

MPC CARIBBEAN CLEAN ENERGY LIMITED

**Unaudited Financial Statements for the
Quarter ended March 31, 2023
and Compilation Report**

MPC CARIBBEAN CLEAN ENERGY LIMITED

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Chairman’s Report to the Shareholders

First Quarter Ended March 31st, 2023

To the Shareholders of MPC Caribbean Clean Energy Limited,

On behalf of the Board of Directors, we present the unaudited financial statements of MPC Caribbean Clean Energy Limited (**the Company or MPCCEL**) for the quarter that ended March 31st, 2023.

Summary of the quarter

In terms of the financial performance of the operating assets, the energy production remains below forecast. Except for Monte Plata Phase I, this is driven by the weather conditions. Monte Plata Phase I continues to experience technical issues with the solar panels and action plans for remedy are under assessment. Financially, the pro-rated EBITDA result at the Company level increased by approximately 14% compared to the first quarter in 2022.

Furthermore, the Convertible Promissory Note with the maturity date of 31st of March, 2023 was amended such as the parties agreed to extend the maturity by an additional three years to the 31st of March 2026, keeping all other Terms and Conditions of the original note.

From an environmental, social, and governance (ESG) point of view, the Investee Companies continued engaging with local communities of the respective projects, for instance, meetings with the local community representatives in San Isidro, El Salvador. Local environmental consultants for Tilawind and San Isidro visited the projects to monitor the environmental management programs, and for Paradise Park, several actions were implemented to close recommendations made during last year’s ESG audit. In terms of occupational health and safety, no injuries or fatalities were registered in the projects and in addition, no grievances were reported either. The four operational assets avoided 21,395.95 of tCO2 emissions equivalent.

Portfolio Highlights

KPI	Q1 2023	Q1 2022	YTD Q1 2023	YTD Q1 2022
EBITDA	USD 2,517,872	USD 2,206,018	USD 2,517,872.68	USD 2,206,018
Energy Output Variation ¹	-5.69%	-1.95%	-5.69 %	-1.95%
Weighted Average Availability ²	99.41 %	98.52%	99.41%	98.52%

The table above shows all figures on a pro-rated basis reflecting the Company’s economic interest in the underlying asset portfolio. The asset performance for Q1 2023 was as follows:

Paradise Park | Solar Park | Jamaica

Revenues were slightly below the budget (-1.38%), although the energy production for the first quarter was reported 0.03% above the forecast. This can be explained by accumulated lower revenues for February and March of 2023.

¹ Note: 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.

² Note: 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 enough wind is available for the wind turbine to produce power. Regarding 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.

Moreover, OPEX exceeded the budget by 13.19%, which is mainly attributable to retained payment to the EPC contractor of the project. As a result, realised EBITDA was 4.82% lower than projected values for the first quarter of the year.

Tilawind | Wind Farm | Costa Rica

The energy production was 9.27% below the budget because of poor wind conditions resulting in revenues, which were 10.9% below the budget. The OPEX of the project was slightly below the budget (-1.36%) resulting in an EBITDA that was 10.9% below the forecast during the reporting period.

San Isidro | Solar Park | El Salvador

The technical performance was 6.99% below the target and this can be explained by lower irradiation results in the first quarter of the year. Nevertheless, electricity sales were 17.23% above the budget due to higher energy prices. The OPEX amount was 8.54% above the forecast due to the additional fees spent on authority registration fees that were not budgeted. Despite the underperformance and higher expenditure, the EBDITA closed above the budget (17.23%) due to higher electricity sales and bank reimbursement due to lower financing costs. Additionally, the replacement of inverters in the plant was completed in March 2023.

Monte Plata I | Solar Park | Dominican Republic

The energy production was reported 5.45% below the target despite improving weather conditions. Key driver for lower energy production was the PV module degradation. Realized electricity prices were slightly higher than forecasted reducing the delta between expected and realized energy sales / revenues; however, it was still 10% below expected values. The OPEX amount was significantly lower (-15.04%) due to postponed expenditures; therefore, EBITDA was 8.47% below the forecast as of the end of the first quarter.

