Transcript for "MPCES Q3 Report 2026"

Heike Hülle (00:00-00:53)
Hello and good afternoon, everybody, and welcome to today's webcast for MPC Energy Solutions. In our webcast today, we will review our results for the third quarter of the year 2026, and we'll also discuss the upcoming scheduled EGM. The quarterly report was published this morning, and it is available on our website. Please note that, as usual, this webcast is being recorded and will be published later, together with the transcript and the presentation slides.

We're happy to answer your questions after the presentation, so please feel free to type them into the text box anytime, and we'll cover them in a Q&A session at the end. Now, just as a reminder, as usual, we'll be making certain forward-looking statements in this call. You'll see them on the slide that's on screen right now. All right, now I'd like to hand over to Stefan Meichsner, the CFO of MPC Energy Solutions, as a speaker.

Stefan H.A. Meichsner (00:54-22:24)
Thank you, Heike, and good afternoon to everyone joining today. I will walk you through the highlights of the past few months and the year-to-date results today. I will also give an outlook concerning our remaining assets and then walk you through the EGM resolutions, which will be put to a shareholder vote in early December. We convened the meeting earlier this week, and it is scheduled for December 8th. As always, and as Heike said, I'm happy to answer your questions at the end of this webcast as well.

Looking at the highlights since we last spoke: of course, first and foremost, the success story behind our divestment activities. We sold three projects overall in July and August, namely the project in Guatemala, one in El Salvador, and then also our remaining operating project in Colombia. The total cash receipt to date is around 32 million US dollars. This excludes the 2.2 million which are currently still being held in a third-party escrow. What did we do with this money? Well, most of it was distributed to the shareholders in early September as part of a share capital reduction. A total of 29.4 million was distributed, underlining really that we are able to meet the commitments that we make. The ability to deliver on objectives that we set for the year is instrumental here. So we successfully returned the money to the shareholders, and we hope that we can return more money in the future.

Operationally, revenue and project EBITDA already exceed the full-year targets which we originally set and communicated. This is mainly driven by the fact that the projects we sold were part of our portfolio for longer than we originally anticipated. And this is also leading for us to lift the guidance for the remainder of the year. I will speak on that a little bit more later.

Overhead cost reduction continues to be in line with what we are targeting. 16% is the total reduction year over year. We are looking at a full-year target of up to 25%. The third quarter was marked by some non-recurring expenses. We reduced our staff further, which led to some severance payments. And we also incurred some non-recurring legal expenses, which meant we had to spend more than we originally wanted. But still, we are down year over year, and we're still anticipating higher savings for the full year.

And then, among the highlights, not for the third quarter directly, but happening after the reporting date, was an additional earn-out payment that we collected. USD 142,000 were received in connection with the sale of a Colombian project last year. And the total earn-out payments we have since received during 2026 amount to a little over 0.5 million, so more than half a million dollars, which we did not plan for, not anticipate, and which therefore just increased the gain on the disposal that we are recording in 2026.

With that, let's take a look at the year-to-date results. We're presenting them here in one line for our remaining project that we still own, Los Santos in Mexico, and the other projects, which for 2026 only, of course, contribute to the operating results until the date on which they were sold, are summarized as other projects. The year-over-year comparison needs to factor that in. It needs to consider that we divested most of our projects during the third quarter, and naturally, they only contributed to part of the quarter overall. So, when you look at the year-over-year comparison, the decrease is mainly explained by that.

What are the results year-to-date? We recorded 7.8 million in revenues and 5.5 million in project EBITDA. These numbers already meet or exceed, as I said, our original full-year guidance, which is why we lift our projection for 2026 now to 8.3 million in revenue and 5.9 million project EBITDA, respectively.

Los Santos in Mexico is the only solar PV plant we still own. The project is so far meeting expectations this year with regards to the energy output, while the revenue is slightly below plan. We explained in previous webcasts that a month of produced energy could not be properly invoiced due to metering errors, and we later sold the so-called stored energy, if you will, through the energy bank mechanism in Mexico. In addition, the project is being impacted by non-recurring costs that weigh down the margin. And this is the explanation why we're recording a 68% operating margin, compared to 76% in the comparable period last year. The margin will likely not improve substantially until year-end, but we should meet production targets and also see that revenue is contributing in line with our overall projection for the year.

Overhead costs, I already mentioned, are down 16% year over year. We're looking at an up to 25% total year saving, which is a little bit below what we originally anticipated, but the additional reduced headcount that we implemented quicker than anticipated is leading to some one-off items that added to the costs in Q3 and will carry through the full year. But I believe even 25% saving by year-end is an absolutely fundamentally good result for us, as we see that our remaining asset base is going down and we are winding down operations step by step. The cost structure has to follow naturally. At the moment, we are operating everything on a total staff of three, and this includes the two management board members, including myself.

