



FINANCIAL REPORT Q4 2023

MPC Caribbean Clean Energy Limited

MPC CARIBBEAN CLEAN ENERGY LIMITED

MPC Caribbean Clean Energy is a Caribbean-based investment company with the clear vision to boost investments into renewable energy projects in the Caribbean. The Company is investing into significant growth potential in renewable energy projects in the Caribbean region, where these energy sources are increasingly becoming an economical form of new electricity generation.

YOUR CONTACT FOR MORE INFORMATIONS

MPC Caribbean Clean Energy Limited

Suite 1, Ground Floor, The Financial Services Centre
Bishop's Court Hill
St. Michael, Barbados, BB14004

info@mpc-cleanenergy.com
www.mpc-cleanenergy.com

Investor Relations

e-mail: ir@mpc-cleanenergy.com



We invest in renewable energy projects in the wider Caribbean region.

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ABOUT MPC CARIBBEAN CLEAN ENERGY LIMITED

OUR BUSINESS

MPC Caribbean Clean Energy Limited (the Company) is a Caribbean-based investment company which was established in 2017 with the clear vision to enable private and institutional investors from Jamaica and Trinidad and Tobago to invest through the Company into one of the few investment funds which invests in renewable energy projects in Caribbean region: the MPC Caribbean Clean Energy Fund LLC (the Investment Company or the Fund). The audited financial statements of the Investment Company are available to Shareholders upon request.

Renewable and clean energy is not only a must for our future but has also great investment potential. Therefore, MPC's mission is to bring renewable energy to the Caribbean and the Caribbean people and thereby accelerating positive environmental and social impact.

The Company is registered in Barbados and publicly listed on the Jamaica Stock Exchange as well as the Trinidad and Tobago Stock Exchange.



Solar PV



Wind power

CHAIRMAN'S REPORT

Dear Shareholders,

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

SUMMARY OF THE QUARTER

In December 2023, MPC Caribbean Clean Energy Fund LLC (the Investment Company) announced the financial close of Phase II of Monte Plata Solar Park in the Dominican Republic. Phase II attracted a project finance loan from the Dutch development finance institution FMO; the Panamanian financial institution and asset manager CIFI; and the CIFI Sustainable Infrastructure Debt Fund, which channels resources toward sustainable infrastructure development in Latin America and the Caribbean. Over its operational lifespan, the expanded solar park is expected to mitigate the production of nearly 1.5 million tons of CO₂ during the life span of 20 years.

From a technical perspective, the projects within the Investment Company portfolio experienced both worse weather conditions as well as technical difficulties which are being addressed by the technical asset management team.

Moreover, the Investee Companies continued their engagement with the local communities of their respective projects. One community engagement activity took place in San Isidro, El Salvador. Local environmental consultants visited the projects in Tilawind, Monte Plata, and San Isidro to monitor the environmental management programs.

Regarding occupational health and safety, two health and safety incidents were reported in Q4, one in Tilawind and one in Monte Plata, with no serious injuries reported during the incidents. No environmental incidents were reported in Q4. No community grievances were received in Q4. Also, the four operational assets collectively reduced 19,060.28 tons of CO₂ equivalent emissions during the fourth quarter of 2023.

PORTFOLIO HIGHLIGHTS

KPI	Q4 2023	Q4 2022	YTD 2023	YTD 2022
EBITDA	USD 932,797	USD 1,067,815	USD 6,222,761	USD 5,691,845
Energy Output Variation ¹	-5.63%	-21.94%	-5.72%	-13.08%
Weighted Average Availability ²	97.91%	99.16%	98.29%	99.15%

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 solar panel 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.

Paradise Park | Solar Park | Jamaica

The electricity generation during the last quarter of the year was 2.19% lower than the target because of both lower irradiation (-4.16%) and performance ratio (-2.84%). Therefore, reported revenues were 3.61% below the forecast. Moreover, OPEX was 9.76% above the budget due to increasing insurance costs and consequently, EBITDA closed at 7.23% below the budget as of the reporting quarter.

Tilawind | Wind Farm | Costa Rica

During Q4 2023, reported wind speed was 19.32% lower than the average forecasted wind speed value and thus, negatively affecting generation results. In addition, the ongoing blade repair works were finalized on October 15th which also had an impact on plant availability during the first weeks of the quarter. Consequently, a revenue shortfall of 6.43% was reported for Q4 2023.

Realized operational and administrative expenses were 39.31% above the budget, mainly driven by the additional expenses incurred in the annual turbine maintenance and therefore, EBITDA was 81.55% lower than expected, attributed to lower revenues and increased OPEX during the quarter.

