



MPC ENERGY SOLUTIONS N.V.

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WEBCAST ON PROJECT UPDATE

WEBCAST ON PROJECT UPDATE

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OPERATOR:

Good day, and thank you for standing by. Welcome to the MPC Energy Solutions Project Update Conference Call. At this time all participants on listen-only mode. After the speaker presentation there will be a question-and-answer session. To ask a question during the session you'll need to press "*1" on your telephone, but participants can ask a question at any time by typing it in the "Ask a Question" tab on the top-right corner of your screen. Please be advised that today's conference is being recorded. And if you require any further assistance please press "*0". I would like to hand the conference over to your host today, Ms. Heike Hülle. Please go ahead.

HEIKE HÜLLE:

Hello and good morning everybody. I have the pleasure of welcoming you this morning to the third webcast of MPC Energy Solutions. We are today presenting a project update and we are also presenting the preliminary financial statements for the year ended 31 December 2021. A press release with the financial results has been published this morning at eight o'clock. After this presentation we will host a Q&A session. Please be advised that we are recording today's webcast and it will be published later together with a transcript.

In terms of forward-looking statements, let me just remind everyone that certain statements made on this call, 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.

Now let me hand over to Martin Vogt, our CEO, for the presentation.

MARTIN VOGT:

Thank you, Heike. And good morning everyone and a very warm welcome on behalf of the management board. We are very glad to have this first webcast in 2022 this morning.

We have structured our presentation in the following sequence in a bit more detail. We'll first speak about the key achievements since our IPO. We will go over them in a second point to the project update and then give you on each of the projects and the execution the latest news.

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Furthermore we will also give you a big-picture update on the portfolio including movements in our backlog and in the pipeline. And then we move into the financial review of the Q4 and year-end figures before we are concluding today's webcast with an outlook on the 2022 financials.

MPC Energy Solutions is listed now since a little bit more than 12 months on the Euronext Growth segment of the Oslo Stock Exchange and we believe it's now also a really good moment to reflect on our key achievements during the last 12-month period. And with that we are moving over to slide no. 2.

Here we are listing what we feel were critical achievements by the Company in 2021. Of course at the heart of our Company and most critical for our project-focused business and the Company's success is our team. So we are very happy and pleased with the additional 14 new colleagues some of which were transferred from MPC Capital but also new joiners at our offices in 2021, 60% of which are based in Panama and Colombia, demonstrating also our commitment to build up local capacity and boots-on-the-ground so to say, which is critical for our project business.

Also to highlight at the moment about 25% of our colleagues are females and we will focus on increasing that figure in 2022. Overall our team is coming from seven nations to date.

When we talk about development, right now and together with our partners we have about 540 megawatts in nine countries including Philippines and Australia, in development. These developments are progressing very well and also projects in the Philippines and Australia are maturing now which is certainly different than 12 months ago when those projects were in rather early stages from our partner Enernet Global.

Also from the stage of development into construction, we have successfully moved a total of five projects that reached already this stage of construction after a successful financial close and final investment decisions of which two were actually contributed from the initial seed portfolio of MPC Capital prior to such IPO.

These projects are having a gross capacity of approximately 100 megawatts and will become operational during the second half of 2022, generating a significant amount of revenues and cash flows for the Company.

Also our first utility scale hybrid project in St. Kitts with our partner Leclanché, will reach the operational stage during the first half of 2023.

In the meantime we have also closed the acquisition of our first operational project in Mexico, Los Santos I. This project with a capacity of about 16 megawatts in total has offered also the opportunity for expansion up to 73 megawatts or almost 90 megawatts in total. Most importantly it provides MPCEs with its first revenues and cash flows.

In addition we are very pleased to share that the CHP project in Puerto Rico generated its first kilowatt hours, with an expected formal commissioning date in the next week, generating first revenues for the Company in March as well.

Talking about partnerships, working in development markets, risk management diversification and local sector expertise, is a key tool for capital preservation for the Company. Hence we believe in value creation through complementary partnerships.

Our joint development companies with Akuo Energy and Soventix to develop and build solar projects in Colombia and the Dominican Republic are equally important as partnerships with sector experts such as Enernet Global for distributed power and markets like Puerto Rico or the Caribbean, Philippines or Leclanché for stationary storage and hybrid projects.

