



August 2022

# Q2 2022 WEBCAST

MPC ENERGY SOLUTIONS



# Q2 HIGHLIGHTS

## Project Review

### ENERGY OUTPUT AND REVENUES



#### Los Santos I (Mexico)

- + 14.7 GWh of energy output from Los Santos I (Mexico), generating USD 1.5 million in revenues
- + Plant was acquired in 02/2022 and is performing in line with expectations

#### Neol CHP (Puerto Rico)

- + COD delayed, did not contribute in Q2 2022

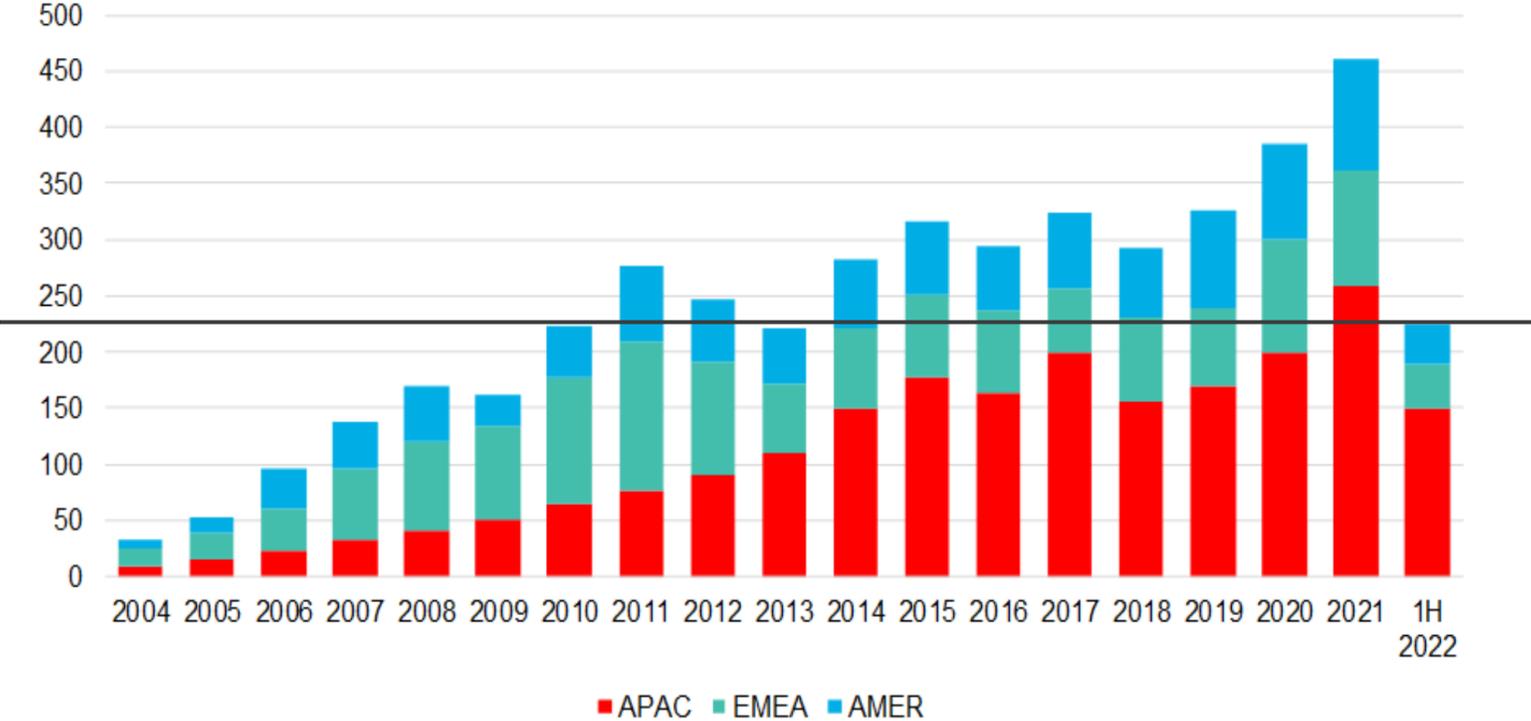
### CONSTRUCTION PROGRESS



- + Localized delays from grid operators could delay connecting projects to local grids
- + Los Girasoles and Planeta Rica (both Colombia) progressing as planned; timely connection to grid depends on local grid operators
- + Santa Rosa & Villa Sol (El Salvador) on track to energize in early 2023: delay caused by material shortage and delayed delivery for grid connection
- + Early works (engineering, land clearance, fencing) commencing for Basseterre (St. Kitts)
- + Neol CHP (Puerto Rico) awaiting final approval from grid operator; COD not yet achieved even though plant is technically operational; MPCES seeks to be held harmless financially

