



ANNUAL REPORT 2022

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 2022.

YEAR IN REVIEW

Listed on both the Jamaican (JSE) and the Trinidad and Tobago Stock Exchange (TTSE), the Company looks back on a solid performance in 2022 considering the La Niña weather phenomenon, which has now been recorded three consecutive years.

The Company's portfolio consists of four assets in four different countries in LATAM and CARICOM with 112MWp of capacity that are zero-emission sources of electricity generation. Our portfolio assets directly support the energy transition towards CO₂-neutral energy production in the invested region.

In May 2022, the 33 MWp asset Monte Plata Phase I in Dominican Republic was successfully integrated into the portfolio after acquisition and underlines the Company's growth strategy in the invested region. Each asset allocation is carried out according to defined criteria, which, in addition to the commercial performance of the asset, is also to actively support the transformation goals towards a CO₂-free energy generation in the respective region and where sustainability goals and Environmental, Social and Governance (ESG) play an overriding role.

The Company's focus is always on improving the financial future, with the main focus on achieving long-term, sustainable value development in compliance with the Company's ESG goals.

Since the generation of electrical energy from solar PV and wind energy depends on suitable meteorological conditions, the power generation target was missed due to the prevailing weather conditions caused by the weather phenomenon La Niña.

As a result, the target performance indicator was 11.65% below the expected performance in 2022. Technical restrictions that arose during the year were promptly corrected or are in the process of being resolved. The aforementioned unfavorable meteorological conditions have a significant influence on the result. The most complex measures were performed in the Tilawind wind farm in Costa Rica, where planned blade repairs were carried out and remaining of three blades will be repaired in the second half of 2023. An oil leak in the medium voltage transformers resulted in a limitation of production capacity at Paradise Park, the solar PV asset in Jamaica, with full availability of the asset being restored by Q4 2022. In San Isidro, the availability of the plant was affected by a serial defect in the inverters, where a solution was agreed with the EPC and O&M company, replacing all the inverters with new inverters from the Huawei brand. The replacement will be completed in the course of Q1 2023. During the partial exchange in Q4, a higher availability and thus performance of the solar PV asset was already recorded.

From an environmental, social and governance, or ESG, point of view the Company strives to work proactively, holistically and in an integrated manner with its stakeholders. The Company engages in an active exchange with stakeholders to develop trends, identify emerging ESG issues with implications for ESG strategy, to present these recommendations to the Company's Board of Directors.



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

OUTLOOK

The Company and RBC Investment Management (Caribbean) Limited ("RBC") agree on an extension of the term for the Convertible Promissory Note. Both parties have agreed to extend the maturity date of the Convertible Promissory Note to March 31, 2026, an extension of three years.

The technical performance outlook is strongly linked to the projected resource such as wind and solar availability in the region. The forecasts for 2023 are positive and experts assume that the La Niña phenomena will phase out in 2023. This should therefore result in a higher production potential compared to the previous year.

Another production-limiting factor for the solar PV asset San Isidro in 2022 has been the operating inverters. The completion of replacement of all installed inverters, which started at the end of 2022, will be completed in Q1 2023 which will result in high availability and unrestricted production from a technical point of view.

With the planned expansion of the solar PV assets in Dominican Republic Monte Plata Phase II with a targeted additional capacity of 40.5 MWp, the financial close with the senior lenders FMO and DEG and start of the essential construction work are expected for Q2 2023.

The commissioning and operation of the expanding solar park with a final total capacity of around 74 MWp is planned for Q2 2024.

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, 2022 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 the 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 & 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 was a Member of ICAB Accounting and Auditing Standards Committee from 1999 to 2011.

Ms. Lisl Bettina 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.

