



ANNUAL REPORT 2023

MPC Caribbean Clean Energy Limited

MAKE YOUR MONEY GROW GREEN

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 Jamaica, Trinidad and Tobago and the wider Caribbean region.

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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 Jamaica, Trinidad and Tobago and the wider 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.

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



Energy Efficiency

CHAIRMAN'S REPORT

"The positive investment environment for renewable energy in the Caribbean offers investors potential for attractive returns over the long term."

**Dear Shareholders,
Dear Readers,**

On behalf of the Board of Directors (Board), I am pleased to present the Annual Report of MPC Caribbean Clean Energy Limited (Company) for the year ended December 31st 2023.

YEAR IN REVIEW

In November 2022, the Advisory Committee of MPC Caribbean Clean Energy Fund LLC recommended the proposed changes to the overall group and contractual structure of the Company to simplify the organization, reduce administrative costs and to create greater transparency to ultimately increase Shareholders' value.

The Shareholders approved the proposed group reorganization at the Company's Annual General Meeting held on May 30th, 2023. Subsequently, legal counsels from various jurisdictions were mandated to finalise relevant documents and obtain outstanding lenders' consents. Initially, the contemplated reorganization was scheduled to be concluded by the end of 2023, however, the process involves many jurisdictions such as El Salvador, Dominican Republic, Jamaica, Costa Rica, the Cayman Islands and Barbados and therefore, is taking longer than initially anticipated.

The expected transition from La Niña to El Niño brought improved weather conditions for the Company's portfolio of solar PV and wind power generation assets in the invested regions.

The technical asset management have identified a series of improvements to the technical performance of the assets throughout 2023. For Monte Plata Phase I this includes the claim process with the replacement of the solar panels to address unexpected module degradation as well as increase in frequency of some preventive maintenance routines that will ensure timely response instead of reaction through corrective maintenance.

Moreover, the complex process of blade repairs was finalised in the Tilawind wind farm and inverter replacement was completed in San Isidro.



Renewable and clean energy is not only a must for our future but has also great investment potential.

OUTLOOK

At the end of 2023, the Company announced the financial close of Monte Plata II solar park in the Dominican Republic. The financing was provided by FMO, the Dutch business development bank, CIFI, and CIFI's Sustainable Fund, for a total of USD 57.9 million (including Monte Plata I). Simultaneously, construction activities have been initiated and the commissioning and operation of the final total capacity of around 74 MWp is planned for Q4 2024.

Furthermore, the asset transfer from MPC Caribbean Clean Energy Fund LLC to the Company is expected to be completed in the second quarter of 2024.

I thank our Shareholders and my fellow Directors for their support and trust during this period.

Respectfully Yours,
For and on behalf of the Company



Fernando Zúñiga
Chairman of the Board of Directors

THE BOARD OF DIRECTORS

The Board of the Company as of December 31st, 2023 comprises of four (4) directors as follows



Mr. Fernando Zúñiga

Director of the Board, Executive Director

Mr. Fernando Zúñiga has joined the Board of Directors and simultaneously assumed Executive Director position of the Company following the appointment and approval at the Board of Directors meeting on June 17th, 2019.

Mr. Zúñiga is a Managing Director Latin America & Caribbean of MPC Energy Solutions Panama S.A. based in Panama City, Panama. He is responsible for business development as well as supporting origination and asset management. Mr. Zúñiga has more than 12 years of experience in renewable energy with a strong focus on solar PV and Wind as well as development and construction phases of renewable energy projects.

In the past, he worked on over 2 GW of renewable energy projects with approximately 800 MW of development and asset management of solar PV in Latin America. Throughout his career, he held the following positions in the renewable energy field:

- + Director of Managing Board Member, Caribbean Clean Energy Fund LLC, Cayman Islands
- + Development Manager for Latin America, Solarcentury, Panama
- + Senior Project Developer – Private Equity, Ecosolar (Grupo Ecos), Panama
- + Project and Business Development Manager, Project Engineer, Suntrace GmbH, Germany

Mr. Alastair Dent

Independent Non-Executive Director & Member of the Audit and Remuneration Committees

Mr. Dent is a chartered accountant whose career has spanned Ernst & Young Barbados in various capacities and ultimately as one of its audit partners. Before joining Ernst & Young Mr. Dent acted as the Chief Financial Officer of a reinsurance company operating in Barbados.

In 2016 Mr. Dent established his own audit firm, Orion Consulting Inc. Mr. Dent is also an Associate Member of ICAEW, a Fellow of Institute of Chartered Accountants of Barbados (ICAB) and is a Member of ICAB Accounting and Auditing Standards Committee.

Ms. Lisl Lewis

Independent Non-Executive Director

Ms. Lewis is a chartered accountant with more than 30 years of experience in the financial services industry in the UK and the Caribbean. Ms. Lewis has a Bachelor of Engineering (Hons) degree in Aeronautics and Astronautics from Southampton University in England. She is a Fellow of the Institute of Chartered Accountants in England and Wales (“ICAEW”).

Ms. Lewis started her career with Ernst & Young in London, UK. She has held senior executive roles at RBC Royal Bank of Canada, private banks domiciled in Barbados, a UK-based asset management company and more recently, board positions with a number of companies domiciled in Barbados. A past president of the Barbados International Business Association (“BIBA”), Ms. Lewis has worked in the international business sector in Barbados since 1996. She has wide-ranging experience in banking, investments, captive insurance, international business companies and trusts.

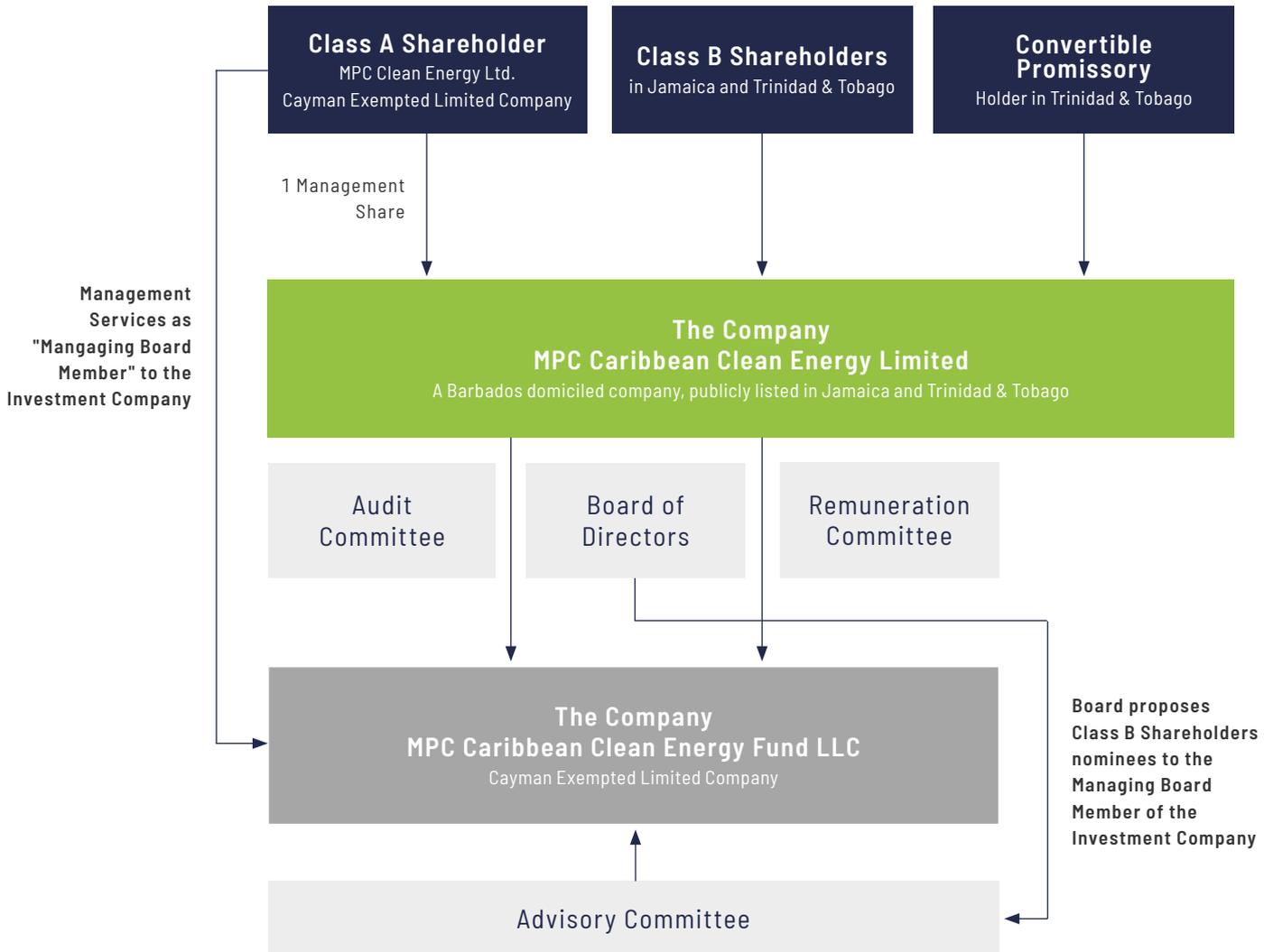
Guardian Nominees (Barbados) Limited

Independent Non-Executive Director & Member of the Audit and Remuneration Committees

Guardian Nominees (Barbados) Limited is a corporate director appointed by the Company in the interest of continuity on the Board and also in order to facilitate Board meetings in Barbados. Guardian Nominees (Barbados) Limited was incorporated on December 23, 2004 and is legally domiciled in the Island of Barbados. The Company is engaged in the provision of nominee services and is licensed under the Corporate and Trust Services Providers Act 2015-12 of Barbados. The current directors of the Company are: Gayle A. Hutchinson, Jan D. Scantlebury, Maria A. Alleyne and Shelly-Anne N. Yarde.

ORGANIZATIONAL CHART

Structure of the organization of MPC Caribbean Clean Energy Limited



CORPORATE DATA

| Corporate Data | | |
|---|--|--|
| The Company | <p>MPC Caribbean Clean Energy Limited Suite 1, Ground Floor, The Financial Services Centre, Bishop's Court Hill, St. Michael, Barbados, BB14004</p> <p>Phone: +1 246 621 0760 Email: info@mpc-cleanenergy.com www.mpc-cleanenergy.com</p> |  |
| Board of Directors | <p>Fernando Zúñiga Alastair Dent Lisl Bettina Lewis Guardian Nominees (Barbados) Limited</p> | |
| Trinidad & Tobago Attorneys to the Company | <p>M. Hamel-Smith & Co., Attorneys-at-Law Eleven Albion, Cor. Dere & Albion Streets P.O. Box 219, Port of Spain Trinidad & Tobago</p> <p>Phone: +1 868 299 0981 Email: mhs@trinidadlaw.com www.trinidadlaw.com</p> |  |
| Jamaica Attorneys to the Company | <p>Hart Muirhead Fatta, Attorneys-at-Law Victoria Mutual Building, 2nd Floor 53 Knutsford Blvd, Kingston 5, Jamaica</p> <p>Phone: +1 876 929 9677 Email: info@hmf.com.jm www.hmf.com.jm</p> |  |
| Auditor | <p>Ernst & Young Ltd One Welches, Welches St. Thomas, BB22025, Barbados, W.I.</p> <p>Phone: +1 246 430 3900 www.ey.com/en_gl/locations/barbados</p> |  |
| Bankers | <p>CIBC FirstCaribbean International Bank Bay Street, P.O. Box N-8350 Nassau, New Providence, The Bahamas</p> <p>Phone: +1 242 502 6834 www.cibfcib.com</p> |  |
| Corporate Secretary | <p>Trident Corporate Services (Barbados) Ltd Suite 1, Ground Floor, The Financial Services Centre Bishops Court Hill, St Michael, Barbados BB14004</p> <p>Phone: +1 246 621 0760 Mail: barbados@tridenttrust.com www.tridenttrust.com/americas-caribbean/barbados</p> <p>Dentons Delany Burnham Court, Bishop's Court Hill St. Michael BB11115, Barbados</p> <p>Phone: +1 246 228 2260 www.dentons.com</p> |   |

Top 10 Shareholders of the Company

As at December 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 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's Holdings

As at December 31st, 2023

| Name | Joint Holder/ Connected interest | Volume | Percentage |
|--------------------------------------|-------------------------------------|--------|------------|
| Fernando Zuniga | - | - | - |
| Alastair Dent | - | - | - |
| Lisl Lewis | - | - | - |
| Guardian Nominees (Barbados) Limited | - | - | - |

Value and Supply Chain Description

Before acquiring projects, there is an initial origination phase to evaluate the acquisition of the contemplated projects. The origination consists of a review of the project to verify whether it complies with the requirements to be part of the investment fund. Before acquiring any project, a complete and comprehensive evaluation is performed to verify that it complies with all legal, technical, financial, and environmental and social (“E&S”) requirements, among others, established by the investment fund.

The Fund supervises construction activities that are performed by Engineering, Procurement, and Construction (“EPC”) companies. EPCs are responsible for the final design, procurement, construction, commissioning, and handover of the projects in a state where they are ready to operate. In its role of investor, monitors and supervises project construction activities with internal or external staff depending on the size and complexity of the project and its location.

During the construction phase, environmental and social management plans and occupational health and safety plans are implemented by the EPC and supervised by the Fund.

The Fund operates alone or together with partners and contractors in its projects. The Fund supervises the operation and maintenance activities that are performed by an operations & maintenance company (“O&M”). The O&M executes the activities that are related to operations and maintenance of the project, which typically includes the day-to-day activities necessary for the assets and equipment to perform their activities related to power generation. During the operational phase, the needed environmental and social management plans and the occupational health and safety plans are implemented by the O&M and supervised by the Fund.



Origination

- + Evaluation of project acquisition
- + Technical, financial, legal, environmental and social Due Diligence
- + PPA negotiation



Construction

- + Final design
- + Procurement
- + Construction activities
- + Implementation of E&S and HES plans



Operation

- + Project Operation
- + Maintenance of project
- + Implementation E&S and HSE plans
- + Asset Performance

Our Approach to Sustainability

All projects acquired must comply with all host-country laws and regulations and internationally recognized standards on the environment. The Company's approach to environment and climate is governed by the Environmental and Management system created for MPC Caribbean Clean Energy Fund LLC, which has been prepared in accordance with IFC Performance Standards on Environmental and Social Sustainability and the World Bank Group ("WBG") Environmental, Health and Safety ("EHS") General and Sectoral guidelines.

