

**Prospectus dated November 13, 2020**



**EU Growth Prospectus  
for the public offering**

in Germany

of

1,579,455 new ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*)

from a capital increase against contribution in cash with subscription rights for existing shareholders resolved by the ordinary shareholders' meeting (*Hauptversammlung*) on August 26, 2020

— each such share representing a notional value of EUR 1.00  
and full dividend rights from January 1, 2020 —

of

**Pacifico Renewables Yield AG**

Grünwald, Germany

**Subscription Price: EUR 29.00**

International Securities Identification Number (ISIN): DE000A2YN371

German Securities Code (*Wertpapierkennnummer* (WKN)): A2YN37

Trading Symbol: PRY

*Joint Global Coordinators and Joint Bookrunners*

**Stifel**

**M.M.Warburg & CO**

**Warning regarding the validity of this EU Growth Prospectus**

The validity of this EU Growth Prospectus will expire upon closing of the subscription period which is currently scheduled for the end of November 30, 2020. The obligation to supplement this EU Growth Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this EU Growth Prospectus is no longer valid.

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## TABLE OF CONTENTS

|                                                                                                              | <u>Page</u> |
|--------------------------------------------------------------------------------------------------------------|-------------|
| <b>I. PROSPECTUS SUMMARY .....</b>                                                                           | <b>S-1</b>  |
| 1. – Introduction .....                                                                                      | S-1         |
| 2. – Key Information on the Issuer .....                                                                     | S-1         |
| 3. – Key Information on the Securities .....                                                                 | S-4         |
| 4. – Key Information on the Offer of Securities to the Public .....                                          | S-5         |
| <b>II. PROSPEKTZUSAMMENFASSUNG .....</b>                                                                     | <b>S-7</b>  |
| 1. – Einführung .....                                                                                        | S-7         |
| 2. – Basisinformationen über den Emittenten .....                                                            | S-7         |
| 3. – Basisinformationen über die Wertpapiere .....                                                           | S-10        |
| 4. – Basisinformationen über das öffentliche Angebot von Wertpapieren .....                                  | S-11        |
| <b>1 PERSONS RESPONSIBLE, THIRD PARTY INFORMATION AND COMPETENT AUTHORITY APPROVAL .....</b>                 | <b>1</b>    |
| 1.1 Responsibility Statement .....                                                                           | 1           |
| 1.2 Purpose of this Prospectus .....                                                                         | 1           |
| 1.3 Competent Supervisory Authority .....                                                                    | 1           |
| 1.4 Sources of Market Data and Third-Party Information .....                                                 | 2           |
| 1.5 Forward-Looking Statements .....                                                                         | 6           |
| 1.6 Additional Information .....                                                                             | 7           |
| 1.7 Interests of Persons involved in the Offering .....                                                      | 8           |
| 1.8 Reasons for the Offering, Use of Proceeds and Expenses of the Offering .....                             | 9           |
| <b>2 GENERAL INFORMATION ON THE COMPANY AND BUSINESS OVERVIEW .....</b>                                      | <b>10</b>   |
| 2.1 Information about the Company .....                                                                      | 10          |
| 2.2 Business Overview .....                                                                                  | 10          |
| <b>3 WORKING CAPITAL STATEMENT.....</b>                                                                      | <b>62</b>   |
| <b>4 RISK FACTORS .....</b>                                                                                  | <b>63</b>   |
| 4.1 Risks Relating to the Limited History of the Company .....                                               | 63          |
| 4.2 Risks Relating to the Company’s Business Structure .....                                                 | 64          |
| 4.3 Risks Relating to the Operation of Pacifico’s Plants .....                                               | 70          |
| 4.4 Risks Relating to the Markets in which the Company Operates .....                                        | 74          |
| 4.5 Risks Relating to Legal and Regulatory Issues .....                                                      | 77          |
| 4.6 Risks Relating to the Financial Information and the Revenue Forecasts Contained in this Prospectus ..... | 79          |
| 4.7 Risks Relating to the Shares of the Company and the Offering .....                                       | 80          |
| <b>5 TERMS AND CONDITIONS OF THE SHARES .....</b>                                                            | <b>83</b>   |
| 5.1 Information on the Shares .....                                                                          | 83          |
| 5.2 Rights attached to the New Shares .....                                                                  | 83          |
| 5.3 Creation of New Shares .....                                                                             | 85          |
| 5.4 Transferability .....                                                                                    | 85          |
| 5.5 Tax Warning .....                                                                                        | 85          |
| 5.6 Notice to Distributors .....                                                                             | 85          |
| 5.7 Information about the Offerors .....                                                                     | 86          |

|           |                                                                                                         |            |
|-----------|---------------------------------------------------------------------------------------------------------|------------|
| 5.8       | Takeover and Squeeze-Out Proceedings.....                                                               | 86         |
| <b>6</b>  | <b>DETAILS OF THE OFFERING.....</b>                                                                     | <b>88</b>  |
| 6.1       | Subject Matter of the Offering .....                                                                    | 88         |
| 6.2       | Expected Timetable for the Offering .....                                                               | 88         |
| 6.3       | Subscription Offer.....                                                                                 | 89         |
| 6.4       | Subscription Rights Not Exercised and Transferability .....                                             | 92         |
| 6.5       | Management / Shareholder Participation in the Offering .....                                            | 92         |
| 6.6       | Underwriting Agreement .....                                                                            | 92         |
| 6.7       | Lock-up Agreement .....                                                                                 | 93         |
| 6.8       | Dilution .....                                                                                          | 93         |
| 6.9       | Additional Selling Restrictions .....                                                                   | 93         |
| 6.10      | Paying Agent, Depository Agent, Designated Sponsor.....                                                 | 94         |
| <b>7</b>  | <b>CORPORATE GOVERNANCE.....</b>                                                                        | <b>96</b>  |
| 7.1       | Overview.....                                                                                           | 96         |
| 7.2       | Management Board.....                                                                                   | 96         |
| 7.3       | Supervisory Board .....                                                                                 | 98         |
| 7.4       | Certain Information Regarding Members of the Management Board and the Supervisory Board .....           | 101        |
| <b>8</b>  | <b>FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS.....</b>                                        | <b>102</b> |
| 8.1       | Historical Financial Information.....                                                                   | 102        |
| 8.2       | Key Performance Indicators.....                                                                         | 162        |
| 8.3       | Significant Change in the Company’s Financial Position.....                                             | 163        |
| 8.4       | Dividend Policy and Dividends per Share .....                                                           | 163        |
| <b>9</b>  | <b>SHAREHOLDER AND SECURITY HOLDER INFORMATION .....</b>                                                | <b>164</b> |
| 9.1       | Current Major Shareholders; Notifiable / Controlling Interest; Voting Rights .....                      | 164        |
| 9.2       | Legal and Arbitration Proceedings .....                                                                 | 164        |
| 9.3       | Administrative, Management and Supervisory Bodies’ and Senior Management’s Conflicts of Interests ..... | 164        |
| 9.4       | Certain Relationships and Related-Party Transactions .....                                              | 164        |
| 9.5       | Share Capital of the Company and Applicable Regulations .....                                           | 167        |
| 9.6       | Articles of Association.....                                                                            | 168        |
| 9.7       | Material Contracts.....                                                                                 | 169        |
| <b>10</b> | <b>DOCUMENTS AVAILABLE FOR INSPECTION .....</b>                                                         | <b>172</b> |
| <b>11</b> | <b>GLOSSARY .....</b>                                                                                   | <b>173</b> |

## I. PROSPECTUS SUMMARY

### 1. – Introduction

#### 1.1 – Name and international securities identification number (‘ISIN’) of the securities.

This EU Growth prospectus relates to ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) of Pacifico Renewables Yield AG, Grünwald, Germany (the “**Company**” and, together with its existing and future subsidiaries, the “**Pacifico Group**” or “**Pacifico**”), each such share having the ISIN DE000A2YN371 (each share of the Company, a “**Share**”).

#### 1.2 – Identity and contact details of the issuer, including its legal entity identifier (‘LEI’).

The issuer is Pacifico Renewables Yield AG. The registered office and business address is Bavariafilmplatz 7, Gebäude 49, 82031 Grünwald, Federal Republic of Germany (“**Germany**”), telephone +49 89 6498 1161, website: www.pacifico-renewables.com, LEI 529900Y3K1U2XX4HGM05.

#### 1.3 – Identity and contact details of the competent authority that approved the prospectus

The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany (telephone +49 228 4108-0, website: www.bafin.de) approved this EU Growth prospectus as competent authority under Regulation (EU) 2017/1129.

#### 1.4 – Date of approval of the EU Growth prospectus: November 13, 2020.

#### 1.5 – Warnings

The issuer states that (a) the summary should be read as an introduction to the EU Growth prospectus and that any decision to invest in the securities should be based on a consideration of the EU Growth prospectus as a whole by the investor; (b) the investor could lose all or part of the invested capital; (c) where a claim relating to the information contained in an EU Growth prospectus is brought before a court, the plaintiff investor may, under the national law of the Member States, have to bear the costs of translating the EU Growth prospectus before the legal proceedings are initiated; (d) civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the EU Growth prospectus, or where it does not provide, when read together with the other parts of the EU Growth prospectus, key information in order to aid investors when considering whether to invest in such securities.

### 2. – Key Information on the Issuer

#### 2.1 – Who is the issuer of the securities?

**Legal form of the Issuer, Applicable Laws and Country of Incorporation** – The Company is a German stock corporation (*Aktiengesellschaft*), incorporated in Germany and operating under the laws of Germany. It has its registered seat in Grünwald, Germany, and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, under docket number HRB 251232.

**Principal Activities** – The Company is an independent power producer who aims at creating a gradually growing portfolio of power generating assets from renewable energy sources. It offers a clear and diversified profile with stable and predictable cash flows from its operating onshore wind and photovoltaic plants. As of the date of this EU Growth prospectus, its portfolio comprises a total capacity of 81.0 MW located across four EU Member States (Germany, the Czech Republic, Italy and the Netherlands). To pursue its portfolio growth strategy, the Company focuses on the acquisition and operation of small- and medium-sized operational or close-to-operational renewable energy plants, thereby avoiding development risks, and has priority access to a pipeline of more than 600 MW until 2023.

**Controlling Shareholder(s)** – Based on the latest notifications received by the Company (most recently on October 21, 2020), Pelion Green Future Alpha GmbH, Schoenefeld, Germany, holding 71.7% of the Company’s Shares, is the only shareholder directly holding a notifiable interest in the Company’s share capital and voting rights within the meaning of section 20 AktG. Pelion Green Future Alpha GmbH also controls the Company. Pelion Green Future Alpha GmbH is a wholly-owned subsidiary and thus controlled by Pelion Green Future GmbH, formerly Pelion Capital GmbH, Schoenefeld, Germany, (“**Pelion**”), which also controls Pacifico Energy Partners GmbH, Munich, Germany (“**Pacifico Partners**”), holding 4.7% of the Company’s Shares, via a majority interest in the shares of Pacifico Partners. Pelion in turn is controlled by Felicis Holding GmbH, Munich, Germany, and by Alexander Samwer, Munich, Germany, who also controls Felicis Holding GmbH. These legal and natural persons directly or indirectly controlling Pelion Green Future Alpha GmbH also indirectly control the Company.

**Name of the Chief Executive Officer (or equivalent)** – The members of the Company’s management board (the “**Management Board**”) are Dr. Martin Siddiqui and Christoph Strasser.

## 2.2 – What is the key financial information regarding the issuer?

The financial information contained in the following tables is taken or derived from the audited consolidated financial statements of the Company as of and for the short financial year ended December 31, 2018 and the financial year ended December 31, 2019, the unaudited condensed consolidated interim financial information of the Company as of and for the six-month period ended June 30, 2020, and the Company's accounting records or internal reporting system.

### *Selected Information from the Consolidated Income Statement*

|                         | For the six-month period ended |                                 |                  | For the financial year ended December 31, |       |
|-------------------------|--------------------------------|---------------------------------|------------------|-------------------------------------------|-------|
|                         | June 30,<br>2020               | December 31,<br>2019            | June 30,<br>2019 | 2019                                      | 2018  |
|                         |                                | (unaudited)<br>(in EUR million) |                  | (audited)<br>(in EUR million)             |       |
| Revenue .....           | 9.0                            | 4.9                             | 0.2              | 5.0                                       | 0.0   |
| Net income / loss ..... | 0.3                            | (1.6)                           | (0.1)            | (1.7)                                     | (0.2) |

### *Selected Information from the Consolidated Statement of Financial Position*

|                    | As of<br>June 30,               | As of<br>December 31,         |                               |
|--------------------|---------------------------------|-------------------------------|-------------------------------|
|                    | 2020                            | 2019                          | 2018                          |
|                    | (unaudited)<br>(in EUR million) | (audited)<br>(in EUR million) | (audited)<br>(in EUR million) |
| Total assets ..... | 120.5                           | 83.1                          | 3.2                           |
| Total equity ..... | 40.0                            | 22.7                          | 0.0                           |

### *Selected Information from the Consolidated Statement of Cash Flows*

|                                                    | As of and for the six-month period ended |                                 |                  | As of and for the financial year ended December 31, |       |
|----------------------------------------------------|------------------------------------------|---------------------------------|------------------|-----------------------------------------------------|-------|
|                                                    | June 30,<br>2020                         | December 31,<br>2019            | June 30,<br>2019 | 2019                                                | 2018  |
|                                                    |                                          | (unaudited)<br>(in EUR million) |                  | (audited)<br>(in EUR million)                       |       |
| Cash flow from operating activities.....           | 5.7                                      | 4.3                             | (0.5)            | 3.8                                                 | (0.1) |
| Cash flow from investment activities .....         | (19.3)                                   | (20.4)                          | (0.7)            | (21.1)                                              | (1.3) |
| Cash flow from financing activities.....           | 10.1                                     | 18.6                            | 1.2              | 19.7                                                | 2.9   |
| Cash and cash equivalents at the end of period ... | 12.2                                     | 11.8                            | 7.1              | 11.8                                                | 1.5   |

### *Adjusted Results of Operations*

|                                                | For the six-month period ended<br>June 30, |                                 |      | For the financial year<br>ended December 31, |      |
|------------------------------------------------|--------------------------------------------|---------------------------------|------|----------------------------------------------|------|
|                                                | 2020                                       | 2019                            | 2019 | 2019                                         | 2018 |
|                                                |                                            | (unaudited)<br>(in EUR million) |      | (unaudited)<br>(in EUR million)              |      |
| Adjusted operative EBITDA <sup>(1)</sup> ..... | 6.7                                        | –                               | –    | 3.7                                          | –    |
| Adjusted operative EBIT <sup>(1)</sup> .....   | 2.8                                        | –                               | –    | 0.9                                          | –    |

(1) Adjusted operative EBITDA and adjusted operative EBIT are non-GAAP figures (alternative performance measures (APM)) which are presented because they are used by management in monitoring Pacifico's business and management believes that they and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in the Company's industry. They should not be considered as alternatives to relevant GAAP figures. Adjusted operative EBITDA and adjusted operative EBIT can be reconciled to GAAP figures as follows:

| (in EUR)                                            | Six-month period ended<br>June 30, 2020 | Financial<br>year ended<br>December 31,<br>2019 |
|-----------------------------------------------------|-----------------------------------------|-------------------------------------------------|
| Sales revenues .....                                | 8,992,378                               | 5,028,233                                       |
| Other operating income .....                        | 233,290                                 | 185,276                                         |
| Cost of materials: Cost of purchased services ..... | (1,408,371)                             | (1,006,030)                                     |

|                                                                                                                                                                                                                                                     |                  |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Personnel expenses.....                                                                                                                                                                                                                             | (402,499)        | (205,818)        |
| Other operating expenses .....                                                                                                                                                                                                                      | (1,550,189)      | (929,287)        |
| Adjusted for the following effects:                                                                                                                                                                                                                 |                  |                  |
| Non-operating income.....                                                                                                                                                                                                                           | (233,290)        | (185,571)        |
| Personnel expenses at the level of the Company.....                                                                                                                                                                                                 | 402,499          | 205,818          |
| Cost of materials not attributable to the Group's business activities .....                                                                                                                                                                         | 27,131           | 0.0              |
| Other operating expenses which are not attributable to the Group's business activities, mainly one-off costs for the structuring of the Group and the listing of the Company, corrected for positive adjustments resulting from consolidation ..... | 611,506          | 269,623          |
| One-time expenses at project company level, mainly legal and consulting fees .....                                                                                                                                                                  | 74,951           | 288,000          |
| <b>Adjusted operative EBITDA.....</b>                                                                                                                                                                                                               | <b>6,747,405</b> | <b>3,650,244</b> |
| Depreciation of fixed intangible and tangible assets .....                                                                                                                                                                                          | (3,865,912)      | (2,675,198)      |
| Adjusted for the following effects:                                                                                                                                                                                                                 |                  |                  |
| Conformation to group-wide terms of use.....                                                                                                                                                                                                        | (1,337,789)      | (996,102)        |
| Depreciation of hidden reserves.....                                                                                                                                                                                                                | 1,263,198        | 869,153          |
| Other depreciation .....                                                                                                                                                                                                                            | 28,508           | 13,326           |
| <b>Adjusted operative EBIT .....</b>                                                                                                                                                                                                                | <b>2,835,410</b> | <b>861,423</b>   |

### 2.3 – What are the key risks that are specific to the issuer?

#### *Risks relating to the limited history of the Company*

- The Company has only limited previous operating and financial history. Investors may therefore be unable to appropriately assess the Company's prospects.

#### *Risks relating to the Company's business structure*

- The Company heavily depends on its strategic partnership with Pacifico Energy Partners GmbH, as it is currently the sole cooperation partner of the Company for the acquisition of new projects and the asset management of the existing portfolio. There is no guarantee that the partnership will prove successful and remain in force or that the Company will otherwise be able to identify and acquire sufficient new assets on its own in order to fully implement its portfolio growth strategy.
- In order to implement its growth strategy through the acquisition of further renewable energy projects, the Company depends on the availability of external financing at acceptable conditions.
- The acquisition of further plants may not be successful or, if completed, the acquired assets may not perform as expected. Additionally, the Company's acquisition activities and subsequent integration of assets into Pacifico's organization may be difficult and consume a significant portion of its management's focus and, if not successful, reduce the Company's profitability.
- The Company depends on a number of services provided by its strategic partner or other third parties. In case the respective service agreements are improperly fulfilled or even terminated, it is possible that the Company is not be able to find adequate replacements.

#### *Risks relating to the operation of the Company's plants*

- The generation of electric energy from renewable energy sources depends heavily on suitable meteorological conditions. If conditions are unfavorable, including due to periodic variability in weather conditions and long term climate change, Pacifico's electricity generation, and therefore revenues from its renewable energy projects may be substantially below its expectations.
- Maintenance and refurbishment of renewable power generation facilities involve significant risks that could result in unplanned failures of power generation, reduced output and unexpected capital expenditures.

#### *Risks relating to the markets in which the Company operates*

- The Company depends on Pacifico Partners and other developers finding suitable locations with favorable weather conditions to develop new renewable energy projects, which may be increasingly difficult and negatively impact the Company's ability to acquire suitable projects.

- The market price for electric power is subject to fluctuations and Pacifico may be adversely affected by a deterioration in prices on the markets for electricity.
- Lower prices for electricity from conventional sources or an increasing competition by other energy sources could have a negative impact on Pacifico's revenues from its energy sales.

#### ***Risks relating to legal and regulatory issues***

- Since almost all of Pacifico's revenues are based on some form of public support mechanisms for the promotion of energy from renewable sources, specifically subsidized feed-in tariffs, any change in the various regulatory frameworks may significantly affect its revenues.

#### ***Risks relating to the financial information and the revenue forecasts contained in this Prospectus***

- The revenue forecast contained in this EU Growth prospectus for the financial year ended December 31, 2020 could deviate significantly from the actual revenue of Pacifico in that financial period as the assumptions relate to commercial expectations and other external factors, including political, legal, fiscal, weather and market conditions, which are difficult to predict.

### **3. – Key Information on the Securities**

#### **3.1 – What are the main features of the securities?**

***Type and Class*** – This offering relates to 1,579,455 new ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*), the ("**New Shares**"), originating from a capital increase against contributions in cash resolved by the ordinary general shareholders' meeting of August 26, 2020. The ISIN of the Shares of the Company, including the New Shares, is DE000A2YN371; German Securities Code (*Wertpapierkennnummer*, "**WKN**"): A2YN37; Trading Symbol: PRY. As of the date of this EU Growth prospectus, the Company has one class of Shares.

***Currency, Denomination, Number of Securities and Term of the Securities*** – The Company's Shares are denominated in Euros. As of the date of this EU Growth prospectus, the Company's share capital amounts to 1,930,455 Shares. All Shares of the Company, including the New Shares, are ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) representing a notional value of EUR 1.00. The Shares are issued for an indefinite term. All existing Shares of the Company are fully paid up.

***Rights Attached to the Shares*** – Each Share of the Company, including the New Shares, carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights. All New Shares carry full dividend rights as from January 1, 2020. All Shares, including the New Shares, are freely transferable in accordance with the legal requirements for ordinary bearer shares (*Inhaberaktien*). The New Shares will be entitled to a share of any liquidation proceeds or insolvency surpluses at the ratio of their notional share in the Company's share capital. In principle, shareholders have the right to subscribe for new shares to be issued in a capital increase in proportion to their existing share in the Company's share capital (*Grundkapital*).

***Seniority in case of Insolvency*** – The New Shares, together with the Company's existing Shares, are subordinated to all other securities and claims in case of an insolvency of the Company.

***Dividend Policy*** – The Company did not pay any dividends for the financial years 2018 and 2019 and currently does not expect to pay any dividend for the financial year 2020, either. Long-term, it targets a dividend payout ratio of 40% to 60% of any cash available for distribution, subject to market conditions, investments opportunities and the Company's financial position at the relevant time. Any future decision to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the results of operations, financial condition, contractual restrictions and capital requirements of the Company. The Company's future ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

#### **3.2 – Where will the securities be traded?**

The Company will apply for inclusion of the New Shares into its existing listing in the open market (*Freiverkehr*) of the Dusseldorf Stock Exchange and its sub-segment with additional requirements (*Primärmarkt*).

#### **3.3 – Is there a guarantee attached to the securities?**

There is no guarantee attached to the Shares.

### 3.4 – What are the key risks that are specific to the securities?

- The subscription price for the New Shares in the Offering may not correspond to the stock market price after the Offering and an active trading in the Company's shares might not be maintained; so far, there has only been very limited trading in the shares.
- Future issues of ordinary shares, in particular to finance the future portfolio growth may dilute the holdings of shareholders.
- The Company has not paid dividends in the past and its ability to pay dividends in the future will depend on a number of factors, principally on its ability to receive sufficient dividends from its subsidiaries.

## 4. – Key Information on the Offer of Securities to the Public

### 4.1 – Under which conditions and timetable can I invest in this security?

**Offer Conditions** – This offering relates to 1,579,455 New Shares of the Company, each such Share representing a notional value of EUR 1.00 and with full dividend rights from January 1, 2020, which will be offered to the Company's shareholders for subscription by means of indirect subscription rights (*mittelbares Bezugsrecht*) at a ratio of 11:9 (11 existing Shares entitle to subscribe for 9 New Shares at the Subscription Price (as defined below)) (the "**Subscription Offer**"). The New Shares originate from a capital increase with subscription rights against contribution in cash through which the Company's registered share capital will be increased from EUR 1,930,455.00 to up to EUR 3,516,662.00 through the issue of up to 1,586,207 new ordinary bearer shares with no-par value, resolved upon by the Company's ordinary shareholders' meeting (*Hauptversammlung*) of August 26, 2020 (the "**Capital Increase**"). With respect to a fractional share amount of 6,752 new ordinary bearer shares with no-par value originating from the Capital Increase, the subscription rights of the shareholders have been excluded. It is expected that the Capital Increase will be entered in the commercial register at the local court (*Amtsgericht*) of Munich, Germany (the "**Commercial Register**") on or around December 2, 2020.