With that we are moving over to slide no. 3. We just want to reiterate our commitment to be a partner of choice for the private and public sector in our four asset classes, solar PV, wind, hybrid, and energy efficiency.

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Our focus in 2021 as you saw from the previous slide was clearly on solar PV technology. But for 2022 and 2023 we will very likely add more storage, hybrid, and energy efficiency projects to our portfolio as well to create a balanced diversification among those four asset clusters.

We overall see very strong demand from the private sector for low carbon or green power supply in our existing and key markets. Those are usually coupled with other measures such as energy storage or the production of heat or lighting.

In our existing markets the power from the grid remains usually carbon intensive, expensive, and unreliable hence renewable energy remains a very compelling alternative for the private and public off takers.

The latest upswing in LNG and natural gas prices in the Americas make renewables only more attractive as a viable alternative. We're moving to slide no. 4.

At the time of the IPO we started with the development projects in Colombia, Jamaica, and El Salvador. Now one year later and during the last 12 months we have entered a total of four new markets in the region, Mexico, the Dominican Republic, Puerto Rico, as well as St. Kitts, in which two we have already operational assets by now meaning a strong growth presence in our key region has been completed. With that we want also to give you the update on the projects itself so we are moving to slide no. 5.

As mentioned before the asset in Puerto Rico is now generating its first kilowatt hours, the testing procedures have been concluded. We received also the formal approval of the grid operator LUMA Energy which was missing until very recently.

Our team as you may have seen in our social media post have also been lately on site being very pleased with the performance of 2G as CHP manufacturer for this project. The asset produces steam, heat, and power to Neolpharma, which is a Mexican pharmaceutical company that produces in Puerto Rico for the U.S. market. I also would like to highlight that this is really a typical project that Enernet Global develops exclusively for MPC Energy Solutions under the executed Asset Development Agreement.

And for 2022 we are very confident to sign solar power purchase agreements and energy service agreements with blue-chip companies in Puerto Rico as well. This is why this project as a demonstration project and for the business development is also very key for our Company.

Then we move to slide no. 6, our Project Planeta Rica in Colombia which is a 50-50 joint venture with the French IPP, Akuo Energy. Overall the construction process in this solar park advances very well.

The main update during the last quarter is mostly that the solar PV panels have now all arrived in the Port of Cartagena which effectively eliminates any remaining uncertainty with regards to shipping costs, and panel prices, entirely. We are very pleased also that Suntech delivered those panels at the agreed prices dated back from Q2, 2021 compared to many other panel manufacturers that have in the meantime changed their initial pricing and increased by material amounts.

If we go to slide no. 7, we see our second project in Colombia, Los Girasoles which is 100% owned by MPC Energy Solutions and which is one of the projects that was entirely developed in-house in the Group in this part of the portfolio that MPC Capital previously contributed to the Company prior to the IPO.

Here we can share that the EPC contract with Socolco was successfully closed. We have issued the Notice to Proceed for the start of construction and the panel supply agreements with Trina Solar have signed as well as for the inverters

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with Huawei successfully in the last weeks. Given the limited size of this project, we continue to build on an all-equity basis with assumed refinancing later on and after COD. Moving over to slide no. 8, Santa Rosa.

Previously we showed this project as Nejapa and I may have mentioned it before. There was some confusion in the local communities with regards to a substation that had the same project name so we decided to rename it to Santa Rosa and Villa Sol. The project has reached financial close prior to Christmas. We have signed the debt financing agreement with Banco Agrícola that is a local subsidiary of Bancolombia. And we have also signed the EPC contract with the Enerland group. And here in this project we are using and will install panels from Canadian Solar on single axis trackers.

An update here as well, as you know, our PPA, our 20-year U.S.-dollar PPA with the local subsidiary of AES Corporation as an off-taker is taxed to the industrial consumer tariffs in the country. And we see the strong uptick in LNG prices, and LNG is the price setting technology in El Salvador which in return creates a significant upside potential for our equity investments here.

We see already in the current tariff prices that they are about 20% higher than initially projected in our business plan and financial model last year. And the local energy consultants also predict that this trend will continue over the next five to seven years, creating here, yes a upside for this project that may materialize if these prices remain that high for us.

