FINANCIAL REPORT Q3 2022

MPC Energy Solutions

MPC ENERGY SOLUTIONS IS A FULL-CYCLE INDEPENDENT POWER PRODUCER

MPC Energy Solutions (“MPCES”, “Company”, together with its subsidiaries “Group”) develops, builds, owns and operates renewable energy assets, including utility-scale solar photovoltaics (PV) and onshore wind farms, as well as combined-heat-and-power (CHP) installations, energy efficiency solutions 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. MPCES intends to expand globally and replicate its business model in other attractive regions, e.g. Asia-Pacific.

Contents

YEAR-TO-DATE 2022 RESULTS

Performance

YTD = 01/01/2022 to 30/09/2022

in million USD unless stated otherwise	YTD 2022	YTD 2021
Energy output (GWh, proportionate)	22.3	-
Weighted average revenue per MWh (USD, only power producing assets)	101	-
Revenue (proportionate, project-level)	2.5	-
EBITDA (proportionate, project-level)	1.6	-
EBITDA (consolidated, group-level)	(1.9)	(2.4)
Total assets	127.2	84.1
Equity	77.0	83.7
Equity ratio	61%	100%
Cash and cash equivalents	26.1	72.1
Cash flow from operations	(7.9)	(3.1)
Cash flow from investing activities	(37.3)	(5.3)
Cash flow from financing activities	14.5	80.1
FX differences	(0.1)	-
Total cash flow for the period	**(30.8)**	**71.7**

Note: Rounding differences may occur.

Consolidated EBITDA reconciliation, in million USD	YTD 2022	YTD 2021
Profit / loss before income tax (EBT)	(3.2)	(2.2)
Share of result in joint ventures	0.4	0.0
Financial income and expenses	(0.4)	(0.2)
Depreciation and amortization	1.4	0.0
EBITDA	**(1.9)**	**(2.4)**

Note: Rounding differences may occur.

MPC ENERGY SOLUTIONS N.V.

MPC ENERGY SOLUTIONS IN BRIEF

MPCES was founded on 4 June 2020 as a Dutch public limited liability company incorporated in the Netherlands and governed by Dutch law. The Company is registered with the Dutch company register under the organization number 78205123, and its registered office is at Koningin Wilhelminaplein 1, 1062 HG Amsterdam. MPCES has additional offices in Bogotá (Colombia) and Panama City (Panama).

The shares of the Company are listed on the Euronext Growth segment of the Oslo Stock Exchange under stock ticker MPCES (ISIN: NL0015268814).

Solar PV

Wind power

Hybrid

Energy Efficiency

LETTER FROM THE MANAGEMENT BOARD

Dear Fellow Shareholders,
Dear Readers,

While many geopolitical and pandamic-related circumstances will continue to have an impact in the foreseeable future, our company has managed prevailing challenges very well and continues to make excellent progress. With four of our ongoing construction projects nearing completion, MPC Energy Solutions (MPCES) will soon reach a new phase: From a start-up company ramping up resources and navigating uncertain market sentiments, to a company with a solid operational asset base delivering high returns, predictable cash flows and an expanded and more mature development backlog.

Operational Performance

Los Santos I (Mexico), an operational solar PV park we acquired in February of this year, continues to perform in line with our expectation. The plant generated 22.3 GWh during the first eight months of our ownership and contributed USD 2.2 million in revenues and USD 1.6 million earnings before interest, taxes, depreciation, and amortization (EBITDA) during this time.

In addition, our energy trading activities in Colombia - to fulfill our obligations under the PPA for Los Girasoles until the plant is operational – generated a revenue of USD 0.3 million in the third quarter, with a minor contribution to EBITDA.

Overall, MPCES recorded revenues of USD 2.5 million until the end of the third quarter, and EBITDA of USD 1.6 million.

Construction Progress

Our company currently has five projects under construction, of which four are expected to achieve commercial operation between now and the end of the first quarter 2023. In a full operational year, the four projects nearing completion will combine for a proportionate installed capacity and annual energy output of 50 MW and 109 GWh, respectively, proportionate revenues of USD 8.3 million per year, and an average EBITDA margin of nearly 80%.

Development Backlog

We continue to progress our development projects to the ready-to-build stage. In addition to three active developments in Colombia (combined capacity: 150 MW, 100% stake), MPCES also owns development projects in Jamaica (90 MW, 100% stake), the Dominican Republic (65 MW, 51% stake), as well as prepurchase rights to a development project in Mexico (75 MW) and in relation to our partnership with Enernet Global. We also continue to originate new opportunities and are currently in active PPA negotiations with off-takers in several countries. Overall, we intend to expand and mature 800 MW of our development backlog to ready-to-build stage across the region by the end of 2025.