**Scope of the Offering** – The Subscription Offer will include (i) a public offering in Germany and (ii) private placements to eligible investors outside the United States of America (the "**United States**") in offshore transactions within the meaning of, and in reliance on, Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Any New Shares that are not subscribed for in the Subscription Offer and 6,752 fractional shares (together, the "**Rump Shares**") will be offered by Stifel Europe Bank AG, Kennedyallee 76, 60596 Frankfurt am Main, Germany ("**Stifel**"), and M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Ferdinandstraße 75, 20095 Hamburg, Germany ("**M.M. Warburg**") and together with Stifel, the "**Joint Global Coordinators**" and the "**Joint Bookrunners**") for sale to eligible investors in Germany and other selected jurisdictions at a price at least as high as the Subscription Price (as defined below) by way of private placements (the "**Rump Placement**" and, together with the Subscription Offer, the "**Offering**"). The Rump Shares will only be offered outside the United States to eligible investors in offshore transactions in reliance on Regulation S under the Securities Act.

**Offer Period** – November 17, 2020 through November 30, 2020 (the "**Subscription Period**").

**Subscription Rights Trading** – Neither the Company nor any of the Joint Bookrunners will apply for any subscription rights trading on any stock exchange.

**Offer Price** – The subscription price per New Share will be EUR 29.00 (the "**Subscription Price**").

**Plan for Distribution** – The New Shares will be offered to the shareholders of the Company by way of an indirect subscription right (*mittelbares Bezugsrecht*). No compensation will be paid for subscription rights not exercised. Upon expiration of the Subscription Period, subscription rights not exercised will lapse and be of no value. The exercise of 11 subscription rights enables the purchase of 9 New Shares, *i.e.*, 9 New Shares may be purchased for 11 subscription rights. Any New Shares that are not subscribed for in the Subscription Offer will be offered to institutional and qualified investors by way of Rump Placements in certain jurisdictions at a price at least as high as the Subscription Price. The ultimate decision on the allotment of the Rump Shares to institutional and qualified investors rests with the Company after consultation with the Joint Bookrunners.

**Dilution** – Shareholders who exercise their subscription rights with respect to the New Shares in full will maintain their percentage of ownership in the Company's share capital and voting rights following the Capital Increase. To the extent that shareholders do not exercise their subscription rights, and assuming that all New Shares will be issued, each shareholder's participation in the Company's share capital and voting right will be diluted by approximately 82%.

**Total Expenses** – The total expenses of the Company in relation to the Offering will amount to approximately EUR 1.3 million (assuming the sale of all shares in the Offering at the Subscription Price).

**Expenses Charged to Investors** – Only customary transaction and handling fees charged by the investors' brokers.

#### **4.2 – Why is this EU Growth prospectus being produced?**

**Reasons for the Offering** – This EU Growth prospectus has been prepared for the public offering of the New Shares in Germany.

**Use of Proceeds** – The Company intends to offer the New Shares and use the net proceeds from this Offering to further pursue its portfolio growth strategy, particularly in connection with a potential later acquisition of three onshore wind parks in Kuyavian-Pomeranian Voivodship, Poland, with a total capacity of 51.8 MW, which are scheduled for commencement of full operation in March 2021. In this respect a wholly-owned subsidiary of the Company, has entered into a non-binding letter of intent with the seller for a potential acquisition of the project. Specifically, the Company intends to use the net proceeds to provide, via its dedicated and wholly-owned internal financing subsidiary, debt financing to the project's holding company in order to allow for a potential later acquisition of the wind farms in the financially most attractive way for the Company.

**Net Proceeds** – Assuming the sale of all shares in the Offering at the Subscription Price, the Company would expect to receive net proceeds from the Offering of approximately EUR 44.7 million.

**Underwriting Agreement** – The New Shares will be offered to the existing shareholders for subscription by way of indirect subscription rights pursuant to an underwriting agreement entered into between the Company and the Joint Bookrunners on November 13, 2020.

#### **4.3 – Who is the offeror and/or the person asking for admission to trading?**

**Offeror** – Stifel Europe Bank AG, a stock corporation (*Aktiengesellschaft*) incorporated and with its registered seat in Frankfurt am Main, Germany, and operating under the laws of, Germany and M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) incorporated and with its registered seat in Hamburg, Germany, and operating under the laws of, Germany.

**Admission to Trading** – Admission to trading on a regulated market will not be applied for.

## II. PROSPEKTZUSAMMENFASSUNG

### 1. – Einführung

#### 1.1 – Name und internationale Wertpapierkennnummer („ISIN“) der Wertpapiere

Dieser EU-Wachstumsprospekt bezieht sich auf nennbetragslose und auf den Inhaber lautende Stückaktien der Pacifico Renewables Yield AG, Grünwald, Deutschland (die „**Gesellschaft**“, und zusammen mit ihren gegenwärtigen und künftigen Tochtergesellschaften, die „**Pacifico Gruppe**“ oder „**Pacifico**“), jede dieser Aktien hat die ISIN DE000A2YN371 (jede Aktie der Gesellschaft, eine „**Aktie**“).

#### 1.2 – Identität und Kontaktinformationen der Emittentin einschließlich der Rechtsträgerkennung (*Legal Entity Identifier*, „**LEI**“)

Die Emittentin ist die Pacifico Renewables Yield AG. Der eingetragene Sitz und die Geschäftsadresse ist der Bavariafilmplatz 7, Gebäude 49, 82031 Grünwald, Bundesrepublik Deutschland („**Deutschland**“), Tel: +49 89 6498 1161, Website: www.pacifico-renewables.com, LEI 529900Y3K1U2XX4HGM05.

#### 1.3 – Identität und Kontaktinformationen der zuständigen Behörde, die den Prospekt gebilligt hat

Die Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland (Tel: +49 228 4108 0; Website: www.bafin.de), hat diesen EU-Wachstumsprospekt als zuständige Behörde gemäß Verordnung (EU) 2017/1129 gebilligt.

#### 1.4 – Datum der Billigung des EU-Wachstumsprospekts: 13. November 2020.

#### 1.5 – Warnungen

Die Emittentin erklärt, a) dass die Zusammenfassung als eine Einleitung zum EU-Wachstumsprospekt verstanden werden sollte und dass sich der Anleger bei jeder Entscheidung, in die Wertpapiere zu investieren, auf den EU-Wachstumsprospekt als Ganzes stützen sollte; b) dass der Anleger das gesamte angelegte Kapital oder einen Teil davon verlieren könnte; c) dass ein Anleger, der wegen der in einem EU-Wachstumsprospekt enthaltenen Angaben Klage einreichen will, nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen muss, bevor das Verfahren eingeleitet werden kann; d) dass zivilrechtlich nur diejenigen Personen haften, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des EU-Wachstumsprospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des EU-Wachstumsprospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.

### 2. – Basisinformationen über den Emittenten

#### 2.1 – Wer ist der Emittent der Wertpapiere?

**Rechtsform des Emittenten, für ihn geltendes Recht und Land der Eintragung** – Die Gesellschaft ist eine deutsche Aktiengesellschaft, die in Deutschland eingetragen ist und deutschem Recht unterliegt. Sie hat ihren eingetragenen Sitz in Grünwald, Deutschland, und ist im Handelsregister des Amtsgerichts München, Deutschland, unter der Registernummer HRB 251232 eingetragen.

**Haupttätigkeiten** – Die Gesellschaft ist ein unabhängiger Energieerzeuger, der das Ziel verfolgt, ein schrittweise wachsendes Portfolio von Anlagen zur Energiegewinnung aus erneuerbaren Energiequellen aufzubauen. Sie bietet ein klares und diversifiziertes Profil mit stabilen und prognostizierbaren Erträgen aus ihren operativen Wind- und Photovoltaikkraftwerken. Zum Datum dieses EU-Wachstumsprospekts umfasst ihr Portfolio eine Gesamtleistung von 81,0 MW, verteilt über vier EU-Mitgliedstaaten (Deutschland, Tschechien, Italien und die Niederlande). Um ihre Portfolio-Wachstumsstrategie zu verfolgen, konzentriert sich die Gesellschaft auf den Erwerb und Betrieb von kleinen und mittelgroßen operativen oder kurz vor Inbetriebnahme befindlichen Anlagen für erneuerbare Energien, wodurch sie Entwicklungsrisiken vermeidet, und hat prioritären Zugang zu einer Pipeline von mehr als 600 MW bis zum Jahr 2023.

**Herrschende(r) Aktionär(e)** – Auf Grundlage der letzten von der Gesellschaft erhaltenen Mitteilungen (zuletzt am 21. Oktober 2020) ist Pelion Green Future Alpha GmbH, Schönefeld, Deutschland, die 71,7 % der Aktien der Gesellschaft hält, der einzige Aktionär, der unmittelbar über eine meldepflichtige Beteiligung an den Aktien und Stimmrechten der Gesellschaft im Sinne des § 20 AktG verfügt. Pelion Green Future Alpha GmbH beherrscht gleichzeitig die Gesellschaft. Pelion Green Future Alpha GmbH ist eine 100 %-ige Tochtergesellschaft und wird damit von der Pelion Green Future GmbH, vormals Pelion Capital GmbH, Schönefeld, Deutschland („**Pelion**“) beherrscht; Pelion beherrscht gleichzeitig über eine Mehrheitsbeteiligung die Pacifico Energy Partners GmbH, München, Deutschland („**Pacifico Partners**“), die 4,7 % der Aktien der Gesellschaft hält. Pelion wiederum wird

beherrscht von der Felicis Holding GmbH, München, Deutschland, und Herrn Alexander Samwer, München, Deutschland, der auch die Felicis Holding GmbH beherrscht. Diese juristischen und natürlichen Personen, die die Pelion Green Future Alpha GmbH direkt oder indirekt beherrschen, beherrschen indirekt auch die Gesellschaft.

**Name des Vorstandsvorsitzenden (oder Äquivalent)** – Die Mitglieder des Vorstands der Gesellschaft (der „Vorstand“) sind Dr. Martin Siddiqui und Christoph Strasser.

## 2.2 – Welches sind die wesentlichen Finanzinformationen über den Emittenten?

Die in den nachfolgenden Tabellen enthaltenen Finanzinformationen wurden den geprüften Konzernabschlüssen der Gesellschaft für das zum 31. Dezember 2018 endende Rumpfgeschäftsjahr und das zum 31. Dezember 2019 endenden Geschäftsjahre, dem ungeprüften verkürzten Konzernzwischenabschluss der Gesellschaft für den zum 30. Juni 2020 endenden Sechsmonatszeitraum sowie der internen Buchhaltung oder dem internen Berichtswesen der Gesellschaft entnommen oder daraus abgeleitet

### Ausgewählte Informationen der Gewinn- und Verlustrechnung

|                              | Für den Sechsmonatszeitraum zum |                    |               | Für das zum 31. Dezember endende Geschäftsjahr |       |
|------------------------------|---------------------------------|--------------------|---------------|------------------------------------------------|-------|
|                              | 30. Juni 2020                   | 31. Dezember 2019  | 30. Juni 2019 | 2019                                           | 2018  |
|                              |                                 | (ungeprüft)        |               | (geprüft)                                      |       |
|                              |                                 | (in EUR Millionen) |               | (in EUR Millionen)                             |       |
| Umsatzerlöse .....           | 9,0                             | 4,9                | 0,2           | 5,0                                            | 0,0   |
| Konzernjahresfehlbetrag..... | 0,3                             | (1,6)              | (0,1)         | (1,7)                                          | (0,2) |

### Ausgewählte Informationen der Bilanz

|                    | Zum 30. Juni 2020  | Zum 31. Dezember   |      |
|--------------------|--------------------|--------------------|------|
|                    | (ungeprüft)        | 2019               | 2018 |
|                    | (in EUR Millionen) | (in EUR Millionen) |      |
| Aktiva .....       | 120,5              | 83,1               | 3,2  |
| Eigenkapital ..... | 40,0               | 22,7               | 0,0  |

### Ausgewählte Informationen der Kapitalflussrechnung

|                                                    | Für den Sechsmonatszeitraum zum |                    |               | Für das zum 31. Dezember endende Geschäftsjahr |       |
|----------------------------------------------------|---------------------------------|--------------------|---------------|------------------------------------------------|-------|
|                                                    | 30. Juni 2020                   | 31. Dezember 2019  | 30. Juni 2019 | 2019                                           | 2018  |
|                                                    |                                 | (ungeprüft)        |               | (geprüft)                                      |       |
|                                                    |                                 | (in EUR Millionen) |               | (in EUR Millionen)                             |       |
| Cash-Flow aus der laufenden Geschäftstätigkeit.... | 5,7                             | 4,3                | (0,5)         | 3,8                                            | (0,1) |
| Cash-Flow aus der Investitionstätigkeit .....      | (19,3)                          | (20,4)             | (0,7)         | (21,1)                                         | (1,3) |
| Cash-Flow aus Finanzierungstätigkeit.....          | 10,1                            | 18,6               | 1,2           | 19,7                                           | 2,9   |
| Finanzmittelfonds am Ende der Periode.....         | 12,2                            | 11,8               | 7,1           | 11,8                                           | 1,5   |

### Bereinigte Betriebsergebnisse

|                                                     | Für den zum 30. Juni endenden Sechsmonatszeitraum |                    | Für das zum 31. Dezember endende Geschäftsjahr, |                    |
|-----------------------------------------------------|---------------------------------------------------|--------------------|-------------------------------------------------|--------------------|
|                                                     | 2020                                              | 2019               | 2019                                            | 2018               |
|                                                     |                                                   | (ungeprüft)        | (ungeprüft)                                     |                    |
|                                                     |                                                   | (in EUR Millionen) |                                                 | (in EUR Millionen) |
| Adjustiertes operatives EBITDA <sup>(1)</sup> ..... | 6,7                                               | –                  | 3,7                                             | –                  |
| Adjustiertes operatives EBIT <sup>(2)</sup> .....   | 2,8                                               | –                  | 0,9                                             | –                  |

(1) Adjustiertes operatives EBITDA und adjustiertes operatives EBIT sind keine HGB-Kennzahlen, sondern alternative Leistungskennzahlen (APM), die gezeigt werden, weil das Management sie bei der Überwachung von Pacificos Geschäftstätigkeit verwendet und davon ausgeht, dass sie und ähnliche Kennzahlen von Wertpapieranalysten, Investoren und anderen interessierten Parteien zur Bewertung von Unternehmen im selben Sektor wie die Gesellschaft häufig verwendet werden. Sie sollten nicht als Alternative zu einschlägigen HGB-Kennzahlen betrachtet werden. Adjustiertes operatives EBITDA und adjustiertes operatives EBIT können wie folgt auf HGB-Kennzahlen übergeleitet werden:

| (in EUR)                                                                                                                                                                                                                                                          | <b>Für den zum 30. Juni<br/>endenden<br/>Sechsmonatszeitraum</b> | <b>Für das zum<br/>31. Dezember<br/>endende<br/>Geschäftsjahr</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------|
| Umsatzerlöse.....                                                                                                                                                                                                                                                 | 8.992.378                                                        | 5.028.233                                                         |
| Sonstige betriebliche Erträge.....                                                                                                                                                                                                                                | 233.290                                                          | 185.276                                                           |
| Materialaufwand: Aufwendungen für bezogene Leistungen .....                                                                                                                                                                                                       | (1.408.371)                                                      | (1.006.030)                                                       |
| Personalaufwand .....                                                                                                                                                                                                                                             | (402.499)                                                        | (205.818)                                                         |
| Sonstige betriebliche Aufwendungen .....                                                                                                                                                                                                                          | (1.550.189)                                                      | (929.287)                                                         |
| Adjustiert um folgende Effekte:                                                                                                                                                                                                                                   |                                                                  |                                                                   |
| Nicht der operativen Tätigkeit zugeordnete Erträge.....                                                                                                                                                                                                           | (233.290)                                                        | (185.571)                                                         |
| Personalaufwand auf Ebene der Gesellschaft.....                                                                                                                                                                                                                   | 402.499                                                          | (205.818)                                                         |
| Materialaufwand, welcher nicht der operativen Geschäftstätigkeit des Konzerns zuzuordnen sind .....                                                                                                                                                               | 27.131                                                           | 0                                                                 |
| Sonstige betriebliche Aufwendungen, welche nicht der operativen Geschäftstätigkeit der Gruppe zuzuordnen sind, v.a. One-Off-Kosten zur Strukturierung der Gruppe und zum Listing der Gesellschaft, korrigiert um positiv konsolidierungsbedingte Anpassungen..... | 611.506                                                          | 269.623                                                           |
| Einmalige Aufwendungen auf Projektgesellschaftsebene, v.a. Rechts- und Beratungskosten .....                                                                                                                                                                      | 74.951                                                           | 288.000                                                           |
| <b>Adjustiertes operatives EBITDA .....</b>                                                                                                                                                                                                                       | <b>6.747.405</b>                                                 | <b>3.650.244</b>                                                  |
| Abschreibungen.....                                                                                                                                                                                                                                               | (3.865.912)                                                      | (2.675.198)                                                       |
| Adjustiert um folgende Effekte:                                                                                                                                                                                                                                   |                                                                  |                                                                   |
| Anpassungen auf konzerneinheitliche Nutzungsdauern .....                                                                                                                                                                                                          | (1.337.789)                                                      | (996.102)                                                         |
| Abschreibungen auf stille Reserven.....                                                                                                                                                                                                                           | 1.263.198                                                        | 869.153                                                           |
| Sonstige Abschreibungen .....                                                                                                                                                                                                                                     | 28.508                                                           | 13.326                                                            |
| <b>Adjustiertes operatives EBIT .....</b>                                                                                                                                                                                                                         | <b>2.835.410</b>                                                 | <b>861.423</b>                                                    |

### 2.3 – Welche sind die zentralen Risiken, die dem Emittenten eigen sind?

#### *Risiken im Zusammenhang mit der kurzen Gesellschaftsgeschichte*

- Die Gesellschaft hat nur eine begrenzte bisherige Betriebs- und Finanzgeschichte. Investoren können daher möglicherweise die zukünftige Entwicklung der Gesellschaft nicht in angemessener Weise einschätzen.

#### *Risiken im Zusammenhang mit der Geschäftsstruktur der Gesellschaft*

- Die Gesellschaft ist stark von der Zusammenarbeit mit Pacifico Partners GmbH abhängig, da diese gegenwärtig der einzige Kooperationspartner der Gesellschaft für den Erwerb neuer Projekte und das Asset Management des bestehenden Anlagenportfolios ist. Es ist nicht garantiert, dass sich die Partnerschaft als erfolgreich erweist und fortbestehen wird, noch, dass die Gesellschaft andernfalls alleine in der Lage ist, eine ausreichende Zahl zusätzlicher Anlagen ausfindig zu machen und zu erwerben, um ihre Portfolio-Wachstumsstrategie vollständig umzusetzen.
- Um ihre Wachstumsstrategie durch den Erwerb weiterer Projekte im Bereich erneuerbarer Energien umzusetzen, ist die Gesellschaft auf externe Finanzierung zu akzeptablen Bedingungen angewiesen.
- Der Erwerb weiterer Anlagen ist möglicherweise nicht erfolgreich, oder im Fall eines Vollzugs erbringen die erworbenen Anlagen möglicherweise nicht die erwartete Leistung. Zusätzlich können sich die Akquisitionstätigkeiten der Gesellschaft und die anschließende Eingliederung von Anlagen in Pacificos Organisation als schwierig gestalten und einen erheblichen Teil der Aufmerksamkeit des Managements erfordern, und, falls die Akquisitionstätigkeiten nicht erfolgreich sind, die Ertragslage der Gesellschaft verringern.
- Die Gesellschaft ist von einer Reihe von Dienstleistungen abhängig, die von ihrem strategischen Partner oder Dritten erbracht werden. Sollten entsprechende Leistungsvereinbarungen unzureichend umgesetzt oder sogar beendet werden, ist es möglich, dass die Gesellschaft keinen passenden Ersatz finden kann.

### ***Risiken im Zusammenhang mit dem Betrieb der Anlagen der Gesellschaft***

- Die Energieerzeugung durch erneuerbare Energieträger hängt stark von geeigneten meteorologischen Bedingungen ab. Sind die Bedingungen unter anderem aufgrund periodischer Schwankungen der Wetterbedingungen und des langfristigen Klimawandels ungünstig, können Pacificos Energieerzeugung und dadurch die Umsätze aus Projekten im Bereich erneuerbarer Energien wesentlich unterhalb der Erwartungen liegen.
- Die Wartung und Sanierung von Produktionsanlagen erneuerbarer Energien beinhalten wesentliche Risiken, die zu ungeplanten Ausfällen der Energieerzeugung, reduzierter Leistung und unerwarteten Kapitalkaufwendungen führen können.

### ***Risiken in Bezug auf das Marktumfeld in dem die Gesellschaft tätig ist***

- Die Gesellschaft ist davon abhängig, dass Pacifico Partners und andere Entwickler geeignete Standorte mit günstigen Wetterbedingungen finden, um neue Projekte im Bereich erneuerbarer Energien zu entwickeln, was möglicherweise zunehmend schwieriger wird und sich negativ auf die Fähigkeit des Unternehmens auswirkt, geeignete Projekte zu akquirieren.
- Der Marktpreis von Strom unterliegt Schwankungen und Pacifico könnte von einem Preisverfall auf Strommärkten beeinträchtigt werden.
- Niedrigere Preise für Strom aus konventionellen Energieträgern oder zunehmender Wettbewerb seitens anderer Energieträger könnten negative Auswirkungen auf Pacificos Umsätze aus dem Stromverkauf haben.

### ***Rechtliche und regulatorische Risiken***

- Da Pacificos Umsätze fast vollständig auf irgendeiner Form staatlicher Fördermechanismen zur Förderung erneuerbarer Energien beruhen, insbesondere auf subventionierten Einspeisevergütungen, können jegliche Veränderungen der regulatorischen Rahmenbedingungen die Umsätze der Gesellschaft erheblich beeinflussen.

### ***Risiken im Zusammenhang mit den in diesem Prospekt enthaltenen Finanzinformationen und den Einnahmeprognosen***

- Die in diesem EU-Wachstumsprospekt enthaltene Umsatzprognose für das am 31. Dezember 2020 endende Geschäftsjahr kann signifikant von dem tatsächlichen Umsatz von Pacifico in diesem Finanzzeitraum abweichen, da sich die Annahmen auf wirtschaftliche Erwartungen und andere externe Faktoren, einschließlich politischer, rechtlicher, steuerlicher, Wetter- und Marktbedingungen, beziehen, die schwer vorhersehbar sind.

## **3. – Basisinformationen über die Wertpapiere**

### **3.1 – Welches sind die wichtigsten Merkmale der Wertpapiere?**

**Art und Gattung** – Das Angebot bezieht sich auf 1.579.455 neu ausgegebene auf den Inhaber lautende Stückaktien ohne Nennbetrag (die “Neuen Aktien”) aus einer am 26. August 2020 durch die ordentliche Hauptversammlung beschlossenen Barkapitalerhöhung. Die ISIN der Aktien der Gesellschaft lautet DE000A2YN371; Wertpapierkennnummer (“WKN”): A2YN37; Börsenkürzel: PRY. Zum Datum dieses EU-Wachstumsprospekts hat die Gesellschaft eine Aktiengattung.

**Währung, Stückelung, Anzahl der begebenen Wertpapiere und Laufzeit der Wertpapiere** – Die Währung der Aktien ist Euro. Zum Zeitpunkt dieses EU-Wachstumsprospekts beläuft sich das Grundkapital der Gesellschaft auf 1.930.455 Aktien. Alle Aktien der Gesellschaft, einschließlich der Neuen Aktien, sind auf den Inhaber lautende Stückaktien ohne Nennbetrag mit einem anteiligen Betrag des Grundkapitals von EUR 1,00. Die Aktien werden auf unbestimmte Zeit ausgegeben. Alle bestehenden Aktien der Gesellschaft sind voll eingezahlt.