If we look at the balance sheet, changes, of course, compared to the second quarter, quite substantially. Total assets are now down to USD 40 million. And if you look at the fixed asset structure, you look at the debt structure, what you see there is mainly driven by the project Los Santos, including, of course, then whatever is left in the holding companies. Our current equity book value is around 12.6 million, which leads to an equity ratio of 32%. And the total consolidated group cash at the end of September was 5.1 million, of which most sits in the holding company, partially restricted, partially free.

Which brings us to the free cash position, the Q3 movements. The changes there to our free cash reserve were largely driven, of course, by the substantial divestment proceeds on the one hand and the subsequent share capital reduction on the other. The 2 million free cash that we reported at the end of September are unchanged as of today. So we still have 2 million in free cash as I speak. I will speak about the different cash buckets that we define in a moment, and what shareholders can expect from these different buckets. For now, let me just say that our year-end cash projection for the free cash that we will actually hold at the end of December is expected to be slightly lower compared to what we shared during the webcast at the end of July. The uncertainty inherent in that projection remains unchanged.

Meanwhile, with the 2 million in free cash, however, we're more than set to meet our overhead commitments for this year and what we anticipate for next year, with or without a delisting. And of course, from the restricted cash and the escrow, we do have reserve, which we believe will partially or in full flow in our direction. And I will get to that in a minute.

Which brings me to the remaining assets that we have. Let me start by briefly commenting on Los Santos and our position in Enernet Global. No progress really can be reported as of today compared to what I shared last time. It's difficult to reliably predict when we will be able to sell these assets and at what price. The current information that I have suggests that it will certainly take more than six months from today, and that impairments at the end of this year to the book values are also becoming more probable. Why is that the case? Because on the one hand, in Mexico, there are still a lot of moving parts which we need to deal with. I will certainly address that during the Q&A later.

And with regards to Enernet, the company recently changed the focus of its business. They've sold the project activities that they had in the mining sector in Africa and Australia, or are in the process of doing so. They're, as far as we know, not actively developing any new projects, but rather focusing on data center infrastructure in the US. But this is a business that they're just getting started on. So the outlook of the developer itself is currently still being assessed. We're in contact with management to understand what they're trying to do. But this is, of course, making it difficult to reliably estimate the value we might ultimately be able to return from this investment, if any at all.

And this brings me to what I call the cash buckets. So on the one hand, we do have the already mentioned 2 million free cash reserve, which we use to meet our overhead commitments. Other than overhead expenses for personnel, for rent, for legal advisors, etc., which we intend to bring further down, especially with the proposed delisting, we have no pending commitments at this time, so we feel comfortable that this position will carry us through the coming months and year.

Then there's also a 2.9 million cash bucket of restricted cash. This is cash that we put aside from the proceeds that we collected from divestments, based on contractual arrangements that we have. And these restricted cash deposits are meant to protect the buyer, should they make any claim against the reps and warranties that we gave as part of the sale. If no claims by the buyers of our assets are made against this restricted cash position, we will see the funds become unrestricted step by step over the next 9 to 14 months. Here it says 12 to 18. It's actually closer to 9 to 14.

So in July 2027, we should see cash be released. At the year-end of 2027, we should see cash be released. A total of 2.6 in 2027 is what we estimate if no claims are made against it. And to date, no claims have been made against it, meaning that the restricted cash position is a true, valid, short-term upside that should add to our free cash over time.

And lastly, we addressed this before as well. There is a third-party escrow account that was set up in connection with Project Merlin. There are two matters that need to be resolved to either release the funds in full or in part in our favor or in favor of the buyer. The first matter is actually scheduled to be decided by the end of November, so in a few weeks. The second one this relates to will be resolved by the end of December. So we will have definite answers during the rest of the year. I cannot go into details. I don't want to impact any of the ongoing discussions, but we will certainly share updates immediately if there is anything to report.

Quite honestly, I also was hoping that this would be resolved quicker, but at the same time, I'm sure we have all gotten used to some delays related to these matters. And as long as we ultimately get decisions in our favor, the waiting time is certainly worth it. We are certainly doing our best to make this happen for MPC Energy Solutions and thereby our shareholders.

So on the cash bucket side, there is visibility with terms on the timeline. Again: escrow decisions by the end of this year; restricted cash, most of it, 2.6 of the 2.9 million, during the year 2027; and Los Santos and Enernet Global with significantly greater uncertainty, especially with regards to timing and ultimate recoverable value.

Which brings me to the Extraordinary General Meeting that we convened for the 8th of December. Shareholders recorded as shareholders as such on the 10th of November will be eligible to vote, and the proxy voting is open as of today and, certainly, then until the 7th of December. The deadlines are clearly mentioned in the information material. There are three resolutions which we are putting to a vote. And I want to say from the outset: neither the delisting nor any of the other resolutions are a done deal.

