



MPC CARIBBEAN CLEAN ENERGY LIMITED

ANNUAL REPORT 2019

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CHAIRMAN'S REPORT

Dear Shareholders,

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, 2019.

Year in review

On 14 January 2019, the Company was listed on both the Jamaican (**JSE**) and Trinidad and Tobago Stock Exchanges (**TTSE**). The initial public offering (**IPO**) successfully raised USD 6,033,740 in the Jamaican Market and another USD 5,390,420 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, the Company was accepted as an investor member in MPC Caribbean Clean Energy Fund LLC (**Investment Company**) on 28 March 2019. The deferred underwriting costs of 2018, in the amount of USD 177,864, 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 USD 24,000 (+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 USD 188,000, 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 Investment Company. In line with the distribution policy of the Company, the Board approved a distribution amounting to USD 1,014,877 on 30 August, which was distributed on 27 September 2019.

The underlying assets, Tilawind and Paradise Park of the Company's investment in the Investment Company 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.

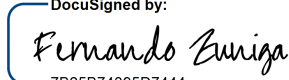
In the fourth quarter the Company was seeking to increase the share capital by issuing new Class B shares through a renounceable Rights Issue in November 2019. The Rights Issue was subsequently closed on 10 January 2020 and 10,242,382 of new Class B shares at USD 1.00 per share were issued and listed.

2020 Outlook

After a satisfactory KYC process, the Company will make a second investment into the Investment Company. The investment will equal the net proceeds raised in the Rights Issue minus liquidity reserves.

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

Respectfully Yours,
For and on behalf of the Company

DocuSigned by:

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Chairman of the Board of Directors
Fernando Zúñiga

THE BOARD OF DIRECTORS

The Board of the Company as of December 31st, 2019 comprises of six (6) directors as follows:

Name	Position
Gerard A. Borely	Director & Chairman of the Board
Fernando Zúñiga	Director, Executive Director
A. Mark D. Hart	Director
Alastair B. Dent	Director
Steven Marston	Director
Guardian Nominees (Barbados) Limited	Director

Mr. Gerard A. Borely

Chairman of the Board, Independent Non-Executive Director & Chairman of the Audit and Remuneration Committees

Mr. Borely is a Qualified Fellow of the Association of Certified Chartered Accountants (United Kingdom) and a Registered member of the Institute of Chartered Accountants of Trinidad and Tobago.

Mr. Borely is currently the CEO of Caribbean LED Lighting Inc. and has had a distinguished career wherein he has held the following posts:

- CEO Barbados, Eastern Caribbean, British Virgin Islands & the Turks Caicos Islands
- CFO LIME / Cable & Wireless Caribbean Operations
- Managing Director – Corporate Banking at CIBC FirstCaribbean International Bank
- Chief Financial Officer (FirstCaribbean International Bank Limited)
- Manager – Assurance, Advisory and Business Services (AABS), Ernst & Young (Trinidad)
- During his career, Mr. Borely has held the following directorships:
- Director/Chairman of Audit Committee for Bahamas Telecommunication Company
- Director, Telecommunications Services of Trinidad and Tobago
- Director, FirstCaribbean International Bank (Jamaica) Limited
- Director, FirstCaribbean International Bank (Barbados) Limited

On the date of the compilation of this annual report, Mr. Gerard Borely is no longer a Director and Chairman of the Board of the Company effectively as of January 31st, 2020. As approved by the members of the Board, Mr. Fernando Zúñiga has been appointed as a new Chairman of the Board effectively February 1st, 2020.

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 Central America & Caribbean of MPC Renewables 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 10 years of experience in renewable energy with a strong focus on solar PV 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 and 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. Mr. Dent also had an intervening appointment as the Chief Financial Officer of London Life and Casualty Reinsurance Corporation during the continuum of his tenor at Ernst & Young.

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.

Mr. Anthony Mark Hart, J.P.

Independent Non-Executive Director

Mr. Hart is currently the Executive Chairman of Caribbean Producers (Jamaica) Limited, which is listed on the Junior Market Jamaica Stock Exchange (JSE), having previously served as its Chief Executive Officer from 2004 until early in 2011 and is also the founding and controlling shareholder of that company.

Mr. Hart began his career as the Managing Director of the Hart family's group of companies in 1982, eventually becoming Chairman and Chief Executive Officer in 1997.

Mr. Hart serves as Chairman of Cargo Handlers Limited, another JSE Junior Market listed company and Montego Bay Ice Company Limited, a JSE Main Market listed company.

Mr. Hart is a graduate of the University of Miami where he gained a Bachelor of Science degree in History and Motion Picture Film Production. He has also completed a program in Executive Education with focus on accounting and planning at Columbia University of New York.

Mr. Hart served as Chairman of the Airports Authority of Jamaica from 2007 - 2012 and he is currently a member of the boards of The We Care of Cornwall Regional Hospital, NMIA Airports Limited, The Port Authority of Jamaica, Montego Bay Freezone Company Limited, The Bank of Nova Scotia Jamaica Limited, Scotia Group Jamaica Limited, and Alpha Angels Investor Group. In the past he has served as a Director of JAMPRO, Dehring Bunting and Golding Limited (now Scotia Investments Limited), the American Chamber of Commerce of Jamaica, the Montego Bay Chamber of Commerce, First Life Insurance Company, Island Victoria Bank, The Tryall Club, Montego Bay Yacht Club, amongst others. Mr. Hart produced a documentary film, Rise Up. He is married to Dr. Candace Hart and together they have three children: Maya, Ethan and Cameron.

Mr. Steven Marston

Independent Non-Executive Director

Mr. Marston is the Chairman and CEO of CAC 2000 Limited. Mr. Marston has worked in the air conditioning and energy business for over 32 years. He is an engineer with a BSc. in Environmental Engineering (HVAC) from University of Strathclyde (1980) and MSc. in Energy Management and Policy from University of Pennsylvania (1984). He is also a graduate of the Owner President Management Program at Harvard Business School in 2009.

