

# **MPC CARIBBEAN CLEAN ENERGY LIMITED**

**Unaudited Financial Statements for the  
Quarter ended June 30, 2023  
and Compilation Report**

# **MPC CARIBBEAN CLEAN ENERGY LIMITED**

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## Chairman’s Report to the Shareholders

Second Quarter June 30<sup>th</sup>, 2023

To the Shareholders of MPC Caribbean Clean Energy Limited,

On behalf of the Board of Directors, we present the unaudited financial statements of MPC Caribbean Clean Energy Limited (**the Company or MPCCEL**) for the quarter ended June 30<sup>th</sup>, 2023.

### Summary of the quarter

During the second quarter of this year, the overall financial performance is relatively stable, with Tilawind wind farm reporting significantly higher revenues throughout the period and San Isidro meeting its revenue budget. Conversely, Paradise Park and Monte Plata Phase I were affected by technical limitations that negatively affected technical performance and sales of electricity. However, various actions have already been initiated to improve asset performance, such as corrective maintenance of defective components in PV modules and increase in the frequency of some preventive maintenance routines that will ensure timelier responses instead of reactions through corrective maintenance.

The pro-rated EBITDA result at the Company level increased by approximately 21% compared to the second quarter of 2022.

From an environmental, social, and governance (ESG) point of view, the Investee Companies continued engaging with local communities of the respective projects. One community engagement activity was executed in Tilawind. Local environmental consultants for Tilawind and San Isidro visited the projects to monitor the environmental management programs, and for Paradise Park, several actions were implemented to close recommendations made during last year’s ESG audit and the Wood Operational Monitoring, E&S, and End of Warranty reviews were completed in Q2. In Monte Plata, an E&S committee was created to monitor the E&S topics for both project phases. Regarding occupational health and safety, one close-call event was reported in June in Monte Plata I, no injuries or fatalities were registered in the projects, and no grievances were reported either. The four operational assets avoided 21,812.63 of tCO<sub>2</sub> emissions equivalent.

### Portfolio Highlights

KPI	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022
EBITDA	USD 1,885,700	USD 1,491,099	USD 4,403,572	USD 3,697,117
Energy Output Variation <sup>1</sup>	-2.89%	-14.77 %	-4.45%	-8.27%
Weighted Average Availability <sup>2</sup>	99.05%	99.50%	99.30%	99.09%

The table above shows all figures on a pro-rated basis reflecting the Company’s economic interest in the underlying asset portfolio. The asset performance for Q2 2023 was as follows:

<sup>1</sup> Note: The Energy Output Variation is calculated as an accumulated difference of the actual generated energy (kWh) and the forecast (P50) energy output for the relevant period. P50 is essentially a statistical level of confidence and basis for our predicted energy generation.

<sup>2</sup> Note: Availability is defined as the percentage of time during a month that the wind turbine is operations-ready and available to produce power. This is independent of whether enough wind is available for the wind turbine to produce power. Regarding solar parks, it is the proportion of time that the is operations-ready and usable to produce power over a specified time period.

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

Paradise Park | Solar Park | Jamaica

Revenues during the second quarter of 2023 were below the forecast by 4.84%, in line with lower energy production. Losses of performance (PR plus Availability) correlate to the O&M technical unavailability and an overestimation of budget compared to contractual PR and events excluded from the contractual PR and/or Availability calculations (i.e., lightning strikes, grid faults). Therefore, EBITDA for Q2 2023 is 6.07% below budget, mostly due to technical performance.

Tilawind | Wind Farm | Costa Rica

The energy production was 5.61% above budget due to favorable weather conditions in April and May 2023, and as a result, revenues for the second quarter were 9.44% above budget. The OPEX was below budget by 14.13% resulting in a positive EBITDA of 14.70% above the forecast during the second quarter of 2023. Moreover, the electricity tariff will increase by 1.21% according to the new resolution of ARESEP (Autoridad Reguladora de Servicios Públicos) starting in Q3 2023.