The Environmental and Social Management System ("ESMS") serves as a tool to improve and manage the environmental performance of operations and thereby improve performance over time by managing risk and creating positive impact. During 2023 the Investment Advisor's team received ESMS training.

Based on the results of the environmental and social risk and impact identification, a project-specific Environmental and Social Management Plan ("ESMP") shall be implemented. The ESMP should contain a detailed description of risk minimization measures which should be implemented during a project's construction and operation phase. Moreover, the environmental and social KPIs should be included in the Environmental and Social Management Plan that will allow for monitoring and tracking of a project's performance.

The ESMP reflects the mitigation hierarchy and, where it is technically and financially feasible, the avoidance and prevention of impact over minimization, mitigation, or compensation. Additionally, it ensures that all relevant stages of a project are structured to comply with applicable laws, regulatory requirements, and IFC Performance Standards. Project specific ESMP will be prepared for each project.

The ESMS created for the Fund identified certain ESG topics which are relevant to its business activities. The next section will disclose some of the results and information based on ESG KPIs and ESMS.



ENVIRONMENTAL

- + Climate Emissions
- + Biodiversity



SOCIAL

- + Occupational health & safety
- + Community Engagement



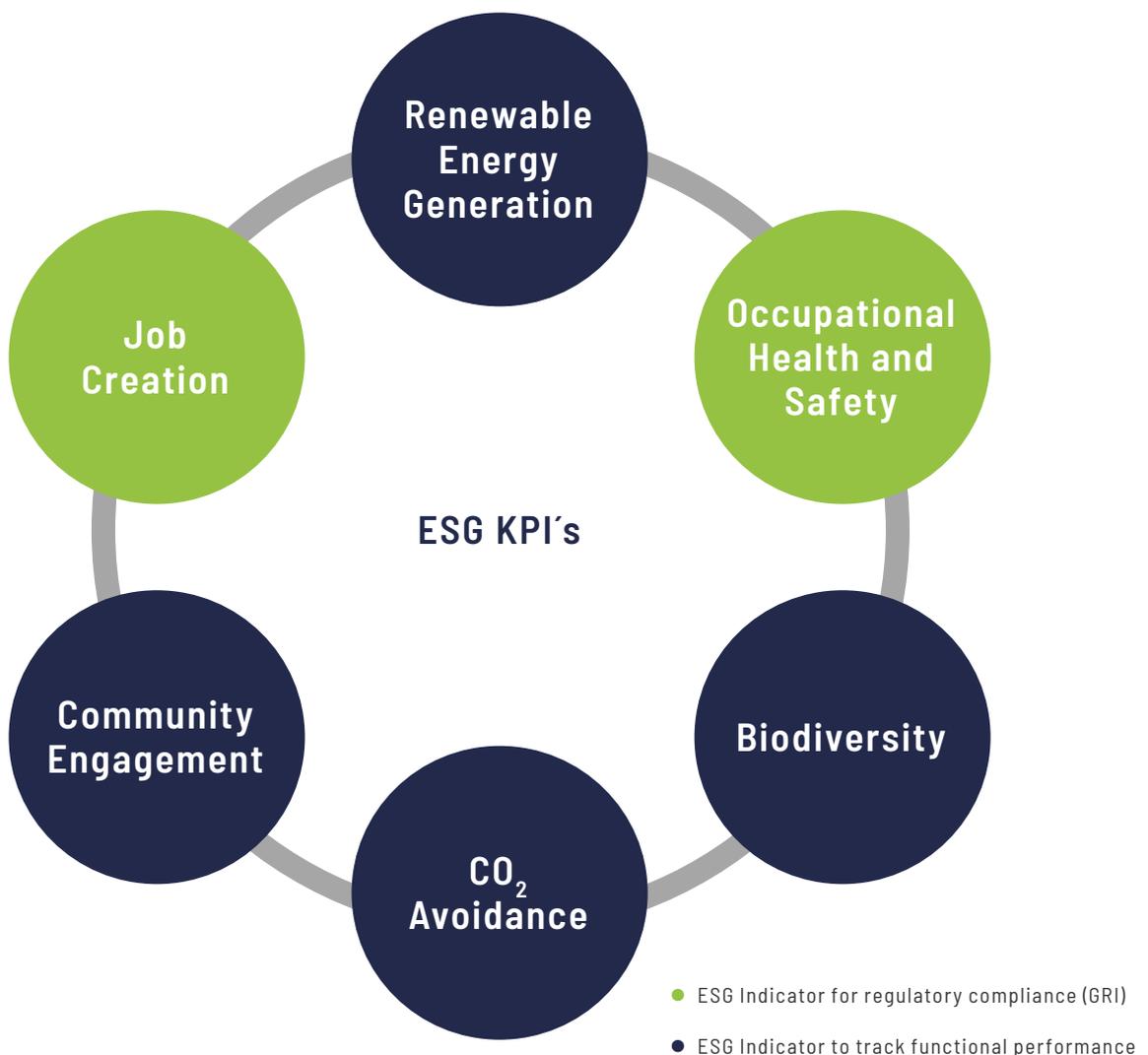
GOVERNANCE

- + Corporate Governance & Responsibilities
- + Gender

ESG KEY PERFORMANCE INDICATORS

In 2023, the Investment Advisor continued measuring ESG KPIs. These environmental and social indicators allow for tracking of the success and improvement areas towards sustainable value creation for the assets acquired by the Fund. Two types of indicators are defined for the assets acquired by the Fund:

- + Functional performance indicators: which measure the functional performance of assets/projects for asset management purposes. In this category, IFC performance standards were used as guidance.
- + Regulatory compliance indicators: which monitor the regulatory compliance of projects/assets in reference to Global Reporting Initiative ("GRI") standards.



“Responsible investment is at the core of our company and our investments. We are committed to investing with consideration of our ESG principles, thus delivering a lasting positive impact on the environment and the communities in which we invest. Our ESG principles serve as a guideline to investing sustainably, reflecting our commitment to socially and environmentally responsible actions.”

Ulf Holländer, CEO of MPC Capital

UN SUSTAINABLE DEVELOPMENT GOALS

MPCCEL and the Fund recognize the importance of the Sustainable Development Goals (“SDGs”) of the United Nations, and its target to end poverty, protect the planet, and ensure prosperity by 2030. MPC CCEL and the Fund generally support all SDGs and constantly review how they can be embraced through our corporate activities.

MPCCEL invests in solar PV and wind projects through the Fund, thus creating an active contribution to effective climate change mitigation by investing in renewable energy. Moreover, supporting positive social and environmental links with the communities and areas impacted by the project.

We prioritize the following SDGs

- + Goal number 5: Gender Equality
- + Goal number 7: Affordable and clean energy
- + Goal number 8: Decent work and economic growth
- + Goal number 9: Industry, innovation, and infrastructure
- + Goal number 11: Sustainable cities and communities
- + Goal number 13: Climate Action



CORPORATE GOVERNANCE & RESPONSIBILITY

Responsibilities of the Board

The business and affairs of the Company are managed by its Board, who approves any reasonable costs and expenses pursuant to the Company's investor membership in the Fund and the Company itself. Furthermore, the core responsibilities of the Directors among others include:

- + Compliance with all applicable laws, regulations, and corporate documents and policies of the Company;
- + Participation in Board meetings;
- + Participation in committees and sub-committees to which the relevant Directors have been appointed;
- + Review the Company's financial statements and annual report including the MD&A section;
- + Ensure that the reports and disclosures of the Company, including the annual report, are compliant with the Company's Disclosure Policy;
- + Review and approve the Company's annual budget; review and approve the Company's policies and guidelines;
- + Regularly confirm the Code of Conduct of the Company;
- + From time to time consider the recommendation of material members of the Company as potential members of the Fund's Advisory Committee to the Fund's managing board member (Managing Board Member);
- + Approve new shareholders of the Company;
- + Appoint the Company's corporate secretary and assistant secretary;
- + Always act in the best interest of the Company and its shareholders.

EVALUATION

Annual self-assessment of performance on the individual and group level is conducted by the Directors. Each of the Directors is a signatory to Company's Code of Conduct and its annual reviews, which serves as a core guideline for ethics and behavioral norms. The dismissal of the Director is foreseen,

provided the failure to adhere to the Code of Conduct or absence in three consecutive Board meetings. Therefore, the record of the attendance of the meetings is kept. The first evaluation has been conducted in the second quarter of 2024 with the results as below:

| Meeting Date | Attendees | | | |
|------------------|-----------------|---------------|------------|-------------------|
| | Fernando Zúñiga | Alastair Dent | Lisi Lewis | Guardian Nominees |
| January 26, 2023 | ✓ | ✓ | | ✓ |
| March 31, 2023 | ✓ | ✓ | ✓ | ✓ |
| May 4, 2023 | ✓ | ✓ | ✓ | ✓ |
| May 30, 2023 | ✓ | ✓ | ✓ | ✓ |
| August 10, 2023 | ✓ | ✓ | ✓ | ✓ |
| October 5, 2023 | ✓ | ✓ | ✓ | ✓ |

MEETINGS

Frequency and location: Meetings of the Board are held at least quarterly every year and may be convened at any time by any Director or the Secretary, when directed or authorized by the Management Shareholder. The meeting location is selected irrespectively of the country of the registration or is held through the means of telephone or other communications facilities that permit all persons participating in the meeting to hear each other and a Director participating in such a meeting by such means is deemed to be present at that meeting. For the year 2023 the decisions by the Directors were made via telephone meetings, a round robin of electronic communication over various dates and a physical meeting took place prior to the Annual General Meeting on May 30th, 2023.

Quorum: A majority of the Directors forms a quorum for the transaction of business and, notwithstanding any vacancy among the Directors, a quorum exercises all the powers of the Directors. No business is transacted at a meeting of Directors unless a quorum is present.

Voting: Questions arising at any meeting of the Directors are decided by a majority of votes. In case of an equality of votes the Chairman of the meeting in addition to his original vote has a second or casting vote.

Director Responsibilities and Preparation: Directors spend the time needed to prepare for meetings and to meet as frequently as necessary to properly discharge their responsibilities. Information and materials important for the Board's understanding of the business to be conducted at a Board or committee meeting are made available to the Directors in advance to the meeting.

Shareholder's Meetings: includes any annual general meeting and extraordinary shareholders' meeting of the Company. Shareholders' Meetings are conducted pursuant to the laws of Barbados and in compliance with requirements of the jurisdictions in which the Company is listed. The Annual General Meeting was conducted physically in Barbados at the Company's address and via video conferencing on May 30th, 2023.



Our Paradise Park solar park in Jamaica is the largest photovoltaic power plant and the cheapest producer of energy in the island nation.

REMUNERATION COMMITTEE

The purpose of the Remuneration Committee is to review, report on and make appropriate recommendations to the Company’s Board for the Board’s approval regarding the Company’s framework of executive remuneration. The Committee reviews and approves corporate goals in relation to management’s compensation, evaluates management’s performance in light of the company’s goals and objectives and makes recommendations to the Board with respect to executive and non-executive compensation.

The Remuneration Committee shall review and evaluate twice per year market trends in relation to fees payable to non-executive and independent directors and make recommendations to the Board in relation to the Company’s directors’ fees, other executive and non-executive compensations.

Remuneration Committee is comprised of the following directors:

| Name | Position |
|--------------------------------------|----------|
| Fernando Zúñiga | Chairman |
| Alastair Dent | Member |
| Guardian Nominees (Barbados) Limited | Member |



AUDIT COMMITTEE

The Audit Committee assists the Board with oversight responsibilities in regard to the integrity of the Company's financial statements. It also serves as the communication link between the Board, the management team and the auditors. The Audit Committee ensures that the Company complies with legal and regulatory requirements.

- + Assist the Board with oversight responsibilities in regard to the integrity of the Company's financial statements;
- + Serve as the communication link between the Board, the management team and the auditors;
- + Ensure that the Company complies with legal and regulatory requirements;
- + Confirm that significant findings and recommendations made by auditors are received, discussed and implemented by management or Directors on a timely basis;
- + Communicate to the Board matters which may significantly impact the financial condition/affairs of the Company;
- + Perform other oversight functions as requested by the Board;
- + Review and update the charter and recommend approval of any changes to the Board; and
- + Confirm annually that the responsibilities outlined in this Charter have been executed;
- + Report annually to the shareholders describing the Audit Committee's composition, responsibilities, discharge of duties and any other information required by regulation or professional practice; and
- + Review any other reports issued by the Group that relate to the Audit Committee's responsibilities.

Audit Committee is comprised of the following directors:

| Name | Position |
|--------------------------------------|----------|
| Fernando Zúñiga | Chairman |
| Alastair Dent | Member |
| Guardian Nominees (Barbados) Limited | Member |

Code of Conduct

Being a listed company, the Company thrives on the trust that our investors, customers, shareholders, business partners and the public have in the performance and integrity of our Company. That trust depends significantly on how we conduct ourselves. The Code of Conduct of MPC Caribbean Clean Energy Limited lays out the standards for our behavior, serving as binding guidelines for all our interactions. We expect employees to adhere to the Code of Conduct.

The Code of Conduct is based on our five corporate values. These shared values represent the essential foundation of our corporate culture. We practice them in our daily dealings with each other and in how we work with others.

PRINCIPLE OF GOOD CORPORATE GOVERNANCE

Good corporate governance protects the legitimate interests of the Company and its shareholders. The management structure of MPC Caribbean Clean Energy Limited consists of the Board in charge of the Company's operations. The Board is supported by a comprehensive corporate governance policy and a Barbados resident corporate Secretary, as well as, local assistant corporate secretaries in the jurisdiction in which the Company is listed.



The Company's corporate governance guidelines are available on the website of MPC Caribbean Clean Energy Limited

www.mpc-cleanenergy.com



Partnership

We treat one another with respect and honesty, and we act with consideration for the goals and circumstances of each customer and partner.



Enthusiasm

We get ourselves and our partners excited about challenging topics, projects and tasks. We identify passionately with MPC Caribbean Clean Energy Limited and our duties. Our enthusiasm allows us to move in new directions with optimism, self-confidence and pleasure.



