MPC ENERGY SOLUTIONS

FINANCIAL REPORT Q3 2023

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, 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.

Contents

4 MPC Energy Solutions in Brief

6 Letter to the Shareholders

9 Q3 2023 Results - Summary

10 Report of the Management Board

13 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 an 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.

Proportionate values indicate the economic share of the Company in these values, e.g. in cases where MPCES owns less than 100% of an entity. This is supposed to provide a better indication of the actual economic benefit the Company shares in these participations, which may differ from the consolidated presentation in line with IFRS. Proportionate values are disclosed as such when presented in this report.

Both EBITDA and EBITA are commonly used performance indicators in the Company's industry. These APM 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.

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 Apollolaan 151, Unit 121, 1077 AR, Amsterdam in the Netherlands. 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 TO THE SHAREHOLDERS

Dear Fellow Shareholders,
Dear Readers,

With the aim to build a profitable, self-sustaining company comes the need to regularly question and assess our strategic direction and execution quality. And, at times, to take steps back before moving forward. Over the last couple of months, we have taken such decisive steps to adjust and to create a solid foundation for future growth without continuously depending on external sources of funding.

OPERATIONS

Our operational portfolio, which currently consists of four projects, continues for the most part to perform well and in line with our expectations. In the first nine months of this financial year, we generated 74.5 GWh of energy, corresponding to USD 6.9 million in revenues and USD 3.1 million in project EBITDA (USD 6.3 million and USD 3.6 million, respectively, from power-producing assets only). The trading losses incurred in relation to our Los Girasoles project in Colombia are, however, affecting this year's performance quite substantially. And we are seeing lower than anticipated output from our CHP project in Puerto Rico due to lower manufacturing activities of the off-taker.

Especially our projects Santa Rosa & Villa Sol (El Salvador) and Los Santos I (Mexico) have delivered reliable results. And both projects will benefit from upsides next year. The PPA price for Santa Rosa & Villa Sol will increase substantially and the project will be able to operate its first full operational year. For Los Santos I, the technical improvements we made to the plant will lead to an increased energy output. We believe both projects will remain highly relevant for our overall short- to mid-term financial performance.

Unfortunately, our Colombian project Planeta Rica (see below) has experienced some further delays and was not connected to the power grid in Q3. Consequently, the project will not contribute as much revenue and EBITDA as expected to our overall year-end results, which in turn forces us to reduce our year-end outlook. We previously gave a full-year outlook of USD 10 million in revenues and USD 7 million in project EBITDA. While we are confident that we will continue to see solid performances from the assets in El Salvador and Mexico, the afore-mentioned trading losses and delay force us to reduce the overall year-end outlook to USD 9.0 to 9.5 million revenues and USD 5 to 5.5 million project EBITDA.

CONSTRUCTION

While the solar PV plant Planeta Rica itself has completed construction and successfully undergone required tests, the grid connection, which is the responsibility of the local grid operator, was not completed on time in the third quarter. The plant is now scheduled to be commissioned by mid-November 2023 and should consequently contribute to our results in November and December of this year, albeit below our previous expectations.

DEVELOPMENT

Developing greenfield projects and (partially) selling them before the beginning of the construction phase is where we can create the greatest value and return on investment. Which is why we will put a greater focus on developing the right projects and finding partners to co-invest in our projects.

Development and partial farmdowns allow us to secure exceptional, above-average returns while simultaneously expanding our operating portfolio, which in turn increases project cash flows that help cover overhead and development spending.

The development of our first project in Guatemala, the 65 MW solar PV plant San Patricio, is progressing well. The project already secured its construction permit and is expected to achieve ready-to-built latest in January 2024. Construction of the grid connection infrastructure (outside of our own scope) has already commenced. We will take the investment decision by year-end.

In addition, our team is evaluating the best strategic approach for the Acacia project in Jamaica. The Jamaican government has announced the long-expected PPA tender, and we believe our project is in a good position to prepare and submit a successful bid in a competitive environment, for which the deadline is February 2024. We are, however, assessing all possible alternatives and will take a decision in the coming months.

