PACIFICO

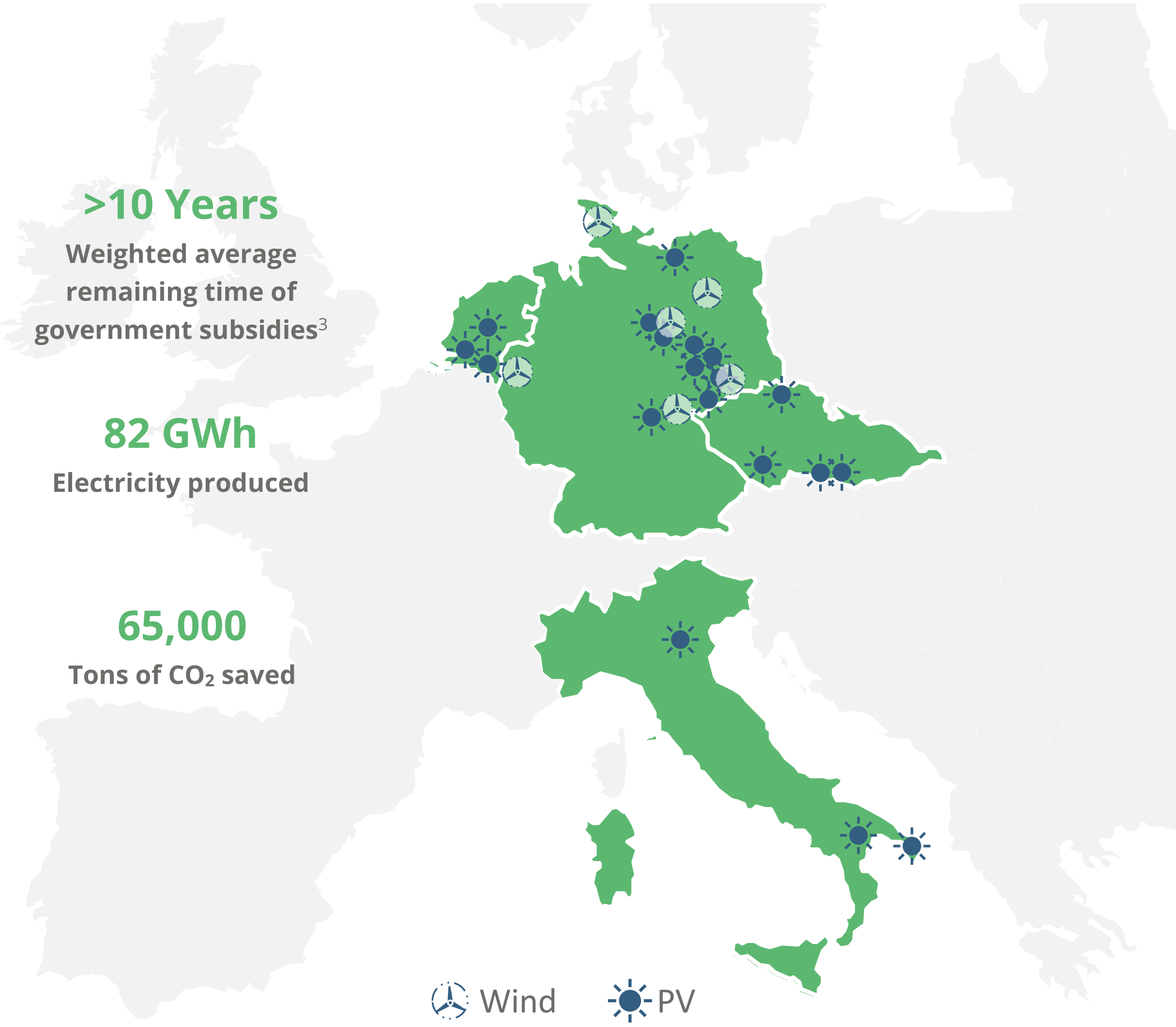
RENEWABLES YIELD AG

ANNUAL REPORT

2020

KEY FIGURES

€'000	2020	2019[1]
Revenues	16,231	5,028
Cashflow from Operating Activities	10,621	3,783
Adj. operating EBITDA[2]	12,587	3,650
Adj. operating EBIT[2]	4,802	861



[1] Reflects the plant operations between July 1, 2019, and December 31, 2019, due to initial consolidation on June 30, 2019.
[2] The adjusted key operating figures represent the operating profitability of the Group's plants adjusted for special effects.
[3] The weighted average remaining time of government subsidies includes all plants operational during the reporting period and a 15.6 MW German onshore wind park economically taken over by Pacifico Renewables Yield AG as of January 1, 2021.

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1. PREFACE OF THE MANAGEMENT BOARD

Dear Shareholders,

Ladies and Gentlemen,

2020 was an eventful year.

Not only for us as the Management Board of a young company, but for all of us. The covid-19 pandemic has raised unexpected challenges for us and illustrated how vulnerable humanity can be. If there is any positive take-away from this pandemic, it is that despite all obstacles – or maybe even because of them global aspirations for the fight against climate change have reached an unprecedented extent.

This gives us confidence for the future and confirms the ever-increasing relevance of our business model which is designed to accelerate the energy transition.

We have set ourselves the goal to build a portfolio of at least 400 megawatts by 2023. In 2020, we successfully achieved important milestones in reaching this target. In the first half of 2020, for example, we acquired eight already operating solar plants with an installed capacity of 21.2 megawatts. Furthermore, we were able to expand our portfolio to a total of 96.6 megawatts by signing a purchase agreement for a turnkey 15.6 megawatts wind parkin Germany in November 2020. On March 30, 2021, the acquisition of the 15.6 megawatts wind park was successfully completed. In addition to that, we secured access to another attractive project by recapitalizing the target company of a 51.8 megawatts wind park project in Poland.

We are also pleased with the performance of our operating portfolio. In 2020, our solar and wind parks produced 82 gigawatt hours of "green" electricity, saving approximately 65 thousand tons of CO_2 and generating €16.23 million in revenues. Thereby, we were within our raised revenue and production guidance from September 2020.

With an adjusted operating EBITDA of €12.59 million (margin: 78%) and an adjusted operating EBIT of €4.80 million (margin: 30%), our operating results are significantly higher than in previous reporting periods and margins remained stable. These operating results are accompanied by attractive cash flows from operating activities of €10.62 million and a comparably high book equity ratio of 49%. The book equity ratio will decrease in the future once project debt of future acquisitions will be consolidated and additional debt measures will be executed.

Following a positive consolidated net income in the first half of 2020, we report a consolidated net loss of €3.80 million for the full year. This is primarily due to transaction costs mainly associated with our rights issue in the second half of 2020 and other acquisitions. These one-off effects will only have a negative impact on our 2020 results but lay the foundation for future growth. In our view, these costs at the same time confirm our path of a listing with an initial market capitalization of €24.40 million in 2019 followed by subsequent capital increases to reach a market capitalization of more than €120 million in 2020. A traditional initial public offering leading to a comparable market capitalization would presumably have resulted in higher transaction costs. As such, even the costs incurred in 2020 illustrate our cost-conscious approach and we will rigorously maintain this focus in order to navigate our company sustainably into profitable territory. Another advantage of gradual raising of capital is minimal unused liquidity by closely linking the raising of capital to an immediate use of proceeds. In this way, newly raised capital always generates returns immediately.

The inclusion of our stock in the quality segment of the Dusseldorf Stock Exchange's open market, the primary market (*Primärmarkt*) in September 2020 was another important milestone for our stock. At the same time, our stock was listed on the Quotation Board of the Frankfurt Stock Exchange and can be continuously traded on XETRA since then. With the uplisting to the primary market and the continuous XETRA trading, the tradability of our stock has been increasing. We pursue the goal to continuously develop our stock further along with our company.

The increase of our revolving credit facility provides us with additional financial flexibility for our growth plans. We are particularly pleased that we were able to further deepen our cooperation with Europe's leading sustainability bank, Triodos Bank N.V. Deutschland. The revolving credit facility was partly drawn to initially provide for a full debt financing of the recent acquisition of the German onshore wind farm with a capacity of 15.6 megawatts and demonstrates our focus on an efficient and targeted use of debt for the benefit of our shareholders.

We look to the future with great confidence, not least because of the partnership recently concluded with Boom Power. Through a right of first offer agreement, this partnership not only provides us with growth opportunities in the solar sector in the United Kingdom but also offers us the opportunity to assess an entry into the battery storage market. The latter allows us to further diversify our portfolio and position ourselves in the field of a promising technology. The first solar park to be developed by Boom Power in the United Kingdom is scheduled to connect to the grid in 2022. Furthermore, having secured a partnership with an additional project developer is another important step towards our goal of becoming a platform to the capital market for small and medium-sized project developers.

In 2021 we want to further grow our company. Despite the comparably unfavourable meteorological conditions in the first months of this year, we expect revenues between €17.3 million and €19.3 million and electricity production between 103 gigawatt hours and 115 gigawatt hours. This corresponds to revenue growth of at least 6% and a production increase of at least 26%, compared to the previous year. This guidance builds on the currently operating portfolio but does not include future acquisitions.

We thank you for your trust and are looking forward to achieving our ambitious growth target together with you.

Gruenwald, June 11, 2021

Dr. Martin Siddiqui

Christoph Strasser

2. REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

Ladies and Gentlemen,

the year 2020 and the Corona pandemic have presented shareholders, employees and companies with unprecedented challenges. Last year, Germany experienced the largest growth slump since the financial crisis of 2008 / 2009. Nonetheless, Pacifico Renewables Yield AG was able to continue its strong growth trajectory in the financial year 2020, even in this difficult market environment, demonstrating the crisis resilience of its business model as an independent power producer. In particular, the company was able to execute two successful capital increases in the midst of several lockdowns and increase revenues by almost 50%. Since the continuous XETRA listing on September 16, 2020, the liquidity of our share has increased, with our shareholders also enjoying a strong share price performance since then.

Advising and monitoring the Management Board

In this remarkable year 2020, the Supervisory Board of the Company in its respective composition once again monitored the work of the Management Board and provided advice. The Supervisory Board exercised its rights and duties in accordance with applicable law, the rules of procedure and the articles of association of the Company. The Supervisory Board was directly involved at an early stage in all major decisions of the Company.

The Management Board fulfilled its continuous information duties and was in regular contact with the Supervisory Board outside the joint meetings. Accordingly, the Management Board regularly provided detailed oral and written reports to the Supervisory Board. The Supervisory Board made its decisions on the basis of comprehensive reports and draft resolutions submitted by the Management Board, which the Supervisory Board was able to discuss in detail. In addition, the Management Board informed the Supervisory Board about the main business transactions of the Company and the Group and about the Company's financing situation for each quarter. At the end of the year, the Management Board additionally reported on the main issues of strategy, general and financial risks, management and control systems of the Company, as well as on fundamental issues of corporate planning, in particular financial and human resources planning. The Company's compliance officer prepared an annual compliance report for the Supervisory Board.

Composition of the Supervisory Board

In the course of the financial year, the annual general meeting increased the size of the Supervisory Board to six members. The following personnel changes occurred in 2020:

- At the end of the extraordinary general meeting on March 16, 2020, Mr. Ulf Oesterlin stepped down from the Supervisory Board and Mrs. Verena Mohaupt was newly elected to the Supervisory Board.

- Dr. Bettina Mittermeier was re-elected at the Annual General Meeting on August 26, 2020. In addition, Dr. Eva Kreibohm, Dr. Michael Menz and Mr. Florian Seubert were newly elected to the Supervisory Board.

Meetings of the Supervisory Board

The Supervisory Board held four ordinary and six extraordinary meetings in the reporting year, some of which were held as virtual meetings due to the Corona pandemic. In addition, conference calls were held and resolutions were passed by circular resolution.

On January 24, 2020, the Supervisory Board discussed in detail the possibility of acquiring eight solar parks in Germany with a total capacity of 21.2 MW and an accompanying capital increase to finance this transaction with the Management Board in an extraordinary meeting held as a conference call. Subsequently, the Supervisory Board approved convening an extraordinary general meeting with the proposal of a capital increase without subscription rights on March 16, 2020. After extensive consideration of the specific terms of the acquisition of the eight wind farms in Germany, the Supervisory Board approved the Management Board's proposal to conclude the corresponding agreements on March 12, 2020.

The first ordinary meeting of the financial year was held on March 19, 2020 after Ulf Oesterlin's departure from the Supervisory Board with Verena Mohaupt as new member elected by the extraordinary general meeting. At the meeting, the Supervisory Board primarily discussed the topics of risk & compliance and the regulatory environment of the Company together with the Management Board. The Supervisory Board and the Management Board also consulted extensively on the future procedure for accompanying transaction processes by the Supervisory Board.

After the extraordinary general meeting on March 16, 2020, approved the capital increase, the Supervisory Board dealt in detail with the Management Board's proposal regarding the individual conditions for implementing the capital increase in two extraordinary meetings in the form of telephone conferences at the end of April 2020 and subsequently approved it.

In the second ordinary Supervisory Board meeting (balance sheet meeting) on June 24, 2020, the Supervisory Board first dealt with the financial figures for the financial year 2019. The commissioned auditor Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Baker Tilly) reported in detail on the results of the audit. The Supervisory Board discussed and approved the audited annual and consolidated financial statements. The auditors confirmed that it had issued an unqualified opinion on the annual and consolidated financial statements. The Supervisory Board also discussed the dependent company report in detail with the Management Board and the auditors and focused in particular on the contracts between the Company and Pacifico Energy Partners GmbH. In addition, the Supervisory Board adjusted its rules of procedure and discussed holding the 2020 Annual General Meeting in the form of a virtual annual general meeting.

Following the balance sheet meeting, the Supervisory Board resolved to hold the annual general meeting in the form of a virtual Annual General Meeting and to approve the agenda including the election proposals for convening the annual general meeting for August 26, 2020.

On October 13, 2020, the Supervisory Board met for the first time in its new composition with six members in an extraordinary meeting and at first confirmed the election of David Neuhoff as Chairman and Dr. Bettina Mittermeier as Deputy Chairwoman. The Management Board presented key business figures and gave an overview of the present portfolio, growth targets, the governance structure including the investment charter, and significant contracts. In addition, the Management Board presented potential transactions, in particular regarding three Polish wind farms with a total capacity of 51.8 MW and a wind farm in Germany with a capacity of 15.6 MW.

At the ordinary meeting on October 27, 2020, the Supervisory Board focused on future transaction opportunities, questions of strategy and optimization of the group structure, the self-organization of the Supervisory Board, and the formation of committees. With regard to future transaction opportunities, the Supervisory Board discussed in detail the potential transaction concerning three Polish wind farms with a total capacity of 51.8 MW, in particular the transaction structure, as well as the key points and transaction structure of the acquisition of the wind farm in Germany with a capacity of 15.6 MW. The Supervisory Board also resolved to form an audit committee. Florian Seubert was elected chairman of the audit committee, and Verena Mohaupt and Michael Menz were elected as ordinary members.

On the basis of a detailed written document and an explanatory extraordinary meeting in the form of a conference call on the specific terms and conditions of the acquisition of the 15.6 MW wind farm in Germany on November 4, 2020, the Supervisory Board approved the corresponding proposal of the Management Board for the execution of this acquisition on November 5, 2020.

In an extraordinary meeting on November 11, 2020, the Supervisory Board again discussed in detail the planned transaction structure regarding the three Polish wind farms and the related financing, in particular a possible capital increase, with the Management Board. After discussing the individual conditions, in particular the subscription price, the Supervisory Board approved the proposal of the Executive Board to carry out a rights issue, based on the corresponding resolution of the annual general meeting on August 26, 2020.

One of the focal points of the last scheduled Supervisory Board meeting on December 17, 2020, was the examination, adoption and approval of the 2021 budget. In addition, the Supervisory Board dealt with fundamental issues of corporate planning and personnel planning for the Company. The Supervisory Board also discussed in detail with the Management Board the planned transaction in Poland by way of recapitalization of a target company holding three Polish wind farms. The Supervisory Board was again informed in detail about the advantages and disadvantages of the transaction structure and the planned loan agreement. Following the meeting, the Supervisory Board approved the recapitalization loan by circular resolution.

Committees and Attendance

The Supervisory Board formed an Audit Committee for the year 2021 for the first time. Consequently, no meetings of the Audit Committee were held in 2020. The following table provides an overview of the participation of the individual members:

Attendance at meetings in financial year 2020 by Supervisory Board member	
David Neuhoff (chairman)	10/10
Dr. Bettina Mittermeier (deputy chairwoman)	10/10
Verena Mohaupt[1)]	9/9
Dr. Eva Kreibohm[2)]	4/5
Dr. Michael Menz[2)]	5/5
Florian Seubert[2)]	5/5
Ulf Oesterlin[3)]	1/1

1) Member since March 16, 2020.

2) Member since August 26, 2020.

3) Member until March 16, 2020.

Audit of the annual and consolidated financial statements 2020

The Annual General Meeting of August 26, 2020, appointed Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Baker Tilly) as auditors of the annual and consolidated financial statements. The corresponding engagement was entered into by the Supervisory Board. Baker Tilly audited the annual and consolidated financial statements, including the Group management report, and issued an unqualified audit opinion. All members of the Supervisory Board received the annual financial statement documents and the audit reports from Baker Tilly in due time. The financial statements and audit reports of Baker Tilly (dated June 11, 2021) were discussed at the meeting on June 14, 2021. The auditors presented the main results of their audits and were available to answer questions from the Supervisory Board. The auditors also reported that there were no circumstances that could give rise to concerns about bias. No significant weaknesses were identified in the internal control and risk management systems relating to the financial reporting process.

On the basis of its own examination of the annual financial statements, the consolidated financial statements and the Group management report, as well as the proposal for the appropriation of profits, the Supervisory Board raised no objections and acknowledged and approved the results of the Baker Tilly audit. The annual and consolidated financial statements prepared by the Management Board were approved. The annual financial statements are therefore approved.

The Management Board of the Company has proposed that the result be carried forward to new account. The Supervisory Board agrees to this.

Baker Tilly has also audited the report on relations with affiliated companies in the 2020 financial year prepared by the Management Board pursuant to Section 312 of the German Stock Corporation Act (AktG) in accordance with Section 313 AktG and issued the following audit opinion on the result of the audit: "On completion of our audit in accordance with professional standards, we confirm that 1. the factual information in the report is correct, 2. the consideration paid by the Company for the legal transactions listed in the report was not inappropriately high or any disadvantages were compensated for, 3. there are no circumstances in respect of the measures listed in the report that would indicate a materially different assessment to that made by the Management Board." The Supervisory Board also examined the report of the Management Board on relations with affiliated companies in accordance with Section 314 AktG and approved the audit findings of the auditors, who also explained their report on this subject dated June 11, 2021, at the Supervisory Board meeting on June 14, 2021. Following the final result of the Supervisory Board's review, there were no objections to the Management Board's final statement contained in the report.

Strong development thanks to a dedicated team of Management Board and employees

The continuation of Pacifico Renewables Yield AG's growth course is due to the tireless efforts of the Management Board and the small but very dedicated team of employees. Through their time and energy and their heart and soul, they have ensured that the company was able to raise capital and successfully execute transactions in the interest of the shareholders in the year 2020. The Supervisory Board would like to express its sincere gratitude for this commitment and the good cooperation in 2020.

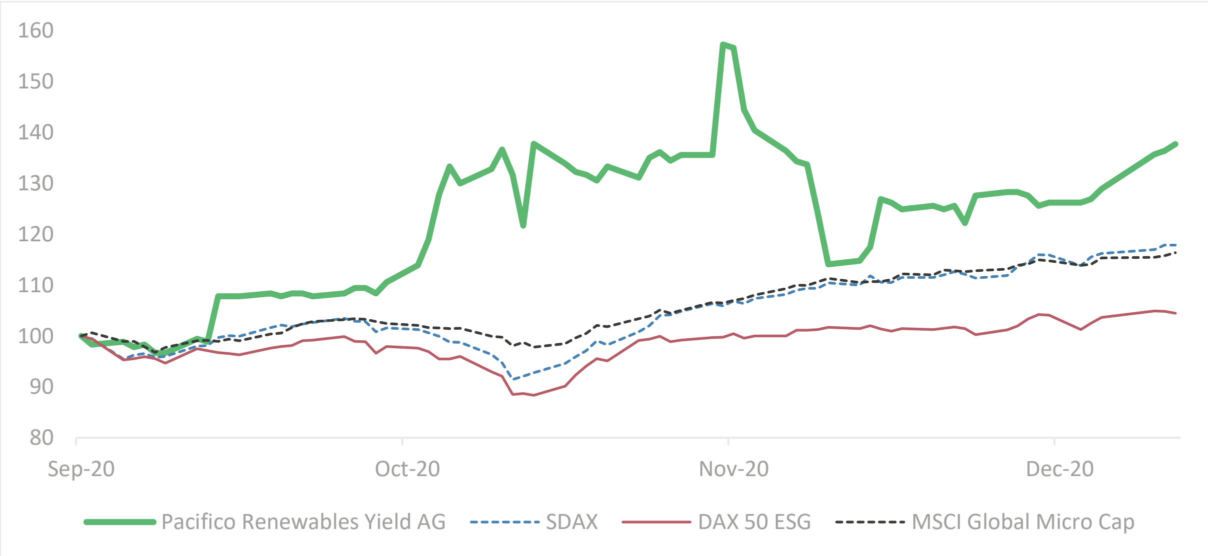
David Neuhoff
Chairman of the Supervisory Board

3. THE PACIFICO RENEWABLES YIELD AG SHARE

Positive share price development accompanied by increased trading liquidity

On September 16, 2020, less than one year after the initial listing on the open market of the Dusseldorf Stock Exchange on November 19, 2019, and following two successful capital increases, the shares of Pacifico Renewables Yield AG were included in the quality segment of the Dusseldorf Stock Exchange's open market, the primary market (*Primärmarkt*), and started trading on the Quotation Board of the Frankfurt Stock Exchange as well as continuous trading on XETRA. With the uplisting to the primary market and continuous XETRA trading, Pacifico Renewables Yield AG aims at additional visibility to investors, improved tradability of Pacifico Renewables Yield AG's share and easier access for additional institutional investors.