The tariff is being updated and revised on market conditions so to say, on a quarterly basis. And when the project will start operation in the last quarter of this year, we predict very attractive energy prices in the vicinity of 10-11 U.S.-dollar cents in El Salvador to sell at.

Planeta Rica, Los Girasoles, and Santa Rosa as you see are all scheduled to start operations in the last quarter of 2022, meaning that a significant amount of our portfolio will be cash flow and revenue generating by the end of this year.

Moving over to a slide no. 9, our true lighthouse project in the region and transformational for the Island and the people of St. Kitts, our hybrid project which combines solar PV and battery energy storage system.

The St. Kitts project that we do in a partnership with Leclanché is a true demonstrator how renewable energy can really provide true base-load power to an island like St. Kitts. The acquisition was closed just prior to Christmas. And we are currently focusing on the finalization of the debt financing with expected financial flows in the second quarter of 2022.

Overall this is also the largest hybrid project in the Caribbean and Central America and will effectively replace 30% of the diesel-fuel generated on the island producing power around 30% cheaper than previously with the diesel-generated kilowatt hours. In addition we will also provide spinning reserve capacities which will further improve the grid stability on the Island.

This is our first project with the Swiss-based technology and storage solutions provider, Leclanché but we believe that there are many islands in the region and beyond where this can be replicated and further collaborations between Leclanché and MPCES are anticipated.

MPC Energy Solutions structured this as a combined equity and preferred investment making this also financially a very compelling investment for the Company.

Moving to slide no. 10, and last but not least, Los Santos Solar I, our first project in Mexico where we closed the transaction and the acquisition only recently. Here we just would like to highlight that this project really checks all our boxes, sitting very well in our IPP strategy.

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We do have a large private corporate that produces locally with high-credit quality. We have a long-term U.S. dollar power purchase agreement in place. We have a quality asset with strong operational track record. We have the option to extend this project materially and increase the capacity to up to 90 megawatts in the near- to medium-term future. And with the DFC and the North American Development Bank, we do have two very strong senior lenders who will be long-term partners in this project to MPC Energy Solutions as well.

Mexico is one of the largest renewable energy markets in the region and with Colombia the two large-volume markets really, when you consider the Americas for MPC Energy Solutions. So we are very keen on closing additional projects in the country, giving that energy remains also for the private sector a very viable alternative to the supply from the grid operators.

So overall our focus on 2022, just to give you a brief outlook on our operational side, remains to implement and to deliver our construction projects on time and budget. And this will really allow us to grow our revenue base during the year of 2022.

Furthermore we will mature also our development pipeline in various countries that are currently ongoing and we expect to successfully close a series of new power purchase agreements to allow us to make final investment decisions and reach financial close for some of these projects.

Selectively we will also acquire from third parties new projects that are ready to build or already operational and we will use our existing partnerships with the developers such as Enernet Global, Soventix, and Leclanché to also further add new projects to our portfolio.

And with that my part will end today. Thank you very much. Our CFO Stefan will continue with the presentation, starting with an update on Enernet Global. Stefan, over to you.

STEFAN MEICHSNER:

Thank you Martin. Just a quick reminder for those joining us for the first time our brief introduction to Enernet Global. So Enernet Global is a U.S.-based microgrid developer that has a pipeline of projects that they're developing and building all over the world including Latin America and the Caribbean where we are currently active, but also Southeast Asia and Australia, and markets that we as MPC Energy Solutions eye for our global expansion down the road.

Enernet has a proven track record and we entered a strategic partnership with them in 2020. Already it was intensified in 2021 and now in early 2022. And to date we have provided funding for Enernet Global totaling \$4 million. And the reason why we did this is that as part of the strategic partnership we achieve a couple of things.

First of all Enernet Global is really active in the markets that shows rising demand for PPAs with corporate off takers. It is as I already mentioned the basis for our future global expansion as they give us access to projects and markets that we're currently not developing in ourselves.

And the agreement that we have with them also in return for our investment and our financial support is that we do have exclusive access. We do have a right of first refusal on projects that they develop and build in Latin America and the Caribbean, and also in South East Asia and Australia.