We are in the position of having sufficient capital reserves to fund our ongoing activities and remain flexible for investments in attractive opportunities, without any immediate need to tap into capital markets for additional funding. Selective farmdowns of some assets as well as seeking debt financing for some currently unlevered assets will provide us with additional capital that we will invest in projects with the highest risk-adjusted returns and strategic value for our company.

Sincerely,

Martin Vogt
Chief Executive Officer

Stefan H.A. Meichsner
Chief Financial Officer

Energy Output

During the first nine months of this year, MPCES generated proportionate 22.3 GWh (2021: nil) of energy. The entire output was produced by Los Santos I (Mexico).

Income Statement

Until 30 September 2022, the Company generated revenues in the amount of USD 2.5 million (2021: nil). Cost of sales were USD 0.9 million (2021: nil). Personnel expenses of USD 1.4 million (2021: USD 0.4 million) and other operating expenses of USD 2.0 million (2021: USD 2.0 million) , as well as depreciation and amortization of USD 1.4 million resulted in an operating loss (EBIT) of USD 3.3 million (2022: USD 2.4 million).

Financial Position

As of 30 September 2022, MPCES had non-current assets of USD 98.6 million and current assets of USD 28.6 million, including cash and cash equivalents of USD 26.1 million (30 September 2021: USD 11.6 million, USD 72.4 million and USD 72.1 million, respectively). The equity position was USD 77.0 million, with non-current liabilities of USD 46.7 million and current liabilities of USD 3.5 million (30 September 2021: USD 83.7 million, nil and USD 0.4 million, respectively). The non-current liabilities mainly relate to project finance debt for Los Santos I (Mexico) and Santa Rosa & Villa Sol (El Salvador).

Cash Flow

MPCES recorded negative operating cash flows of USD 7.9 million for the first nine months of 2022 (2021: negative USD 3.1 million), as well as negative cash flows from investing activities of USD 37.3 million (2021: negative USD 5.3 million) and cash flows from financing activities in the amount of USD 14.5 million (2021: USD 80.1 million). Including effects from currency translations, the total negative cash flow during the first three quarters of the year was USD 30.8 million (2021: positive USD 71.7 million).

COVID-19 Pandemic

The effects of the COVID-19 pandemic on MPCES and its projects have mostly been contained, and no further delays caused by the pandemic occurred in 2022 so far. However, as communicated in previous reports, the pandemic may impact the Company's business and the global economy negatively as long as it prevails.

War in Ukraine

As the Company's current business activities are exclusively in Latin America and the Caribbean, there is no immediate direct impact from the devastating war in Ukraine on our activities or prospects. However, indirect effects may impact the business, both positively and negatively.

Potential negative effects include, without being limited to, higher transportation costs and delayed shipments, volatility in commodity prices and currencies, and cyberattacks. Potential positive impacts are mainly twofold. Firstly, the increase in energy prices (fossil fuels like oil and gas) have accelerated the political will to transition to alternative sources, including renewable energies, potentially increasing investments and political support for the sector. And secondly, higher energy prices will likely be reflected in the price level of PPAs we intend to close for several of our projects in the coming months.

The management is actively monitoring the situation and potential detrimental impacts closely. As of the writing of this report, the recoverability and value of the Company's assets is not negatively affected. There is no loss of control or of the Company's abilities to exercise influence on the assets and projects it controls. Contractual agreements were not cancelled or modified as a result of the war and its effects, and the Company has not seen any negative effects on foreign currency transactions. The Company does not have suppliers from Russia or Ukraine.

Risk Factors

The Company is exposed to a variety of risks. It is considered practically impossible to systematically and sustainably generate risk-free profits. Risks are part and parcel of every company's business. Dealing with these risks is among the most important entrepreneurial duties.

The Management Board aims to ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's objectives and activities.

For a summary of the Company's risk categories, please refer to the corresponding section of the Company's Annual Report 2021. The risks position of the Company has not changed substantially after 31 December 2021.

