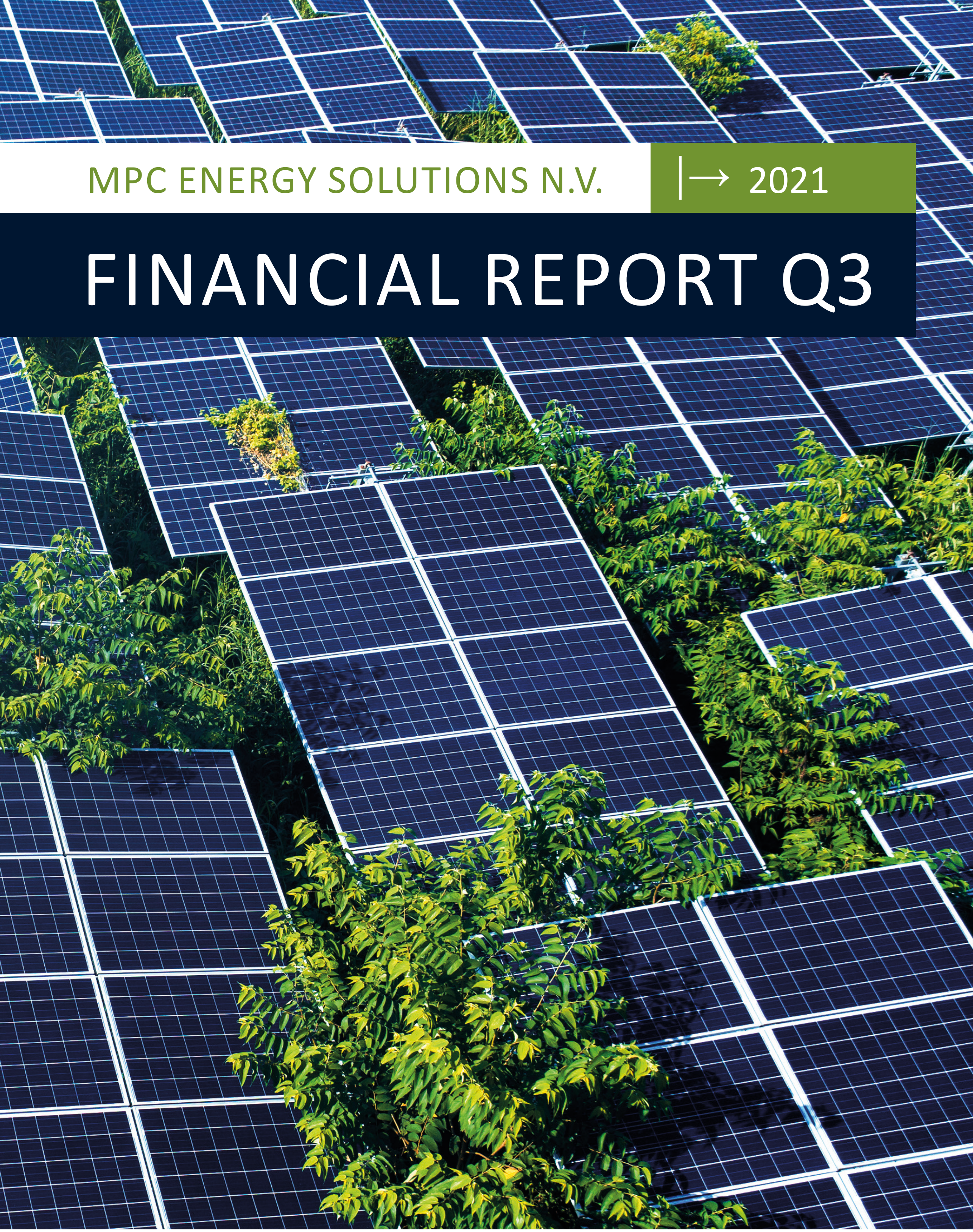
MPC ENERGY SOLUTIONS N.V.

