



# JADEPOWER

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## **JADE POWER TRUST**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**  
**AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2021**  
(WITH COMPARATIVES AS AT DECEMBER 31, 2020 AND FOR THE THREE MONTHS ENDED  
MARCH 31, 2020)

(UNAUDITED and EXPRESSED IN CANADIAN DOLLARS)

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## **NOTICE TO READER**

The accompanying Condensed Interim Consolidated Financial Statements (unaudited) of Jade Power Trust have been prepared by and are the responsibility of management. The Condensed Interim Consolidated Financial Statements have not been reviewed by the Trust's auditors.

**JADE POWER TRUST**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (unaudited)**

As at	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
Current assets		
Cash	\$ 2,882,075	\$ 2,917,885
Trade and other receivables (note 4)	8,041,578	7,572,857
Green Certificates (note 5)	1,411,003	1,733,116
Restricted Green Certificates (note 5)	2,070,902	1,552,805
Prepays and other assets	1,612,773	1,655,337
	<b>16,018,331</b>	15,432,000
Long-term assets		
Restricted cash (note 7ii)	1,386,467	1,483,213
Restricted Green Certificates (note 5)	10,165,468	12,117,584
Intangible assets	243,052	275,579
Property, plant and equipment (note 6)	48,088,758	52,006,984
	<b>59,883,745</b>	65,883,360
<b>TOTAL ASSETS</b>	<b>\$ 75,902,076</b>	<b>\$ 81,315,360</b>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,635,647	\$ 5,813,291
Current portion of lease liabilities (note 7ii)	5,394,302	6,160,628
Debt facility (note 7i)	-	1,646,758
	<b>11,029,949</b>	13,620,677
Long-term liabilities		
Asset retirement obligations	3,534,430	3,349,992
Deferred tax liabilities	1,064,900	1,139,207
Long-term portion of lease liabilities (note 7ii)	14,743,403	16,289,251
	<b>19,342,733</b>	20,778,450
<b>TOTAL LIABILITIES</b>	<b>30,372,682</b>	34,399,127
<b>Unitholders' equity</b>	<b>45,529,394</b>	46,916,233
<b>TOTAL LIABILITIES AND UNITHOLDERS' EQUITY</b>	<b>\$ 75,902,076</b>	<b>\$ 81,315,360</b>

**Nature and Description of the Trust (Note 1)**

**Approved on Behalf of the Board:**

\_\_\_\_\_  
 "Ravi Sood"  
 Director

\_\_\_\_\_  
 "John Huxley"  
 Director

*The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements (unaudited).*

**JADE POWER TRUST**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE**  
**LOSS (unaudited)**

	Three months ended	
	March 31, 2021	March 31, 2020
<b>REVENUE</b>		
Sale of electricity	\$ 1,802,879	\$ 2,385,956
Income from Green Certificates	3,204,042	3,037,369
	<b>5,006,921</b>	<b>5,423,325</b>
<b>OPERATING EXPENSES</b>		
Cost of sales excluding depreciation	(1,370,918)	(1,494,268)
Depreciation and amortization	(963,504)	(928,133)
Cost of sales	(2,334,422)	(2,422,401)
General and administrative	(409,996)	(497,417)
Professional fees	(127,104)	(61,376)
Foreign exchange (loss)	(159,013)	(214,678)
Total operating expenses	<b>(3,030,535)</b>	<b>(3,195,872)</b>
<b>OPERATING INCOME</b>	<b>1,976,386</b>	<b>2,227,453</b>
<b>OTHER (expense)</b>		
Finance (costs)	(228,404)	(713,702)
Total other (expense)	<b>(228,404)</b>	<b>(713,702)</b>
<b>INCOME BEFORE TAX</b>	<b>1,747,982</b>	<b>1,513,751</b>
Deferred income tax (expense)	-	(12,378)
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>1,747,982</b>	<b>1,501,373</b>
(Loss) from discontinued operations, net of tax (note 3)	-	(42,152)
<b>NET INCOME FOR THE PERIOD</b>	<b>1,747,982</b>	<b>1,459,221</b>
<b>Other comprehensive (loss):</b>		
Unrealized (loss) on translation of foreign operations	(3,134,821)	(2,816,207)
<b>TOTAL COMPREHENSIVE (LOSS)</b>	<b>\$ (1,386,839)</b>	<b>\$ (1,356,986)</b>
Basic and diluted net income from		
from continuing operations per Unit	\$ 0.01	\$ 0.01
Basic and diluted net loss from		
discontinued operations per Unit	\$ -	\$ -
Basic and diluted net income per Unit	\$ 0.01	\$ 0.01
<b>Weighted average number of Units</b>		
outstanding - basic and diluted	<b>231,216,256</b>	<b>231,487,195</b>

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**JADE POWER TRUST**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY (unaudited)**

