



FINANCIAL REPORT Q3 2024

MPC Energy Solutions N.V.

MPC ENERGY SOLUTIONS IS A FULL-CYCLE INDEPENDENT POWER PRODUCER (IPP)

MPC Energy Solutions (“MPCES”, “Company”, together with its subsidiaries “Group”, “we”) develops, builds, owns and operates renewable energy assets, including utility-scale solar photovoltaics (PV) and onshore wind farms and hybrid projects, combining renewable sources and storage technologies.

We generate and deliver clean and affordable energy to public and private commercial and industrial off-takers in developing markets, accelerating and driving the energy transition. To sell the energy we produce in our plants, we usually sign long-term power purchase agreements (PPA) which help us secure predictable cash flows for our projects while simultaneously allowing off-takers to purchase energy at reliable prices that are usually lower than the applicable tariffs from public utilities.

The Company is currently active in several countries across Latin America and the Caribbean.

Contents

- 4 Year-to-Date 2024 Results - Summary
- 6 Report of the Management Board
- 11 Consolidated Financial Statements

FINANCIAL DISCLAIMERS AND DEFINITIONS

Amounts reported in thousands or millions throughout this report are computed based on the underlying numbers in US dollars (USD). As a result, the sum of the components reported in the underlying numbers in USD may not equal the total amount reported in thousands or millions due to rounding. Certain columns and rows within tables may therefore not add up due to the use of rounded numbers. Percentages presented are calculated from the underlying numbers in USD.

To supplement our consolidated financial statements presented on International Financing Reporting Standards (IFRS) basis, we disclose certain non-IFRS financial measures (Alternative Performance Measures, APM), including, without being limited to, proportionate energy output numbers, proportionate revenues, and proportionate earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings before interest, taxes, and amortization (EBITA), including percentages and ratios derived from those measures.

The difference between consolidated values and proportionate values is explained by the following pro-rata considerations:

Project	Share considered to calculate consolidated values	Share considered to calculate proportionate values
Los Santos I, Mexico	100%	100%
Santa Rosa & Villa Sol, El Salvador	100%	100%
Neol CHP, Puerto Rico	100%	95%
Los Girasoles, Colombia	100%	100%
Planeta Rica, Colombia	0%	50%
San Patricio, Guatemala	100%	100%

Both EBITDA and EBITA are commonly used performance indicators in the Company's industry. These APMs are not necessarily in accordance with generally accepted accounting principles stipulated by IFRS and should not be considered in isolation from or as a replacement for the most directly comparable IFRS financial measures. Furthermore, other companies may calculate these APMs differently than we do, which may limit the usefulness of those measures for comparative purposes.

Management uses supplemental APMs to evaluate performance period over period, to analyze the underlying trends in our business, to assess our performance relative to our competitors and to establish operational goals and forecasts that are used in allocating resources. In addition, management uses APMs to further its understanding of the performance of our operating projects and help isolate actual performance from adjustments required by accounting standards.

FORWARD-LOOKING STATEMENTS

Certain information and statements shared in this document, including financial estimates and comments about our plans, expectations, beliefs, or business prospects, and other information and statements that are not historical in nature, may constitute forward-looking statements under the securities laws. We make these statements based on our views and assumptions regarding future events and business performance at the time we make them.

We do not undertake any obligation to update these information and statements in the future. Forward-looking statements are subject to several risks and uncertainties, and actual results may differ materially from the results expressed or implied considering a variety of factors, including factors contained in our financial statements, filings, and other releases.

MPC ENERGY SOLUTIONS N.V.