First, we are putting it to a vote of the shareholders. And only if the shareholders approve, we will then continue with the next step, meaning the delisting application. We propose to submit an application to delist from Euronext Growth to Oslo Børs. What are the main reasons? There is very limited trading activity, there's almost no analyst coverage. We have absolutely no intention to tap into equity and debt capital markets. So, on the one hand, the benefits that come with a public listing really no longer apply to us as a company. And then, the more important part, on the other hand, is that the delisting is also supposed to save us quite a lot of money.

Looking at our remaining asset base, which is significantly reduced, our limited activities, the low overhead that we're predicting for the next year, the listing costs will make up 50% plus of that predicted in 2027. So, in order to save that amount, we need to step away from the public listing. Total savings will be around USD 500,000 to USD 700,000 in total per year. So, this is a significant saving that we're looking at, and because of that, we need to have cost discipline.

And because this doesn't mean that shares can no longer be traded or sold, or that shareholders will no longer participate from future distributions, etc., we believe it is indeed in the best interest of the company and the shareholders to do so. But of course, if the shareholders do not agree, we will not file the application. And even if we file the application because the shareholders approved it, Oslo Børs has the final say. They will look at this on a case-by-case basis. They may approve it with conditions or without conditions, or they might reject it altogether, particularly if they believe that minority shareholders are not properly protected.

So it is a long way to go until we ultimately get there. We will ask the shareholders for their approval first. Provided they do so, we will apply for the delisting, and then Oslo Børs will take a look at it and make its decision, which will certainly not happen overnight. At the moment, I would say best case scenario: if we get the approval and we submit it before year-end 2026, then a delisting at the end of Q1 2027 might ultimately be possible.

The second resolution we're looking at will only be relevant if the delisting application is actually approved and the delisting ultimately happens. Because we understand that removing the shares from the public listing may make it more difficult to trade the shares, we are using the next best option that the Norwegian securities markets provide, which is the Norwegian over-the-counter market. It's a support trading system. That means, even after delisting, the trades can be made, shares can be traded through registered brokers that participate in the system.

This market is, by design, commonly less liquid, and execution takes longer than on Euronext Growth. But at the same time, it allows for trading through a trading system rather than, as it would be the case in a private company, where shareholders have to contact each other and try to facilitate trades. So, the delisting is meant to save a significant amount of money, and the NOTC, at the same time, is the option that we want to provide to make sure that there is proper liquidity still remaining for those shareholders who want to stay invested for longer, because they see upside and they understand that this upside will not entirely materialize prior to an eventual delisting.

The NOTC also has clear requirements and guidelines for what we will continue to have to do in terms of reporting and transparency. And of course, we will continue to publish main corporate news. We will continue to publish annual reports. We will not have quarterly webcasts, but we will certainly make sure that the most relevant information related to our remaining assets and everything that we do is still properly made available. So, on that side, nothing will change.

And lastly, the corporate structure: ensuring that we can operate in a leaner manner with less administrative burden and therefore costs. There is a proposal to convert the company from a Dutch NV to a Dutch BV. What that entails is detailed in the draft amendment to the Articles of Association. This is available on our website. It has footnotes. It clearly explains what the changes would be. And one of the main changes is certainly that we would dissolve the supervisory board and thereby move to a one-board structure. So the management board would remain in place and be controlled directly through the general meeting. And these changes would also only be implemented, I think that is important, if the delisting actually happens. So there's quite a few steps, once again, that we have to go through before it gets to that.

You, the shareholders, have to approve that we file the delisting application. Oslo Børs has to approve the delisting application. And only if that is the case will we seek to register on NOTC. And we will remain registered on NOTC, provided that we are allowed to trade there, until the shareholders say, we no longer want you to be here. So removing our shares from NOTC will also again require a shareholder approval.

And only if the delisting application is accepted by Oslo Børs, and before that by the shareholders, we will then seek to change the corporate structure. And if the shareholders, for example, approve the delisting application, but neither the registration on NOTC or the change of the corporate structure, then we will still go ahead with it. These are, on the one hand, resolutions that depend on each other, but that also, at least with regards to the delisting, work without the other two, or both of the other two, being approved by the shareholders. So there's certainly still a long way to go before this happens.

It's in the hands of the shareholders, and we certainly encourage as many of you, and of the shareholders, to cast their votes. It's fairly easy. You fill out the voting form, you send it together with proof that you own the shares as of the record day to the registrar, DNB Bank. The information is included in the notice that was published, and then your vote will be counted. And if the shareholders are against it, then we will oblige. And if they're for it, then we will seek to execute the shareholders' wishes.

I am quite certain that especially the participation of minority shareholders will play a significant role in the decision of Oslo Børs. So, historically speaking, the main shareholders have driven the votes. We have seen very few minority shareholders participate in our general meetings before for the standard resolutions, so to say. This is a key change. And I would really encourage as many of you as possible to cast your votes. You have the option, use that option. That is the best way that you can then lean either way.

All right, Heike, this already concludes my prepared remarks, and I'm more than happy to take as many questions as we have today. Thank you.

