

Dear Shareholders,

We are pleased to present you with a synopsis of the first year of operations of the MPC Caribbean Clean Energy Limited (Company or MPCCEL). It was a year of establishing, growth and expansion.

YEAR IN REVIEW

On 14 January 2019, the Company was listed on both the Jamaican and Trinidad and Tobago Stock Exchanges. The IPO successfully raised 6,033,740 USD in the Jamaican Market and another 5,390,420 USD in the Trinidad & Tobago Market. Some of the largest investors in the IPO include the Development Bank of Jamaica, funds managed by Sagicor Group Jamaica Limited and the Teachers Credit Union of Trinidad and Tobago. Following an obligatory know your customer (KYC) process, conducted by Walkers Compliance and Regulatory Services Limited, MPCCEL was accepted as an investor member in MPC Caribbean Clean Energy Fund LLC (CCEF or the Fund) on 28 March 2019.

The deferred underwriting costs of 2018, in the amount of 177,864 USD, associated with the listing of the Company on both the TTSE and JSE, have been activated in the first quarter of 2019.

In 2019 the expenses of the Company exceeded the approved budget by approximately 24,000 USD (+13%). The additional expenses are related to some increased administrative costs attributable to the implementation phase of several services. The budget for the regular course of business of around 188,000 USD, approved for 2019, was found to be an accurate forecast for the related activities in 2020. As an investor member, the Company participated in the first distribution of the Fund. In line with the distribution policy of MPCCEL, the board of directors approved a distribution amounting to 1,014,877 USD on 30 August and were distributed on 27 September 2019.

The underlying assets, Tilawind and Paradise Park of the Company's investment in the Fund met its operational and financial expectations in 2019. At the end of the year, Tilawind exceeded its forecasted energy production by 2.3%. Paradise Park started commercial operations in June 2019 and reached its target energy production and sales levels after a start-up phase in November 2019. We emphasize, that at the peak of its construction activities, the project employed more than 300 personnel. Over 70 per cent of workers were from Jamaica, mainly from the surrounding communities. Paradise Park was recognized by the Caribbean Renewable Energies Forum (CREF), in September 2019 as the "Best Utility Scale Solar Park" of 2019.

In the fourth quarter the Company was seeking to increase the share capital by issuing new Class B shares through a renounceable Rights Issue in November 2019. The Rights Issue was subsequently closed on 10 January 2020 and 10,242,382 of new Class B shares at 1.00 USD per share were issued and listed.

AUDITOR'S REVIEW

During the auditor's review of the financial statement made, they were not able to obtain sufficient evidence to support the valuation gains, which have been reported previously. The valuations on which the previous valuation gains have been reported, have been compiled by an independent accredited valuation company. Due to the structure of the Fund, which invests predominantly through shareholder loans instead of equity, the lack in valuation gains caused, the distributions received in September 2019, which have been funded by shareholder loans, had to be reclassified from dividend income to a capital repayment. Based on this, the distribution of the company to the Shareholders has been reclassified to a capital repayment. However, no impairment was recognized on the underlying investment. The deviations from the fourth quarter unaudited financial statement presented in the beginning of the year show now an income of 272,407 USD instead compared to previous 1,893,063 USD, resulting in an accumulated deficit of 197,402 USD compared to previous 408,377 USD retained earnings. Due to the reclassifications of distributions received as well as distributions paid, the investment in the Fund was adjusted from 11,528,186 USD to 9,907,530 USD and the share capital was adjusted from 11,120,204 USD to 10,105,327 USD.

BUDGET

The budget for the regular course of business approved for 2019 was found to be a good estimate and was only slightly adjusted. Adjustments had to be made due to increased listing fees as well as increasing costs of marketing / sponsoring. Therefore, the directors approved a budget over 193,000 USD for 2020.

INCOME

In the past year an income amounting to 272,407 USD was accounted for. The reported income reflects the company's share in the income reported by the Fund.

In 2019, the ultimate investment companies of Tilawind and Paradise Park earned combined asset based revenues of 10.96 million USD resulting in a EBITDA of 7.22 million USD (on 100% shareholding basis).

ENVIRONMENT AND SOCIAL GOVERNANCE ACTIVITIES AND INITIATIVES

A series of contributions were made during the year to the communities such as the donation of 4 million JMD (30,700 USD) by Paradise Park to the hospital of Savannah La Mar during the inauguration of the Project in October. This will be used to finance the purchase of a picture achieving and communication system, allowing for improved efficiency of the hospital's x-ray analysis.

Tilawind aims to make donations to cultural activities and schools located in the vicinity of the wind farm as part of its ESG plan. In 2019, the project supported local cultural events such as the festivity of San Antonio de Padua and the Christmas celebrations in the municipality of Tilarán by donating food with a total value of 8,000 USD.