Following the admission to continuous XETRA trading, Pacifico Renewables Yield AGs' shares reached its peak to date on November 17, 2020, at a share price of €46.60 and closed at €40.80 as of December 30, 2020, at the end of the reporting period. In addition, trading liquidity of Pacifico Renewables Yield AGs' shares increased following the uplisting. Compared to selected indices (SDAX, DAX 50 ESG, and MSCI Global Micro Cap[4]) Pacifico Renewables Yield AGs' shares delivered a strong performance since the admission to continuous XETRA trading on September 17, 2020.



Pacifico Renewables Yield AGs' market capitalization increased by more than four times from €24.40 million at the initial listing on the open market of the Dusseldorf Stock Exchange on November 19, 2019, to €135.04 million as of December 30, 2020, at the end of the reporting period.

Since the admission to the primary market, Pacifico Renewables Yield AG is being supported by Stifel Europe Bank AG, acting as capital market partner and designated sponsor. Two research coverage initiation reports were published during the reporting year by M.M. Warburg Research and Stifel Europe Bank AG.

[4] Pacifico Renewables Yield AG's shares are part of the MSCI Global Micro Cap since May 2021.

Extraordinary and ordinary Shareholders' meetings confirm Pacifico Renewables Yield AG's trajectory for further growth

On March 16, 2020, Pacifico Renewables Yield AG held an extraordinary shareholders' meeting, mainly to vote on a proposed increase of Pacifico Renewables Yield AGs' subscribed capital. The shareholders and shareholder representatives who exercised their voting rights represented approximately 97% of the subscribed capital and approved all items on the agenda with majorities of 100%. To enable the acquisition of an operational portfolio of solar and wind assets, the extraordinary shareholders' meeting approved a capital increase without subscription rights, increasing Pacifico Renewables Yield AGs' subscribed capital by up to €915,000.

Pacifico Renewables Yield AG's regular annual general meeting was held on August 26, 2020. In accordance with section 1 of the German Act on Measures in Corporate, Cooperative, Association, Foundation and Residential Property Law to Combat the Effects of the COVID-19 Pandemic ("**COVID-19 Relief Act**"), the annual general meeting was held virtually without the physical presence of shareholders or their authorized representatives (with the exception of the authorized representative of Pacifico Renewables Yield AG). Audio and video of the entire annual general meeting – including the answering of questions and votes – were broadcasted live through a password-protected web stream for shareholders and their authorized representatives. Registered shareholders (and their authorized representatives) were able to exercise shareholder rights by appointing representatives, submitting questions in advance, submitting their votes either in the meeting through Pacifico Renewables Yield AG's proxy acting on their instructions or in advance by mail, or declaring objections to the minutes pursuant to the procedures provided by the COVID-19 Relief Act. The shareholders and shareholder representatives who exercised their voting rights represented approximately 84% of the subscribed capital and approved all items on the agenda by majorities of more than 90%.

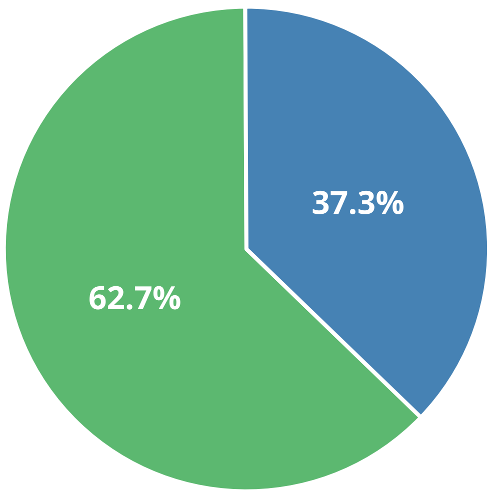
In particular, Pacifico Renewables Yield AGs' shareholders and their representatives approved the recommendation of the Management Board to substantially increase Pacifico Renewables Yield AGs' subscribed capital through a rights issue with subscription rights for the existing shareholders to enable further growth.

Successful capital increases enable growth and lead to a more diversified shareholder basis

It is a strategic priority of Pacifico Renewables Yield AG to continuously develop its share in parallel with its growing portfolio. This includes broadening or diversifying the shareholder basis continuously on the back of capital increases which allow Pacifico Renewables Yield AG to attract additional institutional investors.

Pacifico Renewables Yield AG successfully completed two capital increases in the reporting period which were on the one hand backed by Pacifico Renewables Yield AGs' strategic anchor investor Pelion Green Future Alpha GmbH but on the other hand also led to an increased free float driven by strong institutional demand for Pacifico Renewables Yield AGs' capital increases.

Shareholder structure as of December 9, 2020



■ Pelion Green Future Alpha GmbH ■ Others

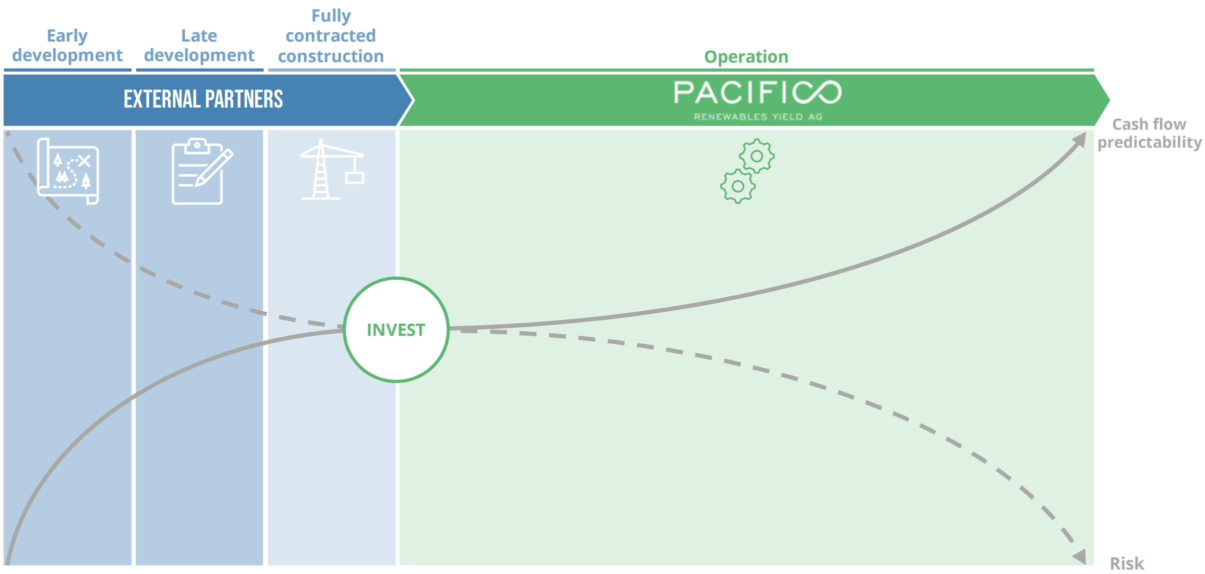
4. GROUP MANAGEMENT REPORT

4.1. CORPORATE PROFILE

4.1.1. BUSINESS MODEL

Pacifico Renewables Yield AG and its subsidiaries ("**Group**" or "**Pacifico Renewables**") is an independent power producer from renewable energy sources which holds a portfolio of solar and wind parks[5] with a current capacity of 96.6 megawatts ("**MW**") across four European Union Member States (Germany, Czech Republic, Italy, and the Netherlands). Pacifico Renewables aims at building a gradually growing portfolio of power generating assets from renewable energy sources to offer its shareholders a clear and diversified profile with stable and predictable cash flows from the operation of onshore solar and wind parks.

The efficiency gains of separating distinct development risks from other activities, especially the operating of the plants, in the lifecycle of renewable energy power plants is rooted in the business model of the Group. It focuses on power plants that are already operational or in a contractually secured construction phase and benefit from a contracted revenue base. This clear profile allows Pacifico Renewables to deliver stable and predictable cash flows while avoiding development risks. Furthermore, with solar and onshore wind, Pacifico Renewables builds on established and competitive technologies associated with comparatively limited risks in a growing market.



As the cornerstone of its portfolio growth strategy, Pacifico Renewables has contractually secured priority access to projects developed by its strategic partner Pacifico Energy Partners GmbH ("**Pacifico Partners**") with a potential capacity of more than 600 MW across several European jurisdictions. Besides the development pipeline, the strategic partnership with Pacifico Partners additionally allows for efficient outsourcing of asset management and other services and thereby facilitates the operation of a lean and scalable business model. Pacifico Renewables recently entered into an additional partnership with Boom Power Ltd and Boom Developments Ltd ("**Boom Power**") whose development activities have a potential capacity of more than 1 gigawatt ("**GW**") of utility scale solar and battery storage assets in the United Kingdom.

[5] "Wind parks" refer to onshore wind parks. "Solar parks" refer to plants with photovoltaic technology.

Pacifico Renewables' focuses on acquiring and operating small- and medium-sized assets which offer an attractive profile compared to large-sized renewable assets in terms of availability of locations, length of the development process, portfolio diversification, competition from other investors and corresponding returns. When making investment decisions for the growth of its portfolio, regardless of whether through pipeline projects or secondary-market opportunities, the Management Board applies the conservative and transparent criteria defined in its investment charter.

If necessary, the Management Board, with the approval of the Supervisory Board, may amend the investment charter or acquire assets outside the criteria listed above, e.g., in connection with larger strategic acquisitions. After the UK left the European Union, Pacifico Renewables' Supervisory Board approved the Management Board's request to re-include the UK as a country where Pacifico Renewables may make investments, comparable to Norway and Switzerland.

In its operating activities and investment decisions, the Management Board applies strict financial discipline. Pacifico Renewables continuously works on optimizing its debt structure to increase capital efficiency and keeps its exposure to interest rate and currency fluctuations as low as possible. The Management Board aims to limit unused liquidity to a minimum by carefully aligning the timing of funding measures with attractive investment opportunities in order to optimize returns on capital.

4.1.2. PORTFOLIO

In the full year 2020, the solar and wind plants of Pacifico Renewables generated 81.8 gigawatt hours ("**GWh**") of electricity resulting in revenues of €16,23 million. This has helped to save approximately 65,000 tons of CO_2.[6] The Group's current operating portfolio on a capacity basis is diversified across technologies (62% solar plants and 38% onshore wind plants) and countries (75% Germany, 11% Czech Republic 6% Italy and 8% the Netherlands). Six wind and 21 solar parks, with an installed individual capacity of up to 6.4 MW each were in operation during the reporting period. 100% of the plants in the portfolio benefit from a state-guaranteed subsidy mechanism with a weighted average remaining time of government subsidies of approximately 10 years.[7]

The following plants of Pacifico Renewables contributed to electricity generation in the financial year 2020:

[6] Calculated on the basis of median 11/48 g CO_2 equivalents per kWh for wind / solar plants compared to 820 g CO_2 equivalents per kWh for hard-coal fired power plants over the full life cycle of these plants, incl. Albedo effect i.e., the effect of reflection of solar radiation by surfaces. Source: Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

[7] The weighted average remaining time of government subsidies includes all plants operational during the reporting period and a 15.6 MW German onshore wind park economically taken over by Pacifico Renewables as of January 1, 2021.

Plant	Capacity (MW)	Support scheme expiration[8]	Production 2020 (MWh)	Production 2019 (MWh)[9]	Total Production Revenue 2020 (€)	Total Production Revenue 2019 (€)[8,9]
PV Auerbach	6.4	Q4-2031	6,922	6,713	1,488,796	1,444,020
PV Staßfurt	5.0	Q4-2031	4,953	5,054	1,112,827	1,135,819
WP Berg	4.5	Q4-2024	9,184	9,137	835,811	831,486
PV Köthen	2.2	Q4-2030	2,387	2,431	687,519	700,974
WP Etgersleben	4.5	Q4-2022	6,687	7,335	628,581	688,505
PV Eisfeld	2.9	Q4-2031[10]	2,835	2,861	623,334	629,225
WP Kampehl	6.0	Q4-2025	6,741	6,983	601,853	623,595
WP Süderbrarup	3.0	Q4-2031	5,694	5,964	297,064[11]	617,792
WP Titz	4.5	Q4-2023	6,612	5,878	613,745	546,336
PV Neubukow	1.3	Q4-2028	1,115	1,046	519,579	487,486
WP Berthelsdorf[12]	3.0	Q4-2022	4,949	5,190	465,755	481,901
PV Hedersleben I	1.5	Q4-2030	2,545	2,070	483,432	429,498
PV Hedersleben II	1.8	Q4-2038[13]				
PV Rosefeld	1.4	Q4-2030	1,228	1,224	420,550	419,148
PV Hohburg	1.6	Q4-2031	1,737	1,711	373,481	368,241
PV Süpplingen	0.4	Q4-2028	321	318	142,185	141,293
Germany	**49.9**		**63,910**	**63,915**	**9,294,512**	**9,545,317**
PV Osečná	3.0	Q4-2030	3,287	3,473	1,831,506	1,970,396
PV Hodonice	2.1	Q1-2029	2,632	2,627	1,584,750	1,663,285
PV Úsilné	1.2	Q4-2030	1,406	1,415	786,406	803,603
PV Troskotovice	1.1	Q4-2029	1,308	1,313	787,818	830,786
Czech Republic	**7.5**		**8,633**	**8,829**	**4,990,480**	**5,268,069**
PV Ugento	1.0	Q2-2030	1,385	1,347	484,462	508,373
PV Ferrandina I	1.0	Q4-2031	1,433	1,408	352,598	349,021
PV Ferrandina II	1.0	Q4-2031	1,484	1,426	358,403	331,966
PV Bariano	1.0	Q2-2031	1,305	1,191	458,326	436,495

[8] First date on which at least a part of the applicable support scheme expires.
[9] Refers to the plants' production volume and production revenue for the full calendar year 2019 which is not or not fully consolidated in the Group's consolidated financial statements for the financial year ending December 31, 2020, as the assets were acquired by the Group in the course of 2019 or 2020.
[10] Part of plant will benefit from support until end of Q4/32.
[11] There are additional €291,146 attributable to this plant due to down-regulation ("Einspeisemanagement").
[12] PAC Saphir GmbH & Co. KG entered into a non-binding memorandum of understanding regarding a potential disposal of the wind park to facilitate a potential repowering and extension. The Group would have priority access to repurchase the repowered and potentially extended park.
[13] PV Hedersleben II comprises three plants. The subsidy for two of these three plants ends in Q4/38, the subsidy for the third plant ends in Q4/39.

Italy	**4.0**		**5,607**	**5,372**	**1,653,789**[14]	**1,625,854**[14]
PV Tilburg	2.8	Q2-2035[15]	1,559	n/a	122,103	n/a
PV Oud Gastel	1.7	Q4-2034[15]	1,672	n/a	128,326	n/a
PV Vianen	0.5	Q4-2034[16]	465	n/a	41,853	n/a
Netherlands[17]	**5.0**		**3,696**	**n/a**	**292,282**	**n/a**
Total	**66.4**		**81,846**	**78,116**	**16,231,063**	**16,439,240**

Pacifico Renewables acquired its first operative portfolios of renewable energy plants with an economic handover as of June 30, 2019. Accordingly, revenues from these portfolios only affected the consolidated statements after June 30, 2019. Comparing production und associated revenues from the consolidated financial statements for financial year 2019 with the corresponding values for financial year 2020 therefore only has limited significance. To increase the comparability, the plants' production volume and production revenue for 2019 therefore refer to the full calendar year 2019 instead of only referring to the consolidated portion, as the portfolios were operational before the economic handover.

4.1.3. GROUP STRUCTURE

Pacifico Renewables Yield AG is the parent company of the Pacifico Renewables Yield AG Group. As of December 31, 2021, Pacifico Renewables Yield AG directly or indirectly holds 100% of the shares in 36 sub-holdings and special purpose vehicles ("**Subsidiaries**"), which are all included in the Group financial statements.

4.1.4. PARTNERSHIPS

4.1.4.1. STRATEGIC PARTNERSHIP WITH PACIFICO PARTNERS

To further grow and diversify its portfolio without bearing development risks and to allow for efficient outsourcing of asset management and other services, Pacifico Renewables has entered a strategic partnership with Pacifico Partners. Pacifico Partners is a privately held development, brokerage and asset management company focusing on onshore solar and wind parks ranging from 1 to 150 MW throughout Europe and project developments in every project stage. As the cornerstone of Pacifico Renewables' intended portfolio growth strategy, Pacifico Renewables has

[14] These production figures correspond to the numbers used by Gestore dei Servizi Energetici GSE S.p.A. to calculate the FiT ("Tariffa incentivante"). Actual feed-in into the grid is slightly lower due to transformer losses between inverters and grid connection point.
[15] Preliminary subsidy scheme expiration dates are based on the registered commercial operation date. The final confirmation from the regulator is awaited.
[16] The updated subsidy scheme expiration date is adjusted to the actual commercial operation date and approved by the Dutch regulator.
[17] Support scheme expiration for Dutch plants are shown as of the earliest end of FiT. Actual support might last longer in case actual production lies below a minimum level.

contractually secured priority access to projects developed by its strategic partner Pacifico Partners with a potential capacity of more than 600 MW. Pacifico Renewables has secured priority access to development assets of Pacifico Partners through a right of first offer agreement ("**ROFOA**").

At the same time, Pacifico Partners is both a minority shareholder of Pacifico Renewables and a related party since Pacifico Partner's majority owner is also the holding company of Pacifico Renewables' strategic anchor investor Pelion Green Future Alpha GmbH. The relationship between Pacifico Renewables and Pacifico Partners is governed by the contractual framework set out below and complemented by additional measures to ensure an arm's length standard for all interactions, such as fairness opinions for acquisitions.

Commercial Asset Management

For the daily commercial management of its onshore solar and wind parks, Pacifico Renewables benefits from Pacifico Partners' experience and skills necessary in providing services, advice and expertise in monitoring and managing (including supervising third-party service providers) of such assets. On October 29, 2019, Pacifico Renewables AG and Pacifico Partners therefore entered into a commercial asset management agreement ("**CAMA**").

Pacifico Partners' core task as commercial asset manager is to maintain the value of Pacifico Renewables' plants in the Group's best interest by performing all tasks and services necessary and feasible. These services include but are not limited to invoice management, payment management, cash management, reporting, contract management, authority and compliance management, document management and supervision of other services. As part of the reporting service, Pacifico Partners must continuously report production and performance data of all plants to Pacifico Renewables and inform Pacifico Renewables on all material developments regarding its plants, in addition to regular reporting obligations. In addition, quarterly updates provide information on the status of the plants. If other service providers are involved, Pacifico Partners supervises the performance, especially operations and maintenance activities of such service providers and processes all correspondence between the subsidiary and the other service providers.

The remuneration is fully variable and amounts to 1.5% of the annual revenues of the project companies for which the services are provided.

Master Services Agreement

On October 29, 2019, Pacifico Renewables AG entered into a master services agreement ("**MSA**") with Pacifico Partners, which covers all other services which Pacifico Renewables receives from Pacifico Partners. It is divided into three areas: asset stewardship services, broker services, and repowering services ("**Repowering**").

Asset stewardship services comprise all asset management activities that go beyond day-to-day commercial operations, such as proposals for technical optimizations of the plants and improvements to external project financing, the development of optimal maintenance concepts, the conceptualization and implementation of continued operations of plants past the expiry of FiT e.g., through further production with merchant exposure, power purchase agreement ("**PPA**") based production or fundamental renewal of old plants, financial planning and liquidity management as well as risk analysis.

Pacifico Partners' compensation amounts to a fee equal to 0.5% p. a. of the proportion of the enterprise value of Pacifico Renewables up to €500 million and decreases on a percentage basis with an enterprise value exceeding €500 million. For purposes of the compensation, the enterprise value is derived from a volume weighted average market capitalization plus all debt capital liabilities and less the Groups' cash balances.

Additionally, the MSA includes broker services regarding investment objects. The services relate to the identification of third-party investments that fit Pacifico Renewables' most recent investment charter and successful brokerage of a purchase of Pacifico Renewables by Pacifico Partners. In case of a successful placement, Pacifico Partners receives a one-time fee of 1% of the total asset value of such third-party investments, which is calculated based on the paid equity value plus the acquired debt capital value and minus cash balances and receivables at the reference date used in the purchase agreement.

As part of its repowering services, Pacifico Partners is obliged to identify and analyze opportunities for Repowering of plants operated by Pacifico Renewables. For assets which were transferred to Pacifico Renewables from Pacifico Partners prior to Pacifico Renewables' stock market listing, Pacifico Partners must be commissioned with these repowering services if Pacifico Renewables decides to carry out a fundamental renewal. The scope and terms of such Repowering are contingent upon a future Repowering agreement and must be agreed on at arm's length. The fee for the repowering services depends on the installed capacity.

Right of First Offer Agreement

On October 30, 2019, Pacifico Renewables AG and Pacifico Partners entered into the ROFOA, which regulates Pacifico Renewables' priority access to projects of Pacifico Partners. By way of an amendment agreement the original ROFOA was replaced by the ROFOA dated June 30, 2020.

Under this agreement, Pacifico Partners is obliged to present to Pacifico Renewables any development project which is for sale and in line with the investment criteria of Pacifico Renewables' investment charter as well as any identified investment opportunities. The ROFOA defines a standardized purchase process for the presentation and implementation of a first offer and any following steps. Pacifico Renewables is not obliged to make a purchase. If it declines an offer or Pacifico Partners rejects Pacifico Renewables' terms, Pacifico Partners may only offer the project to a third party on terms (including purchase price) and conditions which are generally not less favorable to Pacifico Partners than those offered to Pacifico Renewables for a period of two years.