	Units	Unit Value	Deficit	Accumulated Other Comprehensive Income (Loss)	Contributed Surplus	Unitholders' Equity (Deficiency)
<b>Balance, December 31, 2019</b>	231,487,195	103,508,740	(68,373,294)	737,411	6,069,101	41,941,958
Net income	-	-	1,459,221	-	-	1,459,221
Other comprehensive income	-	-	-	2,816,207	-	2,816,207
<b>Balance, March 31, 2020</b>	<b>231,487,195</b>	<b>\$ 103,508,740</b>	<b>\$ (66,914,073)</b>	<b>\$ 3,553,618</b>	<b>\$ 6,069,101</b>	<b>\$ 46,217,386</b>
<b>Balance, December 31, 2020</b>	231,216,256	103,226,233	(65,382,813)	2,713,824	6,358,989	46,916,233
Net income	-	-	1,747,982	-	-	1,747,982
Other comprehensive loss	-	-	-	(3,134,821)	-	(3,134,821)
<b>Balance, March 31, 2021</b>	<b>231,216,256</b>	<b>\$ 103,226,233</b>	<b>\$ (63,634,831)</b>	<b>\$ (420,997)</b>	<b>\$ 6,358,989</b>	<b>\$ 45,529,394</b>

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**JADE POWER TRUST**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)**

	<b>Three months ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Net income from continuing operations for the year	\$ 1,747,982	\$ 1,501,373
Items relating to financing activities:		
Interest and finance charges	228,404	713,702
Proceeds from the sale of Green Certificates	4,054,501	2,829,572
Add (deduct) items not affecting cash:		
Income from Green Certificates	(3,204,042)	(3,037,369)
Depreciation and amortization	963,504	928,133
Deferred income tax expense	-	12,378
Foreign exchange loss	159,013	214,678
<b>Operating cash flow before changes in working capital</b>	<b>3,949,362</b>	<b>3,162,467</b>
Net change in non-cash working capital:		
Trade and other receivables	(468,721)	(1,469,360)
Green Certificates - current and long-term	322,113	(538,371)
Prepaid and other assets	42,564	(116,969)
Accounts payable and accrued liabilities	(177,644)	485,915
<b>Net cash provided by operating activities of continuing operations</b>	<b>3,667,674</b>	<b>1,523,682</b>
<b>Net cash (used in) operating activities of discontinued operations</b>	<b>-</b>	<b>(96,337)</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment (note 6)	(2,802)	-
<b>Net cash used in investing activities of continuing operations</b>	<b>(2,802)</b>	<b>-</b>
<b>Net cash used in investing activities of discontinued operations</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of debt facility (note 7i)	(1,646,758)	-
Interest and financing costs paid	(174,236)	(160,455)
Lease liabilities (note 7ii)	(1,362,219)	(1,080,801)
<b>Net cash (used in) financing activities of continuing operations</b>	<b>(3,183,213)</b>	<b>(1,241,256)</b>
<b>Net cash provided by financing activities of discontinued operations</b>	<b>-</b>	<b>-</b>
Effect of currency translation	(517,469)	804,556
<b>CHANGE IN CASH</b>	<b>(35,810)</b>	<b>990,645</b>
<b>Cash, beginning of period</b>	<b>2,917,885</b>	<b>1,801,085</b>
<b>Cash, end of period</b>	<b>\$ 2,882,075</b>	<b>\$ 2,791,730</b>

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## JADE POWER TRUST

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2021 (WITH COMPARATIVES AS AT DECEMBER 31, 2020 AND FOR THE MONTHS ENDED MARCH 31, 2020) (unaudited)

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#### 1. NATURE AND DESCRIPTION OF THE TRUST

Jade Power Trust (“**Jade Power**” or the “**Trust**”) is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario that, through its subsidiaries, generates and sells electricity to licensed electricity buyers in Romania through its portfolio of two operational wind projects known as “Baia” and “East Wind” with a total capacity of 62 megawatts (“**MW**”) (the “**Wind Projects**”), three hydro-electric generation facilities comprised of run-of-river hydroelectric power plants known as “Rott” and “Zagra” with total capacity of over 2.46 MW (the “**Hydro Projects**”) and two photovoltaic solar power production plants known as “Corabia” and “PowerLIVE” with a total capacity of 16.6 MW (the “**Solar Projects**” and, together with the Hydro Projects and the Wind Projects, the “**Projects**”). All of the Projects are located in Romania. In August 2020, the Trust completed the sale (the “**Suha Disposition**”) of Transeastern Vitea Hidroelectrica SPV IV SRL (“**Suha**”). Refer to Note 3 for details of the Suha Disposition.

In October 2019, the Trust changed its name to “Jade Power Trust” and the trust units in the capital of the Trust (each, a “**Unit**”) commenced trading on the TSX Venture Exchange (the “**TSXV**”) under a new symbol, “JPWR.UN”. The Unit purchase warrants of the Trust (the “**2018 Warrants**”) that were listed on the TSXV under the symbol “JPWR.WT” were delisted following their expiry on January 8, 2020.