San Isidro | Solar Park | El Salvador

The electricity generation during Q4 2023 was 2.7 GWh, which is -2.17% below the target. The main reason was low availability caused by an oil leak in MV transformer one that occurred during November and was repaired in the same month. Also, tropical storm "Pilar" entered El Salvadorian territory on October 30th, affecting the irradiation present during the end of the month. No damage was reported on site after the storm.

Even though the operational result was lower, the obtained revenues were just slightly below the budget (-1.47%) due to favorable energy tariffs. Additionally, OPEX was 47.84% below the budget because some expenses were postponed to the following quarter and as a result, reported EBITDA was 20.65% above the forecast for the reporting period.

Monte Plata I | Solar Park | Dominican Republic

In Q4 2023, the electricity generation amounted to 10.51 GWh, which fell short by 10.22% in comparison to the targeted generation of 11.72 GWh. The main factor contributing to this negative outcome continues to be the underperformance of the PV Modules. The Asset Management team is carrying out a mitigation plan to address the PV module degradation issue which is expected to be implemented in 2024.

Revenues generated during Q4 2023 were 10.54% lower compared to the budget estimate, primarily attributable to reduced production resulting from module degradation. Furthermore, operational and administrative expenses exceeded the budget by 15.98% due to some legal expenses being incurred in Q4 as well as an additional study submitted in November regarding the degradation of solar modules. The legal expenses were not accrued earlier in the year because the final amounts were not determined until Q4 2023, resulting in higher operating expenses as compared to previous quarters. Therefore, a combination of lower generation and higher OPEX resulted in an EBITDA being 21.45% below the budget for Q4 2023.

OUTLOOK

The completion of reorganization of the Company, the Investment Company and Investee Companies is currently ongoing and is expected to be finalized by the end of the first quarter of 2024.

The Investment Advisor is also focusing on expansion of Monte Phase II, which is expected to reach an installed solar PV capacity of 75.6 MWp. This expansion involved securing a new 15-year US-dollar denominated PPA for an additional 42.2 MWp of solar PV capacity. The anticipated Commercial Operation Date of the project shall occur in early Q4 2024. The commissioning and energization of Phase II is projected to yield a combined annual energy production of approximately 116,000 MWh.



Jose Fernando Zúñiga Gallindo
Chairman of the Board of Directors

TOP 10 SHAREHOLDINGS

As at December 31th, 2023

No.	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 ASSET MANAGEMENT LTD. - JAMAICA INVESTMENTS FUND	-	822,000	3.79%
7	Caribbean Clean Energy Feeder Limited	-	691,821	3.19%
8	NCB INSURANCE AGENCY AND FUND MANAGERS LTD WT157	-	429,000	1.98%
9	Sagicor Equity Fund	-	384,610	1.77%
10	Jamaica Money Market Brokers Ltd FM10	-	321,000	1.48%

DIRECTOR SHAREHOLDINGS

As at December 31th, 2023

Name	Joint Holder / Connected interest	Volume	Percentage
Jose Fernando Zúñiga Gallindo	-	-	-
Alastair Dent	-	-	-
Lisl Bettina Lewis	-	-	-
Guardian Nominees (Barbados) Limited	-	-	-

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED DECEMBER 31, 2023

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Statement of Financial Position

As at December 31, 2023
(Expressed in United States Dollars)

In USD	Notes	Unaudited Year ended 31-Dec-23	Audited Year ended 31-Dec-22
Assets			
Cash and cash equivalents		3,686	164,442
Prepayments		4,220	12,417
Other receivables		12,333	-
Investment in MPC Caribbean Clean Energy Fund LLC, at fair value through profit or loss	4, 5	30,394,545	28,576,293
Total Assets		30,414,784	28,753,152
Liabilities			
Accruals		103,017	27,000
Accounts payable		92,503	77,825
Due to related party	6	21,654	21,654
Convertible promissory note payable	7	10,000,000	10,000,000
Liabilities (excluding net assets attributable to shareholders)		10,217,174	10,126,479
Net assets attributable to shareholders		20,197,610	18,626,673
Represented by:			
Share capital		20,005,779	20,005,779
Retained earnings / (accumulated deficit)		191,831	(1,379,106)
		20,197,610	18,626,673

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

Approved and authorized for issue by the Board of Directors on February 12, 2024



Shelly-Anne N. Yarde | Maria A. Alleyne
Guardian Nominees (Barbados) Limited
Directors