4.1.4.2. PARTNERSHIP WITH BOOM POWER

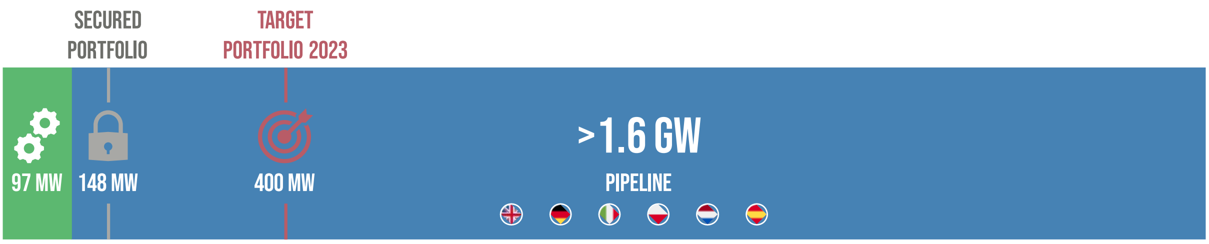
On March 16, 2021, Pacifico Renewables AG signed an agreement similar to the ROFOA with Boom Power Ltd and Boom Developments Ltd (“**Boom Power**”, the “**Boom ROFOA**”), a solar park and energy storage developer based in the United Kingdom to enter into its second partnership with a project developer.

The partnership grants Pacifico Renewables priority access to Boom Power’s pipeline of currently more than 1 GW of utility scale solar and battery storage assets in the United Kingdom being developed by an experienced team of industry experts, who have collectively developed and constructed over 1 GW of solar energy internationally. These assets supplement Pacifico Renewables’ pipeline which comprises renewable energy projects in Germany, Poland, the Netherlands, Italy and Spain. The first solar park being developed by Boom Power in the United Kingdom is expected to be connected to the grid in 2022.

According to the Boom ROFOA, Pacifico will receive the right but not the obligation to submit the first offer to acquire any renewable energy or energy storage project developed by Boom Power. The close partnership and the ability to acquire projects before their commercial operation date allows Pacifico Renewables to structure tailored energy offtake and financing agreements. The Group will maintain its conservative and selective investment strategy and will only deploy capital if any development risks have been sufficiently absorbed and a ready-to-build status has been reached.

4.1.5. PIPELINE

Pacifico Renewables’ growth pipeline rests on two pillars: One pillar consists of the development projects from Pacifico Partners amounting to more than 600 MW. These projects comprise onshore solar and wind projects across different jurisdictions. The second pillar consists of development projects from Boom Power. The pipeline of this recently established partnership currently consists of more than 1 GW of utility scale solar projects and battery storage assets in the United Kingdom.



Pipeline secured via partnership with Pacifico Partners

Pacifico Partners’ project pipeline comprises projects of more than 600 MW in various development stages and countries. The most tangible project consists of three wind parks in Poland with a total capacity of 51.8 MW. All three wind parks have already started to produce electricity and have applied for the license to be granted by URE ("Urząd Regulacji Energetyki") needed to participate in the market TGE ("Towarowa Giełda Energii SA"). Pacifico Renewables has already secured their acquisition through a letter of intent. Another project which might be completed in the near-term is a solar park in the Netherlands with a planned capacity of around 14 MW. This project is expected to become operational in 2021 still. Furthermore, seven solar parks located on Sicily in Italy with a planned capacity of approximately 60 MW are in an advanced stage of development. Due to necessary changes of the layouts, the size of the projects was reduced from approximately 75 MW to approximately 60 MW. A first part of these projects is expected to become operational in 2022. The remaining projects are located in Poland, Italy, Spain and Germany and mainly are solar projects.

Pipeline secured via partnership with Boom Power

Boom Power's pipeline consists of more than 1 GW of solar and battery storage assets across the United Kingdom. The first project being developed by Boom Power in the United Kingdom is expected to be connected to the grid in 2022.

4.2. ECONOMIC REPORT

4.2.1. ENVIRONMENT

4.2.1.1. MACROECONOMIC CONDITIONS

Economic Growth

Economic growth in 2019 was 2.8% globally and 1.3% in the euro area.[18] For 2020, the International Monetary Fund ("**IMF**") had initially expected growth rates of 3.3% globally and 1.3% in the euro area[19], but the COVID-19 pandemic nullified this forecast. Instead, the global pandemic led to an economic contraction of 3.3% globally and 4.7% in advanced economies in 2020. Some European countries were affected even stronger, including France with a contraction of 8.2%, Italy with 8.9%, Spain with 11% and the United Kingdom with 9.9%. Germany's economy was less affected and contracted by only 4.9%, which is close to the average for advanced economies.

All major economies are expected to grow in 2021; however, according to the IMF, there is still some uncertainty associated with the rate of recovery. Vaccines, adaptation of the economy to lower mobility, and strong fiscal support in major economies such as the United States and the euro area are expected to contribute to a global economic growth of 6% in 2021 and 4.4% in 2022. However, the IMF warns of divergence in the speed of economic recovery in different regions and countries. The growth rate in the United States is expected to be 6.4% in 2021 and 3.5% in 2022 and the global growth rate is expected to be 6.0% in 2021 and 4.4% in 2022. In the euro area it is expected to be 4.4% and 3.8%, respectively, which means that the recovery will be slower and weaker than in many other regions.[20]

European Economic Policy

To alleviate the economic effects of the pandemic and to accelerate the recovery, the European Central Bank ("**ECB**") has implemented expansionary monetary policy measures. In March 2020, it announced the €750 billion Pandemic Emergency Purchase Programme ("**PEPP**")[21], by which it intends to keep financing conditions in the euro area favorable by purchasing financial assets, including government bonds, in the secondary market. The PEPP, which was originally expected to last until December 2020, has since been extended and increased in size. In March 2021, the Governing Council of the ECB announced that the total volume of the program will increase to €1,85 billion and that it will last until at least March 2022.[22]

Another important factor for the economic recovery in Europe is fiscal policy. Virtually all European governments have adopted national economic stimulus programs in various forms. In addition, the European Commission ("**EC**") suggested a €750 billion temporary recovery instrument called

[18] IMF. World Economic Outlook. April 2021.
[19] IMF. An update of the key WEO projections. January 2020.
[20] IMF. World Economic Outlook. April 2021.
[21] ECB. Press Release. https://www.ecb.europa.eu/mopo/implement/pepp/html/index.en.html. March 2020.
[22] ECB. Economic Bulletin. https://www.ecb.europa.eu/pub/economic-bulletin/html/eb202102.en.html. March 2021.

Next Generation EU in May 2020, to which the European Parliament agreed in December 2020.[23] This instrument, which still needs to be ratified by the parliaments of some of the member states of the European Union ("**EU**"), shall provide funding for investments into the green transition and digital transformation of the member countries, and contribute to economic cohesion within the EU. The main net beneficiaries of the program, which is supposed to be financed by debt taken on directly by the EC, are Spain and Italy, who experienced the strongest economic contractions in 2020.

Inflation

The ECB reports an increase in inflation in the euro area from -0.3% in December 2020 to 1.3% in March, 1.6% in April and 2.0% in May 2021.[24] According to the ECB, this rise is due to idiosyncratic factors, such as the end of the temporary value added tax rate reduction in Germany, higher energy price inflation and accommodative fiscal and monetary policies. [25] The forecast annual inflation rate for the euro area is 1.5% in 2021, 1.2% in 2022, and 1.4% in 2023.[26]

4.2.1.2. RENEWABLE ENERGY

Market Environment for Renewable Energies

Due to the phasing out of coal and nuclear power in many countries, the economic competitiveness of renewable energies, the increasing political and social pressure to generate sustainable electricity, and the rising demand for electricity, a further strong expansion of renewable energies in Europe is expected in the coming years. Bloomberg New Energy Finance, for example, predicts that solar and wind energy will already account for 74% of the electricity mix in Europe by 2050, with some markets, such as Germany, even going beyond 80%.[27]

Many EU member states and other European countries have announced far-reaching phase-out measures for conventional power plants, especially for coal-fired and nuclear power plants. During the period from 2020 to 2030 almost 100 GW of generation capacity from coal are expected to be retired in Europe.[28] Coal-fired power plants have already been completely taken off the grid in three EU-countries, and in another 12 European countries there are concrete plans to phase out coal. [29] The total nuclear capacity in the EU is expected to decline by 20% by 2030, with the largest reductions expected in Germany (full phase out by 2022), Belgium, Spain, and France. [30]

At the same time, solar and onshore wind power generation have benefitted from technological advancements and economies of scale. As a result, these renewable sources have become increasingly cost-competitive compared to conventional technologies. For example, the global weighted-average levelized cost of electricity ("**LCOE**") decreased from USD 362 per megawatt-hour ("**MWh**") in 2009 to USD 39 per MWh in 2020 for solar, a decrease of 89%.[31] The LCOE for onshore

[23] ECB. Recovery Plan for Europe. https://ec.europa.eu/info/strategy/recovery-plan-europe_en.
[24] Eurostat. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Inflation_in_the_euro_area.
[25] ECB. Economic Bulletin. https://www.ecb.europa.eu/pub/economic-bulletin/html/eb202103.en.html. April 2021.
[26] ECB. Economic Bulletin. https://www.ecb.europa.eu/pub/economic-bulletin/html/eb202102.en.html. March 2021.
[27] Bloomberg L.P. Bloomberg New Energy Outlook 2020. November 2020.
[28] Bloomberg New Energy Finance.
[29] https://www.euractiv.com/section/energy/news/sweden-adds-name-to-growing-list-of-coal-free-states-in-europe/?_ga=2.211320725.121112527.1594142746-397092029.1594142746.
[30] IEA. World Energy Outlook 2020. October 2020.
[31] Bloomberg New Energy Finance.

wind generation decreased by 63% from USD 111 per MWh in 2009 to USD 41 per MWh in 2020. Due to this significant cost reduction, solar and onshore wind LCOEs now mostly lie within or below the cost range for fossil fuels. For the year 2020, the LCOEs for fossil fuels ranged between USD 60 for coal to USD 71 per MWh for combined cycle gas turbines ("**CCGT**"). Utility-scale batteries (with 4h duration) have also experienced a strong decrease in LCOE from USD 803 per MWh in 2012 to USD 132 per MWh in 2020.[32] As indicated by recent auctions and PPAs, the production costs of solar and onshore wind energy are expected to continue to fall due to further technological advancements, increasing economies of scale and fierce competition across the supply chain.[33]

In addition to efforts by the public sector, renewable energies are also experiencing strong support from the private sector. This support is, for example, reflected in the RE100 initiative. So far, more than 300 major international corporations have joined this initiative and are pursuing the goal of sourcing 100% of the electricity they consume from renewable energy sources by 2040 at the latest.[34]

According to the 2020 IEA World Energy Outlook, global average annual investment in renewables is expected to be USD 340 billion in the period 2020 to 2030 and increase to USD 396 billion in the period 2031 to 2040. The energy generated by wind is projected to grow by 6.6% annually to 5,441 terawatt-hours ("**TWh**") by 2040 (2019: 1,423 TWh), and the energy generated by solar to grow by 10.6% annually to 5,478 TWh by 2040 (2019: 665 TWh).[35] These projections are based on the stated policies scenario, which rests on stated policy ambitions of political decision makers including the energy components of announced stimulus or recovery packages to overcome the economic impacts of the COVID-19 pandemic, as well as the Nationally Determined Contributions under the Paris Agreement.

IRENA's Global Renewables Outlook identifies the investments and technologies needed to decarbonize the global energy system in line with the Paris Agreement.[36] The report lays out a Transforming Energy Scenario ("**TES**") for all major world regions, including the EU, which it describes as ambitious, yet realistic. The report finds that the EU could, in a cost-effective way, double the renewable share in its total final energy consumption over the course of 13 years, from 17% in 2017 to 36% in 2030 and to 70% in 2050.[37] The increasing cost efficiency of renewable energy, as compared to non-reusable alternatives, enables all EU member states to employ alternative energy sources. Without such an increase in the use of renewable energy, the long-term de-carbonization of the energy supply in the EU is not manageable. Furthermore, the European electricity sector has sufficient technical capacity to accommodate larger shares of photovoltaic solar and wind power energy generation. Electricity generated from renewable energy is also increasingly important to the transport sector as a growing share of vehicles is electric; this too will help the EU reach its long-term de-carbonization goals.

Increases in Renewable Energy Capacity

[32] Bloomberg New Energy Finance.
[33] IRENA. Renewable Power Generation Costs in 2019. June 2020.
[34] https://www.there100.org/re100-members.
[35] IEA. World Energy Outlook 2020. October 2020.
[36] IRENA. Global Renewables Outlook: Energy transformation 2050. April 2020.
[37] IRENA. Global Renewables Outlook: Energy transformation 2050, S. 240. April 2020.

The new market environment explains why renewable energies and in particular solar and wind power generation have grown significantly. Globally, solar and wind power generated only 6 TWh and 133 TWh, respectively, in 2006; by 2019, power generation increased to 720 TWh (solar) and almost 1,400 TWh (wind power).[38] In 2019, 15.4 GW of new wind power capacity was installed in Europe (thereof 11.7 GW onshore), resulting in a total installed capacity of 205 GW, thereof 183 GW onshore. Generating 417 TWh, wind power sufficed to cover 15% of the EU's 2019 electricity demand.[39]

The International Energy Agency ("**IEA**") reports in its World Energy Outlook 2020 that under the stated policies scenario the electricity generation in Europe will amount to approximately 4,783 TWh in 2040 (2019: 4,028 TWh). By 2030, the impact of electrification on demand is expected to be increasingly noticeable, especially in road transport and heat, offsetting 40% of the demand reductions from efficiency improvements.[40]

The development of energy storage facilities is closely linked to the further expansion of renewable energies. Globally, 2.9 GW of energy storage capacity was added in 2019, one GW of which is located in Europe. The economic efficiency of storage is significantly improved by bundling several power and energy applications, such as operating reserve and frequency control. Co-locating renewable energy and storage facilities could be a viable option to provide flexibility to the grid.[41] In order to build an economically sustainable manufacturing sector in Europe and consolidate technological and industrial leadership, the European Commission ("**EC**") has identified batteries as a strategic value chain in which the EU needs to increase investments and innovation to strengthen industrial policy strategy.[42] Currently, China has by far the largest market share of battery production at around 70%.[43]

Hydrogen-producing electrolysis is the second important technology for the storage sector besides batteries, as it allows for the conversion of power from electricity to hydrogen and vice versa. Hydrogen can be used as a fuel in combustion engines or fuel cells. Both technologies allow for small and modular facilities and both are potentially well suited for mass production as strong cost reductions are already underway. Hydrogen is a very versatile energy source that can help address various critical energy issues and can be produced from almost all energy sources. It is expected to contribute to the decarbonization of several sectors, including long-distance transport, chemicals, iron, and steel, where it is difficult to reduce emissions. Hydrogen can support the integration of variable renewable energy into the electricity system as one of the few options for storing electricity for days, weeks or months. In 2019, Europe was the world market leader in the market for electrolysers with a production capacity of 1.2 GW per annum.[44] Currently, however, battery technology is more advanced and technology spillovers are expected from research and development in the area of batteries for electric vehicles.[45] The hydrogen strategy of the EC also aims to promote hydrogen produced entirely from renewable electricity as this is seen as a

[38] IEA. Tracking Power 2020. June 2020.

[39] WindEurope. https://windeurope.org/wp-content/uploads/files/about-wind/statistics/WindEurope-Annual-Statistics-2019.pdf

[40] IEA. World Energy Outlook 2020. October 2020.

[41] IEA. Energy Storage. https://www.iea.org/reports/energy-storage. June 2020.

[42] European Commission. Energy Storage. https://ec.europa.eu/energy/topics/technology-and-innovation/energy-storage_en. July 2020.

[43] IEA. https://www.iea.org/articles/batteries-and-hydrogen-technology-keys-for-a-clean-energy-future. May 2020.

[44] IEA. https://www.iea.org/articles/batteries-and-hydrogen-technology-keys-for-a-clean-energy-future. May 2020.

[45] IEA. https://www.iea.org/articles/batteries-and-hydrogen-technology-keys-for-a-clean-energy-future. May 2020.

potential pathway for reducing greenhouse gas emissions from industries which are difficult to decarbonize.[46]

4.2.1.3. POLITICAL FRAMEWORK

European Framework Conditions

In December 2019, the EC presented a new political guideline, the European Green Deal, to combat climate change and promote sustainable growth. The deal aims, among other things, at a supply of clean, affordable, and secure energy as well as to mobilize industries for a clean and circular economy. With this guideline, the EC is pursuing the goal of making Europe the first climate-neutral continent by 2050, involving various economic sectors and scientific disciplines.[47] In December 2020, the European Council agreed on a new EU greenhouse gas emissions reduction target of at least 55% by 2030, which was suggested by the EC as part of a proposed European climate law in connection with the green deal.[48] In April 2021, a provisional agreement was reached between negotiators from the European parliament and the member countries on the European Climate Law. Among other elements, the agreement refers to the 2050 climate neutrality target and the 55% emissions reduction target for 2030, clarifying the role of emission reductions and removals. A formal approval of the agreement by the Parliament and Council is pending. The approval will be followed by publication and entry into force of the European Climate Law.[49]

At the end of May 2020, the EC presented its long-term budget (Multiannual Financial Framework) for 2021 to 2027 with a volume of around €1.1 trillion, 30% of which will be spent on measures against climate change.[50] In addition, in response to the COVID-19 pandemic, the EC suggested the Next Generation EU program which aims to raise €750 billion on the financial markets by the EC. This program includes the Recovery and Resilience Facility, which provides up to €672.5 billion in support for investments and reforms in the EU member states, targeting a sustainable recovery. That facility includes €312.5 billion in grants and €360 billion in loans. At least 37% of the loans and grants accessed by each country must be allocated to climate investments and reforms. Some of the flagship areas for investments and reforms defined by the EC are clean technologies and renewables, digitalization of public administration, energy efficiency of buildings, and sustainable transport and charging stations.[51]

Germany

Recent Developments

In Germany, the Renewable Energy Sources Act (*Erneuerbare-Energien-Gesetz*, "**EEG"**) provides the legal basis for the requirement of energy efficiency and the development of renewable energies. It was first introduced in 2000 in the context of the German energy turnaround (*Energiewende*) and

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[46] https://www.euractiv.de/section/energie-und-umwelt/news/eu-kommission-skizziert-plaene-fuer-100-prozent-erneuerbaren-wasserstoff/.
[47] European Commission. The European Green Deal. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en.
[48] European Council. https://www.consilium.europa.eu/en/policies/green-deal/timeline-european-green-deal/.
[49] European Commission. https://ec.europa.eu/commission/presscorner/detail/en/IP_21_1828.
[50] European Commission. https://ec.europa.eu/info/strategy/eu-budget/long-term-eu-budget/2021-2027/whats-new_en.
[51] European Commission. https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en.

has since been continuously updated. Providing for a fixed remuneration for the energy produced over a fixed period of 20 years, the FiT of the EEG has been recognized worldwide and has served as a model elsewhere.[52] The initially comparatively high remuneration per kWh paid under the EEG has continually decreased over various renewals of the EEG due to the increasing competitiveness of renewable energies. In 2017, the EEG switched to a tendering procedure. Nevertheless, a large number of plants continue to be remunerated at a fixed tariff due to the twenty-year remuneration period.

Under the rules of the EEG 2017, the average level of funding awarded initially decreased but subsequently increased again. The solar expansion in recent years shows a positive development as the allowances for financial support granted by the Federal Network Agency increased from 576 MW in 2018 to 1,542 MW in 2019 and 1,048 MW in 2020.[53]

The most recent version of the EEG, the German Renewable Energy Sources Act 2021 (“**EEG 2021”**) came into force on January 1, 2021. It introduces major changes to the EEG 2017 in order to further increase the expansion of renewable energy. The EEG 2021 sets forth a binding commitment to increase Germany’s share of energy from renewable sources to 65% by 2030 (in line with the federal government’s aim derived from its coalition agreement[54] and climate protection program for 2030[55]) with distinct expansion paths for solar and wind energy until 2028, where onshore wind energy plants are expected to deliver a major part of the expansion. Furthermore, the law stipulates that all electricity generated and consumed in Germany shall be greenhouse gas neutral by 2050. This may trigger further growth in one of Pacifico Renewables’ key markets.

The German renewable energy market is also strongly influenced by the phase out of both nuclear and coal power. The gap in supply capacity due to these phase-outs poses a strong growth opportunity for the German renewable energies sector. The high energy demand of the German market will necessitate a further expansion of the installed capacity of renewable energies which is already relatively high compared to the rest of the EU and continuously growing.

Financial Support Scheme

The EEG 2017, which came into force on January 1, 2017, significantly changed the incentive and financial support schemes for renewable energy in Germany. It laid out three marketing mechanisms for solar and onshore wind energy. First, a market premium model, with a reference value allowed operators of renewable energy facilities to receive remunerations for generated electricity based mainly on the outcome of tender procedures. Secondly, a limited FiT, provides smaller renewable energy plants up to 100 kW with contingency compensation. The third mechanism consists of unsubsidized marketing. The aim of the reform was to integrate renewable energy facilities into the electricity market and to stimulate competition for financial support between renewable energy projects. The new EEG 2021, which came into force on January 1, 2021,

[52] https://www.unendlich-viel-energie.de/20-jahre-eeg.
[53] BMWi. Tenders and Results. https://www.erneuerbare-energien.de/EE/Redaktion/DE/Dossier/nationale-ausschreibungen-und-ergebnisse.html?cms_docId=577124.
[54] German Federal Government. Coalition Treaty. https://www.bundesregierung.de/resource/blob/975226/847984/5b8bc23590d4cb2892b31c987ad672b7/2018-03-14-koalitionsvertrag-data.pdf?download=1.
[55] BMWi. Klimaschutzprogra million 2030. https://www.bmwi.de/Redaktion/DE/Artikel/Industrie/klimaschutzprogramm-2030.html.

introduced many new regulations but did not fundamentally change the marketing mechanisms laid out in the EEG 2017.

