

Pacifico Renewables Yield AG signs 14.1 MW solar park acquisition in the Netherlands and prolongs strategic partnership

- **Fast-paced growth continues – 89.1 MW to be acquired year-to-date**
- **Sizeable solar park acquisition in the Netherlands with long-term public support mechanism**
- **Acquisition financed through reinvested cash flows and revolving credit facility**
- **EU taxonomy alignment assessment conducted**
- **Strategic partnership refined and prolonged**

Gruenwald, October 14, 2021 – Today, Pacifico Renewables Yield AG (ISIN: DE000A2YN371) (the “Company”), an independent producer of electricity from renewable sources, signed a purchase agreement to acquire a solar park near Hernen in the Netherlands with an expected installed capacity of approximately 14.1 MW. The ground-mounted solar park was developed by the Company’s strategic partner, Pacifico Energy Partners GmbH (“Pacifico Partners”). Both parties also agreed to refine and prolong their partnership.

Purchase agreement for 14.1 MW solar park in the Netherlands signed

The solar park is currently under construction and expected to be completed in the first quarter of 2022. The project will benefit from a public support mechanism (SDE+) with a duration of 15 years and has land rights secured for at least 30 years. Once fully operational, the annual electricity production of the plant with an east-west facing module layout is expected to be approximately 12.9 GWh which would result in subsidy-backed revenues of approximately €1.1 million p.a. over the next years.

Christoph Strasser, Co-CEO: “With our fourth transaction this year we continue to execute our ambitious growth plans and demonstrate yet again the advantages of our approach: Our partnerships with project developers grant us priority access to newly developed high-quality assets and ensure a steady pipeline of attractive opportunities to grow our portfolio further.”

The parties agreed on an enterprise value of approximately €14.5 million, including competitive senior project financing. At this valuation, the acquisition yields an estimated levered equity IRR of approximately 5%.¹ A Dutch renewable energy advisory firm acted as fairness opinion provider to the Company’s supervisory board.

¹ This estimation is based on an enterprise value of approximately €14.5 million and certain assumptions related to, i.e. production, power price, inflation, operational expenditure, key tax items, asset lifetime, interest rate and electricity marketing split. However, investors should not rely on this internal estimation as it may turn out to be inaccurate, e.g. due to inaccurate modelling, inaccurate assumptions or subsequent changes to assumptions.

As part of the Company's due diligence, the alignment of the project with the technical screening criteria, do no significant harm criteria and minimum social safeguards of the EU taxonomy² was assessed internally on a best-efforts basis. The Company's internal assessment concluded that the project aligns with the EU taxonomy.

The sale and purchase agreement is subject to customary closing conditions. Closing is expected to take place in a timely manner and will be financed through reinvested cash flows from the Company's operating portfolio and its revolving credit facility.

In addition to this project, the Company continues to work on building out its operational footprint in the Netherlands to further add stable and predictable cash flows to the overall portfolio.

Strategic Partnership prolonged

In parallel to this acquisition, the management board of the Company and the management team of Pacifico Partners have agreed to refine and prolong their partnership by amending and prolonging until 2029 the asset management and right of first offer agreements. The scope of the asset management contracts was refined to provide for a modular framework. This modular framework affords the Company additional flexibility in pursuing its strategy of becoming a platform to the capital market for a multitude of project developers.

Dr. Martin Siddiqui, Co-CEO, summarizes the refined partnership: "Our relationship with Pacifico Partners is a proven success story which benefits both parties mutually. It acted as a key foundation of our rapid growth during the last two years and remains a strategic cornerstone for further growth. The acquisition of the Dutch solar park serves as an illustrative example for the benefits of this relationship. Partnerships provide us with the unique opportunity to avoid development risks whilst being able to have high visibility on growth opportunities. We are pleased to have prolonged our strategic partnership and we are looking forward to growing our portfolio further on the back of this."

As part of the amended contractual framework, the parties developed a tailored approach to realize the repowering potential of the Company's older wind parks in Germany. Onshore wind repowering projects in Germany face a risk profile almost identical to other development projects, which is neither in line with the Company's strategic focus nor its risk appetite. As up to 22.5 MW of the Company's portfolio could be candidates for repowering measures in the foreseeable future, the Company signed agreements to grant Pacifico Partners the option to acquire the respective wind parks in Germany. Under these agreements, a predefined mechanism will be used to determine the value of continued operations after the expiration of the public support mechanism. This ensures an early commencement and higher expected success rate of the repowering projects while giving the Company priority access to repurchase the projects once successfully repowered via the right of first offer agreement.

² Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. The technical screening criteria are laid out in the technical annex to the respective EU Taxonomy report.

About Pacifico Renewables Yield AG

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

Disclaimer

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