

# **MPC CARIBBEAN CLEAN ENERGY LIMITED**

**Unaudited Financial Statements for the  
Year ended December 31, 2021  
and Compilation Report**

# **MPC CARIBBEAN CLEAN ENERGY LIMITED**

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**Chairman’s Report to the Shareholders**  
**Fourth Quarter Ended December 31, 2021**

Dear Shareholders,

On behalf of the board of directors, I am pleased to present the unaudited financial results of MPC Caribbean Clean Energy Limited (**Company or MPCCEL**) for the fourth quarter ended December 31<sup>st</sup>, 2021.

*Fourth Quarter 2021 Activities*

In the fourth quarter of the year, the commercial and technical performance of the underlying assets of the Company's investment in the Investment Company were within the expected range. Necessary technical measures were carried out, thereby, stabilizing the production of the underlying assets.

*Portfolio Highlights*

KPI	Q4 2021
EBITDA	USD 597,984.93
Energy Output Variation <sup>1</sup>	0.21 %
Weighted Average Availability <sup>2</sup>	97.38%

*The asset performance for Q4 2021 was as follows:*

*Paradise Park*

The solar park in Jamaica has met expectations from both technical and commercial point of view. Production and thus revenues were stable and slightly above budget expectations. However, reported OpEx value was higher by 11.91% due to unscheduled maintenance actions to ensure high plant availability and production. As a result, EBITDA was slightly lower by 1.01% than the projected values.

*Tilawind*

The wind farm met its forecasted levels in terms of availability and production. The postponed blade repair works were completed in October 2021 and therefore the actual OpEx costs exceeded the budgeted amount by 78.35% for this period. Consequently, the revenues generated in the low tariff period were consumed by the additional OpEx amount. Moreover, due to global shortages of chemicals for sealing the blades, a fraction of the actions planned for

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<sup>1</sup> 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.

<sup>2</sup> 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 the is operations-ready and usable to produce power over a specified time period.

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

2021 have been postponed to 2022. The company is currently in contact with the O&M contractor to organize the remaining work during the low wind and low tariff phase in 2022.

Regarding the mentioned tariff band reduction during the first quarter of 2021 (the Tariff for the High Wind Season has been reduced from USD 118.10 /MWh to USD 108.78 /MWh, which corresponds to a reduction of 7.89% ; the Tariff for the Low Wind Season from USD 47.30 /MWh to USD 43,56 /MWh, which corresponds to a reduction of 7.91 % ), we are pleased to inform that the effort of the Investment Company and its legal advisor at ARESEP was successful and the tariff band has been positively adjusted (both have been raised equally by 5.88 % and the new tariffs therefore correspond to USD 115,18 /MWh for the High Wind Season and USD 46.12 /MWh for the Low Wind Season ) as of the last quarter of 2021. However, the new tariff band is still below the initial one by approximately 2.48 % and leads to lower revenues through the sale of the generated electrical energy.

#### *San Isidro*

The performance of the asset did not reach the forecasted values (- 17.71%) and was related to the resolution of remaining technical constraints. The lack of performance could be offset financially due to cost discipline, resulting in an EBITDA above the forecasted by 59.95%.

#### *Outlook*

After implementing all the technical measures to resolve limitations that took place in the course of 2021, we are looking forward to 2022. In addition to the expected performance improvement of the underlying assets, the Investment Company expects further diversify its portfolio with the operational asset Monte Plata Phase 1 Solar Park (33.4 MWp) in the Dominican Republic. The expansion of the Monte Plate Asset with Phase 2 (40.5 MWp) is progressing well and financial closing with the senior lenders FMO and DEG is expected to take place in Q2 2022. The completion of the acquisition remain subject to CNE approval, which is expected to be obtained in the course of Q1 2022.

Start of operations of the expanded solar park with a total capacity of 74 MWp is targeted for Q2 2023. The PPA was signed on 15th October, 2021 for a period of 15 years starting from Commercial Operation Date. It will become the largest asset in the portfolio expanding the geographic footprint to a total of four countries incl. Jamaica, Costa Rica, El Salvador and the Dominican Republic.

The safety and health measures set and continued by the company in the fourth quarter proved to be effective to take preventive action against the ongoing pandemic and had no limitations on the operation of the assets.

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

Respectfully Yours,  
For and on behalf of the Company

A handwritten signature in blue ink that reads 'Jose Fernando Zuniga G'.