→ 2021

FINANCIAL REPORT Q3



MPC ENERGY SOLUTIONS

www.mpc-energysolutions.com

Contents

FINANCIAL REPORT Q3 → 2021

MPC ENERGY SOLUTIONS N.V.

MPCES in Brief

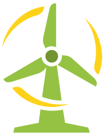
MPC Energy Solutions N.V. ("MPC Energy Solutions", "MPCES" or the "Company", together with its subsidiaries the "Group") was founded on 4 June 2020 as a Dutch public limited liability company incorporated under the laws of the Netherlands and governed by Dutch law. The Company is registered with the Dutch company register under the organisation number 78205123, and its registered office is at Koningin Wilhelminaplein 1, 1062 HG Amsterdam, the Netherlands.

The shares of the Company have been listed on the Euronext Growth segment of the Oslo Stock Exchange under the ticker "MPCES" since 22 January 2021. As of 30 September 2021, the Company's share capital is USD 2,728,700 comprised of 22,250,000 shares with a nominal value of EUR 0.10 per share. The Group's consolidated financial statements include the financial reports of the Company and its subsidiaries.

The principal activity of the Group is to act as an integrated independent power producer (IPP) focused on renewable energy and energy efficiency projects. MPC Energy Solutions develops, operates and owns clean energy assets including utility-scale solar PV and wind farms, energy storage, co-generation as well as other infrastructure that helps reduce energy consumption and carbon emissions, supporting the transition towards a net zero-emission future.

The Company operates its projects globally with an initial focus on Latin America including the Caribbean as its launch region and with an opportunistic approach to replicate the business model in other regions, e.g. Asia-Pacific.

Solar PV



Wind power

Hybrid

Energy Efficiency

Letter from the Management Board

Dear Shareholders,

During our last market update in August, we underlined our objective to fully commit the capital from our IPO to projects by the end of this year, positioning us to achieve an operational asset base of at least 177 MW in 2023 with around USD 40 million in annual asset-level revenues. We confirm our outlook and are well positioned to deal with the current supply chain disruptions affecting the renewable energy sector globally and the continued constraints caused by the COVID pandemic, even though delays in equipment deliveries following these disruptions will cause our construction projects to be delayed by up to six months. Despite the aforementioned, renewable energy capacity installations will likely see a new record in 2021, demonstrating the strong resilience of the sector and tremendous growth opportunities for the coming decades. Opportunities supported by the energy transition commitments made during COP26, which emphasize the need for an ambitious pathway to net zero emissions, as investing in fossil-related energy projects entails not only environmental, but also social and economic risks.

Development Backlog

An essential part of our Company's value lies in our proprietary portfolio of development projects, i.e. projects that are under development and on their way to achieving ready-to-build status. This portfolio by now amounts to a total capacity of 573 MW and includes projects that we either own already (352 MW) or have exclusive access to (221 MW), including rights of first refusal. We believe that the realization probability is high and made significant progress in many of the projects in the last quarter. We have allocated around USD 6.0 million of our IPO funding to our development backlog, which should suffice to achieve ready-to-build status for all of these projects. The value creation will be substantial over the next 18 to 24 months and should positively impact our market perception and share price development when the next milestones are communicated.

Solar PV Industry

Solar power plants take a significant role in our overall project portfolio and backlog. With Los Santos I, we have been able to sign the acquisition of an attractive operational asset for our Company: a 15.8 MW solar PV plant in Mexico. The closing of the acquisition is expected to take place in early 2022. The Company will become the sole shareholder, fully integrating the asset into our revenue stream. In addition to the already operational asset, we have the exclusive rights to acquire additional 73 MW on the project site once ready-to-build, making it a prime example to the full-cycle approach we take and focus on.

The challenges currently facing the solar industry – increasing panel prices, logistical bottlenecks and higher transportation costs – equally also impact our projects. So far, through the joint efforts of all project stakeholders and the tremendous work of our employees, we have been able to vastly mitigate and minimize negative impacts on our construction timelines, investment budgets and projected returns by further optimizing cost structures and renegotiating contracts where there is room for improvement. Our backlog and our ability to reallocate resources ensure that we remain flexible and can grasp opportunities as they arise. Among them the acquisition of further operational assets across Latin America and the Caribbean.