THE NEXT 12 MONTHS

It is our short-term goal to balance cash flows from projects with our ongoing spending on overhead and development. Consequently, we have started to reduce costs and conducted a detailed assessment of our project portfolio and backlog to optimize our capital allocation.

In the upcoming year 2024, we will spend great efforts to optimize our existing portfolio performance, reduce the cost structure of our enterprise, and implement a resilient development and investment approach.

With the steps already taken in recent weeks, above all the decisive exits from projects, we have significantly improved our cash position and thereby created even greater flexibility and increased the number of alternatives and options our company has. We will use this foundation to transform MPCES into a profitable, self-sustaining enterprise.

6 October 2023
The Management Board of MPC Energy Solutions N.V.

Stefan H.A. Meichsner

Q1 TO Q3 2023 RESULTS - SUMMARY

in million USD unless stated otherwise	Q1 to Q3	Full-Year 2022	Q1 to Q3 2022	Q1 to Q3 2021
Energy output (GWh, proportionate, as invoiced)	74.5	28.1	22.3	-
Average revenue per MWh (USD, power-producing assets only)	85	98	99	-
Revenue (proportionate, project level)	6.9	3.6	2.5	-
EBITDA* (proportionate, project level)	3.1	2.1	1.6	-
EBIT (proportionate, project level)	1.1	1.1	0.9	-
Revenue (proportionate, project level, excluding energy trading)	6.3	3.0	2.2	-
EBITDA* (proportionate, project level, excluding energy trading)	3.6	2.2	1.6	-
EBIT (proportionate, project level, excluding energy trading)	1.6	1.2	0.9	-
EBITDA* (consolidated, group level)	(1.1)	(2.2)	(1.9)	(2.4)
EBIT (consolidated, group level)	(4.0)	(4.6)	(3.3)	(2.4)
Net income (consolidated, group level)	(4.8)	(5.6)	(3.5)	(2.4)
Total assets (consolidated, group level)	129.3	129.0	127.2	84.1
Equity (consolidated, group level)	74.0	75.3	77.0	83.7
Equity ratio (consolidated, group level)	57%	58%	61%	100%
Cash and cash equivalents (consolidated, group level)	13.1	24.2	26.1	72.1
Cash flow from operations (consolidated, group level)	(1.6)	(6.3)	(7.9)	(3.1)
Cash flow from investing activities (consolidated, group level)	(10.8)	(38.4)	(37.3)	(10.8)
Cash flow from financing activities (consolidated, group level)	1.1	12.3	14.5	85.7
FX differences (consolidated, group level)	0.2	(0.4)	(0.1)	0
Total cash flow (consolidated, group level)	**(11.2)**	**(32.7)**	**(30.8)**	**72.1**

Note: Rounding differences may occur.

Consolidated EBITDA reconciliation, in million USD	Q1 to Q3 2023	Full-Year 2022	Q1 to Q3 2022	Q1 to Q3 2021
Profit / loss before income tax (EBT)	(4.7)	(4.9)	(3.2)	(2.2)
Share of result in joint ventures	0.8	0.2	0.4	0.0
Financial income and expenses (incl. FX effects)	(0.2)	1.5	(0.4)	(0.2)
Amortization	0.9	1.0	0.8	-
Impairment charges	-	0.4	-	-
Gain from bargain purchases	-	(2.4)	-	-
Other income and expenses	-	1.0	-	-
EBITA*	**(3.0)**	**(3.2)**	**(2.4)**	**(2.4)**
Depreciation	1.9	1.0	0.7	0
EBITDA*	**(1.1)**	**(2.2)**	**(1.9)**	**(2.4)**

Note: Rounding differences may occur.

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

REPORT OF THE MANAGEMENT BOARD

FINANCIAL AND OPERATIONAL RESULTS

Energy Output

Between Q1 and Q3 2023, MPCES generated and sold proportionate 74.5 GWh (Q1 to Q3 2022: 22.3 GWh) of energy. The increase in output is due to the additional projects that commenced operations during this year. As of 30 September 2023, four projects are connected to the grid in Mexico, Puerto Rico, El Salvador, and Colombia and are generating revenues. In addition, MPCES generated revenues from energy trading activities conducted in Colombia.

