



**JADEPOWER**

**Jade Power Trust**

**Management's Discussion & Analysis**

**For the three months ended  
March 31, 2021**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**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)**  
**(Expressed in Canadian Dollars unless otherwise noted)**

**BASIS OF PRESENTATION**

This Management's Discussion and Analysis ("**MD&A**") of Jade Power Trust (the "**Trust**" or "**Jade Power**") is dated as of May 27, 2021 and should be read in conjunction with the Trust's unaudited Condensed Interim Consolidated Financial Statements and related notes for the three months ended March 31, 2021 and the audited Consolidated Financial Statements and related notes for the year ended December 31, 2020. The above referenced filings have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") and interpretations issued by the IFRS Interpretations Committee.

Reference should also be made to the Trust's filings with Canadian securities regulatory authorities, which are available at [www.sedar.com](http://www.sedar.com). This MD&A is the responsibility of management. The board of directors (the "**Board**") of Jade Power Administrator Inc. (the "**Administrator**"), the administrator of the Trust, carries out its responsibility for the review and disclosure both directly and through its audit committee.

All amounts are expressed in Canadian Dollars (\$) unless otherwise stated. References to Jade Power or the Trust in this MD&A refer to the Trust and its controlled subsidiaries taken as a whole.

The Trust has included certain non-IFRS financial measures which the Trust believes, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Trust. Non-IFRS financial measures do not have any standardized meaning prescribed under IFRS and therefore they may not be comparable to similar measures employed by other entities. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-IFRS financial measures included in this MD&A include:

- Operating margin - representing revenues less cost of sales excluding depreciation;
- Adjusted EBITDA - representing earnings before interest, taxes, depreciation and amortization ("**EBITDA**") adjusted to exclude share-based compensation, fair value loss or gain on re-measurement of digital assets, fair value adjustments on debentures and conversion features, gains or losses on the settlement of debt, warrant revaluation costs associated with one-time transactions and impairment charges;
- Working capital – representing current assets less current liabilities; and
- Operating cash flow before changes in working capital – representing operating cash flow excluding the impact of changes in net working capital.

Definitions and reconciliations associated with the above metrics can be found under "Non-IFRS Measures".

Cautionary statements regarding forward-looking information are included at the end of this MD&A.

## TRUST OVERVIEW

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario on February 3, 2014 pursuant a declaration of trust, later replaced by the Trust Indenture (defined below). On February 4, 2014, an amended and restated trust indenture (the “**Trust Indenture**”) between Equity Financial Trust Company (“**Equity**”), as trustee, and the Administrator replaced the Trust’s original declaration of trust. Equity was succeeded by TSX Trust Company (the “**Trustee**”) as trustee pursuant to a first supplement to the Trust Indenture dated September 26, 2016. The Trust changed its name from “Transeastern Power Trust” to “Blockchain Power Trust” pursuant to a second supplement to the Trust Indenture dated January 4, 2018 (the “**Second Supplemental Trust Indenture**”) and subsequently changed its name from “Blockchain Power Trust” to “Jade Power Trust” pursuant to a third supplement to the Trust Indenture dated October 3, 2019. In connection with the most recent name change of the Trust, the units in the capital of the Trust (“**Units**”) commenced trading on the TSX Venture Exchange (“**TSXV**”) under a new symbol, “JPWR.UN” and the Unit purchase warrants issued on January 8, 2018 by the Trust commenced trading on the TSXV under the new symbol “JPWR.WT”, which unit purchase warrants were subsequently delisted from the TSXV following their expiry on January 8, 2020.

The Trustee has delegated most of its powers and duties relating to the operations and governance of the Trust to the Administrator pursuant to an Administrative Services Agreement dated February 4, 2014. The Administrator carries out its responsibility for the review and disclosure both directly and through its audit committee. 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. J. Colter Eadie, the Chief Executive Officer and Mr. Ravi Sood, the Chairman of the Administrator, and are subject to the terms of a unanimous shareholders agreement dated May 28, 2014.