# KEY MARKET CONSIDERATIONS

Sector experiences boost, environment remains challenging

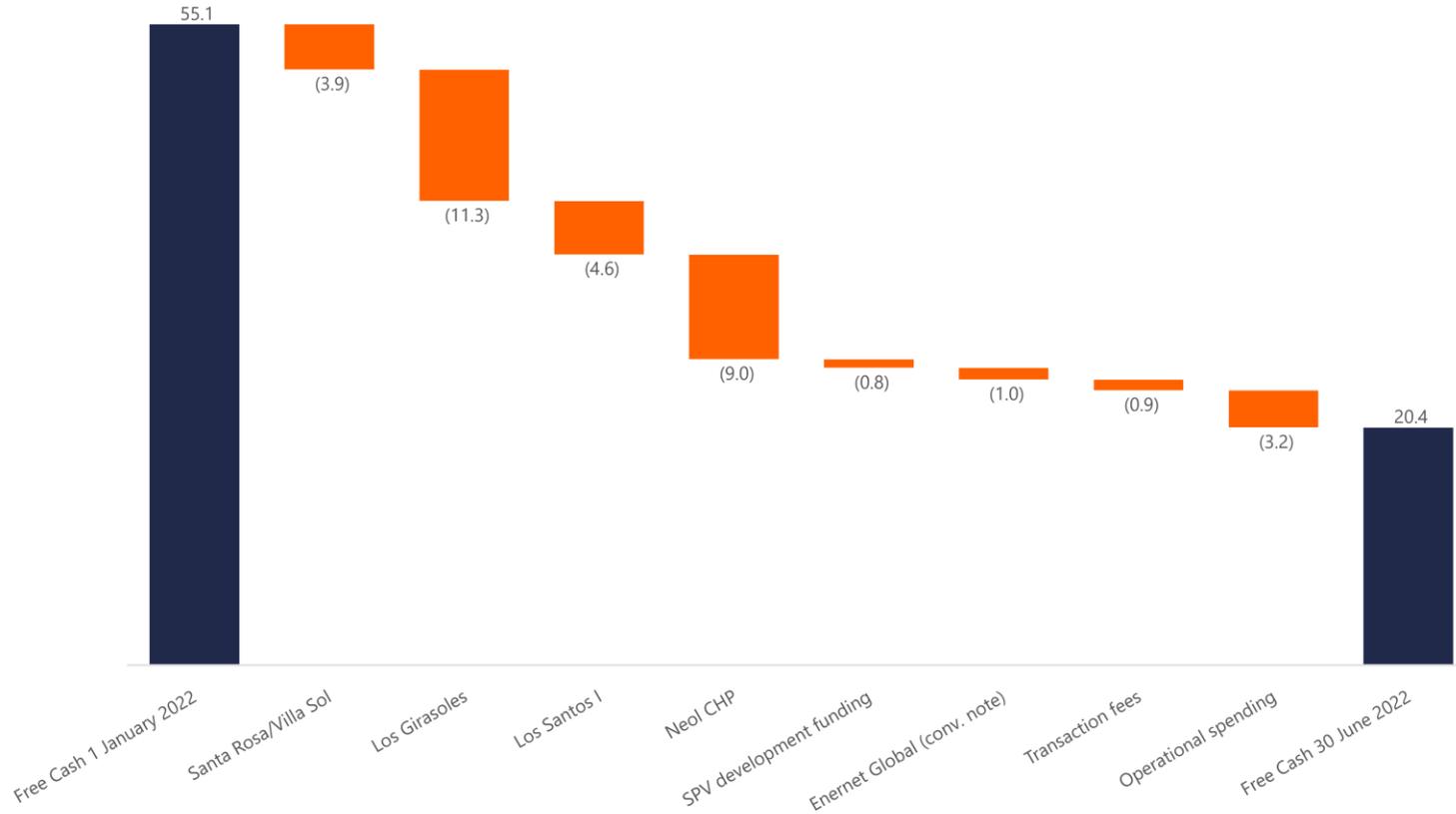


## COMMENTS

- + Investment in new large and small-scale solar projects rose to a record-breaking USD 120 billion, up 33% from the first half of 2021
- + Renewable energy sector affected by rising material costs, supply chain disruptions and increased financing costs.
- + MPCES has successfully fixed project costs for the projects that are under construction in order to avoid negative effects
- + Geopolitical challenges and post-COVID economic disruption fuel inflation levels globally, which in turn lead to high energy prices and higher PPA price levels; this provides an offset to increased project-related CapEx and OpEx
- + Uptick in interest rates poses challenge for financing ready-to-build projects in the near-term

# CAPITAL DEPLOYMENT

## Financial Review



## COMMENTS

- + USD 20.4 million in free cash as of 30 June 2022 for investments and operational spending
- + Acquisition of Los Santos I fully closed; total purchase price: USD 4.6 million
- + Allocated funds for Basseterre (St. Kitts) and J&J Anasco (Puerto Rico, developed by Enernet Global) of USD 7.3 million to be deployed later this year

# REVENUES AND CASH FLOW

## Financial Review

### Income Statement – consolidated

in million USD	H1 2022	H1 2021
Revenue	1.5	-
Cost of revenue	(0.4)	-