And the latest development which also allowed us to extend their agreement of exclusivity and right of first refusal by another year, and to include Australia earlier, as originally anticipated, starting this year, is that Enernet Global issued a convertible note which was mostly backed by the existing shareholders, including us, and also the Japanese company Kyuden.

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And we also saw a few smaller shareholders in Enernet contributing to that convertible note. So as MPC Energy Solutions we provided another \$ 1 million which is included in the \$ 4 million that I referred to earlier.

And as a return we received this extension of exclusivity and the addition of Australia sooner than anticipated, meaning that there's really a huge base of projects. And you will also see that in the overview that we will share on the next slide, that we will have access to projects and that those are ours to turn down. If we could move to the next slide, please, you will see what I mean.

So as Martin has elaborated on each project individually, it is no surprise that what we define as our portfolio, so the projects that we own and that are soon operational, has changed again from the last quarter.

We now have the projects included here that Martin mentioned and I won't go into detail here because he's already elaborated on them. Suffice to say that this is the first set of projects that will become operational for us, that will deliver revenues, and steady cash flows back to us, and that we will also focus on to make sure that they become operational in the projected timeline.

When we look at our backlog and you know that we qualify this as an advance backlog, meaning those projects that are next in line to become part of our portfolio, and our development backlog that we actively develop and still have certain milestones to achieve before they can really qualify as advanced and ultimately portfolio.

We have made one change. From the very beginning we always had our project in Honduras, called Nacaome, as part of our advanced backlog. It's a 60 megawatt solar project that has been operational since 2018.

And due to the recent political developments in Honduras, namely that there was a change in government and that also Honduras has struggled a bit with raising funds in the capital markets, we have put this project on hold for the moment and moved it back to our pipeline because we do have very strict criteria when something should be considered in advance backlog or development backlog and when not.

And while we have an understanding with the current owners of the project and also with the banks involved that we will make a very good partner, while all the contracts have been negotiated and are basically ready to sign, we are still waiting and seeing how the situation in Honduras develops before we revisit our risk assessment and revisit the investment decision that was originally made.

In terms of our development backlog, we also have made a few changes just in terms of understanding. So development backlog for us means projects that we have either under development ourselves or that we have an exclusive access to or right of first refusal to and that are highly probable to achieve ready to build over the next 18 months -- 12 months, 18 months, 24 months. So this is why we will see updates to this backlog from quarter to quarter.

We of course have a very high priority on the projects that are under our own development namely in Colombia, and Jamaica, which are also a substantial part of that development backlog.

And then through our partnership with Soventix in the Dominican Republic, and with Enernet in Puerto Rico, and now also Australia, and the Philippines as you can see here, there is a lot going on in the development side and we have assigned adequate budget to it to get all of these projects to ready to build, and we will push very hard to achieve the ready-to-build indicated timeline that you see on the right of the table to make sure that these projects become ready to build if they are not already, in 2022 and 2023 because we see substantial value creation from getting these projects to where they need to be.

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And for us this is really of course also a core part of our business. If we move to the next slide, we want to give you an outlook on that portfolio, so we are now just speaking about the six projects that Martin has introduced today and that are qualified as our portfolio.

And if you just look at these six projects, and you just look at our own economic share in them, you will easily be able to make or have two key takeaways from it. First of all these projects alone will lead to a significant generation of revenue of \$18 million by 2024, when they are all fully operational for a whole year.

They will deliver high EBITDA margins, average is 78% for all of these portfolio projects. And we will see very steady and predictable cash flows coming back from these projects, in this nature of dividends of shareholder loan repayments and interest on shareholder loans.

This does not exclude -- or include sorry, refinancing that we can still do. That is a separate matter. This is just in the operational course of business of these projects, what they will bring back to us. And they will combine for a proportionate installed capacity of 80 megawatts and a hundred and seventy five gigawatt hours of energy produced and sold every year.

Inside this portfolio, there are two projects which are all equity financed at the moment and we are actively seeking to refinance them over the next 12 months, either at COD or a little bit earlier if possible.

We recently were in the region and we spoke to a lot of financial institutions and commercial banks and we see that there's a large appetite for financing these projects and very, very good conditions so that we have no problem to expect that this year and early next year is the right time to make sure that we can generate some more cash back from these projects by refinancing them actively.