Heike Hülle (22:25-23:07)
Thanks a lot, Stefan. So, yes, as I mentioned before, we're now continuing with the Q&A session. We will pause for a couple of seconds to give you some time to send more questions through the text function, if you haven't

done so yet. But we've actually received quite a lot of questions already. So, in a minute, I will start to go through the questions in the order they arrived, to make sure that everybody is being heard on this call.

All right, then let's get started. So, Stefan, first question that came in: are you considering buying back shares, or do you expect an investor to take over the company?

Stefan H.A. Meichsner (23:09-24:42)
A share buyback was discussed. It would have been, next to the NOTC, a possibility to provide, let's say, liquidity to the shareholders who want to exit. We ultimately had to decide against it because we do not have the cash reserves to support the program. Our free cash does not allow us any significant acquisition of shares. The remaining cash buckets have not yet materialized, so I would say that the timeline simply doesn't match. At present, I have not seen any tender offer or buyout proposal or third-party acquisition proposal that we could take under consideration. And I really don't want to speculate whether this will change, whether any investor will emerge and say, we would like to acquire the shares, or a significant portion of the shares.

The proposed delisting is really primarily intended to reduce the listing-related costs, the administrative burden given our reduced asset base, and that we do not seek the capital market to tap financing in any form. Should any credible buyout proposal emerge, of course, then we will evaluate it in accordance with the fiduciary duties that we have and in the interest of all shareholders. But as of today, I'm not aware of any intention to acquire the shares. No one has informed or approached me, and I can certainly not force any investor to do so.

Heike Hülle (24:44-24:52)
Thanks a lot. The next question that came in: should shareholders expect impairments on the remaining asset values? And if so, how much?

Stefan H.A. Meichsner (24:55-26:34)
First of all, no final decision has been made. This is part of our year-end impairment assessment and discussion with the auditors. But I do believe, given the circumstances, that it is probable, especially with regards to the US microgrid developer stake that we have, since there is currently no interest in anyone buying our stake, and we do not have clear visibility on the prospects in the short and mid-term expected results as this strategic reorientation is happening. There is, in my opinion, a high likelihood that the book value will be written off.

For Mexico, the case is certainly more complex. There might be a value adjustment. The impact of the regulatory change and everything that triggered is just too big to say nothing to see here. But the extent really depends on what happens until year-end. We're very actively working on finding the right path forward for the project. I'm sure that there will be questions on Mexico later, so I will leave it at that.

But what also has to be clear: regardless of what it says in the books, at the end of the day, we will try to present a fair reflection of the value, as we always do. And our focus remains on maximizing the value of these and to actually generating cash inflows and then distributing that cash. That, to me, is the primary objective. And how that is then ultimately reflected in the books is important, but that is the fair value that we're trying to present. That may be different from ultimately what the market allows us to realize, if that makes any sense.

Heike Hülle (26:36-26:44)
Okay, the follow-on question actually came right away. So, what specifically needs to happen for the project in Mexico to be sold?

Stefan H.A. Meichsner (26:45-29:38)
Oh, yeah, all right. So, I mean, the appetite of potential buyers was really, or still is, heavily affected by the regulatory changes that were implemented. There was and is a lot of uncertainty. We're trying to remove that uncertainty, but that takes time. For now, we have decided not to migrate to the new regime, because our analysis has clearly shown that there was no commercially viable way for this particular project to do it. It doesn't mean that that won't change as we learn more and investigate and speak to different parties, etc. But for the moment, that is the fact.

Until that time, we have a project that has an existing permit, it has an existing off-take agreement, it has existing debt financing. And there may be a need to adjust these because, quite frankly, the regulatory changes create new realities. And we are standing by and ready to work on that with our partners as needed. At the same time, we are preparing legal steps to defend against the negative impact of the changes. It has worked before. It's

something that the Mexican law and constitution allows us. It will take time. It is an uphill battle. I'm quite certain that the government is prepared to defend itself.

So, I think the question was: what needs to happen for it to be sold? Well, if I were a buyer, I would certainly, first of all, like to see that the project can continue to generate cash, even under the new framework and rules with higher transmission charges, to pay back its debt. I would certainly also like to see some visibility on: okay, how are the legal actions proceeding? Is maybe a suspension being granted before the ultimate decision is made? If any of the existing contracts are being renegotiated, amended, what does that look like, and how does that compare to the current business case? So, there are still a lot of questions to be answered. It's a complex issue. We are really working on it.

But this is why I said this is nothing that we will be able to do over the next six months. And quite frankly, for our shareholders, I believe it's better to wait until the right moment and value can be realized, rather than just selling at unfavorable conditions into great uncertainty. There is no immediate requirement to sell the asset. The asset is there, it will eventually be sold. Cash will be generated, will be distributed, and the shareholders at the time will benefit from it. So, we need to focus on resolving the issues before we can, let's say, reignite the divestment process.

Heike Hülle (29:40-29:46)
Okay. So, why do you recommend delisting before the remaining assets are sold?