The Trust, through its subsidiaries, generates and sells electricity to licensed electricity buyers in Romania through its portfolio of two operational wind projects with a total capacity of 62 megawatts (“**MW**”) (the “**Wind Projects**”), two photovoltaic solar power production plants the (“**Solar Projects**”) with total capacity of 16.6 MW hours peak (“**MWh**”) and two hydro-electric generation facilities which are comprised of run-of-river hydroelectric power plants with total capacity of 2.46 MW (the “**Hydro Projects**” and, collectively with the Wind Projects and the Solar Projects, the “**Projects**”). The Projects combined have an aggregate capacity of 81 MW. The Wind Projects consist of Holrom Renewable Energy S.R.L. (“**Baia**”) and East Wind Farm S.R.L. (formerly “OMV Petrom Wind Power S.R.L”) (“**East Wind**”), the Solar Projects consist of SC Power L.I.V.E. Once SA (“**PowerLIVE**”) and SC Corabia Solar SRL (“**Corabia**”), and the Hydro Projects consist of Rott Energy SA (“**Rott**”) and Zagra Hidro SA (“**Zagra**”). All of the Projects are located in Romania.

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 the Trust’s Romanian subsidiaries which hold the Projects.

The Trust qualifies as a “mutual fund trust” and not a “SIFT trust” each as defined in the *Income Tax Act* (Canada) (the “**Tax Act**”) in accordance with the restrictions set forth in the Trust Indenture. The

Administrator is responsible for monitoring the Trust's investments and holdings of property to ensure the Trust is not at any time a "SIFT trust" and does not hold any "non-portfolio property" as defined in the Tax Act.

The principal head and registered office of the Trust, the Administrator, the Administrator Shareholder and the Trust's Canadian subsidiaries are located at Suite 1800, 181 Bay Street, Toronto, Ontario. The Trust is currently a reporting issuer in each of the provinces of Canada, excluding Québec.

## FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information or future-oriented financial information and, as such, is based on an assumed set of economic conditions and courses of action. Please refer to the cautionary note at the end of this MD&A regarding the risks associated with the forward-looking information.

## FIRST QUARTER 2021 HIGHLIGHTS

- Energy generation from operations of 43,821 MWh for the first quarter of 2021 compared to 50,209 MWh for the first quarter of 2020 due to less windy condition, which negatively impacted energy generation by the Trust's wind assets.
- Revenue of \$5.0 million for the first quarter of 2021, compared with \$5.4 million for the first quarter of 2020.
- Net income of \$1.7 million or \$0.01 per Unit for the first quarter of 2021 compared to a net income of \$1.5 million or \$0.01 per Unit for the first quarter of 2020.
- Adjusted EBITDA of \$2.9 million<sup>1</sup> or \$0.01 per trust unit (each, a "Unit") for the first quarter compared to \$3.2 million or \$0.01 per Unit for the comparable quarter in 2020. (see reconciliation of adjusted EBITDA under "Non-IFRS Measures")
- Operating cash flows of \$3.7 million or \$0.02 per Unit after net changes in working capital compared to \$1.5 million or \$0.01 per Unit for the first quarter of 2020 reflecting an increase in proceeds from the sale of Green Certificates as a result of a 23% increase in Green Certificates sold during the first quarter. (see reconciliation of operating cash flows after net changes in working capital under "Non-IFRS Measures")
- Full repayment of the Trust's debt facility in January 2021.

## OUTLOOK AND STRATEGY

The Trust's strategic plan for building value for holders of Units ("Unitholders") is to invest in high-quality renewable power production facilities that generate sustainable cash flows and provide attractive risk-adjusted returns on invested capital. The amount of electricity generated by the Trust's operating facilities is dependent on the availability of water flows, wind regimes and solar irradiation. Lower-than-expected

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<sup>1</sup> Includes foreign exchange gains (losses).

resources in any given year could have an impact on the Trust's revenues and hence on its profitability and working capital position.

The Trust's goals for 2021 are as follows:

- optimize and improve the performance of its current renewable energy portfolio;
- maximizing revenue; and
- pursue growth opportunities through acquisitions that are accretive to the Trust and adding income generating assets to the Trust's portfolio of Projects.

## SELECTED FINANCIAL INFORMATION

The selected financial information in the table below has been derived from the unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2021 with comparatives for the three months ended March 31, 2020 and as at December 31, 2020.