**Mit den Wertpapieren verbundene Rechte** – Jede Aktie der Gesellschaft, einschließlich der Neuen Aktien, berechtigt den Aktionär zu einer Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine Stimmrechtsbeschränkungen. Die Aktien sind ab dem 1. Januar 2020 gewinnberechtigt. Sämtliche Aktien, einschließlich der Neuen Aktien, sind gemäß den gesetzlichen Bestimmungen für Inhaberaktien frei übertragbar. Die Neuen Aktien, vermitteln einen Anspruch am Liquidationserlös oder Insolvenzüberschuss im Verhältnis ihrer Beteiligung am Grundkapital. Grundsätzlich haben die Aktionäre bei der Ausgabe neuer Aktien ein Bezugsrecht im Verhältnis ihrer Beteiligung am Grundkapital der Gesellschaft.

**Rang im Fall einer Insolvenz** – Die Neuen Aktien, zusammen mit den bestehenden Aktien der Gesellschaft, sind im Fall einer Insolvenz der Gesellschaft gegenüber allen anderen Wertpapieren und Forderungen nachrangig.

**Dividendenpolitik** – Das Unternehmen hat für die Geschäftsjahre 2018 und 2019 keine Dividenden gezahlt und geht derzeit davon aus, auch für das Geschäftsjahr 2020 keine Dividende zu zahlen. Langfristig strebt sie vorbehaltlich der Marktbedingungen, Investitionsmöglichkeiten und der Finanzlage des Unternehmens zum entsprechenden Zeitpunkt eine Dividendenausschüttungsquote von 40% bis 60% etwaiger ausschüttungsfähiger Barmittel an. Jegliche zukünftige Entscheidung zur Zahlung von Dividenden wird in Übereinstimmung mit den geltenden Gesetzen getroffen und hängt unter anderem von den Betriebsergebnissen, der Finanzlage, den vertraglichen Beschränkungen und dem Kapitalbedarf des Unternehmens ab. Die zukünftige Fähigkeit des Unternehmens zur Zahlung von Dividenden kann durch die Bedingungen bestehender und zukünftiger Schuldverschreibungen oder Vorzugspapiere eingeschränkt sein.

### **3.2 – Wo werden die Wertpapiere gehandelt?**

Die Gesellschaft wird die Einbeziehung der Neuen Aktien in ihre bestehende Notierung im Freiverkehr der Düsseldorfer Börse und deren Qualitätssegment mit zusätzlichen Anforderungen (Primärmarkt) beantragen.

### **3.3 – Wird für die Wertpapiere eine Garantie gestellt?**

Es gibt keine Garantie in Verbindung mit den Aktien.

### **3.4 – Welche sind die zentralen Risiken, die den Wertpapieren eigen sind?**

- Der Bezugspreis für die Neuen Aktien aus dem Angebot stimmt möglicherweise nicht mit dem Börsenpreis nach dem Angebot überein und ein aktiver Handel der Aktien der Gesellschaft wird eventuell nicht aufrechterhalten; bisher wurde mit den Aktien nur sehr begrenzt gehandelt.
- Zukünftige Emissionen von Stammaktien, insbesondere um zukünftiges Portfolio-Wachstum zu finanzieren, könnten die Aktienpakete der Aktionäre verwässern.
- Die Gesellschaft hat in der Vergangenheit keine Dividenden ausgeschüttet und die Fähigkeit der Gesellschaft zukünftig Dividenden auszuschütten wird von mehreren Faktoren abhängig sein, vorwiegend von ihrer Fähigkeit hinreichende Dividenden von ihren Tochtergesellschaften zu beziehen.

## **4. – Basisinformationen über das öffentliche Angebot von Wertpapieren**

### **4.1 – Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?**

**Angebotskonditionen** – Dieses Angebot bezieht sich auf 1.579.455 Neue Aktien der Gesellschaft, wobei jede dieser Aktien einen anteiligen Betrag des Grundkapitals von EUR 1,00 hat und ab dem 1. Januar 2020 voll dividendenberechtigt ist, die den Aktionären der Gesellschaft im Wege des mittelbaren Bezugsrechts im Verhältnis 11:9 (11 bestehende Aktien berechtigen zum Bezug 9 Neuer Aktien zum Bezugspreis (wie unten definiert)) angeboten werden (das „**Bezugsangebot**“). Die Neuen Aktien stammen aus einer Kapitalerhöhung mit Bezugsrecht gegen Bareinlage, durch die das Grundkapital der Gesellschaft von EUR 1.930.455,00 auf bis zu EUR 3.516.662,00 durch Ausgabe von bis zu 1.586.207 neuen, auf den Inhaber lautenden Stückaktien ohne Nennbetrag erhöht wird, beschlossen durch die ordentliche Hauptversammlung der Gesellschaft vom 26. August 2020 (die „**Kapitalerhöhung**“). Hinsichtlich einer aus der Kapitalerhöhung resultierenden Aktienspitze von 6.752 neuen, auf den Inhaber lautenden Stückaktien ist das Bezugsrecht der Aktionäre ausgeschlossen. Die Kapitalerhöhung wird voraussichtlich am oder um den 2. Dezember 2020 in das Handelsregister beim Amtsgericht München, Deutschland (das „**Handelsregister**“) eingetragen werden.

**Umfang des Angebots** – Das Bezugsangebot besteht aus (i) einem öffentlichen Angebot in Deutschland (ii) Privatplatzierungen an qualifizierte Anleger außerhalb der Vereinigten Staaten von Amerika (die „**Vereinigten Staaten**“) im Rahmen von Offshore-Transaktionen im Sinne von und unter Berufung auf Regulation S des United States Securities Act von 1933 in der jeweils gültigen Fassung (der „**Securities Act**“). Diejenigen Neuen Aktien, die nicht im Rahmen des Bezugsangebots gezeichnet werden, sowie 6.752 Aktienspitzen (zusammen die „**Restaktien**“) werden von Stifel Europe Bank AG, Kennedyallee 76, 60596 Frankfurt am Main, Germany („**Stifel**“), und M.M. Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Ferdinandstraße 75, 20095 Hamburg, Germany („**M.M. Warburg**“ und zusammen mit Stifel, die „**Joint Global Coordinators**“ und die „**Joint Bookrunners**“) im Rahmen einer Privatplatzierung qualifizierten Anlegern in Deutschland und anderen ausgewählten Rechtsordnungen zu einem Preis zum Kauf angeboten, zu nicht weniger als dem Bezugspreis (wie unten definiert) ist (die „**Restaktienplatzierung**“, zusammen mit dem Bezugsangebot, das „**Angebot**“). Die Restaktien werden nur außerhalb der Vereinigten Staaten an berechnigte Anleger in Offshore-Transaktionen in Übereinstimmung mit Regulation S des Securities Act angeboten.

**Angebotsfrist** – 17. November 2020 bis 30. November 2020 (die „**Bezugsfrist**“).

**Bezugsrechtshandel** – Weder die Gesellschaft noch einer der Joint Bookrunner wird einen börslichen Bezugsrechtshandel beantragen.

**Angebotspreis** – Der Bezugspreis pro Neuer Aktie wird EUR 29,00 betragen (der „**Bezugspreis**“).

**Plan für den Vertrieb** – Die Neuen Aktien werden den Aktionären der Gesellschaft im Wege eines mittelbaren Bezugsrechts angeboten. Für nicht ausgeübte Bezugsrechte wird keine Entschädigung gezahlt. Nach Ablauf der Bezugsfrist verfallen die nicht ausgeübten Bezugsrechte und sind wertlos. Die Ausübung von 11 Bezugsrechten ermöglicht den Kauf von 9 Neuen Aktien, d.h., 9 Neue Aktien können für 11 Bezugsrechte gekauft werden. Diejenigen Neuen Aktien, die nicht im Rahmen des Bezugsangebots gezeichnet werden, werden institutionellen und qualifizierten Anlegern im Wege von Restaktienplatzierungen in bestimmten Rechtsordnungen zu einem Preis angeboten, der mindestens so hoch ist wie der Bezugspreis. Die endgültige Entscheidung über die Zuteilung der Restaktien an institutionelle und qualifizierte Anleger liegt nach Abstimmung mit den Joint Bookrunners bei der Gesellschaft.

**Verwässerung** – Aktionäre, die ihre Bezugsrechte für die Neuen Aktien vollständig ausüben, behalten ihren prozentualen Anteil am Grundkapital und an den Stimmrechten der Gesellschaft nach der Kapitalerhöhung bei. In dem Umfang, in dem die Aktionäre ihre Bezugsrechte nicht ausüben, und unter der Annahme, dass alle Neuen Aktien ausgegeben werden, wird die Beteiligung jedes Aktionärs am Grundkapital und an den Stimmrechten der Gesellschaft um etwa 82 % verwässert.

**Gesamtkosten** – Die Gesamtkosten der Gesellschaft im Zusammenhang mit dem Angebot werden sich auf ungefähr EUR 1,3 Millionen belaufen (unter der Annahme des Verkaufs aller Aktien im Rahmen des Angebots zum Bezugspreis).

**Kosten, die Anlegern in Rechnung gestellt werden** – Ausschließlich marktübliche Transaktions- und Abwicklungskosten, die durch die Broker der Anleger in Rechnung gestellt werden.

#### **4.2 – Weshalb wird dieser EU-Wachstumsprospekt erstellt?**

**Gründe für das Angebot** – Dieser EU-Wachstumsprospekt wurde für das öffentliche Angebot der Neuen Aktien in Deutschland erstellt.

**Zweckbestimmung des Erlöses** – Die Gesellschaft beabsichtigt, die Neuen Aktien anzubieten und den Nettoerlös aus diesem Angebot zur weiteren Verfolgung ihrer Portfoliowachstumsstrategie, insbesondere im Zusammenhang mit einem möglichen späteren Erwerb von drei Onshore-Windparks in der Woiwodschaft Kujawien-Pommern in Polen mit einer Gesamtkapazität von 51,8 MW, die planmäßig voraussichtlich im März 2021 vollständig in Betrieb gehen sollen, zu verwenden. Diesbezüglich hat eine 100 %-ige Tochtergesellschaft der Gesellschaft eine unverbindliche Absichtserklärung (*Letter of Intent*) mit dem Verkäufer über einen möglichen späteren Erwerb des Projekts geschlossen. Im Speziellen beabsichtigt die Gesellschaft, den Nettoerlös zu verwenden, um über ihre 100 %-ige interne Finanzierungs-Tochtergesellschaft der Holdinggesellschaft des Projekts eine Fremdfinanzierung zur Verfügung zu stellen und damit einen eventuellen späteren Erwerb der Windparks auf die für die Gesellschaft finanziell günstigste Art zu ermöglichen.

**Nettoerlöse** – Unter der Annahme des Verkaufs aller Aktien im Rahmen des Angebots zum Bezugspreis rechnet die Gesellschaft mit einem Nettoerlös aus dem Angebot von etwa EUR 44,7 Millionen.

**Übernahmevertrag** – Die Neuen Aktien werden den bestehenden Aktionären durch mittelbare Bezugsrechte gemäß eines am 13. November 2020 zwischen der Gesellschaft und den Joint Bookrunners abgeschlossenen Übernahmevertrags zum Bezug angeboten.

#### **4.3 – Wer ist der Anbieter und/oder die die Zulassung zum Handel beantragende Person?**

**Anbieter** – Stifel Europe Bank AG, eine Aktiengesellschaft nach deutschem Recht mit eingetragem Sitz in Frankfurt am Main, Deutschland, und M.M.Warburg & CO (AG & Co.), eine Kommanditgesellschaft auf Aktien nach deutschem Recht mit eingetragem Sitz in Hamburg, Deutschland.

**Zulassung zum Handel** – Es wird keine Zulassung zum Handel an einem regulierten Markt beantragt.

# 1 PERSONS RESPONSIBLE, THIRD PARTY INFORMATION AND COMPETENT AUTHORITY APPROVAL

## 1.1 Responsibility Statement

Pacifico Renewables Yield AG (the “**Company**” and, together with its consolidated subsidiaries, the “**Pacifico Group**” or “**Pacifico**”), Bavariafilmplatz 7, Gebäude 49, 82031 Grünwald, Federal Republic of Germany (“**Germany**”), telephone +49 89 6498 1161, website: www.pacifico-renewables.com, legal entity identifier (“**LEI**”) 529900Y3K1U2XX4HGM05, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany (the “**Commercial Register**”), under docket number HRB 251232, together with Stifel Europe Bank AG, Kennedyallee 76, 60596 Frankfurt am Main, Germany (telephone +49 69 78808-0, website: www.stifel.com), LEI 529900MC68RTGHKI4F05 (“**Stifel**”), and M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Ferdinandstraße 75, 20095 Hamburg, Germany (telephone +49 40 3282-0, website: www.mmwarburg.com), LEI MZI1VDH2BQLFZGLQDO60 (“**M.M. Warburg**” and together with Stifel, the “**Joint Global Coordinators**” and the “**Joint Bookrunners**”), assume responsibility for the contents of this EU Growth prospectus (the “**Prospectus**”) pursuant to article 11(1) sentence 2 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and section 8 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and declare that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and that this Prospectus makes no omissions likely to affect its import.

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating this Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the “**EEA**”).

The information contained in this Prospectus will not be updated subsequent to the date hereof except for any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus, which may affect the assessment of the shares of the Company and which arises or is noted between the time when this Prospectus is approved and the completion of the public offering or admission of the securities to trading, whichever occurs later, which will be disclosed in a supplement to this Prospectus pursuant to article 21 of the Prospectus Regulation without undue delay.

## 1.2 Purpose of this Prospectus

For the purpose of the public offering of new shares in Germany during a period starting on November 17, 2020 and ending on November 30, 2020 (the “**Subscription Period**”), this Prospectus relates to 1,579,455 new ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from a capital increase against contributions in cash and with indirect subscription rights (*mittelbares Bezugsrecht*) for the Company’s shareholders at a subscription price of EUR 29.00 per New Share (the “**Subscription Price**”), resolved upon by the ordinary shareholders’ meeting (*Hauptversammlung*) on August 26, 2020, each such share representing a notional value of EUR 1.00 and with full dividend rights from January 1, 2020 (the “**New Shares**”). With respect to a fractional share amount of 6,752 new ordinary bearer shares with no-par value originating from this capital increase, the subscription rights of the shareholders have been excluded.

## 1.3 Competent Supervisory Authority

(a) The Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, “**BaFin**”), Marie-Curie-Straße 24–28, 60439 Frankfurt am Main, Germany, as competent authority under the Prospectus Regulation; (b) the BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation; (c) such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus; (d) investors should make their own assessment as to the suitability of investing in the securities; and (e) the Prospectus has been drawn up as part of an EU Growth prospectus in accordance with article 15 of the Prospectus Regulation.

The validity of this EU Growth Prospectus will expire upon closing of the Subscription Period which is currently scheduled for the end of November 30, 2020. The obligation to supplement this EU Growth Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this EU Growth Prospectus is no longer valid.

## 1.4 Sources of Market Data and Third-Party Information

Unless otherwise specified, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which the Pacifico Group operates are based on the Company's assessments. These assessments, in turn, are based in part on internal market observations and on various market studies.

The following sources were used in the preparation of this Prospectus:

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It should be noted, in particular, that reference has been made in this Prospectus to information concerning markets and market trends. Such information was obtained from the aforementioned sources. The Company has accurately reproduced such information and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Prospective investors are, nevertheless, advised to consider this data with caution. For example, market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. The fact that information from the aforementioned third-party sources has been included in this Prospectus should not be considered as a recommendation by the relevant third parties to invest in, purchase, or take any other action with respect to, shares in the Company.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Company and the Joint Bookrunners (see “*1.1 Responsibility Statement*”), neither the Company nor the Joint Bookrunners have independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Company and the Joint Bookrunners make no representation or warranty as to the accuracy of any such information from third-party studies included in this Prospectus. In addition, prospective investors should note that the Company’s own estimates and statements of opinion and belief are not always based on studies of third parties.

## **1.5 Forward-Looking Statements**

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on the Pacifico Group’s future earnings capacity, plans and expectations regarding its business growth and profitability, and the general economic conditions to which the Pacifico Group is exposed. Statements made using words such as “predicts”, “forecasts”, “projects”, “plans”, “intends”, “endeavors”, “expects” or “targets” generally indicate forward-looking statements.

The forward-looking statements contained in this Prospectus are subject to opportunities, risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company’s present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Pacifico Group’s actual results, including its financial condition and profitability, to differ materially from those expressed or implied in the forward-looking statements. These expressions can be found, in particular, in the sections “*2 General Information on the Company and Business Overview*”, “*4 Risk Factors*” and “*8.4 Dividend Policy and Dividends per Share*” and wherever information is contained in this Prospectus regarding the Company’s plans, intentions, beliefs or current expectations relating to the Pacifico Group’s future financial condition and results of operations, plans, liquidity, business prospects, growth, strategy and profitability, investments and capital expenditure requirements, future growth in demand for its residential units as well as the economic and regulatory environment which the Pacifico Group is subject to.

In light of these uncertainties and assumptions, future events mentioned in this Prospectus may not occur. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party sources could prove to be inaccurate (for further information on the third-party sources used in this Prospectus, see “*1.4 Sources of Market Data*”). Actual results, performance or events may turn out to be better or worse compared to the results, performance and events described in the forward-looking statements, in particular due to:

- changes in general economic conditions in the markets in which the Pacifico Group operates, including political changes, changes in the unemployment rate, the level of consumer prices and wage levels;
- changes affecting interest rate levels;
- changes in the competitive environment;

- the occurrence of accidents, terrorist attacks, global pandemics, natural disasters, fire or environmental damage;
- inability to attract and retain qualified personnel;
- political changes;
- changes in weather conditions;
- changes to the taxation of corporations; and
- changes in laws and regulations, in particular regarding any subsidized tariffs or market premiums for energy from renewable sources, as well as environmental laws and regulations.

Moreover, it should be noted that all forward-looking statements only speak as of the date of this Prospectus, and that neither the Company nor the Joint Bookrunners assume any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

Section “4 Risk Factors” contains a detailed description of various risks, the materialization of which could have a material adverse effect on the Pacifico Group’s business, financial condition, cash flows, results of operations and prospects and the factors that could adversely affect the actual outcome of the matters described in the forward-looking statements contained in this Prospectus.

## **1.6 Additional Information**

### **1.6.1 Currency Presentation**

In this Prospectus, “Euro” and “EUR” refer to the single European currency adopted by certain participating member states of the European Union, including Germany. “Cent” or “ct” refers to Euro cent; one Euro cent equals 1/100<sup>th</sup> of a Euro. “CZK” refers to Czech koruna, the currency of the Czech Republic. “PLN” refers to Polish zloty, the currency of Poland.

### **1.6.2 Presentation of Financial Information**

Where financial information in the tables included this Prospectus is labeled “audited”, this means that it has been taken from the Company’s audited financial statements mentioned in section “10 Documents Available for Inspection”. The label “unaudited” indicates financial information that has not been taken from the audited financial statements mentioned above, but was taken either from the Company’s condensed consolidated interim financial information mentioned in section “10 Documents Available for Inspection” or the Company’s accounting records or internal reporting systems, or is based on calculations of figures from the aforementioned sources.

Unless indicated otherwise, all financial information presented in the text and tables below is shown in millions of Euro (in EUR million). TEUR refers to amounts expressed in Euro thousands. Certain financial information (including percentages) has been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or subtotals or differences or if numbers are put in relation) may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Prospectus. Furthermore, rounded figures in tables may not add up exactly to the totals contained in those tables.

Financial information presented in parentheses denotes the negative of such number presented. A zero (“0” or “0.0”) signifies that the relevant figure is available but has been rounded to zero or equals zero, while a dash (“–”) signifies that the relevant figure is not available.

### **1.6.3 Non-GAAP Financial Information (Alternative Performance Measures)**

This Prospectus contains alternative performance measures, *i.e.*, financial measures and ratios, including adjusted operative EBITDA and adjusted operative EBIT that are not defined or required by, or presented in accordance with, the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*, “HGB”). The Company presents non-GAAP financial measures because they are used by management in monitoring Pacifico’s business and because management believes that they and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in its industry.

Adjusted operative EBITDA and adjusted operative EBIT are alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority (ESMA) on October 5, 2015 on alternative performance measures. Specifically, the Company uses

- (a) adjusted operative EBITDA to present the operating performance of Pacifico's portfolio adjusted for non-operating items related to acquisitions/dispositions and other effects that the Company deems to be non-recurring calculated as shown in the reconciliation table in section "2.2.7.8 Operative Units";
- (b) adjusted operative EBIT to present the operating income of Pacifico's portfolio adjusted for non-operating items related to acquisitions/dispositions and other effects that the Company deems to be non-recurring calculated as shown in the reconciliation table in section "2.2.7.8 Operative Units".

The definitions of the non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's operating results as reported under German generally accepted accounting principles of the HGB ("**German GAAP**"). Non-GAAP measures such as adjusted operative EBITDA and adjusted operative EBIT are not measures of the Company's performance or liquidity under German GAAP and should not be considered as alternatives to result for the period or any other performance or liquidity measures derived in accordance with German GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

#### **1.6.4 Auditor**

The Company appointed Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Düsseldorf), Nymphenburger Str. 3b, 80335 Munich, Germany, as the auditor of (i) the Company's unconsolidated financial statements prepared in accordance with German GAAP as of and for the financial year ended December 31, 2019, and (ii) the Company's consolidated financial statements prepared in accordance with German GAAP as of and for the financial years ended December 31, 2019 and December 31, 2018.

Baker Tilly has audited and issued unqualified independent auditor's reports (*uneingeschränkte Bestätigungsvermerke des unabhängigen Abschlussprüfers*) with respect to the aforementioned unconsolidated financial statements of the Company as of and for the financial year ended December 31, 2019 and unqualified auditor's reports (*uneingeschränkte Bestätigungsvermerke*) with respect to the aforementioned consolidated financial statements as of and for the years ended December 31, 2019 and December 31, 2018. In addition, Baker Tilly performed a review (*prüferische Durchsicht*) of the condensed consolidated financial statements as of and for the six-month period ended June 30, 2020 and issued an audit certificate after audit review (*Bescheinigung nach prüferischer Durchsicht*).

Baker Tilly is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

#### **1.7 Interests of Persons involved in the Offering**

In connection with the Offering and the inclusion of the New Shares into the Company's existing listing in the open market (*Freiverkehr*) of the Dusseldorf Stock Exchange and its sub-segment with additional requirements (*Primärmarkt*) the Joint Bookrunners entered into a contractual relationship with the Company. The Joint Bookrunners are advising the Company on the Offering, in particular, on the coordination, structuring and execution of the Offering. The Joint Bookrunners will receive a commission for their activities upon successful completion of the Offering, the size of which depends on the results of the Offering. The Joint Bookrunners therefore have a financial interest in the success of the Offering.

Furthermore, in connection with the Offering, each of the Joint Bookrunners and any of their respective affiliates may take up a portion of the New Shares in the Offering and in that capacity may retain, purchase or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering. In addition, certain of the Joint Bookrunners or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of shares in the Company. None of the Joint Bookrunners intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Additionally, the Joint Bookrunners or companies affiliated with them have, and may from time to time in the future have, other business relationships with the Company or its group and render other services to the Company or its group in the ordinary course of business, for which they may receive customary fees and commissions.

Since the Company will receive the net proceeds from the Offering of the New Shares and these will strengthen the equity capital basis of the Company, all direct and indirect shareholders with an interest in the Company, in particular the existing shareholders of the Company, have an interest in the implementation of the capital increase to which this Offering relates. This applies, in particular, to Pacifico Partners, which has entered into a Strategic Partnership (as defined in section “2.2.4.2 *Strategic Partnership with Pacifico Energy Partners GmbH*”) with the Company pursuant to which the Company, under certain conditions, intends to acquire renewable energy projects developed or brokered by Pacifico Partners, potentially including the wind portfolio in Poland in connection with which the net proceeds from this Offering are expected to be used.