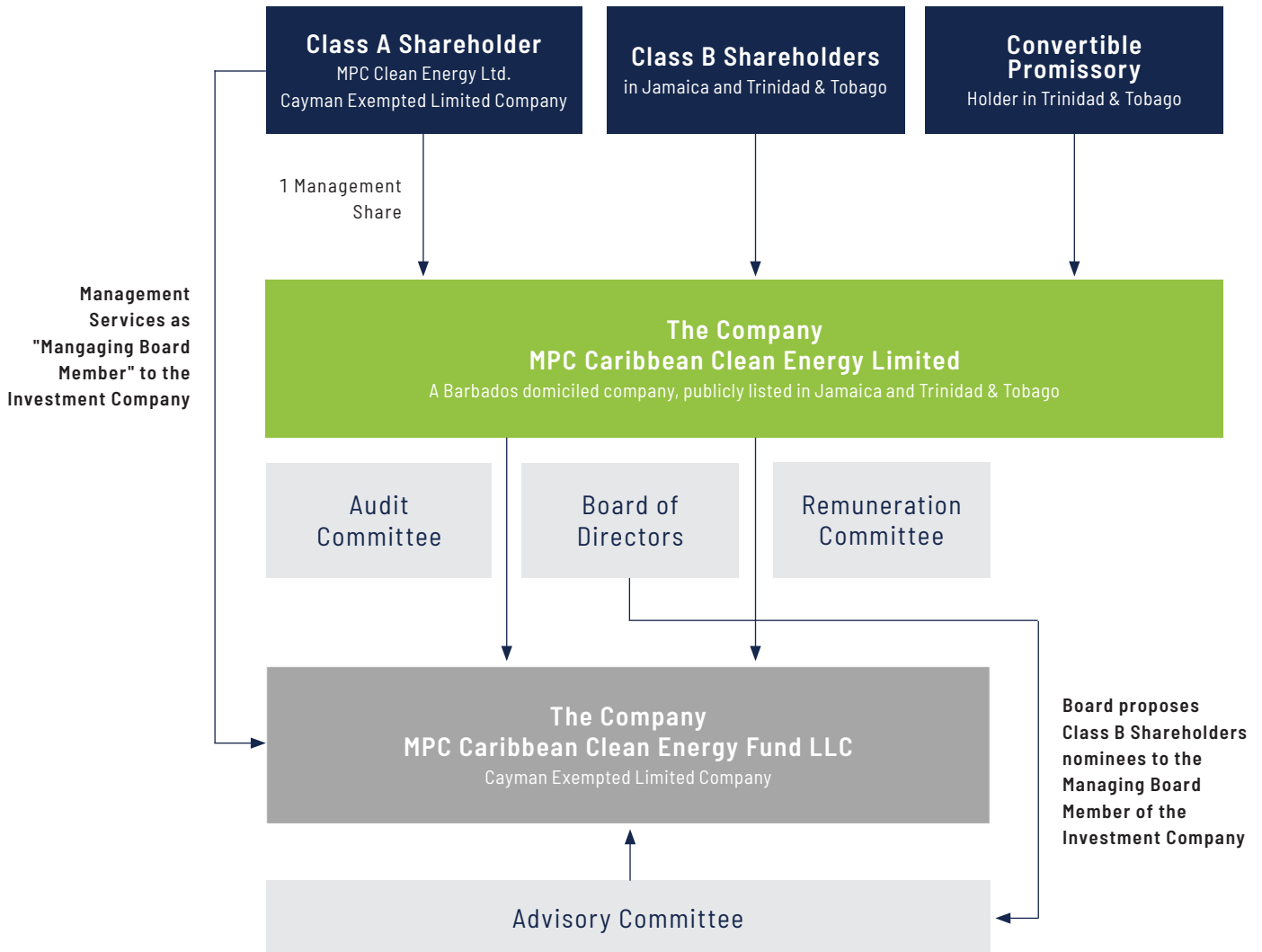
Guardian Nominees (Barbados) Limited

Independent Non-Executive Director, Member of the Audit & 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 Port of Spain, Trinidad</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 S2ND Floor, The Victoria Mutual Building 53 Knutsford Blvd, Kingston 5, Jamaica W.I.</p> <p>Phone: +1 876 929 9677 Email: info@hmf.com.jm www.hmf.com.jm</p>	
Auditor	<p>BDO Barbados The Gables, Haggatt Hall, St. Michael, Barbados, BB11063</p> <p>Phone: +1 246 435 2001 www.bdo.bb/en-gb/locations/bdo-barbados</p>	
Bankers	<p>CIBC FirstCaribbean International Bank (Bahamas) Limited, Goodman's Bay Corporate Centre West Bay Street, Nassau, Bahamas</p> <p>Phone: +1 868 242 397 8201 www.cibfcib.com</p>	
Corporate Secretary	<p>Trident Corporate Services (Barbados) Limited Suite 1, Ground Floor, The Financial Services Centre Bishops Court Hill, St Michael, Barbados BB14004</p> <p>Phone: +1 246 621 0760 Mail: kcadogan@tridenttrust.com www.tridenttrust.com</p> <p>Dentons Delany Burnham Court, Bishop's Court Hill Upper Collymore Rock, Barbados</p> <p>Phone: +1 246 230 8330 Mail: dustin.delany@dentons.com www.dentons.com</p>	 

Top 10 Shareholders of the Company

As at December 31st, 2022

	Name	Joint Holder/ Connected interest	Volume	Percentage
1	Teachers Credit Union Co-Operative Society	-	5,448,301	25.15%
2	Sagicor Pooled Equity Fund	-	4,192,300	19.35%
3	Sagicor Balanced Fund	-	2,307,690	10.65%
4	JN Fund Managers Limited For Jn Pooled Pension Local Equity Fund	-	1,494,428	6.90%
5	Development Bank Of Jamaica	-	1,000,000	4.62%
6	MF&G 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	1.78%
10	Jamaica Money Market Brokers Ltd Fm10	-	321,000	1.48%

Director's Holdings

As at December 31st, 2022

	Name	Joint Holder/ Connected interest	Volume	Percentage
	Fernando Zuniga	-	-	-
	Alastair Dent	-	-	-
	Lisl Bettina 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. MPCCEL's approach to environment and climate is governed by the Environmental and Management system created for the Fund, 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 our operations and thereby improve performance over time by managing risks and securing positive impacts. During 2022 the entire Investment Advisor's team received training on the ESMS, this training was conducted by the ESG Team. 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 detailed descriptions of the risk minimization measures to be implemented during the construction and operations phases and implement specific environmental and social KPIs that allow monitoring and tracking of the project's performance.

The ESMP reflects the mitigation hierarchy and, where it is technically and financially feasible, the avoidance and prevention of impacts over minimization, mitigation, or compensation. At the same time, it ensures that all relevant stages of the projects are structured to meet applicable laws, regulatory requirements, and IFC Performance Standards. Project-specific ESMPs will be prepared for each project and will form part of the 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 our ESG KPIs and ESMS.