Czech Republic

Recent Developments

The overall 2020 EU target for the share of energy from renewable energy sources ("**RES**") in total final energy consumption was 20%. The Czech Republic's individual target of 13% was already achieved in 2013, and in 2016 the Czech Republic reached a share of energy from RES to total final energy consumption of almost 15%.

For the period 2021 to 2030, the Czech government presented its national energy and climate plan in January 2020 and submitted it to the EC. In addition to the goal of reducing CO_2 emissions by 30% by 2030 compared to 2005, the plan also includes targets for the expansion of renewable energies. In the plan, the Czech government proposes to increase the share of renewable energies to 22% by 2030, which represents a 9% increase compared to the target of 13% for 2020.[56]

The current State Energy Policy of the Czech Republic was approved by the Government on May 16, 2015, and has an outlook until 2040. The strategic objectives of the plan regarding sustainability include, among other things, the permanent reduction of the share of fossil fuels in primary energy consumption as well as achieving the full use of the economically efficient potential of RES in the Czech Republic. In order to meet its national contribution to the European RES target of 32% by 2030, the Czech Republic has amended *Act No. 165/2012* on supported energy sources. Under the revised act, a new RES support scheme for the time after 2020 is proposed in order to ensure progress towards the national contribution in this area.[57]

In recent years, the expansion of renewable energies in the Czech Republic has stalled because of regulatory obstacles for new constructions, such as limitations in the land that can be used for new solar and wind developments, and the lack of subsidies.

On April 27, 2020, an amendment to the Czech Act No. 165/2012 Coll., on the Subsidy of Renewable Sources of Energy was approved by the Czech government (the "**Draft RES Amendment**"). The Draft RES Amendment is currently being debated by the parliament. If finally adopted in the current form, the Draft RES Amendment would have a significant impact on the system of subsidizing new development of RES in the Czech Republic. It proposes abandoning the feed-in tariff system and keeping in place only hourly green bonuses for the RES with installed capacity of less than 1 MW. For sources with installed capacity of more than 1 MW (6 MW for wind sources), the Draft RES Amendment proposes introducing an auction system whereby the bidder delivering the agreed-upon capacity with the lowest subsidy offer will be granted the subsidy. It is anticipated that this new system will apply to any new energy sources put into operation after the law has passed.

The Draft RES Amendment also addresses the issue of "overcompensation" of existing renewable energy sources and foresees a 6.3% internal rate of return ("**IRR**") for solar power plants, which is the lowest return of all renewable energy sources.[58] For other renewable technologies, such as biogas, wind or hydro, the law foresees higher regulated returns. For biogas it applies the highest possible return of 10.6%, without giving any factual reasoning as to why there is a discrimination between technologies. Criticism came from representatives of the solar sector who, recommended one single regulated return for all renewable technologies.

[56] Czech Ministry of Industry and Trade. The National Energy and Climate Plan of the Czech Republic. January 2020.
[57] European Commission, National Energy and Climate Plan of the Czech Republic. November 2019.
[58] CMS. https://cms.law/en/int/expert-guides/cms-expert-guide-to-renewable-energy/czech-republic.

The legislative procedure concerning the adoption of the Draft RES Amendment is ongoing and the final form of the Draft RES Amendment is yet to be revealed. There are multiple scenarios for the exact level of IRR the Parliament will choose (such as an IRR level of 8.4% plus an additional 10% solar levy on top of the existing 10%),[59] but the law amendment proposal also still considers an IRR level of 6.3% for the solar sources as one of the options for the future support scheme. The first two readings in Parliament took place in the first half of 2021. Solar industry members have raised strong opposition against the law amendment proposal in its current wording through different measures (such as petitions and discussions with members of the parliament and other stakeholders), but the outcome of these actions is yet to be seen.[60]

Independent from the current discussions concerning the RES Amendment, the Czech Republic has established a modernization fund, which is funded by the EU via auctions of emission allowances from the European Emission Trading Scheme ("**EU ETS**"). It will be allocated to improvements of power plants covered by the EU ETS, but also to additional investment in energy efficiency and the development of renewable energy through a mechanism that is yet to be defined. The size of the fund depends on the future price of carbon allowances under the ETS but is estimated to be approximately €4.7 billion.[61]

Financial Support Scheme

A support scheme was introduced in 2005 and some of its main principles are technically still in place, although the current level of support for new larger developments is very limited, or effectively non-existent. Renewable plant operators can in principle select either FiTs (State-Purchasing Price) or Premium Tariffs (Green Bonuses, "**GB**"). FiTs are calculated by the regulator to assure a 15-year return on investment. GBs are offered in an annual or hourly mode in addition to the regular electricity sales on the market. The FiTs and the annual GBs are set annually by the Czech Energy Regulatory Office. The level of FiT depends on the type of RES and the date of commissioning and is guaranteed for a certain number of years. The level of the annual GB is effectively linked to the level of the FiT and reflects the anticipated market price for electricity in the given year. The annual GBs are determined and constant for a following year while hourly GBs fluctuate every hour based on the electricity price on the day-ahead market. The annual GBs are available for operators of renewable energy plants with installed capacity of up to 100 kW and operators of renewable plants with installed capacity of 100 kW and more, which were put into operation before January 1, 2013. The hourly GBs are available for the remaining operators of renewable plants (subject to additional conditions). Compared to fixed revenues from FiTs, this dynamic pricing model can result in higher or lower profits for investors. Eligible electricity producers can select either FiTs or GBs for the following year by November 30 of the current year.[62]

[59] https://www.psp.cz/sqw/text/tiskt.sqw?O=6&CT=900&CT1=0.
[60] https://oenergetice.cz/energetika-v-cr/podpora-solarnich-elektraren-mozna-klesne-podporila-to-snemovna.
[61] https://www.interreg-central.eu/Content.Node/New-Financial-Instruments-will-be-available-Czech-Republi.html.
[62] CMS. https://cms.law/en/int/expert-guides/cms-expert-guide-to-renewable-energy/czech-republic.

Italy

Recent Developments

The Italian National Integrated Plan for Climate and Energy 2030 presented in January 2020 by the Ministry of Economic Development ("**MISE**"), lays out the projected future expansion necessary to reach a 30% share of renewables in gross final consumption by 2030. Italy further intends to increase its energy efficiency to 32.5%. The country intends to have a 55% renewables share in the electricity sector by 2030, to be achieved mainly by expanding its solar capacity. The MISE projects that the solar power generation capacity will increase from a current level of 19 GW to 52 GW by 2030.[63]

The share of renewables rose from 17.8% in 2018 to 18.2% in 2019[64], surpassing the 2020 target assigned by the EU to Italy in the Directive 2009//28/CE of 17%, but staying below the EU average of 19.7% for the same period.[65] The generation of power by solar increased by 1% to 24 TWh between 2018 and 2019 and wind power generation increased by 3% to 20 TWh in the same period.[66]

Due to the high solar radiation, comparatively high electricity prices and decreasing construction costs, a strong expansion of solar energy is considered possible even without governmental subsidies.[67]

Financial Support Scheme

On July 4, 2019, the new support scheme RES 1 was adopted through Ministry Decree of the Italian Ministry of Economic Development (Ministero dello Sviluppo Economico, "**MISE**"). The RES 1 decree has two mechanisms to grant access to the support scheme. First, renewable energy facilities with a power of less than 1 MW but higher than 1kW have access to incentives through registration (i.e., enrollment in specific registers held and managed by GSE). Second, those with a power equal to or higher than 1 MW have access to incentives through competitive tendering (i.e., auctions) within the specific limits of power quotas made available for incentivization in each tender. However, solar plants on agricultural land do not receive incentives through the RES 1 decree.

The Netherlands

Recent Developments

In September 2013, more than 40 organizations entered into the so-called Energy Agreement for Sustainable Growth (including the government, employers, trade unions, nature and environmental organizations, social organizations, and financial institutions). It established their shared ambitions for sustainable growth, including an increase in the share of renewable energy

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[63] https://www.ifri.org/sites/default/files/atoms/files/memo_lombardini_italy_necp_in_an_european_context_fev_2021.pdf.
[64] GSE. Gestore Servizi Energetici. https://www.gse.it/dati-e-scenari/monitoraggio-fer/monitoraggio-nazionale/obiettivo-complessivo.
[65] Eurostat. https://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics.
[66] Agora Energiewende. The European Power Sector in 2020. January 2021.
[67] Dentons. Investing in renewable energy projects in Europe. February 2020.

generation (over 4% in 2013) to 14% in 2020 and to 16% in 2023.[68] By 2050, the Netherlands aim to achieve climate neutrality.[69]

In 2019, the production of electricity from coal fell sharply. At present, the Netherlands still obtain about 60% of their energy from fossil fuels.[70] The high demand for electricity is met, on the one hand, by the growing share of renewable energies and, on the other hand, by a growing share of natural gas production, based on low gas prices and the high prices for the carbon produced. The government has announced a series of measures for various sectors as part of a national climate agreement in 2019. For the electricity sector, one of the targets is to shut down all coal-fired power plants by 2030. The resulting gap is to be filled by an increased expansion of solar and wind energy.[71]

The installed capacity of wind turbines increased from 4,200 MW at the end of 2017 to 4,400 MW at the end of 2018. In 2020, the installed capacity of onshore wind energy was expected to rise to 4,700 MW. By 2023, capacity is expected to increase further to 5,600 MW to reach 6,100 MW by 2030. Solar energy consumption (mainly electricity) grew by 40% to around 3.6 TWh in 2018. The installed capacity of solar panels increased in 2018 with a record quantity of more than 1,500 MW to a total of 4,400 MW. The established capacity is expected to continue to grow to 15,000 MW by 2023 and 27,000 MW by 2030.[72]

The Netherlands is located along the coast and the wind is relatively strong, which offers potential for wind energy on land and offshore. The Netherlands therefore focusses on offshore wind energy (generating approximately 49 TWh by 2030), onshore wind energy and solar energy (generating approximately 35 TWh) and small-scale generation of renewable electricity from, e.g., private solar panels (generating approximately 10 TWh). Additionally, the Netherlands focus on setting incentives to replace fossil fuels with renewable sources, for example by introducing a national and gradually increasing minimum price for CO_2 emissions in electricity generation and by planning to prohibit the use of coal to generate electricity as of 2030.[73]

Financial Support Scheme

Since 2011 the SDE+ scheme (Stimuleringsregeling duurzame energieproductie, Stimulation of Sustainable Energy Production) has been the most important instrument for stimulating the generation of renewable energy in the Netherlands. Based on an auction/tender mechanism which distributes a budget on a “first-come, first-served” basis to the lowest bidding participants, the subsidy scheme promotes cost-effective technologies. All eligible technologies (e.g., onshore solar and wind energy) compete against each other under a single budget, which is set annually by the Dutch government. It provides a sliding feed-in premium (“**FIP**”) for a fixed period (for onshore solar and wind energy for 15 years), which compensates for the difference between wholesale market prices and the production cost of electricity from renewable sources. The costs are covered by the state budget.

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[68] European Commission. Integrated National Climate and Energy Plan 2021-2030 – The Netherlands. November 2019.
[69] Government of the Netherlands. Renewable energy. https://www.government.nl/topics/renewable-energy. November 2020.
[70] Dentons. Investing in renewable energy projects in Europe. February 2020.
[71] Government of the Netherlands. Climate deal makes halving carbon emissions feasible and affordable. June 2019.
[72] European Commission. Integrated National Climate and Energy Plan 2021-2030 – The Netherlands. November 2019.
[73] European Commission. Integrated National Climate and Energy Plan 2021-2030 – The Netherlands. November 2019.

As of September 2020, the SDE+ scheme was expanded to the SDE++ scheme (Stimulation of Sustainable Energy Transition). While the instrument and auction mechanism remained mainly unchanged, projects now compete on the basis of "avoided CO_2 and other greenhouse gases", instead of "generated renewable energy". Therefore, CO_2-reducing options other than renewable energy are also eligible for subsidy, increasing the number of competitors for the same budget. The SDE++ scheme is available up to and including 2025 for grants for renewable energy projects.

4.2.2. BUSINESS PERFORMANCE

Key Events

On March 12, 2020, Pacifico Renewables Yield AG signed a purchase agreement to acquire eight already operational solar plants in Germany with an installed capacity of 21.2 MW. The five ground-mounted and eight roof-mounted solar plants are located across five German federal states and became operational between 2008 and 2012. On average, these parks benefitted from 11.8 more years of German EEG subsidies of €211 to €462 per MWh at the signing of the purchase agreement. Pacifico Renewables obtained full ownership of the plants in May 2020. The enterprise value of the portfolio including long-term project-related financing amounted to €36.9 million. In addition, 14 MW of the portfolio include option values after the end of FiT due to land lease extension options and one land purchase. On the back of this acquisition Pacifico Renewables further optimized its capital structure. As a result of the acquisition of the eight solar plants already in operation in Germany, existing project financing was increased by €5.3 million with an average term of 10 years and an average interest rate of 1.4% p. a. In addition, existing project financing in the Czech Republic was also increased by €2.2 million with an average term of 4.5 years and average financing costs (incl. derivatives) of 2.45% p. a. Following these increases of existing project finance facilities, Pacifico Renewables repaid two subordinated bonds at intermediate holding level in the second quarter of 2020. Both subordinated bonds had a correspondingly high interest rate, which would have increased over time, and were subject to foreign exchange and refinancing risks.

On March 16, 2020, an extraordinary general assembly approved of up 915,000 new shares to fund Pacifico Renewables' portfolio growth. In addition, it approved Verena Mohaupt's replacement of Ulf Oesterlin as a Supervisory Board member.

On April 27, 2020, Pacifico Renewables' Management Board, with the consent of the Supervisory Board decided to increase Pacifico Renewables' subscribed capital by issuing 795,455 new shares from €795,455 to €1,930,455. The decision followed a private placement, which started on April 22, 2020. Due to high demand, the initially announced volume of 450,000 shares was significantly upsized; yet additional interest from investors was received. The Management Board and the Supervisory Board were pleased to have attracted renowned institutional investors as new shareholders. In addition, the successful increase of the free float marked a key step to further development Pacifico Renewables' open market listing.

On May 13, 2020, Pacifico Renewables Yield AG signed an agreement for a €8.35 million committed revolving credit facility at a maximum interest rate of 3.85% p. a. with Triodos Bank N.V., Europe's leading sustainability bank. The revolving credit facility allows Pacifico Renewables to flexibly draw and repay funds at attractive conditions when needed for acquisitions that are in line with its investment criteria. The maximum draw-down tenor amounts to 18 months. The credit line builds on a core collateral package of existing assets, and includes appropriate limitations in line with

Pacifico Renewables' planning, e.g. with respect to distributions, as well as a market standard commitment fee for undrawn funds.

On August 26, 2020, the Annual General Meeting of Pacifico Renewables Yield AG took place as a virtual meeting without the physical presence of shareholders or their proxies. Among others, the following agenda items were approved: (i) Resolution on the expansion of Pacifico Renewables' Supervisory Board from three to six members. The following new members were elected: Dr. Eva Kreibohm, attorney and notary public, Berlin, Dr. Michael Menz, Chief Administrative Officer, GROPYUS AG, Berlin and Mr. Florian Seubert, Partner, Maxburg Capital Partners, Munich; (ii) Resolution on the increase of Pacifico Renewables' subscribed capital against cash contribution with targeted gross proceeds of €46 million and (indirect) subscription rights for existing shareholders.

On September 16, 2020, less than one year after the initial listing on the open market of the Dusseldorf Stock Exchange on November 19, 2019, and following two successful capital increases, Pacifico Renewables' shares were included in the quality segment of the Dusseldorf Stock Exchange's open market, the primary market (*Primärmarkt*), and started trading on the Quotation Board of the Frankfurt Stock Exchange as well as continuous trading on XETRA. With the uplisting to the primary market and continuous XETRA trading, Pacifico Renewables aims at additional visibility to investors, improved tradability of Pacifico Renewables' share and easier access for additional institutional investors.

On November 5, 2020, Pacifico Renewables Yield AG signed an agreement to acquire a 15.6 MW onshore wind farm in Germany from a subsidiary of New Energies Systems AG (Mayen, Rhineland-Palatinate), an unaffiliated project development company. The project is expected to produce approximately 37 GWh of green electricity per year, contributing to an annual reduction of CO_2 emissions of almost 30,000 tons. After the first acquisition of a 21.2 MW portfolio in 2020, this second significant transaction in 2020 grew the capacity of Pacifico Renewables' portfolio by approximately 19% to 96.6 MW with economic effect as of January 1, 2021. In connection with this acquisition, Pacifico Renewables' revolving credit facility was increased to €16.30 million, which allowed for a fully debt-financed acquisition. This acquisition was successfully closed on March 30, 2021.[74]

On November 12, 2020, exclusive access to a 51.8 MW wind farm portfolio in Poland was secured. Once fully operational the three wind parks are supposed to produce approximately 191 GWh per year, contributing to an annual reduction of more than 154,000 tons of CO_2. Initially, the Group has refinanced existing subordinated debt at the target company. After successful completion of the construction phase, negotiations to acquire equity ownership of the project ought to be finalized. The 51.8 MW project developed by Pacifico Partners comprises three wind energy parks with a total of 20 Vestas wind turbines. Total initial P50 electricity production for all parks once fully operational, is expected to be approximately 191 GWh p. a. The electricity is supposed to be marketed through a combination of a 15-year inflation-linked public support mechanism, 3-year fixed price power purchase agreements and electricity sales on the open market. The three project companies, each wholly-owned by the target company, have senior debt financing and ancillary facilities in place, which were provided by Bayerische Landesbank. The term loans in total amount

[74] In the second quarter of 2021, in the context of a regular annual review of the credit facility, the size was reduced to €14.2 million to account for the shorter remaining asset lifetime of the underlying assets.

to PLN 225,150,000 (approximately €50 million)[75] and are scheduled to mature on June 30, 2037. All-in (incl. hedging costs), the weighted annualized financing costs for the term loans amount to approximately 3.6% p. a. for the operational period. Interest rates for the full debt repayment profile of the senior term loans are hedged through interest rate derivatives.

On December 2, 2020, Pacifico Renewables Yield AG successfully implemented its second capital increase in 2020 with gross proceeds totaling €40.73 million. In a rights issue at €29 per share and a subsequent rump placement, which was significantly oversubscribed and closed at the upper end of the price range at €31 per share, Pacifico Renewables was able to place a total of 1,379,311 new shares. Pacifico Renewables succeeded in attracting further reputable international investors and in expanding its free float. The capital increase enables the further expansion of Pacifico Renewables' portfolio.

[75] Using an exchange rate of 4.4870 PLN per € as of November 9, 2020, as published by the Polish central bank (Narodowy Bank Polski).

Key Performance Indicators

Revenues increased to €16.23 million and electricity production to 82 GWh. Both revenues and power production were therefore within the range of the raised guidance from September 2020.

To provide a transparent view of the Group's operating results, the key operating figures are derived as follows and adjusted for special effects at group and portfolio level:

€	2020	2019
Sales revenues	16,231,063	5,028,233
Other operating income	396,135	185,276
Cost of materials	-3,107,567	-1,006,030
Personnel expenses	-1,282,478	-205,818
Other operating expenses	-4,617,302	-929,287
EBITDA	7,619,851	3,072,374
Depreciation of fixed intangible and tangible assets	-7,993,064	-2,675,198
EBIT	-373,213	397,176
Adjustment for one-off expenses on parent company level	1,951,282	247,000
Adjustment for one-off expenses on project company level	455,454	288,000
Adjustment for provisions for virtual share-based remuneration	851,285	100,000
Adjusted group EBITDA	**10,877,872**	**3,707,374**
Adjusted group EBIT	**2,884,808**	**1,032,176**
Adjustment for income not allocated to operating activities	-67,476	-185,571
Adjustment for personnel expenses at AG level	431,193	105,818
Adjustment for other operating expenses not attributable to the Group's operating activities, adjusted for consolidation-related adjustments	1,345,253	22,623
Adjusted operating EBITDA	**12,586,842**	**3,650,244**
Group adjustments to uniform useful asset lifetime	-2,351,522	-996,102
Depreciation of hidden reserves and goodwill	2,529,039	869,153
Other depreciation not allocated to operating activities	30,866	13,326
Adjusted operating EBIT	**4,802,161**	**861,423**

Earnings before interest, taxes, depreciation, and amortization (EBITDA) at Group level, adjusted for non-recurring items, amounted to €10.88 million (2019: €3.71 million). The adjustments were mostly due to one-off expenses on the parent company level of almost €1.95 million (2019: €247k). These were exclusively driven by advisory and transaction costs for capital increases and acquisitions which the parent company executed within the reporting period. One-off expenses on the project company level were mainly due to remedies related to eight solar plants acquired in the first half of the reporting period. While these expenses were agreed upon with the seller and reflected in the purchase price, they represent a non-recurring deviation from the running costs of those plants. Earnings before interest and taxes (EBIT) at group level, adjusted for non-recurring items, amounted to €2.89 million (2019: €1.03 million).