Other than the interests described above, there are no material interests. None of the aforementioned interests in the Offering constitute a conflict of interests or a potential conflict of interests. Consequently, there are no conflicts of interest with respect to the Offering.

## **1.8 Reasons for the Offering, Use of Proceeds and Expenses of the Offering**

The Company will receive the net proceeds from the sale of the New Shares. The net proceeds, which correspond to the gross proceeds after the deduction of expenses relating to the Offering to be borne by the Company, depend on the actual number of New Shares sold, the Subscription Price and the offer price for any unsubscribed shares in a rump placement (see section “6.1 *Subject Matter of the Offering*”) as well as the expenses related to the Offering.

The Company is targeting gross proceeds from the Offering in an amount of EUR 46 million. Assuming that this target is reached, the Company estimates the placement fees incurred vis-à-vis the Joint Bookrunners in connection with the Offering to be about EUR 1.0 million (assuming full payment of the discretionary fee components and participation in the Offering by the majority shareholder at the committed amount (see “6.5 *Management / Shareholder Participation in the Offering*”)), with total costs (including placement fees) of approximately EUR 1.3 million and net proceeds received by the Company of approximately EUR 44.7 million. If gross proceeds of EUR 40 million are reached, which would be in line with the Company’s direct financial needs, the Company estimates the placement fees incurred vis-à-vis the Joint Bookrunners in connection with the Offering to be about EUR 0.8 million (assuming full payment of the discretionary fee components and participation in the Offering by the majority shareholder at the committed amount (see “6.5 *Management / Shareholder Participation in the Offering*”)), with total costs (including placement fees) of approximately EUR 1.0 million and net proceeds received by the Company of approximately EUR 39.0 million. Based on the best efforts structure, the number of actually placed shares may be significantly lower than the number of offered shares.

The Company intends to use the net proceeds from this Offering to further pursue its portfolio growth strategy, particularly in connection with a potential later acquisition of three onshore wind parks in Kuyavian-Pomeranian Voivodship, Poland, with a total capacity of 51.8 MW, which are scheduled for commencement of full operation in March 2021 (see section “2.2.4.3.2.1.1 *Kuyavian-Pomeranian Voivodeship, Poland*”). In this respect PAC Czechia GmbH, a wholly-owned subsidiary of the Company, has entered into a non-binding letter of intent with the seller for a potential acquisition of the project following its commercial operation date as well as exclusivity of negotiations through the end of 2021. Specifically, the Company intends to use the net proceeds to provide, via its dedicated and wholly-owned internal financing subsidiary Pacifico Renewables Fin GmbH, debt financing to PAC Poland 2 GmbH, the project’s holding company (see section “2.2.4.3.2.1.1 *Kuyavian-Pomeranian Voivodeship, Poland*”), in order to allow for a potential later acquisition of the wind farms in the financially most attractive way for the Company.

Pacifico Renewables Fin GmbH and PAC Poland 2 GmbH agreed on an indicative term sheet regarding the basic terms of this intended loan. The term sheet sets forth that the loan shall have a term until the end of 2024 at an interest rate of 6.45%, provide for market standard covenants (including a prohibition to pay dividends prior to full repayment of the loan) and be secured through a first-ranking pledge over the shares in the borrower. The Company’s supervisory board has assigned one of the international professional services network firms to conduct an independent valuation and issue a fairness opinion.

Investors will not be charged expenses by the Company or the Joint Bookrunners. Investors will have to bear such costs that may occur in connection with the securities, including possible fees charged by their depository banks in connection with the subscription and holding of the securities.

## 2 GENERAL INFORMATION ON THE COMPANY AND BUSINESS OVERVIEW

### 2.1 Information about the Company

#### 2.1.1 Incorporation and Conversion

The Company was formed as a limited liability company (*Gesellschaft mit beschränkter Haftung*, (GmbH)), governed by the laws of the Federal Republic of Germany, under the legal name Pacifico European Renewables Yieldco GmbH on September 11, 2018.

On August 28, 2019, the general meeting resolved upon the conversion of the Company into a stock corporation under German law (*Aktiengesellschaft*) with the legal name Pacifico Renewables Yield AG. As part of the conversion, amongst others, new articles of association suitable for a stock corporation under German law were adopted and the members of the Company's supervisory board (the "**Supervisory Board**") and of the Company's management board (the "**Management Board**") as well as the auditor for the financial statements for the fiscal year ending December 31, 2019 were appointed. The conversion was entered in the Commercial Register under docket number HRB 251232 on September 3, 2019.

#### 2.1.2 Governing Law

As a company registered in Germany whose shares are listed on an open market (*Freiverkehr*) in Germany, the Company is subject to German law applicable to a German stock corporation (*Aktiengesellschaft*), in particular the German Stock Corporation Act (*Aktiengesetz*, "**AktG**"), which, *inter alia*, governs foundation, post-formation acquisitions, capital measures of the Company (*e.g.*, capital increases and reductions) and the Company's shareholders' meetings, as well as other laws applicable to German stock corporations such as the German Transformation Act (*Umwandlungsgesetz*) and the HGB.

#### 2.1.3 Legal and Commercial Name

The Company's legal name is Pacifico Renewables Yield AG.

#### 2.1.4 Registration and Duration

The Company is registered with the Commercial Register of the local court of Munich, Germany, under docket number HRB 251232. Its registered seat and business address is at Bavariafilmplatz 7, Gebäude 49, 82031 Grünwald, Germany (telephone: +49 89 64981161), and it holds the LEI 529900Y3K1U2XX4HGM05.

The Company's website address is <https://www.pacifico-renewables.com>. Information on the Company's website and information accessible via this website is neither part of, nor incorporated by reference into, this Prospectus.

The Company has been established for an unlimited duration.

### 2.2 Business Overview

Pacifico is an independent power producer from renewable energy sources holding a portfolio of photovoltaic and onshore wind plants with a capacity of currently 81 megawatt ("**MW**") across four European Union ("**EU**") Member States (Germany, the Czech Republic, Italy and the Netherlands). It focuses on the operation and acquisition of small- and medium-sized operational or close-to-operational renewable energy plants that are already operational or in a contractually-secured construction phase (see section "**2.2.4.1 Investments**") while applying rigorous financial discipline, thereby allowing it to aim at attractive returns in a decentralized segment of an alternative asset class less penetrated by large institutional investors avoiding the higher risks associated with project development. As cornerstone of its intended portfolio growth strategy, the Company 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 until 2023.

Renewables are set to close the energy capacity gap opening up in Europe as a consequence of a two-fold development: on the one hand, an increasing demand for electricity resulting, *inter alia*, from trends to electrification and digitalization, and, on the other hand, a decreasing supply from conventional power plants as approximately half of the EU Member States already phased out or committed to phase out coal-fired power generation. In addition, Germany, Belgium and Spain plan to phase-out their nuclear power plants, while France aims to reduce nuclear power

production; this may, however, be offset by extension plans in other EU Members States. Public pressure on policy makers and the private sector has resulted in commitments to combat climate change and to meet sustainability goals benefiting renewable energy. For example, under the Paris Agreement, the EU committed to increasing its share of energy from renewable sources in the gross final consumption of energy from 17.5% in 2017 to 32.0% by 2030. However, continuing limitations in terms of transportation and storage favor decentralized capacity additions. At the same time, photovoltaic and onshore wind sources have become increasingly cost competitive compared to conventional technologies as the weighted average global levelized cost of electricity (“**LCOE**”) decreased from 2010 to 2019 by 82.0% for photovoltaic and 38.4% for onshore wind generation (*Source: IRENA, Renewable Power Generation Costs in 2019*).

Pacifico’s current portfolio, including its photovoltaic assets in the Netherlands which are partially under construction, is diversified across technologies (69% photovoltaic plants and 31% onshore wind plants) and regions (62% Germany, 9% Czech Republic 5% Italy and 24% the Netherlands). Adding new regions, such as in connection with the intended acquisition of three wind farms with a capacity of 51.8 MW in Poland will help Pacifico further its portfolio diversification and maintain an efficient technology mix which in turn allows it to decrease volatility in electricity production and dependence on regulatory regimes in a specific jurisdiction. Currently, all of Pacifico’s plants benefit from public support mechanisms for the promotion of renewable energy which secure stable and predictable cash flows mainly independent from the market price for electricity. As of June 30, 2020, the average weighted remaining term of the corresponding public support scheme applicable to its assets was approximately 10 years. Following the expiry of the subsidized remuneration Pacifico may extend the operational time of almost all its plants due to its land ownership, remaining lease terms or options to extend the lease by (i) either operating the fully depreciated and debt free plant beyond the expiration of subsidies with lower maintenance costs and selling the electricity on the market or through a power purchase agreement (“**PPA**”) or (ii) engaging a service provider to propose a repowering of the plant and building a new and potentially larger plant based on state-of-the-art technologies and the knowledge of the local circumstances gained through prior experience (so-called golden end, see also “2.2.1.8 *Capitalize option value of plants after the expiration of subsidies and continuously optimize operating plants*”).

Through contractual arrangements with the Company’s strategic partner Pacifico Partners, the Company has priority access to an investment pipeline of currently more than 600 MW until 2023 (the “**Project Pipeline**”). This Project Pipeline as well as complementary opportunistic acquisitions on the secondary market provide significant upside potential through accretive acquisitions of renewable energy assets in a scalable organizational set-up to help build Pacifico’s target portfolio of approximately 400 MW by the end of 2023.

As of June 30, 2019, Pacifico successfully acquired its initial renewable energy portfolio with a capacity of approximately 60 MW which generated consolidated sales revenues of EUR 5.0 million in its financial year 2019 (EUR 11.1 million for the full year 2019, which were only partly consolidated in Pacifico’s financial statements due to the first-time consolidation as of mid-year) and an operating cash flow of EUR 3.8 million. In the six months ended June 30, 2020, Pacifico’s 81.0 MW portfolio, including eight operative photovoltaic plants in Germany with a total capacity of 21.2 MW which were acquired with economic effect as of January 1, 2020, generated consolidated sales revenues of EUR 9.0 million and an operating cash flow of EUR 5.7 million.

## **2.2.1 Business Strategy**

The Company’s business objective is to grow and optimize its portfolio of renewable energy power plants in order to pay sustainable dividends to the Company’s shareholders in the future (see “8.4 *Dividend Policy and Dividends per Share*”) and thereby contribute to the acceleration of the energy transition.

### **2.2.1.1 Focus on established clean power generation technologies with stable and predictable cash flows**

The Company believes in the efficiency of 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 (see section “2.2.4.1 *Investments*”) and benefit from a contracted revenue base. This clear profile allows to deliver stable and predictable cash flows while avoiding development risks. Furthermore, with onshore wind and solar power plants, the Company builds on established and competitive technologies associated with comparatively limited risks in a growing market.

### **2.2.1.2 Grow the business without bearing development risks**

The Company aims to grow its business by increasing the current portfolio of approximately 81.0 MW to a target portfolio of approximately 400 MW by the end of 2023. Investments in new projects target an internal rate of

return (“**IRR**”) that is higher than the Company’s expected cost of equity. Depending on the market situation of the relevant country and technological factors, this usually results in a minimum levered equity IRR of approximately 6%. Further considerations for evaluating acquisition targets are set forth in the Company’s investment charter which is described in section “2.2.4.1 *Investment*” below.

At the core of Pacifico’s growth strategy are acquisitions from the Project Pipeline of the Company’s strategic partner. Through a right of first offer agreement the Company has priority access to development assets with a total capacity of more than 600 MW until 2023. At the latest twelve months after the commercial operation date of a development plant, the Company’s strategic partner has to offer newly built plants to the Company. However, Pacifico is not legally obliged to acquire any offered assets and may purchase assets from other parties as well. The earliest point for an acquisition would be once the construction has been contractually secured, including that all permissions and approvals to complete construction work are fully in place. Ex-ante identified construction-related risks resulting from assets not acquired as turnkey from its strategic partner are intended to be covered case by case under the relevant purchase agreement. In addition, Pacifico opportunistically acquires operational power plants on the secondary market.

Mid-term, the Company envisions to complement its existing growth strategy with acquisitions from other third-party developers. By offering a standardized and professional capital recycling process and its financial expertise, the Company intends to become a platform (also) for independent project developers in the future.

#### 2.2.1.3 Increase the geographical and technological diversification of its portfolio

Currently operating in four EU Member States, Pacifico targets to increase the diversification of its portfolio. Pacifico intends to add further countries to its geographical split. Additional jurisdictions with a stable business environment should allow to further diversify meteorological and political risks. The Company’s investment charter defines the European Union, Norway, and Switzerland as its regional scope.

In addition, Pacifico aims at technological diversification by operating onshore wind and photovoltaic assets. Targeting different renewable energy technologies reduces the risk exposure to seasonality and weather conditions. Solar parks and wind parks, for instance, largely complement each other with respect to daily or yearly production curves which, in the Company’s opinion, 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. In the long-run, Pacifico aims at providing a balanced technological split between onshore wind and solar. However, the specific mix will be subject to variation due to acquisitions.

The Company’s own simulation based on historical weather data from the portfolio in November 2019 has shown that the volatility of its energy production is expected to decrease significantly with its targeted portfolio expansion to 220 MW by the end of 2021 through the acquisition of new projects from Pacifico Partners’ development pipeline.

#### 2.2.1.4 Target small- and medium-sized assets with large-cap professional standards

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

In the Company’s 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.

Projects with equity investments below EUR 5 million are, in the Company’s view, often characterized by an imbalance between investment volume and transaction costs. In general, their acquisition and operation requires about the same amount of management attention as an acquisition of a project with an equity investment between EUR 5 million and EUR 50 million. However, the acquisition of such smaller projects is more difficult to finance as certain investors and some senior lenders prefer to keep transaction costs relatively low and thus prefer larger slot sizes of the renewable assets. In the Company’s opinion, projects with equity investments between EUR 5 million and EUR 50 million provide economies of scale with respect to transaction costs.

Larger projects with equity investments of more than EUR 50 million are more limited in numbers compared to small- or medium-sized assets as they require locations of a suitable size for the operation of plants. While the project supply is thus lower, the Company understands that larger assets are acquisition targets for a significant number of investors with larger investment amounts and often comparatively lower targeted returns. These investors

focus their efforts on the few larger deals available resulting in fierce competition, higher purchase prices and correspondingly lower rates of return. In addition, projects with equity investments of more than EUR 50 million are associated with long and uncertain development periods and are prone to higher local resistance. Even though Pacifico would not bear the development risks (*inter alia*, grid connection or land use permissions) itself, such projects would make its pipeline more unpredictable. In comparison, projects with equity investments of less than EUR 50 million can be built in more decentralized ways and closer to the relevant private and commercial customers thereby facilitating the connection to the grid as well as the transport of electricity.

Furthermore, investments in small- and medium-sized projects will lead to natural diversification and thus reduce the risk exposure of Pacifico's entire portfolio, as the risk will be spread over relatively more projects than if Pacifico 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.

#### 2.2.1.5 *Continuously optimize capital structure*

The Company's management continuously challenges and seeks to optimize Pacifico's capital structure. The management strictly ties capital increases to acquisitions in order to provide the Company's shareholders attractive returns. Beyond capital increases, the Company's management sees large potential in using debt instruments at the level of the Company or intermediate holding companies in addition to, or as a substitute for, project financing. The Company believes that future debt issuances will create accretion for shareholders. Incorporating this Offering into the Company's capital structure will temporarily lead to a comparably high equity ratio. However, given the limited financial history of the Company, the Company's management considers sizeable debt issuances a mid-term goal. The Company considers the green debt market to be particularly interesting. The post-subsidy remuneration regime for renewable energy plants creates an increased need of holding level debt based on a diversified portfolio, which the Company considers an opportunity.

#### 2.2.1.6 *Rigorously focus on financial discipline and optimizing financial flexibility*

In its operating activities and investment decisions the Company applies strict financial discipline. The Company 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. Pacifico's mid-term target is to drive weighted costs of debt below 3.5% (on the basis of the current interest rate environment) whilst ensuring a sound capital structure with an equity ratio above 20%, in each case on a consolidated basis. While in the past the Company's debt structure has been dominated by non-recourse debt, the Company believes that it will have additional financial flexibility available going forward to seek alternative financing arrangements, including, but not limited to, debt financings at the holding company level.

In order to have financial flexibility available whenever an attractive investment opportunity opens up the Company entered into a revolving credit facility with Triodos Bank N.V. in an amount of initially up to EUR 8.35 million at a maximum interest rate of 3.85% per year for drawdowns. Recently, Triodos Bank N.V. has agreed to increase the size to up to EUR 16.3 million subject to the closing of an acquisition of a 15.6 MW turnkey wind farm in Germany for which a large part of the upsized facility will be drawn. This line provides the Company with short-term financial flexibility at a maximum tenor of 18 months.

#### 2.2.1.7 *Gradually manage the transition into the unsubsidized future by optimizing the trade-off between stabilizing revenues and hedging costs on a case-by-case basis*

The transition from government support schemes to unsubsidized electricity marketing channels has already started. Due to falling levelized costs of solar and wind electricity, renewables have become increasingly cost competitive. In turn, the demand for corporate renewable PPAs, under which electricity is directly sold to a commercial off-taker, such as a technology company, has increased.

Long-term PPAs represent a tool for renewable electricity producers to hedge against revenue volatility from the direct sale of electricity on the market. An electricity producer aiming to reduce its exposure to market price volatility faces two considerations in defining an optimal PPA strategy: (a) what level of market price exposure is it willing to take, and (b) what hedging through a long-term PPA is optimal to achieve an attractive leverage ratio on debt financing. For the latter, the Company carefully evaluates, on a case-by-case basis, the optimal trade-off between stabilizing revenues through hedging in order to achieve high debt leverage (return improving) on the one hand, and the risk premium cost at which such hedging comes (return deteriorating) on the other hand. In this optimization, for each element of market risk (*e.g.*, baseload power price risk, own technology capture price risk, production volume

risk, and balancing risk) the right level of hedging between no hedge, partial hedging (e.g., floor price schemes) and full risk transfer to the off-taker (e.g., fixed price schemes, pay-as-produced schemes) needs to be chosen.

The Company believes that a fixed-price PPA for ten years that covers baseload power price risks will be beneficial for most non-subsidized projects going forward. Further hedging beyond this (e.g., through longer terms or coverage of capture price risks) is likely to attract significant risk premiums, making a careful consideration of the achieved benefits mandatory.

However, the Company believes that electricity producers will need to take increasing power price exposure as a matter of principle in order to avoid a considerable shift of value pools towards hedging providers.

#### 2.2.1.8 Capitalize option value of plants after the expiration of subsidies and continuously optimize operating plants

For most of its existing plants, the Company may extend their 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 (“**Golden End**”):

- 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;
- 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 (for Pacifico’s repowering arrangement under the strategic partnership with Pacifico Partners, see “2.2.4.2.3 Master Services Agreement”).

#### **2.2.2 Key Competitive Strengths**

The Company believes that it is well positioned to execute its business strategies based on the following competitive strengths:

##### 2.2.2.1 Stable and predictable cash flows from a diversified portfolio with inherent upside

Pacifico’s current portfolio of 81.0 MW, including its photovoltaic assets in the Netherlands which are partially under construction, is diversified across technologies (69% photovoltaic plants and 31% onshore wind plants) and regions (62% Germany, 9% Czech Republic, 5% Italy and 24% the Netherlands). This portfolio provides Pacifico with stable and predictable cash flows mainly independent from the market price for electricity as currently all its plants benefit from public support mechanisms for the promotion of renewable energy. As of June 30, 2020, the average remaining term of the subsidized remuneration applicable to the Company’s assets was approximately 10 years. Pacifico’s portfolio has inherent upside potential since most of its plants bear the prospective of further energy production following the expiry of the support schemes (Golden End).

##### 2.2.2.2 Strategic partnership with Pacifico Partners provides priority access to a more than 600 MW Project Pipeline and efficient outsourcing of asset management services

To further grow and diversify its portfolio without bearing development risks and to allow for efficient outsourcing of asset management and other services, the Company has entered into a strategic partnership with Pacifico Partners, a privately-held development, brokerage and asset management company focusing on onshore wind and solar power plants ranging from 1 to 150 MW throughout Europe and project developments in every project stage. Together with its strategic partner the Company focuses on small- and medium-sized assets with the professional standard, skills, education and experience of large institutional investors. The 60 MW portfolio which Pacifico held at the time of its initial open market listing was assembled by Pacifico Partners.

Pacifico Partner’s management team combines 30 years of professional experience with and in the energy sector ranging from development, to senior financings and PPA structuring and from consulting large-scale utility companies to small- and medium-sized renewables acquisitions. The broader team covers all languages of the countries the Company is active in and combines recruiting the best talent with tier-one industry experience. Pacifico

Partners have successfully attracted employees from their and the Company's leading competitors. They are organized to address Pacifico's needs by having dedicated teams focusing on development, brokerage and asset management.

Together with its strategic partner, the Company is able to acquire and operate small- and medium-sized renewable energy assets with the professionalism and expertise of large institutional investors.

The Company's strategic partnership with Pacifico Partners provides it with the following significant benefits:

- ***Contractually secured priority access to visible and attractive growth opportunities***

The strategic partnership provides the Company with priority access to a Project Pipeline of currently more than 600 MW through a right of first offer agreement. The pipeline is split into two phases. Phase one includes development projects with a capacity of approximately 140 MW that are in an advanced stage and could be proposed for sale to Pacifico by the end of 2021. Phase two includes projects with a capacity of more than 450 MW. These projects are in different development stages or under review for development and could become available for sale to Pacifico by the end of 2023. In general, including when acquiring assets from its strategic partner, the Company has a clear focus on operational assets or projects at least in a contractually secured construction phase (see section "2.2.4.1 Investments"). Ex ante identified construction-related risks resulting from assets not acquired as turnkey from its strategic partner are intended to be covered case by case under the relevant purchase agreement.

This approach allows the Company to invest in renewable energy projects which are already in operation or in a contractually secured construction phase, thereby avoiding comparatively high development risks and benefitting from higher cash flow predictability as the operation phase begins or is in progress. Even though Pacifico does not develop the pipeline projects itself, the Company ensures visibility on timing and size of the investment and fit to the investment charter through regular strategic alignment with Pacifico Partners. Should the Company reject an investment, Pacifico Partners is prohibited for a period of two years from offering these projects to another party at improved conditions. No fees are associated with the right of first offer agreement itself.

In addition, the right of first offer agreement defines a standardized sales process, which, e.g., includes a comprehensive information package and a fixed timetable for proposed transactions (see "2.2.4.2.1 Project Development and Acquisition"). This standardized sales process makes efficient use of existing due diligence reports, which the Company supplements with further analyses as it deems necessary under the specific circumstances of the relevant acquisition. Combining this efficient approach with the Company's ability to acquire individual projects, which relieves its strategic partner from the need to build a sizeable portfolio for sale, provides the Company the potential to acquire individual projects at a lower price and with lower transaction costs and in turn at a higher return. In addition, Pacifico Partners supports the Company as broker for investments in secondary-market investments of operational assets, such as the recently closed acquisition of a 21.2 MW PV portfolio in Germany.

Despite its priority access to Pacifico Partners' more than 600 MW Project Pipeline, the Company targets to further grow and diversify Pacifico's portfolio to a capacity of approximately 400 MW by the end of 2023, as it may not accept every asset offered from the Project Pipeline and Pacifico Partners may not be able to successfully complete every project that is currently part of this Project Pipeline.

- ***Efficient outsourcing of asset management activities based on variable remuneration to a partner with tier-one energy sector expertise***

Furthermore, the strategic partnership has allowed Pacifico to efficiently outsource asset management services and other operative services to the Company's strategic partner Pacifico Partners (see "2.2.4.2.2 Commercial Asset Management"). Pacifico Partners brings valuable first-class sector expertise to the partnership, with a management team that combines over 30 years of energy sector expertise and with dedicated teams for asset management organized by country, for PPAs, as well as for digitalization. Thereby, Pacifico is able to operate a large scalable portfolio with a lean organizational structure whose resources can be 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's returns and softens the impact of meteorological variation. Technical availability of German wind parks is assured at 97% by the respective operations & maintenance ("O&M") provider. The O&M may be, but does not have to be the

same party as the turbine supplier (original equipment manufacturer (OEM)). For solar farms outside of Germany, technical availability or performance ratio is contractually guaranteed by the respective O&M provider and depends on the actual irradiation measurements.