Reliability

Our behavior is clear and consistent. We communicate what we can do and know our limits. We plan rationally and keep our promises. We take responsibility for things we do and information we share.



Entrepreneurship

We take charge of our areas of responsibility while keeping the company's point of view in mind. We develop new ideas and are prepared at all times to strengthen the innovativeness of MPC Caribbean Clean Energy Limited. To that end, we deal with risks with awareness.



Professionalism

Our conduct towards customers, partners and co-workers is business like, constructive and appreciative. We act with tremendous self-initiative combined with a well-planned approach. We rely on superior reasoning.



SOCIAL RESPONSIBILITY

The management of MPC Caribbean Clean Energy Limited is aware of its responsibility toward employees, customers, investors, shareholders and business partners, as well as towards the Company and the principles that support it. The management and its employees respect the personal dignity of everyone and do not tolerate discrimination in the Company's activities. We do not tolerate discrimination based on gender, ethnic background, disability, age, sexual orientation, religion or ideology. Accordingly, the management is committed to human rights and the international standards for protecting workers. The Company recognizes the importance of the Sustainable Development Goals (SDG) and their objectives to end poverty, protect the planet and ensure prosperity by 2030.

It is the Company's belief that sustainability requires more than just investing in renewable energy assets and having a positive local impact. To such ends, the Company adheres to, and requires the companies it invests in to adhere to, the Universal Declaration of Human Rights (UDHR) and the standards of the International Labour Organization (ILO). The Board, the Company's executives, and employees are required to comply with the UDHR and ILO standards.

COMPLYING WITH LAWS, REGULATIONS AND INTERNAL POLICIES

The success of MPC Caribbean Clean Energy Limited as a business is based on strict compliance with laws and regulations, as well as its policies. That is the only way to ensure fair, correct and legally irrefutable conduct in business dealings with customers, investors, shareholders, business partners and other parties.

Within Company's business model, financial fraud, investment fraud, market manipulation, brokerage and banking fraud, embezzlement and bribery may constitute criminal offences. Such actions can be initiated by outsiders, employees or a combination of offenders. Employees are compelled to be especially vigilant and contact their management in case of doubt.

MARKET INTEGRITY

MPC Caribbean Clean Energy Limited ensures the protection of the market's integrity as part of its business activities. It is natural for everyone who works for the Company not to harm other market participants through their actions, particularly deceitful activities or market manipulation.



COOPERATION WITH BUSINESS PARTNERS

To enable it to work with certain business partners and deal with the associated risks, the Company has established an internationally recognized process, tailored to the Company's needs, for evaluating, approving and documenting those third parties. All employees are obliged to perform this business partner compliance screening before engaging or entering into contractual agreements with such third parties.

PREVENTING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

MPC Caribbean Clean Energy Limited has taken precautions to prevent the company from being misused for money laundering or terrorism financing. One of the key pillars of combating money laundering and financing of terrorism is the principle of "know your customer" (KYC). It involves verifying the identity of each shareholder, client or business partner when opening business relations, including the beneficial owners and any authorized representatives. All employees are required to comply with anti-money laundering regulations.

ANTI-CORRUPTION ACTIVITIES AND DEALING WITH GIFTS AND BENEFITS

The use of corruptive means in any form to accomplish business objectives is prohibited. Corruption primarily occurs through the giving and taking of bribes by government officials and public servants, as well as the giving and receiving of benefits by non-officials. Corruption leads to bad corporate and economic decision-making, hinders progress and innovation, and distorts competition. All employees of the Company are therefore prohibited from accepting gifts from third parties or giving gifts to third parties who are not customers in the context of providing services.

ADVERTISING AND COMMUNICATION

When advertising products or services of MPC Caribbean Clean Energy Limited, employees must make sure the advertisements are honest, unambiguous, and not misleading. The obligation to produce honest, unambiguous, and non-misleading communication also applies to investor information and reports on products as part of asset management.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS

ESG HIGHLIGHTS 2023

- + Implementation of an Environmental and Social Action Plan aligned with International Finance Corporation (IFC) Performance Standards for Monte Plata Phase II
- + Sustainable value creation through community engagement activities executed in 2023
- + 83,344 tCO₂e of avoided emissions by projects in the portfolio
- + 210 job positions were created in Costa Rica, El Salvador, the Dominican Republic, and Jamaica
- + Identification of the main stakeholders of the Company

Environmental

CLIMATE EMISSIONS

In 2023, the avoided emissions at a portfolio level were 83,344 of tCO₂ equivalent. The contribution comes from four operational projects; Tilawind(Costa Rica), Paradise Park(Jamaica), San Isidro (El Salvador), and Monte Plata phase I(Dominican Republic). Monte Plata Phase II is expected to start operations in 2024 and therefore, contribution to avoiding GHG emissions shall increase in 2024.

| Avoided CO2 emissions ¹ | Unit | 2023 | 2022 | 2021 |
|------------------------------------|--------------------|--------|--------|--------|
| Total emissions avoided | tCO ₂ e | 83,344 | 72,592 | 63,538 |

BIODIVERSITY

Solar and wind projects may create a negative impact on biodiversity. Land clearance processes may cause loss or fragmentation of protected areas and other areas of conservation interest for solar and onshore wind projects. During the construction phase, there may be some impact on habitat and species. For instance, the change in land usage and the impact on the landscape for solar PV and wind projects. Bats and birds are particularly vulnerable to collision, disturbance, and habitat alterations to onshore wind projects.

Environmental and Social (“E&S”) due diligence and Environmental and Social Impact Assessment (“ESIA”) are the tools the Investment Advisor uses to identify potential risks and impacts. Biodiversity is part of the E&S due diligence and ESIA for each project. After assessing the risks and negative impact, the next step for each project is to develop an Environmental and Social Management Plan.

None of the four operational projects are within protected areas.

Furthermore, the Investment Advisor identified two flora protected species in Monte Plata Phase II project area through an Environmental and Social Impact Assessment. Roystonea hispaniolana and Acrocomia quisqueyana, are red listed by the International Union for Conservation of Nature (“IUCN”) and protected by national regulation. Some specimens of the protected species were within the required area for construction. A relocation management plan to mitigate this impact was created in 2022 and executed in 2023.

Social

OCCUPATIONAL HEALTH AND SAFETY

The Investment Advisor’s ESG team tracks occupational safety of workers, mainly hired by project’s subcontractors such as Engineering Procurement and Construction (EPC) and Operations and Maintenance (O&M) teams.

| Occupational health and safety | Unit | 2023 | 2022 |
|---|--------|---------|----------|
| Fatalities | number | 0 | 0 |
| Total recordable injury rate ² | number | 4.12 | 12.03 |
| High-consequence injury rate | number | 0 | 0 |
| Working Hours | hours | 437,250 | 132, 227 |

COMMUNITY ENGAGEMENT

The Investment Advisor’s ESG team seeks to have a constructive relationship with the communities surrounding the Fund’s projects. Several approaches could be highlighted such as informing the community and assisting them in understanding all aspects of the projects, including possible issues, consultation processes to hear their concerns and claims of assistance. It is also assisted by involving communities by supporting local suppliers and entrepreneurs.

The projects in El Salvador, the Dominican Republic, and Costa Rica, participated in several community engagement initiatives during 2023, such as improving community infrastructure and supporting local cultural activities.

¹ The avoided emissions calculated are the difference between the emissions generated by the renewable electricity production of the operating MPC CCF power plants and the emissions of an alternative scenario that would take place in the absence of the project. The calculation is based on the electricity generation matrix of the corresponding country of the project with data reported by GlobalData. The emissions are calculated using the GWh generated by the project and the tCO₂eq/GWh per technology. IPCC reports these coefficients for each technology.

² Total Recordable Injury Rate: number of recordable injuries (TRI) x 200,000/work hours performed. Recordable injuries are accidents that result in lost time, restricted work, or medical treatment.

MAIN ACTIVITIES 2023



SUPPORTING ADULT EDUCATION TILAWIND'S DONATION TO CINDEA TILARÁN

In February, Tilawind partnered with the CINDEA center in Tilarán, a government-established hub providing adult education services to individuals who haven't finished their primary or high school education, or who are pursuing technical training or English proficiency to enhance their employment opportunities. Tilawind contributed chairs and tables valued at USD 2,007 to the CINDEA center, procured from a nearby vendor in Tilarán as part of the project's commitment to bolstering local enterprises.

KEY FACTS

- + **Country:** Costa Rica
- + **Project:** Tilawind
- + **Community:** Tilarán



CINDEA representative and Mari Cruz representative from Tilawind.



El Sabalito school representatives and Mari Cruz representative from Tilawind.



ENHANCING LEARNING EL SABALITO PUBLIC SCHOOL

Tilawind contributed USD 2,250 for construction materials to El Sabalito public school. These materials were utilized for maintenance work for the cafeteria's ceiling and floor. El Sabalito caters to underprivileged students, offering them a free daily meal to enhance their nutrition and overall well-being during school hours. By supporting the school's mission, Tilawind's donation significantly improved the learning environment for the students.

KEY FACTS

- + **Country:** Costa Rica
- + **Project:** Tilawind
- + **Community:** El Sabalito



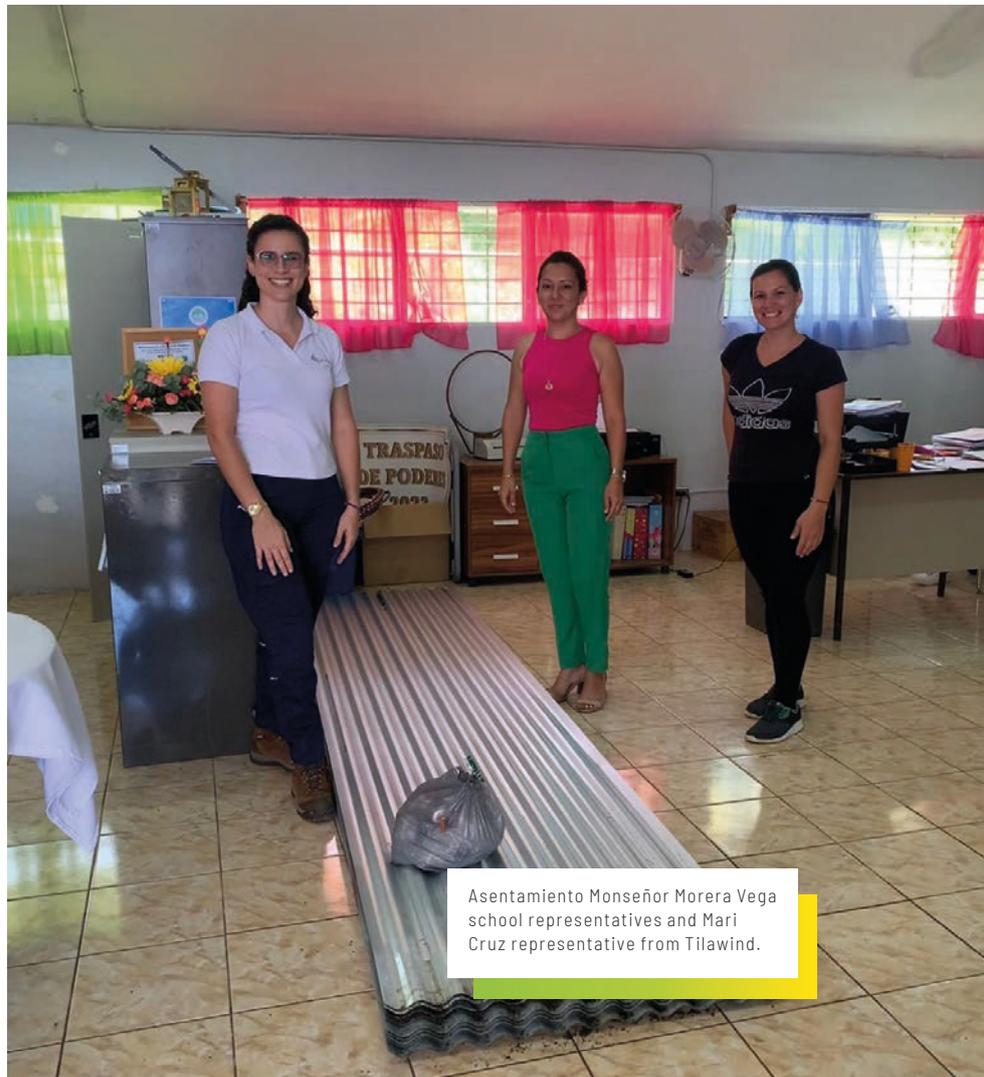


TILAWIND'S COLLABORATION ESCUELA ASENTAMIENTO MONSEÑOR MORERA VEGA

Tilawind partnered with a local public school, "Escuela Asentamiento Monseñor Morera Vega," located near the project. The school's director proposed a community engagement initiative due to issues with the school roof caused by strong winds and leaks during rain. Tilawind contributed materials valued at around USD 2,270 for the repair work. This initiative benefitted 32 local students and school staff, strengthening the bond between the project and the community.

KEY FACTS

- + **Country:** Costa Rica
- + **Project:** Tilawind
- + **Community:** Tilarán



Asentamiento Monseñor Morera Vega school representatives and Mari Cruz representative from Tilawind.



Ana Santana community members of the Monte Plata project.



COMMUNITY CENTER RENOVATION ANA SANTANA COMMUNITY

As part of the project's engagement with the local community, Monte Plata project contributed to the renovation of the community center in Ana Santana. Monte Plata provided materials and covered the labor costs required for the renovation of the community center. The community was directly affected by the construction of Phase II, as their houses are located next to the project. This initiative was established in collaboration with neighbors, community leaders, and the project manager. Renovation work began in August and was successfully completed in September. A small local construction company was hired to carry out the renovation. The renovation encompassed various tasks such as floor finishing, cement coating on walls, installation of electrical systems, fitting windows and doors, and painting the center. Serving as a central hub for Ana Santana residents, the refurbished center has notably enriched community interactions. Moreover, it offers a dedicated space for project interactions with the locals. The entire renovation endeavor incurred a total cost of USD 5,000.