The Trust directly and indirectly owns all of the membership rights of Transeastern Power Coöperatief U.A. (“**Netherlands Parent**”), which owns all of the issued and outstanding shares of Transeastern Power B.V. (“**Netherlands Holdco**” and, together with the Netherlands Parent, the “**Netherlands Subsidiaries**”). The Netherlands Subsidiaries jointly own, directly or indirectly, 100% of six Romanian subsidiaries which hold the Hydro Projects, two Romanian subsidiaries that hold the Solar Projects, two Romanian subsidiaries that hold the Wind Projects, and a Romanian subsidiary that acts as a management company for the Romanian operations.

TSX Trust Company, (the “**Trustee**”), was appointed as trustee of Jade Power pursuant to a trust indenture of the Trust dated February 4, 2014, as amended (the “**Trust Indenture**”). The Trustee has delegated most of its powers and duties relating to the operations and governance of Jade Power to Jade Power Administrator Inc. (formerly “Blockchain Power Administrator Inc.”, the “**Administrator**”) pursuant to an Administrative Services Agreement dated February 4, 2014. All of the shares of the Administrator are owned by Jade Management Inc. (the “**Administrator Shareholder**”), all of the shares of which are owned by Mr. Eadie, the Chief Executive Officer of the Administrator and Mr. Sood, the Chairman of the Administrator, and are subject to the terms of a unanimous shareholders’ agreement dated May 28, 2014.

Jade Power qualifies as a “mutual fund trust” and not a “SIFT trust” (each as defined in the Income Tax Act (Canada)) in accordance with the restrictions set forth in the Trust Indenture. The Administrator is responsible for monitoring Jade Power’s investments and holdings of property to ensure Jade Power is not at any time a “SIFT trust” and does not hold any “non-portfolio property”.

The principal head and registered office of each of Jade Power, the Administrator, the Administrator Shareholder and Jade Power’s Canadian subsidiaries are located at Suite 1800, 181 Bay Street, Toronto,

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**AND FOR THE MONTHS ENDED MARCH 31, 2020) (unaudited)**

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Ontario, Canada. References to Jade Power herein include reference to the applicable subsidiary where appropriate.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### *Statement of Compliance*

The accompanying Condensed Interim Consolidated Financial Statements of Jade Power have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the Trust's annual Consolidated Financial Statements for the years ended December 31, 2020 that were prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted. These Condensed Interim Consolidated Financial Statements should be read in conjunction with the Trust's annual Consolidated Financial Statements for the year ended December 31, 2020, which include information necessary or useful to understanding the Trust's business and financial statement presentation.

These Condensed Interim Consolidated Financial Statements were authorized by the Board of Directors of the Administrator (the "**Board**") for issue on May 27, 2021.

### *Basis of Preparation and Presentation*

The accounting policies applied in the preparation of these Condensed Interim Consolidated Financial Statements are consistent with those applied and disclosed in the Trust's Consolidated Financial Statements for the year ended December 31, 2020. In particular, the Trust's significant accounting policies were presented in Note 2: Significant Accounting Policies to the annual Consolidated Financial Statements for the year ended December 31, 2020.

These Condensed Interim Consolidated Financial Statements were prepared in Canadian Dollars and on a going concern basis under the historical cost method except for certain financial assets and liabilities which are measured at fair value.

In the opinion of management of the Trust, these Condensed Interim Consolidated Financial Statements reflect all adjustments, which consist of normal and recurring adjustments necessary to present fairly the financial position as at March 31, 2021 and December 31, 2020 and the results of operations and cash flows for the three months ended March 31, 2021 and March 31, 2020.

Operating results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2021.

### *Basis of Consolidation*

These Condensed Interim Consolidated Financial Statements incorporate the financial statements of the Trust and entities controlled by the Trust. Control is achieved when the Trust is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through

## JADE POWER TRUST

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2021 (WITH COMPARATIVES AS AT DECEMBER 31, 2020 AND FOR THE MONTHS ENDED MARCH 31, 2020) (unaudited)

its power over the investee. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Subsidiaries that the Trust controls are consolidated from the effective date of acquisition up to the effective date of disposal of loss of control.