Personnel expenses	(1.0)	(0.2)
Other operating expenses	(1.2)	(1.5)
<b>EBITDA</b>	<b>(1.1)</b>	<b>(1.7)</b>
Net profit / loss	(1.8)	(1.8)

### Cash Flow Statement – consolidated

in million USD	H1 2022	H1 2021
Operating cash flow	(5.5)	(2.4)
Investing cash flow	(31.9)	(2.8)
Financing cash flow	11.2	85.8
Effects of FX translations	(0.1)	-
<b>Total cash flow</b>	<b>(26.1)</b>	<b>80.6</b>
<i>Cash at the beginning of the period</i>	56.9	0.4
<i>Cash at the end of the period</i>	30.7	81.0

*Rounding errors may occur*

## COMMENTS

- + Revenue and EBITDA contribution from Los Santos I (Mexico) in line with expectations (74% EBITDA margin)
- + Operating cash flow negative following corporate overhead expenses, spending on project development and transaction-related fees vs. still low positive cash flows from projects
- + Significant increases in investing cash flow due to construction progress (CapEx)
- + Positive financing cash flow from project finance loans

# FINANCIAL POSITION

## Financial Review

### Balance Sheet – consolidated

in million USD	30 June 2022	30 June 2021
Intangible assets (preliminary)	14.1	-
Non-current assets	74.4	3.6
Cash and cash equivalents	30.7	81.0
Other current assets	3.4	0.3
<b>Total assets</b>	<b>122.5</b>	<b>85.0</b>
Equity	80.3	84.3
Current liabilities	3.5	0.7
Project finance loans	38.2	-
Lease liabilities	0.5	-
<b>Equity + Liabilities</b>	<b>122.5</b>	<b>85.0</b>