Forward-Looking Statements

Certain statements made in this quarterly report, including financial estimates and comments about the Company's plans, expectations, beliefs or business prospects and other statements that are not historical in nature may constitute forward-looking statements under the securities laws. We make these statements on the basis of our views and assumptions regarding future events and business performance at the time we make them, and we do not undertake any obligation to update these statements in the future. Forward-looking statements are subject to a number of risks and uncertainties, and actual results may differ materially from the results expressed or implied in light of a variety of factors, including factors contained in our financial statements, filings and other releases.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Interim Statement of Financial Position

(before appropriation of results)

Assets, Equity and Liabilities	Notes	30/09/2022 (unaudited) USD	31/12/2021 (audited) USD	30/09/2021 (unaudited) USD
A. Assets		**127,240,138**	**86,116,488**	**84,066,072**
I. Non-current assets		**98,602,007**	**28,930,151**	**11,639,194**
1. Goodwill	1,2	214,046	-	-
2. Intangible assets	1,2	17,954,996	-	-
3. Property, plant and equipment	1	55,560,542	2,598,057	818,310
4. Rights-of-use assets		428,881	2,503,044	155
5. Investments in joint ventures		6,980,672	7,403,530	2,293,289
6. Financial fixed assets		17,462,870	16,425,520	8,527,440
II. Current assets		**28,638,131**	**57,186,337**	**72,426,878**
1. Trade and other receivables		1,762,665	270,386	322,224
2. Prepayments and accrued income		776,475	-	-
3. Cash and cash equivalents		26,098,991	56,915,951	72,104,654
B. Equity and Liabilities		**127,240,138**	**86,116,488**	**84,066,072**
I. Equity		**77,006,313**	**82,773,575**	**83,715,965**
1. Shareholder's equity		76,532,955	82,773,575	83,715,965
2. Non-controlling interest		473,358	-	-
II. Provisions		**-**	**-**	**-**
III. Non-current liabilities		**46,737,380**	**492,154**	**-**
1. Project finance loans	1	40,907,653	-	-
2. Lease liabilities		450,727	492,154	-
3. Deferred tax liabilities	1	5,379,000	-	
IV. Liabilities		**3,496,445**	**2,850,759**	**350,107**
1. Trade and other payables		1,832,235	544,471	224,093
2. Payable to other related parties		174,287	119,855	79,032
3. Lease liabilities		-	2,010,890	-
4. Other payables		325,419	-	-
5. Taxes and other social securities	2	796,317	21,653	8,837
6. Accruals and deferred income		368,187	153,890	38,145

Note: Rounding differences may occur.

Consolidated Interim Income Statement

	Notes	01/01/2022 to 30/09/2022 (unaudited) USD	01/01/2021 to 31/12/2021 (audited) USD	01/01/2021 to 30/09/2021 (unaudited) USD
Revenue		2,503,271	-	-
Cost of sales		(918,000)	-	-
Employee expenses		(1,411,165)	(862,401)	(399,358)
Depreciation		(666,998)	(1,821)	(1,089)
Amortization	1	(753,000)	-	-
Other operating expenses		(2,028,503)	(2,023,252)	(1,991,439)
Operating result (EBIT)		**(3,274,395)**	**(2,887,474)**	**(2,391,886)**
Financial income		539,067	306,710	407,958
Financial expenses		(128,639)	(83,728)	(205,139)
Share of result of joint ventures		(364,319)	(61,338)	(38,701)
Profit / loss before income tax (EBT)		**(3,228,286)**	**(2,725,830)**	**(2,227,768)**
Income tax expense		(237,587)	-	-
Profit / loss for the period		**(3,465,873)**	**(2,725,830)**	**(2,227,768)**
Basic earnings per share - in USD		(0.16)	(0.12)	(0.10)
Diluted earnings per share - in USD		(0.16)	(0.12)	(0.10)

Note: Rounding differences may occur.

