# MPC CARIBBEAN CLEAN ENERGY

To the Shareholders of MPC Caribbean Clean Energy Limited,

On behalf of the Board of Directors of MPC Caribbean Clean Energy Limited (MPCCEL or the Company), we present the unaudited interim financial statements for the quarter ended September 30th, 2023.

**SUMMARY OF THE QUARTER**

Despite the newly arrived El Niño climate pattern, the projects within the Investment Company portfolio experienced some production losses during the third quarter of the year. This can be attributed to maintenance activities, such as scheduled blade repairs of the wind farm, Tilawind. The repairs were purposefully scheduled for this time of the year to take advantage of the lower wind resource and lower energy tariff and prepare the wind farm to take better advantage of the high wind season which starts in mid to late November. Similarly, San Isidro undergone some emergency and planned maintenance activities, however, the generation results were almost in line with the budgeted values. The operational issues related to inverters and medium voltage transformers at the solar park in Jamaica, caused unavailability and reduction in energy production, however, various actions were taken to successfully solve these issues on site. Moreover, a technician from the equipment manufacturer will visit the plant in November to complete an inspection. Lastly, the issue with potentially defective PV modules and lower resource had a negative impact on the energy production of Monte Plata solar park.

From an environmental, social, and governance (ESG) perspective, the Investee Companies continued their engagement with the local communities of their respective projects. Some community engagement activities took place in Tilawind and Monte Plata. Local environmental consultants visited the projects in Tilawind, Monte Plata, and San Isidro to monitor the environmental management programs. Moreover, several actions were implemented to address the recommendations made during last year's ESG audit of Paradise Park. As per the Wood Operational Monitoring, E&S, and End of Warranty review findings, an external security consultant company completed the security audit in August. The relevant management plan is now being updated as per the recommendations.

In Monte Plata, an E&S consultant was appointed to ensure compliance with environmental and social standards for Phase II, with an additional role of engaging with local stakeholders.

Regarding occupational health and safety, no injuries or fatalities were reported in any of the projects and one grievance was received for Monte Plata Phase II which is currently under review and management by the ESG committee. Additionally, the four operational assets collectively contributed to the reduction of 20,060.28 tons of CO2 equivalent emissions during the third quarter of 2023.

**PORTFOLIO HIGHLIGHTS**

| KPI | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 |
|---|---|---|---|---|
| EBITDA | USD 1,159,104 | USD 926,913 | USD 5,303,264 | USD 4,624,030 |
| Energy Output Variation[1] | -8.32% | -21.94% | -6.71% | -13.08% |
| Weighted Average Availability[2] | 96.67% | 99.16% | 98.42% | 99.15% |

**PARADISE PARK | SOLAR PARK | JAMAICA**

Due to operational issues, the energy generation was 6.32% below the forecast. As a result, total revenues for the period were also below the budget (-6.77%). In contrast, the reported OPEX was 11.47% below the budget mainly due to savings on purchasing of spare parts. Consequently, EBIDTA closed 5.43% below the budget at the end of Q3 2023.

**TILAWIND | WIND FARM | COSTA RICA**

Recognized energy production was 9.12 % below budget due to planned maintenance activities which are usually scheduled during the low tariff and wind season. In line with lower energy sales, revenues for the third quarter were 8.28% below budget. OPEX slightly exceeded the budget by 1.6% and therefore, EBITDA was 34.93% lower than the budget for Q3 2023.

**SAN ISIDRO | SOLAR PARK | EL SALVADOR**

The generation of the quarter was in line with the solar resource seen over the same period (1.25% more irradiation than expected). The slight production deviation (-2.40%) from the budget can be explained by plant disconnections by the grid operator. The plant was disconnected three times during the third quarter, which is required for various maintenance activities. The final acceptance of the plant with the EPC contactor was signed in August 2023. Moreover, due to a higher tariff, the revenues for Q3 2023 exceeded the budget by 1.57%. The OPEX was 14% below the budget and EBIDTA closed at +8% at the end of Q3 2023.