Capital Markets

In view of the inherent value of our portfolio and our extensive backlog and the progress that we have made, we are convinced that the deflated stock price does not reflect the fair value of our company, and certainly does not reflect the positive outlook, a view that is shared by analysts covering our stock.

In the months ahead, we will continue on our path by achieving milestones and continuously updating and educating the market on our objectives and progress. We aim to be even more transparent on how we intend to achieve our overreaching goal: Becoming one of the leading independent power producers in emerging markets globally.

Sincerely,

Martin Vogt
Chief Executive Officer

Stefan H.A. Meichsner
Chief Financial Officer

Management Board's Report

THIRD QUARTER HIGHLIGHTS AND POST BALANCE SHEET EVENTS

Partnership with Soventix to develop Solar PV in the Dominican Republic

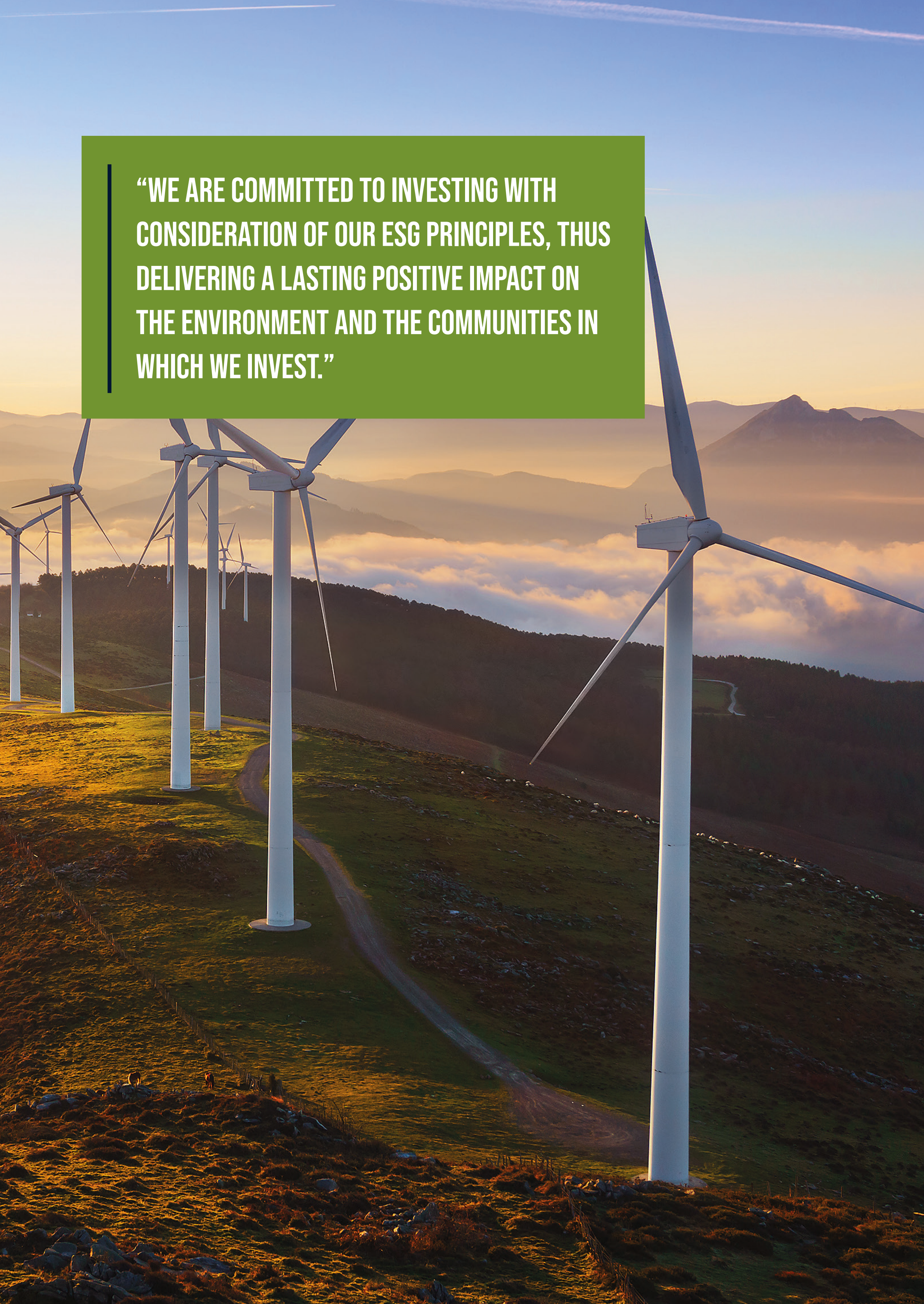
MPCES and leading local developer Soventix Caribbean have entered into a joint development partnership in the Dominican Republic. Together, we will develop a 50 to 100 MW solar PV project in the country. COD is expected as early as 2023. The Company owns 51% in the project.

