Pacifico Renewables Yield AG: Landmark acquisition of 51.8 MW onshore wind project in Poland signed

- **Acquisition of newly built 51.8 MW onshore wind project in Poland**
- **Long-term and inflation-linked public support mechanism**
- **Upside potential from currently high electricity prices**
- **EU taxonomy alignment assessment conducted**

Gruenwald, October 11, 2021 – Today, Pacifico Renewables Yield AG (ISIN: DE000A2YN371) (the "Company"), an independent producer of electricity from renewable sources, signed a purchase agreement to acquire three onshore wind parks located in northern Poland with a total capacity of 51.8 MW.

Landmark transaction is a key milestone to reach 400 MW target

This acquisition represents the Company's third transaction in 2021 and demonstrates its ability to deliver on its growth trajectory. Once the transaction closes, the Company's portfolio growth will amount to 75 MW year-to-date. The three wind parks were developed by the Company's strategic partner, Pacifico Energy Partners GmbH, and comprise a total of 20 wind turbines which all started generating electricity by the end of the first half of 2021. Prior to signing the purchase agreement today, the Company had secured the assets during construction by refinancing existing subordinated debt of the target company in December 2020.

Christoph Strasser, **Co-CEO:** "This landmark acquisition is an important step towards our goal to grow our portfolio to 400 MW by 2023. It furthermore demonstrates our ability to acquire attractive assets from our network of partnerships with project developers in a tailored transaction."

Based on a cash-free enterprise value of approximately €104 million, an expected levered equity IRR of approximately 7% was estimated[1], including senior project financing of PLN 225 million (approximately €49 million).[2] Interest rates for the full debt repayment profile of the senior term loans are hedged through interest rate derivatives.

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[1] This estimation is based on certain assumptions related to, i.e. production, power price, exchange rates, 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.
[2] Using an exchange rate of 4.63 PLN per EUR as of 30st September 2021, as published by the Polish central bank (Narodowy Bank Polski).

Attractive remuneration profile through electricity price exposure and inflation link

The wind parks are expected to produce approximately 191 GWh of green electricity per year which will be marketed through a combination of a 15-year inflation-linked public support mechanism ("CfD"), three-year fixed price power purchase agreements ("PPA") and electricity sales on the market. Through the project's exposure to merchant prices, the wind parks will be able to benefit from the current high level of electricity prices as all of the electricity production in 2021 and a significant share during the fixed-price PPA and the CfD-period is expected to be sold at merchant prices on the electricity market. Through the locked-box mechanism of the transaction, the Company will benefit from high electricity prices for the full year 2021. Once successfully closed before year-end, continuing strong merchant revenues in the fourth quarter would be reflected in the Company's 2021 financials through the consolidation of the corresponding revenues. Furthermore, all CfD revenues of the project will be inflation-linked. As a consequence, it is expected that almost one third of the Company's group revenues will be inflation-linked during the CfD-period.[3]

Dr. Martin Siddiqui, **Co-CEO**: "This acquisition is not only about growth, but also shows our commitment to grow our portfolio with assets that add to the geographical diversification of our portfolio, benefit from contracted revenues but also provide additional upside. For instance, this project on the one hand benefits from a contracted revenue base and hedged interest rates and on the other hand provides upside potential from an inflation-link and merchant price exposure."

As part of the Company's due diligence, the alignment of the projects with the technical screening criteria, do no significant harm criteria and minimum social safeguards of the EU taxonomy[4] 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 and successful financing. Part of the purchase price is deferred until certain land rights have been successfully extended to cover the full technical lifetime.

[3] Adding this acquisition to the Company's current operating portfolio without assuming further acquisitions.
[4] 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.

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