**MONTE PLATA I | SOLAR PARK | DOMINICAN REPUBLIC**

The technical issue related to PV modules and significantly lower resource availability in August were the causes of lower production (-15.14%) during the third quarter of the year. As expected, this effect had an impact on lower revenues from energy sales, which are reported to be 15.8% below forecast. Nevertheless, OPEX costs were significantly lower (-45.99%) due to savings on various budget assumptions and postponed payments and consequently, EBITDA was 10.42% below the budget for the reporting period.

**OUTLOOK**

The Investment Advisor together with the Company's legal counsels from various jurisdictions started to implement the contemplated reorganization structure promptly after obtaining the Shareholders' Approval at the Annual General Meeting held on May 30th, 2023, and the necessary documentation is currently being finalized. However, due to the complexity and involvement of many jurisdictions, the process is taking longer than initially anticipated, but expected to be finalized by the end of Q1 2024.

In addition, the financial close of Monte Plata Phase II project is targeted for Q4 2023 and simultaneously, the beginning of construction activities would immediately take place.

José Fernando Zúñiga G.

**Jose Fernando Zúñiga Gallindo**
Chairman of the Board of Directors

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 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.

## MPC CARIBBEAN CLEAN ENERGY LIMITED
## Unaudited Financial Statements for the Quarter ended September 30, 2023

### Statement of Financial Position
### As at September 30, 2023
(Expressed in United States dollars)

| in USD | Unaudited Nine months ended 30-Sep-23 | Unaudited Nine months ended 30-Sep-22 | Audited Year ended 31-Dec-22 |
|---|---|---|---|
| **Assets** | | | |
| Investment in MPC Caribbean Clean Energy Fund LLC, at fair value | 28,576,293 | 30,573,972 | 28,576,293 |
| Cash and cash equivalents | 20,853 | 196,138 | 164,442 |
| Prepayments | 19,231 | 19,355 | 12,417 |
| Other receivables | 12,333 | - | - |
| **Total Assets** | 28,628,710 | 30,789,465 | 28,753,152 |
| **Liabilities** | | | |
| Accruals | 38,375 | 9,315 | 27,000 |
| Accounts payable | 88,715 | 69,223 | 77,825 |
| Due to related party | 21,654 | 21,654 | 21,654 |
| Convertible promissory note payable | 10,000,000 | 10,000,000 | 10,000,000 |
| **Liabilities (excluding Net Assets Attributable to Shareholders)** | **10,148,744** | **10,100,192** | **10,126,479** |
| **Net Assets Attributable to Shareholders** | **18,479,966** | **20,689,273** | **18,626,673** |
| **Represented by:** | | | |
| Share Capital | 20,005,779 | 20,005,779 | 20,005,779 |
| Retained earnings / (Accumulated deficit) | (1,525,813) | 683,494 | (1,379,106) |
| **Total** | **18,479,966** | **20,689,273** | **18,626,673** |

**Approved by the Board of Directors on the 5th day of October, 2023.**

By: Guardian Nominees (Barbados) Limited
Per: Gayle Hutchinson/Jan Scantlebury
Title: Directors

