 31st, 2020

	Name	Joint Holder/ Connected interest	Volume	Percentage
	Fernando Zuniga	-	-	-
	Alastair Dent	-	-	-
	Steven D. Marston	-	-	-
	A. Mark D. Hart	-	-	-
	Guardian Nominees (Barbados) Limited	-	-	-

COMPILATION REPORT

To The Management of
MPC CARIBBEAN CLEAN ENERGY LIMITED
Suite 1, Ground Floor
Bishop's Court Hill
St. Michael
Barbados BB14004

We have compiled the accompanying statements of MPC Caribbean Clean Energy Limited based on information you have provided. These financial statements comprise the statement of financial position of MPC Caribbean Clean Energy Limited as at December 31, 2020, the statement of comprehensive loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in preparation and presentation of these financial statements on the basis of accounting described in Note 2 to the financial statements. We have compiled with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with IFRS.

TRIDENT CORPORATE SERVICES (BARBADOS) LIMITED

January 13, 2021

MPC CARIBBEAN CLEAN ENERGY LIMITED

Statement of Financial Position

As at December 31, 2020

(Expressed in United States dollars)

	NOTES	Unaudited Year ended 31-Dec-20	Audited Year ended 31-Dec-19
ASSETS			
Current Assets			
Cash and cash equivalents		10,495,841	89,436
Prepayments		4,667	3,656
Investment - MPC Caribbean Clean Energy Fund LLC		19,199,903	9,907,530
Total Assets		29,700,411	10,000,622
LIABILITIES AND EQUITY			
Current Liabilities			
Accruals		31,781	31,884
Accounts payable		3,717	5,754
Due to related party	5	21,654	55,059
		<u>57,152</u>	<u>92,697</u>
Long-term Liabilities			
Convertible promissory note payable	6	10,000,000	-
		<u>10,000,000</u>	<u>-</u>
Total Liabilities		<u>10,057,152</u>	<u>92,697</u>
Equity			
Share capital		20,005,779	10,105,327
Accumulated deficit		(362,520)	(197,402)
		<u>19,643,259</u>	<u>9,907,925</u>
Total Liabilities and Equity		29,700,411	10,000,622

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

Approved by the Board of Directors on 4th day ...MAY....., 2021.




By: Guardian Nominees (Barbados) Limited
Director

Per:

W. A. Smit / Amanda G. McKay

Title: Directors



By: Jose Fernando Zuniga Gallind

MPC CARIBBEAN CLEAN ENERGY LIMITED

Statement of Comprehensive Loss

For the period ended December 31, 2020

(Expressed in United States dollars)

	NOTES	Unaudited Quarter ended		Unaudited	Audited
		31-Dec-20	31-Dec-19	Year ended 31-Dec-20	Year ended 31-Dec-19
Income					
Dividend income		-	1,014,877	-	-
Valuation gain on investment		-	878,186	-	272,407
		-	1,893,063	-	272,407
Expenses					
Accountancy fees		2,000	5,378	13,000	11,241
Administrative fees		6,103	6,289	56,184	42,676
Advertising		1,575	(52,035)	10,429	34,985
Audit fee		12,500	11,750	13,125	18,000
Bank charges		1,233	608	3,673	3,926
Directors' fees		4,458	7,792	16,833	20,639
Entertainment		-	113	-	113
Legal & professional fees		-	(2,000)	19,818	54,726
Licence fees		125	125	500	500
Travel expense		-	-	10,031	-
Insurance expense		-	5,205	15,938	21,663
Other expenses		-	-	-	2,508
Fines & penalties		298	-	4,087	-
Processing fees		-	(24,715)	-	-
Corporate fees		375	625	1,500	1,750
		28,667	(40,865)	165,118	212,727
(Loss)/income before tax		(28,667)	1,933,928	(165,118)	59,680
Taxation		-	-	-	-
Net (loss)/income and comprehensive (loss)/income		(28,667)	1,933,928	(165,118)	59,680
(Loss) / profit per share	4	(0.001)	0.17	(0.01)	0.01
Weighted average number of shares		21,666,542	11,424,160	21,666,542	11,424,160

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

MPC CARIBBEAN CLEAN ENERGY LIMITED**Statement of Changes in Equity**

For the period ended December 31, 2020

(Expressed in United States dollars)

	<u>Number of shares</u>	<u>Class A share capital</u>	<u>Class B share capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balance at January 1, 2019		1	-	(257,082)	(257,081)
Issuance of redeemable shares	11,424,160	-	11,120,203	-	11,120,203
Distributions		-	(1,014,877)	-	(1,014,877)
Comprehensive income for the period	-	-	-	59,680	59,680
Balance as at December 31, 2019	<u>11,424,160</u>	<u>1</u>	<u>10,105,326</u>	<u>(197,402)</u>	<u>9,907,925</u>
Balance at January 1, 2020	11,424,160	1	10,105,326	(197,402)	9,907,925
Issuance of redeemable shares	10,242,382	-	9,900,452	-	9,900,452
Comprehensive loss for the period	-	-	-	(165,118)	(165,118)
Balance as at December 31, 2020	<u>21,666,542</u>	<u>1</u>	<u>20,005,778</u>	<u>(362,520)</u>	<u>19,643,259</u>

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

MPC CARIBBEAN CLEAN ENERGY LIMITED

Statement of Cash Flows

For the period ended December 31, 2020

(Expressed in United States dollars)