- ***A strategic partner, whose interests are fully aligned with the Company and its shareholders***

The compensation for asset management and optimization services is based on applicable revenues and the Company's enterprise value, which allows its cost base to adjust to revenue fluctuations and aligns the interests of the strategic partner with those of the Company's shareholders.

In addition to the contractual framework, there is a structural alignment of interests since the Company's indirect majority shareholder, Pelion Green Future GmbH, formerly Pelion Capital GmbH ("**Pelion**"), is also the majority shareholder of Pacifico Partners and is expected to support the Company's future growth as a strategic anchor shareholder.

#### ***2.2.2.3 Dedicated and incentivized management team with tier-one finance experience fully aligned with shareholders***

The Company's passionate management team consists of finance experts with first-class experience in corporate finance. Both its Co-CEOs, Dr. Martin Siddiqui and Christoph Strasser, joined the Company in October 2019 after working at J.P. Morgan's Corporate & Investment Bank for approximately four years. Dr. Martin Siddiqui covered German and Austrian financial institutions and large German corporate banking clients, *inter alia*, with respect to sustainable finance projects and green bonds issuances, while Christoph Strasser covered large German and Austrian corporate banking clients, *inter alia*, including financing projects in the renewables sector.

The Company's management team's interests are fully aligned with the Company's shareholders' interests through their incentive-based variable compensation. Both members of the Management Board were each granted 46,511 phantom shares, which can be converted by the holders into a payment claim based on the current share price of the Company. In total, the phantom stocks will be vested linearly over a period of five years from October 2019 with a cliff after 15 months. For up to half of the phantom shares already vested, conversion may be requested for the first time from the third year on. In the event of a dividend distribution, the holders of the phantom shares will receive a payment per virtual share corresponding to the dividend per share.

Since taking their offices as members of the Management Board of the Company, they have completed two capital increases totaling more than EUR 20 million, optimized the Company's debt structure, listed the Company on the open market of the Dusseldorf Stock Exchange followed by the recent uplisting to the open market's sub-segment with additional requirements (*Primärmarkt*) on September 16, 2020 associated with XETRA trading since September 16, 2020 and increased the Company's portfolio by 35% through the acquisition of eight photovoltaic plants with a total capacity of 21.2 MW.

#### ***2.2.2.4 Backed by long-term oriented shareholders and successful entrepreneurs***

Complementary to the Company's independent management team, the Company is backed by its indirect majority shareholder, Pelion, an entrepreneurial investment holding which aims at further growing the Company as proven by its commitment to participate in this Offering (see "6.5 Management / Shareholder Participation in the Offering").

### ***2.2.3 Principal Markets***

#### ***2.2.3.1 Market Environment 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 wind and solar energy will already account for 74% of the electricity mix in Europe by 2050, with some markets, such as Germany, even going beyond 80% (*Source: Bloomberg New Energy Outlook 2020*).

The main reason for the increasing demand for new electricity generation capacity is the decreasing supply of conventionally generated energy from existing plants. Many EU Member States have announced far-reaching phase-out measures, especially for coal-fired and nuclear power plants. Coal-fired power plants have already been

taken off the grid in three European countries, and in another 12 countries there are concrete plans to phase out coal (*Source: Euractiv*). The total nuclear capacity in the European Union is expected to decline by 20% by 2030, with the largest reductions expected in Germany (full phase out by 2022), Belgium, Spain and France (*Source: IEA, World Energy Outlook 2020*).

At the same time, photovoltaic and onshore wind power generation has been benefitting from increases in industrial production taking advantage of economies of scale. As a result, these renewable sources have become increasingly cost competitive compared to conventional technologies. For example, the global weighted-average LCOE decreased from between USD 188 and USD 514 per Megawatt-hour (“MWh”) in 2010 to between USD 52 and USD 190 per MWh in 2019 for photovoltaic with the weighted average LCOE falling by 82% and from between USD 58 and USD 117 per MWh in 2010 to between USD 38 and USD 107 per MWh in 2019 for onshore wind generation with the weighted average LCOE falling by 38.4%. Due to this significant cost reduction, photovoltaic and onshore wind LCOEs now mostly lie within or below the cost range for fossil fuels. For the year 2019, the LCOEs for fossil fuels ranged between USD 50 and USD 177 per MWh. As indicated by recent auctions and PPAs, the costs for the production of photovoltaic and onshore wind energy are expected to fall due to further technological advancements, increasing economies of scale and fierce competition across the supply chain (*Source: IRENA, Renewable Power Generation Costs in 2019*).

In addition to efforts by the public sector (see below), renewable energies are also experiencing strong support from the private sector. This support is reflected in the RE100 initiative, among other things. In the meantime, more than 260 influential companies 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 (*Source: RE100, Companies*).

According to the 2020 IEA World Energy Outlook of global average annual investment in renewables, between 2019 and 2040 investments are expected to increase by approximately 28% to USD 396 billion. 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 PV by 10.6% annually to 5,478 TWh by 2040 (2019: 665 TWh) (*Source: IEA, World Energy Outlook 2020*). 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 Remap study, prepared in cooperation with the European Commission (“EC”), identifies cost-effective renewable energy options for all EU Member States, spanning a wide range of sectors and technologies. The Remap study finds that the EU could, in a cost-effective way, double the renewable share in its energy mix over the course of 15 years, from 17% in 2015 to 34% in 2030 (*Source: IRENA 2018*). 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, long-term de-carbonization of EU energy is not manageable. Furthermore, the European electricity sector has sufficient technical capacity to accommodate larger shares of solar PV 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 to reach its long-term de-carbonization goals.

This explains why renewable energies and solar power generation by PV and wind power generation in particular have both grown significantly. Globally, PV and wind power generated only 6 TWh and 133 TWh, respectively, in 2006; by 2019, power generation increased to 720 TWh (PV) and almost 1,400TWh (wind power) (*Source: IEA, Tracking Power 2020*). In 2019, 15.4 Gigawatt (“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 (*Source: WindEurope 2019*).

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 (*Source: IEA, World Energy Outlook 2020*).

Closely related to the further expansion of renewable energies is the development of energy storage. Globally, 2.9 GW of energy storage capacity was added in 2019, thereof one GW in Europe. Still, within the EU, transmission and distribution system operators are allowed to own and operate storage facilities only in exceptional circumstances (*Source: IEA, Energy Storage*). The key issue for the development of the storage sector will be the

question of ownership as in many markets the ban for network operators to own storage facilities is a significant barrier to defer transmission and distribution of energy, one of the most valuable applications for storage. Developers could be helped to monetize the value of electricity storage by rewarding how quickly or how often facilities respond, or by removing regulatory barriers to make storage part of the value-added services. The economic efficiency of storage is significantly improved by bundling several power and energy applications. Although not always cost-optimal for the system, sharing renewable energy and storage could be the second-best option for using system flexibility (*Source: IEA, Energy Storage*). In order to build a viable manufacturing sector in Europe and consolidate technological and industrial leadership, the European Commission has identified batteries as a strategic value chain in which the EU needs to increase investments and innovation to strengthen industrial policy strategy (*Source: European Commission, Energy Storage*). Currently, China is leading the segment of battery production by far with a market share of roughly 70% (*Source: IEA, Clean Energy Future*).

Besides batteries, hydrogen-producing electrolysis is the second important technology for the storage sector as it also can convert electricity into chemical energy and vice versa. Both are small, modular technologies that are potentially well suited for mass production as strong cost reductions are already underway. Currently, battery technology is more advanced and technology spillovers are expected from the research and development of batteries for electronic vehicles (*Source: IEA, Clean Energy Future*). In Germany, a draft law of the German Federal Government (German Renewable Energy Sources Act 2021 (*Erneuerbare-Energien-Gesetz, "EEG 2021"*), BR-Drs 569/20) proposes that, in alignment with the German National Hydrogen Strategy (BT-Drs. 19/20363), the generation of hydrogen from renewable energy sources shall be exempt from the EEG levy by 2021, which would decrease the production costs of this storage technology. This shows that hydrogen is politically favored as a storage medium. The hydrogen strategy of the European Commission aims to promote hydrogen based entirely on renewable electricity as it is seen as a potential pathway for reducing greenhouse gas emissions from industries which are difficult to decarbonize (*Source: Euractiv, Renewable Hydrogen*). Hydrogen is a very versatile energy source that can help address various critical energy issues, which 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. Currently, Europe is the world market leader in the market of electrolysis with a capacity of 1.2 GW per annum and 2019 being the record year for the commissioning of electrolysis capacities (*Source: IEA Clean Energy Future*).

### 2.2.3.2 European Framework Conditions

In December 2019, the new political guideline, the European Green Deal, was presented by the EC to combat climate change and promote sustainable growth. The deal aims, *inter alia*, for a supply of clean, affordable and secure energy as well as mobilizing industries for a clean and circular economy. With this, the EC is pursuing the goal of making Europe the first climate-neutral continent by 2050, involving various economic sectors and scientific disciplines (*Source: European Commission, The European Green Deal*).

Due to the impact of the COVID-19 pandemic, some governments are reluctant to pursue the European Green Deal during the beginning economic recovery (*Source: European Parliament, Coronavirus Impact*). However, other governments as well as various European bodies such as the EC and representatives of the European Parliament continue to adhere to the European Green Deal as a growth strategy and recovery program for the European economy and to combat the global climate crisis (*Source: European Parliament, Press Release*).

At the end of May 2020, the EC presented the European Construction Plan. This plan includes the budget for 2021 to 2027, which once adopted is expected to amount to EUR 1.1 trillion, as well as the new recovery instrument "Next Generation EU". Next Generation EU is intended to trim the European budget from 2021 to 2024 with a financial volume of EUR 750 billion raised on the financial markets and to implement a so-called Marshall Plan for Europe. It includes, among other things, EUR 560 billion for the demand of ecological and digital change in the EU Member States as well as an increase in the fund for a smooth transition to climate neutrality to up to EUR 40 billion (*Source: European Commission, Press Release*).

Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action required each Member State to notify to the EC an integrated national energy and climate plan by December 31, 2019. Revised plans must be notified by January 1, 2029 and every ten years thereafter.

### 2.2.3.3 Germany

In the context of the German energy turnaround, the change to energy generation from renewable energy sources and the more efficient use of energy, the Renewable Energy Sources Act (*Erneuerbare-Energien-Gesetz*, “**EEG**”) first came into force in 2000 and has since been continuously updated. The EEG provides the legal basis for the requirement of energy efficiency and the development of renewable energies. With the fixed remuneration for energy produced over a fixed period of 20 years, the EEG contains a tool that has been recognized worldwide and used as a model several times elsewhere (*Source: REA, Press Release*). The initially comparatively high remuneration per kilowatt-hour produced was continually reduced due to the increasing competitiveness of renewable energies in the context of various renewals of the EEG until the amendment of 2017 switched to a tendering procedure. Nevertheless, a large number of plants are still remunerated at a fixed tariff due to the twenty-year requirement (*Source: Umweltbundesamt, EEG*).

In 2011, the German Federal Parliament (*Bundestag*) passed the “13th Act to Amend the Atomic Energy Act” (*13. Gesetz zur Änderung des Atomgesetzes*). It regulates the phasing out of nuclear energy by determining the operating life of nuclear power plants. According to this law, by 2022 all nuclear power plants still operating in Germany will be shut down within the next two years. In 2021 and 2022 about 4 GW of nuclear energy will be taken off the grid (*Source: German Federal Government, Nuclear Power Exit*).

On July 3, 2020, the German Federal Parliament (*Bundestag*) passed the “Act on the Reduction and Termination of Coal-fired Power Generation and on the Amendment of Other Laws” (*Kohleausstiegsgesetz*, “**Coal Phase-Out Act**”). On the same date, the German Federal Council (*Bundesrat*) decided not to raise further objections and the law was published in the German Federal Gazette on August 13, 2020.

The main component of the law is the end of hard coal and lignite power generation in Germany, while at the same time creating a cheap, efficient and secure energy supply. The shutdown of coal-fired power plants will take place step by step. Section 4 of the Coal Phase-Out Act sets out three important target dates with the respective target levels. By December 31, 2022 (target date 2022), the remaining net nominal capacity of the coal-fired plants is to be 30 GW, comprising 15 GW hard coal plants and 15 GW lignite plants. The target level as of April 1, 2030 (target date 2030) is 17 GW net nominal capacity – 8 GW hard coal plants and 9 GW lignite plants. By December 31, 2038 at the latest (target date 2038), there should be no remaining net nominal capacity of coal-fired plants on the German electricity market. In addition, it is planned that the German government will regularly review the decommissioning of coal-fired power plants for security of supply (in 2026, 2029 and 2032). If supply is secured, Germany could finally withdraw from coal-fired power generation as early as 2035 (*Source: German Federal Government, Coal Phase Out Act*). The coal phase-out means the loss of substantial generation capacity for the German electricity market. At the end of 2019, 44 GW net nominal capacity of coal plants were still installed – 21 GW lignite plants and 23 GW hard coal plants (*Source: Fraunhofer ISE, Energy Charts*). This means that 14 GW of capacity will have to be replaced by the end of 2022, a further 13 GW by 2030 and a further 17 GW by the time of the final phase-out (2035/2038).

This gap in supply due to the nuclear and coal phase-out represents a great opportunity for renewable energies. Despite the already comparatively high installed capacity of renewable energies in Germany, the high energy demand can only be covered by further expansion. With 61 GW Germany is the country with the largest installed capacity of wind power plants in Europe and ranked third in 2019 with regard to the share of newly built facilities (*Source: BWE*).

The electricity generation from PV and wind power in Germany has reached a high level compared to other Member States of the EU and is steadily increasing. In 2019, German PV facilities fed about 47 TWh electricity into the public electricity grid which is 1% more than in 2018 (*Source: Agora Energiewende, The European Power Sector in 2019*). In 2019, total wind power production in Germany was 126 TWh. This is an increase by 16% compared to 2018 (*Source: Agora Energiewende, The European Power Sector in 2019*). Despite the onshore wind capacity growth as well as photovoltaic growth falling in 2019, due to very good meteorological conditions, onshore wind facilities generated 16.8% and PV facilities 7.7% of the German electricity mix (*Source: Agora Energiewende, 2019*). The share of renewable energy is intended to be increased from its present total level of around 32% to up to 40% in 2025 and to up to 65% in 2030 according to the coalition agreement preceding the formation of the German government in 2018 (*Source: German Federal Government, Coalition Treaty*). Accordingly, the next phase of the energy transition will focus on strengthening competition, a continuous expansion with effective steering, restrictions on costs, stakeholder diversity and grid expansion. The German Renewable Energy Sources Act 2017 (*Erneuerbare-Energien-Gesetz*, “**EEG 2017**”) is the key instrument to achieve effective annual quantitative steering and to bring renewable energies closer to the market. Since January 1, 2017, the level of funding has been determined by auctions (see section “2.2.5.1.1 Remuneration of Renewable Energy”). The first tenders under the new rules of the EEG 2017, 2018 and 2019 have already taken place and have shown that the average level of funding awarded initially decreased but

increased again since the last bidding round. Wind power plants located at good onshore wind sites produce electricity at lower costs than new coal-fired or gas-fired power plants (*Source: Fraunhofer ISE 2018*). The PV expansion in recent years shows a positive development as the allowances for financial support granted by the Federal Network Agency almost tripled from 576 MW in 2018 to 1,542 MW in 2019 (*Source: BMWi, Tenders and Results*).

In 2019, Germany has already come very close to the goal of generating 45% of its gross electricity consumption from renewable energies by 2025, with over 42% (*Source: BMWi, Renewable Energies*). In its climate protection program for 2030, the federal government has set its targets even higher and intends to increase the share of renewable energies in gross electricity consumption to 65% by 2030 (*Source: BMWi, Climate Protection 2030*). Germany has taken on a global pioneering role in the energy transition and the expansion of renewable energy sources is comparatively well advanced. In the first half of 2020, already more than 50% of the electricity production in Germany was generated from renewable sources (*Source: Fraunhofer ISE, Net Electricity Generation*).

On September 25, 2020, the German Federal Government introduced a draft of the German Renewable Energy Sources Act 2021 (*Erneuerbare-Energien-Gesetz, EEG 2021*) to the legislative process (BR-Drs 569/20). The German Federal Parliament (*Bundestag*) initially discussed the bill on October 30, 2020 and sent it for further legislative debate to its competent committees. On November 6, 2020, the German Federal Council (*Bundesrat*) proposed several amendments to the draft; however, according to the draft, the German Federal Council's consent is not required for the bill to be adopted. The draft has yet to be adopted by parliament. It proposes major changes to the EEG 2017 in order to further increase the expansion of renewable energy plants and is scheduled to come into force on January 1, 2021. The draft EEG 2021 sets forth a binding commitment to increase Germany's share of energy from renewable sources to 65% by 2030 with distinct expansion paths for PV and wind energy until 2028, where especially onshore wind energy plants are expected to take on a major role. This may trigger further growth in one of Pacifico's key markets. Furthermore, the draft stipulates that by 2050 all electricity generated and consumed in Germany shall be greenhouse gas neutral.

These clean energy targets require storage technologies to be built up, especially for wind power. To achieve the expansion for onshore wind plants, additional sites must be approved. The draft EEG 2021 aims at increasing the necessary acceptance of these plants in the local population by obliging plant operators to offer municipalities a contract according to which the municipalities receive a share of the revenue generated by each wind turbine in their jurisdiction. Additionally, the draft stipulates a quota for wind power plants in the south of Germany of 15% for 2021 through 2023 and 20% thereafter in all tenders and a modification to the reference yield model, which shall make it profitable to invest in locations where wind speed amounts to only 60% to 70% of the reference location set by the Government. The current draft also contains a controversial proposal under which wind turbines would generally be able to make use of exemptions under the species protection law (*Artenschutzrecht*). From 2021 on, there are supposed to be separate tenders for PV roof systems and open space systems, so PV roof systems will not have to compete directly with open space systems. Especially for Pacifico's mature plants, the EEG 2021 will bring advantageous changes as power plants will have a continued entitlement to priority feed-in after the end of the support scheme (Golden End). Also, operators of small PV systems, for which further operation after the end of the fixed feed-in-tariff might not be economical, can make the generated electricity available to the grid operator and will receive the market value less marketing costs until the end of 2027. The draft bill also contains new challenges. For instance, the remuneration for newly installed renewable energy power plants shall already be suspended if the stock market price is negative for consecutive 15 minutes (compared to currently at least 6 hours); existing plants would not be affected. This shall provide for an incentive to use new storage or plant technologies.

The energy storage system power-to-gas is already applied in Germany and supported by policy makers. A major advantage of using hydrogen in the gas network is that necessary storage and distribution infrastructure is already in place. Green hydrogen is on par with biogas, which significantly improves the economic boundary conditions and operating flexibility for hydrogen feed-in. Therefore, the gas grid with its extremely cost-effective storage facilities can be seen as an essential component of the energy turnaround in Germany. The injection into the natural gas grid is already available today as a cost-effective storage facility for small and medium-sized hydrogen plants (*Source: Fraunhofer ISE, Hydrogen*).

#### 2.2.3.4 Czech Republic

In recent years, the expansion of renewable energies in the Czech Republic has stalled. 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<sub>2</sub> 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 (*Source: Czech Ministry of Industry and Trade*).

At present, the overall 2020 EU target for the share of energy from renewable energy sources (“RES”) to total final energy consumption is 20%. The Czech Republic’s individual target of 13% was already achieved in 2013, and in 2016 the Czech Republic reached the share of energy from RES to total final energy consumption of almost 15%. Between 2021 and 2030, the share of energy from RES to final energy consumption must be increased by at least 7 percentage points.

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, *inter alia*, 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, as set out in Chapter 2.1.2, 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 (*Source: Czech Integrated National Energy and Climate Plan*).

#### 2.2.3.5 Italy

In 2019, the Italian government presented a national energy and climate plan in which the phase-out of coal energy was reaffirmed and the expansion of renewable energies by 40 GW by 2030 was specified. Solar energy in particular is expected to play a major role in this, as 30 GW of the planned expansion is to be covered by solar plants. An interim target is the expansion of 7 GW solar energy and 6 GW onshore wind energy by 2025 (*Source: Denton’s Guide 2020*).

In 2018, renewable energies covered 17.8% of gross energy consumption in Italy. It is expected that with the help of state subsidies, approximately 8 GW of new capacity can be built by 2025. In order to achieve the government's targets, however, further new capacity will be required beyond this, and this will have to be done without government measures. Due to the high solar radiation, usually comparably high electricity prices and decreasing construction costs, a strong expansion of solar energy is considered possible even without governmental demands (*Source: Denton’s Guide 2020*).

The generation of power by PV increased by 1% to 24 TWh between 2018 and 2019 and wind power generation increased by 3% to 20 TWh in the same period (*Source: Agora Energiewende, The European Power Sector in 2019*). Installed renewable energy capacity reached 53.26 GW in 2017, 19.68 coming from solar PV energy (*Source: RenewablesNow.com Italy*), PV energy capacity increased to 21 GW by 2018 (*Source: Renewable Energy World*). In 2017, producers of energy generated by PV received incentives of EUR 6.4 billion which accounts for an increase by EUR 400 million in comparison to 2016 (*Source: Gestore dei Servizi Energetici*). The Italian National Integrated Plan for Climate and Energy 2030 was presented in January 2019 by the Ministry of Economic Development (“MISE”), laying out the projected future expansion of the renewable energy industry which would be necessary to reach a 30% share of renewables in gross final consumption by 2030. The share of renewables rose from 17.4% in 2016 to 18.3% in 2017 (*Source: Ministero dello Sviluppo Economico*), as compared with 17.5% for the EU as a whole in the same year. Italy further intends to differentiate the contribution from renewables by sectors: while Italy only aims for a 21.6% renewables share in the transport and 33% in thermal sectors, the country intends to have a 55.4% renewables’ share in the electricity sector by focusing on solar PV power in particular. MISE projects that PV power generation capacity, which has risen from 19.269 GW in 2016 to 19.682 GW in 2018, will increase to 26.840 GW by 2025 and 50.880 by 2030.

#### 2.2.3.6 The Netherlands

In September 2013, the so-called Energy Agreement for sustainable growth was concluded among more than 40 organizations (including the government, employers, trade unions, nature and environmental organizations, social organizations and financial institutions). It establishes their shared ambitions for sustainable growth, including an increase in the share of renewable energy generation (over 4% in 2013) to 14% in 2020 and to 16% in 2023 (*Source: Netherlands Integrated National Energy and Climate Plan*). By 2050, the Netherlands aim to achieve climate neutrality (*Source: Government of the Netherlands*).

In 2019, the production of electricity from coal fell sharply. At present, the Netherlands still obtain about 60% of their energy from fossil fuels (*Source: Denton’s Guide 2020*). 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. In order to do justice to the increasing importance of renewable energies, 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 wind and solar energy (*Source: Government of the Netherlands, News*).

The established 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 established capacity of onshore wind energy is 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 13 petajoules in 2018. The established capacity of solar panels for solar power 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 9,000 MW by 2020, 15,000 MW by 2023 and 27,000 MW by 2030 (*Source: Netherlands Integrated National Energy and Climate Plan*).

The limited availability of renewable sources in the Netherlands is an important point of concern. The technical possibilities for generating climate-neutral electricity are limited. Since the Netherlands are located along the coast and the wind is relatively strong, this offers potential for wind energy on land and offshore. The Netherlands therefore focus 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 replacing fossil fuels with renewable sources, *inter alia*, by introducing a national and gradually increasing minimum price for CO<sub>2</sub> emissions in electricity generation and planning to prohibit the use of coal to generate electricity as of 2030 (*Source: Netherlands Integrated National Energy and Climate Plan*).