KEY FACTS

- + **Country:** Dominican Republic
- + **Project:** Monte Plata
- + **Community:** Ana Santana





TRANSFORMATIONAL WATER PROJECT FLOR AMARILLA SCHOOL

San Isidro's social investment initiative focused on the reconstruction of the washing area and tank designated for cleaning activities, alongside the installation of a new pump and auxiliary equipment to extract water from an artisanal well at the Caserio Flor Amarilla School in the Canton Amate, Municipality of San Isidro. This comprehensive project involved the installation of a new water pump, renewal of electric wiring, and all necessary auxiliary components to streamline water extraction from the school's well. Additionally, it included the refurbishment of the sink and washing area to improve cleanliness within the school premises. This initiative, entirely funded by the San Isidro project, greatly benefitted the Flor Amarilla School community. The water pump's installation eliminated the need for manual water transportation and improved restroom facilities.

Moreover, it addressed potential water supply issues, providing consistent access beyond the school's needs. The project also had a positive ripple effect on the surrounding community, with locals now accessing water from the school's well.

KEY FACTS

- + **Country:** El Salvador
- + **Project:** San Isidro
- + **Community:** San Isidro



Furthermore, the initiative created temporary employment opportunities for five individuals from the local community. The project's successful completion was celebrated with an inauguration event on November 15th, attended by students, parents, teachers, community leaders, and Investment Advisor's representatives. Attendees expressed their gratitude to the San Isidro project. The event featured traditional food and a student performance, highlighting the significance of the project for the entire community.



Inauguration ceremony of the Transformational Water Project



CHRISTMAS CELEBRATION IZCATAL COMMUNITY

Christmas celebration was organized with the community of Izcatlal in December 2023. Food and beverages were provided to the participants. Additionally, children received toys, entertainment, and gifts were distributed through a raffle to the attendees. The celebration acted as a significant catalyst, fostering a sense of community spirit and unity among the residents of Izcatlal. It brought people together, provided support, and created moments of joy and connection for all that were involved.

KEY FACTS

- + **Country:** El Salvador
- + **Project:** San Isidro
- + **Community:** Izcatlal



Christmas celebration in the San Isidro community.



Back-to-school retreat, donation of school supplies, and a football competition.



BACK TO SCHOOL RETREAT AND A FOOTBALL COMPETITION COMMUNITY PARADISE PARK

In August, Paradise Park executed a community engagement activity, which entailed a back-to-school retreat, donation of school supplies, and a football competition.

KEY FACTS

- + **Country:** Jamaica
- + **Project:** Paradise Park
- + **Community:** Paradise Park

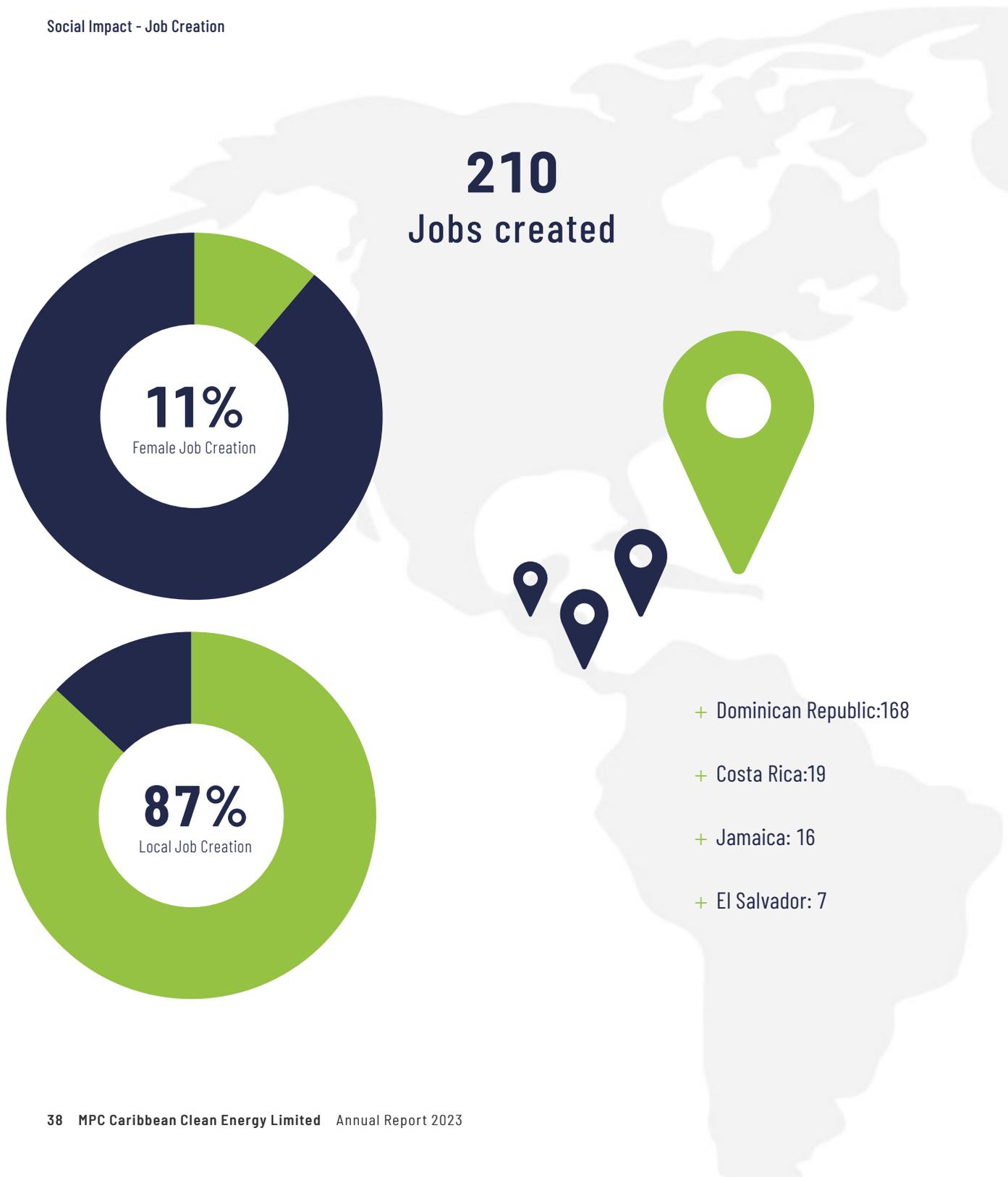


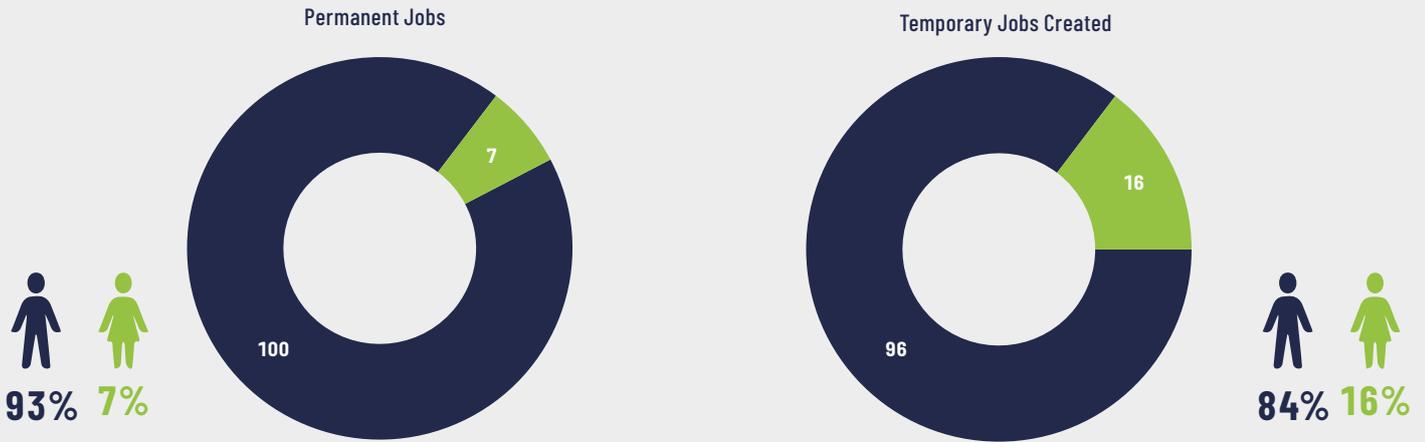
JOB CREATION

As part of the commitment to local stakeholder engagement, the Investee Companies encourage locals to apply for open job positions. In 2023, 51% of positions were permanent roles across the projects in Costa Rica, El Salvador, Jamaica, and the Dominican Republic. The majority of temporary positions were located in the

Dominican Republic for the construction of Monte Plata Phase II. This ongoing commitment aims to facilitate local employment opportunities. In 2024, a significant number of temporary jobs will be created in the Dominican Republic as Phase II construction reaches its peak, typically requiring additional labor.

Social Impact - Job Creation





GRIEVANCES

Over the past year, the ESG team of the Investment Advisor continued to prioritize responsiveness to community concerns, promptly addressing issues.

One grievance was filed in 2023 for Monte Plata II project due to water overflow. The project team addressed this concern by implementing drainage enhancement and establishing continuous monitoring systems. This example demonstrates dedication to supporting local communities.

| | 2023 | 2022* |
|---|------|-------|
| Number of grievances received | 1 | 0 |
| Number of grievances addressed and resolved | 1 | 0 |

Governance

CORPORATE GOVERNANCE AND RESPONSIBILITIES

As of December 31st, 2023, the Board is composed of three directors: Fernando Zúñiga, Alastair Dent, Lisl Lewis, and the company Guardian Nominees (Barbados) Limited, which has four directors: Gayle A. Hutchinson, Jan D. Scantlebury, Maria A. Alleyne, and Shelly-Anne N. Smith. Fernando Zúñiga is the Chairman of the Board and serves as an Executive Director of the Company.

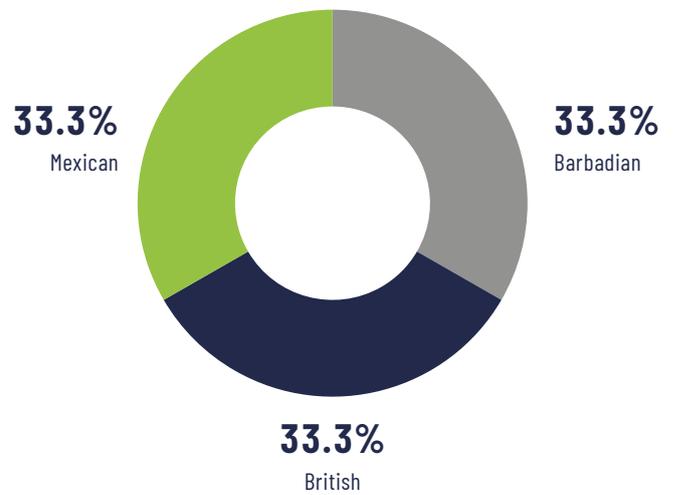
Good corporate governance is a key factor in underpinning the integrity and effectiveness of the Company. We use governance systems to create and maintain trust, generate sustainable value, minimize business risk, and provide transparency to our shareholders, employees, and other stakeholders. Details of corporate governance and the Board's responsibilities are presented in the introductory sections of this report.

* In the 2022 Annual Report two grievances were reported in Paradise Park. Nevertheless, they have since been reclassified as comments received from the community during a meeting with Eiffage's then-HSE officer. They were documented, but the project required no immediate actions. According to the Grievance Management Plan, which was updated in 2023, grievances allow communities a chance to have a two-way dialogue about project's operations, therefore the comments received were not considered as grievances.

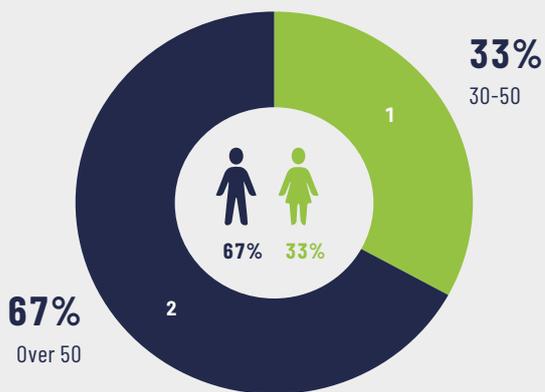
DIVERSITY OF THE BOARD

The Board and the company Guardian Nominees represent three different nationalities: Barbadian, British, and Mexican. The three directors are two male (66%) and one female (33%), from which two are over 50 years old (66%) and one between 30 and 50 years old. The company Guardian Nominees consists of all females under 60 years old, from which two are over 50 years old and the other two between 30 and 50 years old.