Expected Closing for 3.4 MW CHP plant in Puerto Rico

Developed by our strategic partner Enernet Global Inc., our first combined heat and power plant is entering the final testing phase, and we expect the plant to become operational in early 2022. The plant has an installed capacity of 3.4 MW and will generate around 26 GWh of energy annually. The output is supplied to an off-taker from the pharmaceutical industry under a long-term, USD-denominated power purchase agreement. MPCES owns 95% in the project.

Signing for 15.8 MW operational Solar PV Plant in Mexico

In early November, MPCES signed an agreement to acquire 100% of the fully operational solar PV plant Los Santos I in Chihuahua, Mexico. The plant is expected to generate more than USD 3 million in annual revenues for MPCES. The project commenced operations in 2017 and supplies around 34 GWh of electricity per year under a long-term, USD-denominated PPA to German cable manufacturer Leoni and the International De La Salle Educational Network. Closing is expected for Q1 2022, at which time we will take ownership of the plant. As part of the transaction, the Company has also secured the rights to acquire an additional 73 MW once ready-to-build.



"WE ARE COMMITTED TO INVESTING WITH CONSIDERATION OF OUR ESG PRINCIPLES, THUS DELIVERING A LASTING POSITIVE IMPACT ON THE ENVIRONMENT AND THE COMMUNITIES IN WHICH WE INVEST."

THIRD QUARTER AND YEAR-TO-DATE 2021 RESULTS

Income Statement

The Group's projects were still in the development or construction stage in the third quarter of 2021 and have not generated revenues from the sale of energy yet. The Company incurred personnel expenses, project development, due diligence and other operating expenses of USD 0.7 million in the third quarter (USD 2.4 million YTD) in line with the ongoing expansion of its team and operations, resulting in an operating loss (EBITDA) of USD 2.4 million during the first three quarters of the year, in line with our expectations for these early stages of our business.

Financial Position

The Group's total assets amounted to USD 84.1 million as of 30 September 2021 (USD 85.0 million as of 30 June 2021). Non-current assets increased by USD 8.0 million to USD 11.6 million. Investments in joint ventures (USD 2.3 million) and financial fixed assets (USD 8.5 million) mainly include investments in Enernet Global Inc. (USD 3.0 million) and the solar PV plant Parque Solar Planeta Rica (USD 7.6 million) in Colombia, which is currently under construction and jointly owned with Akuo Energy. The financial fixed assets include an interest-bearing, COP-denominated shareholder loan to Parque Solar Planeta Rica of USD 5.3 million. Current assets of USD 72.4 million include mainly cash and cash equivalents in the amount of USD 72.1 million (USD 81.0 million as of 30 June 2021).