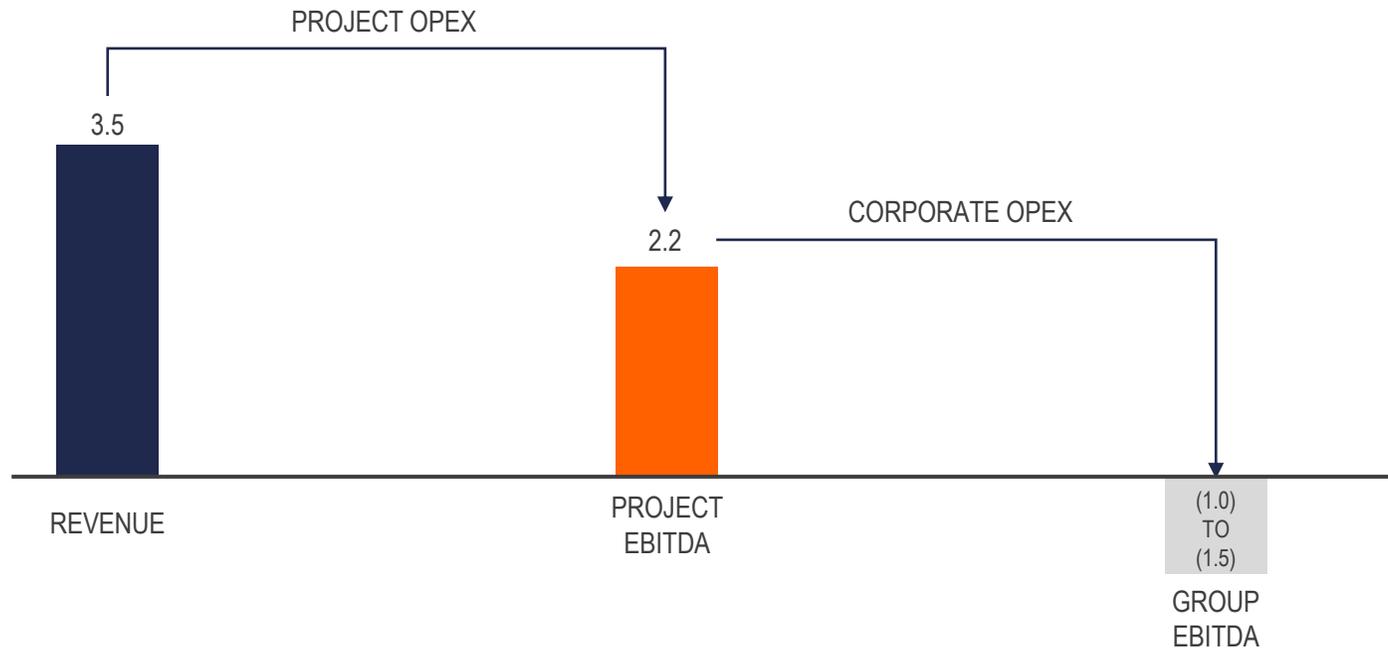
*Rounding errors may occur*

### COMMENTS

- + Results of purchase price allocation following the acquisitions of Los Santos I and Neol CHP will be fully reflected in Q3; until then preliminary indication awaiting auditor approval
- + USD 30.7 million consolidated cash reserves as of 30 June 2022
- + No long-term corporate debt
- + MPCES remains well-capitalized