Q1 TO Q3 2024 RESULTS - SUMMARY

in million USD unless stated otherwise	Q1-Q3 2024	Q1-Q3 2023
Installed capacity (MW, proportionate, cumulated)	66	53
Energy output* (GWh, proportionate, as generated)	89.8	65.7
Average revenue per MWh (USD, power-producing assets only)	87	95
Revenue (proportionate, project level)	9.7	6.8
EBITDA** (proportionate, project level)	6.5	3.0
EBITDA margin (proportionate, project level)	67%	45%
EBITA** (proportionate, project level)	4.1	1.1
EBITA margin (proportionate, project level)	43%	17%
Total assets (consolidated, group level)	124.3	129.3
Equity ratio (consolidated, group level)	49%	57%
Adjusted earnings per share*** (EPS, basic and diluted, in USD)	(0.12)	(0.30)
Free cash (excluding cash held in projects)	2.1	8.8
Cash flow from operations	(1.5)	(1.6)
Cash flow from investing activities	(17.1)	(10.8)
Cash flow from financing activities	8.2	1.1
FX translation differences	(0.1)	0.2
Total cash flow for the period	(10.4)	(11.2)

Note: Rounding differences may occur.

* As generated, not including energy that was not generated but can be invoice in line with contractual agreements.

** For the definition of EBITDA and EBITA, please refer to our financial disclaimers and definitions made at the beginning of the report.

*** Corrected for FX gains/losses and impairment charges.

REPORT OF THE MANAGEMENT BOARD

FINANCIAL AND OPERATIONAL RESULTS

Project Performance

As of 30 September 2024, four projects were delivering energy to power grids in Mexico, El Salvador, and Colombia. The energy output, revenue and operating profits/cash flows from these projects are up significantly year-over-year.

Energy production of our combined heat and power (CHP) plant Neol CHP in Puerto Rico has been put on hold indefinitely and we are in the process of selling the plant.

Project Performance – Proportionate Figures

proportionate, in thousand USD	Energy output (GWh)	Revenue (project level)	EBITDA (project level)	EBITDA margin (project level)
Q1-Q3 2024	89.8	9,717	6,537	67%
Q1-Q3 2023	65.7	6,809	3,049	45%
Q1-Q3 2022	22.3	2,567	1,492	58%
Relative change 2024 vs. 2023	+37%	+43%	+114%	

Note: Rounding differences may occur.

Our energy output in the first three quarters of 2024 already surpassed the full-year output of 2023, mainly driven by an increased number of projects being operational, but also by improved performances, in particular from our Mexican plant Los Santos I, which is benefitting from technical improvements made since we acquired the asset. Especially the month of August of this year marked several new records for MPCES. Overall energy generation was 11.5 GWh, marking a new high. In addition, our solar PV plant Santa Rosa & Villa Sol in El Salvador achieved an all-time record output of 4.2 GWh. On a like-for-like basis, i.e. only comparing months in which a plant was operational both in 2023 and 2024, overall energy production was up around 2%.

Both proportionate revenues and EBITDA were also up significantly, driven not only by the higher energy output, but also but higher energy prices in El Salvador and lower trading activities and losses in Colombia. Despite the subpar performance of Neol CHP (Puerto Rico) and minor operational issues in our projects, the overall results mark a meaningful improvement year-over-year and speak to the potential of our existing portfolio.

Report of the Management Board

	Q1-Q3 2024	Q1-Q3 2023	Change
Energy output (GWh)			
Santa Rosa & Villa Sol, El Salvador	29.1	26.6	+9%
Los Santos I, Mexico	27.8	26.3	+6%
Los Girasoles, Colombia	16.4	3.3	+396%
Planeta Rica, Colombia	15.0	-	n/a
Neol CHP, Puerto Rico	1.5	9.5	(84%)
Total	89.8	65.7	+37%
Revenue (proportionate, in thousand USD)			
Santa Rosa & Villa Sol	3,165	2,069	+53%
Los Santos I	2,922	2,868	+2%
Los Girasoles	1,583	871	+82%
Planeta Rica	891	-	n/a
Neol CHP	1,155	1,000	+16%
Total	9,717	6,809	+43%
EBITDA (proportionate, in thousand USD)			
Santa Rosa & Villa Sol	2,638	1,670	+58%
Los Santos I	2,102	1,858	+13%
Los Girasoles	576	(836)	n/a
Planeta Rica	587	-	n/a
Neol CHP	634	358	+77%
Total	6,537	3,049	+114%
EBITDA margin			
Santa Rosa & Villa Sol	83%	81%	
Los Santos I	72%	65%	
Los Girasoles	36%	(96%)	
Planeta Rica	66%	-	
Neol CHP	55%	36%	
Total	67%	45%	

Note: Rounding differences may occur.