Income Statement

As at the end of Q3 2023, the Company generated revenues in the amount of USD 6.9 million (Q1 to Q3 2022: USD 2.5 million). Cost of sales, including energy trading expenses, were USD 3.8 million (Q1 to Q3 2022: USD 0.9 million). Personnel expenses of USD 1.5 million (Q1 to Q3 2022: USD 1.4 million), other operating expenses of USD 2.7 million (Q1 to Q3 2022: USD 2.0 million), and charges for depreciation and amortization of USD 2.8 million (Q1 to Q3 2022: USD 1.4 million) led to an operating loss (EBIT) of USD 4.0 million (Q1 to Q3 2022: also negative, USD 3.3 million) and a net loss of USD 4.8 million (Q1 to Q3 2022: also negative, USD 3.5 million).

Financial Position

As of 30 September 2023, MPCES had non-current assets of USD 110.5 million and current assets of USD 18.8 million, including cash and cash equivalents of USD 13.1 million (30 September 2022: USD 98.6 million, USD 28.6 million and USD 26.1 million, respectively). The equity position was USD 74.0 million, with non-current liabilities USD 49.2 million and current liabilities of USD 6.0 million (30 September 2022: USD 77.0 million, USD 46.7 million and USD 3.5 million, respectively). The non-current liabilities mainly relate to non-recourse 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 1.6 million between Q1 and Q3 of 2023 (Q1 to Q3 2022: also negative, USD 7.9 million), as well as negative cash flows from investing activities of USD 10.8 million (Q1 to Q3 2022: also negative, USD 37.3 million) and cash flows from financing activities in the amount of USD 1.1 million (Q1 to Q3 2022: USD 14.5 million). Including effects from currency translations, the total negative cash flow year-to-date was USD 11.2 million (Q1 to Q3 2022: also negative, USD 30.8 million).

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 2022.

Improvements on the Risk Management System

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 2023, the Company's Chief Financial Officer (CFO) is the only member of the Management Board. On 5 July 2023, Martin Vogt resigned as CEO of the Company and stepped down from his position. Stefan H.A. Meichsner, the Company's CFO, has taken over the responsibilities and the Supervisory Board of MPCES initiated a succession process for the CEO position.

The Company aims to provide equal opportunities to men and women when selecting new board members with a target of having women represent at least one third of its members of the Management Board in future.

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 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.

EVENTS AFTER THE REPORTING DATE

In early October 2023, MPCES signed a separation agreement related to a 2.6 MW combined-heat-and-power (CHP) project Anasco in Puerto Rico. Consequently, the Company will no longer own shares in the related project entity and stop funding construction activities related to the project. In addition, the agreement stipulates that the capital invested by MPCES (USD 2.4 million) will be repaid on or before 31 March 2024.

Furthermore, the Company terminated its collaboration agreement with Enernet Global Inc., a US-based microgrid developer. The agreement gave MPCES first-refusal-rights to selected projects developed by Enernet. Based on MPCES' strategic adjustments and priorities, these projects no longer fit the Company's development and investment focus.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	**15**
Consolidated Income Statement	**16**
Consolidated Statement of Cash Flows	**17**
Notes to the Consolidated Financial Statements	**18**

Consolidated Statement of Financial Position

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

In USD	Notes	30.09.2023	31.12.2022
Intangible Assets	1	18,315,172	18,391,384
Property, plant and equipment		63,423,807	57,239,622
Right-of-use assets		1,015,598	935,732
Investments in joint ventures		6,317,293	6,961,909
Financial assets		21,404,757	17,743,000
Non-current assets		**110,476,627**	**101,271,647**
Trade and other receivables		2,941,205	2,031,174
Prepayments and accrued income		934,003	92,147
Deferred tax assets		1,849,079	1,381,521
Cash and cash equivalents	2	13,120,526	24,174,964
Current assets		**18,844,813**	**27,679,806**
Total assets		**129,321,440**	**128,951,453**
Shareholder equity		73,880,602	75,178,861
Non-controlling interest		157,682	164,947
Equity		**74,038,284**	**75,343,808**
Project finance loans	3	41,668,563	40,356,707
Lease liabilities		1,237,968	1,107,155
Deferred tax liabilities		6,271,786	5,799,001
Provisions		92,380	76,110
Non-current liabilities		**49,270,697**	**47,338,974**
Trade and other payables		1,858,037	2,028,181
Payables to related parties		98,731	487,586
Project finance loans	3	2,788,772	2,505,782
Lease liabilities		56,482	55,668
Taxes and other social securities		588,829	805.988
Accruals and deferred income		621,608	375,298
Current liabilities		**6,012,459**	**6,268,671**
Total equity and liabilities		**129,321,440**	**128,951,453**