By: Jose Fernando Zuniga Galindo
Title: Chairman

### Statement of Comprehensive Loss
### For the period ended September 30, 2023
(Expressed in United States dollars)

| in USD | Unaudited Three months ended 30-Sep-23 | Unaudited Three months ended 30-Sep-22 | Unaudited Nine months ended 30-Sep-23 | Unaudited Nine months ended 30-Sep-22 | Audited Year ended 31-Dec-22 |
|---|---|---|---|---|---|
| **Investment Income** | | | | | |
| Net change in unrealized loss on investment in MPC Caribbean Clean Energy Fund LLC | - | - | - | - | (1,997,679) |
| **Total Investment (loss)** | **-** | **-** | **-** | **-** | **(1,997,679)** |
| **Expenses** | | | | | |
| Accountancy fees | 5 ,637 | 2,000 | 9,637 | 6,600 | 8,600 |
| Administrative compensation | - | - | - | 12,030 | 12,030 |
| Adminstrative fees | 11,120 | 15,933 | 49,082 | 41,172 | 61,776 |
| Advertising | 4,056 | 4,711 | 15,379 | 22,127 | 34,921 |
| Audit fee | 14,000 | 875 | 14,000 | 875 | 18,375 |
| Bank charges | 916 | 905 | 3,355 | 2,851 | 3,873 |
| Corporate fees | 375 | 375 | 1,125 | 1,125 | 1,500 |
| Directors' fees | 18,000 | 4,625 | 29,000 | 13,875 | 19,083 |
| Insurance expense | 4,622 | 5,294 | 14,329 | 15,526 | 20,819 |
| Legal & professional fees | - | 5,492 | 10,425 | 6,174 | 6,174 |
| Licence fees | 125 | 125 | 375 | 375 | 500 |
| **Total Expenses** | 58,851 | 40,335 | 146,707 | 122,730 | 187,651 |
| **Comprehensive (loss) before Taxation** | (58,851) | (40,335) | (146,707) | (122,730) | (2,185,330) |
| Taxation | - | - | - | - | - |
| **Net comprehensive (loss)** | **(58,851)** | **(40,335)** | **(146,707)** | **(122,730)** | **(2,185,330)** |
| **Basic (loss) / earnings per share** | **(0.00)** | **(0.00)** | **(0.01)** | **(0.00)** | **(0.10)** |
| **Weighted average number of shares** | 21,666,542 | 21,666,542 | 21,666,542 | 21,666,542 | 21,666,542 |

### Statement of Cash Flows
### For the period ended September 30, 2023
(Expressed in United States dollars)

| in USD | Unaudited Nine months ended 30-Sep-23 | Unaudited Nine months ended 30-Sep-22 | Audited Year ended 31-Dec-22 |
|---|---|---|---|
| **Cash flows (used in) from operating activities** | | | |
| Net comprehensive loss for the period | (146,707) | (122,730) | (2,185,330) |
| Adjustments for non-cash income and expenses: | | | |
| Net change in unrealized gain on investment in MPCCaribbean Clean Energy Fund LLC | - | - | 1 ,997,679 |
| Increase in prepayments | (6,814) | (10,753) | ( 3,815) |
| (Increase) in other receivables | (12,333) | - | - |
| Increase in accounts payable | 10,890 | 23,632 | 7,500 |
| Increase in accruals | 11,375 | (10,185) | 32,234 |
| **Net cash used in operating activities** | (143,589) | (120,036) | (151,732) |
| **Net decrease in cash and cash equivalents** | (143,589) | (120,036) | (151,732) |
| **Cash and cash equivalents at the beginning of the period** | 164,442 | 316,174 | 316,174 |
| **Cash and cash equivalents at the end of the period** | **20,853** | **196,138** | **164,442** |

The full financial statements are available on
**www.mpc-cleanenergy.com**

**NOTE 1 – COMPANY BACKGROUND**

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 Hili
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.

**NOTE 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.

### Statement of Changes in Net Assets Attributable to Shareholders
### For the period ended September 30, 2023
(Expressed in United States dollars)

| in USD | Number of shares | Class A share capital | Class B share capital | Retained Earnings / Accumulated deficit | Total |
|---|---|---|---|---|---|
| **Balance at January 1, 2022** | 21,666,542 | 1 | 20,005,778 | 806,224 | 20,812,003 |
| Comprehensive loss for the period | - | - | - | (122,730) | (122,730) |
| **Balance as at Sep 30, 2022** | **21,666,542** | **1** | **20,005,778** | **683,494** | **20,689,273** |
| **Balance at January 1, 2022** | 21,666,542 | 1 | 20,005,778 | 806,224 | 20,812,003 |
| Comprehensive loss for the year | - | - | - | (2,185,330) | (2,185,330) |
| **Balance as at December 31, 2022** | **21,666,542** | **1** | **20,005,778** | **(1,379,106)** | **18,626,673** |
| **Balance at January 1, 2023** | 21,666,542 | 1 | 20,005,778 | (1,379,106) | 18,626,673 |
| Comprehensive loss for the period | - | - | - | (146,707) | (146,707) |
| **Balance as at September 30, 2023** | **21,666,542** | **1** | **20,005,778** | **(1,525,813)** | **18,479,966** |