Stefan H.A. Meichsner (29:48-31:32)
We consider this very carefully. I mean, a substantial part of our divestment program is complete. Our asset base, operating activities, corporate requirements, all of that has changed significantly. Case in point, look at the balance sheet. This company is a third of the size in terms of total assets than it was three months ago. The stock exchange listing has actual costs: direct listing costs, auditing fees, advisory fees. We have a supervisory board, we have a management board. We believe this is disproportionate at this time to the size of our business. So, looking at 2027, I would say that half a million to USD 700,000 would have to be assigned to meeting these costs in the current structure alone.

In our view, the faster we can save such a substantial amount of money, the better it is for everyone, because our free cash will last longer, and we can ultimately make sure that we can distribute more to shareholders down the road. And I think it's important to say, once again, this is not a done deal. And a delisting does not at all change our fiduciary duty to shareholders. It also does not change our objective to maximize value, to generate cash and to distribute the cash. And ultimately, it's the shareholders who now must decide: do they want to support this step to save the money or not? Or is retaining publicly listed, getting the ability to maybe exit quicker rather than having to wait a few days through NOTC, the best way? This is in their hands. We're looking at this from our point of view. We're making a recommendation, and that's why we make the recommendation, for the reasons that I've mentioned. And it's in the shareholders' hands.

Heike Hülle (31:32-31:43)
Understood. Next question that came in: what is your estimated range for total remaining shareholder distributions after all liabilities, taxes, and costs?

Stefan H.A. Meichsner (31:45-33:17)
Well, here, of course, it becomes a quite difficult projection. Let me go find the slide, go back to the remaining assets slide, because I think this probably explains it best. So, looking at this, let us say, hypothetically, we have 2 million in free cash. It will take us the next one and a half years to resolve everything. For that, we need that money, provided we can delist. But we will get the money from escrow, let's say, we will get the full restricted cash. So, that's over 5 million in cash that we will have, and then we will have Enernet and we will have Los Santos.

So, ultimately, the answer is, in my view, probably anywhere between the restricted cash of 2.9, which I think is within grasp, and I do not see that this money is at risk. For me, that would be the bottom line, plus Los Santos and Enernet. And then the upside is the escrow in full and value from Los Santos and Enernet Global. And here, it really becomes an uncertain prediction, and I cannot say. But this is how I would approach it if I were trying to put a value on this. So, if the question is, what is the worst case? I would say the worst case is just the restricted cash, but I also believe that is highly likely there will come a plus on top of that.

Heike Hülle (33:18-33:19)
Thanks, Stefan.

Stefan H.A. Meichsner (33:20-33:31)
Oh, sorry, by the way, just one more. It also says in the question: taxes and costs, etc. Yes, so the free cash, whatever comes in, goes out. For me, that covers that.

Heike Hülle (33:32-33:41)
Right. So then, what is the remaining total cost budget, and how much could the proposed delisting save?

Stefan H.A. Meichsner (33:42-34:16)
So if we do not delist, I would predict 2027 to require around 1.5 million in total. That already includes a contingency, a buffer, but let's just say we never know what happens, especially with legal expenses, etc. Some of this can be unpredictable. If we delist, I would say 800,000. So I do believe we can save 700,000, or at least half a million, in total from delisting.

Heike Hülle (34:18-34:29)
All right. Now the next question: how much of the USD 2.176 million escrow is disputed, and when do you expect resolution?

Stefan H.A. Meichsner (34:31-34:56)
The amount that I would call disputed, that is being resolved by a third-party expert, is around 1.5 million, and we should have a decision on that by the end of this month, November. The remaining amount is tied to a milestone of securing a tax exemption, and we have until year-end to secure that. So we will definitely have a resolution on both by the end of the year.

Heike Hülle (34:57-35:05)
Thanks, Stefan. Now, what net proceeds do you expect from Los Santos after debt, taxes, and transaction costs?

Stefan H.A. Meichsner (35:06-35:25)
I can really not reliably predict this at the time. We do have an equity value in the current base case, but as I alluded, I don't think that base case will remain unchanged. So I'd rather not say right now and defer the question to a later time. I know it can be frustrating, but it's the only fair answer that I can give.

Heike Hülle (35:26-35:36)
Sure, understood. Then the next question that came in: have any claims been made against the USD 2.86 million guarantee reserve, and when could it be released?

Stefan H.A. Meichsner (35:38-35:58)
No claims have been made yet. And as I said, 2.6 million are scheduled to be released in two steps, in July and December next year, provided no claims are made. The other amount has a bit of a longer tenure, but the significant portion should be in our hands by the end of next year if nothing happens.

Heike Hülle (35:58-36:39)
Thanks. Now the next question is a bit longer. Following the announcement regarding the delisting and conversion to a Dutch BV, the share price immediately dropped by nearly 18% to NOK 1.52. This is a clear signal that the market views this private structure as highly detrimental to minority value. Considering that analysts like Fearnley Securities recently had a price target of 3.20 NOK, how can the board justify forcing minority shareholders into an illiquid, private Dutch BV structure at the absolute bottom of the cycle, without providing a fair exit opportunity or a voluntary tender offer?