	March 31, 2021	Three months ended March 31, 2020
Revenue	\$ 5,006,921	\$ 5,423,325
Operating margin <sup>1</sup>	3,636,003	3,929,057
Cost of sales, excluding depreciation	(1,370,918)	(1,494,268)
Depreciation	(963,504)	(928,133)
Total operating expenses, including foreign exchange gains (losses)	(3,030,535)	(3,195,872)
Other income (expenses)	(228,404)	(713,702)
Income tax (expense) recovery	-	(12,378)
Net income (loss) for the period from continuing operations	1,747,982	1,501,373
Net income (loss) for the period	1,747,982	1,459,221
Total Comprehensive income (loss) for the period	(1,386,839)	(1,356,986)
Basic net income (loss) per Unit from continuing operations	0.01	0.01
Basic net (loss) per Unit	0.01	0.01
Adjusted EBITDA from continuing operations <sup>2</sup>	2,939,890	3,155,586
Adjusted EBITDA per Unit from continuing operations <sup>2</sup>	0.01	0.01
Operating cash flow from continuing operations	3,667,674	1,523,682
Operating cash flow per Unit from continuing operations	0.02	0.01
Operating cash flow before changes in working capital <sup>3</sup>	3,949,362	3,162,467
Operating cash flow before changes in working capital per Unit from continuing operations <sup>3</sup>	0.02	0.01
	March 31, 2021	December 31, 2020
<b>As at</b>		
Total assets	75,902,076	81,315,360
Total liabilities	30,372,682	34,399,127
Unitholders' equity	45,529,394	46,916,233

### Notes:

- (1) Operating margin is a non-IFRS measure calculated by deducting direct operating expenses from revenues. See "Non-IFRS Measures" section for a reconciliation to IFRS figures.
- (2) Adjusted EBITDA is a non-IFRS measure calculated as Earnings before Interest, depreciation, amortization and other finance related expenses or gains. See "Non-IFRS Measures" section for a reconciliation to IFRS figures.
- (3) Operating cash flow before changes in working capital is a non-IFRS measure. See "Non-IFRS Measures" section for a reconciliation to IFRS figures.

## 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 material 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 Green Certificate prices.

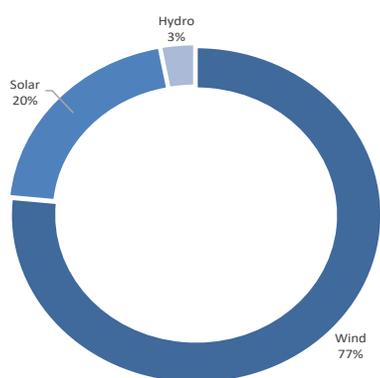
## REVIEW OF OPERATING AND FINANCIAL RESULTS

### Renewable Energy

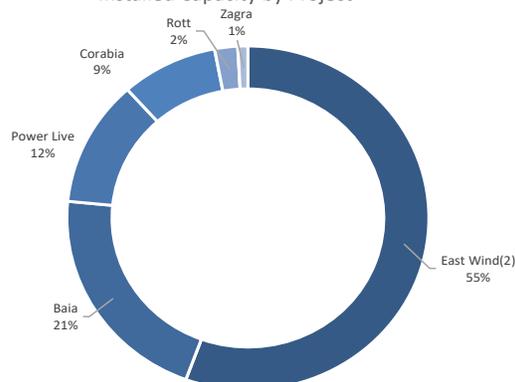
#### *Operating Performance*

The Trust owns two wind parks consisting of twenty-two turbines, two ground-mounted photovoltaic solar parks and two hydro plant facilities consisting of ten hydroelectric run-of-river plants all located in Romania with an aggregate installed power capacity of 81 MWh or 81 MWh.

Installed Capacity by Energy Source



Installed Capacity by Project



Through its portfolio of wind, solar and hydroelectric power generation assets the Trust aims to partially offset seasonal variation in production impacting each type of facility. A seasonally and diversified portfolio of generation assets provides a natural hedge to better ensure minimal variation in energy generation on an annual basis.

The following table summarizes energy generation and Green Certificates earned during Q1 2021 with comparatives for Q1 2020.

Project	Location	Installed Capacity (MW)	Power Generation (MWh)		GCs received	
			For the three months ended March 31, 2021	March 31, 2020	For the three months ended March 31, 2021	March 31, 2020
<b>Wind Projects</b>						
East Wind	Dobrogea Region, Romania	45.00	26,981	29,519	26,981	29,519
Baia	Baia village, Tulcea County, Romania	17.00	11,245	14,558	10,070	13,114
<b>Total Wind Projects</b>		62.00	38,226	44,077	37,051	42,633
<b>Solar Projects</b>						
PowerLIVE	Izvoru, Giurgiu County, Romania	9.60	2,532	2,778	15,081	16,561
Corabia	Corabia Municipality, Olt County, Romania	7.00	1,801	1,963	10,804	11,777
<b>Total Solar Projects</b>		16.60	4,333	4,741	25,885	28,338
<b>Hydro Projects</b>						
Rott	Little Cugir River, the Şureanu Mountains, Romania	1.66	799	921	1,566	1,805
Zagra	Zagra River, Rodna Mountains, Romania	0.73	463	470	1,066	1,081
<b>Total Hydro Projects</b>		2.39	1,262	1,391	2,632	2,886
<b>TOTAL</b>		80.99	43,821	50,209	65,568	73,857