Note: Rounding differences may occur.

Consolidated Income Statement

For the period ended 30 September, unaudited

In USD	Notes	Q1-Q3 2023	31.12.2022
Revenue	4	6,859,471	3,626,230
Cost of sales	4	(3,814,661)	(1,532,463)
Employee expenses		(1,491,694)	(1,635,959)
Other operating expenses		(2,689,274)	(2,656,592)
Depreciation, amortization, and impairment charges		(2,820,471)	(2,415,128)
Operating income (EBIT)		**(3,956,629)**	**(4,613,912)**
Gain from bargain purchases		-	2,375,811
Other income and expenses		(97,343)	(963,028)
Financial result (incl. FX effects)		177,202	(1,459,576)
Share of result of joint ventures		(812,685)	(190,398)
Profit / loss before income tax		**(4,689,455)**	**(4,851,103)**
Income tax expenses		(91,500)	(765,139)
Net profit / loss for the period		**(4,780,955)**	**(5,616,242)**
Attributable to common equity holders of the Company		(4,788,220)	(5,616,189)
Attributable to non-controlling interest		7,265	(53)
Weighted average shares outstanding		22,250,000	22,250,000
Basic EPS		(0.22)	(0.25)
Diluted EPS		(0.22)	(0.25)

Note: Rounding differences may occur.

Consolidated Statement of Cash Flows

For the period ended 30 September, unaudited

In USD	Notes	Q1-Q3 2023	31.12.2022
Profit / loss before income tax		**(4,689,455)**	**(4,851,103)**
Depreciation, amortization, and impairment charges		2,820,471	2,415,128
Gain from bargain purchases		-	(2,375,811)
Adjustments to working capital		1,800,355	(938,980)
- net changes in current assets		(2,219,455)	(1,852,935)
- net changes in current liabilities		4,019,800	913,955
Financial result (incl. share of result from joint ventures)		635,483	1,281,355
Interest received		67,314	128,529
Interest paid		(2,137,449)	(1,835,954)
Income tax paid		(65,209)	(81,704)
Cash flow from operating activities		**(1,568,490)**	**(6,258,540)**
Investments in property, plant and equipment		(8,113,306)	(28,389,369)
Land purchases		-	(2,091,951)
Investments in intangible assets		(764,335)	(363,934)
Investments in right-of-use assets		(44,884)	-
Acquisition of subsidiaries, net of cash acquired		-	(6,113,531)
Investments in financial assets (equity instruments)		-	-
Investments in financial assets (debt instruments)		(1,858,007)	(1,453,007)
Investments in joint ventures		-	-
Cash flow from investment activities		**(10,780,532)**	**(38,411,792)**
Proceeds from issuance of share capital		-	-
Proceeds from the issuance of common shares		-	-
Proceeds from project finance loans	3	2,699,859	16,994,794
Repayment of project finance loans	3	(1,542,614)	(4,575,522)
Other net borrowing activities		-	-
Lease payments		(29,550)	(76,035)
Cash flow from financing activities		**1,127,695**	**12,343,237**
Net change in cash and cash equivalents		**(11,221,327)**	**(32,327,095)**
Effects of currency translation		166,890	(413,893)
Cash and cash equivalents at the beginning of the period		24,174,963	56,915,951
Cash and cash equivalents at the end of the period		**13,120,526**	**24,174,964**

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 and wind farms, energy efficiency solutions 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 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

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

IFRS

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 USD unless indicated otherwise.