Stefan H.A. Meichsner (36:42-38:40)
Okay. So, first of all, I don't know whether it's a clear signal what the market sees or finds detrimental. I'm not here to interpret that. With regards to the price target, the price target, I make certain assumptions about remaining values, how much cash is ultimately coming from where, how much overhead is flowing out elsewhere. I do believe from the Fearnley notes that they also assume that a delisting might ultimately happen and the overhead costs come down. So that should be considered here.

And we're not forcing - I think that was the word. We're not forcing anyone anywhere. We are making a recommendation based on all the different arguments that I have repeated several times during this call. And if

the shareholders believe that is the right step to take, then we can take it. And the upside that you may or may not see in your position, if you believe in the price target, for example, does not go away. You can continue to own the shares, and you can continue to participate in future distributions, which should be reflected in that value, right?

We cannot offer a share buyback program because we don't have the funds. If we have more funds, we will turn around and distribute as much as we can from the excess cash. And as I said, I'm not in control of any third-party investor coming in. Anyone who believes the price target of 3.2 that Fearnley apparently issued, I haven't checked the number, I'm just taking it from the question, should see this as a buying opportunity. And that's really all I can say. And with regards to whether you feel comfortable with a delisting or not, use your vote, cast your vote, and make sure that the shareholders decide. And if you're not happy with the vote, reach out to Oslo Børs and tell them that you're not happy. I cannot prevent you from doing that. I can just make a recommendation, and we will see what happens.

Heike Hülle (38:40-39:18)
Thanks for clarifying. Now, the next question: converting the company from a public NV to a restricted private BV significantly reduces investor protection and transparency. Under Dutch corporate law, minority shareholders have the statutory right to demand an exit and a court-ordered buyout if their position is unfairly prejudiced. Is the board prepared to face formal legal challenges in the Amsterdam Enterprise Chamber and objections to Oslo Børs if a fair, independent valuation and exit mechanism is not presented to the minority before the EGM on December 8th?

Stefan H.A. Meichsner (39:21-40:05)
Okay, if I understand the question correctly, the question is: would it be okay for us to be sued if we do not allow minority investors to sell their shares? We cannot force anyone to keep their shares. Anyone can sell their shares. That's number one. Number two, if we're being sued, we're being sued. I don't think that there is a strong case for this, because it's not like we're, as I said, forcing anyone. Quite the opposite. We are providing an alternative to a public listing that is less expensive and still allows trading through the NOTC, provided that the shareholders approve it and our registration is accepted. And objections to Oslo Børs, I think, was the word that you used, Heike. It's possible.

Heike Hülle (40:05-40:06)
Yes, objections to Oslo Børs, yes.

Stefan H.A. Meichsner (40:07-41:03)
This question implies that I have a lot of power to prevent people from doing anything, which I do not have. What I can make in my position as a management is I give a recommendation to the shareholders. The shareholders decide, we execute the will of the shareholders. If you, as a minority shareholder or a majority shareholder, want to seek different ways to object to this, this is the path that is open to you. We can also have a discussion about this. I'm always open. Everybody knows that.

But at the same time, I don't want to speculate about possible legal claims against us at this time. We just convened the meeting. The vote is a month from now. Let's see where it goes. And if you really are against it, in my view, the first step is to vote against it and not to threaten legal action in a webcast. But it's interesting. It's an interesting, it's a fair question. And I hope I have answered it to the extent that you can work with that. Thank you.

Heike Hülle (41:04-41:28)
Okay, now moving on, as there are quite a few more questions on the list: will the management board commit that all cash which can lawfully be distributed will be paid out to shareholders before the delisting becomes effective, and that any cash released afterwards, so escrow, restricted cash or sales proceeds, will be distributed promptly without a new shareholder resolution? And if not, why not?

Stefan H.A. Meichsner (41:30-42:44)
Okay, give me just one second, because I need to look the exact information. During the shareholder meeting, the annual general meeting in May, the shareholders approved a clear distribution plan. We have executed three steps of that plan already. Step 4 would require, if we executed it, over nine million dollars. I think you can tell from what I have walked you through that USD 9 million is quite a fair stretch overall, perhaps, but surely within the next, let's say, five, six months, until a delisting might happen.

So, in order to distribute the cash that we collect between now and then, it will require a new shareholder resolution, but I think this can also be fairly quickly obtained. So, what I can commit to is that if we have excess cash available that we could distribute, then we should seek to distribute it. And if that requires a new shareholder approval, then we will get the new shareholder approval. Why would we not do that?

Heike Hülle (42:45-43:02)
Sure, thanks. So, what cash reserve do you intend to retain until the remaining assets are sold or the company's wound down, in US dollars, and on what basis? So, overhead until wind-down. And will all free cash above that level be distributed?