Mr. Marston worked in the renewable energy field for ten years (Ministry of Mining and Energy and Petroleum Corporation of Jamaica) and installed many of the initial solar systems in hospitals and hotels. He also worked in the sugar industry and installed a hydrous ethanol plant at Bernard Lodge along with other improvements that quickly

made it one of the most efficient sugar factories in Jamaica. He then went on to work as an energy consultant before being asked by ICD to take over the failing CAC and not only restored it to become Jamaica's largest HVAC company, while also helping to lead the construction arm of the Mechala Group, before leading a management buyout of CAC. Over the course of his tenure the company has achieved significant growth and development guided by his vision, experience and expertise and he led the company to a successful listing on the Junior Market of the Jamaica Stock exchange - the first, and still only, construction company to do so.

CAC continues to flourish under his leadership but he is also working assiduously on regional expansion, large projects and commercial energy solutions with the intention of making CAC the largest HVAC and alternative energy business in the Caribbean.

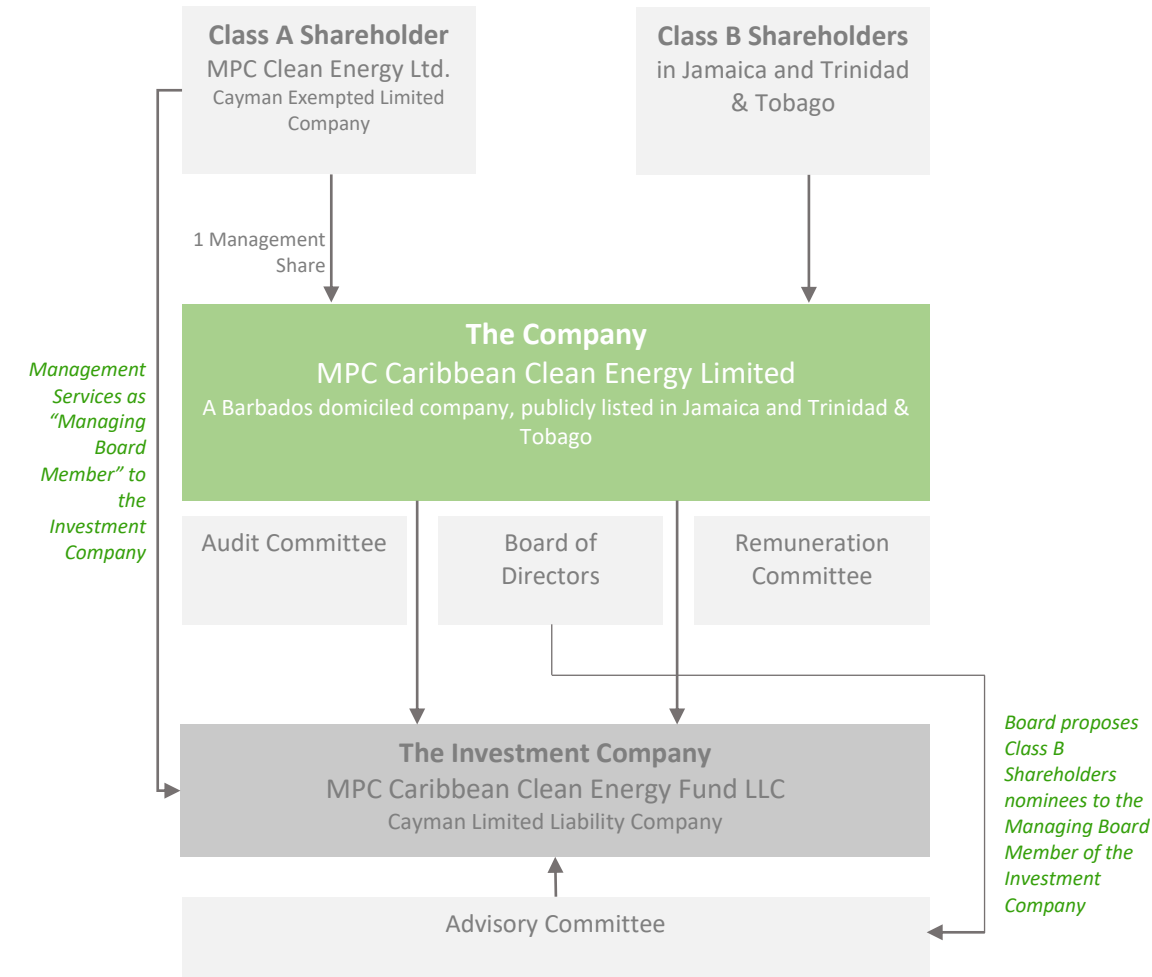
Guardian Nominees (Barbados) Limited

Independent Non-Executive Director & Member of the Audit and Remuneration Committees

Guardian Nominees (Barbados) Limited is a corporate director appointed by the Company in the interest of continuity on the Board and also 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 Willem A. Smit, Gayle A. Hutchinson and Amanda G. McKay.

ORGANIZATIONAL CHART

Structure of the organization of MPC Caribbean Clean Energy Limited:



CORPORATE DATA

The Company

MPC Caribbean Clean Energy Limited
Suite 1, Ground Floor, The Financial Services
Centre, Bishop's Court Hill, St. Michael,
Barbados, BB14004

Website: www.mpc-cleanenergy.com
Telephone Number: +1 246 621 0760

Email Address:
info@mpc-cleanenergy.com



Board of Directors

Gerard A. Borely
Fernando Zúñiga
Alastair Dent
Steven D. Marston
A. Mark D. Hart
Guardian Nominees
(Barbados) Limited

Trinidad and Tobago Attorneys to the Company

M. Hamel-Smith & Co., Attorneys-at-Law
Eleven Albion, Cor. Dere & Albion Streets,
Port of Spain, Trinidad

Website: www.trinidadlaw.com
Telephone Number: +1 868 299 0981
Email Address: mhs@trinidadlaw.com



Jamaica Attorneys to the Company

Hart Muirhead Fatta, Attorneys-at-Law
2ND Floor, The Victoria Mutual Building
53 Knutsford Blvd, Kingston 5, Jamaica W.I.