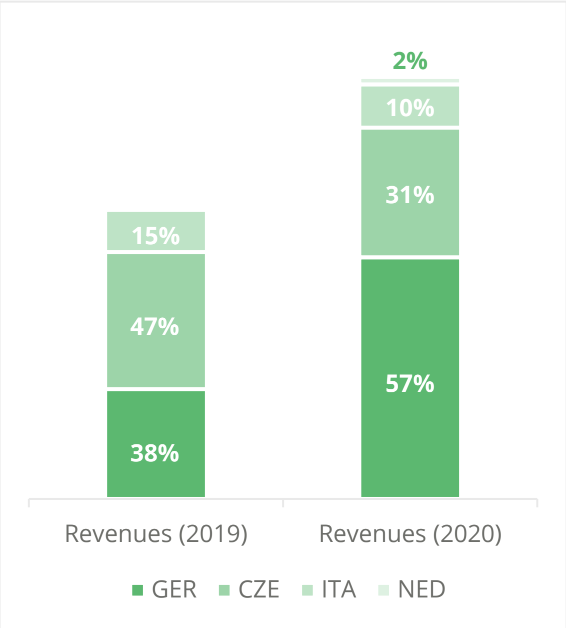
Additionally, adjusted for holding costs, Pacifico Renewables' portfolio yielded an adjusted operating EBITDA margin of 78% (2019: 73%) and an adjusted operating EBIT margin of 30% (2019: 17%), reflecting the operational strength of the portfolio. Earnings before interest, taxes, depreciation, and amortization (EBITDA) at portfolio level, adjusted for non-recurring items, amounted to €12.59 million (2019: €3.65 million). Earnings before interest and taxes, depreciation (EBIT) at portfolio level, adjusted for non-recurring items, amounted to €4.80 million (2019: €861k).

The difference between the group and the portfolio level is due to costs related to holding companies without any operating activities such as the parent company Pacifico Renewables Yield AG and non-operating sub-holdings.

Pacifico Renewables acquired the first operative portfolios of renewable energy plants as of June 30, 2019, and holding company functions including employees were only established in the course of 2019. While the financial statements for the financial year ending December 31, 2019, cover a full financial year, Pacifico Renewables was not fully operational during the whole period. Comparing key performance indicators between the financial years 2019 and 2020 is therefore of limited significance. However, the operational performance of the renewable energy plants in 2020 is comparable to the performance in 2019, since the renewable energy plants acquired as of June 30, 2019, were operational before the economic handover: The adjusted operating EBITDA of the portfolio in 2019 was €8.79 million and the adjusted operating EBIT was €3.61 million. Considering revenues of the portfolio of €11.11 million in 2019, the adjusted operating EBITDA margin 2019 equals 79% and the adjusted operating EBIT margin equals 32%. Hence, with the acquisition of eight solar plants in Germany with a total installed capacity of 21.2 MW on May 15, 2020, and economic effect as of January 1, 2020, revenues increased by 46% and the operating strength of the portfolio remained stable level.

4.2.3. COUNTRY-SPECIFIC DETAILS

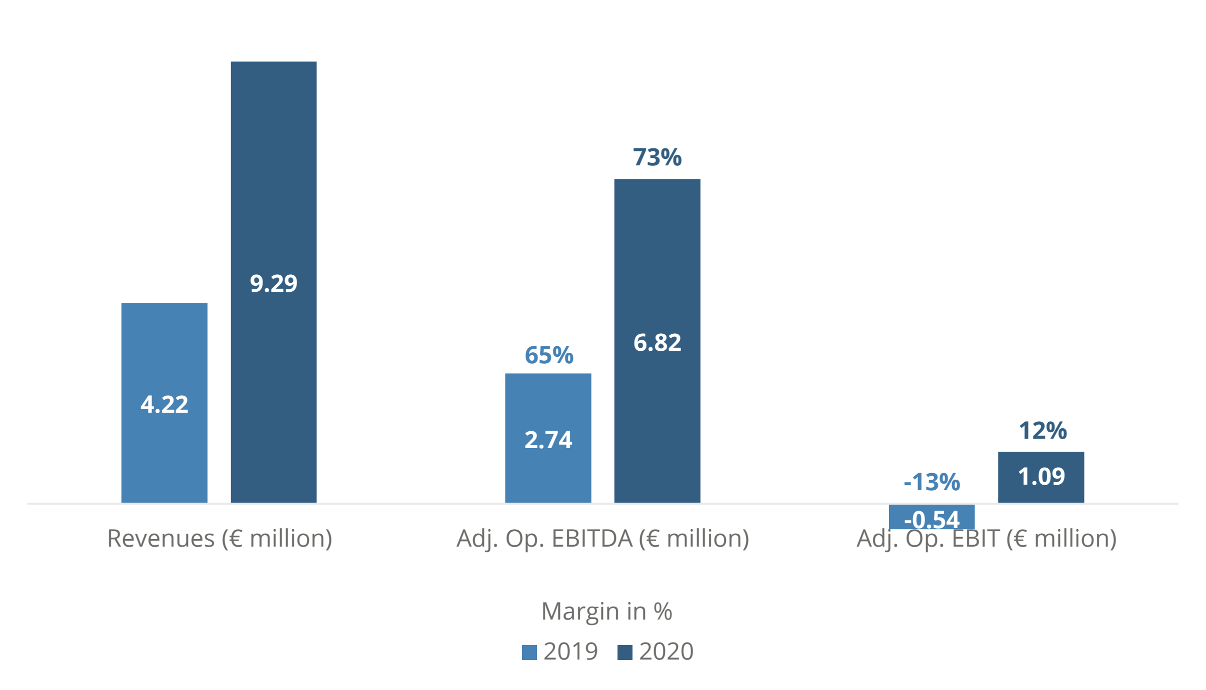
Generally, the COVID-19 pandemic has not disrupted the operations of the Group's power plants. All maintenance and service work could and can be carried out as planned and the production has not been affected.



In comparison to 2019, Pacifico Renewables has successfully grown its footprint in its home market Germany. The increased share of revenues by German plants is due to the acquisition of eight solar plants in Germany with a total installed capacity of 21.2 MW. Consequently, the revenue shares of Czech and Italian renewable energy plants have decreased whereas the Dutch renewable energy plants have increased their share of the revenue contribution from 0% to 2%. It will grow further in 2021 with the acquisition of a 15.6 MW turnkey onshore wind farm in Germany which recently closed.

The figures refer to the operating entities. As described above, the previous year figures ("**2019**") refer to the calendar year but not the financial year 2019 to allow a more relevant comparison.

Germany



In 2020, Pacifico Renewables' plants located in Germany generated revenues of €9.29 million (2019: €4.22 million) and an electricity volume of 63,910 MWh (2019: 42,354 MWh). Other operating income amounted to €302k (2019: €52k). Due to down-regulation according to sections 14, 15 EEG the so-called "Einspeisemanagement", €291k of the other operating income are attributable to the operating performance of a wind farm located in Süderbrarup.

Cost of materials of €2.27 million (2019: €1.19 million) and other operating expenses of €822k (2019: €348k) were incurred.

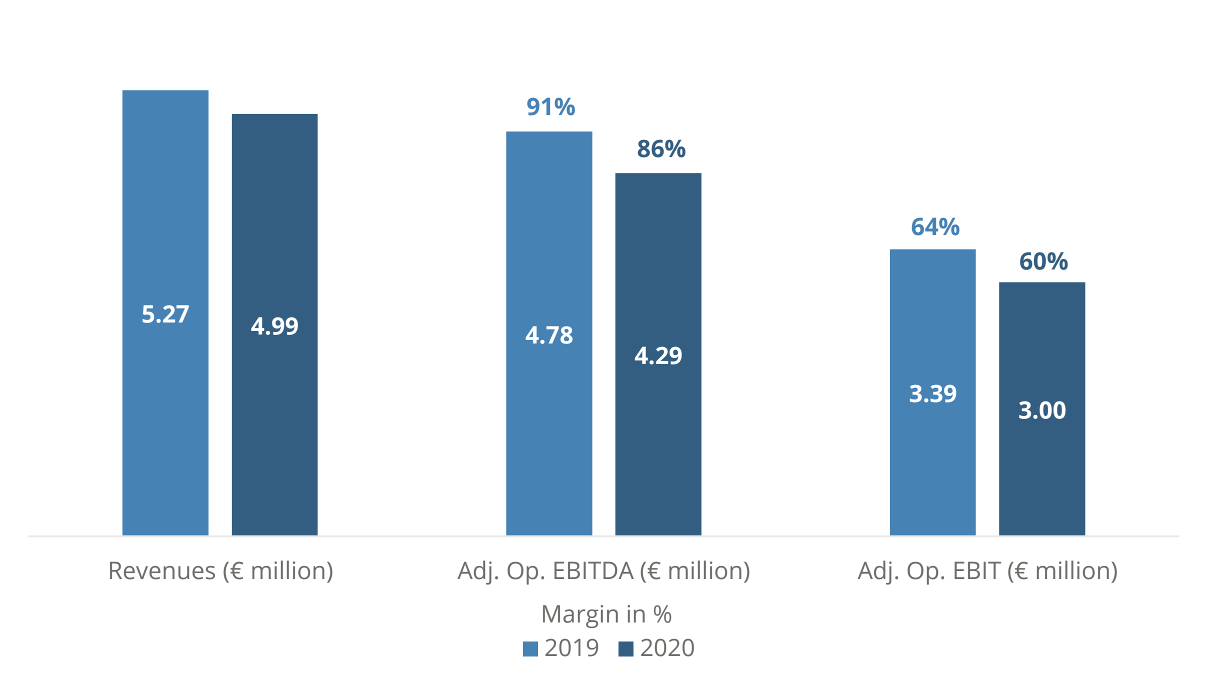
In the reporting period, adjusted operating EBITDA amounted to €6.82 million (2019: €2.74 million) and adjusted operating EBIT to €1.09 million (2019: €-538k).

The comparably high costs of materials are due to the advanced age of some plants and the fact that the Management Board has decided to equip the wind turbines with full maintenance contracts including the replacement of large components. Full maintenance contracts should not only provide current insurance protection, but also ensure the continued technical operation of the plants beyond the FiT.

Relatively high winds in the first quarter and relatively low winds in the fourth quarter led to average winds near the long-term norm for the full year in Germany. Consequently, the Group's German wind parks had a relatively strong first quarter of the year 2020, which compensated for a weak fourth quarter and in total led to a performance broadly in line with the plan. A minor shortfall in planned revenues at annual level for the German parks was attributable to damage events. All damages were covered by the full-service maintenance contracts. These include penalty regulations for falling short of the guaranteed technical availability to partially compensate for revenue losses.

The Group's German solar parks recorded a very strong first half of 2020. Solar radiation in the months of March, April and May was significantly above its historical average. Due to the very hot summer, the solar systems were not able to produce at optimum efficiency, which led to performance below target in June, July and August. Overall, the German solar portfolio was above target in 2020.

Czech Republic



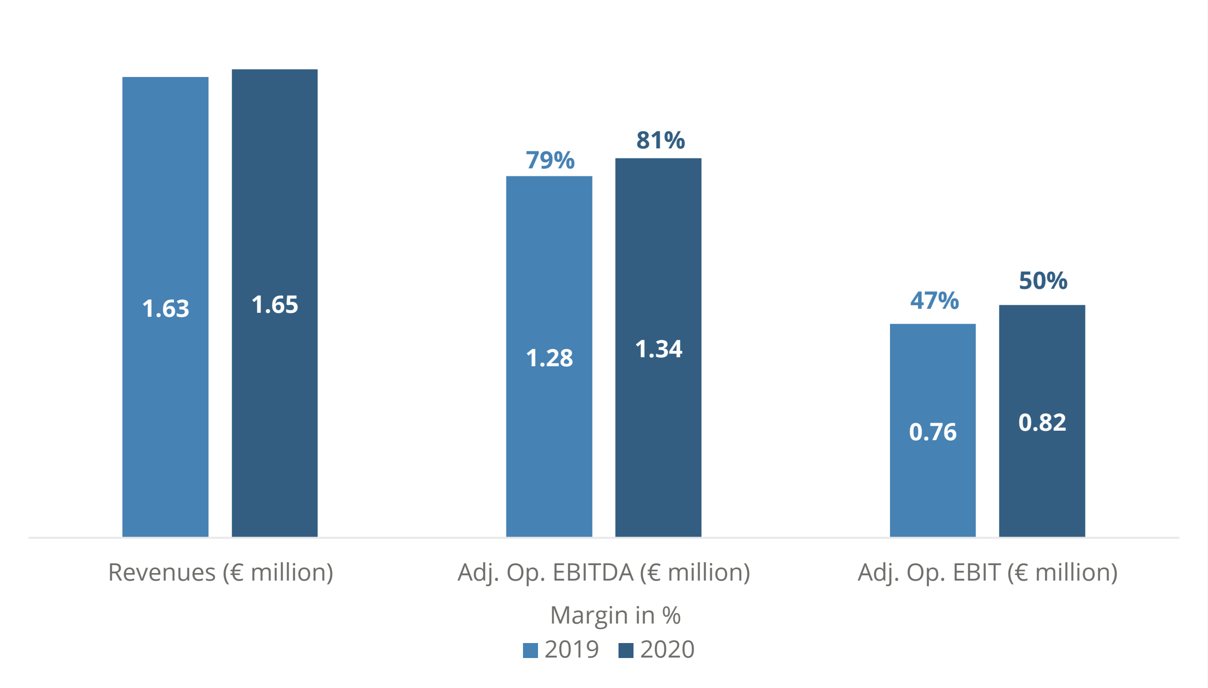
In the year 2020, the Group's plants located in the Czech Republic generated revenues of €4.99 million (2019: €5.27 million) and an electricity volume of 8,633 MWh (2019: 8,829 MWh). Other operating income amounted to €25k (2019: €59k).

Cost of materials amounted to €396k (2019: €239k) and other operating expenses to €369k (2019: €307k). Due to the HBII/III-adjustment of leasing liabilities, the items cost of materials and depreciation deviate from the standalone financial statements according to Czech accounting standards.

In the reporting period, adjusted operating EBITDA amounted to €4.29 million (2019: €4.78 million) and adjusted operating EBIT to €3.00 million (2019: €3.39 million).

During the first half of 2020, all Czech solar parks produced above plan due to favorable meteorological conditions. In the second half of 2020, the conditions were less favorable, but the plants still performed close to the plan production in most months. There were no noteworthy technical incidents, except for the repair of inverters and cables at the plant in Osečná during the second half of the year, which incurred costs of around €16k but did not cause any relevant decrease in production. Temporary negative electricity prices had no negative impact on the profitability of the Group’s Czech solar parks since the solar parks’ exposure to market prices are limited and negative electricity prices occurred mainly at night, during which solar parks do not produce electricity.

Italy



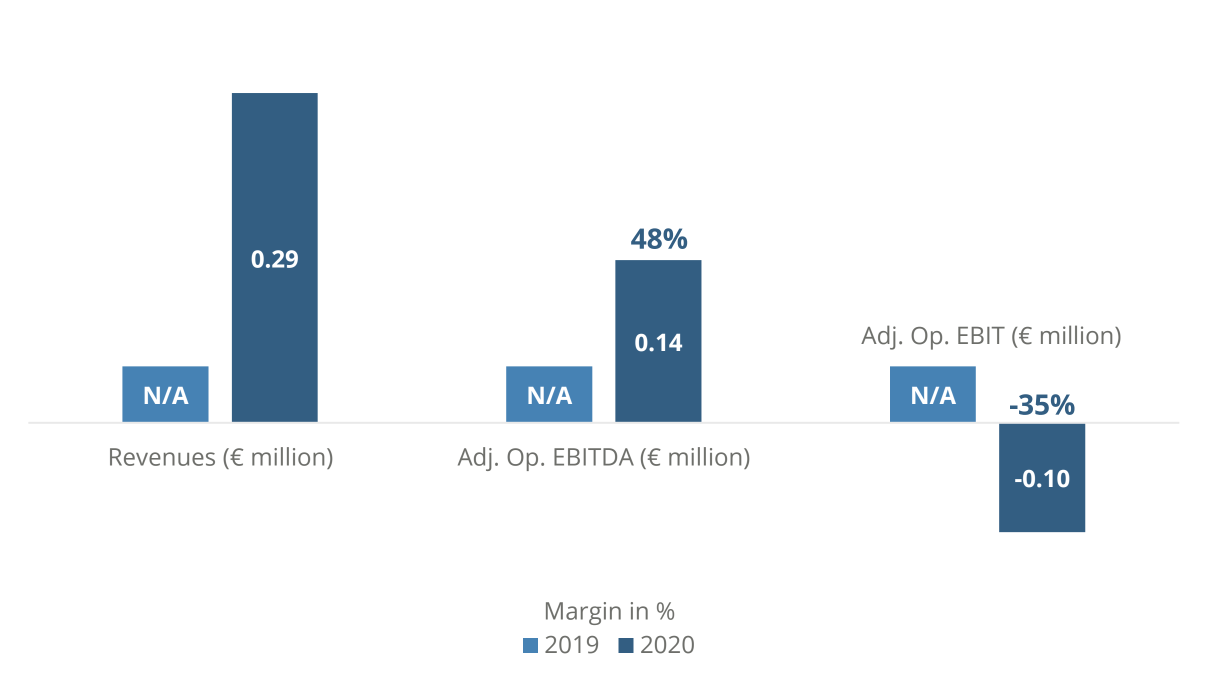
In the year 2020, the Group's plants located in Italy generated revenues of €1.65 million (2019: €1.63 million) and an electricity volume of 5,607 MWh (2019: 5,372 MWh). Other operating income amounted to €2k (2019: €36k).

The cost of materials amounted to €224k (2019: €265k) and other operating expenses amounted to €90k (2019: €121k).

In the reporting period, adjusted operating EBITDA amounted to €1.34 million (2019: €1.28 million) and adjusted operating EBIT to €822k (2019: €755k).

All Italian solar parks reached their targeted production levels in 2020. Excellent weather conditions and rather high solar radiation in January, February and April were accompanied by decreasing electricity prices due to the global pandemic. During the third and fourth quarter of 2020, electricity prices recovered. Production in the second half of the year was close to the plan, except for December when irradiation was below expectations. There were no noteworthy technical incidents.

The Netherlands



In the year 2020, the Group's plants located in the Netherlands generated revenues of €292k (2019: €0) and an electricity volume of 3,696 MWh (2019: 0 MWh).

The cost of materials amounted to €216k (2019: €0) and other operating expenses amounted to €40k (2019: €0).

In the reporting period, adjusted operating EBITDA amounted to €140k (2019: €0) and adjusted operating EBIT to €-101k (2019: €0). The negative EBIT stems from revenue generation not reflecting a full year of electricity production facing costs which have started to accrue before electricity production was initiated.

On December 8, 2019, Oud Gastel (1.7 MW), the first Dutch solar system in the Group's portfolio, was successfully connected to the grid. In the beginning of 2020, the solar roof project Vianen (0.5 MW) was connected to the grid. The Tilburg farm (2.8 MW) was completed in April and connected to the grid in May 2020. The operating portfolio in the Netherlands thus comprised an installed capacity of 5.0 MW. Hence, revenues do not yet reflect a full-year run-rate of the Dutch portfolio.

In the Netherlands, solid meteorological conditions gave the newly installed solar systems a good first half year 2020, but a slightly weaker second half of the year with production below plan in the fourth quarter. A storm caused damages to the Tilburg plant in July and several modules had to be replaced, the corresponding costs including lost revenues were covered by insurance. The other two plants exceeded the 2020 target production levels.

Pacifico Renewables holds certain unfinished development and construction projects in the Netherlands with a combined planned initial capacity of 19.6 MW. In 2019, Pacifico Renewables concluded a flexible framework financing agreement for roof-mounted solar systems in the Netherlands with a volume of €13.0 million. Various issues in 2020, caused by COVID-19 related problems, unforeseeable shortages in grid connection capacity and other issues led to substantial delays and the loss of some projects. To mitigate this situation, the framework financing agreement was recently prolonged and will be available until end of 2021. As it is currently unclear how many projects can be realized, alternative projects in the Netherlands are being sourced in order to benefit from the flexible framework financing agreement in place and / or use the liquidity reserved for the completion of the initially planned projects.

4.2.4. ASSET, FINANCIAL AND EARNINGS POSITION

Assets

As of December 31, 2020, the Group's balance sheet totals amount to €156.22 million (2019: €83.08 million). Property, plant and equipment account for the largest part of the balance sheet total, which are reported with an amount of €93.98 million (2019: €60.51 million) as of the reporting date.

In 2020, Property, plant and equipment increased by approximately €33.47 million compared to December 31, 2019. This is mostly due to the acquisition of eight already operating solar plants in Germany with a capacity of 21.2 MW. By means of a purchase price allocation, the new plants were included in the consolidated balance sheet with an economic transfer as of January 1, 2020.

Financial assets rose to €37.30 million (2019: €800) almost entirely due to a recapitalization of a potential future acquisition target. The loan was extended to the holding company of three wind parks under construction in Poland to recapitalize existing financing. The aim of the loan extension was to facilitate the future acquisition of this target company once its three wind parks are fully operational. In addition to this, incidental acquisition cost of €84,529 incurred to acquire the wind park Reudelsterz-Weiler. As of the reporting date, the entity was not acquired, therefore incidental acquisition cost is reported under advance payments on financial assets. Furthermore, financial assets include a minority interest in a civil law partnership with €800 (2019: €800) and a minority interest in an infrastructure with €10,264 (2019: €0).

The Cash and cash equivalents in the amount of €14.86 million (€11.77 million) describe the total of all account balances in the Group. This item was increased by €3.09 million due to the contribution of the eight solar plants already in operation in Germany to the Group. €5,19 million (2019: €3,83 million) of Cash and cash equivalents are subject to restrictions on disposal due to contractual provisions in the agreements of the lending banks.