Stefan H.A. Meichsner (43:04-43:42)
The second answer is yes. In my view, excess cash, meaning cash we do not need to meet ongoing and foreseeable obligations, should be distributed. And as I said, it depends on whether we delist or not, how much of the current free cash we will need over the next 12 to 18 months. This can be relatively cheap compared to historic spending, or it could remain at a level of around one and a half million per year in 2027. That is now up to decision. Sorry.

Heike Hülle (43:42-44:09)
Okay. So, I'm combining the next two questions, as they relate to the same concern around the escrow release. So, when the USD 2.2 million escrow is released, will it be paid out to shareholders? And will this happen before or after the delisting becomes effective in Q1 '27? And also, will you commit not to make the delisting effective until this escrow has been resolved and any distribution has been made?

Stefan H.A. Meichsner (44:11-45:15)
I mean, the first one is, I think, what we said before: the escrow should be resolved in any case by the end of this year. If money is being released in our favor, we will certainly have it in January. And if we then want to distribute it, we need to call the shareholder meeting and make that happen. Whether that happens before a delisting or after is, for me, difficult to predict. What this implies is that we will maybe wait with a delisting application until the escrow is actually in our hands and we can effectively distribute it. But I think the timeline works in that favor, just by looking at even if we file an approved delisting application in December of this year.

A commitment is too strong, because I think it will take time anyway for this to be resolved. And I want to take this step by step. And for me, step by step means escrow clarity in November and December, in the meantime an EGM, and then we will make sure that the timeline works out.

Heike Hülle (45:17-45:30)
Right. So, another question on this: what is the dispute over the final purchase price? What is management's expected outcome for the escrow, and could it affect the 2.9 million restricted cash?

Stefan H.A. Meichsner (45:32-46:04)
I think I've answered this. Regarding the dispute, I believe our arguments are solid. They're strong. I believe we have an absolutely more likely than not chance that this is being resolved in our favor, but we're not making that decision. We're just arguing. The other side is arguing, and the independent expert which was selected will make that call. So that is what I will say on that. The restricted cash is unrelated from the escrow.

Heike Hülle (46:05-46:20)
Okay. Does the authorization to reduce the nominal value to 10 cents, approved at the May AGM, remain valid after the conversion to a BV? And if not, will you put a replacement resolution on the 8th December agenda?

Stefan H.A. Meichsner (46:21-46:36)
It's not on the agenda as of yet. I do believe that shareholders have an opportunity to suggest additional agenda items, but the validity does not depend on the form of the company. So yes, it will remain valid until it is changed.

Heike Hülle (46:37-46:51)
Okay, now the next question. I think you've mentioned or you've answered this already during the call, but what reporting will the company commit to after delisting and after the NOTC registration period, until the company is worn down?

Stefan H.A. Meichsner (46:53-47:55)
So, okay, after NOTC. So, first of all, I think in the notice it says up to six months. That is, of course, a proposal. The NOTC will last as long as the shareholders do not approve a deregistration. That is important. Secondly, I believe publishing annual reports and main corporate events, as long as we're on NOTC, is a requirement, and we will naturally have to meet it. If afterwards we're a pure private company, then I cannot predict what kind of reporting we will maintain. It also depends very much on, let's say, how many shareholders are left at that time. Has maybe a buyout occurred or not? And then the shareholders can also decide that in the revised articles of association at the time. I think as long as we have many shareholders, or let's say more than is common for a private company, then we should also maintain the reporting that is required on NOTC, even after.

Heike Hülle (47:57-48:24)
Thanks, Stefan. I'm skipping the next question related to annual cost savings from the delisting, as you've answered this before. And moving on to the next question, it's also related to the NOTC registration: what happens after the up to six months NOTC period, or longer, as you just explained, particularly if Los Santos and Enernet have not yet been sold and restricted cash remains tied up until late '27?

Stefan H.A. Meichsner (48:25-49:12)
So, as I said, the NOTC registration can be longer, depends on what the shareholders decide. But let's just assume the shareholders decide we want to deregister from NOTC, we're a private company. What happens after is, if the company sells assets, has cash that it wants to distribute, then it distributes the cash to the shareholders. That happens in a private company, just as it happens for a listed company, with the only difference that the company makes these distributions directly to the shareholders, which, of course, requires certain information to be provided and available. That can be tricky if you have, let's say, 500 shareholders. But it's manageable. Other companies do it. So I don't see that this is any hindrance on getting cash out of the company to the shareholders, even if we're not on NOTC, etc.

Heike Hülle (49:13-49:33)
Okay. Moving on to the next question. In Q2, you guided for approximately USD 4 million in free cash at year-end after the planned distribution, with free cash currently at $2.2 million. Does this guidance still stand? And does reaching $4 million depend on the release of the 2.2 million escrow?

Stefan H.A. Meichsner (49:34-49:48)
Yes, as you can see from the last webcast we had in July, the 4 million guidance always depended on the escrow release. I would guide, as I said, a little bit lower than 4 million, but not substantially.