Jose Fernando Zúñiga Gallindo
Chairman of the Board of Directors

Statement of Comprehensive Income

For the financial year and three month period ended December 31, 2023
(Expressed in United States Dollars)

In USD	Notes	Unaudited Three months ended		Unaudited	Audited
		31-Dec-23	31-Dec-22	Year ended 31-Dec-23	Year ended 31-Dec-22
Investment Income					
Net change in unrealized gain / (loss) on investment in MPC Caribbean Clean Energy Fund LLC	5	1,818,252	888,442	1,818,252	(1,997,679)
Total investment income / (loss)		1,818,252	888,442	1,818,252	(1,997,679)
Expenses					
Accountancy fees		24,500	2,000	34,137	8,600
Administrative compensation		-	-	-	12,030
Administrative fees		18,978	20,605	68,060	61,776
Advertising		6,179	12,793	21,558	34,921
Audit fee		6,475	17,500	20,475	18,375
Bank charges		952	1,022	4,307	3,873
Corporate fees		375	375	1,500	1,500
Directors' fees		(2,000)	5,208	27,000	19,083
Insurance expense		4,622	5,294	18,951	20,819
Legal & professional fees		402	-	10,827	6,174
Licence fees		125	125	500	500
Valuation expense		40,000	-	40,000	-
Total Expenses		100,608	64,922	247,315	187,651
Comprehensive income / (loss) before taxation		1,717,644	823,520	1,570,937	(2,185,330)
Taxation		-	-	-	-
Net comprehensive income / (loss)		1,717,644	823,520	1,570,937	(2,185,330)
Basic (loss) / earnings per share	8	0.08	0.04	0.07	(0.10)
Weighted average number of shares		2,166,542	2,166,542	2,166,542	2,166,542

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

Statement of Changes in Net Assets Attributable to Shareholders

For the financial year ended December 31, 2023
(Expressed in United States Dollars)

In USD	Number of shares	Class A share capital	Class B share capital	Retained Earnings / (Accumulated Deficit)	Total
Year ended December 31, 2022 (Audited)					
Balance as at December 31, 2021	21,666,542	1	20,005,778	806,224	20,812,003
Net comprehensive loss for the year	-	-	-	(2,185,330)	(2,185,330)
Balance as at December 31, 2022	21,666,542	1	20,005,778	(1,379,106)	18,626,673
Year ended December 31, 2023 (Unaudited)					
Balance as at December 31, 2022	21,666,542	1	20,005,778	(1,379,106)	18,626,673
Net comprehensive income for the year	-	-	-	1,570,937	1,570,937
Balance as at December 31, 2023	21,666,542	1	20,005,778	191,831	20,197,610

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

Statement of Cash Flows

For the financial year ended December 31, 2023
(Expressed in United States Dollars)

In USD	Unaudited Year ended 31-Dec-23	Audited Year ended 31-Dec-22
Cash flows from / (used in) operating activities		
Net comprehensive income / (loss) for the year	1,570,937	(2,185,330)
Adjustments for non-cash income and expenses:		
Net change in unrealized (gain) / loss on investment in MPC Caribbean Clean Energy Fund LLC	(1,818,252)	1,997,679
Changes in operating assets and liabilities:		
Decrease / (increase) in prepayments	8,197	(3,815)
(Increase) in other receivables	(12,333)	-
Increase in accruals	76,017	7,500
Increase in accounts payable	14,678	32,234
Net cash used in operating activities	(160,756)	(151,732)
Net decrease in cash and cash equivalents	(160,756)	(151,732)
Cash and cash equivalents at the beginning of the year	164,442	316,174
Cash and cash equivalents at the end of the year	3,686	164,442

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

Notes to the Financial Statements

1. COMPANY BACKGROUND

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

42056

The Company's registered office address

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. MATERIAL ACCOUNTING POLICY INFORMATION

The material 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The unaudited interim financial statements are prepared under the historical cost convention modified for the revaluation of financial assets at fair value through profit or loss and are expressed in United States Dollars (USD) which is the functional currency of the Company.

4. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENT

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including future expectations.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Fair value estimation

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists.

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The following table analyses, within the fair value hierarchy, the Company's assets and liabilities measured at fair value as at December 31, 2023 and 2022.

Unaudited 31-Dec-23

In USD	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value through profit or loss				
Investment in MPC CCEF	-	-	30,394,545	30,394,545
	-	-	30,394,545	30,394,545

Audited 31-Dec-22

In USD	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value through profit or loss				
Investment in MPC CCEF	-	-	28,576,293	28,576,293
	-	-	28,576,293	28,576,293

4. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENT (CONTINUED)

The following table analyses the changes in the Company's Level 3 assets as at December 31, 2023 and 2022.