The following table summarizes tradeable and restricted Green Certificates earned on a per MW basis:

Project	Installed capacity (MW)	Tradeable Green Certificates (GC/MWh)	Restricted Green Certificates (GC/MWh)	Total No. of Green Certificates available/MWh	Tradeable Green Certified Earnings Expiry Date	Restricted Green Certificates outstanding as at March 31, 2021 <sup>(1)</sup>	Accreditation Period of Restricted Green Certificates
East Wind	45.00	1.00	-	1.00	30-Sep-26	146,403	2018 to 2025
Baia							
Baia 1	5.00	0.68	-	0.68	28-Feb-27		
Baia 2	2.00	1.00	-	1.00	31-Dec-25		
Baia 4	10.00	1.00	-	1.00	30-Jun-26		
Total Baia	17.00					72,479	2018 to 2025
PowerLIVE <sup>(2)</sup>	9.60	6.00	-	6.00	29-Feb-28	179,477	2021 to 2030
Corabia <sup>(2)</sup>	7.00	6.00	-	6.00	31-Jan-28	131,144	2021 to 2030
Rott	1.66	1.96	-	1.96	31-Mar-27	6,667	2018 to 2025
Zagra	0.73	2.30	-	2.30	29-Apr-29	-	

**Notes:**

- (1) Restricted Green Certificates are released in equal amounts per month over the accreditation period.
- (2) Prior to January 1, 2021, PowerLIVE and Corabia were earning two restricted Green Certificates per MWh up until December 31, 2020. As of January 1, 2021, the accreditation period for the release of restricted Green Certificates for PowerLIVE and Corabia commenced. Prior to January 1, 2020, PowerLIVE and Corabia were earning four tradeable Green Certificates per MWh. As of January 1, 2021, PowerLIVE and Corabia started earning six tradeable Green Certificates per MWh.

The power produced by the Projects is currently subject to long-term fixed-price contracts. All contracts are cancellable in accordance with the terms of the respective contract. The following table summarizes the Trust's existing contracts as of the date of this MD&A:

	<b>RON/MW</b>	<b>Expiry</b>
East Wind	market less 15%	2024
Baia	net price of 76.50 <sup>1</sup>	Indefinite
Power LIVE	60	2027
Corabia	60	2027
Rott	45	2027
Zagra	85	2027

<sup>1</sup>RON142/MW net of balancing services cost of RON65.5/MW

The Trust is also subject to long-term sales agreements for its Green Certificates. These agreements are designed to match the Trust's Green Certificates accreditation earning period. Green Certificates are sold at the minimum price set by the Romanian regulators of €29.40 per Green Certificates in 2021 (2020 - €29.40 per Green Certificates).

***For the first quarter ended March 31, 2021***

Energy generation for the first quarter of 2021 of 43,821 MWh compares to energy generation for the three months ended March 31, 2020 of 50,209 MWh, representing a decrease of 13% period-over-period.

Energy generated from wind was 38,226 MWh for the three months ended March 31, 2021 compared to 44,077 MWh for the three months ended March 31, 2020, representing a decrease of 13% period-over-period. First quarter energy generation was impacted by reduced wind conditions in the first quarter of 2021 vis-à-vis the first quarter of 2020. Additionally, during the fourth quarter of 2020, one of the wind turbines at East Wind was damaged by lightning which resulted in the turbine becoming inoperative from mid October 2020 to January 2021. As result of the damaged wind turbine, less energy was generated from East Wind during the first quarter compared to the same period of the comparative year. The damaged wind turbine was properly functioning as of February 2021.

Solar energy generation for the three months ended March 31, 2021 was 4,333 MWh compared to 4,741 MWh of solar energy generated for the three months ended March 31, 2020, representing a decrease of 9% period-over-period of off-peak energy generation.

Energy generation from the hydro facilities was 1,262 MWh for the three months ended March 31, 2021 compared to 1,391 MWh from continuing operations for the three months ended March 31, 2020, representing a decrease of 9% period-over-period.