#### 2.2.3.7 Poland

While in Europe the share of renewable energies in the gross final energy consumption of electricity has risen sharply in recent years, in Poland developments have been much slower. In the years 2015 to 2018, this share has even stagnated at around 12% (*Source: Statistics Poland*)

The growing resistance of the population and the need for renewable energy in the industry is bringing change (*Source: Bloomberg Green*) and as part of the EU-wide 2030 target, Poland declared to achieve 21-23% of RES share in gross final energy consumption by 2030 (total consumption in electricity, heating and cooling as well as for transport purposes). It is estimated that in the perspective of 2030 the share of renewable energy sources in heating and cooling will increase by an average of 1.1 percentage point per year. In transport, a 14% share of renewable energy is expected to be achieved by 2030. The RES share in electricity production will increase to approximately 32% in 2030 (*Source: Poland Integrated National Energy and Climate Plan*).

In the years to 2024, Poland intends to increase the capacity of renewable energies by 65%. Offshore wind has the greatest potential. The Baltic Sea is particularly suitable as a location for offshore wind because of its strong winds, shallow waters and proximity to the coast (*Source: Bloomberg Green*). The Polish Wind Energy Association even speaks of an additional 10 GW in a first step and a potential of 28 GW by 2050 (*Source: Polish Ministry of Climate*). The first offshore plants are to feed green electricity into the grid from 2025 onwards (*Source: Bloomberg Green*).

But the targets for onshore wind are also set high. For example, Poland has held the largest European auction for onshore wind with 2.2 GW in 2019 (*Source: WindEurope News*). However, prevailing distance rules still pose an obstacle for further expansion. Currently, wind farms may only be built at a distance from the next development that is equal to or greater than ten times the height of the wind farm measured from the ground level to the highest point of the structure, including the rotor with the blades.

The goal of building 7.8 GW of solar energy by 2030 could be achieved several years earlier. The country expects to expand installed solar capacity to 2.5 GW by the end of 2020 (*Source: PV Magazine Global*). The expansion to date is largely based on projects with a capacity of less than 1 MW (*Source: Renewables Now*). However, an increase in large scale projects is expected in the coming years (*Source: PV Magazine Global*).

#### 2.2.3.8 Competition and Competitive Position of Pacifico

Pacifico faces competition from internationally and locally operating companies in the countries in which it is or may be active in the future. The Company believes that Pacifico's main competitors are listed independent power producers ("IPPs") as well as privately held IPPs such as renewable energy funds or utilities. The competition can unfold in various dimensions including competition for purchasing developed projects, where the Company competes with *e.g.*, pension funds and utilities, and competition for funds to finance the acquisition of these projects, *i.e.*, competition on the equity markets and the debt markets, where the Company, competes in the broadest sense, with all issuers which intend to use proceeds to acquire all sorts of renewable energy assets.

Regarding the competition for the acquisition of developed projects, Pacifico will compete with these market players indirectly and directly. Indirect competition means that market players such as utilities or IPPs engage in project development and operation themselves and thereby reduce the number of projects available for purchase by Pacifico under the assumption of a finite number of suitable sites and available grid connection and transport capacity. The direct competition unfolds in a way that Pacifico might be competing with funds, insurance companies and IPPs on the project acquisition market. Yet there are two reasons that this direct competition will likely only have a limited impact on Pacifico. First, the Company has an exclusive cooperation with Pacifico Partners. As a result, Pacifico will only compete directly with these potential competitors to the extent that the Company intends to acquire other projects beside the projects developed by Pacifico Partners. Second, Pacifico and Pacifico Partners focus on investments with an equity investment of EUR 5 million to EUR 50 million to avoid the higher competitive pressure of larger projects. In terms of project development, the number of mid-sized projects that are being developed will likely be higher than the number of the large projects in Europe due to the scarcity of suitable locations for renewable energy facilities and the amount of land required. Given the relatively high population density in large parts of Western Europe, the number of projects with a capacity of more than 100 MW is likely to be limited. Moreover, larger projects face longer development phases due to complex approval procedures and generally higher local resistance. In addition, the competition for acquiring those large projects is likely to be higher. Larger insurance groups and institutional investors are more likely to invest in larger projects because of lower relative transaction costs.

There are fundamental differences between Pacifico and its competitors in terms of technological focus, regional focus and business activities. While some competitors focus on one technology only, *i.e.*, solar, other companies have a very broad technology portfolio, also including hydroelectric, waste-to-energy, gas-fired and coal-fired power stations. Pacifico focuses on wind and solar energy and is therefore neither too broadly based to secure a clearly defined market position nor limited to only one renewable energy source. Pacifico is limited to the European market, currently Germany, Czech Republic, Italy and the Netherlands, while others also invest in emerging markets and in countries involving higher currency risks and country risk. This might impact their financing costs. Some of the other companies also get involved in the development of assets. As asset development features higher risk, this might also lead to higher financing costs. In addition, such activities might be quite distinct from the core activities of the respective IPPs and might thus not be within their core competencies. The Company leaves project development activities as well as asset management to its strategic partner Pacifico Partners and focuses on its core business.

#### **2.2.4 Business Model**

The Company is an independent power producer who aims at creating a gradually growing portfolio of power generating assets from renewable energy sources. It offers a clear and diversified profile with stable and predictable cash flows from its operating onshore wind and photovoltaic plants currently located in four European countries.

The Company intends to become a leading listed independent energy producer from renewable sources in Europe. In addition to the acquisition of new portfolios, the Company regularly assesses its existing assets for opportunities for technical and financial optimization. A particular focus is on the economically beneficial use of its plants following the expiry of their subsidized remuneration. Hereto, the Company analyzes options for continuing operations or repowering. Options to continue operations are twofold regarding electricity marketing and will be considered case by case: 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. A reduction of the maintenance costs can be achieved for wind plants by, *e.g.*, switching from full maintenance contracts to lower cost alternatives or service providers. For solar plants, the frequency of inspections, module exchanges and the cleaning of the modules can be reduced. Furthermore, the Company regularly assesses geographic extensions of its portfolio through targeted acquisitions ensuring a balanced geographical and technological diversification. As long-term owner and operator, the Company outsources daily operations but assumes responsibility strategic considerations, such as plant optimizations or capital structure optimization via refinancing, to operate its growing portfolio most efficiently.

The Company intends to fund any opportunistic acquisitions through targeted capital measures applying with a focus on financial discipline: its strategic priority is to limit unused liquidity to a minimum and to translate any capital measures into investments as soon as possible.

The Company's business model is inspired by US and UK YieldCos, which can be interpreted as applications of similar business models such as Energy MLPs or real estate investment trusts (REITs) to renewable energy. The classic YieldCo approach in a combination with a sponsor, which provides a drop-down portfolio, is supposed to result in an investor-friendly company combining a clear corporate profile with stable and predictable cash flows associated with comparably low maintenance capital expenditures and visibility on growth. The Company's management believes that YieldCos are an efficient set-up to operate renewable energy assets by perfectly timing acquisitions and providing high visibility on growth without bearing development risks.

At the same time, the Company's management considers Pacifico's set-up as more entrepreneurial and adapted to the more fragmented development ecosystem in continental Europe. Specifically, the Company is run by an independent management, which is open to source additional renewable energy projects from unaffiliated project developers or asset owners. This is articulated by the management's intention to become a leading European platform offering access to project developers for the capital market.

As of September 2020, the Company introduced a limited management charge for certain management, organizational and reporting services provided by the Company to its direct subsidiaries. In turn, the subsidiaries will partly pass-on this charge to their subsidiaries through the holding chain. The management charge payable by Pacifico Renewables Fin GmbH is higher than for other Group entities based on additional services provided by the Company to this subsidiary which provides Pacifico-internal financing.

As long-term owner and operator, Pacifico outsources daily operations but assumes responsibility for strategic considerations, such as plant optimizations or capital structure optimization via refinancings. Through various means it directly and indirectly controls or influences the whole value and supply chain related of Pacifico's activities: through its investment charter which is referred to in the right of first offer agreement with its strategic partner Pacifico Partners the Company believes it influences the development activities of its strategic partner; it develops a financing strategy which may be implemented prior to and/or following any portfolio acquisition; following such acquisition, the Company will decide on technical and financing optimization as well as operative measures, as proposed by its strategic partner; at the expiry of any guaranteed support mechanism, the Company will decide whether to continue operations, engage in direct marketing and potentially repower the asset; finally, at the end of the plants life-cycle the Company will decide on any repowering and real estate options.

Similar to classic YieldCo model Pacifico provides meaningful benefits to its strategic partners such as a standardized and pre-aligned disposals of individual assets as well as fast and predictable recycling of development capital. This standardized and pre-aligned disposal process is contractually governed and combines reduced transaction costs with the Company's ability to acquire individual projects. This enables the strategic partner to dispose (small or medium-sized) assets individually instead of having to accumulate and sell a larger portfolio of plants over a long period of time.

#### 2.2.4.1 Investments

##### 2.2.4.1.1 *Risk profile*

To unfold the full competitive potential of renewable energy power plants, the Company believes in the efficient separation of three risk profiles in the lifecycle of a plant: development, construction and operational risks.

Pacifico focuses on the operational phase with a diversified portfolio of onshore wind and photovoltaic power plants generating predictable and stable cash flows. Yet, through priority access to a third-party pipeline of development projects, it has access to visible and attractive growth opportunities without having to bear development risks (phases 1 and 2 below) itself. Selectively, if risk mitigating agreements are in place, the Company might temporarily enter the construction phase if it is at least contractually secured (phase 3 below).

1. *Early development phase:* This stage is associated with a comparably high degree of uncertainty since the visibility on the successful outcome of initial investments is rather low. Key activities after identifying suitable locations are to secure land use rights, the grid connection, and the required permissions. Very often, there is limited visibility on if and when certain milestones can be achieved. A negative outcome can very often result in a loss of most of the project's value.
2. *Late development phase:* Once the project has land, grid & permits (often called "ready-to-build"), PPAs, debt financing and risk mitigating construction agreements can be arranged.
3. *Contractually secured construction phase:* Once the whole construction phase has been contractually secured via agreements mitigating key construction risks (such as delays, cost increases or construction quality issues), and other key contracts (such as financing agreements) have been concluded, development risks have been absorbed. Pacifico considers this phase its earliest point of investment.
4. *Operational phase:* During the operational phase, the focus lies on the continuous yield, revenue and cost management in order to generate stable and predictable cash flows from operational plants in the most efficient way. Ongoing technical and financial optimization measures, portfolio considerations and assessments for end-of-lifetime option values are conducted.

### 2.2.4.1.2 Investment charter

When making investment decisions for the growth of its portfolio, regardless of whether through pipeline projects or secondary-market opportunities, the Company applies the following conservative and transparent investment criteria as defined in its investment charter: The Company invests exclusively in photovoltaic and onshore wind power plants. Its acquisition strategy is defined by the time of investment in the life cycle of these plants. As a matter of principle, Pacifico only acquires projects that are already operational or in a contractually-secured construction phase in order to avoid development risks and to allow for stable and predictable cash flows. Based on the considerations outlined above, the construction phase must be fully contractually secured.

The Company focuses on investments with an equity investment of EUR 5 million to EUR 50 million within the European Union, Norway and Switzerland. Projects developed by Pacifico Partners which are within the Company’s investment charter are currently prioritized; however, opportunistic third-party acquisition are pursued from time to time. Of central importance for the Company’s business profile are stable and predictable long-term cash flows and cooperation with trustworthy and bankable counterparties. Throughout their entire life cycle, the projects are held in project companies which are wholly or at least majority-owned directly or indirectly by the Company.

Investment criteria as defined in Pacifico’s Investment Charter

|             |                                                                                                                                                                             |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Technology  | <ul style="list-style-type: none"> <li>▪ PV parks</li> <li>▪ Onshore wind farms</li> </ul>                                                                                  |
| Region      | <ul style="list-style-type: none"> <li>▪ European Union</li> <li>▪ Norway, Switzerland</li> </ul>                                                                           |
| Size        | <ul style="list-style-type: none"> <li>▪ Equity investments €5 million - €50 million</li> <li>▪ Larger strategic acquisitions on a case-by-case basis</li> </ul>            |
| Lifecycle   | <ul style="list-style-type: none"> <li>▪ Clear focus on operational assets</li> <li>▪ Projects in a fully contracted construction phase</li> </ul>                          |
| Pipeline    | <ul style="list-style-type: none"> <li>▪ Prioritizing projects developed by our strategic partner</li> <li>▪ Complementary external sourcing</li> </ul>                     |
| Contractors | <ul style="list-style-type: none"> <li>▪ Guaranteed and predictable long-term cash flows</li> <li>▪ Collaboration with trustworthy and bankable counterparties</li> </ul>   |
| Ownership   | <ul style="list-style-type: none"> <li>▪ Projects held in dedicated SPVs during full asset life</li> <li>▪ Focus on 100% ownership or at least controlling stake</li> </ul> |

From time to time, 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.

### 2.2.4.2 Strategic Partnership with Pacifico Energy Partners GmbH

In order to support its portfolio growth strategy and to focus on its core competences, the Company entered into a strategic partnership with Pacifico Partners. The strategic partnership has been implemented through framework agreements (*Rahmenverträge*) regarding priority access to development projects, asset management services and other operative services (“**Strategic Partnership**”). All framework agreements have an indefinite term and may first be terminated after October 31, 2024, as of the end of each calendar quarter giving one year prior written notice.

The Strategic Partnership is mutually beneficial for the Company and Pacifico Partners. The Company’s benefits include priority access to attractive acquisition opportunities within the scope of its investment charter (see section “2.2.4.1.2 *Investment charter*”) without bearing the related development risks (*inter alia*, grid connection or land use permissions), an opportunity to take advantage of a valuation effect / portfolio effect by acquiring individual plants for a somewhat lower price compared to larger portfolios as well as the opportunity to run the business through a lean organizational set-up. Additionally, as Pacifico Partners remains involved in operations and participates in plant performance, they are incentivized to develop high quality projects (“design-to-operate”). Through regular strategic alignment with Pacifico Partners the Company gains visibility on the timing and the size of acquisition opportunities.

Inversely, Pacifico Partners as project developer benefit from a standardized asset disposal process associated with lower transaction costs and fast capital recycling. This gives the developer the opportunity to efficiently sell individual assets instead of having to wait for a longer period of time to accumulate a larger portfolio

or to align the transaction process with a larger number of investors in case of a disposal of individual assets. Therefore, expensive development capital can be reinvested in new development projects faster and the developer can more efficiently allocate its resources to project development activities instead of extensive individual due diligence processes. At the same time, Pacifico Partners remains a service provider following the sale of its development projects. Furthermore, regular strategic alignment with the Company ensures visibility on capital markets considerations as the developer benefits from the Company's capital markets and funding experience.

The Company's portfolio approach from its investment to the end-of-life-time optionality focuses on shareholder accretion, whereas Pacifico Partners' asset approach from greenfield to project financing and its daily operations focuses on asset optimization. The Strategic Partnership thus enables the Company to focus on its shareholders' needs, while Pacifico Partners can retain its focus on its core competencies as project developer and asset manager. As such Pacifico Partners brings the capacity to absorb development risks, which allows the Company to aim for stable and predictable cash flows. The interest in a successful partnership is further increased through Pacifico Partners' partly incentive-based compensation based on the Company's performance.

Under the existing framework agreements Pacifico Partners has several reporting obligations vis-à-vis the Company's with respect to the performance of individual assets and opportunities for optimization in the Company's portfolio. Based on such reporting, specific measures for technical and financial optimization are subject to decisions by the Company's management.

The Company's management regularly requests its strategic partner and service provider Pacifico Partners to provide proposals for optimization measures and instructs them to execute the Management Board's strategic plans and considerations. To this end, the Company's Management Board members for instance assume responsibility as managing directors of all intermediate holding companies and special purpose vehicles incorporated under German law.

#### *2.2.4.2.1 Project Development and Acquisition*

Pacifico Partners develops, purchases or identifies renewable energy projects as investment opportunities. On October 30, 2019, the Company and Pacifico Partners entered into a right of first offer agreement ("ROFOA"), which regulates the Company's priority access to such projects. 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 the Company any development project which is for sale and in line with the investment criteria of the Company's investment charter as well as any identified investment opportunities. The Company is not obliged to make a purchase. If it declines an offer or Pacifico Partners rejects the Company's (revised) terms, Pacifico Partners may, for a period of two years, offer the project to a third party on terms (including purchase price) and conditions generally no less favorable to Pacifico Partners than those offered to the Company.

The ROFOA defines a standardized purchase process for the presentation and implementation of a first offer and any following steps. At first, Pacifico Partners is obliged to notify the Company of its intention to dispose of an asset and provide the Company with a full information package, including, to the extent available, the total enterprise value, the expected equity value, the proposed purchase price, the proposed closing date, the asset's development and other value-enhancing potential, due diligence reports and an investment memorandum. The Company then has 20 business days to exercise its right of first offer by sending a notice to Pacifico Partners. The Company may submit a non-binding offer including a potentially revised purchase price which Pacifico Partners is obliged to respond to within ten business days of receipt notifying the Company whether it wishes to proceed or not. In the affirmative, the parties will enter into good-faith negotiations with a view to agreeing on the terms of a sale and purchase agreement within 20 business days. The Company's final investment decision makes use of existing due diligence reports by broadening or deepening their scope according to the Company's needs, *e.g.*, by means of bring-down due diligences. This allows the Company to benefit from the ability to suggest preferential due diligence providers to its strategic partner and from the bankable nature of the asset since the Company will only consider an investment opportunity presented by its strategic partner if a senior financing is in place. However, the Company may engage different service providers for its own due diligence reviews which may be different from those who provided the existing due diligence reports. The Company favors a P50 production level for its base case scenarios (a P50 level of production indicates that according to the underlying analysis a 50% probability exists that the electricity generated from a project will exceed a specified aggregate amount of electricity generation during a given period); however, Pacifico's solar and wind energy facilities may not meet anticipated production levels. Any purchase agreement shall set forth a penalty fee of 0.5% of the asset's value payable by Pacifico Partners in case the actual cash flows of the asset are below the

worst-case projection for the first twelve months as presented to the Company for its final investment decision. This worst-case scenario combines, *inter alia*, lower production levels and electricity prices.

#### 2.2.4.2.2 Commercial Asset Management

For the commercial management of its assets, the Company relies on Pacifico Partners' principals having the experience and skill necessary in providing services, advice and expertise in monitoring and managing (including supervising services for) renewable energy assets, including solar photovoltaic plants and onshore wind farms. On October 29, 2019, the Company 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 the Pacifico Group's plants in the Company's best interest by performing all tasks and services necessary and feasible. These services include, in particular, asset optimization, reporting, supervision of other service providers as well as corporate and authority management. Asset optimization is carried out through review and analysis of the necessity to carry out capital expenditures or maintenance works as well as the recommendation, preparation and overseeing of such measures. As part of the reporting service, Pacifico Partners must continuously report to the Company's management production and performance data of all plants and inform the Company of all material developments regarding its plants, even outside a fixed reporting date. In addition, quarterly updates are planned to provide information on the status of the plants. If other service providers are involved, Pacifico Partners assume responsibility for their supervision by overseeing their performance, operations and maintenance activities and process all correspondence between the Pacifico Group and the other service providers.

Pacifico Partners' corporate and authority management includes the document management of corporate documents legally required for the operation of an asset, providing information necessary for internal reporting processes and aiding the Company in fulfilling legal communication and information obligations as well as interest payments for project debt and other regulatory requirements.

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

#### 2.2.4.2.3 Master Services Agreement

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

Asset stewardship services comprise all asset management activities that go beyond day-to-day commercial operations, such as proposals for technical optimization of the plant and improvement of external project financing, the development of optimal maintenance concepts, the conceptualization and implementation of possible continued operation of plants after the end of the feed-in tariffs, *e.g.*, through further production with merchant exposure or PPA-based or repowering, financial planning and liquidity management as well as risk analysis.

Pacifico Partners' compensation amounts to 0.5% p.a. of the Company's enterprise value up to EUR 1.0 billion and to 0.45% p.a. of the Company's enterprise value above EUR 1.0 billion, such enterprise value is generally calculated as the average market capitalization during the relevant quarter, plus all debt capital liabilities and less the Company's and its subsidiaries' cash balances. If a project has not yet reached its commercial operation date ("**COD**"), such project's enterprise value shall not be included in the Company's enterprise value. The compensation is payable at the end of a calendar quarter following submission of an invoice by Pacifico Partners.

The broker services relate to the identification of third-party investments that fit the Company's most recent investment charter and successful brokerage of a purchase of the Company by Pacifico Partners. For this, Pacifico Partners receives a one-time fee amounting to 1% of the total asset value of the investments, which is calculated on the basis of 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 the fundamental renewal of old plants ("**Repowering**") within the Pacifico Group. If the Company decides to carry out a fundamental renewal, Pacifico Partners must be commissioned with these Repowering services the scope and terms of which have to be agreed at arm's length. The fee for a successful Repowering depends on the installed capacity.

### 2.2.4.3 Portfolio

#### 2.2.4.3.1 Current Portfolio

The Company's current portfolio, including its photovoltaic assets in the Netherlands which are partially under construction, comprises renewable power generation assets with an overall capacity of 81.0 MW balanced across technologies (69% photovoltaic plants and 31% onshore wind plants) and regions (62% Germany, 24% the Netherlands, 9% Czech Republic and 5% Italy).

In 2019, Pacifico acquired its first operating portfolios of wind and photovoltaic systems in Germany, Italy and the Netherlands from the Company's founding shareholder Pelion Capital GmbH (now Pelion Green Future GmbH) and its new shareholder Pacifico Partners as contribution in kind. In addition, Pacifico was able to acquire four photovoltaic plants in the Czech Republic, which were added to the Pacifico Group in June and July 2019, respectively.

On March 12, 2020, the Company concluded a purchase agreement for the acquisition of eight operative photovoltaic plants in Germany with a total capacity of 21.2 MW (Auerbach, Hohburg, Eisfeld, Staßfurt, Rosefeld, Köthen, Neubukow, Süplingen) at an enterprise value of EUR 36.8 million (including indebtedness). The plants entered operation phase between 2008 and 2012 and had a remaining benefit from subsidized feed-in tariffs ("FiTs") under the German EEG between EUR 211 and EUR 462 per MWh on average for another 11.8 years at the economic take-over date. With respect to plants with a capacity of 14 MW, the Company either owns the land or holds options to extent the lease after expiry of the FiTs in order to allow for manifold options in the Golden End, such as to operate the fully depreciated and debt free plant with lower maintenance costs beyond the expiration of subsidies and sell electricity on the market or through a PPA or to repower the asset by building a new and potentially larger plant based on state-of-the-art technologies using the knowledge of the local circumstances gained through prior experience. The acquisition was closed on May 15, 2020 with economic effect as of January 1, 2020. The Company expects these eight photovoltaic systems to generate revenues of around EUR 5.1 million in 2020.

The Company's overall portfolio currently comprises a capacity of 81.0 MW. These wind or photovoltaic power plants with a capacity of up to 6.4 MW each are located in Germany, the Czech Republic, Italy and the Netherlands. Most of these plants are already in operation. Through new acquisitions in Germany, the Company achieved a growth of 35% in its portfolio's capacity compared to 2019. The intended acquisition of a 51.8 MW wind farm portfolio in Poland would further increase the total capacity of Pacifico's current portfolio by 64.0%. Over the whole of 2019 (disregarding the date of actual first-time consolidation), the wind and photovoltaic power plants of Pacifico's current portfolio generated in total 78.1 GWh of electricity. This saved approximately 45,000 tons of CO<sub>2</sub> (calculated on the basis of median 11/48 g CO<sub>2</sub> equivalents per kWh for wind / PV plants compared to 820 g CO<sub>2</sub> 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 a surface). The Company is thus already contributing to Europe's sustainable energy supply.