Website: <http://www.hmf.com.jm/>
Telephone Number: +1 876 929 9677
Email Address: info@hmf.com.jm



Auditor

BDO Barbados
The Gables, Haggatt Hall,
St. Michael,
Barbados, BB11063

Website: www.bdo.bb.com
Telephone Number: +1 246 435 2001



Bankers

CIBC FirstCaribbean International Bank
(Bahamas) Limited
Goodman's Bay Corporate Centre
West Bay Street



Nassau, Bahamas

Website: www.cibcfib.com

Telephone Number: +1 868 242 397 8201

Corporate Secretary

Trident Corporate Services (Barbados) Limited

Suite 1, Ground Floor
The Financial Services Centre
Bishops Court Hill, St Michael
Barbados BB14004



Website: www.tridenttrust.com

Telephone number: +1 246 621 0760

Email Address: AMckay@tridenttrust.com

Dentons Delany

Burnham Court
Bishop's Court Hill
Upper Collymore Rock
Barbados



Website: www.dentons.com

Telephone Number: +1 246 230 8330

Email Address: dustin.delany@dentons.com

TOP 10 SHAREHOLDERS OF THE COMPANY

As of December 31st, 2019:

Name	Joint Holder/ Connected interest	Volume	Percentage
TEACHERS CREDIT UNION CO-OPERATIVE SOCIETY	-	3,000,000	26.3%
SAGICOR POOLED FIXED INCOME		2,692,300	23.6%
CARIBBEAN CLEAN ENERGY FEEDER LIMITED		2,100,000	18.4%
DEVELOPMENT BANK OF JAMAICA		1,000,000	8.8%
SAGICOR BALANCED FUND		769,230	6.7%
JNBS PENSION TRUSTEES		623,000	5.5%
SAGICOR EQUITY FUND		384,610	3.4%
FINANCIAL ADVISORY SERVICES		100,000	0.9%
JN GENERAL INSURANCE COMPANY		100,000	0.9%
JN INDIVIDUAL RETIREMENT		76,000	0.7%

DIRECTOR'S HOLDINGS

As of December 31st, 2019:

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

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 has 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 guideline;
- Annually 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 fourth quarter of 2019 with the results as below:

Meeting Date	Attendees					
	Gerrard Borely	Fernando Zúñiga	Alastair Dent	Mark Hart	Steven Marston	Guardian Nominees
February 4th, 2019	✓	N/A	✓	✓		✓
June 17th, 2019	✓	✓	✓		✓	✓
July 26th, 2019	✓	✓	✓	✓		✓
October 26th, 2019			✓		✓	✓

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 irrespective 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 2019 the decisions by the Directors were made via telephone meetings, a round robin of electronic communication over various dates and a physical meeting that took place prior to the Annual General Meeting on June 17th, 2019.

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. In 2019, an Annual General Meeting took place in Barbados on June 17th with the quorum of shareholders present.

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
Gerard A. Borely	Chairman
Alastair Dent	Member
Guardian Nominees (Barbados) Limited	Member

AUDIT COMMITTEE

The Audit Committee assists the Board with oversight responsibilities in regards 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 regards 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
Gerard A. Borely	Chairman
Alastair Dent	Member
Guardian Nominees (Barbados) Limited	Member

CODE OF CONDUCT

Being a listed company, the Company thrives on the trust that our investors, customers, shareholders, business partners and the public have in the performance and integrity of our Company. That trust depends significantly on how we conduct ourselves. The Code of Conduct of MPC Caribbean Clean Energy Limited lays out the standards for our behavior, serving as binding guidelines for all our interactions. We expect employees to adhere to the Code of Conduct.

The Code of Conduct is based on our five corporate values. These shared values represent the essential foundation of our corporate culture. We practice them in our daily dealings with each other and in how we work with others.

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.

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 toward 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 believe 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS

Policies

MPC Caribbean Clean Energy Limited recognizes the importance of Environmental, Social and Governance (ESG) factors in making investment decisions as well as in the management of renewable energy assets. It takes into consideration that a proactive approach to ESG matters is vital for the protection and enhancement of the value of investments in the long term.

In August and on behalf of the Investment Company, MPC Renewable Energies GmbH (Investment Advisor) commissioned an international consultant to assist with the drafting of its Environmental and Social Management System (ESMS). The system (based on International Financial Corporation (IFC) standards) will be used to implement the Investment Company's Environmental, Social and Governance (ESG) framework at the Investment Company, portfolio and asset levels. Upon its completion that took place in Q1 of 2020, the entire Investment Advisor's team received training on the ESMS.

Some of the policy categories that constitute the foundation of the Investment Company's and therefore the Company's Environmental and Social Management System (ESMS) include:

- Environmental and Social
- Labor and Working conditions
- Health and Safety
- Community Relations
- Gender
- Corporate Governance and Responsibilities

They will be communicated to all stakeholders that are involved in the acquisition, realization, operations and management of the assets that comprise the Company. In addition, the ESMS will also be communicated to other stakeholders, such as shareholders, affected communities, and governments in countries where the Investment Company operates.

Environment and Social Governance activities and initiatives

In the first quarter, more than 315 personnel were employed at Paradise Park, of which more than 70 percent are local Jamaicans, making this the peak level of employment achieved in the project.

The Investment Company is committed to support the communities surrounding the assets as a way to increase the positive impact, beyond the environmental benefits that the renewable energies bring to the countries. A series of contributions were made during the year to the communities such as the donation of JMD 4 million (USD 0.31 million) to the hospital of Savannah La Mar during the inauguration of Paradise Park which will finance the purchase of a picture achieving and communication system, improving the efficiency of the hospital for its 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 USD 8,000. The wind farm helps to bring to life several projects of local schools by providing the necessary construction materials, some of the projects include the construction of a greenhouse that uses plastic waste for the children to grow vegetables, a playground and the repairs made to the roof in one of the schools so that the children have a safe space to learn.

APPLIED REPORTING GUIDELINES

On June 2018, the World Federation of Exchanges issued a Revised ESG Guidance and Metrics¹ in order to encourage listed companies around the globe to disclose ESG baseline indicators. MPC Caribbean Clean Energy Limited has embraced these recommendations and worked with applicable metrics selected based on a materiality approach guided by the definitions in the Global Reporting Initiative (GRI)².

For each dimension of ESG, the Company has applied a materiality assessment in order to determine relevant topics for reporting and disclosure by considering (i) the organization's impact on economic, environmental and social matters, and (ii) the importance of these matters to its stakeholders.