San Isidro | Solar Park | El Salvador

Electricity generation was 6.61% below the budget, which can be attributed to lower irradiation results and some downtime due to the AC wire replacement by the EPC and O&M. Nevertheless, the negative result of electricity generation was slightly offset by higher electricity prices, and therefore, the revenues were 4% below the budget in Q2 2023 but meeting its budgeted value compared to YTD (0.75% above the budget). The reported OPEX amount was higher by 109% due to the land lease payments being amortized over the 12-month period compared to the actual cashflow that occurred in April 2023. However, the positive effect of SWAP payment made in Q2 2023 created additional income and therefore the project reported a positive EBITDA (39.72%) at the end of the second quarter of 2023.

Monte Plata I | Solar Park | Dominican Republic

Although still below budget, asset performance shows a better performance than the same months of last year, with a tendency to improve in the last quarter. This can be attributed to the resource improvement and support the assumption that module degradation is not exponential. However, revenues were 9.44% below forecast due to the lower production generated because of technical limitations. The OPEX amount was significantly higher (28.73%) due to postponed payments which were settled during the second quarter of 2023. Therefore, EBITDA was 19.30% below budget for the reporting period.

**Outlook**

The Investment Advisor is focusing on the financial close of Monte Plata Phase II and the start of full-scale construction activities. Currently, Limited Notice to Proceed has been executed and the construction activities have started. With the financial close expected to occur in Q3-Q4 2023, the Notice to Proceed to the EPC company will be issued and construction activities will be expedited.



Fernando Zuniga  
Chairman of the Board of Directors

MPC CARIBBEAN CLEAN ENERGY LIMITED  
TOP 10 SHAREHOLDINGS  
As at June 30<sup>th</sup>, 2023

	Name	Joint Holder/ Connected interest	Volume	Percentage
1	TEACHERS CREDIT UNION CO-OPERATIVE SOCIETY	-	5,448,301	25.15%
2	SAGICOR POOLED EQUITY FUND	-	4,192,300	19.35%
3	SAGICOR BALANCED FUND	-	2,307,690	10.65%
4	JN FUND MANAGERS LIMITED FOR JN POOLED PENSION LOCAL EQUITY FUND	-	1,494,428	6.90%
5	DEVELOPMENT BANK OF JAMAICA	-	1,000,000	4.61%
6	MF&G TRUST & FINANCE LTD - A/C 57	-	822,000	3.79%
7	CARIBBEAN CLEAN ENERGY FEEDER LIMITED	-	691,821	3.19%
8	NCB INSURANCE CO. LTD. A/C WT157	-	429,000	1.98%
9	SAGICOR EQUITY FUND	-	384,610	1.77%
10	JAMAICA MONEY MARKET BROKERS LTD FM10	-	321,000	1.48%

MPC CARIBBEAN CLEAN ENERGY LIMITED  
DIRECTOR SHAREHOLDINGS  
As at June 30<sup>th</sup>, 2023

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

## COMPILATION REPORT

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

We have compiled the accompanying statements of MPC Caribbean Clean Energy Limited based on information you have provided. These financial statements comprise the statement of financial position of MPC Caribbean Clean Energy Limited as at June 30, 2023, the statement of comprehensive loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in preparation and presentation of these financial statements in accordance with International Financial Reporting Standards ("IFRS"). We have compiled with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

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

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

TRIDENT CORPORATE SERVICES (BARBADOS) LIMITED

August 10, 2023

**MPC CARIBBEAN CLEAN ENERGY LIMITED**

**Statement of Financial Position**

As at June 30, 2023

(Expressed in United States dollars)