The Condensed Interim Financial Statements include the accounts of the Trust and the following subsidiaries:

<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Ownership Percentage</b>
Jade Power Holdings Inc.	Canada	100%
Jade Power Holdings 2 Inc.	Canada	100%
Jade Power Holdings 3 Inc.	Canada	100%
Mediterranean Resouces Ltd.	Canada	100%
Transeastern Power Cooperatief U.A.	Netherlands	100%
Transeastern Power B.V.	Netherlands	100%
East Wind Farm S.R.L	Romania	100%
Holrom Renewable Energy S.R.L	Romania	100%
Transeastern Hidroelectrica Del Ucea SPV S.R.L	Romania	100%
Transeastern SPV III S.R.L	Romania	100%
Transeasern Power Services Limited	Romania	100%
Zagra Hidro A.S.	Romania	100%
Rott Energy A.S.	Romania	100%
SC Corabia Solar S.R.L.	Romania	100%
SC Power L.I.V.E One S.A.	Romania	100%

### 3. DISPOSITION OF SUHA

On August 10, 2020, the Trust completed the “**Suha Disposition**” for total consideration equal to 20% of Suha’s annual free cash, if any, generated by the Suha hydro project for a period of five years from the date of the Suha Disposition. This net royalty was valued at \$Nil at the date of disposal and as at year-end.

Prior to the completion of the Suha Disposition, Suha was accounted for as assets held for sale and as discontinued operations. Immediately prior to the classification to assets held for sale, the carrying amount of Suha’s assets were re-measured to their recoverable amount, being the fair market value of the assets less costs to sell.

For the comparative period ended March 31, 2020, net loss from discontinued operations, net of tax was \$42,152.



**JADE POWER TRUST**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR**  
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**4. TRADE AND OTHER RECEIVABLES**

As at		March 31, 2021	December 31, 2020
Trade receivables	\$	3,517,923	\$ 3,115,285
VAT and other taxes receivable		4,763,625	4,714,287
Provision for VAT receivable		(239,970)	(256,715)
	\$	8,041,578	\$ 7,572,857

**5. GREEN CERTIFICATES**

Pursuant to applicable Romanian legislation, the Trust's Projects are entitled to receive Green Certificates as follows:

**As at March 31, 2021**

Project	Tradeable Green Certificates (GC/MWh)	Tradeable Green Certificated Earnings Expiry Date	Restricted Green Certificates outstanding	Accreditation Period of Restricted Green Certificates
East Wind	1.00	30-Sep-26	146,403	2018 to 2025
Baia				
Baia 1	0.68	28-Feb-27		
Baia 2	1.00	31-Dec-25	-	
Baia 4	1.00	30-Jun-26	-	
Total Baia			72,479	2018 to 2025
PowerLIVE	6.00	29-Feb-28	179,477	2021 to 2030
Corabia	6.00	31-Jan-28	131,144	2021 to 2030
Rott	1.96	31-Mar-27	6,667	2018 to 2025
Zagra	2.30	29-Apr-29	-	-

Restricted Green Certificates are restricted from trading and systematically released over the accreditation period.

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The Trust had recorded balances related to Green Certificates as at the dates presented in the table below:

<b>As at</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Tradeable Green Certificates	\$ 1,411,003	\$ 1,733,116
Restricted Green Certificates		
- current	2,070,902	1,552,805
- long-term	10,165,468	12,117,584
<b>Total Restricted Green Certificates</b>	<b>12,236,370</b>	<b>13,670,389</b>
<b>Total Tradeable and Restricted Green Certificates</b>	<b>\$ 13,647,373</b>	<b>\$ 15,403,505</b>

**6. PROPERTY, PLANT AND EQUIPMENT**

	<b>Land</b>	<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<b>Cost</b>					
<b>Balance, December 31, 2019</b>	\$ 492,513	\$ 10,181,581	\$ 17,274,002	\$ 42,688,027	\$ 70,636,123
Additions	-	-	52,830	667,729	720,559
Change in estimate of asset retirement obligation	-	-	462,355	-	462,355
Effect of foreign currency translation	24,964	516,071	883,832	2,167,122	3,591,989
<b>Balance, December 31, 2020</b>	<b>\$ 517,477</b>	<b>\$ 10,697,652</b>	<b>\$ 18,673,019</b>	<b>\$ 45,522,878</b>	<b>\$ 75,411,026</b>
Additions	-	2,802	-	-	2,802
Reclassifications	-	-	-	-	-
Change in estimate of asset retirement obligation	-	118,902	277,437	-	396,339
Effect of foreign currency translation	(33,807)	(703,806)	(1,238,889)	(2,958,276)	(4,934,778)
<b>Balance, March 31, 2021</b>	<b>\$ 483,670</b>	<b>\$ 10,115,550</b>	<b>\$ 17,711,567</b>	<b>\$ 42,564,602</b>	<b>\$ 70,875,389</b>
<b>Accumulated Depreciation</b>					
<b>Balance, December 31, 2019</b>	\$ -	\$ (539,742)	\$ (729,999)	\$ (17,333,310)	\$ (18,603,051)
Depreciation expense	-	(483,960)	(927,948)	(2,384,533)	(3,796,441)
Effect of foreign currency translation	-	(35,164)	(51,946)	(917,440)	(1,004,550)
<b>Balance, December 31, 2020</b>	<b>\$ -</b>	<b>\$ (1,058,866)</b>	<b>\$ (1,709,893)</b>	<b>\$ (20,635,283)</b>	<b>\$ (23,404,042)</b>
Depreciation expense	-	(122,263)	(236,108)	(589,968)	(948,339)
Effect of foreign currency translation	-	74,122	122,539	1,369,089	1,565,750
<b>Balance, March 31, 2021</b>	<b>\$ -</b>	<b>\$ (1,107,007)</b>	<b>\$ (1,823,462)</b>	<b>\$ (19,856,162)</b>	<b>\$ (22,786,631)</b>
<b>Net Book Value</b>					
<b>Balance, December 31, 2020</b>	\$ 517,477	\$ 9,638,786	\$ 16,963,126	\$ 24,887,595	\$ 52,006,984
<b>Balance, March 31, 2021</b>	\$ 483,670	\$ 9,008,543	\$ 15,888,105	\$ 22,708,440	\$ 48,088,758