ENVIRONMENTAL

- + Climate Emissions
- + Biodiversity



SOCIAL

- + Occupational health & safety
- + Community Engagement



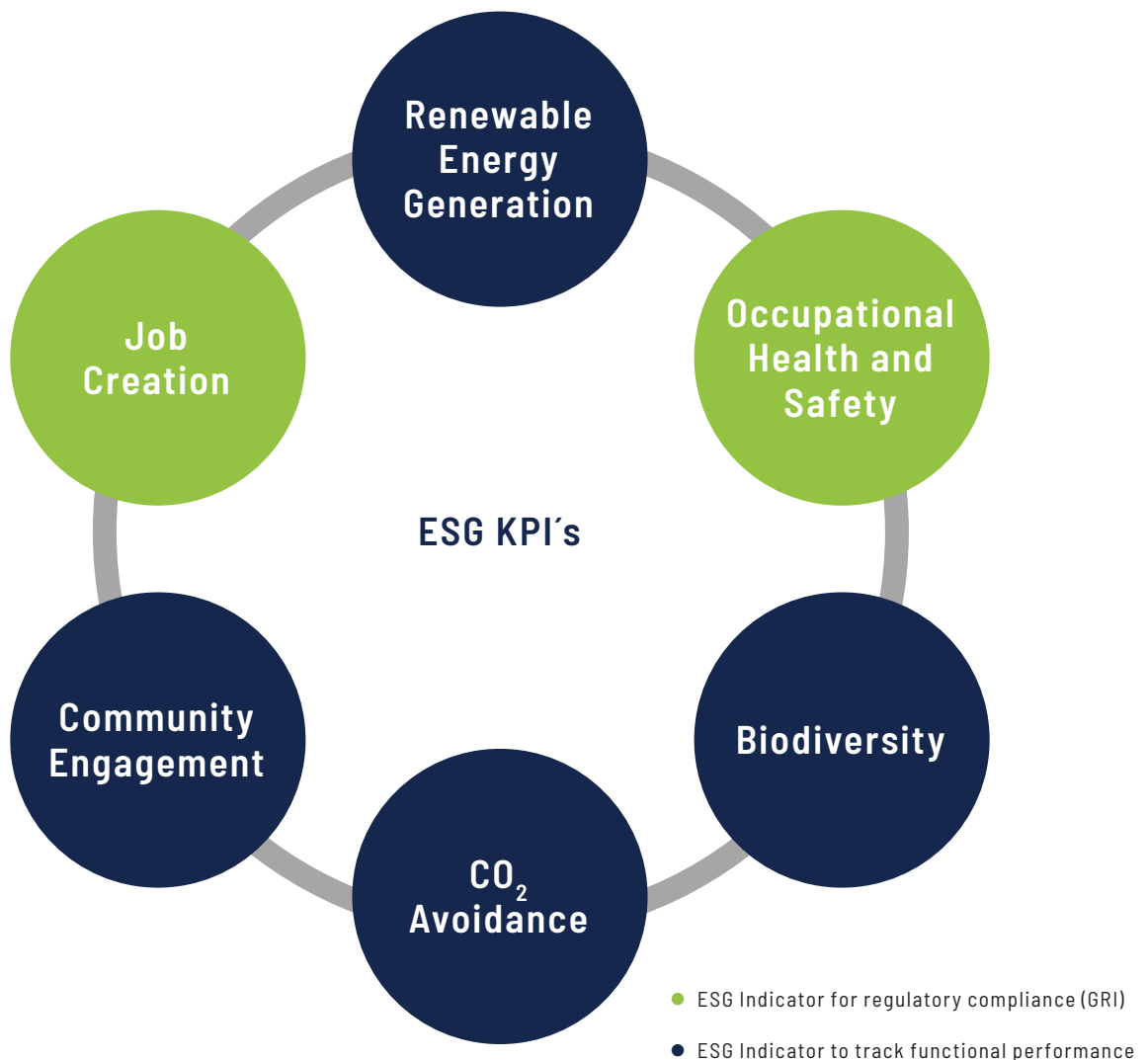
GOVERNANCE

- + Corporate Governance & Responsibilities
- + Gender

ESG KEY PERFORMANCE INDICATORS

In 2022, we developed and measured our ESG KPIs. These environmental and social indicators allowed tracking of the success or improvement areas towards sustainable value creation in the assets acquired by the Fund. Two types of indicators are defined for the as in the 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 against international 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. MPCCEL and the Fund generally support all SDGs and constantly review how they can be embraced through our corporate activities.

The Company invests in solar PV and wind projects through the Fund. Thus, we make an active contribution to effective climate change mitigations by investing in renewable energy, and we also support positive social and environmental links with the communities and land where our projects take place.

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 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 signatory to Company's Code of Conduct and its annual reviews, which serves as a core guideline for the ethics and behavioral norms. 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 2023 with the results as below:

Meeting Date	Attendees					
	Fernando Zúñiga	Alastair Dent	Mark Hart	Steven Marston	Guardian Nominees	Lisl Bettina Lewis
March 8, 2022	✓	✓			✓	
May 12, 2022	✓	✓	✓	✓	✓	
July 6, 2022	✓	✓			✓	
September 29, 2022		✓			✓	
November 7, 2022	✓	✓				✓

In September 2022, Mark Hart and Steven Marston stepped down as Directors of the Company and Lisl Bettina Lewis was officially appointed as a Director effective October 2022.

MEETINGS

Frequency and location: Meetings of the Board are held 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 2022 the decisions by the Directors were made via telephone meetings, a round robin of electronic communication over various dates and no physical meetings took place prior to the Annual General Meeting on July 6th, 2022.

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 via video-conferencing on July 6th, 2022, as a result of the COVID-19 pandemic and due to the reduction of travel for the directors and shareholders. As a result of such, the Company was unable to convene the meeting with all Directors and Shareholders of the Company attending physically in Barbados.



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

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The ESMP should contain detailed descriptions of the risk minimization measures to be implemented during the construction and operations phases and implement specific environmental and social KPIs that allow monitoring and tracking of the project's performance.

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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 our ESG KPIs and ESMS.



Partnership

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



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.



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.



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.



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.

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: <https://www.mpc-cleanenergy.com/>

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 every individual and do not tolerate discrimination in the activities of the Company. We do not tolerate discrimination on the basis of 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 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 into renewable energy assets and having a positive local impact. To such ends, the Company adheres to, and requires the companies it invests into to adhere to, the Universal Declaration of Human Rights (UNDHR) and the standards of the International Labour Organization (ILO). The Board, the Company's executives and employees are required to comply with the UNDHR 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 to its policies. That is the only way to ensure fair, correct and legally irreproachable 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 cases 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 therefore natural for everyone who works for the Company not to harm other market participants through their actions, in particular 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 the purpose of money laundering or the financing of terrorism. 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 for the purpose of accomplishing 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.

ESG TEAM

ESG is at the core of today's Stakeholder interest and will become so more and more in the future. By integrating Environmental, Social, and Governance issues (ESG) into our investment process, we assume responsibility for the societal and environmental challenges of the current century.

Based on our commitment to creating value for our investors and all stakeholders, two ESG Managers are now monitoring and supervising the ESG performance of the projects acquired by the fund. The ESG managers are part of the Asset Management Team of MPC Capital and provide services to the Fund.



MPC Capital

ESG Manager

Mary Obando | Hamburg office



ESG Manager

Diana Arteta | Hamburg office



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS

ESG Highlights 2022

- + Creation of ESG KPIs to track the ESG performance of the assets in the portfolio
- + Environmental and Social Impact assessment aligned to IFC standards for Monte Plata Phase II
- + Sustainable value creation through community engagement activities executed in 2022
- + 72,592.12 tCO₂e avoided emissions by projects in the portfolio
- + 138 job positions created within all projects: Tilawind, Paradise Park, Monte Plata Phase I and II

Environmental

CLIMATE EMISSIONS

In 2022, the avoided emissions of the portfolio were 72,592.12 of tCO₂e equivalent. The contribution comes from our operational projects in 2022; Tilawind, Paradise Park, San Isidro, and Monte Plata phase 1. Monte Plata Phase 2 will start operations in 2023. Therefore, our contribution to avoiding GHG emissions will increase for our next report.

Avoided CO2 emissions ^{1,2}	Unit	2022	2021	2020
Total emissions avoided	tCO2e	72,592.12	63,538.44	56,556.30
Total emissions avoided by equity share	tCO2e	41,839.76	33,094.05	28,682.94

BIODIVERSITY

Solar and wind projects may generate negative impacts on biodiversity. Land clearance processes may cause loss or fragmentation of protected areas and other areas of conservation interest for solar and on-shore wind projects. In the construction phase of solar and wind plants, there may be some impacts on habitats and species.

For instance, in solar power projects, the main impact relates to the change in land usage and the impact on the landscape. Bats and birds are particularly vulnerable to collision, disturbance, and habitat alterations for on-shore wind projects.

E&S due diligence and ESIs are the tools we use to identify potential risks and impacts. Biodiversity is part of the E&S due diligence and ESIs for each project. After assessing the risks and negative impacts, the next step for each project is developing an environmental and social management plan (ESMP). The ESMPs aim to avoid, reduce, and mitigate the potential negative impacts and enhance positive impacts.

Environmental, Social & Governance (ESG) factors

In 2022, Tilawind, Paradise Park, San Isidro, and Monte Plata Phase I are projects in the operational phase. Monte Plata Phase 2 is under construction and will start operations in 2023. None of these operating plants or soon operating are within protected areas.

In Monte Plata phase II, in the Dominican Republic, we identified two flora Protected Species through an Environmental and

Social Impact Assessment (ESIA). 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 area needed for construction. A relocation management plan was created to mitigate the negative impacts. When a specimen cannot be relocated, compensation will be part of the mitigation; the compensation measure is to plant new specimens.