	<u>NOTES</u>	<u>Unaudited Quarter ended 30-Jun-23</u>	<u>Unaudited Quarter ended 30-Jun-22</u>	<u>Audited Year ended 31-Dec-22</u>
<b>Assets</b>				
Investment in MPC Caribbean Clean Energy Fund LLC, at fair value		28,576,293	30,573,972	28,576,293
Cash and cash equivalents		70,573	225,702	164,442
Prepayments		35,659	34,709	12,417
Other receivables		12,333		
<b>Total Assets</b>		<u>28,694,858</u>	<u>30,834,383</u>	<u>28,753,152</u>
<b>Liabilities</b>				
Accruals		34,500	23,250	27,000
Accounts payable		99,887	59,870	77,825
Due to related party	5	21,654	21,654	21,654
Convertible promissory note payable	6	10,000,000	10,000,000	10,000,000
<b>Liabilities (excluding Net Assets Attributable to Shareholders)</b>		<u>10,156,041</u>	<u>10,104,774</u>	<u>10,126,479</u>
<b>Net Assets Attributable to Shareholders</b>		<u>18,538,817</u>	<u>20,729,609</u>	<u>18,626,673</u>
<b>Represented by:</b>				
Share capital		20,005,779	20,005,779	20,005,779
Retained earnings/ (Accumulated deficit)		(1,466,962)	723,830	(1,379,106)
		<u>18,538,817</u>	<u>20,729,609</u>	<u>18,626,673</u>

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

Approved by the Board of Directors on 10th day August, 2023.

 

By: Guardian Nominees (Barbados) Limited  
Director

Per:

Gayle A. Hutchinson/Jan D. Scantlebury

Title: Directors



By: Jose Fernando Zuniga Gallindo

## MPC CARIBBEAN CLEAN ENERGY LIMITED

### Statement of Comprehensive Loss

For the period ended June 30, 2023

(Expressed in United States dollars)

	NOTES	Unaudited		Unaudited		Audited
		30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	Year ended 31-Dec-22
<b>Investment Income</b>						
Net change in unrealized gain on investment in MPC Caribbean Clean Energy Fund LLC		-	-	-	-	(1,997,679)
<b>Total investment (loss)</b>		-	-	-	-	(1,997,679)
<b>Expenses</b>						
Accountancy fees		2,000	2,600	4,000	4,600	8,600
Administrative compensation		-	12,030	-	12,030	12,030
Administrative fees		18,664	11,814	37,962	25,239	61,776
Advertising		6,462	13,583	11,323	17,416	34,921
Audit fee		-	-	-	-	18,375
Bank charges		1,115	1,129	2,440	1,945	3,873
Corporate fees		375	375	750	750	1,500
Directors' fees		5,500	4,625	11,000	9,250	19,083
Insurance expense		4,572	6,298	9,707	10,232	20,819
Legal & professional fees		10,233	682	10,425	682	6,174
Licence fees		125	125	250	250	500
<b>Total Expenses</b>		<b>49,045</b>	<b>53,261</b>	<b>87,856</b>	<b>82,394</b>	<b>187,651</b>
<b>Comprehensive (loss) before Taxation</b>		<b>(49,045)</b>	<b>(53,261)</b>	<b>(87,856)</b>	<b>(82,394)</b>	<b>(2,185,330)</b>
Taxation		-	-	-	-	-
<b>Net Comprehensive (loss)</b>		<b>(49,045)</b>	<b>(53,261)</b>	<b>(87,856)</b>	<b>(82,394)</b>	<b>(2,185,330)</b>
<b>Basic (loss) / earnings per share</b>	<b>4</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.10)</b>
<b>Weighted average number of shares</b>		21,666,542	21,666,542	21,666,542	21,666,542	21,666,542

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



**MPC CARIBBEAN CLEAN ENERGY LIMITED**  
**Statement of Changes in Net Assets Attributable to Shareholders**  
**For the period ended June 30, 2023**  
(Expressed in United States dollars)