Financial Situation

Equity

Equity, which comprises, among other things, subscribed capital as well as additional paid-in capital of the Group increased in the reporting period due to two capital increases to €76.63 million (2019: €22.74 million).

As a result of the first capital increase in 2020, the subscribed capital rose by €795,455 while the additional paid-in capital increased by €16.71 million. 795,455 new shares were issued at an issue price of €22.00. The capital increase mainly served the acquisition of eight solar plants already in operation in Germany and contributed to an increase in the Group's free float.

Due to the second capital increase, the subscribed capital increased by €1.38 million, and the additional paid-in capital increased by €39.35 million in the reporting period. 1,379,311 new shares were issued at an issue price of €29.00 (1,015,329 shares) and €31.00 (363,982 shares. The capital increase mainly served to further pursue the Group's portfolio growth strategy, particularly in connection with the recapitalization of the target company owning three onshore wind parks in

Poland for which the Group aims at finalizing negotiations to acquire equity ownership of the project after successful completion of the construction phase.

Debt capital

The Group is financed to a large extent by non-recourse project financing the repayment of which is directly covered by returns of its assets. All project financings are to be repaid on schedule before the end of the respective FiT of a plant. The interest rate risk of the project financing is limited, as it is mainly tied to fixed interest rates or hedged against interest rate changes. There is no refinancing risk in case of scheduled repayments. All project financing has been concluded in local currency.

Furthermore, a subordinated promissory note loan at the level of Pacifico Holding 1 GmbH & Co. KG is outstanding. The interest rate on this promissory note loan is fixed. The promissory note loan matures in 2029, is mainly repaid from income from the plants attributable to Pacifico Holding 1 GmbH & Co. KG and requires, after a scheduled repayment profile, a remaining final repayment of €3.30 million in 2029. The subordinated promissory note loan is reported under other liabilities with a value of €9.99 million as of December 31, 2020 (2019: €10.55 million).

Leasing obligations for the Czech facilities in Osečná and Úsilné were recognized as liabilities with an amount of €7.63 million (2019: €8.69 million) in accordance with the adjustments to German accounting principles.

The revolving credit facility (€16.30) of Triodos Bank N.V. Germany was undrawn as of December 31, 2020.

Cash-flow statement

Compared to December 31, 2019, the change in cash and cash equivalents amounts to €3.09 million (2019: €10.23 million) and is composed as follows:

The net cash inflow from the operating activities of the operating portfolio amounts to €10.62 million (2019: €3.78 million) and mainly results from the Group's operation of solar and wind power plants. The increase of €6.84 million is attributable to the growth of the portfolio in 2020.

The cashflow from investment activities amounts to €-57.48 million (2019: €-21.13 million) and mostly stems from the recapitalization of a potential future target company owning three onshore wind parks in Poland and from the net cash outflow associated with the acquisition of eight fully operational solar plants in Germany.

The positive cashflow from financing activities with an amount of €46.61 million (2019: €19.74 million) includes, in addition to the capital increases described above, the further borrowing of existing loans for newly acquired plants plus increases of existing project finance facilities less the liquidity-reducing repayments of loans and interest payments for these.

In addition to these events qualifying as cash-effective, cash and cash equivalents mainly increased through the acquisition of eight fully operational solar power plants in Germany by €3.79 million due to the liquidity available in the acquired companies. Furthermore, currency and valuation adjustments in cash and cash equivalents of €-447,636 (2019: €0) occurred.

The Group remained in constant financial solvency.

Financial Performance

Revenues

Based on its electricity generation and the FiT of the solar and wind power plants, the Group generated revenues of €16.23 million in 2020 (2019: €5.03 million).

Country breakdown of revenues generated by the Group:

€'000	2020	2019
Germany	9,295	1,917
Czech Republic	4,990	2,156
Italy	1,654	955
Netherlands	292	-
Total	**16,231**	**5,028**

The Group acquired eight solar power plants in Germany with economic effect as of January 1, 2020, therefore the corresponding revenues could be presented in full.

4.3. OPPORTUNITIES AND RISKS

4.3.1. RISK REPORT

Risks resulting from a global pandemic

In December 2019, a novel strain of coronavirus and the infectious diseases caused by it (COVID-19) was identified in Wuhan, China. COVID-19 has since spread to over 180 countries, including Germany and other European countries. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The rapid spread of COVID-19 has adversely impacted global economic activity and contributed to significant volatility and negative pressure in financial markets. While stock markets have recovered from their significant losses around the end of the first quarter of 2020, volatility has remained high and further effects of the COVID-19 pandemic on financial markets cannot be ruled out, which could negatively influence the procurement of equity capital by Pacifico Renewables in the near future.

In addition, the consequences of the ongoing COVID-19 pandemic, especially in the field of renewable energies, have led to delays in project development and construction activities, e.g., with respect to required approvals. It cannot be ruled out that such delays may also arise regarding projects of Pacifico Renewables, particularly if the COVID-19 pandemic intensifies in countries in which Pacifico Renewables already operates or may operate in the future.

Local project-related risks are mitigated through a broad network of development partners corresponding with a pipeline.

Risks resulting from meteorological variability

Production levels for Pacifico Renewables' solar and wind projects depend on suitable wind and radiation, as well as on general weather conditions, all of which are beyond Pacifico Renewables' control and may vary significantly, resulting in volatility in production levels, revenues and profitability.

In order to mitigate these risks, forecasts are being prepared for solar and wind parks to be acquired, using own empirical values as well as external expert opinions or historical figures. Expert opinions are based on long-term normalized historical weather data and professional considerations of local factors. However, such estimates or studies cannot be expected to precisely reflect the actual energy production in any given year in the future.

Risks arising from electricity price development

As of the end of the reporting period, Pacifico Renewables benefits from long-term government-guaranteed subsidies for its produced electricity, which guarantee a certain price independent of the (typically lower) market price. Currently, this limits Pacifico Renewable's electricity price risk to a marginal amount. However, under certain regulatory regimes, FiTs are suspended if spot market prices for electricity are negative over a certain continuous period of time.

A balanced and increasing technological as well as geographical diversification of Pacifico Renewables' portfolio, including potentially battery storage in the future, and PPAs mitigate risks from electricity prices.

Regulatory Risks

Currently, all of Pacifico Renewables' onshore solar and wind plants benefit from subsidies, which secure stable and predictable cash flows mainly independent from the price for electricity.

However, there is no guarantee that Pacifico Renewables will continue to benefit from financial incentives for the energy produced by its current or future solar and wind parks and that such incentives will not be reduced or even cancelled in the future or that the period of eligibility will not be shortened.

Technological and even more important geographical diversification across multiple jurisdictations aim at mitigating regulatory risks. Also, a more diversified electricity marketing profile, i.e. an increasing use of PPAs, will increasingly reduce Pacifico Renewables' exposure to regulatory risks.

Technical Risks

The operation of Pacifico Renewables' current and future plants involves risks that include the breakdown or failure of equipment or processes, performance below expected levels of output or system instability. Such failures and performance issues can stem from several factors, including errors in operation, lack of maintenance, defects of building materials and general wear over time, which may be beyond the control of Pacifico Renewables. As a result, Pacifico Renewables' current and future plants require planned periodic major overhaul activities from time to time, which may also include improvements of the portfolio. Unplanned outages of generating units, including extensions of scheduled outages due to mechanical failures or other problems relating to Pacifico Renewables' power generation facilities or ancillary facilities (e.g., grid connections), occur from time to time and, unless covered by insurance agreements, are an inherent risk of Pacifico Renewables' business.

In the event of a technical plant shutdown, Pacifico Renewables' plants are insured against damage and loss of earnings. However, risks from the failure of national power grids, natural and nuclear disasters and wars cannot be insured.

Risks arising from service providers

The Management Board runs the business with a lean organizational set-up and thus has limited human resources.

In order to ensure the operation of its plants and to support internal services Pacifico Renewables has entered into service agreements with Pacifico Partners and other third parties as service providers in relation to (i) the commercial and technical management of energy projects, including the coordination of maintenance measures and (ii) asset management which exceeds the day-to-day commercial management, in particular proposals for the optimization of the energy projects, financial planning, liquidity analysis and risk management. The technical management of its facilities is therefore the responsibility of various operation and maintenance ("**O&M**") service providers. The smooth operation of the facilities could be jeopardized if O&M service providers do not properly fulfill their obligations. Should a replacement of the O&M Service Provider become necessary (e.g., due to unsatisfactory performance, expiration of the contract, insolvency) and not be quickly feasible or lead to an increase in running costs, this could pose a risk to Pacifico Renewables.

At the moment, Pacifico Renewables is not aware of any indications that any service provider faces solvency risks or is unable to meet its contractual obligations. The fully variable compensation of Pacifico Partners was designed to minimize the risks associated with their services and to ensure performance in the best interest of Pacifico Renewables through aligned interests.

Interest rate and currency risks

The Management Board's financing strategy concerning acquisition of solar and wind farms involves a high proportion of debt, taken out at fixed interest rates for a certain time period (generally at least ten years) or variable interest rates. As of December 31, 2020, Pacifico Renewables' provisions, liabilities and deferred tax liabilities represented 51% of Pacifico Renewables' total assets. The interest rate risk is limited, as only a marginal part of the volume of borrowed capital is subject to variable interest rates and there is only a limited refinancing risk. The interest rate risk is asymmetrical and results mainly from rising interest rates. Nevertheless, falling interest rates are also associated with risks for Pacifico Renewables. Interest rate swaps in which Pacifico Renewables is the beneficiary of a variable interest rate, but for which no "floor" is fixed at 0%, increase the interest burden for Pacifico Renewables if the reference interest rate is below 0, which is true for two of Pacifico Renewables' loans.

Pacifico Renewables generates most of its revenues in Euros. Exchange rate risks currently only exist with respect to the plants in the Czech Republic. Exchange rate fluctuations between the Czech Krona and the Euro can lead to exchange rate losses. The Management Board aims at debt-financing foreign plants in local currency which eliminates the most substantial currency risk for Pacifico Renewables when operating outside of the euro area.

Risks related to project financing

Project financing is of particular importance for Pacifico Renewables, as it covers a high proportion of the initial investment costs and is amortized from the plants' cash flows. For plants with a FiT, project financing is usually repaid from the plant's cash flows with a certain lead time to the end of the FiT. The amount of project financing results from the amount and type of FiT secured, the reliability of production forecasts, and the expected operating costs and taxation. In addition, the geographical location and the corresponding local risk assessment may have an influence. The borrowers of the project financing are typically special purpose vehicles[76], which own the plants. This ensures that revenues from the assets are used directly to repay the loan, which consequently reduces the refinancing risk. Project financing is concluded by means of non-recourse financing and in principle does not allow recourse to group companies, as the liability of the lending bank is limited to the special purpose vehicle to be financed.

In order to avoid dependence on individual financing partners, Pacifico Renewables maintains an extensive network with renowned financing partners and thus distributes the financing

[76] However, the project finance for Ferrandina and Bariano is pooled at the level of the sub-holding Pacifico Smeraldo S.r.l.

requirements to several parties. The increased availability of financing from banks for renewable energy projects and the simultaneous low interest rate environment should continue to provide attractive financing conditions for future projects. The Management Board regularly reviews alternative financing options. Regular monitoring of existing loan agreements ensures that all obligations are always met.

Funding & refinancing risks

In order to implement its growth strategy, Pacifico Renewables needs to obtain high amounts of external financing, in particular from equity investors but also debt financing. It is not certain if the required funds for Pacifico Renewables' intended portfolio growth will be available at the relevant point in time. Even if they are available in principle, it cannot be excluded that such financing will be offered to Pacifico Renewables at unattractive conditions (e.g., at high interest rates). If Pacifico Renewables fails to obtain additional financing at acceptable conditions, it may not be able to implement its portfolio growth strategy which would have a highly adverse effect on Pacifico Renewables' prospects.

Pacifico Renewables is from time to time subject to refinancing risks, currently (after the reporting date) from a promissory note at the level of an intermediate holding company and post the closing of the 15.6 MW acquisition in Germany from draw-downs of Pacifico Renewables' revolving credit facility at the level of Pacifico Renewables Yield AG[77]. This promissory note at the level of Pacifico Holding 1 GmbH & Co. KG runs until 2029, is continuously repaid mainly from income from the plants which are owned by Pacifico Holding 1 GmbH & Co. KG but requires a remaining final repayment of €3.30 million in 2029 after scheduled repayment. Pacifico Renewables' revolving credit facility at the level of Pacifico Renewables Yield AG can be drawn for a period of up to 18 months. Following this period, Pacifico Renewables must refinance any draw-downs through alternative financing which it may be unable to obtain.

In order to mitigate funding and refinancing risks, the Management Board regularly reviews funding as well as refinancing options and operates with a sufficient liquidity buffer.

4.3.2. OPPORTUNITY REPORT

Opportunities arising from meteorological developments

Electricity generation from solar and wind power plants is subject to meteorological fluctuations. The Management Board follows a conservative approach to forecast wind and sun hours. The probability of a significant deviation from the annual average for existing plants with a long production history is low. In general, the deviation from expectations of actual wind generation varies more than that of solar irradiation. The further expansion of the existing portfolio is also intended to increase meteorological diversification.

Opportunities arising from global trends

[77] The partial draw-down of the revolving credit facility at the level of Pacifico Renewables Yield AG is associated with the acquisition of a 15.6 MW windpark, outside the reporting period, respectively in the first quarter of 2021.

Scientific evidence on the environmental and social impacts of 1.5°C[78] global warming and growing international movements, such as the "Fridays for Future" protests, are leading to an increasingly pronounced perception of the problem of climate change in society. This is also increasing pressure on the private sector to operate more sustainably. As part of the RE100 initiative, more than 300 major international corporations have already committed themselves to using only electricity from renewable sources by 2050 at the latest. Initiatives such as these are accelerating private demand for renewable electricity and helping to drive private power purchase agreements ("PPAs") in Europe as well. For example, the number of PPAs signed in Europe in 2019 represents 44% of the total cumulative PPAs signed in Europe to date.[79] This trend complements the underlying advantage of PPAs of being able to generate predictable long-term returns from renewable energy generation plants, independent of government support regimes.

Opportunities resulting from the regulatory environment

The pressure on the international community to take measures to curb global warming has steadily increased, in particular with the conclusion of the agreement of the Paris Climate Conference of 2015. Reducing CO_2 emissions from electricity generation plays a key role in this movement. In order to substitute the reduction of high-carbon generation sources such as coal-fired power plants against the backdrop of constant electricity demand, numerous government support regimes are in place to promote the energy transition.

Supranational measures such as the European Green Deal, with its ambitious goal of climate neutrality by 2050, provide opportunities for the further promotion of renewable energy expansion. In the wake of the COVID-19 pandemic, the European Commission published the European Recovery Plan at the end of May 2020 as a pan-European reconstruction plan for the period of economic recovery after the pandemic. This plan is intended to implement the "Marshall Plan for Europe" previously announced by Commission President Ursula von der Leyen. In addition to the European budget for 2021 to 2027, the European Recovery Plan includes the Next Generation EU reconstruction instrument, which is intended to support the European budget from 2021 to 2024 with a financial volume of 750 billion euros raised on the financial markets, 600 billion of which are explicitly earmarked as part of the European Green Deal for achieving climate neutrality by 2050.[80]

Opportunities arising from technologies

The levelized costs of electricity for renewable energies are supposed to remain cost-competitive with conventional energies in the future. Technological development is conducive to the long-term attractiveness of the sector and the further expansion of the existing portfolio.

Advancing efficiency improvements in energy storage systems for commercial solar and wind power plants for short-, medium-, and long-term energy storage may enable more effective and cost-efficient control of energy feed-in in the future. This could allow production volatilities to be better managed, which in turn can have a positive impact on revenues.[81] Furthermore, entering

[78] Global warming of 1.5°C. International Panel on Climate Change (IPCC). 2019.
[79] Financing and investment trends - the European wind industry 2019. WindEurope. 2019.
[80] https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_de.
[81] Electricity storage and renewables: cost and markets to 2030 (https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Oct/IRENA_Electricity_Storage_Costs_2017_Summary.pdf?la=en&hash=2FDC44939920F8D2BA29CB762C607BC9E882D4E9).

the battery storage market could bring additional attractive business opportunities and the ability to further diversify Pacifico Renewables' profile.

Opportunities provided by a low interest rate environment

The ongoing low interest rate environment continues to have a positive impact on the investment- and funding intensive business model of Pacifico Renewables. As a result, it should also be possible to realize advantageous financing conditions for the expansion of the portfolio in the future, which will enable an attractive project return. The Management Board is continuously examining the possibility of optimizing the existing financing structure.

In addition, the low interest rate environment is reducing energy production costs, making plants that feed their electricity into the grid at market prices more attractive.

Opportunities from extended operations

With the expiry of the secured FiT, there is the possibility of continuing to operate Pacifico Renewables' existing plants in the so-called "golden end" if Pacifico Renewables either owns land or has an extension option on the lease. An increased operating time, which enables the profitable operation of the plants in the "golden end", can therefore have a positive effect on future revenues.

For most of its existing plants, Pacifico Renewables may extend the useful life beyond the expiry of applicable public support schemes as it either owns the land or holds options to extend the lease contracts. Generally, the following possibilities exist to capture this option value when project companies have typically repaid their senior debt and the plants have been fully depreciated on an individual entity basis: (1) operate the fully depreciated and debt free plant beyond the expiration of subsidies with lower maintenance costs and sell electricity on the market or through a PPA; (2) Engage a service provider to propose a repowering of the plant and build a new and potentially larger plant based on state-of-the-art technologies and the knowledge of the local circumstances gained through prior experience. In particular, land ownership represents an inherent option value, which can be realized via repowering since suitable sites for development projects are scarce in some European countries.

Opportunities resulting from focus on small- and medium-sized assets

For its further portfolio growth, the Management Board intends to continue to target small- and medium-sized renewable assets, which it defines as assets requiring equity investments between €5 million and €50 million.

In the Management Board' opinion, this focus on small- and medium-sized assets offers significant benefits compared to large-sized renewable assets in terms of availability of locations, length of the development process, portfolio diversification, competition from other investors and corresponding returns.

Furthermore, investments in small- and medium-sized projects will lead to natural diversification and thus reduce the risk exposure of Pacifico Renewables' entire portfolio, as the risk will be spread over relatively more projects than if Pacifico Renewables only invested in a few very large projects. At the same time, these projects are sufficiently large to enter into attractive long-term PPAs with a variety of customers and to conclude attractive project financing arrangements.

Opportunities from building on partnerships

To further grow and diversify its portfolio without bearing development risks and to allow for efficient outsourcing of asset management and other services, Pacifico Renewables has entered into a partnership with Pacifico Partners and Boom Power, both privately-held project development and asset management companies, respectively. Entering additional partnerships in the future could bring significant opportunities for Pacifico Renewables.

Opportunities resulting from a lean and scalable set-up

Efficient outsourcing of non-strategic elements of the value chain such as asset management activities allows Pacifico Renewables to be able to operate a large scalable portfolio with a lean organizational structure whose resources are focused on financial and strategic aspects, and on applying a top-down portfolio approach from investment to end-of-lifetime optionality centered on shareholder accretion. In addition, the variable remuneration for asset management services further adds to the stability of Pacifico Renewables' returns and softens the impact of meteorological variation.

The lean corporate structure should also enable cost-efficient management of the group in the future. With the further expansion of the existing portfolio and only targeted expansion of the number of full-time employees, further economies of scale could be realized in the future.

Opportunities from a conservative investment approach

The Management Board aims to profit from efficiency gains by separating distinct development risks from other activities in the lifecycle of renewable energy power plants. It focuses on power plants that are already operational or in a contractually secured construction phase and benefit from a contracted revenue base. This clear profile allows to deliver stable and predictable cash flows while avoiding development risks. Furthermore, with solar and wind energy, Pacifico Renewables builds on established and competitive technologies associated with comparatively limited risks in a growing market.

Opportunities from continuously optimizing capital structure

The Management Board continuously challenges and seeks to optimize Pacifico Renewables' capital structure. The management strictly ties capital increases to acquisitions or a specific use of funds in order to provide Pacifico Renewables' shareholders attractive returns. Beyond capital increases, Pacifico Renewables' management sees large potential in using debt instruments at the level of Pacifico Renewables or intermediate holding companies in addition to, or as a substitute for, project financing. Pacifico Renewables believes that future debt issuances will create accretion for shareholders. Pacifico Renewables considers the green debt market to be particularly interesting. The post-subsidy remuneration regime for renewable energy plants, associated with less project finance capacity at plant level, creates an increased need of holding level debt, which

Pacifico Renewables considers an opportunity based on its diversified portfolio and given its expertise.

Opportunities arising from a rigorous focus on financial discipline

In its operating activities and investment decisions, the Management Board applies strict financial discipline. Pacifico Renewables regularly optimizes its debt structure to increase capital efficiency, keep its interest rate and currency exposure as low as possible and aims to limit unused liquidity to a minimum by translating capital measures into investments as soon as possible in order to optimize returns on capital.

Opportunities based on an increasingly diversified portfolio

the Management Board is continuously looking at and determining new investment opportunities. The increasing diversification of the portfolio results in an altered risk profile. The geographic diversification results in decreased sensitivity to local meteorological fluctuations and regulatory changes. In addition, the Management Board aims at technological diversification by operating onshore wind, solar assets and potentially battery storage assets. Targeting different renewable energy technologies reduces the risk exposure to seasonality and weather conditions. Power production curves from solar and wind parks complement each other with respect to daily or yearly production, which helps provide stable and predictable cash flows. Both technologies also provide interesting upside potentials for follow-on investments, such as technological upgrading, lifetime extension and repowering.