**JADE POWER TRUST**  
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**7. DEBT**

<b>As at</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Secured debt facility (i)	\$ -	\$ 1,646,758
Lease liabilities (ii)	<b>20,137,705</b>	22,449,879
<b>Total debt facilities</b>	<b>20,137,705</b>	24,096,637
Less: current portion	<b>(5,394,302)</b>	(7,807,386)
Long-term debt facilities	<b>\$ 14,743,403</b>	\$ 16,289,251

i) Secured debt facility

On January 4, 2021, the Trust fully repaid the balance outstanding on the debt facility of \$1,646,758 plus accrued and unpaid fixed interest of \$102,845.

On January 20, 2017, the Trust closed \$3,800,000 of a three-year \$10,000,000 secured debt facility (the “**2017 Secured Debt Facility**”), which was subject to a one-year extension at the option of the Trust under certain conditions. Interest was payable at a rate of 5% per annum, compounding semi-annually. During the fourth quarter of the year ended December 31, 2019, the Trust exercised its option to extend the secured debt facility by one year. The interest rate during the extension period was 7% per annum, payable and compounding semi-annually. The 2017 Secured Debt Facility also provides for annual additional variable interest payments calculated at 1.05% of revenues of the Trust’s current Romanian operating Projects, excluding East Wind. The 2017 Secured Debt Facility is secured by a first charge over the Hydro assets of each of the Trust and its subsidiaries, with the exception of the East Wind assets.

Effective June 30, 2020, the 2017 Secured Debt Facility was amended as follows:

- Principal repayment of \$750,000 was due as at June 30, 2020; \$250,000 became payable as at September 30, 2020 with the remaining balance due December 31, 2020.
- Annual variable interest payments calculated at a rate of 1.05% of annual revenues of the Trust’s current Romanian operating Projects, excluding East Wind until December 31, 2035. The Trust has the option to buy-out the variable interest payments at any time at a pre-determined price.
- The security on Suha was released. The 2017 Secured Debt Facility remains secured by a first charge over the assets of each of the Trust and its subsidiaries, with the exception of the assets of East Wind.
- During the year ended December 31, 2020, an aggregate of \$346,758 of debt facility fees and related legal expenses were capitalized to the outstanding balance of the 2017 Secured Debt Facility, of which \$Nil remains on the Consolidated Balance Sheet at year-end.

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ii) Lease liabilities

In connection with the acquisition of the Solar Projects and Baia, the Trust assumed leasing contracts with Unicredit Leasing Corporation IFN SA, which were initially entered into for the purpose of financing the construction of the photovoltaic solar plants and windmills.

The interest rate on the leasing contracts on the Solar Projects is currently 5.25% for the remaining years until maturity in 2023. At the end of the contract, the ownership of the photovoltaic plants passes to the Trust for nominal consideration.

The interest rate on the leasing contract on Baia is 3.75%, which ends in 2021. At the end of the lease, the ownership of the assets pass to the Trust for nominal consideration.

The capital lease agreements require the Solar Projects and Baia to maintain a debt service reserve account equal to three months debt service obligations.

As at March 31, 2021, the Trust had \$1,386,467 (December 2020 - \$1,483,213) of restricted cash related to this requirement.

The future minimum lease payments are disclosed in Note 14.

**8. UNITS**

	Units	Unit value
<b>Balance at December 31, 2019</b>	<b>231,487,195</b>	<b>\$ 103,508,740</b>
Issuance of Units pursuant to Unit Purchase Plan (i)	47,619	7,381
Cancelled Units (ii)	(318,558)	(289,888)
<b>Balance at December 31, 2020</b>	<b>231,216,256</b>	<b>103,226,233</b>
<b>Balance at March 31, 2021</b>	<b>231,216,256</b>	<b>\$ 103,226,233</b>

Unit Activity

- i) During the year ended December 31, 2020, the Trust issued an aggregate of 47,619 Units to management and directors pursuant to the Unit purchase plan of the Trust.
- ii) In May 2020, an aggregate of 318,558 unclaimed Units held by the Trustee in a depository account on behalf of former shareholders of Mediterranean Resources Ltd. (“MNR”) acquired by the Trust in 2015 were cancelled pursuant to the terms of the depository agreement entered into between the Trust, MNR and the Trustee dated August 31, 2015. The amount was reclassified to contributed surplus.