And then the final and second takeaway is because of the lean overhead that we have and the structure that we keep and because we see that these projects are well underway and will be highly profitable and generating cash flows for us and also profits, I would be very surprised if by next year we wouldn't be net-income positive on a corporate basis already, meaning including the overhead that we spend for keeping our team intact and administrating the corporation.

So much for the outlook. If we move to the next slide, we will also give you a quick update on the preliminary financials that we published this morning.

Now the audit is currently underway but we don't expect any changes to the numbers that we have published. 2021 was in line with what we previously communicated because we had no operational assets. There are also no revenues that we generated in 2021.

That has now changed with the acquisition of Los Santos I, that Martin mentioned in Mexico, we are now officially revenue generating and with the assets in Puerto Rico that Enernet Global will hand over to us shortly, we will have a second asset under operation so that we should now see steady revenues coming in. For this year we expect around \$5 million, already from these two projects alone.

We ramped up the team as you can see from 2 to 16 people and this is also reflected in the increase of personnel expenses of course in 2021 and other operating expenses were still heavily impacted by the IPO-related advisory fees that we paid. So that overall looking into the future our operating expenses and personnel expenses combined should be lower than what we have seen in 2021 given that there were some extra effects here.

The cash flows very much mirror what we have done in 2021 with the operational cash flow being negative and also the investing cash flows giving out first capital employment reflect our progress here. Next slide please.

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On the balance sheet there are still no real surprises in line with what we communicated. Of course the non-current assets increased giving our first capital deployments in Colombia and El Salvador, and other countries. Since the end of the year, meaning now in January and February of 2022, we have deployed another \$19.5 million into projects in Colombia, in El Salvador also the partial purchase price for the Los Santos project in Mexico. And of course we've also funded some of our SPVs that are currently handling developments in Colombia.

And the total consolidated cash position at the end of last year was \$56.8 million; part of that was of course already invested in project companies, and with the additional investments that we have made since, at the moment on the holding level, free cash available to deploy into future projects, and to pay for overhead is around \$24 million. We still have no long-term debt and are well capitalized for what is to come and for the plans that we have this year and next year. Next slide please.

Just to sum this up before we move into the Q&A, a quick reminder on our key financial calendar dates this year. We published the preliminary unaudited financials today. We will have the full annual report and our first sustainability and ESG report published in the middle of April, on the 20th. On the 28th we will already give the regular update for the first quarter of this year, and this is also the first time that we will show the revenues from all first operational assets. Our Annual General Meeting will be at the end of June.

And then we will continue to have quarterly updates as in the past in August and November respectively to reflect on Q2 and Q3. And with that I want to thank you for listening and hand back over to Heike for our Q&A session. Thank you very much.

HEIKE HÜLLE:

OK. Thank you very much, Martin and Stefan. We will now continue with our Q&A session. We will pause for a minute to give you some time to either send your questions through the text function in this web conference, if you have not done so yet or by pressing "star one" on your phone. Let me first start by asking our operator on the phone line, if there are any questions that came in via the phone line.

OPERATOR:

Yes, I'm not shown any questions on the phone line.

HEIKE HÜLLE:

OK fine. Then let me continue with the questions via the webcast. We have one question that came in from Magnus Solheim. And the question is: Can you give us some more details to the 2024 guidance, is this including the portfolio and advanced deadlock where you have financing secured?

STEFAN MEICHSNER:

I will take this one. So this is only including, Magnus, the portfolio projects that we have shown on one of our slides and that Martin elaborated on today. And yes, financing is secured for these projects. PPAs are secured for these projects. And construction is either underway or finished or almost finished, in the case of Puerto Rico for example, so we believe that this is a fairly solid prediction on our proportionate share in these projects.

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HEIKE HÜLLE:

OK. The next question that came in is from Anders Rosenlund. The question is total commitment spend - he's referring to slide Number 12, of \$56 million, how much was paid as of the 31st of December last year and how much is paid in as of now?

STEFAN MEICHSNER:

So if I understand the question correctly, so the number that we referred to in terms of total investment since the IPO last year, the roughly \$45 million that we invested, that includes the numbers that we have shared with you on that slide that we did in January and February. If that answers the question, if I understood that correctly.

HEIKE HÜLLE:

All right. Then we have another question that came in from Magnus Solheim. Can you comment on the price changes for ready-to-build projects, have prices changed significantly last year?