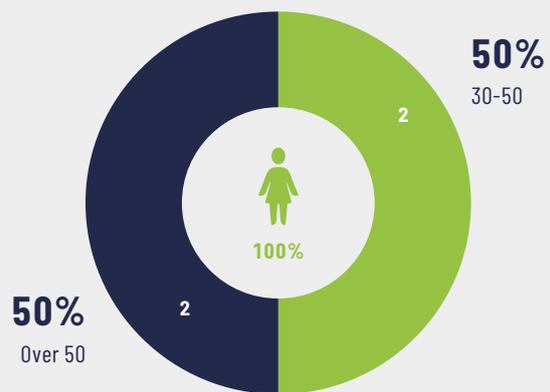
Diversity of the Board and the company Guardian Nominees



Board

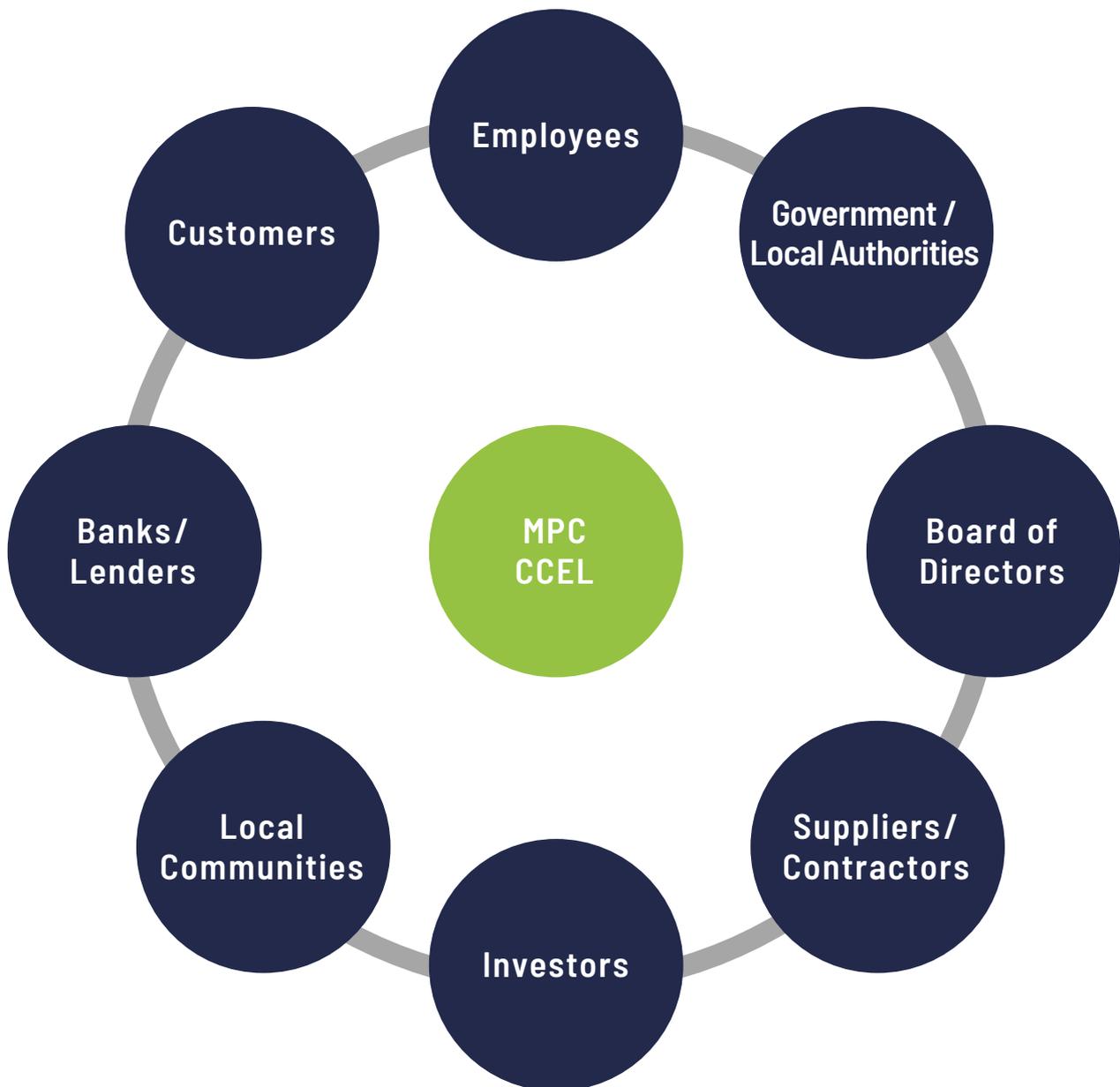


Guardian Nominees



IDENTIFICATION OF MAIN STAKEHOLDERS

The Company firmly endorses the idea of sustaining an ongoing dialogue with various stakeholders to strengthen the relationships with the communities. In December 2023, the ESG team of Investment Advisor identified the key stakeholders for MPC CCEL, aligning with the standards established by the Global Reporting Initiative (GRI).



PROJECT HIGHLIGHTS OF 2023

INVESTED IN THE FUTURE

“Renewable energy plays an essential role on the road to a zero-emission society. As a global provider of sustainable energy solutions, we are committed to supporting this goal and assuming responsibility for our actions along the way.”

Paradise Park - Jamaica

- + The generation for 2023 was 82.49 GWh. Compared to the budget, the generation for 2023 was 3.42% lower than the target (85.41 GWh).
- + Performance ratio during 2023 was 75.60%. Compared to the guaranteed performance ratio, this is 1.79% lower (77.39%). The performance was negatively affected by a recurrence of oil leakage in MV transformer 9.2 but was fixed and improved during the second half of 2023.
- + Accumulated irradiation during 2023 was 2,074.41 kWh/m², 0.02% higher than forecast (2,074.0 kWh/m²).
- + USD 9.5 cents per kilowatt hour versus USD 23.3 cents per kilowatt hour average price in Jamaica.
- + 50,656 tonnes of carbon emissions (CO₂) were avoided in 2023.

USD 9.5 cents per kilowatt-hour
versus USD 23.3 cents* per kilowatt-hour average electricity price
in Jamaica



50,656 tonnes

of carbon emissions (CO₂)
were avoided in 2023



82,486,750 kWh

Green power
produced in 2023

* www.global-climatescope.org/markets/jm/

Tilawind - Costa Rica

- + The generation for 2023 was 77.14 GWh. Compared to the budget, the generation for 2023 was 5.35% lower than the target (81.50 GWh).
- + Performance index during 2023 was 94.40%. Compared to the target performance index, this is 5.01% lower (99.50%).
- + Average wind speed during 2023 was 9.94 m/s, 5.81% lower than forecast (10.55 m/s).
- + USD 9.4 cents per kilowatt hour versus USD 15.2 cents per kilowatt hour average electricity price in Costa Rica.
- + 1,487 tonnes of carbon emission (CO₂) were avoided in 2023.

USD 9.4 cents per kilowatt-hour
 versus USD 15.2 cents* per kilowatt-hour average electricity price
 in Costa Rica



1,487 tonnes
 of carbon emissions (CO₂)
 were avoided in 2023



77,143,780 kWh
 Green power
 produced in 2023

* www.global-climatescope.org/markets/cr/

San Isidro – El Salvador

- + The generation for 2023 was 11.15 GWh. Compared to the budget, the generation for 2023 was 4.59% lower than the target (11.68 GWh).
- + Performance ratio during 2023 was 77.92%. Compared to the target performance ratio, this is 1.05% lower (78.97%).
- + Accumulated irradiation during 2023 was 2,192.51 kWh/m², 0.04% higher than forecast (2,191.70 kWh/m²).
- + USD 11.1 cents per kilowatt hour versus USD 16.10 cents per kilowatt hour average electricity price in El Salvador
- + 1,435 tonnes of carbon emissions (CO₂) were avoided in 2023

USD 11.1 cents per kilowatt-hour
versus USD 16.1 cents* per kilowatt-hour average electricity price
in El Salvador



1,435 tonnes
of carbon emissions (CO₂)
were avoided in 2023



11,147,430 kWh
Projected green power
produced in 2023

* www.global-climatescope.org/markets/sv/

Monte Plata – Dominican Republic

- + The generation for 2023 was 45.95 GWh. Compared to the budget, the generation for 2023 was 9.72% lower than the target (50.95 GWh).
- + Performance index during 2023 was 74.71%. Compared to the target performance index, this is 6.10% lower (79.57%).
- + Accumulated irradiation during 2023 was 1,931, which is on par with forecast (1,931 kWh/m²).
- + USD 15.2 cents per kilowatt hour versus USD 12.4 cents per kilowatt hour average electricity price in Dominican Republic
- + 29,765 tonnes of carbon emission (Co2) were avoided in 2023

USD 15.2 cents per kilowatt-hour
versus USD 12.4 cents* per kilowatt-hour average electricity price
in Dominican Republic



29,765 tonnes
of carbon emissions (CO₂)
were avoided in 2023



45,955,900 kWh
Projected green power
produced in 2023

* www.global-climatescope.org/markets/do/

MANAGEMENT DISCUSSION & ANALYSIS

We combine experience with future-oriented investments

The information contained in this section should be read in conjunction with the audited financial statements for the period ended December 31st, 2023. The audited financial statements of the Investment Company are available to shareholders of the Company on the Company's website and upon request.

OVERVIEW OF THE BUSINESS

The Company was incorporated in November 2017 as a special purpose vehicle to facilitate investments from the region into MPC Caribbean Clean Energy Fund LLC. During the fourth quarter of 2018, the Company focused on capital raising activities resulting in the initial public offering. The IPO opened on December 3rd, 2018 and closed on December 21st, 2018 and raised USD 11,424,160.00 from 241 new shareholders combined, from both Jamaica and Trinidad and Tobago investors. The Company met the requirements of listing for both JSE and TTSE and as a result it was approved for listing and was admitted to begin trading on January 14th, 2019, on JSE Main Market, and the US Dollar equity markets of the JSE and the TTSE.

In accordance with Cayman regulation, the Investment Company has completed the relevant Anti-Money Laundering (AML) and KYC due diligence and accepted the Company as an investor member on March 27th, 2019.

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

The issuance period closed on January 10th, 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 November 6th, 2020, MPC Caribbean Clean Energy Limited issued a convertible promissory note to RBC Trust (Trinidad & Tobago) Limited in the amount of USD 10,000,000. The Convertible Promissory Note with the maturity date of March 31st, 2023 was amended such as the parties agreed to extend the maturity by additional three years to March 31st 2026, keeping all other Terms and Conditions of the original note.

As of December 31st 2023, MPC Caribbean Clean Energy Limited invested a total amount of USD 29,942,372 into the Investment Company which is a Cayman Islands limited liability company for investments in renewable energy projects in Jamaica, El Salvador, Costa Rica and the wider Caribbean

Basin. MPC Caribbean Clean Energy Limited is an investor member in the Investment Company. The investment activities of the Investment Company are managed by its Managing Board Member, MPC Clean Energy Ltd. which is advised by its engaged investment adviser, MPC Capital GmbH (Investment Adviser), both of which are wholly owned subsidiaries of MPC Münchmeyer Petersen Capital AG (MPC Capital).

The MPC Group - Münchmeyer Petersen & Co. GmbH is a Hamburg, German-based international group of companies with a 170-year history. MPC Capital is an investment manager with EUR 4.1 billion in assets under management across real asset sectors such as shipping, real estate and infrastructure with core focus on clean energy assets. MPC Capital was founded in 1994, as a subsidiary of the international MPC Group and has been publicly listed in Germany since 2000.

The Caribbean region relies heavily on fossil fuel imports and thus has high corresponding electricity prices. With marked growth in the demand for energy, renewable sources are increasingly becoming an economical form of new electricity generation. The Investment Company has strategically targeted a wider regional area including Central American countries that potentially allows it to offer a significantly more attractive opportunity. Recently, there is more opportunities emerging for energy efficiency and energy storage in the region.

One of the key supporting factors along with the implementation of a "political" roadmap for sustainable energy by the governments of the Caribbean Basin, is undoubtedly the economic benefits caused by the transition from fuel oil based to renewable energy. The costs of electricity generation from renewable energy resources such as solar photovoltaic or on-shore wind have significantly decreased during the past decade. Comparatively, a kilowatt hour can often be produced at the same price or cheaper than from a fossil fuel (such as coal, diesel, or LNG) power plant. At this attractive and affordable cost of power produced by clean technology, reduced electricity bills will free up valuable liquidity that can be utilized for other economic growth-related investments.

In addition, renewable energy production, energy storage and energy efficiency helps to reduce the imports of fossil fuel and actively contributes to reducing the carbon footprint.

This will therefore assist in reducing the deployment of valuable US dollar reserves as well as economic dependency from the exporting countries. The energy transition towards a clean and climate-resilient energy infrastructure improves the energy security of a country, its economy and citizens.

The Investment Company is one of a handful of investment funds specializing in clean energy investments in the Caribbean. The investment objective of the Investment Company is to generate attractive risk-adjusted returns with an emphasis on capital protection, generating stable cash yields, and capital appreciation. These sound objectives will be realized through investments primarily in solar PV and wind farm assets in the Caribbean. The Investment Company will acquire investments mainly during the final stages of the development period, subject only to conditions precedent including financial closing or, in an all-equity financing, subject to the execution of the construction contract and obtaining all relevant other contracts, licenses, authorizations and permits to construct and operate the asset. Investments will not bear any development risks.

At these final stages, the projects are significantly de-risked, with the main contracts and permits in place. These typically include leases of land, power purchase agreements, construction and operation contracts, insurance and project finance, as well as environmental, building, interconnection and operational permits.

The Investment Company's first asset 'Paradise Park' is a project comprising a 51.5 MWp solar PV plant in Jamaica requiring a total investment of USD 64 million. The project reached financial close in June 2018 with senior project finance amounting to USD 48.5 million from PROPARCO, a French development financial institution, and FMO, the Dutch development bank. Commercial operations started in June 2019 and 'Paradise Park' became the cheapest generator of electricity in Jamaica. The Investment Company owns indirectly a shareholding of 34.4% since April 2018.

The second asset 'Tilawind' is a 21 MWp on-shore wind farm based in Costa Rica. The Investment Company and ANSA McAL Limited acquired this wind farm jointly which required a total investment of approximately USD 50 million. The wind farm has been in operation since March 2015. The Investment Company owns (indirectly) through its shareholding 50% of the voting rights and 50% economic benefits since closing in April 2019.

In December 2020, MPC Capital announced successful technical completion of the third asset 'San Isidro', a 6.4 MWp solar park in El Salvador with a total deployment of USD 7.8 million. The commercial operations date was scheduled for February 2021 and MPC Caribbean Clean Energy Fund LLC officially acquired the asset in Q1 2021.

In June 2021, the Company entered into a share purchase agreement through CARE to acquire 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 transaction was completed on May

9, 2022. Furthermore, Phase II of the Project has a module capacity of approximately 40,500 kWp ("Phase II") and is under construction which is scheduled to be completed in 2024.

The Investment Company continually determines the optimal capital structure for each of its investees. Given the cross-regional investment structures for each investee, the Investment Company acquires typically common stock and provides capital in the form of shareholder loans.

More details about the distinct positive socio-economic impact of 'Paradise Park', 'Tilawind', 'San Isidro' and 'Monte Plata' can be found in the section about ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS.

The Company's revenue model is to receive repayment of capital and dividends from its subscription into the Investment Company and its underlying investments in clean energy assets located in the wider Caribbean Basin. The long-term vision is to participate as an investor member in the activities of the Investment Company and to benefit financially from a highly diversified portfolio of clean energy investments.

After providing for an appropriate liquidity reserve to cover administrative and business expenses as well as contingencies, the Investment Company intends to pay out up to 100% of the distributions received.

RESULTS OF OPERATIONS

As of December 31st, 2023, the holdings of shares in the capital of the Company (including legal and, where known to the Company, beneficial holdings) are held with various investors from Jamaica and Trinidad and Tobago. As of December 31st, 2023 the Company has issued 21,666,542 Class B shares that are traded on Trinidad and Tobago Stock Exchange and Jamaican Stock Exchange.