	Unaudited Year ended 31-Dec-20	Audited Year ended 31-Dec-19
Cash flows from operating activities		
(Loss)/income before tax	(165,118)	59,680
Adjustments for:		
Valuation gain on investment	-	(272,407)
Distribution received	-	1,014,877
	<u>(165,118)</u>	<u>802,150</u>
(Increase)/decrease in prepayments	(1,011)	1,011
Increase in investments	(9,292,373)	(10,650,000)
Deferred underwriting costs	-	177,864
Decrease in accounts payable	(2,037)	(125,266)
Decrease in accruals	(103)	(127,831)
Decrease in due to related party	(33,405)	(94,221)
Net cash used in operating activities	<u>(9,494,047)</u>	<u>(10,016,293)</u>
Cash flows from financing activities		
Net proceeds from subscription of share capital	9,900,452	11,120,203
Distribution to shareholders	-	(1,014,877)
Proceeds from issuance of convertible promissory note payable	10,000,000	-
Net cash flow from financing activities	<u>19,900,452</u>	<u>10,105,326</u>
Net increase in cash and cash equivalents	10,406,405	89,033
Cash and cash equivalents at the beginning of the year	89,436	403
Cash and cash equivalents at the end of the year	<u>10,495,841</u>	<u>89,436</u>

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

MPC CARIBBEAN CLEAN ENERGY LIMITED

Notes to the Financial Statements

For the period ended December 31, 2020

(Expressed in United States dollars)

1. General Information

MPC Caribbean Clean Energy Limited (the "Company") was incorporated on November 8, 2017, under the laws of Barbados as an International Business Company as defined by the International Business Companies Act 1991 - 24. With effect from January 1, 2019, the International Business Companies Act 1991-24 was repealed. The Company continues as a Regular Business Company under the Companies Act Cap. 308. The Company principally engages in investment holding.

The Company's registered number is:- 42056

The Company's registered office address is:-

Suite 1, Ground Floor
The Financial Services Centre
Bishop's Court Hill
St. Michael, Barbados, BB 140004

The Company's shares were listed on the Main Market of the Jamaican Stock Exchange and Trinidad Stock Exchange in January 2019.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these interim financial statements are as compared with the most recent annual audited financial statements.

3. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with International Accounting Standards 34 - Interim Financial Statements. The interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The unaudited interim financial statements are prepared under the historical cost convention and are expressed in United States Dollars (USD) which is the functional currency of the Company.

4. Loss per share

Earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue over that period.

	Unaudited Year ended 31-Dec-20	Audited Year ended 31-Dec-19
Net loss attributable to ordinary shareholders	(165,118)	59,680
Weighted average number of shares	21,666,542	11,424,160
Loss per share	(0.01)	0.01

MPC CARIBBEAN CLEAN ENERGY LIMITED

Notes to the Financial Statements

For the period ended December 31, 2020

(Expressed in United States dollars)

4. Loss per share (Continued)

On November 8, 2019, the company opened a Rights Issuance where existing shareholders were given the option to acquire two new shares for every share that they originally owned. All the non-exercised rights were made available to new investors to purchase.

The issuance period closed on January 10, 2020. All applications were satisfied in full and 10,242,382 new Class B shares were issued and allotted to applicants in both the markets of Jamaica and Trinidad and Tobago, increasing the total Class B shares issued to 21,666,542. On July 7, 2020, the corporate and AML requirements were completed and on July 13, 2020, the raised funds of USD 9,292,378.58, net of underwriting costs and administrative expenses, were invested into MPC Caribbean Clean Energy Fund LLC.

5. Related Party Balances and Transactions

The following transactions were carried out with related parties:

Due to related party

The loan from the related party is unsecured, interest free, has no stated terms of repayment and includes: (i) Payments of fees by MPC Renewable Energies GmbH on behalf of the Company during the period ended December 31, 2020 and the related balances payable by the Company to MPC Renewable Energies EmbH as at December 31, 2020, and (ii) Directors fees (per agreements with Directors).

The carrying value of the 'Due to related party' is as follows:

	Unaudited	Audited
	Year ended	Year ended
	31-Dec-20	31-Dec-19
At January 1	55,059	149,280
Related party payments of expenses	12,624	144,051
Reimbursement payments to related party	<u>(46,029)</u>	<u>(238,272)</u>
At December 31	<u>21,654</u>	<u>55,059</u>

6. Long-term convertible promissory note payable

On November 6, 2020, MPC Caribbean Clean Energy Limited issued a convertible promissory note to RBC Trust (Trinidad & Tobago) Limited, (the 'Holder'), in the amount of USD 10,000,000. This convertible promissory note is non-interest bearing but entitles the Holder to distributions of profits of the Company, from and including the issuance date. The Holder of the note will be entitled to receive distributions of profits when dividends are declared, as if it were the holder of one Class B share for every \$1 of the principal sum of the note held but limited to a maximum return of eight percent (8%) per annum. All payments of distributions in respect of this note shall be payable in same day funds to the Holder on the dates and times upon which dividends are declared and payable in respect of the Class B shares of the Company by the Directors of the Company.

At maturity, March 31, 2023, if the principal sum of the note is unpaid in cash on that date or earlier, the note will be converted into Class B shares of the Company at the rate of one Class B share for every one United States dollar (USD1) of the principal sum of the note held by the Holder. Such conversion will be subject to approval by a majority of the shareholders of the Company at a general meeting of the shareholders.