MARTIN VOGT:

Let me dive into that. Ready-to-build projects as we see in the region where we are active, have not materially changed in pricing when it comes to acquisitions because the additional costs to build the projects had to be balanced. So there was no, let's say additional premium for developers or sellers possible.

As we all know, on average total capital expenditures or investments for solar assets grew about 10% to 15% last year which is primarily driven by the steep increase of panel prices as well as of the transportation costs. So when it comes to what we maybe see in the European markets, that ready-to-build projects were traded at higher premium, that did not occur in the markets that we are covering for the mentioned reasons.

HEIKE HÜLLE:

All right. The next question from Magnus Solheim. Can you comment on the St. Kitts project, do you see potential for other similar projects in your target region?

MARTIN VOGT:

Clearly, yes. First of all Leclanché is working very actively in the region for those hybrid projects. What is most important for us is that we are now building a first demonstration project, so to say, with St. Kitts because if you think about the sophistication of the public sector in the region, they of course want to see the real proof that the combination of solar and battery can really deliver what these concepts are promising.

And as I said it's the first of its kind in such a large-scale hybrid project in the region so there are various projects in the making from Colombia, over to Jamaica, over to Cayman, and Bahamas, and some of the other islands. But what we believe is most critical, really once this project starts to be operational so that public sector representatives such as Minister of Energies can come and see and see the track record of this project.

Overall of course especially the Caribbean Islands which are in itself microgrids, so to say, I mean St. Kitts has a population of about 50,000 people which is a medium-sized town in Europe maybe, are perfectly suited for these sort of hybrid projects with the abundance of solar resource as well as the demand and load curve from the local population.

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So if you can add these three or four hours of batteries, you can really sort of meet the peak demand which is usually in the early evening hours. So yes, we are very comfortable that that there will be additional hybrid projects in the region.

But you also have to think about the Philippines for instance which is nothing else than a combination of more than 1,000 islands, right, so at the end 1,000 microgrids with no interconnection, with remote areas, so these sort of hybrid projects combining two or three different technologies are from our perspective the key driver for the energy transition in emerging markets which is a bit different than if you would look at the U.S. or Europe for instance, at these sort of project.

HEIKE HÜLLE:

The next question from Anders Rosenlund is: Why are our tax payments for the Santa Rosa and Villa Sol projects so significant?

MARTIN VOGT:

Yes. Primarily this is of course driven by the amount of corporate tax that is payable on local country level as well as withholding taxes for the distribution out of the region. There we are subject to the to the local regime.

However I have to say that especially in El Salvador, we are actually enjoying a 10-year tax break. So the initial 10 years we will not pay corporate taxes in El Salvador due to the yes, regulatory incentives to build these assets. So these \$15 million in taxes are really back-ended and not front-ended taxes.

HEIKE HÜLLE:

I will take the next question from Anders Rosenlund: What is the debt funding cost on the different projects?

MARTIN VOGT:

Yes. We can maybe go project by project. And Stefan, if you want to take it, feel free.

STEFAN MEICHSNER:

Yes. Of course. So going through the portfolio, in Puerto Rico for projects like the Neol CHP, we see very attractive terms. We of course will seek to refinance it but the original construction loan was priced at around 5% which of course is quite attractive.

If we move to the project of Colombia and that includes Planeta Rica and Los Girasoles, what we see is that there is usually a premium of 3 1/2 to 4% on the interbank rate in Colombia, which is currently at around 4% as well. So you will find projects that you can easily finance for 7 1/2 to 8% in local currency.

Santa Rosa, Villa Sol, is quite similar. What you will have there is a lower base rate that they refer to which is usually the LIBOR. And then they add a premium of around 500 basis points or 5 percentage points on that. And in St. Kitts, it is fairly similar. We're talking about local currency rates of around 5 to 6 ½% depending on where you are. We are at the lower end for this project.

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So overall cost of debt for the projects that we have are significantly below the equity hurdle rates and IRRs that we have because as I mentioned earlier and referred to earlier the mandates that the local banks have backed by sometimes development banks, and institutions; financial institutions also supported by the local government, is extremely attractive because the country see the need to very rapidly transit to a renewable base or a diversified renewable base in their country. And this is reflected in the way that they're structuring the regulatory frameworks and the financing support.