Consolidated Interim Statement of Cash Flows

	01/01/2022 to 30/09/2022 (unaudited) USD	01/01/2021 to 31/12/2021 (audited) USD	01/01/2021 to 30/09/2021 (unaudited) USD
Operating activities			
Profit / Loss before income tax	(3,228,286)	(2,725,830)	(2,227,768)
Depreciation	1,419,998	1,821	1,089
Net changes in working capital	(4,639,059)	(409,442)	(681,801)
Financial result	(46,109)	(161,644)	(164,118)
Interest received	91,148	471	-
Interest paid	(1,396,584)	(83,728)	(65,951)
Income tax paid	(60,076)	-	
Net cash flow from / (used in) operating activities	**(7,858,968)**	**(3,378,352)**	**(3,138,549)**
Investing activities			
Investments in property, plant and equipment	(28,705,755)	(2,250,100)	(502,763)
Investments in rights-of-use assets	-	(6,859)	26,130
Acquisition of subsidiaries	(7,520,376)	-	-
Investments in financial fixed assets (equity)	-	(2,500,000)	(2,500,000)
Investments in financial fixed assets (debt and derivatives)	(1,093,007)	(12,545,955)	(5,527,440)
Investments in joint ventures	(8,370)	(8,342,169)	(2,331,991)
Net cash flow from / (used in) investing activities	**(37,327,508)**	**(25,645,083)**	**(10,836,064)**
Financing activities			
Change in share capital	-	2,454,200	2,454,200
Proceeds from common share issuance	-	84,229,331	84,036,188
Proceeds from project finance loans	15,321,938	-	-
Repayment of project finance loans	(817,048)	-	-
Other net borrowing activities	-	(822,602)	(822,602)
Net cash flow from / (used in) financing activities	**14,504,890**	**85,860,929**	**85,667,786**
Net change in cash and cash equivalents	(30,681,586)	56,837,494	71,693,173
Effects of currency translation	(135,374)	(333,025)	-
Cash and cash equivalents at beginning of the period	56,915,951	411,482	411,482
Cash and cash equivalents at end of the period	**26,098,991**	**56,915,951**	**72,104,655**

Note: Rounding differences may occur.

Notes to the Consolidated Interim Financial Statements

Company profile

As an integrated full-cycle independent power producer, 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 and wind farms, energy efficiency solutions and hybrid installations.

The registered and actual address of MPC Energy Solutions N.V. is Koningin Wilhelminaplein 1 in 1062 HG 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).

Going concern

The unaudited interim financial statements are based on the going concern assumption.

Segment information

As of 30 September 2022, the Group is organized in one operating segment only and does therefore not yet provide information for different segments. The Group is, as of the writing of this report, active in Latin America and the Caribbean. In the future, it is expected that the Group will be active in several segments and expand globally.

General Accounting Principles for the Preparation of the Unaudited Interim Financial Statements

The unaudited interim financial statements for the period ended 30 September 2022 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union ("EU"). The statements have not been subject to an audit. The statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31 December 2021.

The consolidated financial statements are presented in US Dollars (USD). All financial information presented in USD has been rounded to the nearest USD, except where otherwise indicated.

Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes in its financial statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. The accounting policies adopted in the preparation of the consolidated interim financial reporting are consistent with those applied in the preparation of the Group's consolidated financial statements for the period ended 31 December 2021. Please refer to the Group's consolidated financial statements for the period ended 31 December 2021 for details.

Notes to the Unaudited Interim Financial Statements

1: On 4 February 2022, MPCES acquired 100% of the shares in Los Santos I SAPI de CV ("Los Santos I"), a 15.8 MW solar PV plant in Mexico. Following the acquisition, the Company conducted a purchase price allocation in accordance with IFRS. The result led to the recording of intangible assets on the consolidated balance sheet in the amount of USD 16.7 million relating to the fair value of the long-term power purchase agreements Los Santos I has in place with several off-takers. The intangible assets will be amortized over the remaining tenor of the power purchase agreements. Between the acquisition date and the reporting date, the total amortization was USD 0.8 million. A goodwill of (USD 17k) and deferred tax liabilities of USD 5.4 million were also recorded. In addition, fair value adjustments were made to the property, plant and equipment of the project entity and the project debt.

2: On 29 March 2022, MPCES acquired 95% of the shares in Neol CHP LLC ("Neol"), a 3.4 MW combined heat and power plant in Puerto Rico. Following the acquisition, the Company conducted a purchase price allocation in accordance with IFRS. The result led to the recording of intangible assets on the consolidated balance sheet in the amount of USD 1.3 million relating to the fair value of the long-term power purchase agreement Neol has in place with its off-taker Neolpharma Inc. The intangible asset will be amortized over the tenor of the power purchase agreement, starting when the project commences operations. Furthermore, a goodwill of USD 0.2 million and a tax liability of USD 0.5 million were recognized.

Commitments

The Group had the following off-balance sheet commitments as of 30 September 2022:

The share purchase agreement with the sellers of Bonilla Zelaya Ingenieros Constructores, S.A. contains provisions regarding contingent purchase price payments depending on certain milestone events in the operational phase of the solar PV project. Depending on the commercial success of the project, such contingent purchase price payments may accumulate to a maximum total amount of USD 7.2 million over a period of 20 years (i.e. the operational phase of the asset after successful construction).

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