Fernando Zuniga  
Chairman of the Board of Directors

MPC CARIBBEAN CLEAN ENERGY LIMITED  
TOP 10 SHAREHOLDINGS  
As at December 31<sup>st</sup>, 2021

	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 31<sup>st</sup>, 2021

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

## **COMPILATION REPORT**

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

We have compiled the accompanying statements of MPC Caribbean Clean Energy Limited based on information you have provided. These financial statements comprise the statement of financial position of MPC Caribbean Clean Energy Limited as at December 31, 2021, the statement of comprehensive loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Financial Reporting Standards ("IFRS").

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

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

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

TRIDENT CORPORATE SERVICES (BARBADOS) LIMITED

February 14, 2022

# MPC CARIBBEAN CLEAN ENERGY LIMITED

## Statement of Financial Position

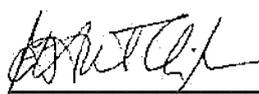
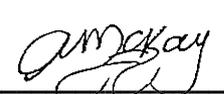
As at December 31, 2021

(Expressed in United States dollars)

	NOTES	Unaudited Year ended 31-Dec-21	Audited Year ended 31-Dec-20
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		316,174	10,495,841
Prepayments		8,602	4,667
Investment - MPC Caribbean Clean Energy Fund LLC	5	29,723,694	19,226,718
<b>Total Assets</b>		<b>30,048,470</b>	<b>29,727,226</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accruals		19,500	31,781
Accounts payable		45,591	3,717
Due to related party	6	21,654	21,654
		<u>86,745</u>	<u>57,152</u>
<b>Long-term Liabilities</b>			
Convertible promissory note payable	7	10,000,000	10,000,000
		<u>10,000,000</u>	<u>10,000,000</u>
<b>Total Liabilities</b>		<u>10,086,745</u>	<u>10,057,152</u>
<b>Equity</b>			
Share capital		20,005,779	20,005,779
Accumulated deficit		(44,054)	(335,705)
		<u>19,961,725</u>	<u>19,670,074</u>
<b>Total Liabilities and Equity</b>		<b>30,048,470</b>	<b>29,727,226</b>

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

Approved by the Board of Directors on ..... day .....<sup>14th</sup> February .....<sup>February</sup>, 2022.

By: Guardian Nominees (Barbados) Limited  
Director

Per:

G. Hutchinson / Amanda G. McKay

Title: Directors



By: Jose Fernando Zuniga Gallind

## MPC CARIBBEAN CLEAN ENERGY LIMITED

### Statement of Comprehensive Income

For the year ended December 31, 2021

(Expressed in United States dollars)

	NOTES	Unaudited Quarter ended		Unaudited Year ended	Audited Year ended
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
<b>Income</b>					
Valuation gain on investment	5	496,976	-	496,976	26,815
		496,976	-	496,976	26,815
<b>Expenses</b>					
Accountancy fees		2,000	2,000	8,600	13,000
Administrative fees		15,433	6,103	62,551	56,184
Advertising		2,050	1,575	14,310	10,429
Audit fee		17,500	12,500	23,375	13,125
Bank charges		756	1,233	2,816	3,673
Directors' fees		4,625	4,458	18,500	16,833
Legal & professional fees		-	-	17,971	19,818
Licence fees		125	125	500	500
Travel expense		-	-	-	10,031
Insurance expense		5,043	-	17,493	15,938
Other expenses		-	-	-	-
Fines & penalties		1,344	298	37,709	4,087
Processing fees		-	-	-	-
Corporate fees		375	375	1,500	1,500
		49,251	28,667	205,325	165,118
<b>Comprehensive (Loss) / Income before Taxation</b>		447,725	(28,667)	291,651	(138,303)
Taxation		-	-	-	-
<b>Net Comprehensive (Loss) / Income</b>		<b>447,725</b>	<b>(28,667)</b>	<b>291,651</b>	<b>(138,303)</b>
<b>Basic earnings (loss) per share</b>	4	<b>0.021</b>	<b>(0.00)</b>	<b>0.01</b>	<b>(0.01)</b>
<b>Weighted average number of shares</b>		21,666,542	21,666,542	21,666,542	21,666,542

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

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

For the year ended December 31, 2021

(Expressed in United States dollars)