As previously reported, our CHP plant in Puerto Rico has seen very little energy output in 2024, caused by low energy demand from the off-taker, a local pharmaceutical company. The situation is not expected to improve and, following expected financial constraints of the off-taker, we are in the process of selling the asset and exiting the market and are anticipating further impairment losses in the coming months (please refer to Note 5 of the financial statements in this report for details on already recorded impairments).

Our solar PV plant Los Santos I in Mexico lost a month of revenue due to a metering failure at the client's energy infrastructure. The lost amount of around USD 0.2 million should be recovered in the coming months.

In El Salvador, our project Santa Rosa & Villa Sol experienced a short-term current transformer failure in August 2024, lowering the overall output of the plant by around 25% for several weeks. Repairs are completed and the plant returned to full capacity in early October.

While project performance in Colombia is in line with our expectations, it is noteworthy that both of our projects (Los Girasoles and Planeta Rica) have not yet achieved full capacity as a number of tracker systems are still being installed and commissioned. We expect them to start operating at full capacity in late 2024.

Corporate Overhead Costs

Our efforts to significantly reduce overhead spending compared to 2023 continue to bear fruit. In the first nine months of 2024, costs are down 30% year-over-year and we expect this level of reduction to be achieved for the entire year as well. We have identified further areas of potential savings going forward, but will at this time not project the magnitude of additional cost reductions.

in thousand USD	Q1-Q3 2024	Q1-Q3 2023	Change
Employee expenses	(1,243)	(1,492)	(17%)
Other overhead	(1,688)	(2,705)	(38%)
Total	(2,931)	(4,196)	(30%)

Note: Rounding differences may occur.

Free Cash Position

We define free cash as funds available for immediate deployment for project investments, project development and group overhead. This figure excludes cash available in our project companies as well as cash deposited as collateral to secure project-related bank guarantees or energy trading activities.

in thousand USD	30.09.2024	31.12.2023
Consolidated group cash position	9,953	20,483
Restricted deposits	(663)	(1,991)
Cash held in consolidated project entities	(7,151)	(3,721)
Free cash position of the group	2,139	14,771

Note: Rounding differences may occur.

During the first half of 2024, we fully funded our solar PV project San Patricio in Guatemala. As of today, MPCES has invested USD 8.5 million in the project to finance development and construction equity. USD 8.1 million of that amount was deployed into the project entity since 1 January 2024, significantly reducing our free cash position compared to 31 December 2023.

Given our activities to (partially) sell some of our projects in the coming months and our lower overhead spending following successful cost reductions, we currently do not foresee any liquidity concerns for 2024, 2025 and beyond.

RISK FACTORS

Risk Management

The Group is exposed to a variety of risks which may or may not materialize and could potentially have an adverse effect on the Group's business and prospects. It is considered practically impossible to generate risk-free profits systematically and sustainably, as risks are part of every company's business activity. Therefore, identifying and mitigating risks is among the most important entrepreneurial duties.

For a detailed overview of the Company's risks and risk assessment, please refer to our Annual Report 2023.

The Company regularly reviews its methodology of risk management to check whether it meets the current needs and requirements of the Management Board. As part of this review, MPCES evaluates its internal controls and systems for risk management and updates them where needed and encourages employees to actively contribute to the improvement of the Company's risk management system and policies.

MANAGEMENT BOARD

As of 30 September 2024, the Group's Chief Financial Officer (CFO), Stefan H.A. Meichsner, and the Group's Managing Director for Central America and the Caribbean, Fernando Zuñiga, were the only members of the Management Board.

GOING CONCERN

In preparing the consolidated financial statements, the Management Board is 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 it is expected to liquidate the Company or to cease its operations.

Assessing whether going concern is the correct presumption requires judgement by the Management Board on different matters concerning the Company's ability to continue its operations in the future. This judgement is based on the financial position of the Company, the Company's existing operational projects, projects under construction and the project development backlog, business opportunities and financial projections. Since the Company is not yet generating positive cash flows, the uncertainty of maintaining sufficient liquidity to support the going concern assumption has been assessed.