Outlook

It is in the nature of our business that the financial performance of the operational assets depends vastly on the weather conditions. Independent experts determined an 80% probability for a change from La Niña to El Niño in 2023. After three consecutive years of La Niña, we therefore assume weather patterns to become more favorable for our portfolio of solar PV and wind power in the region. In addition, the technical asset managers will make continuous improvements to the technical aspects of the Monte Plata I asset with potential solar panel replacements to remedy the degradation. Furthermore, Monte Plata Phase II will move into full construction.

Responsible investment is at the core of the Company and its investments. During 2023, the ESG team will continue working on the ESG goals presented in the 2022 Annual Report of the Company.

A handwritten signature in blue ink that reads 'Jose Fernando Zuniga G.' with a horizontal line underneath.

Fernando Zuniga
Chairman of the Board of Directors

MPC CARIBBEAN CLEAN ENERGY LIMITED
TOP 10 SHAREHOLDINGS
As at March 31st, 2023

	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	4.61%
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	1.77%
10	JAMAICA MONEY MARKET BROKERS LTD FM10	-	321,000	1.48%

MPC CARIBBEAN CLEAN ENERGY LIMITED
DIRECTOR SHAREHOLDINGS
As at March 31st, 2023

	Name	Joint Holder/ Connected interest	Volume	Percentage
	Fernando Zuniga	-	-	-
	Alastair Dent	-	-	-
	Lisl Bettina Lewis	-	-	-
	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 March 31, 2023, 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 in accordance with International Financial Reporting Standards ("IFRS"). 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

April 26, 2023

MPC CARIBBEAN CLEAN ENERGY LIMITED

Statement of Financial Position

As at March 31, 2023

(Expressed in United States dollars)

	NOTES	Unaudited Quarter ended 31-Mar-23	Unaudited Quarter ended 31-Mar-22	Audited Year ended 31-Dec-22
Assets				
Investment in MPC Caribbean Clean Energy Fund LLC, at fair value		28,576,293	30,573,972	28,576,293
Cash and cash equivalents		94,186	283,604	164,442
Prepayments		52,036	29,348	12,417
Other receivables		12,333		
Total Assets		28,734,848	30,886,924	28,753,152
Liabilities				
Accruals		30,750	19,500	27,000
Accounts payable		94,582	62,900	77,825
Due to related party	5	21,654	21,654	21,654
Convertible promissory note payable	6	10,000,000	10,000,000	10,000,000
Liabilities (excluding Net Assets Attributable to Shareholders)		10,146,986	10,104,054	10,126,479
Net Assets Attributable to Shareholders		18,587,862	20,782,870	18,626,673
Represented by:				
Share capital		20,005,779	20,005,779	20,005,779
Retained earnings/ (Accumulated deficit)		(1,417,917)	777,091	(1,379,106)
		18,587,862	20,782,870	18,626,673

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

Approved by the Board of Directors on 4th day May, 2023.

 

By: Guardian Nominees (Barbados) Limited
Director

Per:

Gayle A. Hutchinson/Maria A. Alleyne

Title: Directors



By: Jose Fernando Zuniga Gallindo

MPC CARIBBEAN CLEAN ENERGY LIMITED**Statement of Comprehensive Loss**

For the period ended March 31, 2023

(Expressed in United States dollars)