All facilities are under full-service, long-term operational and maintenance contracts primarily with Renovatio Asset Management, part of Renovatio Group Limited (“RGL”), one of the largest private renewable energy asset managers in Europe. Renovatio Asset Management specializes in the management, operation and maintenance services for wind farms and photovoltaic power plants. In Romania, Renovatio Group is the joint venture partner of EDP Renewables, one of the largest renewable energy companies in the world.

### ***Financial Performance***

#### ***For the first quarter ended March 31, 2021***

Net income for the three months ended March 31, 2021 was \$1.7 million or \$0.01 per Unit. This compares to net income from continuing operations of \$1.5 million or net income of \$0.01 per Unit for comparative three months ended March 31, 2020. Net income for the first quarter reflects lower production off-set by an increase in income from Green Certificates and a decrease in operating costs and finance costs.

Adjusted EBITDA for the three months ended March 31, 2021 was \$3.0 million or \$0.01 per Unit. This compares to an Adjusted EBITDA (loss) from continuing operations of \$3.2 million or \$0.01 per Unit for the three months ended March 31, 2020. Adjusted EBITDA for the first quarter of 2021, reflects lower production off-set by an increase in income from Green Certificates and a decrease in operating costs.

Revenue for the three months ended March 31, 2021 was \$5.0 million. This compares to \$5.4 million of revenue recognized from continuing operations for the comparable three months ended March 31, 2020. Revenue for the first quarter includes a decrease in revenue from the sale of electricity as a result of lower energy generation and an increase in income from Green Certificates as a result of updated pricing for Green Certificates. Additionally, effective January 1, 2021 the Solar Projects stopped earning restricted Green Certificates and started earning six tradeable Green Certificates per MWh compared to four tradeable Green Certificates per MWh. This results in an increase in income from Green Certificates as income from tradeable Green Certificates are recorded at the current trading price prescribed by the Romanian Gas and Electricity Market Operator while income from restricted Green Certificates were recorded at the current trading price prescribed by the Romanian Gas and Electricity Market operating and discounted using a market-based, risk adjusted discount rate based on the timing of their future cash flows. Effective January 1, 2021, the Trust only earns income from tradeable Green Certificates compared to income from both tradeable and restricted Green Certificates for the comparative period.

Revenue for the first quarter was comprised of \$1.8 million from the sale of electricity and \$3.2 million from income from tradeable Green Certificates. This compares to revenue from continuing operations from the comparative quarter of 2020 of \$2.4 million from the sale of electricity and \$3.0 million from income from tradeable and restricted Green Certificates.

Cost of sales excluding depreciation for the Projects was \$1.4 million for the three months ended March 31, 2021. This compares to \$1.5 million of cost of sales from continuing operations excluding depreciation for the comparative three months ended March 31, 2020.

Operating margin (defined as revenues less cost of sales excluding depreciation) for the three months ended March 31, 2021 was \$3.6 million compared with an operating margin \$3.9 million from continuing operations for the comparative three months ended March 31, 2020, reflecting lower revenues during the

first quarter of 2021. Operating margin after taking into account a deduction for depreciation was \$2.7 million for the three months ended March 31, 2021 compared to \$3.0 million for the comparative three months ended March 31, 2020 from continuing operations.

### **Other Operating Expenses and Other Expenses**

#### **For the first quarter ended March 31, 2021**

Other operating expenses for the three months ended March 31, 2021 include the following:

- General and administrative expenses and professional fees of \$0.5 million compared to \$0.6 million for the comparative three months ended March 31, 2020.
- Foreign exchange loss of \$0.2 million consistent with a foreign exchange loss of \$0.2 million for the comparative three months ended March 31, 2020.

Other expenses consist of finance costs of \$0.2 million for the three months ended March 31, 2021 compared to \$0.7 million in expenses for the comparative three months ended March 31, 2020. The decrease in finance costs is a result of a full repayment of the Trust's debt facility on January 4, 2020 resulting interest cost savings for the quarter and going forward.