Currently, all of the Company's plants benefit from public support mechanisms for the promotion of renewable energy, which secure stable and predictable cash flows mainly independent from the market price for electricity. Less than 3% of the Pacifico Group's 2019 revenues were related to energy sales at market prices. Except for the plants in Köthen, Neubukow and Süplingen, all of the plants' operational time can be extended after the expiry of government subsidies due to land ownership, remaining lease or options to extend the lease. The average remaining period for benefitting from government subsidies is about ten years.

| Name            | Technology | Support and remuneration scheme <sup>1</sup> | Expiry Project Debt | Expiry Support scheme <sup>2</sup> | Golden End Potential <sup>3</sup> | Capacity (MW) |
|-----------------|------------|----------------------------------------------|---------------------|------------------------------------|-----------------------------------|---------------|
| <b>Germany:</b> |            |                                              |                     |                                    |                                   |               |
| Auerbach        | PV         | FiT                                          | Q1/30 <sup>4</sup>  | Q4/31                              | ∞                                 | 6.4           |
| Staßfurt        | PV         | FiT                                          | Q2/30               | Q4/31                              | Q4/36                             | 5.0           |
| Berg            | Wind       | FiT                                          | Q4/23               | Q4/24                              | Q4/29                             | 4.5           |
| Köthen          | PV         | FiT                                          | Q4/29 <sup>5</sup>  | Q4/30                              | Q4/30                             | 2.2           |
| Etgersleben     | Wind       | FiT                                          | -                   | Q4/22                              | ∞ <sup>6</sup>                    | 4.5           |
| Eisfeld         | PV         | FiT                                          | Q2/31               | Q4/31 <sup>7</sup>                 | Q4/38 <sup>8</sup>                | 2.9           |
| Kampehl         | Wind       | FiT                                          | Q4/24               | Q4/25                              | Q2/35                             | 6.0           |
| Süderbrarup     | Wind       | FiT                                          | Q4/28               | Q4/31                              | Q4/41                             | 3.0           |
| Titz            | Wind       | FiT                                          | -                   | Q4/23                              | Q2/38 <sup>9</sup>                | 4.5           |
| Neubukow        | PV         | FiT                                          | Q4/26               | Q4/28                              | Q3/29                             | 1.3           |
|                 |            |                                              |                     |                                    |                                   | <b>49.9</b>   |

|                                   |      |           |                     |             |       |             |
|-----------------------------------|------|-----------|---------------------|-------------|-------|-------------|
| Berthelsdorf <sup>10</sup>        | Wind | FiT       | -                   | Q4/22       | Q2/42 | 3.0         |
| Hedersleben I                     | PV   | FiT       | Q4/28               | Q4/30       | Q4/35 | 1.5         |
| Hedersleben II                    | PV   | FiT       |                     |             |       | 1.8         |
| <i>Hedersleben IIa</i>            | PV   | FiT       | -                   | Q4/38       | Q4/39 | 0.7         |
| <i>Hedersleben IIb</i>            | PV   | FiT       | -                   | Q4/38       | Q4/39 | 0.6         |
| <i>Hedersleben IIc</i>            | PV   | FiT       | -                   | Q4/39       | Q4/40 | 0.5         |
| Rosefeld                          | PV   | FiT       | Q4/29               | Q4/30       | Q4/31 | 1.4         |
| Hohburg                           | PV   | FiT       | Q4/30               | Q4/31       | Q4/38 | 1.6         |
| Süpplingen                        | PV   | FiT       | Q2/27 <sup>11</sup> | Q4/28       | Q4/28 | 0.4         |
| <b>Czech Republic:</b>            |      |           |                     |             |       | <b>7.5</b>  |
| Osečná                            | PV   | FiT       | Q2/26 <sup>12</sup> | Q4/30       | ∞     | 3.0         |
| Hodonice                          | PV   | GB + DS   | Q4/23               | Q1/29       | ∞     | 2.1         |
| Úsilné                            | PV   | FiT       | Q2/25 <sup>13</sup> | Q4/30       | Q2/40 | 1.2         |
| Troskotovice                      | PV   | GB + DS   | Q4/23               | Q4/29       | ∞     | 1.1         |
| <b>Italy:</b>                     |      |           |                     |             |       | <b>4.0</b>  |
| Ugento                            | PV   | FiT + DS  | Q2/26               | Q2/30       | Q2/40 | 1.0         |
| Ferrandina I                      | PV   | FiT + RID | Q4/29               | Q4/31       | Q1/37 | 1.0         |
| Ferrandina II                     | PV   | FiT + RID | Q4/29               | Q4/31       | Q4/36 | 1.0         |
| Bariano                           | PV   | FiT + RID | Q4/29               | Q2/31       | ∞     | 1.0         |
| <b>Netherlands<sup>14</sup>:</b>  |      |           |                     |             |       | <b>19.6</b> |
| Tilburg                           | PV   | FiT       | Q2/35               | Q2/35       | Q2/42 | 2.8         |
| Oud Gastel                        | PV   | FiT       | Q2/35               | Q4/34       | Q3/42 | 1.7         |
| Vianen                            | PV   | FiT + GC  | Q1/35 <sup>15</sup> | Q1/35       | Q4/49 | 0.5         |
| Various PV projects <sup>16</sup> | PV   | FiT       | COD+15years         | COD+15years | n/a   | 14.7        |
| <b>Total</b>                      |      |           |                     |             |       | <b>81.0</b> |

- 1 GB refers to Green Bonus, DS refers to direct sale, RID refers to ritiro dedicato, GC refers to Green Certificates. For a description of the relevant support and remuneration scheme, see the relevant country section for Germany (“2.2.5.1.1 Remuneration of Renewable Energy”), the Czech Republic (“2.2.5.2.1 Financial Support Scheme”), Italy (“2.2.5.3.1 Financial Support Schemes”) or the Netherlands (“2.2.5.4.1 Financial Support Scheme”).
- 2 First date on which at least a part of the applicable support scheme expires.
- 3 Due to land ownership or possibility to extend lease agreements (either one sided option or subject to mutual agreement).
- 4 Several tranches. One tranche expires in Q1/22 already.
- 5 Two tranches and larger one expires in Q4/27 already.
- 6 Part of the land is owned. Lease extension option for part of the land until Q3/32. Lease expires for part of the land in Q4/31.
- 7 Part of plant will benefit from support until end of Q4/32.
- 8 Linked to COD, which is not the same for all sub-parts of the plant. Based on earliest COD.
- 9 Minimum extension possible for part of the plant until Q2-38. Further extensions possible.
- 10 Pacifico’s indirect subsidiary 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. Pacifico would have priority access to repurchase the repowered and potentially extended park.
- 11 Two tranches, the first of which will already expire in Q1/24.
- 12 Debt service and/or regular lease payments until Q2/26. Debt service until Q4/24 only. After Q2/26, for the residual 60 months, lease payments are negligible (1 CZK/month).
- 13 Debt service and/or regular lease payments until Q2/25. Debt service until Q4/24 only. After Q2/25, for the residual 60 months, lease payments are negligible (1 CZK/month).
- 14 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.
- 15 Drawdown not completed yet and maturity might change.
- 16 Parameters subject to change.

In the first six months of 2020 and the calendar year 2019, the plants' production volume, production revenue and revenue / production ratio were as follows:

| Name                            | Production H1/2020 (MWh) | Total Production Revenue H1/2020 (TEUR) | Revenue / Production Ratio H1/2020 (EUR/ MWh) | Production 2019 <sup>1</sup> (MWh) | Total Production Revenue 2019 <sup>1</sup> (TEUR) | Revenue / Production Ratio 2019 <sup>1</sup> (EUR/ MWh) |
|---------------------------------|--------------------------|-----------------------------------------|-----------------------------------------------|------------------------------------|---------------------------------------------------|---------------------------------------------------------|
| <b>Germany:</b>                 | <b>37,013</b>            | <b>5,451.7</b>                          |                                               | <b>63,915.0</b>                    | <b>9,545.3</b>                                    |                                                         |
| Auerbach                        | 3,667                    | 788.4                                   | 215.0                                         | 6,713.0                            | 1,444.0                                           | 215.1                                                   |
| Staßfurt                        | 2,782                    | 625.1                                   | 224.7                                         | 5,054.0                            | 1,135.8                                           | 224.7                                                   |
| Berg                            | 5,318                    | 484.4                                   | 91.1                                          | 9,137.0                            | 831.5                                             | 91.0                                                    |
| Köthen                          | 1,301                    | 376.7                                   | 289.5                                         | 2,431.0                            | 701.0                                             | 288.3                                                   |
| Etgersleben                     | 4,111                    | 385.4                                   | 93.7                                          | 7,335.0                            | 688.5                                             | 93.9                                                    |
| Eisfeld                         | 1,560                    | 343.1                                   | 219.9                                         | 2,861.0                            | 629.2                                             | 219.9                                                   |
| Kampehl                         | 4,096                    | 366.5                                   | 89.5                                          | 6,983.0                            | 623.6                                             | 89.3                                                    |
| Süderbrarup                     | 3,161                    | 320.3                                   | 101.3                                         | 5,964.0                            | 617.8                                             | 103.6                                                   |
| Titz                            | 4,224                    | 392.0                                   | 92.8                                          | 5,878.0                            | 546.3                                             | 92.9                                                    |
| Neubukow                        | 629                      | 293.2                                   | 466.0                                         | 1,046.0                            | 487.5                                             | 466.0                                                   |
| Berthelsdorf                    | 2,836                    | 265.7                                   | 93.7                                          | 5,190.0                            | 481.9                                             | 92.9                                                    |
| Hedersleben I + II              | 1,509                    | 291.8                                   | 193.3                                         | 2,070.0                            | 429.5                                             | 207.5                                                   |
| Rosefeld                        | 680                      | 233.0                                   | 342.4                                         | 1,224.0                            | 419.1                                             | 342.4                                                   |
| Hohburg                         | 957                      | 205.8                                   | 215.1                                         | 1,711.0                            | 368.2                                             | 215.2                                                   |
| Süplingen                       | 181                      | 80.4                                    | 443.1                                         | 318.0                              | 141.3                                             | 444.3                                                   |
| <b>Czech Republic:</b>          | <b>4,793</b>             | <b>2,752.1</b>                          |                                               | <b>8,828.9</b>                     | <b>5,268.1</b>                                    |                                                         |
| Osečná                          | 1,800                    | 994.1                                   | 552.4                                         | 3,473.0                            | 1,970.4                                           | 567.3                                                   |
| Hodonice                        | 1,483                    | 887.7                                   | 598.4                                         | 2,627.4                            | 1,663.3                                           | 633.1                                                   |
| Úsilné                          | 771                      | 427.9                                   | 555.2                                         | 1,415.5                            | 803.6                                             | 567.7                                                   |
| Troskotovice                    | 739                      | 442.3                                   | 598.4                                         | 1,313.0                            | 830.8                                             | 632.7                                                   |
| <b>Italy:</b>                   | <b>2,946</b>             | <b>723.7</b>                            |                                               | <b>5,372.4</b>                     | <b>1,625.9<sup>2</sup></b>                        |                                                         |
| Ugento                          | 724                      | 215.9                                   | 298.4                                         | 1,346.56                           | 508.4                                             | 377.5                                                   |
| Ferrandina I                    | 736                      | 155.8                                   | 211.8                                         | 1,408.56                           | 349.0                                             | 247.8                                                   |
| Ferrandina II                   | 780                      | 163.0                                   | 208.9                                         | 1,426.46                           | 332.0                                             | 232.7                                                   |
| Bariano                         | 707                      | 189.0                                   | 267.4                                         | 1,191.06                           | 436.5                                             | 366.5                                                   |
| <b>Netherlands<sup>3</sup>:</b> | <b>1,736</b>             | <b>64.9</b>                             |                                               |                                    |                                                   |                                                         |
| Tilburg <sup>4</sup>            | 514                      | 4.4 <sup>5</sup>                        | 8.6                                           | –                                  | –                                                 | –                                                       |
| Oud Gastel                      | 954                      | 44.6 <sup>6</sup>                       | 46.8                                          | –                                  | –                                                 | –                                                       |
| Vianen <sup>4</sup>             | 267                      | 15.9 <sup>6</sup>                       | 59.5                                          | –                                  | –                                                 | –                                                       |
| <b>Total</b>                    | <b>46,488</b>            | <b>8,992.4</b>                          |                                               | <b>78,116</b>                      | <b>16,439.2</b>                                   |                                                         |

- 1 Refers to the plants' production volume, production revenue or revenue / production ratio for the full calendar year 2019 which is not or not fully consolidated in the Company's consolidated financial statements for the financial year ending December 31, 2020, as the assets were acquired by the Company in the course of 2019 or 2020.
- 2 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.
- 3 These figures are not yet representative of expected run-rate data as parts of the portfolio are currently still under development or construction.
- 4 These figures are not yet representative of expected run-rate data as the relevant portfolio has been completed in the course of the reporting period and thus has not been operative for the full period.
- 5 Does not yet include SDE+ payments (see "2.2.5.4.1.1 SDE+(+) scheme").
- 6 This figure is not yet representative and included a calculated estimate on SDE+ payments.

As a result of historical contributions by its founding shareholders, the Company holds certain unfinished development and construction projects in the Netherlands with a combined planned initial capacity of 19.7 MW. For this purpose, the Company has concluded a flexible framework financing agreement of EUR 13.0 million in 2019.

On December 8, 2019, Oud Castel, Pacifico’s first Dutch photovoltaic plant, was successfully connected to the grid. Two further photovoltaic roof projects in Vianen and Tilburg were connected to the grid in January and May 2020, respectively. These operational plants have a total installed capacity of 5.0 MW.

The other plants of the Dutch portfolio, which are expected to have a combined capacity of 14.7 MW, are currently still under development or construction. Despite delays and the necessary replacement of certain development sub-projects due to the loss of some of the planned grid connection, the framework financing agreement is in place and can be used as soon as projects have reached the construction phase.

#### 2.2.4.3.2 Project Pipeline

The Company’s growth pipeline consists of projects which have been identified by its strategic partner Pacifico Partners as potential attractive investments for the Company. To the extent these are development projects by Pacifico Partners or Pacifico Development GmbH, a wholly-owned subsidiary of Pelion (“**Pacifico Development**”), the Company has priority access under the ROFOA with Pacifico Partners and a back-to-back agreement between Pacifico Partners and Pacifico Development. Pacifico Partners’ current relevant pipeline consists of development projects in different development phases with an expected total combined capacity of more than 600 MW. The Company intends to increase its current 81.0 MW portfolio from this pipeline and opportunistic secondary-market acquisitions to approximately 400 MW by the end of 2023.

The Project Pipeline is divided into three phases of which the first phase was completed ahead of time with the acquisition of a 21.2 MW photovoltaic portfolio in Germany which was closed in May 2020 with economic effect as of January 1, 2020. In phase 2, the Company intends to increase its portfolio by approximately 140 MW capacity by the end of 2021 and in phase 3 by approximately another 180 MW by the end of 2023.

##### 2.2.4.3.2.1 Phase 2

Phase 2 includes three development projects which are either already under construction by Pacifico Partners or for which Pacifico Partners has grid connections as well as land and permits. The table below lists these projects as well as their technology, planned capacity, number of plants, commencement of delivery and status:

| <i>Project</i>                                 | <i>Technology</i> | <i>Planned capacity (MW)</i> | <i>Number of parks</i> | <i>Commercial Operation Date (COD)</i>                                   | <i>Status</i>                                                                                                                                                            |
|------------------------------------------------|-------------------|------------------------------|------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Kuyavian-Pomeranian Voivodeship, Poland</b> | Wind              | 51.8                         | 3                      | First electricity production expected in Q4/2020 and full COD in Q1/2021 | <ul style="list-style-type: none"> <li>• Project under construction;</li> <li>• Auction won</li> <li>• PPA signed</li> <li>• Financing secured</li> </ul>                |
| <b>Sicily, Italy</b>                           | PV                | ~75                          | 7                      | COD expected for first plants in second half of 2021                     | <ul style="list-style-type: none"> <li>• Land secured for ownership</li> <li>• Permit request submitted (PAUR<sup>1</sup>)</li> <li>• Grid connection secured</li> </ul> |
| <b>Gelderland, the Netherlands</b>             | PV                | ~14                          | 1                      | COD expected mid-2021                                                    | <ul style="list-style-type: none"> <li>• Land secured</li> <li>• Permits secured</li> <li>• Grid connection secured</li> <li>• FiT secured</li> </ul>                    |

1 *Procedimento autorizzativo unico regionale*: New Italian permitting procedure in place since January 1, 2020 for PV plants that covers both the building and the environmental permit.

#### 2.2.4.3.2.1.1 Kuyavian-Pomeranian Voivodeship, Poland

The most advanced project in the development pipeline is located in Poland. The Company's management considers the Polish renewable energy market as attractive, *inter alia*, due to the following reasons:

- Poland is a large and growing energy market. In terms of primary energy consumption, Poland is the sixth largest market in the European Union (*Source: Eurostat*) and its electricity demand is expected to grow by more than 50% until 2050 (*Source: McKinsey & Company*).
- Poland is the second most CO<sub>2</sub>-intensive economy in the European Union (*Source: EEA*) with a 73.6% share of electricity production from hard coal and lignite (*Source: Forum Energii*) and an aging power-generation stock and grid (*Source: McKinsey & Company*).
- Renewables are now considered an important pillar of its power system (*Source: Energy Unplugged*). Poland has committed itself to increase its share of renewables from approximately 15% in 2020 to 21-23% in gross final energy consumption by 2030 (*Source: Poland Integrated National Climate and Energy Plan*).
- Environmental topics have become an important subject of the public debate and environmental issues are embedded in the political programs of all major parties (*Source: Green European Journal*).
- Poland offers strong fundamentals for wind projects particularly due to locations with sound wind conditions (*Source: Global Wind Atlas*) and in comparison to its neighboring countries higher electricity prices (*Source: Forum Energii*).
- With an installed capacity of approximately 6 GW (*Source: Energy Regulatory Office Poland*), the onshore wind market in Poland is well developed and penetrated by many international market participants. For instance, EDP RENOVÁVEIS, S.A., RWE AG, ENGIE SA each hold an onshore wind capacity of more than 100 MW (*Sources: EDPR, RWE AG, ENGIE*).

The project comprises three wind energy parks in Poland with a total capacity of 51.8 MW, which are currently under construction. The construction of the wind parks is in an advanced stage with no significant delays so far despite the global COVID-19 pandemic. It is expected that the first electricity can probably be generated in the fourth quarter of 2020. The COD is scheduled for March 2021. PAC Czechia GmbH, a wholly-owned subsidiary of the Company, and Pacifico Development, the sole shareholder of PAC Poland 2 GmbH, which is the holding company of the portfolio, entered into a non-binding letter of intent for a potential acquisition of the project by PAC Czechia GmbH following the parks' COD based on an enterprise value of approximately EUR 103 million (using an exchange rate of 4.4870 PLN per EUR as of November 9, 2020, as published by the Polish central bank (*Narodowy Bank Polski*)) as well as exclusivity of negotiations through the end of 2021.

All three parks are located in Kuyavian-Pomeranian Voivodeship in the proximity of the city of Grudziądz and are held in three separate special purpose vehicles (SPVs), each wholly owned by PAC Poland 2 GmbH. Dębowa Łąka, the largest of the three wind parks with a total capacity of 33.3 MW, is located approximately 40 kilometers southeast of Grudziądz.<sup>1</sup> Świecie nad Osą, a wind park with a capacity of 16.3 MW is located approximately 30 kilometers east of Grudziądz.<sup>2</sup> 12W, the smallest of the three wind parks with a capacity of 2.2 MW, is located approximately 25 kilometers southeast of Grudziądz.<sup>3</sup>

In total, 20 wind turbines will be installed. The wind park Dębowa Łąka will consist of 12 Vestas V110 2.2 MW (125 meters hub height) and two Vestas V126 3.45 MW (117 meters hub height) turbines. For Świecie nad Osą, two Vestas V136 3.45 MW (operating in 3.5 MW mode and a hub height of 112 meters) and three Vestas V136 3.45 MW (operating in 3.1 mode and a hub height of 112 meters) will be installed. At 12W, one Vestas V110 2.2 MW turbine (hub height of 125 meters) is planned.

According to the technical due diligence report provided by DNV GL Poland Sp. z o.o. (the "**Technical Advisor**"), the initial P50 electricity production once fully operational is expected to be approximately 191 GWh p.a. for all three parks in total. This estimation is based on wind studies conducted by or verified by the Technical Advisor. For Dębowa Łąka, the Technical Advisor's wind study builds on data recorded from June 2011 until July 2014 at an onsite meteorological mast with measurements recorded at several heights of up to 101.7 meters. In addition, wind

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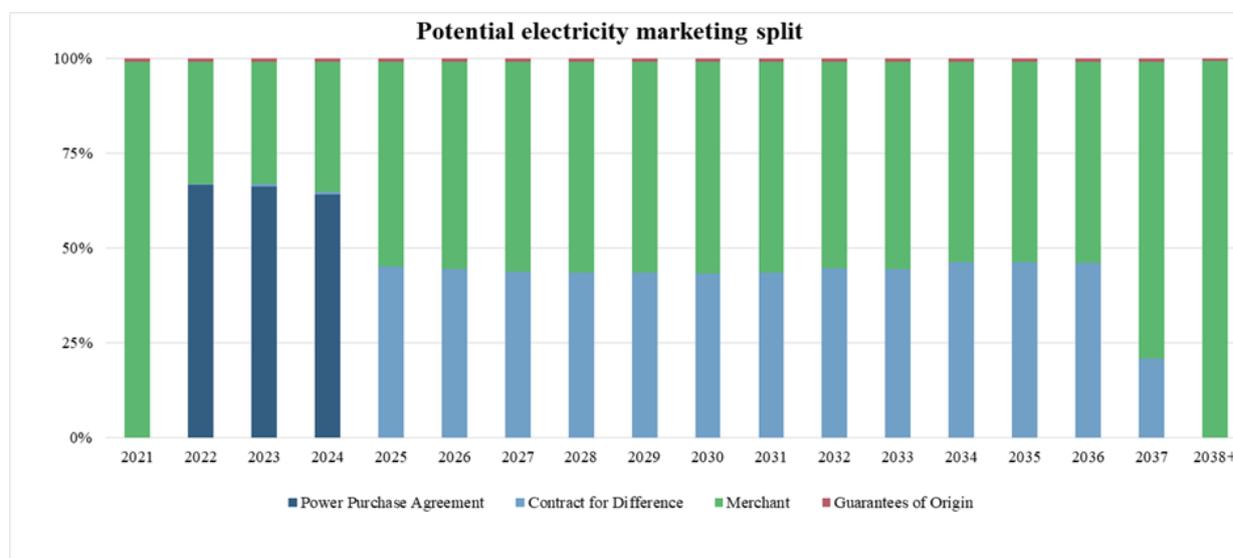
<sup>1</sup> As an example, the coordinates for one of the turbines of this wind park are as follows (the other turbines will be located nearby): 53°13'42.3"N 19°07'16.0"E.

<sup>2</sup> As an example, the coordinates for one of the turbines of this wind park are as follows (the other turbines will be located nearby): 53°29'13.2"N 19°10'25.7"E.

<sup>3</sup> The coordinates for the only wind turbine of this wind park are as follows: 53°20'30.0"N 18°58'31.8"E.

data from a nearby 101.0 meters high meteorological mast for the period from September 2012 until October 2015 has been supplied to the Technical Advisor. For Świecie nad Osą and 12W, Wind Prospect Sp. z o.o. has conducted the wind studies. For Świecie nad Osą data was collected between August 2014 and February 2017 at heights of 99.5, 79 and 61 meters using an onsite meteorological mast located within two kilometers of all turbines. For 12W, data was collected between September 2012 and January 2016 at heights of 101, 80, 60 and 40 meters using a meteorological mast located three kilometers northeast of the turbine location. The Technical Advisor has conducted a review of these two reports.