During the fourth quarter of 2020, the Trinidad and Tobago Securities and Exchange Commission approved the USD 10,000,000 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 2026 which was approved by Class A and Class B shareholders at the AGM held on May 30, 2023. Previously the convertible note had a maturity date as of March 31 2023, however, both parties mutually agreed to extend the maturity of the promissory note to March 31 2026. As of year end, the convertible promissory note is recognized on the balance sheet as a long-term liability.

The Company recorded net change in unrealized gain on investment in MPC Caribbean Clean Energy Fund LLC of USD 1,818,252 during the relevant period in 2023, increasing the investment value to USD 30,394,545.



There are two key factors contributing to this positive outcome. Compared to the previous financial year, the negative macroeconomic environment, increasing interest rates and country risk factor that adversely impacted the valuation of investments have been recovered in the current financial year. Furthermore, the capital contribution for the Phase II of the Monte Plata project have been invested by the Investment Company and the project reached its financial close.

The Company incurred a total operating expense amount of USD 247,315. Compared to the previous financial year, the total operating expenses are higher mainly due to increase in accounting fees and transfer of valuation expenses from the Investment Company to the Company. Due to reorganization of the Company, the Management opted to engage the external valuation team at the Company level to increase transparency and ensure increased quality in its financial reporting in anticipation of the impact of reorganization.

Moreover, the Company recognizes the limited liquidity (USD 3,686) at the end of the current financial year. In order to ensure that the Company meets its operating liabilities as they come due and cover the budgeted expenses, the Investment Company upon recommendation of its Investment Advisor authorized a payment of dividends in the amount of USD 265,380 to the Company on February 7, 2024.

As a result, the net comprehensive income of the Company for the year ended 2023 is USD 1,586,826. The Investees of the Investment Company, Tilawind, Paradise Park, San Isidro and Monte Plata earned combined asset based revenues of USD 23.05 million resulting in an EBITDA of USD 17.05 million (on 100% shareholding basis) or a pro-rated EBITDA of USD 6.22 million considering the actual shareholdings of the Investment Company and the Company respectively.

OUTLOOK

As an investor member, the Company will henceforth participate in future distributions from the Investment Company. The Investment Company informed the Company's Board of Directors that the assets, Paradise Park, Tilawind, San Isidro and Monte Plata, performed below financial expectations in 2023.

The Company's revenue, and therefore its distributions to shareholders, will be dependent on, amongst other things:

1. the net proceeds available for investment in the Investment Company (subject to the retentions);
2. the success of the underlying investments made by the Investment Company which will generate profits for distribution by the Investment Company to its investor members, including the Company (after the deduction of all applicable costs and expenses at the Investment Company level);
3. the proportion that the Company's investment in the underlying Investment Company bears to aggregate such investments, given that distributions will generally be made on a pro-rated basis among the Investment Company's investors (subject to any adjustments contemplated in the Investment Company documentation, including due to excuse rights of investor members in the Investment Company, if applicable); and
4. the amount (if any) which the Company's Board determines should be maintained by the Company as a reserve to cover any costs or obligations of the Company owed to the Investment Company in accordance with the Investment Company's LLC Agreement.

The following significant events occurred after the balance sheet date of December 31, 2023

On February 7, 2024, the Investment Company (MPC CCEF) upon the recommendation of its Investment Advisor authorized a payment of dividends in the amount of USD 303,355 to the Investor Members due to low liquidity position of the Company to cover budgeted expenses for the upcoming financial year. The Managing Board Member resolved to distribute the sum of the amount to the Investor Members, pro rata according to their Interests in the Company, which means that USD 265,380 to MPC Caribbean Clean Energy Limited and USD 37,975 to MPC Team Investment LP after banking fees. The payment to the Company was made on February 22, 2024.

COMPANY'S RISK MANAGEMENT

The following outlines some of the key risks currently being faced by the Company and how these risks are being managed.

Risks relating to investing in the Company and, indirectly, the Investment Company

Nature of Investment: The shares represent an indirect interest in the Investment Company and do not represent a direct investment in the Investment Company's net assets. Therefore, an investment in the shares should not be viewed as direct interests in the Investment Company or its assets. Shareholders will not be entitled to directly participate in any meeting or vote of the members of the Investment Company, and as such have limited rights in relation to the corporate and operating decisions of the Investment Company. The Investment Company's Managing Board Member considered the recommendation of the Company to have certain representation on the advisory committee of the Investment Company. The Managing Board Member has currently approved four shareholders of the Company to nominate a representative for the advisory committee.

Diversification Risk: The Company's sole investment will be interests in the Investment Company and will therefore be dependent on the performance of the Investment Company. Similarly, the Investment Company will only participate in a limited number of investments and the unfavourable performance of a single investment may adversely affect the aggregate return of the Investment Company. Other than some short-term holdings in cash or cash equivalents, near cash instruments, money market instruments and money market funds, cash funds and hedging instruments, the Investment Company will invest exclusively in clean energy projects in the target region and will therefore bear the risk of investing in only one sector. Consequently, there is no guarantee that there will be enough attractive investments available to the Investment Company, and that the Investment Company will be able to invest fully all its capital during the Investment Period. Furthermore, if the Investment Company is unable to syndicate an investment

within the anticipated timeframe, the Investment Company risks exceeding its diversification limits in respect of such investment.

Currency Risk: The Investment Company will be denominated in, and the base currency of the Investment Company will be USD. The Investment Company may however make investments in projects whose revenues are denominated in other local currencies, such that the Investment Company may be exposed to currency rate movements. Whilst the Investment Company may enter into hedging arrangements to mitigate this risk to some extent, it is not obliged to do so and there can be no assurance that such arrangements can or will be entered into or that they will be sufficient to cover such risk.

Leverage Risk: The use of debt to leverage investments may increase exposure to adverse general economic conditions, significant increase in interest rates or a deterioration in the condition/performance of the Investment Company's investments that means that it is unable to service its debt repayments when due. Although the use of leverage may enhance returns on equity, leverage also increases the risk of loss since borrowings represent a prior claim on assets and require fixed payments, regardless of the profitability of particular investments encumbered by such borrowings. In the case of default under any borrowing, some or all the assets of the borrower could be taken by lenders in payment of their claims. As a general matter, the presence of leverage can accelerate losses.

Interest Rates, Inflation and Other Financial Risks: General movements in local and international stock markets, prevailing economic conditions, investor sentiment and interest rates could have a substantial negative impact on the value of the Investment Company's investments and investment opportunities in general. If an investment is incorrectly valued by the financial markets, the disposal opportunities available for that investment may, in the case of an undervaluation, be unattractive or, in the case of an overvaluation, be limited. The valuation of an investment could also be significantly adversely affected by inflation.

Reliance on the Managing Board Member and the Investment Adviser and Dependence on Key Executives: The Investment Company will rely upon the Investment Adviser advising the Managing Board Member in formulating the investment strategies. The bankruptcy or liquidation of the Investment Adviser, the Managing Board Member or any of their respective associates may have an impact on the value of the Investment Company. Investor members in the Investment Company must rely on the judgement of the Investment Adviser, the Managing Board Member and their respective agents, in particular on the judgement of their respective principals, officers and employees. The Investment Company prohibits investor members, including the Company, from participating in the day-to-day control, operation or management of the affairs of the Investment Company, including advising or making decisions on the merits of investments and/or dispositions. While the investor members in the Investment Company, including the Company, may be able to voice any concerns and recommendations at general meetings, the performance of the Investment Company will be dependent to a material extent on the ability of the key personnel

and other team members to source, acquire, manage and realize investments and, notwithstanding any track record they may have in this field, there is no guarantee that they will be able to do so successfully. In addition, the performance of the Investment Company could be adversely affected should one or more key personnel leave or cease to be associated with the Investment Company's investment activities. Given the specific regional and sector focus of the Investment Company, it may be difficult for the Investment Adviser and the Managing Board Member to replace key personnel with individuals with the necessary knowledge, skills and experience. Consequently, investing in the Investment Company will involve a higher degree of risk compared to a similar vehicle investing in developed markets where the pool of investment professionals to recruit tends to be larger.

Investment Selection: Not all of the projects where investments that will be made have been identified. Accordingly, investor members in the Investment Company, including the Company, will not have an opportunity to review a full portfolio and a comprehensive set of terms of the investments. The likelihood that such investor members will realize any gain on an investment depends mainly on the skill and expertise of the personnel of the Managing Board Member and the Investment Adviser. The Investment Company's maximum exposure per single investment is 20% and to a single CARICOM country 25%, while its maximum exposure to single non-CARICOM country is 15% and total non-CARICOM countries not more than 35%. The Investment Company will assemble a portfolio of assets with stable and predictable cash flows and generally will seek to exit these at around at the end of the term of the Investment Company, although earlier divestments during the liquidation period will be considered where in the best interests of the Investment Company. The main divestment options are:

- + Sale of individual assets
- + Sale of cluster of assets
- + Sale of entire portfolio

Possible buyers for each of these options include utilities, yields, industrial companies, private equity funds, pension funds, consortiums, independent power producers and infrastructure funds. The options will be evaluated based mainly on the appetite of potential buyers at the time of the decision and based on the final value created for the Investment Company investor members. Each one of these options has advantages and disadvantages, but a proper comparison will be carried out also taking into account timing and complexity of execution, together with transaction costs and certainty of completion.

Risks relating to investing in renewable energy projects

Power Purchase Agreement Risk: Companies engaging in renewable energy projects will often enter into power purchase agreements ("PPAs") for electricity offtake. Payments by power purchasers to such projects pursuant to their respective PPAs

may provide the majority of such companies' or projects' cash flows. There can be no assurance that any or all of the power purchasers will fulfil their obligations under their PPAs or that a power purchaser will not become bankrupt or that upon any such bankruptcy its obligations under its respective PPA will not be rejected by a bankruptcy trustee. There are additional risks relating to the PPAs, including the occurrence of events beyond the control of a power purchaser that may excuse it from its obligation to accept and pay for delivery of energy generated by a company or project. The failure of a power purchaser to fulfil its obligations under any PPA or the termination of any PPA may have a material adverse effect on a portfolio company or project.

General Infrastructure Risks: Investing in infrastructure assets may be subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, currency, regulatory, political and financial risks. There is no assurance that the investments made by the Investment Company will be profitable or generate cash flows sufficient to provide a return on or recovery of amounts invested therein. Furthermore, although the Managing Board Member believes that significant opportunities in infrastructure currently exist, there is no assurance that the Investment Company will be able to invest investor members' commitments fully or that suitable investment opportunities will be identified that satisfy the Investment Company's investment objectives. If the Investment Company is unable to invest investor members' commitments fully, the potential return to investor members, including the Company, could be materially reduced.

Construction, Operational and Technical Risks: The assets involve certain risks arising from the construction and operation of the projects which can be influenced by a number of unforeseen factors, such as: political opposition, regulatory and permitting delays, labour and materials shortages, strikes, disputes, environmental issues, force majeure, or failure by one or more of the project investment participants to perform in a timely manner their contractual, financial or other commitments. A material delay or increase in unabsorbed cost could significantly impair the financial viability of a renewable energy investment project and result in a material adverse effect on the Investment Company's investment.

Other risks associated with the operation of renewable energy projects are of a technical nature, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events which adversely affect operations. While in certain investments, creditworthy and appropriately bonded and insured third parties may bear some of these risks, there can be no assurance that any or all such risk can be mitigated or that such parties, if present, will perform their obligations or that insurance will be available on commercially reasonable terms. An operating failure may lead to fines, expropriation, termination or loss of a license, concession or contract on which a portfolio company is dependent. In addition, the long-term profitability of the infrastructure assets is partly dependent upon their efficient operation and maintenance, failure of which could reduce returns to investor members, including the Company.



MPC's mission is to bring renewable energy to the Caribbean and the Caribbean people and thereby accelerating positive environmental and social impact.

FORWARD-LOOKING STATEMENTS

The forward-looking statements presented in this report are based on various assumptions. The assumptions are subject to uncertainties and contingencies that are difficult or impossible to predict. MPC Caribbean Clean Energy Limited cannot give assurances that expectations regarding the outlook will be achieved or accomplished.

may be charged on an hourly rate. Executive Director and Board member has waived his remuneration. The remuneration of the Board is not linked to the Company's performance. Board members have no options to buy shares in the Company, nor do they receive compensation other than the Board remuneration. Board remuneration is considered to be on market terms.

REMUNERATION OF THE BOARD DIRECTORS

For the period ended December 31st, 2023, each independent director who is a natural person received its remuneration of USD 10,000 per annum, covering work related to both Board representation and sub-committee participation. Guardian Nominee (Barbados) Limited as corporate director received a basic remuneration of USD 7,000. Additionally, special efforts

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the audited financial statements presented in this report have been prepared in accordance with International Financial Reporting Standards and give a true and fair view of the Company's assets, liabilities, financial position and profit or loss. We also confirm to the best of our knowledge that the Management Discussion and Analysis' report includes a fair review of the development and performance of the business and the position of the Group and a description of risks and uncertainties.

Barbados, 2024

The Board of Directors of MPC Caribbean Clean Energy Limited

Fernando Zúñiga
Chairman of the Board

Alastair Dent
Director

Lisl Lewis
Director

**Guardian Nominees
(Barbados) Limited**
Director

AUDITED FINANCIAL STATEMENTS

MPC CARIBBEAN CLEAN ENERGY LIMITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED DECEMBER 31, 2023

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Chairman's Report to the Shareholders

Year Ended December 31st, 2023

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Audited Financial Statements of MPC Caribbean Clean Energy Limited (**the Company or MPCCCEL**) for the year ended December 31st, 2023.

Review of the year

The Company is very well positioned through its investment holding in MPC Caribbean Clean Energy Fund (the **Investment Company**) which fosters its leading role and expanding its regional presence with operational solar and wind assets in Jamaica, Costa Rica, El Salvador, and the Dominican Republic. As of 2023, the renewable energy project portfolio of the Investment Company includes four operational assets with a total installed capacity of 91 MW of solar PV and a 21 MW wind farm.

The key milestone of the year has been the achievement of the financial close of Monte Plata II solar park in the Dominican Republic. The financing was provided by FMO, the Dutch business development bank, CIFI, and CIFI's Sustainable Fund, for a total of USD 57.9 MM (including Monte Plata I). The Investment Advisor of the Investment Company projects that the increased capacity will yield a combined annual energy production of about 116,000 MWh and contribute significantly to reducing greenhouse gas emissions of 72,000 tCO₂ annually.