As of 30 September 2021, the Group's total equity decreased to USD 83.7 million (USD 84.3 million as of 30 June 2021). Current liabilities of USD 0.4 million mainly consist of expenses owed for due diligence and advisory services.

The Group continues to be well capitalized in order to execute its projects. There is no long-term debt.

Cash Flow

At the end of the third quarter of 2021, the Group's total cash balance amounts to USD 72.1 million, reflecting a considerable amount of cash that has been allocated but not invested yet. Cash flows from operations were negative during the first nine months of the year (USD 3.1 million). Cash from investing activities was also negative (USD 5.3 million), mainly driven by the additional investment in Enernet Global in the first quarter of 2021 and our investment in Parque Solar Planeta Rica. The total net change in the Company's cash position between 1 January 2021 and 30 September 2021 was USD 71.7 million.

OUTLOOK

Global investments in low-carbon infrastructure and the renewable energy sector remain strong and will continue to be a key area of development and capital deployment in the decades to come, as countries and regions are committing to a "net zero" future. Our current focus region in Latin America and the Caribbean is no exception, and in many cases countries in the region communicated more ambitious targets than many developed nations. MPC Energy Solutions is well-positioned to participate in these opportunities.

The size of our portfolio, advanced backlog and development backlog currently amounts to 750 MW, of which we plan to have at least 177 MW operational by 2023. In addition to Los Santos I (Mexico), a solar PV plant that is fully operational and will become part of the Company's portfolio in early 2022, the projection includes the acquisition of an operational power plant in Honduras (60 MW).

With the acquisition of Los Santos I (Mexico) and Neol CHP (Puerto Rico), we expect that a capacity of around 19 MW will be operational in early 2022. In addition, projects that are currently under construction or are ready-to-build will subsequently come online in the second half of 2022 and early 2023.

RISK FACTORS AND FORWARD-LOOKING STATEMENTS

The Company is exposed to a variety of risks. It is considered practically impossible to systematically and sustainably generate risk-free profit. Risks are part and parcel of every company's business activities, and 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 2020. The risks position of the Company has not changed substantially after 31 December 2020.

Forward-looking statements presented in this interim report are based on various assumptions. The assumptions are subject to uncertainties and contingencies that are difficult or impossible to predict. MPC Energy Solutions cannot give assurances that expectations regarding the outlook will be achieved or accomplished.

COVID-19

The effects of the COVID-19 pandemic on MPCES and its projects have mostly been contained. However, as previously communicated, development activities have been delayed in certain countries and jurisdictions, mostly related to government permits. The delay of equipment deliveries following global supply chain disruptions will cause our construction projects to be delayed by up to six months.

FINANCIAL REPORT Q3 → 2021

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Contents

1.
Consolidated Interim Statement of Financial Position

(before appropriation of results)

Assets, Equity and Liabilities				30/09/2021 (unaudited) USD	31/12/2020 (audited) USD
A.	**Assets**			**84,066,072**	**1,307,503**
	I.	**Non-current Assets**		**11,639,194**	**842,919**
		1.	Property plant and equipment	818,310	316,634
		2.	Right-of-use assets	155	26,285
		3.	Investments in joint ventures	2,293,289	-
		4.	Financial fixed assets	8,527,440	500,000
	II.	**Current assets**		**72,426,878**	**464,584**
		1.	Trade and other receivables	322,224	53,102
		2.	Cash and cash equivalents	72,104,654	411,482
B.	**Equity and Liabilities**			**84,066,072**	**1,307,503**
	I.	**Equity**		**83,715,965**	**(546,655)**
		1.	Shareholder's equity	83,715,965	(547,405)
		2.	Non-controlling interest	-	750
	II.	**Current Liabilities**		**350,107**	**1,854,158**
		1.	Trade and other payables	224,093	146,527
		2.	Payables to group companies	-	1,056,224
		3.	Payables to other related parties	79,032	539,740
		4.	Taxes and other social securities	8,837	3,773
		5.	Accruals and deferred income	38,145	107,894