	<b>Number of shares</b>	<b>Class A share capital</b>	<b>Class B share capital</b>	<b>Accumulated deficit</b>	<b>Total</b>
<b>Balance at January 1, 2020</b>	11,424,160	1	10,105,326	(197,402)	9,907,925
Issuance of redeemable shares	10,242,382	-	9,900,452	-	9,900,452
Comprehensive loss for the year	-	-	-	(138,303)	(138,303)
<b>Balance as at December 31, 2020</b>	<u>21,666,542</u>	<u>1</u>	<u>20,005,778</u>	<u>(335,705)</u>	<u>19,670,074</u>
<b>Balance at January 1, 2021</b>	21,666,542	1	20,005,778	(335,705)	19,670,074
Comprehensive income for the year	-	-	-	291,651	291,651
<b>Balance as at December 31, 2021</b>	<u>21,666,542</u>	<u>1</u>	<u>20,005,778</u>	<u>(44,054)</u>	<u>19,961,725</u>

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

## MPC CARIBBEAN CLEAN ENERGY LIMITED

### Statement of Cash Flows

For the year ended December 31, 2021

(Expressed in United States dollars)

	<b>Unaudited Year ended 31-Dec-21</b>	<b>Audited Year ended 31-Dec-20</b>
<b>Cash flows from operating activities</b>		
Income / (loss) before tax	291,651	(138,303)
Adjustments for:		
Valuation gain on investment	(496,976)	(26,815)
	<u>(205,325)</u>	<u>(165,118)</u>
(Increase) in prepayments	(3,935)	(1,011)
(Increase) in investments	(10,000,000)	(9,292,373)
Decrease/(increase) in accounts payable	41,874	(2,037)
Decrease in accruals	(12,281)	(103)
Decrease in due to related party	-	(33,405)
<b>Net cash used in operating activities</b>	<u>(10,179,667)</u>	<u>(9,494,047)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from subscription of share capital	-	9,900,452
Proceeds from issuance of convertible promissory note payable	-	10,000,000
<b>Net cash flow from financing activities</b>	<u>-</u>	<u>19,900,452</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	(10,179,667)	10,406,405
<b>Cash and cash equivalents at the beginning of the year</b>	10,495,841	89,436
<b>Cash and cash equivalents at the end of the year</b>	<u><b>316,174</b></u>	<u><b>10,495,841</b></u>

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

# **MPC CARIBBEAN CLEAN ENERGY LIMITED**

## **Notes to the Financial Statements**

For the year ended December 31, 2021

(Expressed in United States dollars)

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### **1. General Information**

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

The Company's registered number is:- 42056

The Company's registered office address is:-

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

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

### **2. Summary of Significant Accounting Policies**

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

### **3. Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with International Accounting Standards 34 - Interim Financial Statements. The interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

### **4. Earnings per share**

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

	<b>Unaudited Year ended 31-Dec-21</b>	<b>Audited Year ended 31-Dec-20</b>
Net income attributable to ordinary shareholders	291,651	59,680
Weighted average number of shares	21,666,542	21,666,542
Earnings (loss) per share	0.01	0.00

## MPC CARIBBEAN CLEAN ENERGY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2021

(Expressed in United States dollars)

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#### 4. Loss per share (Continued)

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

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

#### 5. Investment

On September 21, 2021, the company transfer funds of USD 10,000,000.00 as the third subscription to MPC Caribbean Clean Energy Fund LLC.

The movements in the investments for the year ended December 31, 2021 and December 31, 2020 were as follows:

	<b>Unaudited</b> <b>31-Dec-21</b>	<b>Audited</b> <b>31-Dec-20</b>
At January 1	19,226,718	9,907,530
Acquisition cost of investment	10,000,000	9,292,373
Valuation gain on investment	496,976	26,815
At December 31	<u>29,723,694</u>	<u>19,226,718</u>

#### 6. Related Party Balances and Transactions

The amount payable from the related party is unsecured, interest free, has no stated terms of repayment and includes: (i) Payments of fees by MPC Renewable Energies GmbH on behalf of the Company during the period ended December 31, 2021 and the related balances payable by the Company to MPC Renewable Energies GmbH as at December 31, 2021, and (ii) Directors fees (per agreements with Directors).

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

	<b>Unaudited</b> <b>31-Dec-21</b>	<b>Audited</b> <b>31-Dec-20</b>
At January 1	21,654	55,059
Related party payments of expenses	-	12,624
Reimbursement payments to related party	-	(46,029)
At December 31	<u>21,654</u>	<u>21,654</u>

## **MPC CARIBBEAN CLEAN ENERGY LIMITED**

### **Notes to the Financial Statements**

For the year ended December 31, 2021

(Expressed in United States dollars)

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#### **7. Long-term convertible promissory note payable**

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

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