Social

OCCUPATIONAL HEALTH AND SAFETY

We track the occupational safety of workers, mainly hired by our subcontractors (EPC and O&M) who are responsible for the construction (EPC) or the operation of the asset (O&M). There were no fatalities reported in 2022. The recordable injuries were registered in our projects: Tilawind (Costa Rica) and Paradise Park (Jamaica).

	Unit	2022
Fatalities	number	0
Total recordable injury rate ³	number	12.03
High-consequence injury rate	number	0
Working Hours	hours	132, 227

COMMUNITY ENGAGEMENT

We seek to have constructive relationships with the communities surrounding our projects following several approaches, including informing the community and assisting them in understanding all aspects of the projects, including possible issues, consultation processes to hear the communities' concerns and claims of assistance, and involving the community by supporting local suppliers and entrepreneurs.

In 2022, in our projects in El Salvador and Costa Rica, we invested in community engagement initiatives such as improving community infrastructure, supporting local cultural activities, and reforestation activities.

¹ The avoided emissions calculated are the difference between the emissions generated by the renewable electricity production of the operating MPC CCEL power plants and the emissions of an alternative scenario that would take place in the absence of the project.

² 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.

³ 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 2022

+ SUPPORT TO A LOCAL ATHLETE GENDER EQUALITY

Maria Alejandra Arias Muñoz from Tilarán, a surrounding community of Tilawind, is a professional nutritionist and has played soccer since she was 13. She plays for the local team in Tilarán, which is currently in the second division of the women's national team. Because she is a real talent, she was invited by the national team to represent Costa Rica in an international tournament. Tilawind covered her travel expenses so she wouldn't miss out on this opportunity to participate in the women's soccer World Cup IFA7 held in Peru. Costa Rica came second, and Maria Alejandra was awarded the title of Goal Scorer in the tournament.

KEY FACTS

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



Costa Rica women's soccer team playing on the women's soccer World Cup IFA7 held in Peru.



KEY FACTS

- + **Country:** Costa Rica
- + **Project:** Tilawind
- + **Communities:** Tronadora

+ NEW PLAYGROUND FOR A KINDERGARTEN COMMUNITY IMPACT/ LOCAL VALUE CREATION

As part of the community engagement activities in Costa Rica, Tilawind donated a playground to a public kindergarten in Tronadora, one of the surrounding communities. The kindergarten communicated their need for a safe space for children to play during their breaks, which they couldn't afford. Tilawind and the kindergarten funded a proper playground for the children to enjoy their breaks in a safe space.

+ IMPROVEMENT OF SEPTIC TANK CONDITIONS COMMUNITY IMPACT/ LOCAL VALUE CREATION

Tilawind financed the maintenance of the septic tank in CEN-CINAL's building. A small local business from Tilarán provided the material and labor. CEN-CINAL is a Costa Rican governmental institution that aims to provide nutrition and daycare services to impoverished children, ensuring a balanced diet and proper quality daycare services that will contribute to kids having a good childhood.



Inauguration event of the lighting project and Tree planting event in El Salvador. Maintenance of the septic tank in CEN-CINAI's in Costa Rica.

KEY FACTS

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

+ STREETLIGHTS FOR THE COMMUNITY COMMUNITY IMPACT/ LOCAL VALUE CREATION

San Isidro donated 50 LED streetlights for the lighting project presented by San Isidro's municipality. These lamps are now lighting one of the main roads in the community, which many people use to commute. The lights contribute to increasing citizen security and diminishing crime risks, and at the same time, LED is far more efficient than the previous lighting system representing savings for the municipality. The municipality oversaw the installation of the lights. Other municipalities have approached the San Isidro Municipality to learn more about this project; some are considering similar projects for other communities in El Salvador.

+ TREE PLANTING EVENT BIODIVERSITY

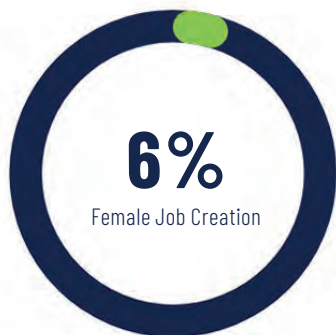
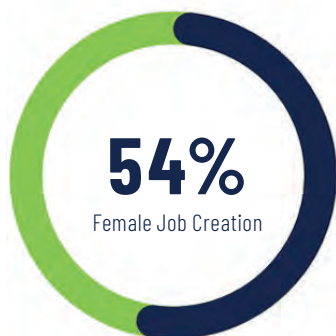
In June 2022, 300 trees were planted in our project San Isidro. Students from the Instituto Nacional Francisco Ariel Najarro, a local high school, were invited to collaborate with this activity. Also, the Municipality of San Isidro representatives, community members, and the MPC team joined this activity. San Isidro project provided the trees and space for the plantation and organized all logistics.

JOB CREATION

Following our commitment to local stakeholder engagement, the Fund encourages locals to apply to the open job positions in our projects. In 2022, 51% were permanent job positions in our projects located in Costa Rica, El Salvador, Mexico, and the Dominican Republic. Most of the temporary positions were in the Dominican Republic, during the land clearance for Monte Plata

Phase II. In our local stakeholder engagement, our commitment is encouraging locals to apply for open job positions for our projects. As part of the construction plan, we encourage the participation of the locals for the available job positions via job fairs and information in the local media.

Social Impact - Job Creation

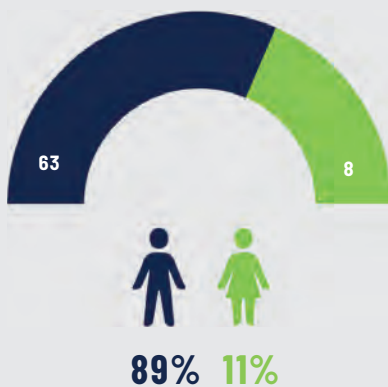


138

Jobs Positions Created

- + Dominic Republic 101
- + Jamaica 16
- + Costa Rica 16
- + El Salvador 5

Permanent Jobs



Temporary Jobs Created



GRIEVANCES

In 2022, a total of two grievances were opened, in Paradise Park, Jamaica. As of the end of 2022, the investigation to close the grievances continued. The rest of the projects in the portfolio did not report grievances in 2022.