Report of the Management Board

Based on internal financial projections and preparations made to secure additional funding from external sources (asset sales, equity and debt), as well as the fact that the Company has currently no long-term debt on corporate level, the Management Board currently sees no significant risk materializing from this uncertainty.

EVENTS AFTER THE REPORTING DATE

On 28 October 2024, MPCES decided to write-off its participation in a convertible note that was given to Enernet Global Inc. (USA), the Company's former partner for developments in Puerto Rico. MPCES does not expect the note amount and the accrued interest thereon to be recovered following an ongoing recapitalization of Enernet Global Inc. and will therefore record a non-cash impairment of around USD 1.7 million in Q4 of the current financial year.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	13
Consolidated Income Statement	14
Consolidated Statement of Cash Flows	15
Notes to the Consolidated Financial Statements	16

Consolidated Statement of Financial Position

For the period ended 30 September, unaudited
(before appropriation of results)

in thousand USD	Notes	30.09.2024	31.12.2023
Intangible assets	1	17,190	18,198
Property, plant and equipment		71,210	62,313
Right-of-use assets		1,267	1,810
Investments in joint ventures		-	367
Financial assets		16,753	14,191
Non-current assets		106,420	96,879
Trade and other receivables		4,735	5,569
Prepayments and accrued income		210	167
Deferred tax assets		2,971	-
Cash and cash equivalents	2	9,953	20,483
Current assets		17,869	26,219
Total assets		124,289	123,098
Shareholder equity		61,308	69,285
Non-controlling interest		142	149
Equity		61,450	69,434
Project finance loans	3	49,851	40,729
Lease liabilities		1,218	1,851
Deferred tax liabilities		5,237	3,307
Provisions		159	173
Non-current liabilities		56,465	46,060
Trade and other payables		1,975	2,047
Payables to related parties		507	265
Project finance loans	3	1,930	3,107
Lease liabilities		329	226
Taxes and other social securities		1,245	1,557
Provisions		303	267
Accruals and deferred income		85	135
Current liabilities		6,374	7,604
Total equity and liabilities		124,289	123,098

Note: Rounding differences may occur.

Consolidated Income Statement

For the period ended 30 September, unaudited

in thousands USD	Notes	Q1 to Q3 2024	FY2023
Revenue	4	8,887	9,092
Cost of sales		(2,903)	(4,690)
Employee expenses		(1,243)	(1,948)
Other operating expenses		(1,688)	(3,164)
Depreciation, amortization, and impairment charges	5	(4,485)	(6,965)
Operating income (EBIT)		(1,432)	(7,675)
Gain from bargain purchases		-	143
Other income and expenses		(498)	(994)
Financial results		(1,586)	(2,395)
Share of result of joint ventures		(406)	(1,676)
FX gain / (loss)		(966)	(12,597)
Profit / (loss) before income tax		(4,888)	(9,847)
Income tax expenses		(152)	1,345
Net profit / (loss) for the period		(5,040)	(8,502)
Attributable to common equity holders of the Company		(5,027)	(8,486)
Attributable to non-controlling interest		(13)	(16)
Weighted average shares outstanding		22,250,000	22,250,000
Basic and diluted EPS		(0.22)	(0.38)
Adjusted basic and diluted EPS*		(0.12)	(0.38)

Note: Rounding differences may occur.

*Corrected for FX gains/losses and impairment charges.

Consolidated Statement of Cash Flows

For the period ended 30 September, unaudited

in thousands USD	Q1 to Q3 2024	FY2023
Cash flow from operating activities	(1,528)	(3,950)
Cash flow from investment activities	(17,089)	(278)
Cash flow from financing activities	8,202	411
Net change in cash and cash equivalents	(10,415)	(3,817)
Effects of currency translation	(115)	125
Cash and cash equivalents at the beginning of the period	20,483	24,175
Cash and cash equivalents at the end of the period	9,953	20,483

Note: Rounding differences may occur.

Notes to the Consolidated Financial Statements

GENERAL

Company profile

As an integrated full-cycle independent power producer (IPP), the principal activities of the Company and its subsidiaries are to develop, build, own, and operate renewable energy projects. This includes, without being limited to, solar farms, wind farms and hybrid installations.