4.4. FUTURE OUTLOOK

Future Environment for Renewable Energies

With expected economic growth of 4.4%[82] and inflation of 1.5%[83] in 2021, the euro area is set to start its recovery from the negative economic effects of the COVID-19 pandemic. Even though the IMF expects the rate of recovery to be slower in the euro area than in other regions such as the United States, the macroeconomic environment is expected to gradually improve during 2021 and 2022.[84] The recovery is substantiated by national and European monetary and fiscal stimulus packages such as the ECB's Pandemic Emergency Purchase Programme with a volume of €1,850 billion and the EC's Next Generation EU recovery instrument with a volume of €750 billion. These measures are expected to be beneficial for the renewable energy sector in Europe, as they aim at keeping interest rates low and might lead to an increase in public funding for renewable energies.

Furthermore, there is strong political support for renewable energy as new ambitious emission reduction targets have been announced in the EU[85], Germany[86] and the United States[87], among others. Power prices have been rising in the first months of 2021, which could further benefit the renewable energy sector if prices remain on a high level.

Overall assessment of future development

The Management Board plans to further expand its investment portfolio through acquisitions in 2021 according to its business model. The recently secured priority access to the pipeline of Boom Power of more than 1 GW via with the Boom ROFOA illustrates Pacifico Renewables' ambitions. Pacifico Renewables targets to build a 400 MW portfolio until 2023.

The continued economic operation of the renewable energy portfolio in the reporting period is largely independent of macroeconomic developments. Power generation in 2020 turned out as expected due to on average stable meteorological conditions, whereas power generation in the first quarter of 2021 performed slightly below expectations.

As a result of the portfolio growth realized, Pacifico Renewables is raising its sales and electricity production forecast for the financial year 2021 above the 2020 guidance. The revenue and power production forecast for 2021 relates to the existing portfolio of plants already in operation in the reporting period as well as the integration of the recently acquired 15.6 MW wind farm in Germany, which will be economically transferred to Pacifico Renewables as of January 1, 2021. In light of the initial four months of this year with comparably unfavorable meteorological conditions, Pacifico Renewables Yield AG expects to produce between 103 GWh and 115 GWh of green electricity, resulting in revenues between €17.3 million and €19.3 million and saving more than 82,000 tons of CO_2. These predictions rely on the following assumptions: (i) no significant retroactive changes

[82] IMF. World Economic Outlook. April 2021.
[83] ECB. Economic Bulletin. https://www.ecb.europa.eu/pub/economic-bulletin/html/eb202102.en.html. March 2021.
[84] IMF. World Economic Outlook. April 2021.
[85] https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1599.
[86] https://www.bundesregierung.de/breg-de/themen/klimaschutz/klimaschutzgesetz-2021-1913672.
[87] https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/22/fact-sheet-president-biden-sets-2030-greenhouse-gas-pollution-reduction-target-aimed-at-creating-good-paying-union-jobs-and-securing-u-s-leadership-on-clean-energy-technologies/.

to legislation and (ii) no significant deviations from weather forecasts and historical production levels.

4.5. DEPENDENCY REPORT

Closing statement on the report of the Management Board on relations with affiliated companies pursuant to section 312 of the German Stock Corporation Act ("**AktG**")

Pursuant to section 312(1) AktG, the Management Board of Renewables Yield AG has prepared a report of the Management Board on relations with affiliated companies, which contains the following closing statement:

"We declare that Pacifico Renewables Yield AG received adequate consideration for the legal transactions listed in this report on relations with affiliated companies according to the circumstances known to the Management Board at the time when the legal transactions were carried out. Measures within the meaning of section 312 (1) sentence 2 AktG were neither taken nor omitted."

5. FINANCIAL STATEMENTS

5.1. BALANCE SHEET AS OF DECEMBER 31, 2020

ASSETS €		2020	2019
A.	**NON-CURRENT ASSETS**		
I.	**Intangible assets**		
1.	Acquired concessions, industrial property and similar rights and assets as well as licenses in such rights and assets	516,739	569,883
2.	Goodwill	947,584	1,066,851
		1,464,323	**1,636,734**
II.	**Property, plant and equipment**		
1.	Land, similar rights and buildings including buildings on leasehold land	1,810,970	794,999
2.	Technical equipment and machinery	92,152,658	59,705,228
3.	Other equipment, factory and office equipment	18,437	11,862
		93,982,065	**60,512,089**
III.	**Financial assets**		
1.	Investments	11,064	800
2.	Other loans	37,200,000	-
3.	Advance payments on financial assets	84,529	-
		37,295,593	**800**
		132,741,981	**62,149,623**
B.	**CURRENT ASSETS**		
I.	**Receivables and other assets**		
1.	Trade receivables	1,368,111	1,071,877
2.	Other assets *thereof from taxes €1,308,477 (2019: €1,804,126)*	1,917,763	2,456,510
		3,285,874	**3,528,387**
II.	**Cash and cash equivalents**	14,856,683	11,767,154
		18,142,557	**15,295,541**
C.	**PREPAID EXPENSES**	**5,335,550**	**5,633,485**
		156,220,088	**83,078,649**

EQUITY AND LIABILITIES

€	2020	2019
A. EQUITY		
I. Subscribed capital	3,309,766	1,135,000
II. Capital reserve	79,618,227	23,565,000
III. Net loss	-5,613,870	-1,844,133
IV. Equity difference from currency translation	-680,577	-113,995
	76,633,546	**22,741,872**
B. PROVISIONS		
1. Tax provisions	957,631	613,153
2. Other provisions	3,091,742	620,489
	4,049,373	**1,233,642**
C. LIABILITIES		
1. Bank debt	49,932,199	26,567,029
2. Trade payables	1,829,942	1,054,519
3. Other liabilities	18,577,135	28,247,285
	70,339,276	**55,868,833**
D. DEFERRED TAX LIABILITIES	**5,197,893**	**3,234,302**
	156,220,088	**83,078,649**

5.2. INCOME STATEMENT FOR THE PERIOD FROM JANUARY 1 THROUGH DECEMBER 31, 2020

€		2020	2019
1.	Revenues	16,231,063	5,028,233
2.	Other operating income	396,135	185,276
3.	Cost of materials		
	a) Cost of raw materials, supplies and for purchased goods	-50,392	-
	b) Cost of purchased services	-3,057,175	-1,006,030
4.	Personnel expenses		
	a) Wages and salaries	-1,237,465	-194,892
	b) Social security, pensions and other benefits	-45,013	-10,926
		-1,282,478	-205,818
5.	Depreciation of intangible and tangible assets	-7,993,064	-2,675,198
6.	Other operating expenses	-4,617,302	-929,287
7.	Income from other securities	36,224	-
8.	Other interest and similar income	19,154	-
9.	Interest and similar expenses		
	thereof to affiliated companies	-3,071,792	-1,560,348
	0,00 (2019: -225.629)		
10.	Income taxes	-326,374	-547,829
11.	Other taxes	-53,736	-4,352
12.	**Consolidated net income/loss**	**-3,769,737**	**-1,715,353**
13.	Loss carryforward	-1,844,133	-184,708
14.	Deconsolidation result	-	55,928
15.	**Accumulated losses**	**-5,613,870**	**-1,844,133**

5.3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.3.1. GENERAL INFORMATION

Pacifico Renewables Yield AG was created by a change of Pacifico European Renewables Yieldco GmbH's legal form, with resolution of August 28, 2019. It was registered at the Munich Local Court under HRB 251232 on September 3, 2019. The company's registered office is at Bavariafilmplatz 7, Building 49, 82031 Grünwald.

According to the current articles of association dated December 2, 2020, Pacifico Renewables Yield AG's business activities include the acquisition, holding, management and exploitation of investments and assets of all kinds in the field of renewable energies in Germany and abroad, including the operation of plants for the production of electricity from renewable energies by the Company or its subsidiaries.

As the ultimate parent company, Pacifico Renewables Yield AG prepares the consolidated financial statements for the entire group of companies. The company is exempt from the requirement to prepare consolidated financial statements and a Group management report in accordance with section 293(1) HGB. The preparation of the consolidated financial statements and the group management report is therefore voluntary.

Due to the changes in the group of Pacifico Renewables Yield AG's consolidated companies, comparability with the previous consolidated financial statements is limited. The portfolio was further expanded in the first half of 2020 with the acquisition of eight already operating solar power plants as well as the integration of Pacifico Renewables Fin GmbH and the founding of Pacifico Renewables Management GmbH in Germany. Furthermore, Pacifico Energy Hodo s.r.o. Prague, Czech Republic was merged with FVE Hodonice s.r.o. Prague, Czech Republic, Pacifico Energy Trosko s.r.o. Prague, Czech Republic with FVE Troskovice s.r.o. Prague, Czech Republic, Pacifico Energy Usi s.r.o. Prague, Czech Republic merged with FVE Usilne s.r.o. Prague, Czech Republic and Pacifico Energy Ose s.r.o. Prague, Czech Republic merged with FVE Osecna s.r.o. Prague, Czech Republic.

5.3.2. GROUP OF CONSOLIDATED COMPANIES

Besides Pacifico Renewables Yield AG, the consolidated financial statements include all directly and indirectly held subsidiaries.

Pacifico Renewables Yield AG holds directly or indirectly 100% of the shares in all group companies. The following subsidiaries have been fully consolidated in the financial statements as of December 31, 2020:

Company	Registered Office	Share in %
Pacifico Renewables Management GmbH[1.) 2.)]	Grünwald, Germany	100
Pacifico Renewables Fin GmbH[1.) 2)]	Grünwald, Germany	100
Pacifico Management GmbH[1.)]	Grünwald, Germany	100
Pacifico Holding 1 GmbH & Co. KG[1.)]	Grünwald, Germany	100
Pacifico Germany 1 GmbH & Co. KG	Grünwald, Germany	100
PAC Block Germany 1 GmbH	Grünwald, Germany	100
PAC Jade GmbH & Co. KG	Grünwald, Germany	100
PAC Opal GmbH & Co. KG	Grünwald, Germany	100
PAC Rubin GmbH & Co. KG	Grünwald, Germany	100
PAC Saphir GmbH & Co. KG	Grünwald, Germany	100
PAC Topas GmbH & Co. KG	Grünwald, Germany	100
Pacifico Italy 1 GmbH & Co. KG	Grünwald, Germany	100
PAC Italy GmbH	Grünwald, Germany	100
Pacifico Italia S.r.l.	Bolzano, Italy	100
C.C.D. Solar S.r.l.	Bolzano, Italy	100
Energia Fotovoltaica 12 S.r.l.	Bolzano, Italy	100
Energia Fotovoltaica 22 S.r.l.	Bolzano, Italy	100
Mediterraneo Greenpower S.r.l.	Bolzano, Italy	100
Pacifico Smeraldo S.r.l.	Bolzano, Italy	100
PAC Czechia GmbH[1.)]	Grünwald, Germany	100
Pacifico Energy Czech s.r.o	Prague, Czech Republic	100
FVE Osečná s.r.o.	Prague, Czech Republic	100
FVE Úsilné s.r.o.	Prague, Czech Republic	100
Pacifico Energy Hol s.r.o.	Prague, Czech Republic	100
PAC Czechia 2 GmbH[1.)]	Grünwald, Germany	100
FVE Hodonice s.r.o.	Prague, Czech Republic	100
FVE Troskotovice s.r.o.	Prague, Czech Republic	100
Dutch Durables Energy B.V. [1.)]	Bosch en Duin, Niederlande	100
PV Süpplingen GmbH & Co. KG[1.) 2.)]	Grünwald, Germany	100
PV Auerbach GmbH & Co. KG[1.) 2.)]	Grünwald, Germany	100
PV Eisfeld GmbH & Co. KG[1.) 2.)]	Grünwald, Germany	100
PV Hohburg GmbH & Co. KG[1.) 2.)]	Grünwald, Germany	100
PV Köthen BF 5 GmbH & Co. KG[1.) 2.)]	Grünwald, Germany	100
PV Rosefeld GmbH & Co. KG[1.) 2.)]	Grünwald, Germany	100
PV Neubukow GmbH & Co. KG[1.) 2.)]	Grünwald, Germany	100
PV Staßfurt GmbH & Co. KG[1.) 2.)]	Grünwald, Germany	100

[1.)] Entities in which the Company has a direct participating interest.

[2.)] Addition in 2020.

Due to the change in the group of consolidated companies, in particular the items non-current assets, Cash and cash equivalents and bank debt have changed significantly. The following table shows the amounts of these changes:

€'000	Consolidation-related change
Fixed assets	40,458
thereof from revaluation	13,090
Bank balances	3,790
Bank debt	22,580

5.3.3. CONSOLIDATION PRINCIPLES

For all companies included in the consolidated financial statements, the standalone financial statements' balance sheet date corresponds to the parent company's balance sheet date and thus to the consolidated financial statements' balance sheet date.

The subsidiaries' capital consolidation is performed according to the revaluation method. The value of the parent company's shares in the subsidiary is offset against the amount of equity attributable to these shares. Equity is recognized at the amount corresponding to the current market value of the assets, liabilities, prepaid expenses and deferred charges and special items to be included in the consolidated financial statements (section 301(1) HGB). Any Goodwill resulting from capital consolidation is depreciated according to schedule over 10 years.

Within the scope of debt consolidation, all loans and other receivables, provisions and liabilities existing between the companies included in the consolidated financial statements have been offset.

Differences resulting from value adjustments and discounts on Group receivables, different valuations of receivables and liabilities in foreign currencies and differences arising from provisions for intra-Group risks have been offset against each other in the income statement where appropriate.

Internal revenues and other intercompany income have been offset against the expenses attributable to them.

Intercompany profits, if any, are eliminated.

Deferred taxes were formed for the hidden reserves and hidden liabilities disclosed in the course of the initial consolidation and, respectively, on the resulting temporary differences between the recognition and valuation according to commercial law and their valuation according to tax law. These deferred taxes are recorded without effect on income at the date of initial consolidation and therefore have an impact on the resulting goodwill or negative goodwill from consolidation.

5.3.4. ACCOUNTING AND VALUATION METHODS

The financial statements of the companies included in the parent company's consolidated financial statements were prepared in accordance with uniform accounting and valuation principles pursuant to sections 297 et seq. HGB. The consolidated income statement has been prepared according to the total cost method.

The consolidated financial statements were prepared on the basis of the following accounting and valuation methods:

Acquired intangible non-current assets have been recognized at acquisition cost less scheduled straight-line depreciation over their expected useful lives of 3 years. Goodwill arising from capital consolidation is generally depreciated over 10 years in accordance with section 309(1) HGB in conjunction with section 253(3) sentence 3 HGB, provided no unscheduled depreciation to the lower attributable value is required.

Tangible non-current assets have been recognized at acquisition cost, including incidental acquisition costs, less depreciation. They are depreciated according to schedule by using the straight-line method. The depreciation period at Group level is between 20 and 30 years according to the respective asset's expected useful life.

Financial assets have been recognized at acquisition cost. Expected permanent and significant impairments in value are taken into account by means of unscheduled depreciation.

Receivables and other assets have been recognized at their nominal value. Appropriate devaluations have been made for identifiable individual risks and the general credit risk. All in all, the strict lower of cost or market principle was observed for current assets.

Liquid funds have been recognized with their nominal amount.

Prepaid expenses and deferred charges have been recognized at the amount of payments if these represent expenditure for a specific period after the balance sheet date.

Equity has been recognized at nominal value.

The difference from capital consolidation was recognized in accordance with section 301(1) HGB in conjunction with section 301(3) HGB with the difference between the parent company's valuation according to prudent commercial assessment and the share of the subsidiary's equity attributable to the parent company.

Other provisions take into account all uncertain liabilities and have been recognized at the settlement amount required pursuant to prudent commercial assessment.

Liabilities have been recognized with their settlement amount.

Receivables and liabilities in foreign currency are valued at the exchange rate on the day of the business transaction. Adverse changes in exchange rates are taken into account by translating them at the rate applicable on the balance sheet date. Exchange rate changes for receivables and liabilities with a remaining term of up to one year are taken into account by translating them at the average spot exchange rate on the balance sheet date. For receivables and payables with a remaining term of more than one year, the maximum value or acquisition cost principle was observed.

The assets and liabilities of the Group subsidiaries not reporting in Euros were valued in accordance with section 308a HGB at the

i. historical rate (equity items), and
ii. the average spot exchange rate on the balance sheet date.

The income statement's items were translated into Euros at the average exchange rate.

Any resulting translation difference was reported within consolidated equity under the item "Equity difference from currency translation".

The calculation of deferred taxes is based on temporary differences between the valuation of assets, debts and deferred charges/deferred income according to commercial law and their valuation according to tax law. The resulting tax burden/relief is valued with the company's individual tax rates at the date of the differences' elimination and is not discounted. The company exercised its option right for deferred tax assets; therefore, only deferred tax liabilities have been recognized.

5.3.5. NOTES TO THE CONSOLIDATED BALANCE SHEET

Non-current Assets

The development of the individual non-current asset items is shown in the statement of changes in non-current assets (pages 77 and 78), indicating the business year's depreciations.

Acquired concessions, industrial property and similar rights and assets and licenses in such rights and assets

Acquired concessions and licenses in the amount of €516,739 (2019: €569,883) essentially comprise licenses required for the commissioning and operation of solar and wind power plants. This item also includes licenses for purchased consolidation software at the level of Pacifico Renewables.

Goodwill

The additions during the financial year relate to the integration of Pacifico Renewables Fin GmbH. The Group's goodwill is distributed among the following entities:

€	
Pacifico Holding 1 GmbH & Co. KG	943,846
Pacifico Renewables Fin GmbH	3,738
	947,584

Property, plant and equipment

Property, plant and equipment in the amount of €93.98 million (2019: €60.51 million) include all of the Group's solar and wind parks in Pacifico Renewables' existing portfolio as of December 31, 2020.

The non-consolidation-related additions during the financial year mainly relate to the solar power plants in the Netherlands.

The consolidation-related changes of €40.46 million are due to the addition of eight solar power plants in Germany that are already in operation. The book values of the technical equipment and machinery from the individual financial statements of the subsidiaries were recognized in the balance sheet at the Group level by means of a purchase price allocation at their fair value. The revaluation as part of the purchase price allocation increases the Group's Property, plant and equipment by €13.09 million.

Financial assets

Significant additions relate to a loan with an amount of €37.20 million to recapitalize a future acquisition target in order to allow for a potential later acquisition of the wind farms in the financially most attractive way for the company. In addition to this, incidental acquisition cost of €84,529 incurred to acquire the wind park Reudelsterz-Weiler. As of the reporting date, the entity was not acquired, therefore incidental acquisition cost is reported under advance payments on financial assets.

Furthermore, financial assets include a minority interest in a civil law partnership (*Gesellschaft bürgerlichen Rechts*, "**GbR**") with €800 (2019: €800) and a limited liability company (*Gesellschaft mit beschränkter Haftung,* "**GmbH**") with €10,264 (2019: €0). The GbR is held by several companies in the Titz wind farm and serves to operate a transformer house through which the electricity is fed into the grid. The Group holds a minority interest in the GmbH which runs the infrastructure, in particular the transformer station for PV-Park Köthen.

Current assets

Trade Receivables

Trade Receivables with an amount of €1.37 million (2019: €1.07 million) include all outstanding receivables. The receivables mainly consist of claims against customers regarding generated energy.

Other assets

Other assets in the amount of €1.92 million (2019: €2.46 million) mainly comprise tax claims against the individual tax authorities with €1.31 million (2019: €1.80 million).

Cash and cash equivalents

All Cash and cash equivalents within the Group amount to €14.86 million (2019: €11.77 million). This includes an amount of €5.19 million (2019: €3.83 million) which is subject to restrictions on disposal.

Prepaid expenses

Prepaid expenses in the amount of €5.34 million (2019: €5.63 million) mainly consist of accruals for leasing liabilities for the plants in the Czech Republic together with rent and lease advance payments, which are released to income over the useful lives of the plants as well as advance payments for Directors & Officers insurance.

Equity

Pacifico Renewables' subscribed capital increased by €2.17 million in 2020 through two capital increases in March and December and amounts to €3.31 million (2019: €1.14 million) as of December 31, 2020. The subscribed capital is divided into 3,309,766 (2019: 1,135,000) bearer shares with a notional value of €1.00 per share. Correspondingly, the capital reserve increased through the premium by €56.05 million to €79.62 million (2019: €23.57 million).

By resolution of the Extraordinary General Meeting on October 16, 2019, the Management Board was authorized, with the Supervisory Board's approval, to increase the Company's subscribed capital one or several times until October 15, 2024, by issuing up to 567,500 new no-par value bearer shares against cash and/or non-cash contributions (Authorized Capital 2019).

On March 16, 2020, a capital increase of up to 915,000 new no-par value bearer shares of the Company was resolved, which was successfully completed on April 28, 2020, with the issue of

795,455 new shares at an issue price of €22.00 per share. The capital increase was made against cash contribution and under exclusion of subscription rights of existing shareholders. As a result of the capital increase, the Company's capital reserves increased by €16.70 million.

By a resolution of the annual general assembly on August 26, 2020, the Management Board was authorized, with the Supervisory Board's approval, to increase the Company's subscribed capital by issuing up to 46,000,000 new no-par value bearer shares against cash. In December 2020, by means of a rights issue, 1,379,311 new shares were issued at an issue price of €29.00 (1,015,329 shares) during the subscription period and €31.00 (363,982 shares) during the subsequent private placement. The capital reserve thereby increased by €39.35 million.

As of December 31, 2020, there are no other obligations from subscription rights, convertible bonds or comparable securities.

Tax provisions

Tax provisions include all income taxes for the financial year as well as the previous years, which are expected to be paid to tax authorities. The tax provisions in an amount of €957,631 (2019: €613,153) are solely attributable to Germany.

The calculation of the tax provisions was conducted in the respective countries, in which Pacifico Renewables operates, by local tax advisors.