	NOTES	Unaudited Quarter ended	Audited Year ended
		31-Mar-23	31-Mar-22
			31-Dec-22
Investment Income			
Net change in unrealized loss on investment in MPC Caribbean Clean Energy Fund LLC		-	-
			(1,997,679)
Total investment (loss)		-	-
			(1,997,679)
Expenses			
Accountancy fees		2,000	2,000
Administrative compensation		-	-
Administrative fees		19,298	13,424
Advertising		4,861	3,833
Audit fee		-	-
Bank charges		1,325	816
Corporate fees		375	375
Directors' fees		5,500	4,625
Legal & professional fees		192	-
Licence fees		125	125
Insurance expense		5,135	3,935
Total Expenses		38,811	29,133
			187,651
Comprehensive (loss) before taxation		(38,811)	(29,133)
Taxation		-	-
			-
Net comprehensive (loss)		(38,811)	(29,133)
			(2,185,330)
Basic (loss) / earnings per share	4	(0.00)	(0.00)
			(0.10)
Weighted average number of shares		21,666,542	21,666,542
			21,666,542

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

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Changes in Net Assets Attributable to Shareholders
For the period ended March 31, 2023
(Expressed in United States dollars)

	<u>Number of shares</u>	<u>Class A share capital</u>	<u>Class B share capital</u>	<u>Retained Earnings/ Accumulated deficit</u>	<u>Total</u>
Balance at January 1, 2022	21,666,542	1	20,005,778	806,224	20,812,003
Comprehensive loss for the period	-	-	-	(29,133)	(29,133)
Balance as at March 31, 2022	<u>21,666,542</u>	<u>1</u>	<u>20,005,778</u>	<u>777,091</u>	<u>20,782,870</u>
Balance at January 1, 2022	21,666,542	1	20,005,778	806,224	20,812,003
Comprehensive loss for the year	-	-	-	(2,185,330)	(2,185,330)
Balance as at December 31, 2022	<u>21,666,542</u>	<u>1</u>	<u>20,005,778</u>	<u>(1,379,106)</u>	<u>18,626,673</u>
Balance at January 1, 2023	21,666,542	1	20,005,778	(1,379,106)	18,626,673
Comprehensive loss for the period	-	-	-	(38,811)	(38,811)
Balance as at March 31, 2023	<u>21,666,542</u>	<u>1</u>	<u>20,005,778</u>	<u>(1,417,917)</u>	<u>18,587,862</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 March 31, 2023**

(Expressed in United States dollars)

	Unaudited Quarter ended		Audited Year ended
	31-Mar-23	31-Mar-22	31-Dec-22
Cash flows (used in) from operating activities			
Net comprehensive loss for the period	(38,811)	(29,133)	(2,185,330)
Adjustments for non-cash income and expenses:			
Net change in unrealized gain on investment in MPC Caribbean Clean Energy Fund LLC	-	-	1,997,679
Increase in prepayments	(39,619)	(20,746)	(3,815)
(Increase) in other receivables	(12,333)		
Increase in accounts payable	16,757	17,309	7,500
Increase in accruals	3,750	-	32,234
Net cash used in operating activities	(70,256)	(32,570)	(151,732)
Net decrease in cash and cash equivalents	(70,256)	(32,570)	(151,732)
Cash and cash equivalents at the beginning of the period	164,442	316,174	316,174
Cash and cash equivalents at the end of the period	94,186	283,604	164,442

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 March 31, 2023

(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, 2022, 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.

	Quarter ended 31-Mar-23	Quarter ended 31-Mar-22
Net loss attributable to ordinary shareholders	(38,811)	(29,133)
Weighted average number of shares	21,666,542	21,666,542
Loss per share	(0.00)	(0.00)

MPC CARIBBEAN CLEAN ENERGY LIMITED

Notes to the Financial Statements

For the period ended March 31, 2023

(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 March 31, 2021 and the related balances payable by the Company to MPC Renewable Energies GmbH as at March 31, 2022, and (ii) Directors fees (per agreements with Directors).

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

	Quarter ended 31-Mar-23	Quarter ended 31-Mar-22
At January 1	21,654	21,654
Related party payments of expenses	-	-
Reimbursement payments to related party	-	-
At March 31	<u>21,654</u>	<u>21,654</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, 2026, the principal sum of the note remained unpaid, as a result 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.