1. ENVIRONMENT

The environmental factors look at how the Company performs in relation to the quality and functioning of the natural environment and systems.

These factors include:

- Biodiversity losses
- Greenhouse gas (GHG) emissions
- Climate change
- Renewable energy
- Changes in land usage, among others.

Metric	Calculation	Result for Year 2019	Comment
Environmental Operations	Does your company follow a formal Environmental Policy? Yes, No	Yes	Comprised in the Investment Company's Environment and Social Management System and MPC Code of Conduct
	Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	Yes	Comprised in the Investment Company's Environmental and Social Management System
Environmental Oversight	Does your Board/ Management Team oversee and/or manage climate-related risks? Yes/No	Yes	
	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes	
Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	USD 10.65 million	For 2019, USD 10.65 million was invested in renewable energy assets

MPC Caribbean Clean Energy Limited is committed to take effective actions to mitigate climate change. In 2019, the Company has invested the IPO net proceeds of USD 10,650,000.00 for renewable energy infrastructure projects. The capital was invested into the Investment Company which subsequently holds ownerships in the two assets: Paradise

¹ https://www.world-exchanges.org/storage/app/media/research/Studies_Reports/WFE%20ESG%20Guidance%20June%202018.pdf

² <https://www.globalreporting.org/standards/>

Park solar park in Jamaica (51.5 MWp) and Tilawind wind farm in Costa Rica (21 MW). The oversight and management of climate related risks and sustainability issues are performed by the Company's Board before making an investment into the Investment Company.

2. SOCIAL

The social factors evaluate how a company manages the relationships with its employees, customers, suppliers, and the communities where it performs its operations. These factors include:

- Human rights
- Labor standards in the supply chain
- Workplace health and safety
- Diversity
- Relations with local communities, amongst others.

Metric	Calculation	Result for Year 2019	Comment
Gender Diversity	Percentage: Senior- and executive-level positions held by men and women	83%/ 0%	Board members, who also serve as executives, are five men and a company. The company, Guardian Nominees (Barbados) Limited has three directors, two of them are women
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes	Included in MPC Code of Conduct
Child & Forced Labor	Does your company follow a child and/or forced labor policy? Yes/No	Yes	Comprised in the Investment Company's Environmental and Social Management System.
	If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Yes	
Human Rights	Does your company follow a human rights policy? Yes/No	Yes	Comprised in the Investment Company's Environmental and Social Management and included in MPC Code of Conduct

3. GOVERNANCE

Governance deals with the relationship between a Company's management, its board, shareholders and other stakeholders. Factors include board structure, diversity, size, skills and independence, executive pay, shareholder rights, disclosure of information, business ethics, bribery and corruption, internal controls and risk management among others.

The Board as of December 31st 2019 is composed of four independent directors: Gerard A. Borely (Director & Chairman of the Board), Anthony Mark Hart, Alastair B. Dent and the company Guardian Nominees (Barbados) Limited which has three directors: Gayle A. Hutchinson, Amanda G. McKay and Willem A. Smit. Fernando Zúñiga, being a member of the Board and the Executive Director, represents the Company.

The Board has appointed a remuneration and an audit committee to evaluate management performance in light of the Company's goals and objectives and oversee the integrity of the company's financial statements and compliance with legal and regulatory requirements.

Metric	Calculation	Result for Year 2019	Comment
Board Diversity	Percentage: Total board seats occupied by men and women	83% / 0%	The board seats are occupied by five men and a company. The company, Guardian Nominees (Barbados) Limited has three directors, two of them are women.
	Percentage: Committee chairs occupied by men and women	67% / 0%	The committees' chairs are occupied by two men and the company Guardian Nominees (Barbados) Limited which has three directors and two of them are women.
Board Independence	Percentage: Total board seats occupied by independents	83%	
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	No	
Ethics & Anti-Corruption	Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes	Included in MPC Code of Conduct
Data Privacy	Does your company follow a Data Privacy policy? Yes/No	Yes	Included in MPC Code of Conduct
Sustainability Reporting	Does your company publish a sustainability report? Yes/No	No	
	Is sustainability data included in your regulatory filings? Yes/No	Yes	Sustainability data will be included in mandatory annual reports starting from reporting year 2018 onwards.
Disclosure Practices	Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	No	
	Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes	Comprised in the Investment Company's Environmental and Social Management System
	Does your company set targets and report progress on the UN SDGs? Yes/No	No	
External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	No	

COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS

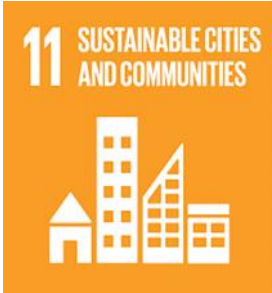
MPC Caribbean Clean Energy Limited recognizes the importance of the Sustainable Development Goals (SDGs) and its targets to end poverty, protect the planet and ensure prosperity by 2030. The Company generally supports all SDGs and will periodically review how they can be embraced through its corporate activities. Although, there are some SDGs that are inherent to the Company's core business activities, and, after performing an assessment in early 2019, the Company has committed to support the achievement of the following SDGs by integrating them in its day to day operation:

- Goal 5: Gender equality
- Goal 7: Affordable and clean energy
- Goal 8: Decent work and economic growth
- Goal 9: Industry innovation and infrastructure
- Goal 11: Sustainable cities and communities
- Goal 13: Climate action
- Goal 14: Life on land

From the above mentioned goals, the Company has prioritized the following SDGs considering:

- the Company's primarily investment in solar PV and wind projects,
- direct contribution to effective climate change mitigations by investing in renewable energy, and

- support of positive social and environmental links with the communities and land where the projects will take place.