HEIKE HÜLLE:

The next question is from Magnus Solheim. Given that the project portfolio has changed slightly, can you give some additional details on when you expect the remaining cash to be fully deployed?

MARTIN VOGT:

Yes. So on that basis we expect to make some final investment decisions in the second quarter of 2022. With then depending on which projects we are deciding either on operational or ready-to-build projects that the capital will then be deployed respectively but it will certainly be blindly allocated to a project in the -- in the second quarter.

HEIKE HÜLLE:

OK. The next question is from Ralf Luckau. And he's asking: What do you think about convertibles to finance some projects in the future perhaps via MPC Capital or other investors?

MARTIN VOGT:

Stefan, do you want to share your view on this?

STEFAN MEICHSNER:

Sure. I mean as I elaborated previously so there are resources that we can use internally to free up additional cash for deployment. So that is maybe a statement that has been lost in the past that because of the inherent value of our development pipeline and because some of the projects are still all equity, there is cash that we can free up and reinvest before we entertain any external funding on a corporate level. And should that happen we are open to the options out there.

Of course we are constantly evaluating with our advisors and also with our supervisory board and Martin and myself, intensive discussions of what the best way of future funding would be.

And convertibles are not off the table but they are also not actively on the table because at the moment that question is being discussed but on a level where we have narrowed down on any individual option. Martin, would you like to add anything to that?

MARTIN VOGT:

Nothing to add from my side.

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HEIKE HÜLLE:

Then let me move on to the next question that came in from Daniel Stenslet. And his question is: You lowered your IRR guidance a couple of quarters back. Is that revised guidance still representative also taking into consideration that the Honduras project has now been replaced?

MARTIN VOGT:

Yes. The IRR guidance was changed in the perspective of the market segment, right. So we had to adjust returns to reflect the cost of sourcing major equipment like the panels and also the transportation costs that was to some extent be offset by savings, for instance, and also by you know, a higher inflation environment keeping in mind that a lot of our PPAs are also inflation linked.

So the projects will to a large extent recover some of these return losses given that the PPAs, the power purchase prices that the off takers are paying are likely to increase steeper than was initially projected.

But we have seen that shipping costs have flattened out on a very high level, that panel prices are not further increasing, in particular even in the first quarter of this year there was even a slight drop from a very high pricing level at the solar panel prices. So we don't have to revisit any IRRs at the moment.

We also don't see that that the market has the same amount of risk and uncertainty that it had in 2021. Of course no one can also predict what the final impact the current geopolitical situation will have on supply chains, again in the situation of Ukraine and Russia giving material new disruptions, also in the shipping industry that we see.

But from a solar perspective at least most of the equipment is coming from China so we don't believe that that will impact our business in Latin America really. So yes, we don't see any need to further revisit our return plans.

HEIKE HÜLLE:

Then another question that came in this from Robert Barnjak. And his question is: Your share price is very low. What impact does this have on your business plan, how do you aim to turn this negative share price development around?

MARTIN VOGT:

Yes. Of course. For a very young company that has only recently been listed and just to say, a small scope of activities, the very short-term oriented capital markets are of course a challenge in the context of our very long-term business compared to other companies that maybe have listed outside the infrastructure sector.

So on the business plans if you look at the projects, there is at the moment no impact at all as we have outlined an initial project pipeline that we are executing with the capital that was raised during the IPO.

Of course as a management and speaking also on behalf of the supervisory board, we are not happy that the market is currently not valuing the Company yes, at a level that we feel is appropriate.

We are I think at the moment trading around 15% below our cash position which is yes, of course a huge undervaluation of the value of the Company. So what can we do, is I think you know, we have to focus on those matters that we can influence. We cannot influence the current uncertainty and volatility of the capital markets.

Overall, the sentiment that was coming also with the valuation around ESG-driven companies or renewable energy IPPs, that certainly peaked overall so what we are focusing on is really on the execution and delivering on our own

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projects, and our own equity story, and believe that at one point this irrational pricing of our stock will disappear and we will have a true value true value pricing with regards to our yes, company value. So Stefan, do you want to share any particular insights on that as well?