Other provisions

Other provisions mainly increased in the financial year due to additions to the consolidation scope as well as due to the gradual build-up of the provision for virtual share-based remuneration of the Management Board.

The provisions in the amount of €3.09 million (2019: €620,489) mainly comprise provisions for dismantling of the solar and wind parks as well as provisions for annual accounting and auditing costs.

Furthermore, other provisions include the provision for virtual share-based remuneration with long-term incentive effect to the Management Board. The provision was built up in the financial year 2020 with an amount of €842,658 (2019: €95,080), which includes the addition to the provision of €851,285 (2019: €97,539) as well as the interest income from discounting future provisions of €-8,627 (2019: €-2,459).

Liabilities

Liabilities have the following remaining terms:

€'000	Total amount	Remaining term up to 1 year	Remaining term 2 to 5 years	Remaining term more than 5 years
Bank debt[1.)]	49,932	7,580	26,839	15,513
Previous year	*26,567*	*5,402*	*15,275*	*5,890*
Trade payables	1,830	1,830	-	-
Previous year	*1,055*	*1,055*	-	-
Other liabilities	18,577	2,380	6,295	9,902
Previous year	*28,247*	*10,387*	*6,526*	*11,334*
thereof tax	522	522	-	-
Previous year	*420*	*420*	-	-
thereof subordinated loans[1.) 2.)]	10,178	793	2,830	6,555
Previous year	*18,936*	*8,951*	*3,020*	*6,965*
thereof leasing liabilities[1.)]	7,625	813	3,465	3,347
Previous year	*8,691*	*816*	*3,506*	*4,369*
Other liabilities	445	445	-	-
Previous year	*200*	*200*	-	-

[1.)] collateralized

[2.)] including accrued interest

Other liabilities include one subordinated bond from external lenders with a total value of €9.99 million (2019: €18.73 million). In the second quarter of 2020, Pacifico Renewables was able to repay two other subordinate loans on the intermediate holding level (PAC Czechia GmbH and Pac Czechia 2 GmbH), which had a total value of €8,18 million as of December 31, 2019. In addition, this position includes financial leasing liabilities reclassified within the Group.

The existing financial leases in the companies FVE Osečná s. r. o. as well as FVE Úsilné s. r. o. were classified as finance leases in the Group. Correspondingly, the plants were recorded at cost on the level HBII/III and written of over their useful lives. As a result, other liabilities increased by €7.63 million (2019: €8.70 million).

Deferred tax liabilities

Deferred tax liabilities in the amount of €5.20 million (2019: €3.23 million) reported in the consolidated balance sheet were formed by the hidden reserves in the solar and wind power plants disclosed within the scope of the initial consolidation and the resulting temporary recognition and valuation differences between the commercial and tax balance sheets. These deferred taxes are recorded with no effect on income upon initial consolidation. An average tax rate of 22.4% was applied in the Group in order to determine such deferred taxes. Deferred tax liabilities are released to the income statement over the respective asset's useful life with an effect on net income.

€	Total amount	Reversal over 1 year	Reversal over 2 to 5 years	Reversal over more than 5 years
Deferred taxes	5,197,893	443,565	1,667,558	3,086,770

5.3.6. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Revenues

The Group's revenues of €16.23 million (2019: €5.03 million) are distributed as follows among the individual countries in which Pacifico Renewables operates:

€'000	2020	2019
Germany	9,295	1,917
Czech Republic	4,990	2,156
Italy	1,654	955
Netherlands	292	-
	16,231	**5,028**

Revenues of the Group solely comprise revenues of the feed-in of electricity.

Other operating income

Other operating income in an amount of €396,135 (2019: €185,276) includes €298,964 income for insurance reimbursements to PAC Opal GmbH & Co. KG for loss of income, attributable to the wind farm Süderbrarup due to down-regulation according to sections 14, 15 EEG (so-called "Einspeisemanagement"). Furthermore, other operating income includes realized foreign exchange gains with €36.419 (2019: €120,476) and the reversal of provisions with €23,838 (2019: €758).

Cost of materials

During the reporting period, cost of materials amounted to €3.11 million (2019: €1.01 million) and is broken down into the following categories:

€'000	Germany	Czech	Italy	Netherlands	Total
Technical services	1,645	336	158	67	2,206
Previous Year	*487*	*107*	*105*	-	*699*
Land leases	385	16	8	141	550
Previous Year	*135*	*28*	*4*	-	*167*
Miscellaneous	242	44	58	8	352
Previous Year	*93*	*23*	*24*	-	*140*

Personnel expenses

Personnel expenses in an amount of €1.28 million (2019: €205,818) mainly comprise the accumulation of provisions for virtual share-based remuneration with €851,285 (2019: €97,539). Furthermore, it includes employee salaries as well as the remuneration of the Management Board.

Depreciation

Depreciation is composed as follows:

€'000	2020	2019
Depreciations of assets (standalone financial statement level)	7,247	2,587
Group adjustments to uniform useful lives	-2,352	-996
Depreciation of leased assets	474	202
Depreciation of hidden reserves and goodwill	2,529	869
Other depreciations	95	13
Total	**7,993**	**2,675**

The depreciation on technical equipment and machinery with €7,25 million (2019: €2,59 million) was adjusted on the Group level according to the Group's uniform useful lives between 20 and 30 years (€-2,35 million; 2019: €-996,336). Depreciation of €474,455 (2019: €202,345) resulting from the capitalization of leased assets in the Czech Republic is reported separately. Furthermore, the release of hidden reserves from revaluations of assets as part of the purchase price allocation and their amortization over the Group's uniform remaining useful life leads to additional depreciation in the amount of €2.53 million (2019: €869,153). Other depreciation and amortization mainly consist of the amortization of intangible assets.

Other operating expenses

Other operating expenses in an amount of €4,62 million (2019: €929,287) largely comprise the Group companies' legal and consulting fees, in particular of the holding company Pacifico Renewables Yield AG (€2.38 million; 2019: €116,667), expenses for the future dismantling of renewable energy facilities (€533,184; 2019: €38,162), bookkeeping (€333,572; 2019: €40,010), financial statement and auditing costs (€333,289; 2019: €194,257) as well as expenses from currency translation (€12,524; 2019: €74,651).

The extraordinary high legal and consulting fees of the holding company mainly result from advisory fees regarding the capital increases.

Interest and similar expenses

Interest and similar expenses in an amount of €3.07 million (2019: €1.56 million) mainly comprise interest for debt with €3.03 million (2019: €1.33 million). Thereof, €245,743 (2019: €111,528) are attributable to the fictious interest payment related to the capitalization of the plants FVE Úsilné S. r. o. and FVE Osečná S. r. o. and the recognition of a leasing liability within the Group. Furthermore, the position includes interest expenses of the discounting of provisions with €39,378 (2019: €700).

Income taxes

Expenses for income taxes in an amount of €326,374 (2019: €547,829) include all paid and payable taxes for the financial year. The calculation of the payable taxes was done in the respective countries, in which Pacifico Renewables is operating, by local tax advisors.

5.3.7. OTHER MANDATORY DISCLOSURES

Contingent liabilities and other financial obligation

€'000		Total amount	Remaining term up to 1 year	Remaining term 2 to 5 years	Remaining term more than 5 years
Maintenance and operation management contracts		5,731	1,176	3,653	902
	Previous year	*4,220*	*875*	*2,845*	*500*
Land lease agreements		5,846	514	2,023	3,309
	Previous year	*2,235*	*201*	*790*	*1,244*
Asset stewardship fee (ASF)		3,695	895	2,801	-
	Previous year	*1,685*	*337*	*1,348*	-
Commercial asset management agreement (CAMA)		1,299	275	1,024	-
	Previous year	*835*	*167*	*668*	-
		16,571	**2,860**	**9,501**	**4,211**
	Previous year	*8,975*	*1,580*	*5,651*	*1,744*

In addition, further financial obligations in an amount of €12.33 million with a remaining term of up to 1 year exist as of December 31, 2020. Inter alia, these include financial obligations subject to conditions precedent arising from a purchase agreement that were settled after the reporting date.

Auditor’s fee

The auditor's total fee of €150,000 (2019: €109,200) calculated for the financial year includes Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft’s services for the audit of the financial statements.

Employees

As of December 31, 2020, the Group employed, besides the two Management Board members, two permanent full-time employees. On average, in the financial year the Group employed two employees (2019: one employee).

Management

As of December 31, 2020, the Management Board comprised:

Dr. Martin Siddiqui, Management Board Member

Formerly Associate with J.P. Morgan in the Corporate & Investment Banking division. Studied economics (Diploma) at the University of Mannheim and doctorate (Dr. rer. pol.) at Zeppelin University.

Christoph Strasser, Management Board Member

Formerly Associate with J.P. Morgan in the Corporate & Investment Banking division. Bachelor of Business Administration at the University of Mannheim and Master of Management double degree from the University of Mannheim and ESSEC Business School.

For the 2020 financial year, the Management Board members' remuneration amounted to €226,666, consisting of an annual fixed salary paid in 12 monthly instalments.

The following table provides an overview of the payments and benefits granted by Pacifico Renewables Yield AG to the Management Board members.

€	Fixed salary	Total salary
Dr. Martin Siddiqui	113,333	538,975
Previous year	*25,000**	*75,000*
Christoph Strasser	113,333	538,975
Previous year	*25,000**	*75,000*
Total	**226,666**	**1,077,950**
Previous year	*50,000*	*150,000*

* Pro rata remuneration from October 1, 2019, through December 31, 2019.

In addition to the annual fixed remuneration, provisions in the amount of € 851,285 were formed for virtual share-based remuneration with a long-term incentive effect, of which €92k are allocated to the further buildup of provisions, which were already built in 2019. The distribution among the Management Board members is as followed:

Dr. Martin Siddiqui €425,643

Christoph Strasser €425,643

Both Management Board members were each granted 46,511 virtual shares, which can be converted by the holders into a payment claim based on the Pacifico Renewable Yield AG's current share price. In total, the virtual stocks will be vested with a cliff of 25% after 15 months on a straight-line basis over a period of five years from October 2019. Up to 50% of the virtual shares already vested may be requested to be converted for the first time as of the third year. In the event of a dividend distribution, the holders of the virtual shares will receive a payment for each virtual share corresponding to the dividend per share.

Supervisory Board

During financial year 2020 the Supervisory Board comprised:

David Neuhoff, Chairman of the Supervisory Board

CEO of Linus Digital Finance AG, an investment company that offers investors access to selected "off-market" real estate investments.

Dr. Bettina Mittermeier, Deputy Chairman of the Supervisory Board

Senior Legal Counsel at a listed, internationally operating financial services company (DAX 30) with specialization in corporate law and governance.

Ulf Oesterlin, Supervisory Board member (until March 16, 2020)

Managing Director at Pacifico Energy Partners, a development and consulting company in the field of renewable energies.

Verena Mohaupt, Supervisory Board member (as of March 16, 2020)

Partner at Findos Investor GmbH, a medium-sized private equity fund and member of the Supervisory Board of home24.

Dr. Eva Kreibohm, Supervisory Board member (as of August 26, 2020)

Attorney with focus on state, administration and public companies as well as notary public in Berlin.

Dr. Michael Menz, Supervisory Board member (as of August 26, 2020)

Chief Administrative Officer at GROPYUS AG since 2020 and prior to that General Counsel of Zalando SE.

Florian Seubert, Supervisory Board member (as of August 26, 2020)

Partner and Founder of Maxburg Capital Partners, Munich and from 1999 to 2003 Founder and Chief Financial Officer of zooplus AG.

The following table provides an overview of the payments and benefits granted by Pacifico Renewables Yield AG to the Supervisory Board members.

€	Supervisory Board remuneration	Other payments	Total
David Neuhoff	12,000	-	12,000
Previous year	*4,110**	-	*4,110*
Dr. Bettina Mittermeier	6,000	-	6,000
Previous year	*2,055**	-	*2,055*
Ulf Oesterlin	1,246	-	1,246
Previous year	*2,055**	-	*2,055*
Verena Mohaupt	4,754	-	4,754
Previous year	-	-	-
Dr. Eva Kreibohm	2,082	-	2,082
Previous year	-	-	-
Dr. Michael Menz	2,082	*91*	2,173
Previous year	-	-	-
Florian Seubert	2,082	-	2,082
Total	**30,246**	**-**	**30,337**
Previous year	*8,220*	-	*8,220*

*Pro rata compensation from August 28, 2019, through December 31, 2019.

Proposed appropriation of profits

The Management Board suggests carrying forward the result to new account.

Disclosure requirements pursuant to section 20 AktG (German Stock Corporation Act)

Written notification in accordance with section 20(6) AktG, dated August 25, 2020:

Pelion Green Future Alpha GmbH (formerly Pelion Alpha GmbH), Schönefeld, has notified us of its change of name and that it continues to hold directly more than one fourth of the shares in our company pursuant to Section 20 (1) and (3) AktG and directly a majority shareholding in our company pursuant to Section 20 (4) AktG.

Furthermore, we have been informed with regard to the following legal entities and natural persons that:

1) Pelion Green Future GmbH, Schönefeld, continues to indirectly hold more than one-fourth of the shares in our company (Section 20 (1) and (3) AktG) and indirectly holds a majority interest in our company (Section 20 (4) AktG) by virtue of attribution pursuant to Section 16 (4) AktG, whereby these attributions are conveyed by shares held directly by Pelion Green Future Alpha GmbH,

2) Felicis Holding GmbH, Munich, continues to indirectly hold more than one fourth of the shares (Section 20 (1) and (3) AktG) and indirectly holds a majority interest in our company (Section 20 (4) AktG) by virtue of attribution in accordance with Section 16 (4) AktG, whereby these attributions are conveyed by shares held directly by Pelion Green Future Alpha GmbH,

and 3) Mr. Alexander Samwer, c/o Arvantis Group, Karlstraße 14, 80333 Munich, by virtue of attribution pursuant to Section 16 (4) AktG, continues to indirectly hold more than one fourth of the shares (Section 20 (1) AktG) and indirectly holds a majority stake in our Company (Section 20 (4) AktG), whereby these attributions are conveyed by shares held directly by Pelion Green Future Alpha GmbH.

5.4. DEVELOPMENT OF NON-CURRENT ASSETS

€	Acquisition and manufacturing costs 1/1/2020	Additions	Currency translation differences	Consolidation-related changes	12/31/2020
I. Intangible assets					
1. Acquired concessions industrial property and similar rights and assets and licenses in such rights and assets	662,938	6,636	-9,597	-	659,977
2. Goodwill	1,201,105	3,901	-	74,667	1,279,673
Total intangible assets	**1,864,043**	**10,537**	**-9,597**	**74,667**	**1,939,650**
II. Property, plant and equipment					
1. Land, similar rights and buildings including buildings on leasehold land	857,003	-	-17,615	1,232,589	2,071,977
2. Technical equipment and machinery	88,836,906	1,388,108	-552,869	62,309,916	151,982,061
3. Other equipment, factory and office equipment	13,265	13,627	-	-	26,892
Total property, plant and equipment	**89,707,174**	**1,401,735**	**-570,484**	**63,542,505**	**154,080,930**
III. Financial assets					
1. Investments	800	10,264	-	-	11,064
2. Other loans	-	37,200,000	-	-	37,200,000
3. Advance payments on financial assets	-	84,529	-	-	84,529
Total financial assets	**800**	**37,294,793**	**-**	**-**	**37,295,593**
Total non-current assets	**91,572,017**	**38,707,065**	**-580,081**	**63,617,172**	**193,316,173**

€	Accumulated depreciation 1/1/2020	Depreciation during the fiscal year	Consolidation-related changes	12/31/2020
I. Intangible assets				
1. Acquired concessions industrial property and similar rights and assets and licenses in such rights and assets	93,055	50,183	-	143,238
2. Goodwill	134,254	197,835	-	332,089
Total intangible assets	**227,309**	**248,018**	**-**	**475,327**
II. Property, plant and equipment				
1. Land, similar rights and buildings including buildings on leasehold land	62,004	38,634	160,369	261,007
2. Technical equipment and machinery	29,131,678	7,699,359	22,998,366	59,829,403
3. Other equipment, factory and office equipment	1,402	7,053	-	8,455
Total Property, plant and equipment	**29,195,084**	**7,745,046**	**23,158,735**	**60,098,865**
III. Financial assets				
1. Investments	-	-	-	-
2. Other loans	-	-	-	-
3. Advance payments on financial assets	-	-	-	-
Total financial assets	**-**	**-**	**-**	**-**
Total non-current assets	**29,422,393**	**7,993,064**	**23,158,735**	**60,574,192**

€	Book values 12/31/2020	12/31/2019
I. Intangible assets		
1. Acquired concessions industrial property and similar rights and assets and licenses in such rights and assets	516,739	569,883
2. Goodwill	947,584	1,066,851
Total intangible assets	**1,464,323**	**1,636,734**
II. Property, plant and equipment		
1. Land, similar rights and buildings including buildings on leasehold land	1,810,970	794,999
2. Technical equipment and machinery	92,152,658	59,705,228
3. Other equipment, factory and office equipment	18,437	11,862
Total Property, plant and equipment	**93,982,065**	**60,512,089**
III. Financial assets		
1. Investments	11,064	800
2. Other loans	37,200,000	-
3. Advance payments on financial assets	84,529	-
Total financial assets	**37,295,593**	**800**
Total non-current assets	**132,741,981**	**62,149,623**

5.5. STATEMENT OF CHANGES IN EQUITY

€	Parent company's equity		
		Reserves	
	Subscribed capital	Capital reserves	Total
As of January 01, 2020	**1,135,000**	**23,565,000**	**23,565,000**
Increase / decrease of capital shares	2,174,766	-	-
Allocation to / withdrawal from reserves	-	56,053,227	56,053,227
Currency translation	-	-	-
Change in the group of consolidated companies	-	-	-
Consolidated net loss	-	-	-
As of December 31, 2020	**3,309,766**	**79,618,227**	**79,618,227**

€	Parent company's equity				Group equity
	Equity difference from currency translation	Profit/loss carryforward	Consolidated net profit/loss	Total	Total
As of January 01, 2020	**-113,995**	**-1,844,133**		**22,741,872**	**22,741,872**
Increase / decrease of capital shares	-	-	-	2,174,766	2,174,766
Allocation to / withdrawal from reserves	-	-	-	56,053,227	56,053,227
Currency translation	-566,582	-	-	-566,582	-566,582
Change in the group of consolidated companies	-	-	-	-	-
Consolidated net loss	-	-	-3,769,737	-3,769,737	-3,769,737
As of December 31, 2020	**-680,577**	**-1,844,133**	**-3,769,737**	**76,633,546**	**76,633,546**

5.6. CASH FLOW STATEMENT

€			2020	2019
1.		Consolidated net income / loss	-3,769,737	-1,715,353
2.	+	Depreciation of non-current asset items	7,993,064	2,675,198
3.	+	Increase in provisions	1,687,252	59,289
4.	+/-	Other non-cash expenses / income	-7,600	-161,320
5.	+	Decrease in inventories, trade receivables and other assets not allocated to investment or financing activities	863,139	1,191,791
6.	+	Increase in trade payables and other liabilities not attributable to investment or financing activities	630,411	-264,127
7.	+/-	Profit / Loss from the disposal of non-current assets	-	-209,384
8.	+/-	Interest expenses / interest income	3,052,638	1,560,348
9.	+/-	Income tax expenses / income	326,374	683,464
10.	+/-	Income tax payments	-154,335	-36,442
11.	**=**	**Cashflow from operating activities**	**10,621,206**	**3,783,464**
12.	-	Payments made for investments in intangible assets	-10,537	-57,928
13.	-	Payments made for investments in property, plant and equipment	-1,401,735	-2,866,264
14.	-	Payments made for investments in financial assets	-37,294,793	-
15.	+	Proceeds from disposals from the consolidated group	-	2,647,808
16.	-	Payments for additions to the consolidated group	-18,810,939	-20,848,970
17.	+	Interest received	36,224	-
18.	**=**	**Cashflow from investment activities**	**-57,481,780**	**-21,125,354**
19.		Proceeds from equity contributions from shareholders of the parent company	58,227,993	14,115,000
20.	+	Proceeds from issuance of bonds and borrowings	8,242,806	27,380,250
21.	-	Payments for the redemption of bonds and loans	-16,830,303	-20,404,448
22.	-	Interest paid	-3,032,414	-1,354,146
23.	**=**	**Cashflow from financing activities**	**46,608,081**	**19,736,656**
24.		Changes in cash and cash equivalents	-252,493	2,394,766
25.	+/-	Changes in cash and cash equivalents due to exchange rate and valuation	-447,636	-
26.	+/-	Changes in cash and cash equivalents due to consolidation	3,789,658	7,833,596
27.	+	Cash and cash equivalents at the beginning of the period	11,767,154	1,538,792
28.	**=**	**Cash and cash equivalents at the end of the period**	**14,856,683**	**11,767,154**

6. INDEPENDENT AUDITOR'S REPORT

To the Pacifico Renewables Yield AG, Grünwald

Audit Opinions

We have audited the consolidated financial statements of Pacifico Renewables Yield AG, and its subsidiaries, which comprise the consolidated balance sheet as at December 31, 2020, and the consolidated statement of profit and loss for the financial year from January 1 to December 31, and notes to the consolidated statements, including the recognition and measurement policies presented therein. In addition, we have audited the group management report of Pacifico Renewables Yield AG for the financial year from January 1, 2020 to December 31, 2020.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2020 and of its financial performance for the financial year from January 1, 2020 to December 31, 2020 in compliance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the Group in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the Preface of the Management Board, Report of the Supervisory Board but not the consolidated financial statements, audited group management report and our associated auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the group management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Group.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit

evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Munich, June 11, 2021

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
(Dusseldorf)

Abel	Merget
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)