Asset operations 2023

The transition from La Niña to El Niño in 2023 brought favorable meteorological conditions for the Investment Company's portfolio, resulting in an increased resource availability during 2023. However, due to various maintenance activities and technical limitations that occurred throughout the year, the overall performance of the portfolio fell short of its 2023 projections.

The reported EBITDA of the underlying assets increased to USD 6,222,761, representing an increase of 9.33% as the result of portfolio expansion and full-year operations of Mone Plata I project. It is also worth mentioning that the Energy Output Variation result has improved in 2023 compared to 2022 due to better weather conditions, however, it has not met its 2023 target.

Portfolio Highlights

| KPI | Full Year 2023 | Full Year 2022 |
|--|----------------|----------------|
| EBITDA | USD 6,222,761 | USD 5,691,845 |
| Energy Output Variation ¹ | -5.72% | -13.08% |
| Weighted Average Availability ² | 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 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 it is operations-ready or the project 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.

Financial Summary of the Company for 2023

The value of the investment in MPC Caribbean Clean Energy Fund LLC has increased to USD 30,394,545, resulting in a change in unrealized gain on investment in the Investment Company of USD 1,818,252. The positive results can be attributed to two key factors; the adverse effect of the 2022 global macroeconomic environment, including increasing interest rates on the value of the investment in MPC Caribbean Clean Energy Fund LLC has been recuperated in the current financial year. Moreover, the fair value of investment in the Monte Plata II has also been included in the 2023 calculations because all the capital has been contributed during the current financial year.

Moreover, the financial results of the Company for the year ended December 31st, 2023, indicate higher operating expenses compared to 2022 due to an increase in accounting service and valuation fees. PwC has been appointed as the accounting service provider to prepare for the anticipated reorganization of MPCCEL and the Investment Company to advise on various accounting treatments due to the upcoming asset transfer and reorganization. It is worth mentioning that a portion of these expenses are one time set-up fees and therefore, it is expected that such fees will decrease in the upcoming financial year.

Environmental, Social, and Governance

MPCCCEL incorporates Environmental, Social, and Governance matters into its investment process. The underlying projects of the investment portfolio aim to enhance the positive impact and minimize any negative effects due to its operations.

In 2023, the project portfolio reported approximately 83,680.00 tons of CO₂eq. avoidance. Notably, the solar park in Jamaica and the solar park in the Dominican Republic were the primary contributors, accounting for a significant share of 96%.

In 2023, the Investee Companies continued with the commitment and efforts in sustainable value creation, actively collaborating with the local communities. For instance, Monte Plata contributed to the renovation of Ana Santana's community centre, covering both labour and material expenses. This project significantly enhanced community life and established a dedicated space for engaging with the residents. Moreover, San Isidro supported a local school initiative installing a water pump and upgrading facilities. This initiative will aid 6 teachers and 71 students, addressing water supply challenges, eliminating manual water transportation, and generating temporary employment opportunities.

Outlook

MPCCCEL believes in the continued growth of the investment portfolio in the future due to expected positive operational results and the commissioning and commercialization of Monte Plata II which is expected to be finalized by the end of 2024. Also, the Investment Advisor has been focusing on finalizing the Company's strategic reorganization of its Group Structure which aims to simplify the organization, increase transparency, and reduce administrative costs. The process of the asset transfer is expected to be finalized by the end of the second quarter of 2024 and the liquidation of the Investment Company by the third quarter of 2024.

The Board of Directors of MPC Caribbean Clean Energy Limited remains grateful to their partners and investors for their continued support.



Fernando Zúñiga

Chairman of the Board of Directors

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

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



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INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF MPC CARIBBEAN CLEAN ENERGY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MPC Caribbean Clean Energy Limited (the “Company”), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable participating shares and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). 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 the Company in accordance with the International Ethics Standards Board for Accountants’ (“IESBA”) International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of MPC Caribbean Clean Energy Limited for the year ended December 31, 2022 were audited by another auditor who issued an unqualified audit opinion on those statements on March 31, 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF MPC CARIBBEAN CLEAN ENERGY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| <p><i>Fair value measurement of investment</i></p> <p>Refer to Notes 2.3, 2.6, 2.9, 3 and 4 to the financial statements. MPC Caribbean Clean Energy Limited, through its investment in MPC Caribbean Clean Energy Fund LLC, invests in various solar PV and wind projects in the Caribbean and Central American region. This investment is carried at fair value through profit or loss.</p> <p>100% of the investment is determined by valuation techniques that include the use of the income approach, specifically the discounted cash flow (DCF) method with unobservable inputs to value the assets within the investment. These valuation techniques can be subjective in nature and involve various assumptions that could affect the reported fair value of this investment.</p> | <p>We independently tested the fair value of the investment by utilizing our valuation specialists to assess the appropriateness of the financial models used by management. This included:</p> <ul style="list-style-type: none"> • An assessment of the financial models, methodologies and assumptions against industry practice. • Challenging the reasonableness of the cost of equity with reference to company-specific, country and equity risk premiums as well as terms and conditions of the power purchase agreements (PPAs) and debt arrangements. • Review of the inputs used, including market-based data. • An evaluation of the reasonableness of other assumptions applied by the use of our internal specialists in recalculating the fair value independently and comparing to management’s estimates. • Assessing the adequacy of the disclosures in compliance with International Financial Reporting Standards. |

Other Information included in the Chairman’s Report to the Shareholders

The Board of Directors is responsible for the other information. Other information consists of the information included in the Chairman’s Report to the Shareholders, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MPC CARIBBEAN CLEAN ENERGY LIMITED

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MPC CARIBBEAN CLEAN ENERGY LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

We communicate with the Board of Directors 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Legal Matter

This report is made solely to the Company's shareholders in accordance with *Section 147 of the Companies Act of Barbados*. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders for our audit work, for this report, or for the opinion we have formed.

The engagement partner in charge of the audit resulting in this independent auditor's report is Chantal Bachu.



BARBADOS
March 27, 2024

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Financial Position

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

| | <u>Note</u> | <u>2023</u> USD | <u>2022</u> USD |
|--|-------------|--------------------------|--------------------------|
| Assets | | | |
| Investment in MPC Caribbean Clean Energy Fund LLC, at fair value through profit or loss | 3, 4 | 30,394,545 | 28,576,293 |
| Prepayments | | 4,220 | 12,417 |
| Other receivables | | 12,333 | - |
| Cash and cash equivalents | | 3,686 | 164,442 |
| Total assets | | <u>30,414,784</u> | <u>28,753,152</u> |
| Equity | | | |
| Management shares | 7 | <u>1</u> | <u>1</u> |
| Liabilities | | | |
| Convertible promissory note payable | 6 | 10,000,000 | 10,000,000 |
| Due to related party | 5 | 8,193 | 21,654 |
| Accounts payable | | 90,075 | 77,825 |
| Accruals | | <u>103,017</u> | <u>27,000</u> |
| Liabilities (excluding net assets attributable to holders of redeemable participating shares) | | <u>10,201,285</u> | <u>10,126,479</u> |
| Net assets attributable to holders of redeemable participating shares | | <u><u>20,213,498</u></u> | <u><u>18,626,672</u></u> |

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

Approved and authorised for issue by the Board of Directors on 25 March 2024



By: Guardian Nominees (Barbados) Limited
Title: Director
Per: Shelly-Anne Yarde/Gayle Hutchinson



By: Jose Fernando Zuniga Galindo
Title: Chairman

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Comprehensive Income

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

| | <u>Note</u> | <u>2023</u> USD | <u>2022</u> USD |
|---|-------------|--------------------|--------------------|
| Investment income | | | |
| Net change in unrealised gain/(loss) on investment in MPC Caribbean Clean Energy Fund LLC | 4 | 1,818,252 | (1,997,679) |
| Total investment income/ (loss) | | <u>1,818,252</u> | <u>(1,997,679)</u> |
| Other non-operating income | | 15,889 | - |
| Expenses | | | |
| Administrative fees | | 68,060 | 61,776 |
| Valuation expense | | 40,000 | - |
| Accountancy fees | | 34,137 | 8,600 |
| Directors' fees | | 27,000 | 19,083 |
| Advertising cost | | 21,558 | 34,921 |
| Audit fee | | 20,475 | 18,375 |
| Insurance expense | | 18,951 | 20,819 |
| Legal & professional fees | | 10,827 | 6,174 |
| Bank charges | | 4,307 | 3,873 |
| Corporate fees | | 1,500 | 1,500 |
| License fees | | 500 | 500 |
| Administrative compensation | | - | 12,030 |
| Total expenses | | <u>247,315</u> | <u>187,651</u> |
| Comprehensive income/(loss) before taxation | | <u>1,586,826</u> | <u>(2,185,330)</u> |
| Taxation | | - | - |
| Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations | | <u>1,586,826</u> | <u>(2,185,330)</u> |
| Basic earnings/(loss) per share | 8 | USD 0.07 | USD (0.10) |

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

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Changes in Management Shares and Net Assets Attributable to Holders of Redeemable
Participating Shares

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

| | Class A Share Capital USD | Class B Share Capital USD |
|--|--|--|
| Balance as at December 31, 2021 | <u>1</u> | <u>20,812,002</u> |
| Decrease in net assets attributable to holders of redeemable participating shares from operations | - | (2,185,330) |
| Balance as at December 31, 2022 | <u>1</u> | <u>18,626,672</u> |
| Increase in net assets attributable to holders of redeemable participating shares from operations | - | 1,586,826 |
| Balance as at December 31, 2023 | <u>1</u> | <u>20,213,498</u> |

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

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Cash Flows

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

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|-----------------------|
| | USD | USD |
| Cash flows from operating activities | | |
| Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations | 1,586,826 | (2,185,330) |
| Adjustments for non-cash income and expenses: | | |
| Net change in unrealised (gain)/ loss on investment in MPC Caribbean Clean Energy Fund LLC | (1,818,252) | 1,997,679 |
| Changes in operating assets and liabilities: | | |
| Increase in other receivables | (12,333) | - |
| Decrease/(increase) in prepayments | 8,197 | (3,815) |
| Decrease in due to related party | (13,461) | - |
| Increase in accruals | 76,017 | 7,500 |
| Increase in accounts payable | 12,250 | 32,234 |
| Net cash used in operating activities | <u>(160,756)</u> | <u>(151,732)</u> |
| Net decrease in cash and cash equivalents | (160,756) | (151,732) |
| Cash and cash equivalents at the beginning of the year | <u>164,442</u> | <u>316,174</u> |
| Cash and cash equivalents at the end of the year | <u><u>3,686</u></u> | <u><u>164,442</u></u> |

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

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements

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

Note 1 - COMPANY BACKGROUND

MPC Caribbean Clean Energy Limited (the "Company") was incorporated on November 8, 2017.

The Company is part of a "master-feeder" structure whereby it invests substantially all of its assets in MPC Caribbean Clean Energy Fund LLC ("MPC CCEF"), a Limited Liability Company incorporated under the laws of Cayman Islands. The investment objective of MPC CCEF is to generate attractive risk adjusted returns with an emphasis on capital protection, generating stable cash yields, and capital appreciation, through investments primarily in solar PV and wind farm assets in the Caribbean and Central America. At December 31, 2023 and 2022, the Company owned 85.69% of MPC CCEF.

MPC Clean Energy Ltd, holder of the Management Share of the Company (see Note 7), acts as the Manager of MPC CCEF (the "Company Manager"). Investment decisions for MPC CCEF are made by the Company Manager. In connection with its appointment as Company Manager and its exercise of investment discretion for MPC CCEF, the Company Manager has appointed MPC Capital GmbH, the sole shareholder of the Company Manager and a 100% subsidiary of MPC Capital AG, as the investment adviser to the Company Manager.

Following the Board of Directors resolution on November 5, 2018 to approve the initial public offer of up to 50,000,000 of the Company's Class B Redeemable Participating and Voting Shares without par value ("the IPO") at and for the price of JA\$135.00 per Share in Jamaica and US\$1.00 per share in Trinidad and Tobago, the IPO of Class B Shares at the Jamaican and Trinidad & Tobago Stock Exchanges raised a total amount of USD 11,424,160. On January 14, 2019 the Company was admitted to commence trading by both the Trinidad and Tobago Stock Exchange (TTSE) and the Jamaica Stock Exchange's (JSE) Main Market, and the US Dollar Equity Markets. The ratification of the new Class B shareholders and the drawdown of the subscription funds received following the IPO were agreed upon by a resolution of the Board of Directors dated January 22, 2019. Funds raised in the IPO, amounting to approximately USD 10,650,000, were invested into MPC CCEF in March 2019.

On November 8, 2019, the Company opened a Rights Issuance where existing Class B shareholders were given the option to acquire two new shares for every share 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 9,292,373, net of underwriting costs and administrative expenses, were invested into MPC CCEF.

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, BB14004

Note 2 - MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

The financial statements are presented in United States Dollars ("USD"), which is the functional currency of the Company and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). These separate financial statements have been prepared as the only financial statements of the Company. The financial statements are prepared on a going concern basis which anticipates that the Company will be able to realise its assets and discharge its liabilities in the normal course of business. The Company will continue to rely on its shareholders and/ or outside financing to meet its commitments.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 2 - MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Use of accounting estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. These estimates are based on historical experience and management's best knowledge of current events and are reviewed on an ongoing basis. Actual results could differ from those estimates. The effect of a change in an accounting estimate is included in the determination of investment income during the period reported.

2.3 Investment entity

An investment entity is an entity that:

- (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- (b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company is considered to meet the definition of an investment entity as defined by IFRS 10 as it indirectly invests in more than one investment through MPC CCEF, it has more than one investor, it has investors that are not related parties and it offers ownership interests to which a proportionate share of the net assets of the Company are attributable. As required by IFRS 10.31, the Company has therefore reflected the 85.69% ownership in MPC CCEF at fair value through profit or loss. Accordingly, changes in the fair value of the investment are recorded as profit or loss in the statement of comprehensive income.

2.4 Foreign currency translation

- (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in USD, which is the Company's functional and presentation currency.

- (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short- term highly liquid investments with original maturities of ninety days or less when purchased.