	2022
Number of grievances received	2
Number of grievances addressed and resolved	0

Governance

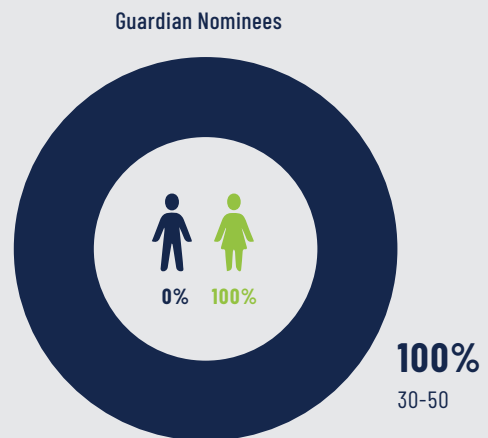
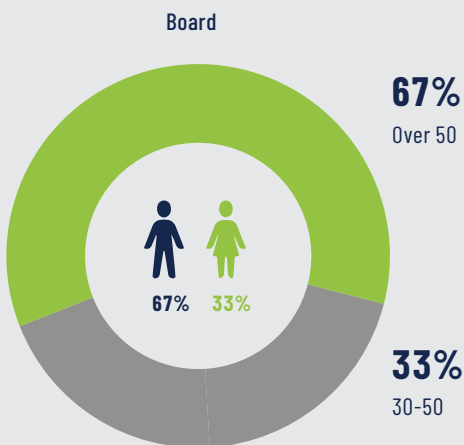
CORPORATE GOVERNANCE AND RESPONSIBILITIES

As of December 31st, 2022, the Board is composed of three directors: Fernando Zúñiga, Alastair B. Dent, Lisl Betinna Lewis, and the company Guardian Nominees (Barbados) Limited, which has four directors: Gayle A. Hutchinson Jan D. Scantlebury, María A. Alleyne, and Shelly-Anne N. Smith. Fernando Zúñiga is a 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 MPCCEL. 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. Corporate governance details and responsibilities of the Board are presented in the introductory sections of this report.

DIVERSITY OF THE BOARD

The Board and the company Guardian nominees represent three different nationalities: Barbadian, British, and Mexican. The three directors are one female (33%) and two male (67%), from which two are over 50 years old (67%) and one between 30 and 50 years old. The company Guardian Nominees are all females under 30 years old.





ESG Goals for 2023

- + Identify main stakeholders of MPC CCEL
- + Conduct a materiality assessment following GRI Standards
- + Create the first ESG report in accordance with GRI Standards
- + Create a Sustainable Value Strategy
- + Revise and update (if needed) the corporate governance policies and procedures:
 - MPC Caribbean Clean Energy Limited Code of Conduct.
 - MPC Caribbean Clean Energy Limited Corporate Governance Policy
 - MPC Caribbean Clean Energy Limited Corporate Disclosure Policy
 - MPC Caribbean Clean Energy Limited Remuneration and Audit Committee Charter
- + Establish a whistleblowing mechanism
- + Training 100% of MPC Capital employees who provide Asset Management Services in the Code of Conduct of MPC CCEL.

PROJECT HIGHLIGHTS OF 2022

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.”

Martin Vogt, Managing Director of MPC Capital GmbH

Paradise Park - Jamaica

- + The generation for 2022 was 81.14 GWh. Compared to the budget, the generation for 2022 was 5.45% lower than the target (85.80 GWh).
- + Performance ratio during 2022 was 75.24%. Compared to the guaranteed performance ratio, this is 2.15% lower (77.39%). The performance was negatively affected by MV transformer oil leakages but improved during the second half of 2022 after repairs were done.
- + Accumulated irradiation during 2022 was 2,059 kWh/m², 0.69% lower than forecast (2,074 kWh/m²).

USD 9.0 cents per kilowatt-hour

versus USD 21.1 cents per kilowatt-hour average electricity price in Jamaica



50,009 tonnes

Of carbon emissions (CO₂)
were avoided in 2022



81,138,452 kWh

Green power
produced in 2022

Tilawind - Costa Rica

- + The generation for 2022 was 66.36 GWh. Compared to the budget, the generation for 2022 was 18.58% lower than the target (81.50 GWh).
- + Performance index during 2022 was 95.50%. Compared to the target performance index, this is 4.03% lower (99.50%).
- + Average wind speed during 2022 was 8.57 m/s, 18.78% lower than forecast (10.55 m/s).

USD 9.2 cents per kilowatt-hour

versus USD 16.2 cents per kilowatt-hour average electricity price in Costa Rica



1,596 tonnes

Of carbon emissions (CO₂)
were avoided in 2022



66,360,815 kWh

Green power
produced in 2022

San Isidro – El Salvador

- + The generation for 2022 was 11.04 GWh. Compared to the budget, the generation for 2022 was 5.71% lower than the target (11.74 GWh).
- + Performance ratio during 2022 was 78.61%. Compared to the target performance ratio, this is 0.36% lower (78.97%).
- + Accumulated irradiation during 2022 was 2,214 kWh/m², 1.03% higher than forecast (2,191 kWh/m²).

USD 11.1 cents per kilowatt-hour

versus USD 15.0 cents per kilowatt-hour average electricity price in El Salvador



1,926 tonnes

Of carbon emissions (CO₂)
were avoided in 2022



11,040,790

Projected green power
produced in 2022

Monte Plata – Dominican Republic

- + The generation for 2022 was 45.33 GWh. Compared to the budget, the generation for 2022 was 10.59% lower than the target (51.50 GWh).
- + Performance index during 2022 was 74.5%. Compared to the target performance index, this is 6.9% lower (79.9%).
- + Accumulated resource during 2022 was 1,859, 3.42% lower than forecast (1,931 kWh/m²).

USD 9.14 cents per kilowatt-hour

versus USD 11.0 cents per kilowatt-hour average electricity price in Dominican Republic



19,089 tonnes

Of carbon emissions (CO₂)
were avoided in 2022



45,334,758 kWh

Projected green power
produced in 2022

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, 2022. The audited financial statements of the Investment Company are available to shareholders of the Company 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.

As of December 31st 2022, 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, Trinidad and Tobago 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 USD 4.2 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 Investment Company has strategically targeted a wider regional area including Central American countries that potentially allows it to offer a significantly more attractive investment opportunities. This is reflected in an increased interest in renewable energy assets in the region, which is also reflected in the trend towards innovative technologies such as energy storage and energy efficiency projects.

One of the key supporting factor 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.

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 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.

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. The Company aims for an annual dividend and the dividend policy is subject to review from time to time by the Board.

RESULTS OF OPERATIONS

As of December 31st, 2022, 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, 2022 the Company has 21,666,542,160 issued 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 subject to approval by the AGM. Previously, the convertible promissory note was due in March 2023, however both parties mutually agreed to extend the maturity of the promissory note for an additional 3 years, to 31st of March 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 loss on investment in MPC Caribbean Clean Energy Fund LLC of USD 1,997,679 during the relevant period in 2022 and incurred a total operating expenses amount of USD 187,651. As a result, the net comprehensive loss of the Company for the year ended 2022 is USD 2,185,330. The Investees of the Investment Company, Tilawind, Paradise Park, San Isidro and Monte Plata earned combined asset based revenues of USD 21.62 million resulting in an EBITDA of USD 15.46 million (on 100% shareholding basis) or a pro-rated EBITDA of USD 5.09 million considering the actual shareholdings of the Investment Company and the Company respectively.

At the end of 2022, the Company held USD 164,442 cash at the bank and reported accumulated deficit of USD 1,379,106 compared to retained earnings of USD 806,224 in 2021.