The registered and actual address of MPC Energy Solutions N.V. is Apollolaan 151, 1077 AR Amsterdam, the Netherlands. The Company is registered at the Dutch chamber of commerce under number 78205123. The Company was incorporated on 4 June 2020. MPCES has additional offices in Bogotá (Colombia) and Panama City (Panama).

Following a private placement of shares on 22 January 2021, the shares of the Company were listed in the Euronext Growth segment of the Oslo Stock Exchange.

Going concern

In preparing the consolidated financial statements, the Management Board is 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 it is expected to liquidate the Company or to cease its operations.

Assessing whether going concern is the correct presumption requires judgement by the Management Board on different matters concerning the Company's ability to continue its operations in the future. This judgement is based on the financial position of the Company, the Company's existing operational projects, projects under construction and the project development backlog, business opportunities and financial projections. Since the Company is not yet generating positive cash flows, the uncertainty of maintaining sufficient liquidity to support the going concern assumption has been assessed. Based on internal financial projections and preparations made to secure additional funding from external sources (asset sales, equity and debt), as well as the fact that the Company has currently no long-term debt on corporate level, the Management Board currently sees no significant risk materializing from this uncertainty.

Reporting Period and IFRS

The Company's financial year corresponds to the calendar year.

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements have been prepared on a historical cost basis unless stated otherwise.

The consolidated financial statements are presented in USD. All financial information presented in USD has been rounded to the nearest thousand USD unless indicated otherwise.

The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to European Union approval before the consolidated financial statements are issued.

New and amended standards as per 1 January 2024 had no impact on the consolidated financial statements. New and amended standards not yet effective are not expected to have a significant impact on the consolidated financial statements of the Group neither.

NOTES TO THE CONSOLIDATED FINANCIAL POSITION, CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF CASH FLOWS

1. Intangible Assets

in thousand USD	30.09.2024	31.12.2023
Capitalized development expenses	4,288	3,378
Power purchase agreements	12,847	14,762
Other intangible assets	55	58
Total intangible assets	17,190	18,198

In light of the current difficulties with our project in Puerto Rico, we recorded initial impairments on the carrying values for capitalized development expenses and the power purchase agreement of the project. In addition, we wrote off capitalized expenses related to discontinued projects in Colombia and Jamaica. We provide details on the impairment charges in Note 5.

Please refer to the Group's accounting principles in the Annual Report 2023 for additional information on our accounting treatment with regards to capitalizing development expenses.

2. Cash and Cash Equivalents

in thousand USD	30.09.2024	31.12.2023
Bank deposits and cash in hand	9,290	18,492
Restricted deposits and margin accounts	663	1,991
Total cash and cash equivalents	9,953	20,483
Non-consolidated cash and cash equivalents, proportionate:		
Proportionate cash and cash equivalents, Planeta Rica, Colombia	841	469

The Group in some cases provides cash collateral for guarantees to secure power grid connections, tenders, and obligations under supply agreements and power purchase agreements. Such collateral is disclosed as restricted deposits. The Group also conducts energy trading activities in Colombia, which may include the use of futures contracts. A deposit of cash as collateral is required to cover the risk on such transactions. Such collateral held in "margin accounts" is also disclosed as restricted deposits.

3. Project Finance Loans

in thousand USD	30.09.2024	31.12.2023
Current portion of project finance loans	1,930	3,107
Non-current portion of project finance loans	49,851	40,729
Total project finance loans	51,781	43,836
Project breakdown:		
Bonilla Zelaya Ingenieros Constructores SA de CV, El Salvador	17,705	18,764
Los Santos I SAPI de CV, Mexico	23,817	25,072
San Patricio Renovables SA, Guatemala	10,259	-
Total project finance loans	51,781	43,836
Non-consolidated project debt, proportionate:		
Proportionate financial debt, Planeta Rica, Colombia	7,167	7,667

The Group mostly includes non-recourse financing structure in its projects, with loans being provided by commercial banks or development banks with tenors usually tied to the term of the respective project's power purchase agreement(s).