## JADE POWER TRUST

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2021 (WITH COMPARATIVES AS AT DECEMBER 31, 2020 AND FOR THE MONTHS ENDED MARCH 31, 2020) (unaudited)

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#### 9. WARRANTS

On January 8, 2020, all previously outstanding 45,023,915 2018 Warrants expired pursuant to their terms. No Unit purchase warrants were exercised or cancelled during the three months ended March 31, 2020.

#### 10. OPTIONS

On January 8, 2020, all previously outstanding 6,303,348 compensation options expired pursuant to their terms. No such options were exercised or cancelled during the three months ended March 31, 2020.

#### 11. RELATED PARTY TRANSACTIONS

Apart from the transactions disclosed elsewhere in these unaudited Condensed Interim Consolidated Financial Statements, all transactions are in the normal course of business and are recorded at the exchange value agreed to by the related parties. Inter-company transactions and balances are eliminated upon consolidation.

Key management of the Trust consists of members of the board of directors and officers of the Trust and the Administrator. The following table represents related party balances and transactions with directors and officers of the Trust. Accounts payable consist of director fees payable, deferred salaries, advances to the Trust as well as reimbursement of payments of expenses incurred on behalf of the Trust.

<b>As at</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Accounts payable and accrued liabilities	\$ 75,965	\$ 247,293
	<b>Three months ended March 31, 2021</b>	<b>March 31, 2020</b>
Salaries and benefits to officers of the Trust	\$ 262,386	\$ 315,465
Director fees	\$ 53,750	\$ 53,750

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There were no Units issued to management and directors during the three months ended March 31, 2021 (2020- Nil). As at March 31, 2021, there were 291,946 Units owing to management and directors.

Renovatio Group Limited (“RGL”) holds significant influence over the Trust and is a related party. The Trust sells power and Green Certificates to RGL and has operations and maintenance contracts with subsidiaries of RGL. The following tables summarizes related party balances and transactions:

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<b>As at</b>		<b>March 31, 2021</b>		<b>December 31, 2020</b>
Trade and other receivables	\$	<b>2,109,205</b>	\$	1,410,251
Accounts payable and accrued liabilities	\$	<b>1,921,284</b>	\$	1,316,923

  

		<b>March 31, 2021</b>		<b>Three months ended March 31, 2020</b>
Sales of electricity	\$	<b>1,094,295</b>	\$	1,083,733
Proceeds from sale of Green Certificates	\$	<b>2,480,542</b>	\$	1,257,426
Operations maintenance and balancing fees	\$	<b>1,576,973</b>	\$	885,885

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**12. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS***Capital Management*

The Trust manages its capital with the objective of ensuring sufficient financial flexibility to achieve the ongoing business objectives, improving and maintaining the operation of Trust assets and the pursuit of accretive acquisitions.

The Trust monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Trust may manage its capital structure by issuing new Units, securing debt financing, acquiring cash through acquisitions or disposing of assets. The capital structure is reviewed by management and the Board on an ongoing basis.

The Trust considers its capital to be equity, comprising all aspects of Unitholders' equity. In order to continue to achieve its capital objectives, the Trust will raise additional amounts as needed.

The Trust manages capital through its financial and operational forecasting processes including working capital forecasts and forecasts of future operational cash flows from its projects. The Trust's budget is regularly updated based on actual experience and summary forecast Information is frequently provided to the Board.

*Financial Instruments*

The Trust's financial instruments consist of cash, restricted cash, trade and other receivables (excluding HST and VAT), accounts payable and accrued liabilities, debt facility, and lease liabilities. As of March 31, 2021, the Trust had not entered into any derivative contracts (December 31, 2020 – Nil).

The carrying value of trade and other receivables, accounts payable and accrued liabilities and debt facility approximate their fair values due to the immediate or short-term maturity of these financial instruments. The carrying value of lease liabilities approximately their fair value as the implicit rates in the leases approximate current market rates.

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Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

*Risk Management Policies*

The Trust, through its financial assets and liabilities, is exposed to various risks. The Trust has established policies and procedures to manage these risks, with the objective of minimizing any adverse effect that changes in these variables could have on the Consolidated Financial Statements. The following analysis provides a measurement of risks as at March 31, 2021.