In 2022, the expenses of the Company were slightly lower than 2021. The lower amount was driven by additional administrative compensation amount that was accumulated throughout 2019 and 2020 to 2021 which is not effecting 2022. Moreover, in 2022, the Company incurred less extraordinary expenses.

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 within financial expectations in 2022.

The asset portfolio of the Investment Company was further diversified with the acquisition of the Monte Plata project. The valuation results of San Isidro has been negatively affected due to the recent increase of default risk in El Salvador. The fair value adjustments for Tilawind were also unfavorable, however these unrealized losses have been partly offsetted from the valuation gains of Monte Plata.

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, 2022

The Convertible Promissory Note had a maturity date of 3 years expiring on the 31st of March, 2023. The parties had discussed and reached a mutual agreement in March 2023 to extend the maturity by an additional 3 years, to the 31st of March 2026, keeping all other Terms and Conditions of the original Note.

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 three 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 unfavorable 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 particular sector. Consequently, there is no guarantee that there will be a sufficient number of attractive investments available to the Investment Company, and that the Investment Company will be able to invest fully all of 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



Our wind farm Tilawind, located in Tilarán in the Guanacaste province in Costa Rica.

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 of 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, yieldcos, 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.

FORWARD-LOOKING STATEMENTS

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.





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

REMUNERATION OF THE BOARD DIRECTORS


For the period ended December 31st, 2022, each independent director who is a natural person received its remuneration of USD 10,000 p.a., covering work related to both Board representation and sub-committee participation. Guardian Nominee as corporate director received a basic remuneration of USD 7,000. Additionally, special efforts may be charged on an hourly rate. Executive Director and Board member has waived its 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.

Barbados, 2023
The Board of Directors of MPC Caribbean Clean Energy Limited


Fernando Zúñiga
Chairman of the Board


Alastair B. Dent
Director


Lisl Bettina Lewis
Director


**Guardian Nominees
(Barbados) Limited**
Director

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.

AUDITED FINANCIAL STATEMENTS

MPC CARIBBEAN CLEAN ENERGY LIMITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED DECEMBER 31, 2022

MPC CARIBBEAN CLEAN ENERGY LIMITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED DECEMBER 31, 2022

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Chairman’s Report to the Shareholders

Year Ended December 31st, 2022

Dear Shareholders,

On behalf of the board of directors, I am pleased to present the audited financial statements of MPC Caribbean Clean Energy Limited (Company or MPCCEL) for the year ended December 31st, 2022.

Review of the year

With the successful integration of the asset in the Dominican Republic, the Monte Plata I solar park, into the portfolio, an important milestone in the organic growth of the asset portfolio was reached.

The expansion of the regional presence and thus, the active contribution to the transformation of the regional energy mix away from fossil fuels towards decarbonization and electrification across all sectors was implemented in accordance with the corporate strategy.

The Company continues to be on a stable growth path. The asset portfolio with an installed capacity of 112 megawatts (MW) showed an operational and financial underperformance that was primarily caused by adverse weather conditions and lower than projected resource availability, which continued during the entire year of 2022. Nevertheless, the capacity expansion increased the total annual energy production by 11% compared to 2021. It should be mentioned that the acquisition of the Monte Plata I solar park took place in May 2022 and is therefore only relevant to the result from this month.

The significant increases in revenues and EBITDA in 2022 compared to 2021 are primarily the result of portfolio expansion. EBITDA results have increased by 28.5% compared to 2021.

Portfolio Highlights

KPI	Full Year 2022	Full Year 2021
EBITDA	USD 5,691,845	USD 4,427,801
Energy Output Variation ¹	-11.65%	-3.84%
Weighted Average Availability ²	99.15%	97.19%

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 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.



Financial Summary for 2022

Since the inception of the Company, the value of the investment in MPC Caribbean Clean Energy Fund LLC grew in scale, such that its fair value at the end of 2022 was \$28.6 million. However, due to the ongoing global macroeconomic environment incl. increasing interest rates, it is inevitable that the fair value estimation of the assets is exposed to adjustments. As a result of increasing cost of equity, the fair value of the portfolio of the Investment Company has been negatively affected in 2022 and following the results of the audit, the accounting treatment of the fair value of the investment in MPC Caribbean Clean Energy Fund LLC has been adjusted due to the impact of transactions and balances within the structure of various holding companies, however, it is a pure accounting calculation effect and the Company believes in a steady growth of the investment portfolio in the future.

As a result of changes in unrealized loss on investment in the Investment Company of \$1,997,679 compared to unrealized gains of \$888,442 reported in Q4 2022 unaudited interim financial statements, the Company reports a net comprehensive loss of \$2.2 million and basic loss per share of \$0.1 as of year end 2022.

Moreover, the financial results of MPC Caribbean Clean Energy Limited for the year end December 31st, 2022, indicate lower administrative expenses incurred in 2022 compared to 2021. The main driver is a reduction in extraordinary costs compared to previous years since its inception.

Environmental, Social, and Governance

MPCCEL integrates environmental, social and governance matters into its investment process. The Company aims to enhance the positive impacts and minimize any negative effects that could be caused by the projects in the portfolio.

In 2022, the assets in our portfolio avoided approximately 72,592.08 tons of CO₂eq, 15% more than in 2021 (63, 538.38 tCO₂eq). The increase is due to the acquisition of Monte Plata I solar park during 2022.

In 2022, a full ESIA (Environmental and Social Impact Assessment) was executed for Monte Plata Phase II. During the ESIA, two protected species of flora were identified in the area of influence. A relocation management plan was created to protect the trees of these two species to mitigate any negative impacts.

MPCCEL continues its commitment and efforts in sustainable value creation, working together with the local communities where the assets are located. For instance, in 2022, donations of 50 LED street lights (US\$10,000) were made to the municipality of San Isidro, El Salvador. The LED lamps light one of the main roads in the community, which is used by many people to commute to their jobs. The lights contribute to increasing citizen security and diminishing crime risks and at the same time LED is far more efficient than the current lighting representing savings for the municipality.

Outlook

The Company and RBC Investment Management (Caribbean) Limited ("RBC") agree on an extension of the term for the Convertible Promissory Note. The current maturity date of the note is due on 31st of March 2023 and the extension period agreed between both parties is an additional three years with the new maturity date due on 31st March 2026.

The Company's outlook is strongly linked to the projected resource availability in the region (meaning wind and solar resources). The first forecasts for 2023 are positive and experts assume that the La Nina phenomena will phase out in mid-2023. This should therefore result in a higher production potential compared to the previous year.



Another production-limiting factor for the solar PV asset San Isidro has been the operating inverters in 2022. The completion of replacement of all installed inverters, which started at the end of 2022, will be completed in Q1 2023 which will result in high availability and unrestricted production.

With the planned expansion of the solar PV assets in Dominican Republic Monte Plata Phase II with a targeted additional capacity of 40.5 MWp, the financial close with the senior lenders FMO and DEG and the start of the essential construction work are expected for Q2 2023.