2.
Consolidated Interim Income Statement

	01/01/2021 - 30/09/2021 (unaudited) USD	04/06/2020 - 31/12/2020 (audited) USD
Employee expenses	(399,358)	(48,079)
Depreciation	(1,089)	(501)
Other operating expenses	(1,991,439)	(821,793)
Operating result (EBIT)	**(2,391,886)**	**(870,373)**
Financial income	407,958	14,158
Financial expenses	(205,139)	(20,600)
Share of result of joint ventures	(38,701)	-
Profit / loss before income tax (EBT)	**(2,227,768)**	**(876,815)**
Income tax expenses	-	-
Profit / loss for the period	**(2,227,768)**	**(876,815)**
Attributable to:		
Equity holders of the Company	(2,227,768)	(876,801)
Non-controlling interest	-	(14)
Basic earnings per share – in USD	**(0.10)**	**(0.67)**
Diluted earnings per share – in USD	**(0.10)**	**(0.67)**

3.
Consolidated Interim Statement of Comprehensive Income

	01/01/2021 - 30/09/2021 (unaudited) USD	04/06/2020 - 31/12/2020 (audited) USD
Profit/loss for the period	(2,227,768)	(876,815)
Items that may be subsequently transferred to profit or loss		
Foreign currency effects, net of taxes	(189,056)	35,126
Items that will not be subsequently transferred to profit or loss		**-**
Other comprehensive profit/loss, net of taxes		**-**
Total comprehensive profit/loss	**(2,416,824)**	**(841,689)**
Attributable to:		
Equity holders of the Company	(2,416,824)	(841,675)
Non-controlling interest	-	(14)

4.
Consolidated Interim Statement of Changes in Equity

	Share capital USD	Other capital reserves USD	Legal reserves USD	Retained losses USD	Equity attributable to the equity holders of the Company USD	Non-controlling interest USD	Total equity USD
Equity as of 1 January 2021	274,500	19,770	35,126	(876,801)	(547,405)	750	(546,655)
Capital increase/decrease	2,454,200	84,229,331	-	-	86,683,531	(750)	86,682,781
Exchange rate results	-	-	(189,956)	-	(189,956)	-	(189,956)
Capital decrease asset acquisition	-	(3,337)	-	-	(3,337)	-	(3,337)
Result of the period acquisition	-	-	-	(2,227,768)	(2,227,768)	-	(2,227,768)
Equity as of 30 September 2021	**2,728,700**	**84,245,764**	**(154,830)**	**(3,104,569)**	**83,715,065**	**-**	**83,715,065**

	Share capital USD	Other capital reserves USD	Legal reserves USD	Retained losses USD	Equity attributable to the equity holders of the Company USD	Non-controlling interest USD	Total equity USD
Equity as of 4 June 2020	54,900	-	-	-	54,900	-	54,900
Capital increase/decrease	219,600	-	-	-	219,600	754	220,354
Exchange rate results	-	(9,450)	35,126	-	25,676	-	25,676
Capital decrease asset acquisition	-	29,220	-	-	29,220	10	29,230
Result of the period acquisition	-	-	-	(876,801)	(876,801)	(14)	(876,815)
Equity as of 31 December 2020	**274,500**	**19,770**	**35,126**	**(876,801)**	**(547,405)**	**750**	**(546,655)**