PARADISE PARK - JAMAICA:

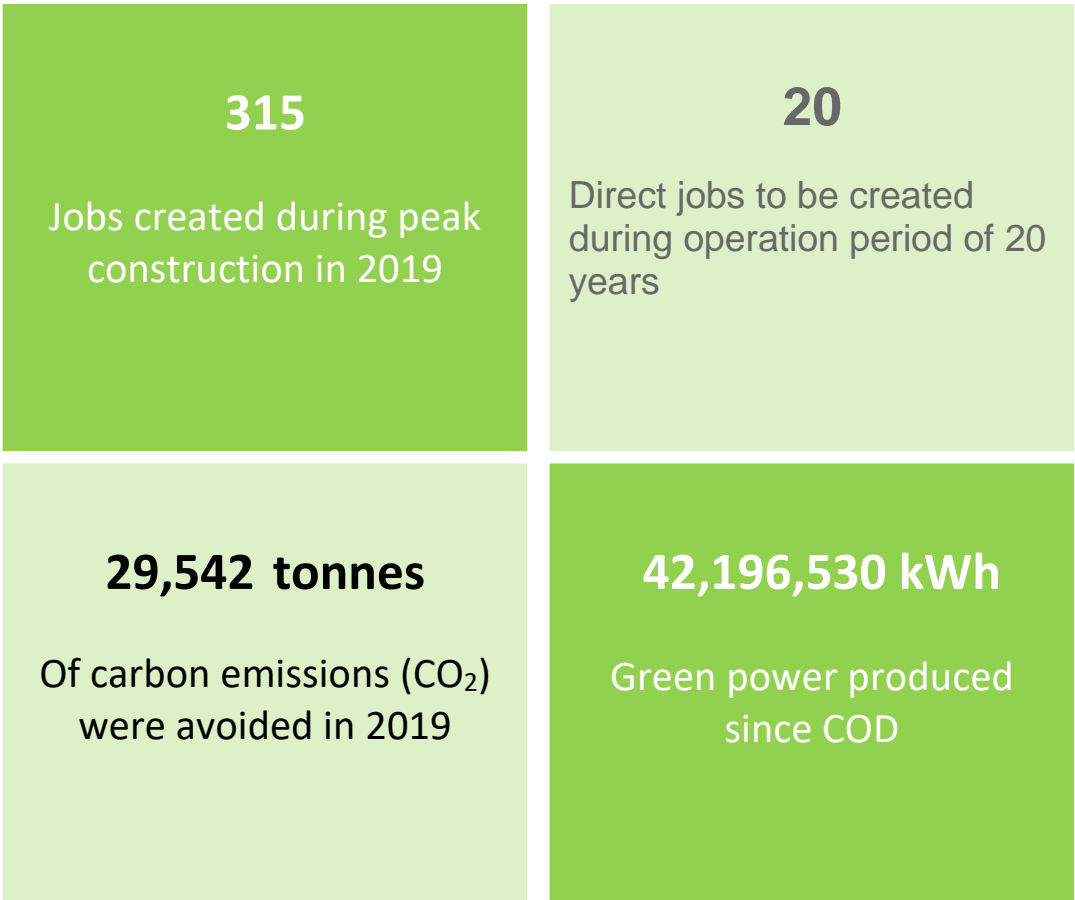
FOSTERING EMPLOYMENT AND COMMITMENT
TO THE ENVIRONMENT

CHEAPEST SOURCE OF ENERGY IN JAMAICA



USD 8.5 cents per kilowatt-hour

versus USD 25 per kilowatt-hour average electricity price in Jamaica³



³ Climatescope 2018 by Bloomberg NEF: <http://global-climatescope.org/results/JM#power-prices-and-lcoes>

TILAWIND - COSTA RICA:

CONTRIBUTING TO GREEN ENERGY
PRODUCTION WHILE REDUCING GREENHOUSE
GAS EMISSIONS (GHG)



**USD 8.8 cents per
kilowatt-hour**

versus USD 19.5 cents per kilowatt-hour
average electricity price in Costa Rica⁴

11

Permanent workers in
Costa Rica

0

Serious accidents since
commercial operations

3,209 tonnes

Of carbon emissions (CO₂)
were avoided in 2019

83,390,000 kWh

Green power generation in
2019

⁴ Climatescope 2018 by Bloomberg NEF: <http://global-climatescope.org/results/CR#power-prices-and-lcoes>

MANAGEMENT DISCUSSION AND ANALYSIS

The information contained in this section should be read in conjunction with the audited financial statements for the period ended December 31, 2019. 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.

With the approval of the TTSE, the share allotment in Jamaica and Trinidad and Tobago has been completed on January 11th, 2019. 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.

Throughout 2019, MPC Caribbean Clean Energy Limited invested a total amount of USD 10,650,000. 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 Renewable Energies 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 over USD 5 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 Caribbean region relies heavily on fossil fuel imports and thus has high corresponding electricity prices. With marked growth in the demand for energy, renewable sources are increasingly becoming an economical form of new electricity generation. According to CARICOM's Sustainable Energy Roadmap, its 15 members aim to install some 5.3 GW of clean energy over the next ten years, requiring investments of approximately USD 8.4 billion. The Investment Company has strategically targeted a wider regional area including Central American countries that potentially allows it to offer a significantly more attractive opportunity. Recently, there is more opportunities emerging for energy efficiency and energy storage in the region.

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. 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. Investments will not bear any development risks.

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 MW onshore 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.

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' and 'Tilawind' 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 such as 'Paradise Park' or 'Tilawind' 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, 2018, the holdings of shares in the capital of the Company (including legal and, where known to the Company, beneficial holdings) were solely with MPC Clean Energy Limited. The allotment of additional Class B shares upon closing of the IPO was completed after receiving approval from the TTSE on January 11th, 2019. Therefore, as of December 31st, 2019 the Company has 11,424,160 issued Class B shares that are traded on TTSE and JSE.

The Company became an investor member in the Investment Company on March 27th, 2019. The Investment Company made a capital call over USD 10,650,000 and the Company invested USD 10,650,000. The Company does not have any subsidiaries.

The Company generated income of USD 272,407 during the relevant period in 2019 with the operating expenses incurred amounting to USD 212,727 and as a result, the net income of the Company amounts to USD 59,680, which shows an increase from deficit declared in 2018. The investees of Tilawind and Paradise Park earned combined asset based revenues of USD 10.96 million resulting in a EBITDA of USD 7.22 million USD (on 100% shareholding basis) or a pro-rated EBITDA of USD 2.3 million considering the actual shareholdings of the Investment Company and the Company respectively.