At the same time, preparatory construction work is progressing, which should lead to a shortening of the construction work. The commissioning of the expanded solar park with a final total output of around 74 MWp is planned for Q2 2024.

A handwritten signature in blue ink that reads 'José Fernando Zúñiga'.

Fernando Zúñiga
Chairman of the Board of Directors



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www.bdo.bb

BDO Barbados
The Gables Haggatt Hall
St. Michael BB11063
Barbados

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
MPC Caribbean Clean Energy Limited

Opinion

We have audited the financial statements of MPC Caribbean Clean Energy Limited (the "Company"), which comprise the statement of financial position as of 31 December, 2022, and the statement of comprehensive income, statement of changes in net assets attributable to shareholders and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December, 2022, 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' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our 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.

Responsibilities of the Directors for the Financial Statements

The Directors are 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, the Directors are 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 Directors are responsible for overseeing the Company's financial reporting process.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

Investments in MPC Caribbean Clean Energy Fund LLC

As of 31 December, 2022 the Company held investments in MPC Caribbean Clean Energy Fund, LLC ("MPC CCEF") that are measured at fair value through profit or loss which totaled USD 28,576,293 and represent 153.42% of the net assets attributable to shareholders. As required by IFRS 10.31, the Company has reflected the 85.69% ownership in MPC CCEF at fair value through profit or loss.



INDEPENDENT AUDITOR'S REPORT (continued)

To the Shareholders of
MPC Caribbean Clean Energy Limited

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.
- 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 those charged with governance 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.



INDEPENDENT AUDITOR'S REPORT (continued)

To the Shareholders of
MPC Caribbean Clean Energy Limited

Other Information

The Directors are responsible for the other information presented with the financial statements. The other information comprises the information included in the Chairman's report to the Shareholders and the Director / Officer Shareholding / Top 10 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.

Other Matter

This report has been prepared for and only for the MPC Caribbean Clean Energy Limited and its shareholders in accordance with the terms of our engagement letter dated 3 October, 2022 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

A handwritten signature in blue ink that reads 'BDO Barbados'.

Barbados
31 March, 2023

A long, horizontal, curved handwritten flourish in blue ink that starts under the date and extends to the right.



MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Financial Position


As at December 31, 2022
(Expressed in United States dollars)

	<u>NOTE</u>	<u>2022</u> USD	<u>2021</u> USD
Assets			
Cash and cash equivalents		164,442	316,174
Prepayments		12,417	8,602
Investment in MPC Caribbean Clean Energy Fund LLC, at fair value through profit or loss	3, 4	28,576,293	30,573,972
Total assets		<u>28,753,152</u>	<u>30,898,748</u>
Liabilities			
Accruals		27,000	19,500
Accounts payable		77,825	45,591
Due to related party	5	21,654	21,654
Convertible promissory note	6	<u>10,000,000</u>	<u>10,000,000</u>
Liabilities (excluding net assets attributable to shareholders)		<u>10,126,479</u>	<u>10,086,745</u>
Net assets attributable to shareholders		<u>18,626,673</u>	<u>20,812,003</u>
Represented by:			
Share capital	7	20,005,779	20,005,779
(Accumulated Deficit)/ Retained Earnings		<u>(1,379,106)</u>	<u>806,224</u>
		<u>18,626,673</u>	<u>20,812,003</u>

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

Approved and authorised for issue by the Board of Directors on March 31, 2023



By: Guardian Nominees (Barbados) Limited
Title: Director
Per: Jan D. Scantlebury / Shelly-Anne N. Yarde


By: Jose Fernando Zuniga Galindo
Title: Chairman

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Comprehensive Income

For the financial year ended December 31, 2022
(Expressed in United States dollars)

	<u>NOTE</u>	<u>2022</u> USD	<u>2021</u> USD
Investment income			
Net change in unrealized loss on investment in MPC Caribbean Clean Energy Fund LLC	4	(1,997,679)	1,347,254
Total investment (loss)/ income		<u>(1,997,679)</u>	<u>1,347,254</u>
Expenses			
Administrative fees		61,776	62,550
Advertising costs		34,921	14,310
Insurance expense		20,819	17,493
Directors' fees		19,083	18,500
Audit fee		18,375	23,375
Administrative compensation		12,030	37,709
Accountancy fees		8,600	8,600
Legal & professional fees		6,174	17,972
Bank charges		3,873	2,816
Corporate fees		1,500	1,500
License fees		500	500
Total expenses		<u>187,651</u>	<u>205,325</u>
Comprehensive (loss) / income before taxation		<u>(2,185,330)</u>	<u>1,141,929</u>
Taxation		-	-
Net comprehensive (loss) / income		<u>(2,185,330)</u>	<u>1,141,929</u>
		USD	USD
Basic (loss) / earnings per share	8	(0.10)	0.05

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

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Changes in Net Assets Attributable to Shareholders

For the financial year ended December 31, 2022
(Expressed in United States dollars)

	Class A Share Capital USD	Class B Share Capital USD	Retained Earnings / (Accumulated Deficit) USD	Total USD
Balance as at December 31, 2020	1	20,005,778	(335,705)	19,670,074
Net comprehensive income for the year	-	-	1,141,929	1,141,929
Balance as at December 31, 2021	1	20,005,778	806,224	20,812,003
Net comprehensive loss for the year	-	-	(2,185,330)	(2,185,330)
Balance as at December 31, 2022	1	20,005,778	(1,379,106)	18,626,673

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, 2022
(Expressed in United States dollars)

	<u>2022</u>	<u>2021</u>
	USD	USD
Cash flows from operating activities		
Net comprehensive (loss) / income for the year	(2,185,330)	1,141,929
Investment purchases	-	(10,000,000)
Adjustments for non-cash income and expenses:		
Net change in unrealized gain/ loss on investment in MPC Caribbean Clean Energy Fund LLC	1,997,679	(1,347,254)
Changes in operating assets and liabilities:		
Increase in prepayments	(3,815)	(3,935)
Increase / (decrease) in accruals	7,500	(12,281)
Increase in accounts payable	32,234	41,874
Net cash used in operating activities	<u>(151,732)</u>	<u>(10,179,667)</u>
Net decrease in cash and cash equivalents	<u>(151,732)</u>	<u>(10,179,667)</u>
Cash and cash equivalents at the beginning of the year	316,174	10,495,841
Cash and cash equivalents at the end of the year	<u>164,442</u>	<u>316,174</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, 2022
(Expressed in United States dollars)

Note 1 – COMPANY BACKGROUND

MPC Caribbean Clean Energy Limited (the "Company") was incorporated on November 8, 2017, under the laws of Barbados and operates 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 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. At December 31, 2022 and 2021, 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 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

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2022
(Expressed in United States dollars)

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are presented in USD (United States Dollars), which is the functional currency of the Company and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") circulated by the International Accounting Standards Board ("IASB"). The financial statements are prepared on a going concern basis which anticipates that the Company will be able to realize 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.