2020 OUTLOOK

After a satisfactory KYC process, MPCCEL will make a second investment into the Fund. The investment will equal the net proceeds raised in the Rights Issue minus liquidity reserves. A Question and Answer session will be organized in the fourth quarter of this year for the interested public, including shareholders and analysts.

Respectfully Yours,
For and on behalf of the Company


Jose Fernando Zuniga Galindo
Deputy Chairman of the Board of Directors

MPC CARIBBEAN CLEAN ENERGY LIMITED
Financial Statements for the Financial Year
ended December 31, 2019

Statement of Financial Position

As at December 31, 2019

(Expressed in United States dollars)

2019

2018

ASSETS

Investment in MPC Caribbean Clean Energy Fund LLC, at fair value

9,907,530

-

Cash and Cash Equivalents

89,436

403

Deferred underwriting costs

-

177,864

Prepayments

3,656

4,667

Total Assets

10,000,622

182,934

LIABILITIES AND SHAREHOLDER EQUITY

Current Liabilities

Accruals

31,884

159,715

Accounts payable

5,754

131,020

Due to related party

55,059

149,280

92,697

440,015

Shareholders' Equity

Share capital

10,105,327

1

Accumulated deficit

(197,402)

(257,082)

Total Equity

9,907,925

(257,081)

TOTAL LIABILITIES AND EQUITY

10,000,622

182,934

Approved and authorised for issue by the Board of Directors on 22nd day of June 2020

W. A. Smit

Guardian Nominees (Barbados), Limited

W. A. Smit

Amanda G. McKay, Directors

Jose Fernando Zuniga G.

Jose Fernando Zuniga Galindo, Chairman

Statement of Comprehensive Income

For the year ended December 31, 2019

(Expressed in United States dollars)

2019

2018

INVESTMENT INCOME

Net change in unrealized gain on investment in MPC Caribbean Clean Energy Fund LLC

272,407

-

272,407

-

EXPENSES

Accountancy fees

11,241

7,705

Adminstrative fees

42,676

14,419

Advertising Costs

34,985

-

Audit fee

18,000

15,000

Bank charges

3,926

1,076

Directors' fees

20,639

6,533

Entertainment

113

-

Legal & professional fees

54,726

205,282

Licence fees

500

500

Corporate fees

1,750

1,333

Insurance expense

21,663

-

Other expenses

2,508

-

Total expenses

212,727

251,848

Comprehensive Income/ (Loss) before Taxation

59,680

(251,848)

Taxation

-

-

Net Comprehensive Income/ (Loss)

59,680

(251,848)

USD

USD

Basic earnings/ (loss) per share

0.01

(251,848.00)

Statement of Changes in Shareholders' Equity

For the financial year ended December 31, 2019

(Expressed in United States dollars)

Class A Share Capital

Class B Share Capital

Accumulated Defici

Total Equity

Balance at 1 Jan 2018

1

-

(5,234)

(5,233)

Net comprehensive loss for the year

-

-

(251,848)

(251,848)

Balance as at December 31, 2018

1

-

(257,082)

(257,081)

Issuance of participating shares

-

11,120,203

-

11,120,203

Net comprehensive income for the year

-

-

59,680

59,680

Distributions

-

(1,014,877)

-

(1,014,877)

Balance as at December 31, 2019

1

10,105,326

(197,402)

9,907,925

Statement of Cash Flows

For the financial year ended December 31, 2019

(Expressed in United States dollars)

2019

2018

CASH FLOWS FROM OPERATING ACTIVITIES

Net comprehensive income/(loss) for the year

59,680

(251,848)

Adjustments for non-cash income and expenses:

Purchase of on investment in MPC Caribbean Clean Energy Fund LLC

(10,650,000)

-

Net change in unrealized gain on investment in MPC Caribbean Clean Energy Fund LLC

(272,407)

-

Distribution received

1,014,877

-

Changes in operating assets and liabilities:

Decrease/(increase) in prepayments

1,011

(3,084)

Decrease/(increase) in deferred underwriting cost

177,864

(177,864)

(Decrease)/increase in accounts payable

(125,266)

130,715

(Decrease)/increase in accruals

(127,831)

157,178

(Decrease)/increase in due to related party

(94,221)

145,306

Net cash (used in) from operating activities

(10,016,293)

403

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of redeemable shares

11,120,203

-

Distribution paid

(1,014,877)

-

Net cash from financing activities

10,105,326

-

Net increase in cash and cash equivalents

89,033

403

Cash at the beginning of the year

403

-

Cash at the end of the year

89,436

403

The full financial statements are available on