At the end of 2019, the Company had USD 89,436 cash at the bank and the accumulated deficit for the period was USD 197,402 compared to USD 257,082 in 2018. Also, the share capital of the company currently stands at USD 10,105,327.

In 2019 the expenses of the Company exceeded the approved budget by approximately USD 24,000. The additional expenses are related to some increased administrative costs related to the implementation phase of several services. 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 of USD 193,000 for 2020.

Furthermore, the Company participated in the distribution of the Investment Company.. In line with the distribution policy of the Company, the board of directors approved a distribution amounting to USD 1,014,877 on 30 August. The distribution was paid to the shareholders in a rate of 8.9% on share capital and was distributed on 27 September 2019.

OUTLOOK

The Company at December 31st 2019 has a liquidity reserve of approximately USD 90,000 to cover ongoing operational expenses. Provisions to retain proceeds of the Rights Issue in order to cover the budget of the Company for the upcoming two years are made by the management of the Company.

The Rights Issue of the Company starting in November 2019 has been successfully closed on January 10th 2020 and raised capital in the amount of 10,242,382 USD. The net proceeds raised following the Rights Issue will be invested into the Investment Company in the third quarter of 2020, after the provisions for the operating budget of the Company for the upcoming 2 years are retained.

As an investor member, the Company will participate from now on in any potential future distributions of the Investment Company. The Investment Company informed the Company's Board that the initial two seed assets, 'Paradise Park' or 'Tilawind' met materially the financial projections in 2019. 'Paradise Park' was commissioned on time and budget and started commercial operations in June 2019. The electricity produced by 'Tilawind' met the projections of approximately 82,000,000 kWh in 2019 as well.

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, 2019:

- January 10th, 2020: The Company has closed the Rights Issue raising USD 8,884,111 in Jamaica and USD 1,358,271 in Trinidad and Tobago;
- January 31st, 2020: Mr. Gerard Borely has resigned as a Chairman and a member of the Board;
- February 3rd, 2020: following the allotment of the shareholders, Trinidad and Tobago and Jamaica Stock Exchange have approved the listing of the additional Class B shares of the Company;
- February 4th, 2020: Mr. Zuniga has been elected a new Chairman of the Board as of February 1st by the remaining members of the Board.

COVID-19

The spread of COVID-19 pandemic has affected the business around the globe in a before unprecedented and unforeseeable way. Global disruption in supply chains, travel restriction and consequently reduced tourism has largely affected Caribbean Basin economies, which are key markets of operations of the Company. Until to date, the operations of the investees of the Investment Company were not materially affected by the economic consequences of the pandemic, given that energy generation has been recognized as an essential industry throughout the region. The investees of the Investment Company, the Investment Advisor, the Investment Company and the Company are following the respective business continuity plan and stressed the importance of the health and safety measures to be reinforced on each stages of operations of the Company and the Investment Company, and the Investment Advisor.

RISK MANAGEMENT

The following outlines some of the key risks currently being faced by the Company and how these risks are being managed.

1. 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.

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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 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 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.

2. 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 licence, 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.

REMUNERATION OF THE BOARD DIRECTORS

For the period ended December 31st, 2019, each independent director who is a natural person received its remuneration of USD 5,000 p.a., covering work related to both Board representation and sub-committee participation. Guardian Nominee as corporate director received a basic remuneration of USD 3,500.00. 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.


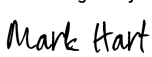

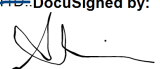
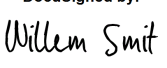

RESPONSIBILITY STATEMENT

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.

Given the resignation of Mr. Gerard Borely in January 2020, this Annual Report is executed by the Board in its new composition, comprising of 5 members as listed below.

Barbados, 1 July 2020

The Board of Directors of MPC Caribbean Clean Energy Limited

Fernando Zúñiga Chairman of the Board	DocuSigned by:  7B25B74395D7444...
A. Mark D. Hart Director	DocuSigned by:  B9C3DE9791854F8...
Alastair B. Dent Director	DocuSigned by:  D1A3951E5EFE44D...
Steven Marston Director	DocuSigned by:  3C6674A3DB5F4CB...
Guardian Nominees (Barbados) Limited Director	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> DocuSigned by:  84D989A2259E40B... </div> <div style="width: 45%;"> DocuSigned by:  AAC2DD6636444A2... </div> </div>

AUDITED FINANCIAL STATEMENTS

MPC CARIBBEAN CLEAN ENERGY LIMITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED DECEMBER 31, 2019



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Fax: + 246 437 5366
www.bdo.bb

BDO Barbados
The Gables, Haggatt Hall
St. Michael BB11063
Barbados, West Indies

INDEPENDENT AUDITOR'S REPORT

To the Shareholder
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, 2019, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year ended 31 December, 2019, 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, 2019, 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.

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.

Listings on Jamaica and Trinidad and Tobago Stock Exchanges

Following the Directors resolution on 5 November, 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"), the IPO of Class B Shares at the Jamaican (JSE) and Trinidad & Tobago (TTSE) Stock Exchanges raised a total amount of USD 11,424,160. 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 22 January, 2019.

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

The Company invested proceeds from the IPO of approximately USD 10,650,000 into MPC Caribbean Clean Energy Fund LLC in March 2019. The Company records its investment in MPC Caribbean Clean Energy Fund LLC at fair value, based its proportionate share of the net asset value (total equity) of MPC Caribbean Clean Energy Fund LLC.

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 the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholder
MPC Caribbean Clean Energy Limited

Responsibilities of the Directors for the Financial Statements (continued)

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.

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 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 statement 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.



INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholder
MPC Caribbean Clean Energy Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statement of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 6 January, 2020 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Philip Atkinson.