*Credit Risk*

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Trust's credit risk is primarily attributable to fluctuations in the realizable values of its cash and trade and other receivables and concentration of customers. Customer concentration provides us with certain benefits including long-term predictable cash inflow through long-term energy off-take agreements and long-term Green Certificate sales agreements. Cash accounts are maintained with major international financial institutions of reputable credit and therefore bear minimal credit risk. In the normal course of business, the Trust is exposed to credit risk from its customers and the related trade receivable are subject to normal industry credit risk.

Two (March 31, 2020 – two) customers accounted for 100% (March 31, 2020 – 100%) of sale of electricity revenue, including RGL (See Note 11), which accounted for 61% (March 31, 2020 – 45%). Proceeds from the sale of Green Certificates were received solely from the above two mentioned customers, including RGL (See Note 11), which accounted for 61% (March 31, 2020 – 44%). Outstanding customer receivables are monitored at each reporting date and any significant outstanding receivables from major customers is analyzed. The Trust evaluates the concentration of risk with respect to trade receivables as high, however, the energy supplier and trading license held by our customers does not allow for the build-up of uncollected receivables.

The Trust views credit risk on its trade and other receivables as minimal. As at March 31, 2021, all trade receivables were current with an expected credit loss of \$239,970 (December 31, 2020 – \$256,715).

*Liquidity Risk*

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation. The Trust manages liquidity risk by closely monitoring changing conditions in its investees, participating in the day-to-day management and by forecasting cash flows from operations and anticipated investing and financing activities. The Trust's financial liabilities are comprised of its accounts payable and accrued liabilities, lease liabilities and debt facilities including associated interest payments, and asset retirement obligations.

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	<b>Total</b>	<b>0 to 12 Months</b>	<b>12 to 24 Months</b>	<b>After 24 Months</b>
Accounts payable and accrued liabilities	5,635,647	5,635,647	-	-
Lease liabilities	20,137,705	5,394,302	3,656,983	11,086,420
Interest payments	2,439,828	900,574	778,628	760,626
Asset retirement obligations	3,534,430	-	-	3,534,430
	<b>\$ 31,747,610</b>	<b>\$ 11,930,523</b>	<b>\$ 4,435,611</b>	<b>\$ 15,381,476</b>

*Foreign Exchange Risk*

Foreign exchange risk is the risk that future cash flows or fair value of a financial instrument will fluctuate because of changes in foreign exchange rates, namely the Romanian Leu and Euro.

The Trust is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings, such as leases, are denominated in the respective functional currencies of the Trust and its subsidiaries. Other than the leases described in Note 7(ii), such transactional risks are limited, as the majority of transactions are made in the respective functional currencies of the Trusts operating subsidiaries.

The exchange rates for the currencies used in the preparation of the Interim Consolidated Financial Statements were as follow:

<b>CAD to RON</b>	<b>March 31, 2021</b>	March 31, 2020	December 31, 2020
Period end exchange rate	<b>3.3299</b>	3.0901	3.1127
Average exchange rate for the year-to-date period	<b>3.1952</b>	3.2419	3.1662

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is exposed to interest rate risk on its fixed interest rate financial instruments. These fixed-rate instruments subject the Trust to a fair value risk.

*Commodity Price Risk*

Commodity price risk is defined for these purposes as the risk that the fair value of future cash flows of the Trust will fluctuate because of changes in commodity prices. The Trust is exposed to commodity price risk related to its revenue recognized and the future realization of Green Certificates. The majority of the Projects are subject to fixed prices in long-term off-take agreements for the sale of energy. East Wind is subject to pricing fluctuations in the Romanian energy market under its off-take agreement.



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**13. SEGMENT INFORMATION**

In accordance with IFRS 8 Operating Segments, the Trust has identified the following operating segments:

- I. the Hydro Projects (located in Romania) consist of Rott, Zagra and Suha which was sold August 10, 2020;
- II. the Solar Projects (located in Romania) consist of Corabia and PowerLIVE;
- III. the Wind Projects (located in Romania) consist of Baia and East Wind; and
- IV. corporate overhead which includes the management of the Projects (located in Romania) and corporate costs for administration of the Trust (located in Canada). The operating segments have been identified based upon the nature of operations and technology used in the generation of electricity. The Trust analyzes the performance of its operating segments based on their operating income (loss), which is defined as revenue less operating expenses.