For its project Santa Rosa & Villa Sol, El Salvador, a loan is being provided by Banco Agrícola, a member of the Bancolombia Group. The loan is USD-denominated, has a tenor of 15 years and an interest rate of 3-month SOFR plus 4,75%.

The solar PV plant Los Santos I SAPI de CV, Mexico, has secured loans from the North American Development Bank (NADB) and the Development Finance Corporation (DFC), which each provide around 50% of the total outstanding debt. The loans originally had a tenor of 17 years and 20 years, respectively, and will mature in March 2034 and March 2037. Repayments are made semi-annually. The interest rates on both loans are fixed at 4.87% (NADB) and 4.9% (DFC) until 2025, after which the rates will increase by 25 bps for each of the two loans and remain fixed until 2030. The loans' interest rates will then increase by another 25 bps each until the end of the respective loan tenors.

We secured a project finance loan for our solar PV project in Guatemala, which began construction earlier this year. The 66.1 MWp plant is expected to connect to the power grid and commence operations in mid-2025. The loan of up to USD 34.0 million is provided by local bank Banco de América Central (BAC) and has a 16-year tenor, matching the length of the power purchase agreement (PPA) and reflecting a debt ratio for the project of around 80%. The loan carries a fixed interest rate during construction and variable rate (3-month SOFR plus 2.5%) during the operational phase.

4. Revenue

in thousand USD	Energy output (GWh)	Revenue (project level)	EBITDA (project level)	EBITDA margin (project level)
Santa Rosa & Villa Sol	29.1	3,165	2,638	83%
Los Santos I	27.8	2,922	2,102	72%
Los Girasoles	16.4	1,583	576	36%
Planeta Rica	15.0	891	587	66%
Neol CHP	1.5	1,155	634	55%
Total proportionate values	89.8	9,717	6,537	67%
Consolidation	(14.9)	(830)	(553)	
Total consolidated values	74.9	8,887	5,984	67%

Note: Rounding differences may occur.

5. Impairment Charges

in thousand USD	30.09.2024	31.12.2023
Neol CHP, Puerto Rico	(796)	-
Acacia, Jamaica	(239)	-
Matarredonda, Colombia	(204)	-
Las Margaritas, Colombia	(31)	-
SOLEC Power, St. Kitts	-	(2,804)
Other impairments	(83)	(101)
Total impairment charges	(1,353)	(2,905)

Our CHP plant Neol CHP in Puerto Rico is not generating energy at this time given the low / non-existent power demand of the off-taker which is undergoing a long-term restructuring of its manufacturing site and business, and has been inconsistent in making payments to us. We do not expect the situation to improve in the short run and therefore expect further impairments in the coming months, the size of which depend on the sales price we can secure in our efforts to sell the project.

We also impaired capitalized development expenses related to discontinued development projects in Colombia and Jamaica.

COMMITMENTS

The Group has the following off-balance sheet commitments as of 30 September 2024:

The share purchase agreement with the sellers of the project Santa Rosa & Villa Sol (El Salvador) contains provisions regarding contingent purchase price payments depending on the commercial success of the project. Such contingent purchase price payments may accumulate to a maximum total amount of USD 6.9 million until 2043. The amount disclosed here refers to the part of the potential liabilities that we currently deem as improbable to be paid in the future.

Our Dutch entity MPC Energy Solutions NV has provided two parent company guarantees to partially secure interconnection guarantees in Colombia. The total amount of these parent company guarantees is around USD 0.5 million. We consider it probable that around USD 0.2 million of this amount could be called over the next 6 to 12 months.

The loan agreement signed for our solar PV project San Patricio in Guatemala, which is currently under construction, obliges MPCES to complete construction in case of cost overruns, representing an off-balance sheet commitment for our Company. The construction is currently progressing in time and budget and we do not foresee this obligation to trigger additional investment requirements.

EVENTS AFTER THE REPORTING DATE

On 28 October 2024, MPCES decided to write-off its participation in a convertible note that was given to Enernet Global Inc. (USA), the Company's former partner for developments in Puerto Rico. MPCES does not expect the note amount and the accrued interest thereon to be recovered following an ongoing recapitalization of Enernet Global Inc. and will therefore record a non-cash impairment of around USD 1.7 million in Q4 of the current financial year.