BDO Barbados

Barbados
22 June, 2020

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Financial Position

As at December 31, 2019

(Expressed in United States dollars)

	NOTES	2019 USD	2018 USD
Assets			
Investment in MPC Caribbean Clean Energy Fund LLC, at fair value	4	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 Shareholders' Equity			
Current Liabilities			
Accruals		31,884	159,715
Accounts payable		5,754	131,020
Due to related party	5	55,059	149,280
Total Liabilities		92,697	440,015
Shareholders' Equity			
Share capital	6	10,105,327	1
Accumulated deficit		(197,402)	(257,082)
Total Equity		9,907,925	(257,081)
Total Liabilities And Shareholders' Equity		10,000,622	182,934

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

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

DocuSigned by:

Willelm Smit

8402988A2259E403

Amanda G. McKay

By: Guardian Nominees (Barbados) Limited

Title: Director

Per: W.A. Smit / Amanda G. McKay

DocuSigned by:

Jose Fernando Zuniga

78258174392517444

By: Jose Fernando Zuniga Galindo

Title: Chairman

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Comprehensive Income

For the financial year ended December 31, 2019
 (Expressed in United States dollars)

	NOTES	2019 USD	2018 USD
Investment Income			
Net change in unrealized gain on investment in MPC Caribbean Clean Energy Fund LLC		272,407	-
Total Investment Income		<u>272,407</u>	<u>-</u>
Expenses			
Accountancy fees		11,241	7,705
Administrative fees		42,676	14,419
Advertising costs		34,985	-
Audit fees		18,000	15,000
Bank charges		3,926	1,076
Director's fees		20,639	6,533
Entertainment		113	-
Legal & professional fees		54,726	205,282
License fees		500	500
Corporate fees		1,750	1,333
Insurance expense		21,663	-
Other expenses		2,508	-
Total Expenses		<u>212,727</u>	<u>251,848</u>
Comprehensive Income / (Loss) before Taxation		<u>59,680</u>	<u>(251,848)</u>
Taxation	7	-	-
Net Comprehensive Income / (Loss)		<u>59,680</u>	<u>(251,848)</u>
		USD	USD
Basic earnings / (loss) per share	8	0.01	(251,848.00)

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

MPC CARIBBEAN CLEAN ENERGY LIMITED
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 Deficit	Total
	USD	USD	USD	USD
Balance as at January 1, 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 (Note 6)	-	11,120,203	-	11,120,203
Net comprehensive income for the year	-	-	59,680	59,680
Distributions (Note 9)	-	(1,014,877)	-	(1,014,877)
Balance as at December 31, 2019	1	10,105,326	(197,402)	9,907,925

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, 2019
 (Expressed in United States dollars)

	2019	2018
	USD	USD
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 an 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 (Note 9)	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) / provided by operating activities	(10,016,293)	403
Cash flows from financing activities		
Proceeds from issuance of redeemable shares	11,120,203	-
Distribution paid (Note 9)	(1,014,877)	-
Net cash provided by financing activities	10,105,326	-
Net Increase in Cash and Cash Equivalents	89,033	403
Cash and cash equivalents at the beginning of the year	403	-
Cash and cash equivalents at the end of the year	89,436	403

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, 2019

(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 was formerly known as CCEF (Barbados) Feeder Limited having changed its name on August 31, 2018. The Company principally engages in investment holding.

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" or "the Fund"), 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, 2019, the Company owned 88% of MPC CCEF.

MPC Clean Energy Ltd. 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 Renewable Energies GmbH, a 100% subsidiary of MPC Capital AG, as an 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 11,424,180. 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.

The Company's registered number is:- 42058

The Company's registered office address is:-

Suite 1, Ground Floor
The Financial Services Centre
Bishop's Court Hill

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of Preparation**

The financial statements are presented in USD (United States Dollar), 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").

MPC CARIBBEAN CLEAN ENERGY LIMITED**Notes to the financial statements**

For the financial year ended December 31, 2019

(Expressed in United States dollars)

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.1 Basis of Preparation (Continued)**

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 income during the period reported.

2.3 Adoption of New and Revised Standards and Interpretations

During the year ended December 31, 2019, the Company has adopted the following standards, amendments and interpretations which became effective during the year:

- IFRIC 23 Uncertainty over Income Tax Treatments (effective January 1, 2019)
- Annual Improvements to IFRS Standards 2015-2017 Cycle (effective January 1, 2019)

The adoption of the above standards, amendments and interpretations has had no material effect on how the results and financial position for the current or prior accounting periods have been prepared or presented.

The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- IFRS 10 (Amended 2014) Consolidated Financial Statements (effective date to be determined by the IASB)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

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.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2019
 (Expressed in United States dollars)

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 net realised and 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, accruals and due to related party.

(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 (total equity) of MPC CCEF.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2019
 (Expressed in United States dollars)

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Share capital

Management and participating shares are classified as equity.

2.8 Distributions

Proposed distributions to holders of redeemable participating shares are recognised in the statement of changes in shareholders' equity 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.

2.9 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.

2.10 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.

2.11 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.

2.12 Underwriting costs

Cost incurred in connection with stock exchange listings may include registration and other regulatory fees, amounts paid in legal, accounting and other professional advisers, printing costs and stamp duties. Such costs are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. At December 31, 2018 deferred underwriting costs amounting to USD 177,864 were recorded in the Company's Statement of Financial Position and deducted from equity following receipt of subscription funds upon the initial public offering (Note 1 and Note 6).

2.13 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.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2019
 (Expressed in United States dollars)

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Taxation (continued)

The Company currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Withholding tax at the Barbados Revenue Authority rate of 15% has been recorded on interest income received in the period. 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.

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.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2019
 (Expressed in United States dollars)

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

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.

The following table analyses within the fair value the Company's assets and liabilities measured at fair value as at December 2019.

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial instruments measured at fair value through profit or loss				
Investment in MPC CCEF	-	-	9,907,530	9,907,530
	-	-	9,907,530	9,907,530

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, 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.

In 2018 the Company 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. Effective April 26, 2019, the investment in the Costa Rican Wind Farm was commercially completed.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2019
 (Expressed in United States dollars)

Note 5 – RELATED PARTY BALANCES AND TRANSACTIONS

The following transactions were carried out with related parties:

(a) 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 Renewable Energies GmbH on behalf of the Company during the period ended December 31, 2019 and the related balances payable by the Company to MPC Renewable Energies GmbH as at December 31, 2019, and (ii) Directors fees (per agreements with Directors).