### **SELECTED QUARTERLY FINANCIAL INFORMATION**

The following tables provide the available summary financial data for the Trust's last eight completed quarters:

For the Three Months Ended	Mar 31, 2021 (\$)	Dec 31, 2020 (\$)	Sep 30, 2020 (\$)	Jun 30, 2020 (\$)	Mar 31, 2020 (\$)	Dec 31, 2019 (\$)	Sep 30, 2019 (\$)	Jun 30, 2019 (\$)
Revenue								
Sale of Electricity	1,802,879	1,657,393	1,481,184	1,539,963	2,385,956	1,661,788	1,225,639	1,453,806
Income from Green Certificates	3,204,042	2,233,799	3,002,889	3,381,487	3,037,369	2,970,308	2,782,599	2,706,842
Total Revenue	5,006,921	3,891,192	4,484,073	4,921,450	5,423,325	4,632,096	4,008,238	4,160,648
Operating expenses, including foreign exchange gains (lo:	(3,030,535)	(3,304,673)	(3,183,112)	(3,309,372)	(3,195,872)	(2,433,849)	(2,428,141)	(2,443,488)
Other income (expenses)	(228,404)	393,316	(382,905)	(1,244,934)	(713,702)	395,531	(188,900)	(481,777)
Income tax (expense) recovery	-	(176,079)	(35,677)	102,505	(12,378)	77,520	53,199	53,879
Net income (loss) from continuing operations	1,747,982	803,756	882,379	469,649	1,501,373	2,671,298	1,444,396	1,289,262
Income (loss) from discontinued operations, net of tax	-	(604,475)	19,413	(39,462)	(42,152)	50,111	(47,007)	(48,175)
Net income (loss) for the period	1,747,982	199,281	901,792	430,187	1,459,221	2,721,409	1,397,389	1,241,087
Total comprehensive income (loss)	(1,386,839)	3,588,950	53,577	2,681,353	(1,356,986)	2,693,026	(2,033,473)	1,290,446
Basic & diluted net income (loss) from continuing operations per Unit	0.01	0.00	0.00	0.00	0.01	0.01	0.01	0.01
Basic and diluted net income (loss) from discontinued operations, per Unit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Basic & diluted net income (loss) per Unit	0.01	0.00	0.00	0.00	0.01	0.01	0.01	0.01

As at	Mar 31, 2021 (\$)	Dec 31, 2020 (\$)	Sep 30, 2020 (\$)	Jun 30, 2020 (\$)	Mar 31, 2020 (\$)	Dec 31, 2019 (\$)	Sep 30, 2019 (\$)	Jun 30, 2019 (\$)
Total Current Assets	16,018,331	15,432,000	16,254,392	15,275,393	15,599,778	12,802,114	11,703,563	12,263,792
Total Current Liabilities	11,029,949	13,620,677	11,596,911	11,653,142	12,646,781	-	-	-
Working Capital (Deficit)	4,988,382	1,811,323	4,657,481	3,622,251	2,952,997	12,802,114	11,703,563	12,263,792
Total Assets	75,902,076	81,315,360	83,123,024	82,000,328	85,104,669	78,515,648	76,541,274	79,985,495
Total Liabilities	30,372,682	34,399,127	35,599,135	36,226,447	37,517,190	-	-	-
Trust Capital	103,226,233	103,226,233	103,226,233	103,226,233	103,508,740	103,508,740	103,356,676	103,329,679
Deficit	(63,634,831)	(65,382,813)	(65,582,094)	(66,483,886)	(66,914,073)	(68,373,294)	(71,094,703)	(72,492,092)
Unitholders Equity (Deficit)	45,529,394	46,916,233	47,523,889	45,773,881	47,587,479	-	-	-
Total Liabilities and Equity	75,902,076	81,315,360	83,123,024	82,000,328	85,104,669	-	-	-

## LIQUIDITY AND CAPITAL RESOURCES

The Trust's objectives when managing capital are primarily to support the creation of Trust unitholder value while ensuring that the Trust is able to meet its financial obligations as they become due.

### Summary of Financial Condition

The following table summarizes the cash inflows and outflows by activity for the periods indicated:

	Three months ended	
	March 31, 2021	March 31 2020
Cash generated by (used in)		
Operating activities	\$ 3,667,674	\$ 1,523,682
Investing activities	\$ (2,802)	\$ -
Financing activities	\$ (3,183,213)	\$ (1,241,256)

As at	March 31, 2021	December 31, 2020
Cash and cash equivalents at end of period	\$ 2,882,075	\$ 2,917,885
Current assets	\$ 16,018,331	\$ 15,432,000
Current liabilities	(11,029,949)	(13,620,677)
Working capital	\$ 4,988,382	\$ 1,811,323

Factors that could impact on the Trust's liquidity and cash flows from operations are monitored regularly and include production levels, the timing of Green Certificates cash inflows and operating costs. Energy production levels are impacted by variability in the timing and velocity of wind, hydrology levels, hours of sunlight as well as the operational capability of the Projects.