Heike Hülle (49:48-50:01)
Okay. Now, next one: will the main shareholders vote and decide the move to OTC, or will the retail investors' wishes decide?

Stefan H.A. Meichsner (50:07-50:52)
I cannot speak for any of them, but I think what maybe these questions mean is whose vote counts more. Each vote counts the same. I know that for the delisting application, Oslo Børs, to the extent of my knowledge, will consider the position of minority shareholders. For the registration on NOTC, I am not aware, but since the NOTC is fundamentally a support trading system, especially for minority shareholders, I do believe it makes sense. And I also cannot see any main shareholder voting against it. But I'm not the main shareholder, so I cannot speak for them, and I don't want to.

Heike Hülle (50:52-51:24)
Sure. So, speaking about the main shareholder: given that the major shareholder only holds 28.5% and lacks the majority to pass this alone, independent minority shareholders representing a significant voting bloc are now organizing to vote against the delisting and BV conversion unless a fair buyout offer is made. Will the board actively recommend that the main shareholder initiates a voluntary tender offer, based on an independent fairness opinion, to avoid a gridlock at the EGM?

Stefan H.A. Meichsner (51:31-53:14)
I believe in my position, I can look at any tender offer that is being made and make a recommendation based on that, but I can certainly not force any shareholder to make a tender offer. I also don't see why it would be problematic if the shareholders organize, what does it say here, a bloc, to prevent this. That is the right of any shareholder. And I will ultimately follow the decision of the shareholders. I will certainly not go to a main

shareholder and say, you must do this. I believe every shareholder, especially the main ones, have their own decision-making processes, and I'm not that involved to make this work.

And again, every shareholder: look, our contact details are known. We're not hidden. We're here. And if you have valid concerns and you want to raise them, then raise them, and I will be sure to bring them up in front of the supervisory board and other decision-making bodies. For now, we have convened a meeting. This is approved by the supervisory board. It's approved by the management board. So, this is a joint decision, and we would like to see that vote happen. And then, let's look at the results.

And I believe a fairness opinion is relevant if an offer is made and being evaluated, and not just for the EGM. But maybe I'm misunderstanding. But this is the path that is open to everyone, and I'm certainly not standing in the way of discourse and objections and making sure that concerns are being addressed. That has always been clear, and I hope that no one is questioning that.

Heike Hülle (53:15-53:33)
Thanks, Stefan. Now, looking at the time, I'm going to skip the next question, as it relates to the same cost savings linked to the delisting. Moving on to the next one: thanks for your insightful presentation. Would you have an EBITDA projection for the Mexican entity for next year?

Stefan H.A. Meichsner (53:35-54:05)
Well, I can give a projection based on: nothing changes, no new contracts, no new impact of the regulatory framework, the current contracts continue as now. Then I would say a normal estimate would be in the range of 2.6, 2.7 million. That is certainly what the project has delivered in the past. But this is a big if, because so many things can still happen between now and then.

Heike Hülle (54:07-54:40)
Understood. Now, the next question I can see is relating to the major shareholder again. So, I'm skipping the first part of it. Well, I'll just read it out anyway. Has MPC Capital ever approached the company or the board about an offer for all shares in MPC Energy Solutions or its remaining assets? And does MPC Capital AG have any agreements with the company or other shareholders beyond its stated intention to vote in favor?

Stefan H.A. Meichsner (54:41-55:51)
In my role as managing director and CFO, I have not been approached by MPC Capital, or not been made aware that MPC Oceanic now has approached other members of the board or the supervisory board to do this. We did sell one project to MPC earlier this year, the La Perla development project. Other than that, I have no knowledge about MPC's intentions. I have no knowledge about their agreements with potentially other shareholders, and therefore I cannot speak for them.

The supervisory board members of MPC that are represented on our board, they are discussing strategic options from our perspective, and they have also not indicated any steps that MPC might take. I will not rule it out, but I also cannot confirm anything. I don't know anything in this regard. You are free to also approach the chairman of the board and the vice chairman if you want to address it to the supervisory board directly, or you send me an e-mail and I will forward it accordingly. So maybe we can get an answer that way. But otherwise, sorry, I cannot speak for MPC Oceanic, or Capital, as it was formerly known.

Heike Hülle (55:51-56:41)
Sure. Thanks a lot for those clarifications, Stefan. So now I would suggest, looking at the time, I will end the Q&A session now, so we can end this webcast on time. But as Stefan mentioned several times now during this session, if there are any further questions that we have not covered today that you wanted to ask but felt you haven't had the opportunity to ask, or if there are any uncertainties remaining, I think it's become clear that Stefan is prepared to answer all of your concerns very transparently. So please feel free to send your questions via email to IR@mpc-energysolutions.com, and we'll make sure your questions will get answered as soon as possible. Now we'd like to thank everyone for joining us and wish you a great rest of the day, everyone.