STEFAN MEICHSNER:

Yes, absolutely. So just in addition to that, I mean what can we do, what can we do to make investors more comfortable with our Company, our focus on emerging markets, and our stock.

First of all what we do here today and what we've been doing on a quarterly basis at least over the past few months is to be very transparent and straightforward on our plans, and on what we see develop, and to make sure that everybody understands that we have delivered what we say that we would do.

Giving the challenges with COVID and supply chains, we have seen delays like everyone else in the industry but we have not abandoned any projects because of that, and we've made progress. We've seen the collective achievements that Martin has shared on the first slide of the presentation.

So I think in terms of the fundamentals of our Company and where we're going, everything is intact. What more can we do? We can continue to execute as Martin said, make sure that these cash flows that we are predicting come in because these loan on top of the free cash that we have justify a significantly higher valuation.

And if you then consider the development backlog that we have which is of course more difficult to share the value of, and the inherent value that it has, we will have to find ways to also communicate to the market what these projects are actually worth and that will be easier as they progress and achieve ready-to-build status and move towards ready-to-build status. And we will work very hard on doing just that.

But what we also cannot of course control as Martin said, is the overall market sentiment for these stocks, and also the low liquidity that we see in our share which of course is driven that we have key anchor investors who believe in the story, who are with us long term, and who are not selling their shares, which is good on the one hand, on the other hand of course it also makes it more difficult for other larger buyers to come in.

And we will address all of that. And as Martin said, we will just continue to execute, and deliver, and prove that we are here for a reason.

HEIKE HÜLLE:

Thank you, Stefan. So as far as I can see there, are no further questions coming in via the web chat. If there are no further questions on the phone line either, then this concludes the Q&A session and the webcast.

If there are any further questions that we have not covered today please feel free to contact us directly. You can either send them to us via email at ir.mpc-energysolutions.com or of course you can approach any of the team members you may already know directly.

We'd like to thank everyone for joining us -- oh sorry, hang on. There is one further question that came in from Anders Rosenlund and that relates to corporate governance.

Could you give us a short overview of the MPC Capital, MPC Energy Solutions relationship and link. MPC Capital is a founding shareholder, is represented in the board, and supports the Company. Are there any other related transactions or commitments, and is management and MPC Energy Solutions solely employed by MPC energy Solutions?

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MARTIN VOGT:

Yes. I can take that question. Of course on the corporate governance, actually nothing has changed since the IPO. As you rightly point out MPC Capital is the sponsor and the largest single-shareholder in the Company with 20% of shareholding. No shares has been traded since the IPO.

From the IPO materials you may recall that MPC Capital and MPC Energy Solutions agreed on a certain amount of services to be provided that is primarily on the corporate support functions, that is also on certain asset management capabilities that are being shared here with the group and other synergies like IT, marketing, HR functions that are being covered under those agreements which makes it easier for MPC Energy Solutions as a company in the beginning.

In exchange also as you recall, MPC Capital has agreed on a ROFR agreement with the Company. So for a period of three years after the IPO, MPC Capital is obliged to present any suitable renewable energy projects in the market that it sourced here exclusively to MPC Energy Solutions so this is a very strong link of course between the companies.

Key for us here to address of course then the conflict of interest. And therefore we wanted to make sure that this is well documented between the two companies, when it comes to origination and sourcing of new projects and where these new projects are actually being allocated. So there MPC Energy Solutions is in a very preferred seat here within the MPC Capital group so to say.

Yes. As you know, Ulf Holländer is the CEO of MPC Capital. And he's the Chairman of the Supervisory Board. This is the case here for MPC Energy Solutions, as you know, also for MPC Container Ships, another company that is sponsored by MPC at the Oslo Stock Exchange. Then we have, my position here as the CEO since last year. Also in a very similar set up as we have successfully managed the MPC Container Ships in the last year. The vast majority of our work is of course for MPC Energy Solutions, and I have contract for such with MPC Energy Solutions. And for Stefan Meichsner, his contract is with MPC Energy Solutions solely in the Amsterdam office.

HEIKE HÜLLE:

Alright. Thank you, Martin. And I think we are done with all the questions today. So thank you everybody for joining us. And we wish you a great rest of the day.

OPERATOR:

This concludes today's conference call. Thank you for participating. You may now disconnect. Everyone have a great day.

END