In USD	Unaudited 31-Dec-23	Audited 31-Dec-22
At January 1	28,576,293	30,573,972
Additional investment	-	-
Fair value adjustment	1,818,252	(1,997,679)
At December 31	30,394,545	28,576,293

5. INVESTMENT ACTIVITIES

MPC CCEF prioritises investments in solar PV and wind projects, ranging from 10 MW to 100 MW in size, in the Caribbean and Central American regions, more specifically in the member states, associate members and observers of the Caribbean Community (CARICOM) and Costa Rica, Jamaica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, as these countries are characterised by a growing demand for electricity, high prevailing energy costs, enabling environments and relatively low levels of competition.

In April 2018, MPC CCEF acquired a 68.8% shareholding in EREC Investment Ltd., a Barbadian company holding 49.99% of shares in Eight Rivers Energy Company Limited ("EREC"), a company engaged in the development and construction of the Paradise Park, a utility scale solar farm situated on a 200-acre ground-leased site in Jamaica. The project reached financial close in June 2018 and, following construction and development, the plant began operating in June 2019.

In 2018, MPC CCEF also entered into an agreement with ANSA McAL Limited for the joint acquisition of Tilawind Wind Farm, a 21MW utility-scale wind farm consisting of seven Vestas V90- 3.0MW Wind Turbine Generators (WTGs) in Costa Rica, owned and operated by Tilawind Corporation S.A, a Costa Rican corporation limited by shares. The joint venture purchase was acquired through a Barbados international business company named CCEF ANSA Renewable Energies Holdings Limited ("CARE"). Effective April 26, 2019, the investment in the Costa Rican Wind Farm was commercially completed.

In December 2020, MPC CCEF entered into a Share Purchase Agreement for the acquisition of a 6.4 MWp solar park in San Isidro, El Salvador. This acquisition was made through MPC Renewables Central America and Caribbean, S.A., a company incorporated in Panama and wholly owned by MPC CCEF. Construction began in the second quarter of 2020 and commissioning and operations commenced at the beginning of 2021. The asset acquisition occurred in February 2021 when MPC CCEF made a payment of USD 2,039,038 on behalf of MPC Renewables Central America and Caribbean, S.A. for the purchase of the shares under the Share Purchase Agreement.

In June 2021, MPC CCEF, through CARE, entered into a share purchase agreement by which it has acquired 72.794% of the total share capital of Electronic J.R.C. S.R.L., a company incorporated and existing under the laws of the Dominican Republic (the "Project") through its direct minority holding (1 share) in the Project as well as its indirect holding, through a Spanish holding company, Monte Plata Solar Holding, Sociedad Limitada ("ETVE"). The Project consists of two phases, Phase I of the Project has a module capacity of approx. 33,389.40 kWp ("Phase I") and was completed on May 9, 2022. Phase II of the Project has a module capacity of approx. 40,500 kWp ("Phase II") and is still under development. MPC CCEF, through CARE, has invested USD 3,792,429 in the form of capital contribution to ETVE for the purchase of Phase I. MPC CCEF, through CARE, has also invested USD 9,815,674 for Phase II as a direct contribution to ETVE and USD 100,070 also for Phase II for transaction fees.

During the year ended December 31, 2023, an unrealised gain of USD 1,818,252 (unaudited) was recorded in the statement of comprehensive income (2022: unrealised loss of USD 1,997,679 (audited)).

6. 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 Capital GmbH on behalf of the Company during the period ended December 31, 2020 and the related balances payable by the Company to MPC Capital GmbH as at December 31, 2020, and (ii) Directors fees (per agreements with Directors).

The carrying value of amounts due to related party is as follows:

In USD	Unaudited 31-Dec-23	Audited 31-Dec-22
At January 1	21,654	21,654
Related party payments of expenses	-	-
Reimbursement payments to related party	-	-
At December 31	21,654	21,654

7. 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 USD 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, if the principal sum of the note remained unpaid, 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 (USD 1) 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.

8. EARNINGS / (LOSS) PER SHARE

Earnings / (loss) 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.

In USD	Unaudited 31-Dec-23	Audited 31-Dec-22
Net income / (loss) before tax	1,570,937	(2,185,330)
Weighted average shares	21,666,542	21,666,542
Earnings / (loss) per share for profit / (losses) attributable to the Class B	-	-
Shareholders of the Company	0.07	(0.10)

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.