Available cash (excluding restricted cash) as at March 31, 2021 was \$2.9 million consistent with \$2.9 million as at December 31, 2020.

As at March 31, 2021, the Trust had a working capital surplus of \$5.0 million compared to a working capital surplus of \$3.0 million as at March 31, 2020. The Trust continues to improve its working capital position through the generation of positive operating cash flows from energy generation in line with plan.

### **Summary of Cash Inflows (Outflows)**

#### ***For the three months ended March 31, 2021***

For the three months ended March 31, 2021, cash flows generated were \$3.7 million or \$0.02 per Unit after net changes in working capital. This compares to operating cash flows from continuing operations of \$1.5 million or \$0.01 per unit for the three months ended March 31, 2020. Cash flows generated prior to net changes in working capital were \$3.9 million for the three months ended March 31, 2021 compared to \$3.2 million for the three months ended March 31, 2020. The increase in operating cash flows for the first quarter of 2021 reflects higher proceeds from the sale of Green Certificates compared to the first quarter of 2020. Higher proceeds were a result of a 23% increase in the number of Green Certificates sold during the first quarter of 2021 and a 2% increase in the price per Green Certificate sold compared to Green Certificates sold and the price per Green Certificate in the first quarter of 2020. Additionally, the Trust sold more Green Certificates than what was earned during the first quarter of 2021, resulting in higher proceeds from the sale of Green Certificates impacting operating cash flows. Operating cash flows are impacted by proceeds from the sale of Green Certificates to buyers while revenue recognized in the Statement of Net Income and Comprehensive Loss is impacted by income from Green Certificates. Income from Green Certificates is recorded when there is reasonable assurance that the Trust has complied with the conditions relating to the grant of such Green Certificates, which generally occurs upon grant of the GC from the Romanian Government. The Trust is entitled to receive Green Certificates when it produces electricity that is registered on the electrical grid by Transelectrica S.A.

There were \$0.2 million cash flows used in investing activities of operations for the three months ended March 31, 2021 compared to \$Nil for the comparative three months ended March 31, 2020.

Net cash outflows used in financing activities of continuing operations for the three months ended March 31, 2021 were \$3.2 million and \$1.2 million for the three months ended March 31, 2020 and include full repayment of the Trust's debt facility and repayment of lease liabilities.

### **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 primarily include asset management, maintenance, security services and insurance.

### 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 audited Consolidated Financial Statements.

### Off-balance Sheet Arrangements

As of the date of this filing, the Trust does not have any material off-balance sheet arrangements.

### RELATED PARTY TRANSACTIONS

Apart from the transactions disclosed in the 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. Intercompany 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.



pronouncements are described in Note 2 *Significant Accounting Policies* of the Trust's Consolidated Annual Financial Statements for the year ended December 31, 2020.

### **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Trust's Condensed Interim Consolidated Financial Statements in accordance with IAS 34 requires management to make judgements, estimates and assumptions that affect the reported amount of assets, amounts of assets, liabilities, income and expenses, and the accompanying disclosures.

These assumptions, judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the Trust's unaudited Condensed Consolidated Interim Financial Statements.

Judgments, estimates and assumptions are periodically evaluated by management and are based on management's best knowledge of relevant facts and circumstances, having regard to previous experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes and results may differ materially from the amounts included and disclosed in the unaudited Condensed Interim Consolidated Financial Statements.

The critical judgments and key sources of estimation uncertainties in the application of accounting policies during the three months ended March 31, 2021 are consistent with those disclosed in Note 2 *Significant Accounting Policies* in the Trust's audited Consolidated Annual Financial Statements for the year ended December 31, 2020, except as otherwise noted in this MD&A.

### **BUSINESS RISKS AND UNCERTAINTIES**

There are a number of risk factors that could impact the Trust's ability to successfully execute its key strategies and may materially affect future events, performance or results. The risks and uncertainties described herein are not the only ones the Trust faces. Additional risks and uncertainties, including those that the Trust does not know about now or that it currently deems immaterial, could have a material adverse effect on the Trust. If any of the following or other risks occur, the Trust's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

On January 30, 2020, the **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. The impact of the COVID-19 pandemic continues to evolve as of the date of this MD&A. Given the dynamic nature of these circumstances, the Trust is not able to estimate the future effects of the COVID-19 pandemic on its results of operations, financial condition, or liquidity at this time. To date, the outbreak has not resulted in any material disruptions to the Trust's assets, operations or financial performance. However, management is actively monitoring the global situation of the pandemic 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 Green Certificate prices.