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

	2019 USD	2018 USD
At January 1	149,280	3,974
Related party payments of expenses	144,051	145,306
Reimbursement payments to related party	(238,272)	-
At December 31	<u>55,059</u>	<u>149,280</u>

(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 2019 was USD 20,639 (December 2018: USD 6,533).

Note 6 – SHARE CAPITAL

On incorporation in 2017 the Company was authorized to issue an unlimited number of shares without nominal or par value of USD 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.

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. 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.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2019
 (Expressed in United States dollars)

Note 6 – SHARE CAPITAL (Continued)

As at December 31, 2019, there are 11,424,160 Class B redeemable participating and voting shares without par value in issue. During the year-ended December 31, 2019, underwriting costs amounting to USD 303,957 and directly attributable to the issuance of the Class B shares were deducted from equity, of which USD 126,093 and USD 177,864 related to costs incurred during the years ended December 31, 2019 and 2018 respectively. In addition, on September 25, 2019, a distribution of USD 1,014,877 was made to the holders of Class B redeemable participating shares (Note 9), resulting in total Share Capital of USD 10,105,326 as at December 31, 2019.

At the statement of financial position date, 1 Class A share and 11,424,160 Class B shares were subscribed and fully paid up.

The Class A (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 7 – TAXATION

The tax on the Company's net income differs from the statutory Barbados tax rate of 5.5% (2018 - 2.5% - 0.25%)

	2019 USD	2018 USD
Income / (loss) before taxation	59,680	(251,848)
Tax calculated at 5.5% (2018 - 2.5% - 0.25%)	3,282	(6,296)
Expenses not deductible for tax purposes	35	-
Expenses deductible for tax purposes	(55,818)	-
Tax effect of losses	52,501	6,296
	-	-

With effect from January 1, 2019, the International Business Companies Act 1991-24 was repealed. The Company continues as a Regular Business Company ("RBC") under the Companies Act Cap. 308, thereby being subject to corporation tax at a rate not exceeding 5.5%.

Note 8 – EARNINGS PER SHARE

	2019 USD	2018 USD
Net Income/(loss) before tax	59,680	(251,848)
Weighted average number of shares used as the denominator	11,424,160	1
Earnings per share for profit attributable to the Class B equity holders of the Company	0.01	(251,848.00)

MPC CARIBBEAN CLEAN ENERGY LIMITED**Notes to the financial statements**

For the financial year ended December 31, 2019

(Expressed in United States dollars)

Note 9 – DISTRIBUTIONS RECEIVED AND PAID

On August 21, 2019, the Directors of MPC CCEF resolved to make a distribution in the amount of USD 1,014,877 to the Company. The distributable amount originated from MPC CCEF's investment in a Costa Rican Wind Farm and from the repayment of a loan. The distribution was made by MPC CCEF and received by the Company on August 28, 2019. Subsequently, a corresponding distribution amounting to USD 1,014,877 was made to the shareholders of the Company on September 25, 2019.

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 member 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 \$990,753 as a result of gains or losses on the investment designated as FVTPL.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2019
 (Expressed in United States dollars)

Note 11 – RISK MANAGEMENT (Continued)

Currency risk

The Company only invests in financial instruments that are denominated in United States Dollar, its functional currency, but enters into service agreements denominated in currencies other than United States Dollar. 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, 2019, 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

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and volatility in financial markets across the world, including signals of an uptick in illiquid or inactive markets, which may cause a change in valuation methodology and/or technique as well as the observability of inputs to be used in valuation techniques. Depending on the severity and length of the outbreak, this pandemic could present material uncertainty and risk with respect to the Company, including an adverse effect on MPC Caribbean Clean Energy Limited's operations and its financial condition, the ability of MPC Caribbean Clean Energy Limited to provide underlying financial information in a timely manner, expected declines in the valuation of its investments, collectability of amounts due from others, and its overall performance. The rapid development and fluidity of this situation precludes management from making an estimate as to the ultimate adverse impact of the pandemic on the value of the Company's investment, liquidity, financial condition, and results of operations for fiscal year 2020.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Notes to the financial statements

For the financial year ended December 31, 2019
(Expressed in United States dollars)

Note 12 – SUBSEQUENT EVENTS (Continued)

On January 31, 2020, following a 2 for 1 renounceable rights issue which was offered in Trinidad & Tobago and Jamaica on January 10, 2020, 10,242,382 Class B Ordinary Shares of the Company were listed on the Trinidad & Tobago and Jamaica Stock Exchanges, thus increasing the number of the Company's Class B redeemable participating and voting shares to 21,666,542. The shares were subscribed and fully paid up at a price of USD 1 per share. Underwriting costs amounting to USD 262,304, directly attributable to the issuance of the Class B shares, were deducted from equity following receipt of the subscription funds.

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

For the financial year ended December 31, 2019
 (Expressed in United States dollars)

MPC CARIBBEAN CLEAN ENERGY LIMITED TOP 10 SHAREHOLDINGS As at December 31, 2019			
NAME	JOINT HOLDER/ CONNECTED INTERESTS	VOLUME	PERCENTAGE
TEACHERS CREDIT UNION CO-OPERATIVE SOCIETY		3,000,000	26.3%
SAGICOR POOLED FIXED INCOME		2,692,300	23.6%
CARIBBEAN CLEAN ENERGY FEEDER LIMITED		2,100,000	18.4%
DEVELOPMENT BANK OF JAMAICA		1,000,000	8.8%
SAGICOR BALANCED FUND		769,230	6.7%
JNBS PENSION TRUSTEES		623,000	5.5%
SAGICOR EQUITY FUND		384,610	3.4%
FINANCIAL ADVISORY SERVICES		100,000	0.9%
JN GENERAL INSURANCE COMPANY		100,000	0.9%
JN INDIVIDUAL RETIREMENT		76,000	0.7%

MPC CARIBBEAN CLEAN ENERGY LIMITED DIRECTOR SHAREHOLDINGS ¹ As at December 31, 2019			
NAME	JOINT HOLDER/ CONNECTED INTERESTS	VOLUME	PERCENTAGE
Gerard A. Borely		-	-
Alastair Dent		-	-
Steven D. Marston		-	-
A. Mark D. Hart		-	-
Jose Fernando Zuniga Galindo		-	-
Guardian Nominees (Barbados) Limited		-	-