5.
Consolidated Interim Statement of Cash Flows

	01/01/2021 - 30/09/2021 (unaudited) USD	04/06/2020 - 31/12/2020 (audited) USD
Operating activities		
Profit/Loss before income tax	(2,227,768)	(876,815)
Depreciation	1,089	501
Adjustments in working capital:		
- Net change in current assets	(269,122)	(53,102)
- Net change in current liabilities	(412,679)	1,049,446
Financial income	(407,958)	(14,158)
Financial expenses	205,139	20,600
Share of result in joint ventures	38,701	-
Interest paid	(65,951)	(4,266)
Income tax paid		-
Net cash flow from / (used in) operating activities	**(3,138,549)**	**122,206**
Investing activities		
Investments in property, plant and equipment	(502,763)	(317,135)
Exhange rate results	-	-
(Dis)investments in rights-of-use assets	26,130	(26,285)
Investments in financial fixed assets	(2,500,000)	(500,000)
Investments in joint ventures	(2,331,991)	-
Net cash flow from / (used in) investing activities	**(5,308,624)**	**(843,420)**
Financing activities		
Proceeds from share issuance	2,454,200	265,050
Capital increases/decreases	84,036,188	64,346
Loan from related party	(822,602)	803,300
Loans to joint ventures at amortized costs	(5,527,440)	-
Net cash flow from / (used in) financing activities	**80,140,346**	**1,132,696**
Net change in cash and cash equivalents	71,693,173	411,482
Cash and cash equivalents at beginning of the period	411,482	-
Cash and cash equivalents at end of the period	**72,104,655**	**411,482**

6.
Notes to the Consolidated Interim Financial Statements

GENERAL

Company profile

As an integrated independent power producer, the principal activities of the Company and its subsidiaries are to develop, construct and operate sustainable energy projects, including solar and wind assets, and hybrid and energy efficiency solutions.

The registered and actual address of MPC Energy Solutions N.V. is Koningin Wilhelminaplein 1 in Amsterdam and the Company is registered at the chamber of commerce under number 78205123. The Company was incorporated on 4 June 2020.

Going concern

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

Segment information

As of the date of the financial statements, the Group is organized in one operating segment, i.e. development of solar PV projects. As of 30 September 2021, the Group is active in the Caribbean and Latin America as its launch region and going forward it is expected that the Group will expand its business globally. The Group is in the ramp-up phase of its business with no operational assets as of 30 September 2021. Therefore, at this stage, the Group has not generated revenues and has no major customers yet.

Forward-looking statements

Certain statements made on this report, including financial estimates and comments about our 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.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE UNAUDITED INTERIM FINANCIAL STATEMENTS

The unaudited interim financial statements for the period ended 30 September 2021 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 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 at 31 December 2020.

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

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 condensed 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 2020. There are no new standards effective as at 1 January 2021 with a significant impact on the Group.

BALANCE SHEET

Note 1: Investments in joint ventures (USD 2.3 million) and financial fixed assets (USD 8.5 million) mainly refer to investments in Enernet Global Inc. (USD 3.0 million) and the solar PV plant Parque Solar Planeta Rica (USD 7.6 million), which is currently under construction and jointly owned with Akuo Energy. The financial fixed assets include an interest-bearing, COP-denominated shareholder loan to Parque Solar Planeta Rica of USD 5.3 million.

Note 2: Cash and cash equivalents include a restricted amount of USD 0.5 million which has been deposited in connection with a bank guarantee for our solar PV project Los Girasoles in Colombia. The guarantee expires in July 2023, but could be prolonged if the parties agree thereto.

INCOME STATEMENT

Note 3: Financial income and expenses of USD 0.4 million and USD 0.2 million in the first three quarters of 2021, respectively, mostly relate to foreign exchange results in connection with the COP-denominated loan extended for Parque Solar Planeta Rica, as well as interest income related to that project.

COMMITMENTS

The Group has the following off-balance sheet commitments as at 30 September 2021:

The share purchase agreement with the sellers of Bonilla Zelaya Ingenieros Constructores C.V. de S.A. contains provisions regarding performance-based purchase price payments depending on certain milestone events in the development and operational phase of the solar PV project. Depending on the commercial success of the project, such performance-based purchase price payments may accumulate to a maximum total amount of USD 7.5 million over a period of 20 years (i.e. the operational phase of the asset after successful development and construction).

On 10 March 2021, the Company entered into a land lease agreement for the purpose of developing a 72.5 MWp solar PV project in Jamaica. Under the agreement, the Company leases approx. 220 acres of land for a term of at least 25 years. Given that the project is in the development phase, the lease agreement contains termination options so that the fixed commitment amounts to approx. USD 0.02 million.