For a more comprehensive discussion on the risks faced by the Trust, please refer to the Trust's MD&A for the year ended December 31, 2020.

## NON-IFRS MEASURES

The Trust has included certain non-IFRS measures to supplement its unaudited Condensed Interim Consolidated Financial Statements, which are presented in accordance with IFRS, including operating margin.

The Trust believes that operating margin, adjusted earnings before interest, taxes and depreciation (“EBITDA”) and adjusted earnings before interest, taxes and depreciation per share, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Trust. Non-IFRS financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management's determination of the components of non-IFRS and additional measures are evaluated on a periodic basis influenced by new items and transactions, a review of investor uses and new regulations as applicable. Any changes to the measures are duly noted and retrospectively applied as applicable.

The following is a reconciliation of operating margin:

	<b>Three months ended</b>	
	<b>March 31, 2021</b>	March 31, 2020
Total revenue	\$ 5,006,921	\$ 5,423,325
Less:		
Cost of sales excluding depreciation	<b>(1,370,918)</b>	(1,494,268)
Operating margin	<b>\$ 3,636,003</b>	\$ 3,929,057

The following is a reconciliation of adjusted EBITDA and adjusted EBITDA per Unit:

	<b>Three months ended</b>	
	<b>March 31, 2021</b>	March 31, 2020
Net income (loss) for the period from continuing operations	\$ 1,747,982	\$ 1,501,373
Add-back:		
Financing (recovery) costs	<b>228,404</b>	713,702
Income tax expense (recovery)	-	12,378
Depreciation	<b>963,504</b>	928,133
Adjusted EBITDA from continuing operations	<b>\$ 2,939,890</b>	\$ 3,155,586
Adjusted EBITDA per Unit from continuing operations	<b>\$ 0.01</b>	\$ 0.01

The following is a reconciliation of working capital:

	<b>March 31, 2021</b>	December 31, 2020
<b>As at</b>		
Current assets	\$ 16,018,331	\$ 15,432,000
Current liabilities	<b>(11,029,949)</b>	(13,620,677)
Working capital	<b>\$ 4,988,382</b>	\$ 1,811,323

The following is a reconciliation of operating cash flow after changes in net working capital per Unit:

	Three months ended	
	March 31, 2021	March 31, 2020
Net used in operating activities from continuing operations	\$ 3,667,674	\$ 1,523,682
Weighted average number of Units	231,216,256	231,487,195
Operating cash flow from continuing operations per Unit	\$ 0.02	\$ 0.01

## FORWARD LOOKING INFORMATION

Certain statements contained in this MD&A constitute “forward-looking statements”. All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Trust’s future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Trust participates or is seeking to participate and any statements preceded by, followed by or that include the words such as “anticipates”, “plans”, “proposes”, “estimates”, “intends”, “expects”, “believes”, “may” and “will” or similar expressions or the negative thereof, are forward-looking statements. The forward-looking statements are founded on the basis of expectations and assumptions made by the Trust. Details of the risk factors relating to the Trust and its business are discussed under the heading “Business Risks and Uncertainties”. These statements are not historical facts but instead represent only the Trust’s expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements, to differ materially include, but are not limited to, the risk factors discussed herein under the section heading “Business Risks and Uncertainties”. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Trust. These forward-looking statements are made as of the date of this MD&A and the Trust assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Trust’s present and future business strategies and the environment in which the Trust will operate in the future, including assumptions regarding expected energy prices, business and operating strategies, future acquisitions and the Trust’s ability to operate its facilities on a profitable basis.

Some of the risks which could affect future results and would cause results to differ materially from those expressed in the forward-looking statements contained herein include: risks related to foreign operations (including various political, economic and other risks and uncertainties), the interpretation and

implementation of the energy law, expropriation of property rights, political instability and bureaucracy, limited operating history, lack of profitability, high inflation rates, failure to obtain bank financing, fluctuations in currency exchange rates, competition from other businesses, reliance on various factors (including local labour, importation of machinery and other key items and business relationships), risks related to seasonality (including adverse weather conditions, shifting weather patterns, and global warming), a shift in energy trends and demands, a shift in energy generation in the EU, vulnerability to fluctuations in the world market, the lack of availability of qualified management personnel and stock market volatility.

Risks may materially and adversely affect the Trust's business, financial condition, results of operations and/or the market price of the Trust's securities.