New and Amended Standards and Interpretations

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 2022 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 CONSLIDATED STATEMENT OF CASH FLOWS

1. Intangible Assets

In USD	30.09.2023	31.12.2022
Capitalized development expenses	3,214,852	2,511,294
Power purchase agreements	15,041,570	15,880,090
Other intangible assets	58,750	-
Total intangible assets	**18,315,172**	**18,391,384**

Please refer to the Group’s accounting principles in the Annual Report 2022 for additional information on our accounting treatment with regards to capitalizing development expenses.

2. Cash and Cash Equivalents

In USD	30.09.2023	31.12.2022
Bank deposits and cash in hand	10,695,026	22,514,264
Restricted deposits and margin accounts	2,425,500	1,660,700
Total cash and cash equivalents	**13,120,526**	**24,174,964**

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 USD	30.09.2023	31.12.2022
Current portion of project finance loans	2,788,722	2,505,782
Non-current portion of project finance loans	41,668,563	40,356,707
Total project finance loans	**44,457,335**	**42,862,489**
Project breakdown:		
Bonilla Zelaya Ingenieros Constructores SA de CV, El Salvador	19,226,965	16,994,794
Los Santos I SAPI de CV, Mexico	25,230,370	25,867,695
Total project finance loans	**44,457,335**	**42,862,489**

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

For its project Santa Rosa & Villa Sol, El Salvador, which is owned and operated by Bonilla Zelaya Ingenieros Constructores SA de CV, a loan in the total amount of USD 18.3 million will be provided by Banco Agricola, 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.

4. Revenue and Cost of Sales

Q1 to Q3 2023 - in USD unless stated otherwise	Revenue (project level)	Cost of Sales (project level)	EBITDA (project level)	EBITDA margin (project level)
Power production	6,304,388	(2,737,239)	3,567,149	57%
Energy trading	555,083	(1,077,422)	(522,339)	(94%)
Total	**6,859,471**	**(3,814,661)**	**3,044,810**	**44%**
Solar PV	5,807,298	(3,139,492)	2,667,806	46%
Energy Efficiency	1,052,173	(675,169)	377,004	36%
Total	**6,859,471**	**(3,814,661)**	**3,044,810**	**44%**
Latin America	5,807,298	(3,139,492)	2,667,806	46%
Caribbean	1,052,173	(675,169)	377,004	36%
Total	**6,859,471**	**(3,814,661)**	**3,044,810**	**44%**

Energy trading activities were conducted for Parque Solar Los Girasoles SAS ESP (Colombia) to meet the obligations under the existing power purchase agreement. MPCES is trading in the spot market to purchase energy, which is then sold to the off-taker in line with the terms of the power purchase agreement. These activities ceased when the commercial operation of the plant commenced in the second quarter of the year.

We classify our project Neol CHP (Puerto Rico) in the "Energy Efficiency" segment, with all other revenue-generating projects currently classifying as "Solar PV".

COMMITMENTS

The Group has the following off-balance sheet commitments as of 30 September 2023:

The share purchase agreement with the sellers of Bonilla Zelaya Ingenieros Constructores SA de CV (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 7.2 million over a period of 20 years of asset operation. The amount disclosed here refers to the part of the potential liabilities that we currently deem as improbable to be paid in the future.

EVENTS AFTER THE REPORTING DATE

In early October 2023, MPCES signed a separation agreement related to a 2.6 MW combined-heat-and-power (CHP) project Anasco in Puerto Rico. Consequently, the Company will no longer own shares in the related project entity and stop funding construction activities related to the project. In addition, the agreement stipulates that the capital invested by MPCES (USD 2.4 million) will be repaid on or before 31 March 2024.

Furthermore, the Company terminated its collaboration agreement with Enernet Global Inc., a US-based microgrid developer. The agreement gave MPCES first-refusal-rights to selected projects developed by Enernet. Based on MPCES' strategic adjustments and priorities, these projects no longer fit the Company's development and investment focus.

MPC ENERGY SOLUTIONS

www.mpc-energysolutions.com