2.2 Use of accounting estimates

The preparation of financial statements in conformity with IFRS 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

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 United States Dollars "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 recognized 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.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2022
(Expressed in United States dollars)

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 change in unrealised gain/(loss) on investment in MPC CCEF.

The Company classifies its investment in MPC CCEF at fair value through profit or loss ("FVTPL"). Cash and cash equivalents 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. The Company includes in this category accounts payable, due to related party, convertible promissory note and net assets attributable to shareholders.

(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.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2022
(Expressed in United States dollars)

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Distributions

Proposed distributions to holders of redeemable participating shares are recognised in the statement of changes in net assets attributable to shareholders 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 Directors.

2.8 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.

2.9 Expense recognition

Accounts payables are recognized initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.10 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.

2.11 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 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 2022 and 2021.

2.12 New and revised accounting standards

There are a number of new and revised accounting standards that became effective for periods beginning on January 1, 2022. None of these had a significant impact on the Company's financial statements.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

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(Expressed in United States dollars)

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.

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.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

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(Expressed in United States dollars)

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

The following table analyses, within the fair value hierarchy, the Company's assets and liabilities measured at fair value as at December 31, 2022 and 2021.

2022	Level 1	Level 2	Level 3	Total
	USD	USD	USD	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
2021				
	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial instruments measured at fair value through profit or loss				
Investment in MPC CCEF	-	-	30,573,972	30,573,972
	-	-	30,573,972	30,573,972

The following table analyses the changes in the Company's Level 3 assets as at December 31, 2022 and 2021.

	2022	2021
	USD	USD
At January 1	30,573,972	19,226,718
Additional investment	-	10,000,000
Fair value adjustment	(1,997,679)	1,347,254
At December 31	<u>28,576,293</u>	<u>30,573,972</u>

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.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2022
(Expressed in United States dollars)

Note 4 – INVESTMENT ACTIVITIES (Continued)

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

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

In June 2021, MPC CCEF, through CARE, entered into a share purchase agreement by which it has acquired 72.794% of the total share capital of Electronic J.R.C. S.R.L., a company incorporated and existing under the laws of the Dominican Republic (the “Project”) through its direct minority holding (1 share) in the Project as well as its indirect holding, through a Spanish holding company, Monte Plata Solar Holding, Sociedad Limitada (“ETVE”). The Project consists of two phases, Phase I of the Project has a module capacity of approx. 33,389.40 kWp (“Phase I”) and was completed on the 9th of May 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 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, 2022 an unrealised loss of USD 1,997,679 was recorded in the statement of comprehensive income (2021: unrealised gain of USD 1,347,254).

Note 5 – RELATED PARTY BALANCES AND TRANSACTIONS

The following transactions were carried out with related parties:

(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.

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

	<u>2022</u>	<u>2021</u>
	USD	USD
At January 1	21,654	21,654
At December 31	<u>21,654</u>	<u>21,654</u>

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2022
(Expressed in United States dollars)

Note 5 – RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) Key management compensation

Total remuneration to the Board of Directors and other members of key management (including salaries and benefits) for the year ended December 31, 2022 was USD 19,083 (2021: USD 18,500).

Note 6 – CONVERTIBLE PROMISSORY NOTE

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 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.

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).

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 Directors may deem appropriate.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

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(Expressed in United States dollars)

Note 7 – SHARE CAPITAL (Continued)

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. 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.

On November 8, 2019, the Company opened a renounceable rights issue where existing shareholders in Trinidad and Tobago and Jamaica 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, net of underwriting costs and administrative expenses, were invested into MPC CCEF. As at December 31, 2022 and 2021, there are 21,666,542 Class B redeemable participating and voting shares without par value in issue.

At the statement of financial position date, 1 Class A share and 21,666,542 Class B shares were subscribed and fully paid.

The Class A Share (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).

Note 8 – EARNINGS PER SHARE

Earnings per share:	2022	2021
	USD	USD
Net (loss) / income before tax	(2,185,330)	1,141,929
Weighted average shares	21,666,542	21,666,542
	(0.10)	0.05
(Loss) / earnings per share for (losses) / profit attributable to the Class B shareholders of the Company		
Diluted earnings per share:		
Shares in issue	21,666,542	21,666,542
Hypothetical promissory note conversion	10,000,000	10,000,000
Weighted average shares	31,666,542	31,666,542
(Loss) / earnings per share for (losses) / profit attributable to the Class B shareholders of the Company	(0.07)	0.04

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2022
(Expressed in United States dollars)

Note 9 – DISTRIBUTIONS RECEIVED AND PAID

No distributions were made during the years ended December 31, 2022 and 2021.

Note 10 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support its operational activities and maximize 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 minimize 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.

- 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 Bylaws.

- 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's direct exposure to interest rate risk is on cash balances. Interest rate risk on cash is not considered to be significant for the Company therefore no sensitivity analysis has been prepared.

- 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. If the market prices increase or decrease by 10% with all other variables held constant, the value of investment would increase or decrease by USD 2,857,629 (2021: USD 3,057,397) as a result of gains or losses on the investment designated as FVTPL.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

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Note 11 – RISK MANAGEMENT (CONTINUED)

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.

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, 2022, some of the Company's financial assets potentially expose it to credit risk. The extent of the Company's 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 does not expect any losses as a result of this concentration of credit risk.

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.

All of the Company's financial liabilities fall due within one year.

Note 12 – SUBSEQUENT EVENTS

In March 2023, the Company reached a tentative agreement with RBC Investment Management (Caribbean) Limited ("RBC") regarding an extension of the term for the Convertible Promissory Note. The original maturity date was on March 31, 2023 and the extension period is agreed for 3 additional years.

From January 1, 2023 to the date of the audit report, there were no other significant events to be disclosed.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Director/Officer Shareholding / Top 10 Shareholders

MPC CARIBBEAN CLEAN ENERGY LIMITED
TOP 10 SHAREHOLDINGS
As at December 31st, 2022

	Name	Joint Holder/ Connected interest	Volume	Percentage
1	TEACHERS CREDIT UNION CO-OPERATIVE SOCIETY LIMITED	-	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 LIMITED	-	1,000,000	4.62%
6	MF&G ASSET MANAGEMENT LTD. - JAMAICA INVESTMENTS FUND TRUSTEE, JA. INVESTMENT (INCOME & GROWTH) FUND	-	822,000	3.79%
7	MPC CARIBBEAN CLEAN ENERGY FEEDER LIMITED	-	691,821	3.19%
8	NCB INSURANCE CO. LTD. A/C WT157	-	429,000	1.98%
9	SAGICOR EQUITY FUND	-	384,610	1.78%
10	JAMAICA MONEY MARKET BROKERS LTD FM10	-	321,000	1.48%

MPC CARIBBEAN CLEAN ENERGY LIMITED
DIRECTOR SHAREHOLDINGS
As at December 31st, 2022

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