Assets and Liabilities by Segment:

<b>As at</b>	<b>March 31, 2021</b>	December 31, 2020
<b>Assets</b>		
<i>From foreign jurisdictions:</i>		
Hydro Projects	<b>3,699,525</b>	3,945,071
Solar Projects	<b>33,949,593</b>	36,172,802
Wind Projects	<b>37,477,124</b>	38,055,470
	<b>75,126,242</b>	78,173,343
Corporate	<b>775,834</b>	3,142,017
<b>Total Assets</b>	<b>\$ 75,902,076</b>	\$ 81,315,360
<b>Liabilities</b>		
<i>From foreign jurisdictions:</i>		
Hydro Projects	<b>794,921</b>	866,270
Solar Projects	<b>17,628,289</b>	18,932,440
Wind Projects	<b>10,958,262</b>	11,699,813
	<b>29,381,472</b>	31,498,523
Corporate	<b>991,210</b>	2,900,604
<b>Total Liabilities</b>	<b>\$ 30,372,682</b>	\$ 34,399,127

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Profit (Loss) by Segment:

For the three months ended March 31, 2021	Wind Projects	Hydro Projects	Solar Projects	Corporate Overhead	Total
<b>Revenue</b>	\$ 3,464,157	\$ 144,891	\$ 1,397,873	\$ -	\$ 5,006,921
<b>Total Expenses</b>					
Cost of Sales excluding depreciation	(1,027,625)	(79,144)	(264,149)	-	(1,370,918)
Depreciation	(403,024)	(28,376)	(531,128)	(976)	(963,504)
Corporate Overhead	-	-	-	(537,100)	(537,100)
Other	(65,103)	(7,192)	(388,297)	73,175	(387,417)
<b>Earnings (Loss) for the period</b>	<b>1,968,405</b>	<b>30,179</b>	<b>214,299</b>	<b>(464,901)</b>	<b>\$ 1,747,982</b>
For the three months ended March 31, 2020	Wind Projects	Hydro Projects	Solar Projects	Corporate Overhead	Total
<b>Revenue</b>	\$ 4,175,962	\$ 111,734	\$ 1,135,629	\$ -	\$ 5,423,325
<b>Total Expenses</b>					
Cost of Sales excluding depreciation	(1,220,743)	(28,966)	(244,559)	-	(1,494,268)
Depreciation	(376,383)	(27,733)	(523,477)	(540)	(928,133)
Corporate Overhead	-	-	-	(558,793)	(558,793)
Other	(361,676)	(11,779)	(412,005)	(142,920)	(928,380)
Deferred and current income tax (expense) recovery	(12,253)	-	(125)	-	(12,378)
<b>Discontinued operations</b>	-	(42,152)	-	-	(42,152)
<b>Earnings (Loss) for the period</b>	<b>\$ 2,204,907</b>	<b>\$ 1,104</b>	<b>\$ (44,537)</b>	<b>\$ (702,253)</b>	<b>\$ 1,459,221</b>

## 14. COMMITMENTS AND CONTINGENCIES

### Commitments

In the normal course of business, the Trust enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Trust's financial liabilities and operating commitments as at March 31, 2021:

	Total	Within 12 months	1 – 3 years	3 – 5 years	Greater than 5 years
Variable interest royalty	\$ 1,470,122	\$ 120,261	\$ 236,788	\$ 231,407	\$ 881,666
Lease liabilities					
Principal	20,137,705	5,394,302	13,596,289	141,220	1,005,894
Interest	2,439,828	900,568	987,015	146,296	405,949
Operational commitments	22,446,828	3,723,759	7,439,511	7,146,273	4,137,285
Asset retirement obligations	5,717,704	-	-	-	5,717,704
	<b>\$ 52,212,187</b>	<b>\$ 10,138,890</b>	<b>\$ 22,259,603</b>	<b>\$ 7,665,196</b>	<b>\$ 12,148,498</b>

Operational commitments include asset management and maintenance contracts with RGL, security services and insurance.

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*Contingencies*

Due to the nature and complexity of the Trust's operations, various legal and tax matters are outstanding from time to time. In the event that the Trust's estimates of the future resolution of these matters' changes, the effects of the changes will be recognized in the Consolidated Financial Statements.

**15. IMPACT OF COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus, COVID-19. In March 2020, the WHO classified the COVID-19 outbreak as a global pandemic. COVID-19 has significantly impacted global economies including reduction in the demand for power. While the full impact and duration of COVID-19 is unknown, the Trust's renewable energy facilities have been deemed essential infrastructure and the Trust has been able to maintain business continuity during this pandemic to date reflecting the strength of its operating model and infrastructure. To date, the COVID-19 outbreak has not resulted in any disruptions to the Trust's assets, operations or financial position and the Trust has taken prudent measures to safeguard the health of its employees and contractors. While the majority of the Trust's revenues are contracted under long-term off-take agreements with creditworthy counterparties, there is some exposure to the Romanian wholesale market price of energy for East Wind which is subject pricing fluctuations in the Romanian energy market. Additionally, the Trust is exposed to any changes in the regulatory environment in respect to the production or sale of energy and Green Certificates as a result of COVID-19. Management continues to actively monitor the global situation of the pandemic which remains uncertain and the potential effects it may have on the Trust's financial condition, liquidity, operations, suppliers, customers, and the industry in which it operates including applicable energy and GC prices.

**16. COMPARATIVE INFORMATION**

Certain comparative figures have been reclassified to conform to the current period's presentation.