2.6 Financial instruments

Financial assets

- (i) Recognition and measurement

Regular purchases and sales of investments are recognised on the trade date - the date on which the Company commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net change in unrealised gain/(loss) on investment in MPC CCEF.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 2 - MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.6 Financial instruments (Continued)

Financial assets (Continued)

The Company classifies its investment in MPC CCEF at fair value through profit or loss ("FVTPL"). Cash and cash equivalents and other receivables are classified as financial assets at amortised cost.

(ii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities

(i) Recognition

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity under conditions that are potentially unfavourable to the entity. They are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method. The Company includes in this category accruals, accounts payable, due to related party, convertible promissory note payable and net assets attributable to holders of redeemable participating shares.

(ii) Derecognition

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities at fair value through profit or loss

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company records its investment in MPC CCEF at fair value, based on its proportionate share of the net asset value of MPC CCEF.

2.7 Redeemable participating shares

Redeemable participating shares are issued and redeemed at the holder's option at prices based on the Company's net asset value per share at the time of issue or redemption. Redeemable participating shares are therefore classified as financial liabilities.

The redeemable participating shares are carried at amortised cost which corresponds to the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Company.

The Company's net asset value per share is calculated by dividing the net assets attributable to the holders of each class of redeemable participating shares with the total number of outstanding redeemable participating shares for each respective class.

2.8 Distributions

Proposed distributions to holders of redeemable participating shares are recognised in the statement of changes in net assets attributable to holders of redeemable participating shares when they are appropriately authorised and no longer at the discretion of the Company. This typically occurs when a proposed distribution is ratified by the Board of Directors.

2.9 Revenue recognition

Gains and losses from changes in fair value of financial assets at fair value through profit and loss are included in the statement of comprehensive income in the period which they arise.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 2 - MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.10 Expense recognition

Accruals and accounts payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.11 Related parties

Transactions between the Company and related parties are accounted for as related party transactions if one of the parties has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2.12 Taxation

The taxation charged is determined on the basis of tax effect accounting using the liability method which takes account of any material differences arising from the inclusion of items of income and expenditure in taxation computations of a period different from those in which they are included in the financial statements and to the extent that a material liability or asset is expected to crystallise in the foreseeable future.

The Company is domiciled in Barbados. Under the current laws of Barbados, there is no income, estate, corporation, capital gains or other taxes payable by the Company.

The Company currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

No withholding tax was recorded for the year ended 2023 and 2022.

2.13 New and revised accounting standards

(a) Standards and amendments to existing standards effective January 1, 2023

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2023 that have a material effect on the financial statements of the Company.

(b) New standards, amendments and interpretations effective after January 1, 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

Note 3 - 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.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 3 - INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENT (Continued)

Fair value estimation (Continued)

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 convertible promissory note is non-interest bearing hence its fair value approximates its cost.

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.

| 2023 | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
|--|------------------------|------------------------|------------------------|----------------------|
| 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 |
| 2022 | | | | |
| 2022 | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
| 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 |

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

| | 2023 USD | 2022 USD |
|-----------------------|---------------------|---------------------|
| At January 1 | 28,576,293 | 30,573,972 |
| Fair value adjustment | 1,818,252 | (1,997,679) |
| At December 31 | 30,394,545 | 28,576,293 |

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 4 - 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 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 (2022: USD 1,543,918) 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 was recorded in the statement of comprehensive income (2022: unrealised loss of USD 1,997,679).

Note 5 - RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. A director of the Company is also a director of MPC CCEF. Refer to Note 4 for the details of transactions.

(a) Due to related party

The balance due to related party is unsecured, interest free, has no stated terms of repayment and comprises an amount due to MPC Capital GmbH for fees paid on behalf of the Company.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 5 - RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

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

| | <u>2023</u> <u>USD</u> | <u>2022</u> <u>USD</u> |
|----------------|---------------------------|---------------------------|
| At January 1 | 21,654 | 21,654 |
| Other movement | (13,461) | - |
| At December 31 | <u>8,193</u> | <u>21,654</u> |

(b) Key management compensation

Total remuneration to the Board of Directors for the year ended December 31, 2023 was USD 27,000 (2022: USD 19,083).

Note 6 - CONVERTIBLE PROMISSORY NOTE PAYABLE

On December 9, 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, at a rate 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 Board of Directors of the Company.

On September 21, 2021, the Company used the proceeds of the convertible promissory note to make an additional capital contribution of USD 10,000,000 in MPC CCEF for the funding of the acquisition of the solar parks in San Isidro and Monte Plata (see Note 4).

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 (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.

Note 7 - SHARE CAPITAL

On incorporation in 2017, the Company was authorised to issue an unlimited number of shares without nominal or par value of 1 Class designated as common shares. As at December 31, 2017, 1 share was issued and fully paid. On January 4, 2018, the Company's share capital was amended as follows:

- (a) to issue an unlimited number of voting, non-participating shares re-designated as Class A shares with no par value (also known as "Management Shares")
- (b) to issue an unlimited number of Class B redeemable participating and voting shares with no par value (also known as "Participating Shares")
- (c) to issue an unlimited number of Class C redeemable participating and voting shares with no par value (also known as "Participating Shares")

Subsequently, on October 17, 2018 an amendment removed the Class C shares. At the same time, the rights of the Class B shares were varied primarily so that they may be redeemed by the Directors in the By-Laws from time to time and that they shall be listed on the Jamaica Stock Exchange, the Trinidad and Tobago Stock Exchange and/or any other exchange that the Board of Directors may deem appropriate. The redemption value will be the market value of the shares listed on the Jamaica Stock Exchange, the Trinidad and Tobago Stock Exchange and/or any other Stock Exchange as at the redemption date.

At the statement of financial position date, 5,390,420 redeemable Class B shares on the Trinidad and Tobago Stock Exchange (TTSE) were subscribed and fully paid up at a price of USD 1 per share, and 6,033,740 redeemable Class B shares on the Jamaica Stock Exchange's (JSE) Main Market were subscribed and fully paid up at a price of USD 1 per share.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 7 - SHARE CAPITAL (Continued)

As at December 31, 2023 and 2022, there are 21,666,542 Class B redeemable participating and voting shares without par value in issue.

The Management Share is held by the Company Manager. The ultimate owner of the Company Manager is MPC Muenchmeyer Petersen Capital AG, a publicly listed German company (ISIN: DE000A1TNWJ4).

As at December 31, 2023 and 2022, 1 Class A share and 21,666,542 Class B shares were subscribed and fully paid.

Note 8 - EARNINGS PER SHARE

| Earnings per share: | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| | USD | USD |
| Net income/(loss) before tax | 1,586,826 | (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 | <u>0.07</u> | <u>(0.10)</u> |
| | | |
| Diluted earnings per share: | <u>2023</u> | <u>2022</u> |
| | USD | USD |
| Shares in issue | 21,666,542 | 21,666,542 |
| Hypothetical promissory note conversion | 10,000,000 | 10,000,000 |
| Weighted average shares | <u>31,666,542</u> | <u>31,666,542</u> |
| | | |
| Earnings/(loss) per share for profit/(losses) attributable to the Class B shareholders of the Company | <u>0.05</u> | <u>(0.07)</u> |

Note 9 - DISTRIBUTIONS RECEIVED AND PAID

No distributions were made during the years ended December 31, 2023 and 2022.

Note 10 - CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support its operational activities and maximise shareholders value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue or redeem shares and pay dividends to shareholders.

Note 11 - RISK MANAGEMENT

Financial Risk

Due to the nature of the master-feeder structure, the Company's investment in MPC CCEF may expose it to various types of risk, the amounts of which are not apparent from the financial statements. The most important types of financial risk to which the Company is exposed to are; market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The following summary is not intended to be a comprehensive outline of all risks and investors should refer to the Prospectus for a detailed discussion of the risks inherent in the Company.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 11 - RISK MANAGEMENT (Continued)

Market risk

Market risk embodies the potential for both losses and gains and includes interest rate risk, price risk, and currency risk. The Company's strategy on the management of investment risk is driven by the Company's investment objective. The Company's market risk is managed on a daily basis by the Company Manager in accordance with the Company's By laws.

- Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk is managed on a daily basis by the Company Manager in accordance with policies and procedures in place. The Company holds a limited amount of cash and cash equivalents that expose the Company to cash flow interest rate risk. Interest rate risk is not considered to be significant for the Company hence, no sensitivity analysis has been prepared. The Company may be exposed to indirect interest rate risk through its investment in MPC CCEF.

- Price risk

Price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Company's financial instruments are carried at fair value through profit and loss, all changes in market conditions will directly affect net income. The Company Manager is responsible for continuously monitoring the Company's exposure to price risk through its investments in MPC CCEF.

As at December 31, 2023, MPC CCEF has 3 investments in private equities (2022: 3). Analysis of private equities held by MPC CCEF and the Company's proportionate share in the investments are shown below:

| <u>December 31, 2023</u> | USD |
|---|------------|
| Investment in CCEF ANSA Renewables Energies Holdings Limited | 13,105,436 |
| Investment in MPC Renewables Central America and Caribbean S.A. | 2,545,877 |
| Investment in EREC Investment Ltd. | 182,454 |
| | |
| <u>December 31, 2022</u> | USD |
| Investment in CCEF ANSA Renewables Energies Holdings Limited | 4,089,387 |
| Investment in MPC Renewables Central America and Caribbean S.A. | 3,264,305 |
| Investment in EREC Investment Ltd. | - |

The table below shows the impact on the Company if there is a 10% (2022: 10%) movement in respect of the value of MPC CCEF.

| | <u>2023</u> | <u>2022</u> |
|--|---------------|---------------|
| | USD | USD |
| Fair value changes recognised in the statement of comprehensive income | +/- 3,039,455 | +/- 2,857,629 |

The Company's maximum exposure to loss from its interests in MPC CCEF is equal to the total investment in MPC CCEF.

- Currency risk

The Company only invests in financial instruments that are denominated in USD, its functional currency, but enters into service agreements denominated in currencies other than the USD. Consequently, the Company is exposed to limited risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fees from service agreements in other currencies. At the reporting date, the carrying amount of the Company's net financial assets and financial liabilities held in individual foreign currencies is insignificant. Consequently, no sensitivity analysis has been prepared.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 11 - RISK MANAGEMENT (Continued)

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. As at December 31, 2023 and 2022, the Company is exposed to direct credit risk on its cash and other receivables balances. The extent of the Company's direct exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

The Company's cash balances are primarily with CIBC FirstCaribbean International Bank (Bahamas) Ltd., an unrated bank.

The Company measures expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At December 31, 2023 and 2022, all other receivables, cash and cash equivalents are held with reputable counterparties. Applying the requirements of IFRS 9, the expected credit loss is immaterial for the Company and, as such, no ECL has been recognised within the financial statements. However, the Company may also be exposed to indirect credit risk through its investment in MPC CCEF.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation.

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

Contractual undiscounted cash flows at December 31, 2023:

| | Less than 1 year | 1 to 3 years | 3 to 10 years | No stated maturity |
|---|-----------------------------|---------------------|--------------------------|-------------------------------|
| Accruals | 103,017 | - | - | - |
| Accounts payable | 90,075 | - | - | - |
| Due to related party | 8,193 | - | - | - |
| Convertible promissory note payable | - | 10,000,000 | - | - |
| Net assets attributable to holders of redeemable participating shares | - | - | - | 20,213,498 |
| Contractual cash outflows | <u>201,285</u> | <u>10,000,000</u> | <u>-</u> | <u>20,213,498</u> |

Contractual undiscounted cash flows at December 31, 2022:

| | Less than 1 year | 1 to 3 years | 3 to 10 years | No stated maturity |
|---|-----------------------------|---------------------|--------------------------|-------------------------------|
| Accruals | 27,000 | - | - | - |
| Accounts payable | 77,825 | - | - | - |
| Due to related party | 21,654 | - | - | - |
| Convertible promissory note payable | 10,000,000 | - | - | - |
| Net assets attributable to holders of redeemable participating shares | - | - | - | 18,626,672 |
| Contractual cash outflows | <u>10,126,479</u> | <u>-</u> | <u>-</u> | <u>18,626,672</u> |

Redeemable participating shares are redeemed on demand at the holder's option. The Board of Directors does envisage that the holders of these instruments typically retain them for the medium to long term. At December 31, 2023 and 2022, three individual investors each held more than 10% of the Company's redeemable participating shares.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the Financial Statements (Continued)

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

Note 12 - RESTRUCTURING APPROVED PROPOSAL

The shareholders of the Company approved a proposed legal reorganization in May 2023. It is intended to remove the Investment Company (MPC CCEF) and transfer direct ownership of renewable energy investments to the Company. The Investment Company (MPC CCEF) will be de-registered and liquidated, and direct investments will be transferred to the Company, including the contracts to which the Investment Company is currently a party. The reorganization will generate a leaner and more cost-efficient structure, enhancing business and accounting transparency through direct asset ownership. It will transform into an open-ended corporate structure and streamline the existing structure, while representing only a change in the legal structure and will not affect the ultimate beneficial ownership. From January 1, 2024 to the date of the audit report, the reorganization has not been completed.

The Investment Company had budgeted USD 500,000 for the costs to be incurred during the restructuring process. As of December 31, 2023, 93% of this budget has already been spent, with the remaining to cover final legal expenses. With the completion of the restructuring, the entirety of the MPC CCEF's assets are to be distributed to the Company via transfer/assignment, with the subsequent winding of MPC CCEF. All the MPC CCEF contracts are to be novated/transferred to the Company or terminated with equivalent contracts put in place with the Company. Moreover, with the restructuring, the Company issues 5,278,319 new Class B shares to MPC Participation representing 14.29% ownership, making the total Class B shares, including new and existing shares to 36,944,861.

Note 13 - SUBSEQUENT EVENTS

On February 7, 2024, the Investment Company (MPC CCEF) upon the recommendation of its Investment Advisor authorized a payment of dividends in the amount of USD 303,355 to the Investor Members due to low liquidity position of the Company to cover budgeted expenses for the upcoming financial year. The Managing Board Member resolved to distribute the sum of the amount to the Investor Members, pro rata according to their Interests in the Company, which means that USD 265,380 to MPC Caribbean Clean Energy Limited and USD 37,975 to MPC Team Investment LP after banking fees. The payment to the Company was made on February 22, 2024.

From January 1, 2024 to the date of the audit report, other than above, there were no other significant events to be disclosed.

