

## Czech parliament votes to reduce support for solar power

- Solar levy on revenues generated by solar power producers to increase by 10 percentage points from 2022
- Additional reduction in support possible, based on IRR of Czech solar parks
- For 2022, impact of solar levy is expected to be mostly offset by higher direct sales prices
- Amendment affects all Czech solar parks of the Group with a total installed capacity of 7.5 MW

**Gruenwald, September 17, 2021** – On Tuesday, the Czech parliament resolved to amend the law on supported energy sources, negatively affecting the four solar parks of Pacifico Renewables Yield AG (ISIN: DE000A2YN371) (the “Company”, “Group”) in the Czech Republic.

The amendment provides for an additional solar levy of 10% that will apply directly to the “Green Bonus” or feed-in tariff of the Group’s Czech solar plants from 2022 onwards. For the year 2022, it is however expected, that the effect of the increased solar levy on the Group’s revenues in the Czech Republic will largely be offset by the effect of elevated electricity prices on the market-linked direct sales component of the “Green Bonus” support scheme, which consists of a feed-in premium and direct sales. The level of remuneration for the direct sales component is determined annually for the following year by entering into a power purchasing agreement. For 2022, the Group secured a direct sales price that is about twice as high as in 2021 and thus compensates for most of the expected reduction in revenues caused by the increased solar levy.

The amendment also defines a target internal rate of return (“IRR”) of 8.4% to 10.6% over the lifetime of renewable energy plants. This range is more favorable for solar power producers than interim proposals with an IRR of 6.4%, which the Company had previously reported on. The new government (elections will take place later this year) will decide which IRR to assign to the respective renewable energy source and sector. Where sectors are believed to exceed the assigned IRR, the support measures may be reduced accordingly. To determine the average IRR currently achieved by different renewable energy sectors, the government is conducting a survey on the IRR in the different renewable energy sectors, the results of which have not yet been published. Based on this survey, the government will decide if and by how much the support should be reduced. It is therefore currently not yet possible to assess the possible impact of the IRR limitation on the Group’s Czech portfolio. Industry experts expect that a potential reduction of government support would not take effect before 2023, but the amendment also allows for a reduction during the year 2022.

**Christoph Strasser, Co-CEO:** “In the midst of a worldwide push of governments to increase emission reduction targets, a retroactive cut of existing subsidies sends the wrong message in our opinion. This decision, however, encourages us to maintain our strategic focus to further increase the diversification of our portfolio in order to address political and meteorological risks.”

## **About Pacifico Renewables Yield AG**

Pacifico Renewables Yield AG is an independent energy producer listed on the open market of the Dusseldorf Stock Exchange with additional requirements (Primärmarkt) (ISIN: DE000A2YN371) with the aim of building up a gradually growing portfolio of plants for energy generation from renewable sources. With operational wind and photovoltaic power plants spread across Europe, the Company offers a clear and diversified profile with stable and predictable earnings.

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