	Number of shares	Class A share capital	Class B share capital	Retained Earnings/ Accumulated deficit	Total
<b>Balance at January 1, 2022</b>	21,666,542	1	20,005,778	806,224	20,812,003
Comprehensive loss for the period	-	-	-	(82,394)	(82,394)
<b>Balance as at June 30, 2022</b>	<b><u>21,666,542</u></b>	<b><u>1</u></b>	<b><u>20,005,778</u></b>	<b><u>723,830</u></b>	<b><u>20,729,609</u></b>
<b>Balance at January 1, 2022</b>	21,666,542	1	20,005,778	806,224	20,812,003
Comprehensive loss for the year	-	-	-	(2,185,330)	(2,185,330)
<b>Balance as at December 31, 2022</b>	<b><u>21,666,542</u></b>	<b><u>1</u></b>	<b><u>20,005,778</u></b>	<b><u>(1,379,106)</u></b>	<b><u>18,626,673</u></b>
<b>Balance at January 1, 2023</b>	21,666,542	1	20,005,778	(1,379,106)	18,626,673
Comprehensive loss for the period	-	-	-	(87,856)	(87,856)
<b>Balance as at June 30, 2023</b>	<b><u>21,666,542</u></b>	<b><u>1</u></b>	<b><u>20,005,778</u></b>	<b><u>(1,466,962)</u></b>	<b><u>18,538,817</u></b>

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

**MPC CARIBBEAN CLEAN ENERGY LIMITED****Statement of Cash Flows****For the period ended June 30, 2023**

(Expressed in United States dollars)

	<b>Unaudited</b>		<b>Audited</b>
	<b>Six months ended</b>		<b>Year ended</b>
	<b>30-Jun-23</b>	<b>30-Jun-22</b>	<b>31-Dec-22</b>
<b>Cash flows (used in) from operating activities</b>			
Net comprehensive loss for the period	(87,856)	(82,394)	(2,185,330)
Adjustments for non-cash income and expenses:			
Net change in unrealized gain on investment in MPC Caribbean Clean Energy Fund LLC	-	-	1,997,679
Increase in prepayments	(23,242)	(26,107)	(3,815)
(Increase) in other receivables	(12,333)		
Increase in accounts payable	22,062	14,279	7,500
Increase in accruals	7,500	3,750	32,234
<b>Net cash used in operating activities</b>	<b>(93,869)</b>	<b>(90,472)</b>	<b>(151,732)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(93,869)</b>	<b>(90,472)</b>	<b>(151,732)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>164,442</b>	<b>316,174</b>	<b>316,174</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>70,573</b>	<b>225,702</b>	<b>164,442</b>

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

# MPC CARIBBEAN CLEAN ENERGY LIMITED

## Notes to the Financial Statements

For the period ended June 30, 2023

(Expressed in United States dollars)

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### 1. General Information

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

The Company's registered number is:- 42056

The Company's registered office address is:-

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

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

### 2. Summary of Significant Accounting Policies

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

### 3. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with International Accounting Standards 34 - Interim Financial Statements. The interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

### 4. Loss per share

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

	<b>Period ended 30-Jun-23</b>	<b>Period ended 30-Jun-22</b>
Net loss attributable to ordinary shareholders	(87,856)	(82,394)
Weighted average number of shares	21,666,542	21,666,542
Loss per share	(0.00)	(0.00)

## MPC CARIBBEAN CLEAN ENERGY LIMITED

### Notes to the Financial Statements

For the period ended June 30, 2023

(Expressed in United States dollars)

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

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

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

#### 5. Related Party Balances and Transactions

The following transactions were carried out with related parties:

##### Due to related party

The loan from the related party is unsecured, interest free, has no stated terms of repayment and includes: (i) Payments of fees by MPC Capital GmbH on behalf of the Company during the period ended December 31, 2020 and the related balances payable by the Company to MPC Capital GmbH as at December 31, 2020, and (ii) Directors fees (per agreements with Directors).

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

	<b>Six months ended 30-Jun-23</b>	<b>Six months ended 30-Jun-22</b>
At January 1	21,654	21,654
Related party payments of expenses	-	-
Reimbursement payments to related party	-	-
At June 30	<u>21,654</u>	<u>21,654</u>

#### 6. Long-term convertible promissory note payable

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

At maturity, March 31, 2026, if the principal sum of the note remains unpaid, the note will be converted into Class B shares of the Company at the rate of one Class B share for every one United States dollar (USD1) of the principal sum of the note held by the Holder. Such conversion will be subject to approval by a majority of the shareholders of the Company at a general meeting of the shareholders.