# OUTLOOK 2022

## Financial Review

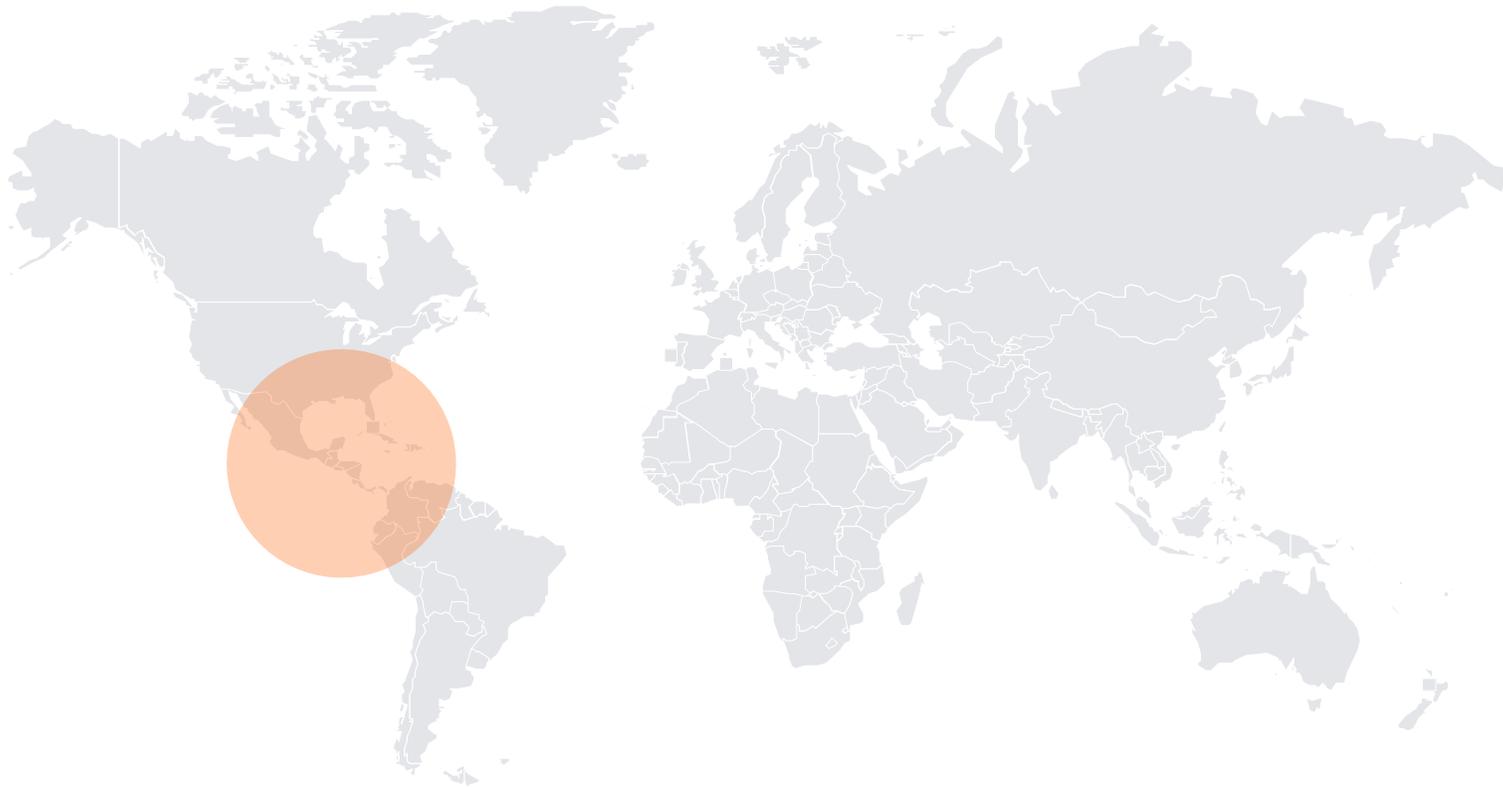


## COMMENTS

- + In light of the unanticipated delays for Neol CHP (Puerto Rico) and foreseeable localized delays from grid operators to connect plants (supply delays for high voltage equipment and transmission line cables) on time, we find it prudent to lower our year-end outlook
- + Previous outlook: Revenue of USD 4.5 to 5.0 million and project EBITDA of USD 3.1 to 3.5 million
- + We now expect revenue and EBITDA contribution, as planned, from Los Santos I (Mexico)
- + In addition, the delivery of energy for Los Girasoles began in 07/2022, which will lead to revenues from the project in 2022; MPCES need to purchase the electricity in the market, given that the project is not operational (trading); MPCES does not expect any EBITDA contribution from these trading activities in 2022
- + Previously anticipated positive EBITDA on group level likely not achievable in 2022

# WHAT'S NEXT?

## Project Outlook



## COMMENTS

- + Complete constructions in Colombia and El Salvador
- + Projects from existing development backlog in Colombia, Jamaica, Puerto Rico and the Dominican Republic will achieve ready-to-build over the next 6 to 12 months
- + Active negotiations ongoing to acquire additional projects through all stages (development, ready-to-build and operational), balancing developing activities with time-to-cash-flow
- + Expansion of development activities across the region, with focus on Mexico, Panama and the Dominican Republic

**3 NOV 2022**

Q3 2022 Report and  
Webcast

**1 FEB 2023**

Year-end Project  
Update

**MAR/APR 2023**

2022 Annual Report  
and ESG Report

## **CONTACT INFORMATION**

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