Regarding the marketing of the electricity, a combination of public support mechanisms, PPAs and electricity sale on the open market was chosen in order to optimize the debt capacity while minimizing hedging costs related to long term PPAs. However, the potential of concluding additional PPAs during the project's lifetime exists. Each project company participated in the auction no. AZ/6/2019 for electricity from renewable energy sources and made a successful bid. As a result, the special purpose vehicles were awarded public support in the auction in the form of an up to 15-year inflation-linked revenue premium above the market price calculated based on the market price and bid price made at the auction, a so-called contract for difference (CfD). The premium is paid on a monthly basis when the market price is lower than the bid price. If the market price exceeds the bid price, the surplus is accrued on the special purpose vehicle's account and set off against future payments. If it cannot be set off with payments during the support period, it is paid back by the company in six monthly instalments at the end of the support period. To benefit from the auction, each project is obliged to start selling electricity in the auction system within 33 months of the date of the auction, *i.e.*, by September 5, 2022. A long term onshore wind capture price forecast from a leading market consultant was applied to estimate merchant revenues. In addition, the three special purpose vehicles each entered into 3-year fixed price PPAs with Statkraft Markets GmbH to mitigate the initial risk of fluctuating electricity prices. Additional revenues stemming from guarantees of origin are assumed to be marginal. For illustrative purposes, the potential split of revenues between the various electricity marketing mechanisms is shown in the following chart:



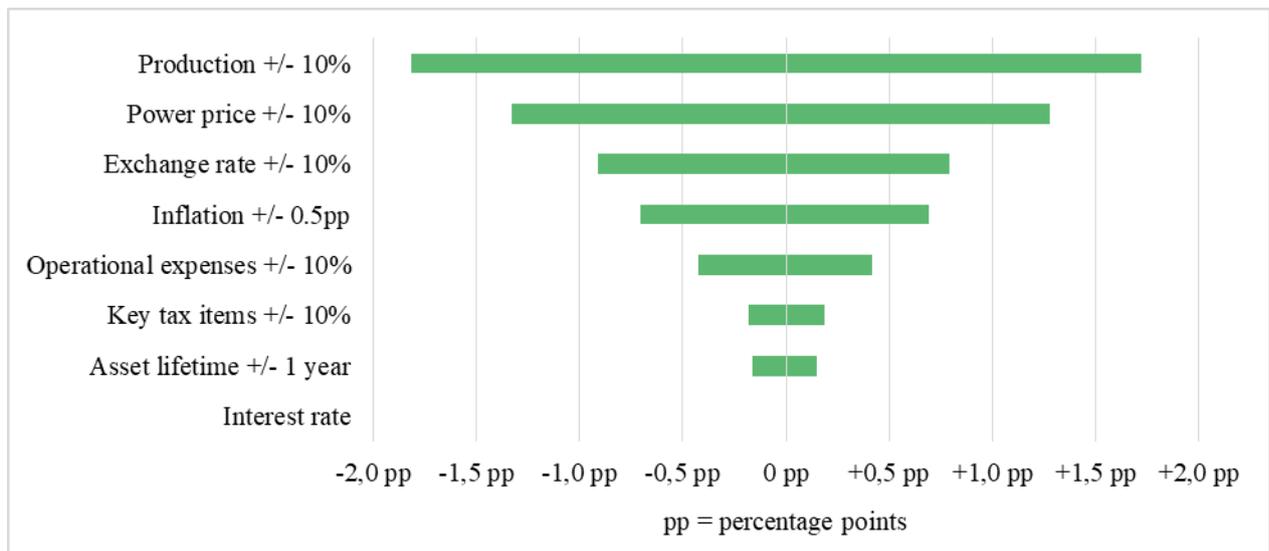
Key initial financing agreements have been concluded already. Bayerische Landesbank acted as lender to the special purpose vehicles providing senior debt financing and ancillary facilities to the special purpose vehicles. The term loans amount to PLN 225,150,000 and are scheduled to mature on June 30, 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 are hedged by means of interest rate derivatives. In addition, subordinated debt at PAC Poland 2 GmbH is expected to amount to approximately EUR 38.7 million including accrued interest as of December 31, 2020, and can be redeemed early.

Further key milestones have been achieved for all three parks: All relevant permits are in place and the grid connection has been secured. Land lease agreements with a tenor of close to 30 years and long term easements were secured. Key project contracts have been concluded, including a turbine supply agreement, balance of plant agreement and a 20-year full scope operations and maintenance agreement with an energy-based annual availability guarantee of 98% (97% in the first year after COD). During the first five years after COD, technical and commercial asset management services will be provided by an unaffiliated party on the basis of an existing agreement.

Based on an enterprise value of approximately EUR 103 million (using an exchange rate of 4.4870 PLN per EUR as of November 9, 2020, as published by the Polish central bank (*Narodowy Bank Polski*)) for a hypothetical

full acquisition of the project as of November 30, 2020 and certain other assumptions related to, *i.a.*, production, power price, exchange rates, inflation, operational expenditure, key tax items, asset lifetime, interest rate and electricity marketing split, an expected levered equity IRR over the lifetime of this project of approximately 7% was estimated. 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.

The chart below illustrates the potential effect on the expected levered equity IRR if any of the various underlying assumptions (the base case scenario assumptions) change. For each sensitivity, the underlying assumptions have been changed *ceteris paribus*, *i.e.*, any potential change has been considered independent from any other change with no effect on any other base case assumption and only from COD onwards. The figures and explanations are illustrative only and investors should place no undue reliance thereon. Specifically, investors should read the below analysis together with the risk factors described in section “4 Risk Factors”.



- Production sensitivity shows the effect of assuming a 10% decrease (downside) or increase (upside) from base case scenario assumptions in wind energy production over the whole life of the asset. Hereto, the wind farms’ annual production figures under the base case scenario assumptions have been multiplied by 0.9 or 1.1, respectively, for the full lifetime of the asset.
- Power price sensitivity shows the effect of adjusting the captured electricity price assumptions in Poland down by 10% (downside) and up by 10% (upside) from the base case scenario assumptions throughout the operating life of the underlying project. The captured electricity price assumption was based on the most recent analysis of a leading market consultant.
- Exchange rate sensitivity shows the effect of a 10% depreciation (downside) and a 10% appreciation (upside) in the value of the Euro relative to the Polish Złoty. In each case an instantaneous shock to the exchange rate and a subsequent stabilization at the new level is assumed. The revenues from the projects are denominated in Polish Złoty and all operational costs for the projects denominated in Euro are converted into Polish Złoty using the shocked exchange rate. Finally, all Polish PLN cash flows available for distribution are converted into Euro using the amended exchange rate to derive the Euro IRR. The Polish Złoty / Euro exchange rate sensitivity does not account for potential indirect influences, *e.g.*, on Polish power prices.
- Inflation sensitivity shows the effect of a 0.5 percentage points decrease (downside) and a 0.5 percentage points increase (upside) in the annual inflation rates under the base case scenario assumptions in wind energy production over the full lifetime of the asset.
- Operational expenses sensitivity shows the effect of a 10% increase (downside) and a 10% decrease (upside) in annual operational expenses for the asset assuming that for each scenario the change in operational costs occurs immediately and thereafter remains constant at the new level.
- Key tax items sensitivity shows the effect of a 10% increase (downside) and a 10% decrease (upside) in absolute annual real estate tax, corporate tax and VAT payments from COD onwards compared to the base case scenario assumptions.

- Asset life sensitivity shows the impact of decreasing (downside) and increasing (upside) the asset life of the plants in Poland by one year compared to the base case scenario assumptions. In the case of a lifetime extension by one year, the other base case scenario assumptions were applied to the second year as well.
- As interest rates for the full debt repayment profile are hedged by means of interest rate derivatives, the impact of the interest rate sensitivity is zero.

#### 2.2.4.3.2.1.2 Sicily, Italy

In addition, Pacifico Partners' team is currently working on the development of seven photovoltaic plants on the Italian island of Sicily with a total capacity of around 75 MW. For these projects, all required land has already been secured through contracts providing purchase options, grid connection capacities have been contractually reserved and the construction and environmental permits have been applied for under the new uniform approval procedure (*procedimento autorizzativo unico regionale*, "PAUR"). Pacifico Partners expects that the first electricity can be generated in the second half of 2021 which is supposed to be sold through long-term PPAs at market prices.

#### 2.2.4.3.2.1.3 Gelderland, the Netherlands

Furthermore, a photovoltaic project fully owned by Pacifico Partners with a total output of 14 MW in Gelderland, the Netherlands, is at an advanced stage of development. At the beginning of 2020, this project was awarded a contract for a guaranteed feed-in tariff under the SDE+ program. Property and grid access have already been secured and the last outstanding permits are being processed. If the project continues to progress without delays, the Company expects the plant to be connected to the grid presumably in the first half of 2021.

#### 2.2.4.3.2.1.4 Acquisitions from Unaffiliated Parties

In addition to the project pipeline developed by Pacifico Partners, the Company is constantly examining the market for complementary acquisitions from unaffiliated parties.

For instance, on November 5, 2020, the Company signed an agreement to acquire a 15.6 MW turn-key onshore wind farm in the vicinity of Reudelsterz, Rhineland-Palatinate, Germany from an affiliate of New Energies Systems AG, an independent project development company. The wind park which will comprise five Nordex N131 wind turbines is currently at an advanced stage of construction and is scheduled for completion in early 2021. Land lease agreements, mostly with a tenor of at least 28 years, and easements have been secured and an up to 20-year full scope operations and maintenance agreement with a technical annual availability guarantee of 98% (90% in the first 90 days, thereafter 98%, and 97% from year 16 onwards) is in place. The wind farm will benefit from a 20-year statutorily determined remuneration of EUR 79.3 per MWh under the EEG 2017. This amount includes the current correction factor used to partially compensate for differences between locations with different wind intensities in order to enable nationwide competition between locations with different wind yields. Once fully operational, the total initial P50 electricity production is expected to be approximately 37 GWh p.a. which would result in annual revenues of approximately EUR 2.9 million and an annual reduction of more almost 30,000 tons of CO2 emissions. The parties to the purchase agreement agreed on an enterprise value of EUR 35 million, including senior project financing provided by a reputable German bank. Closing of the transaction is subject to certain conditions, including the commissioning of all turbines and successful completion of the trial period, and is expected to occur in early 2021.

Going forward, the Company may consider equity-based payments as a financing alternative to facilitate its growth and to build additional partnerships.

#### 2.2.4.3.2.2 Phase 3

During phase 3, photovoltaic and wind energy plants can be acquired in order to reach the Company's goal to grow its portfolio to a total capacity of approximately 400 MW by the end of 2023. Phase 3 consists of wind and solar assets which are under review for development by Pacifico Partners. This also includes projects for which Pacifico Partners have ensured privileged access through memoranda of understanding. Currently, the following memoranda have been signed by Pacifico Partners or Pacifico Development:

- with an Italian partner regarding photovoltaic development projects on two Italian islands totaling 215 MW;
- with a partner development company regarding photovoltaic power plants in Poland, for which the land rights have already been secured;

- for the joint repowering of a German wind park partially in the Company’s portfolio with a capacity of up to 16.5 MW.

These memoranda of understanding specify, *i.a.*, the scope of the relevant project for joint development, the development stage, key milestones and the roles and responsibilities of the parties involved. They typically include confidentiality and non-circumvention clauses.

Given the early stage of these project development activities, a conservative discount has been applied for determining the planned capacity of approximately 450 MW in phase 3.

## 2.2.5 *Regulatory and Legal Environment*

*Pacifico’s project portfolio and business activities are subject to a variety of civil and public laws and regulations in Germany. If Pacifico fails to comply with any of these laws and regulations, it may be subject to civil liability, administrative orders, fines or even criminal sanctions (see also section “4.5.2 Pacifico is subject to extensive environmental, health and safety laws and regulations, as well as other political, social and community actions or pressure.”)*

*The following provides a brief overview of selected federal, state and municipal regulations that are applicable to Pacifico’s project portfolio and business operations.*

### 2.2.5.1 Germany

#### 2.2.5.1.1 *Remuneration of Renewable Energy*

The EEG 2017, which came into force on January 1, 2017, governs the incentive and financial support schemes for renewable energy in Germany. Reforming the German Renewable Energy Sources Act 2014 (“**EEG 2014**”), the EEG 2017 lays out three marketing mechanisms applicable to solar PV parks and onshore wind energy. First, a market premium model (*Marktprämienmodell*), with a reference value (*anzulegender Wert*) allowing operators of renewable energy facilities to have generated electricity remunerated based mainly on the outcome of tender procedures. Second, a limited FiT, which provides smaller renewable energy plants up to 100 kW contingency compensation. Third, unsubsidized marketing. The aim of the reform was to integrate renewable energy facilities into the electricity market and to provide for competition between renewable energy projects for financial support.

The market premium model replaced the pre-existing FiT as the most important subsidization mechanism for renewable energy with the passage of the EEG 2014. The former FiT regime required operators to feed electricity from renewable energy sources into the grid, with compensation provided thereafter by the grid operator. Under the market premium model on the other hand, operators are to sell their electricity, which is fed into the grid, directly to the market; this is accomplished through market power purchase agreements (in the German market referred to as direct marketing agreements), whereby the operator sells the electricity to a third party – a direct marketing company – which then sells the electricity on the market freely. Under this new mechanism, the operator receives remuneration based on the average monthly market price of the electricity produced by the operator’s renewable energy facility. The direct marketing company provides certain market services to the plant operator and, therefore, the plant operator has to pay a fee to the direct marketing company. This fee is to be agreed commercially and is usually deducted from the monthly average market price. This sale of electricity constitutes the first revenue stream which the operator of a renewable energy facility receives under the direct marketing regime.

As a second revenue stream, the operator of renewable energy facilities under the market premium model receives a so-called market premium, on top of the average monthly market price paid for the sale of electricity by the direct marketing agreement as outlined above. Following the feed-in of the electricity produced by the renewable energy facility, this premium is paid out by the appropriate grid operator to the operator of the renewable energy facility in monthly installments. By the end of March 2020, 94% of installed onshore wind energy capacity (50,594 MW) was financed via direct marketing. The same share for solar PV energy capacity was 29% (14,294 MW) (*Source: BMWi, Direct Marketing Monitoring; 2020 Direktvermarktung*).

The market premium is calculated per calendar month as the difference between the reference value for each renewable energy facility, *i.e.*, the reference value applicable to each project (*anzulegender Wert*), and the monthly average market value of the source of electricity (*i.e.*, solar PV power or wind power) on the spot market of the electricity exchange EPEX (“**EPEX spot**”) in cents per kilowatt-hour. Commercially, the operator of a renewable energy facility therefore receives the reference value minus the direct marketing fee multiplied by the fed-in electricity. The tariff payment period is 20 years, calculated from the commissioning of each facility.

The market premium payouts can be situationally reduced to the actual market value if certain technical requirements, inter alia regarding remote controllability as set out below, are not met, the renewable energy facility operator switches between direct marketing and the FiT without informing the grid operator, or the operator of renewable energy facilities breaches the EEG 2017's prohibition on the multiple sale of electricity from renewable sources. Further, market premium payments can be reduced to zero in the event of negative prices. This occurs if the single-hour contracts for the price zone Germany on EPEX spot is negative for at least six consecutive hours. In 2019, the German renewable energy market recorded 211 hours of negative prices, almost matched by the 208 hours of negative prices already recorded in June 2020 (*Source: Argus Media*). Further reductions apply in the event of violations of certain mandatory provisions under the EEG 2017 by the operators of the renewable energy facilities, such as the failure to register the renewable energy facility in a central data base.

Unlike the statutory reference values contained in the EEG 2014, the EEG 2017 does not set out statutory reference values (except for a few exemptions, mainly for smaller facilities, and grandfathering provisions). Instead, reference values are now assessed via the German Federal Network Agency's (*Bundesnetzagentur*) competitive tender process. Each tender round is for support of a set volume of supported capacity in MW and thus limits the number of projects eligible for support to ensure competitive prices and to better structure the roll-out of renewable energy projects. The tenders can be technology specific, *i.e.*, for solar PV or onshore wind, with special tenders sometimes encompassing multiple technologies. The bidders enter bids for the reference value in ct/kWh.

Bids are capped at a maximum reference value which varies by the source of the renewable energy. The maximum reference values are in part determined statutorily and in part linked to the results of previous tender rounds. As of January 1, 2018, the maximum reference value for onshore wind energy installations has been 8% above the average bid values of the highest bids from the last three bidding deadlines. The maximum permissible reference value for 2019 for onshore wind is 6.20 ct/kWh and the maximum reference value for solar PV is 7.5 ct/kWh. In the April 2020 joint wind and solar PV tender round of national clean energy bidding in Germany, the average solar PV reference value was 5.22 ct/kWh, while no wind power projects were submitted for bidding (*Source: PV Magazine*).

The lowest qualified bids receive the right to receive the market premium described above. The tender procedure is organized to function as a "pay-as-bid" auction, with each operator of a renewable energy facility receiving the amount they bid. Once the volume of supported capacity is exhausted in a tender round, bids for projects that were higher than the competition are not entitled to the aforementioned market premium and thus cannot operate under the market premium model but must instead apply in a subsequent tender round.

The maximum volume of installed capacity, supported in each tender round varies by source and is stipulated in section 28 EEG 2017. The maximum amounts are determined politically and can be increased to speed up the roll-out of renewable energy or decreased depending on political majorities.

In 2019, 3,675 MW of onshore wind was tendered, but only about 1,846 MW of capacity were awarded. Across the six tender rounds in 2019 (February 1, May 1, August 1, September 1, October 1 and December 1), successful bids were awarded on average between 6.11 ct/kWh (February) and 6.20 ct/kWh (October). In 2020 and 2021 the tender volume for onshore wind is set at 4,100 MW or 4,250 MW respectively, each distributed over seven tender rounds per year. From 2022 on, the annual tender volume for onshore wind will be 2,900 MW.

1,475 MW of solar PV energy were tendered in 2019, distributed over five rounds (February 1, March 1, June 1, October 1 and December 1). Successful bids were awarded on average between 4.80 ct/kWh (February) and 6.59 ct/kWh (March). In 2020 and 2021 the tender volume for solar is set at 1,800 MW and 1,950 MW respectively, each distributed over a total of seven tender rounds per year. From 2022 on, the annual tender volume for solar will be 600 MW. The total volume of tenders every year from 2020 onwards, both in solar and wind energy, is affected by the installation capacity awarded by European cross-border tenders and by the installed capacity for pilot wind turbines and ground-mounted solar plants in previous years.

The bidders need to fulfill certain prequalifications that endeavor to prevent strategic bidding behavior and aim to ensure that only viable projects take part in the tender process.

The prequalification on the bids for support of onshore wind energy include that bids can only be submitted if the relevant wind energy turbine's building and operation permit has been acquired in accordance with the German Federal Immission Protection Act (*Bundes-Immissionsschutzgesetz*, "**BImSchG**"). Further, acquisition of the permit must have been reported to the turbine register or the core market data register three weeks prior to the bid date. This requirement endeavors to ensure that only projects at a certain advanced state with a high chance of actually being built can participate in the tender.

Restrictions on ground-mounted solar energy tender include that bids are limited to a maximum installed capacity of 10 MW/bid. To prevent excessive amounts of arable land from being covered by solar PV projects such projects are only eligible to participate in the tenders if such projects are built on land that was subject to previous environmentally detrimental use or close to highways and train lines, including sealed areas, conversion areas, certain industrial sites or certain sites covered by specific zoning plans. To allow some flexibility, a bid may be transferred to a different eligible site stated in the bid against a reduction in the awarded reference value 0.3 ct/kWh.

Bids on the tender process are subject to several additional requirements, including that the bid must name the form of energy for which it is submitted, the tender round the bid is submitted for, the volume in kW, the bid value in ct/kWh, the sites of the installations to which the bid refers, and the competent grid operator. Further requirements vary based on the form of the renewable energy. For solar energy, the bid needs to identify the site of the installation or the building to which the panels are affixed. Any bid in excess of the applicable maximum amount as well as bids that do not fulfill other formal requirements are disqualified from the award procedure. Each bidder is also required to provide a bid bond. For onshore wind energy this bond amounts to EUR 30/kW multiplied by the capacity in kW to be installed that is being bid for. For solar energy, the multiplier is EUR 50/kW. If successful, a project needs to be built and operational within a certain set timeframe. The implementation deadline for onshore wind energy is 30 months (24 months for onshore wind if auctioned on February 1, May 1 or August 1, 2019) calculated from the public announcement of the award; if a project is not commissioned within those 30 months, the award of the reference value expires. For solar energy, the award shall be cancelled if payment commissioning has not been applied for 24 months following public announcement of the award. If a penalty arises for exceeding implementation deadlines, this bond acts as security for the relevant payment claims of the transmission system operators (“TSOs”) against the project.

To allow competition between sites with higher- and lower wind yields in onshore wind tenders, the EEG 2017 employs a so-called reference yield model for onshore wind bids. This model foresees a differentiated remuneration depending on the site's quality in terms of prospective wind yield of each wind turbine. The reference yield is defined as the amount of electricity which each type of wind turbine would generate in five years of operation when erected at the reference site with a quality factor of 100%, as based on a measured power curve. The site's quality determines the quality factor in accordance with the following table pursuant to section 36h EEG 2017:

|                          |      |      |      |      |      |      |      |      |      |
|--------------------------|------|------|------|------|------|------|------|------|------|
| <b>quality factor</b>    | 70%  | 80%  | 90%  | 100% | 110% | 120% | 130% | 140% | 150% |
| <b>correction factor</b> | 1.29 | 1.16 | 1.07 | 1.00 | 0.94 | 0.89 | 0.85 | 0.81 | 0.79 |

The ratio of the site yield to reference yield determines the quality factor of the site: greater percentage surplus yields of a site correspond to a greater quality factor. Therefore a site with a quality factor of 100% is comparable to the reference site and is regarded as a 100% site. After a bid has been awarded, a corrective factor is assigned to the quality factor pursuant to the above table. The bid value is then multiplied with the relevant correction factor in order to enable bidding in relation to the reference site. Over- or underpayments must be reimbursed if they stem from deviations in site quality which result in a more than two percentage point shift in the quality factor from the last quality factor calculation.

Statutory FiTs, having been largely supplanted by the market premium mechanism, are now only paid out to small renewable energy facilities (with capacity under 100 kW). Other facilities are generally required to market the electricity directly. However, the operator of a renewable energy facility may in exceptional circumstances elect to receive a feed-in tariff instead of the market premium, though this is reduced by 20% from the applicable reference value (*Ausfallvergütung*) and can be employed for no longer than three consecutive months and no more than six months within a calendar year. This opt-in possibility included in the EEG 2017 serves to reduce the risk for the operator of a renewable energy facility in the event that a contracted direct marketing company becomes insolvent or otherwise fails to market the electricity and also offers financing institutions greater security in respect of such possible insolvencies.

Other than the possibilities of obtaining a market premium through the tender procedures or a FiT, operators of renewables facilities may also elect to directly market produced electricity without use of the above subsidies. This can be accomplished, for example, by way of sale of the electricity through corporate, utility or other forms of PPAs or as so-called merchant by directly selling the produced electricity on the energy exchange (unsubsidized direct marketing).

Operators of renewable energy facilities must allocate each of their facilities to a form of marketing mechanism under the EEG 2017. Operators may choose to switch each facility between the different forms of marketing on the first calendar day of each month. However, this is of course subject to statutory changeover deadlines and regulatory restrictions (such as the maximum three consecutive month use of the FiT for non-pilot facilities with a capacity of more than 100 kW).

#### 2.2.5.1.2 *Registration Obligation, Remote Controllability, Metering*

According to the EEG 2017, for easier calculation, better planning and better integration of the renewable energy sources into the electricity market, operators of renewable energy facilities have to register their renewable energy facility (reference data including, *inter alia*, location, energy source and capacity) in the core market data register of the German Federal Network Agency (*Bundesnetzagentur*) and keep the data up-to-date. The German Federal Network Agency publishes the data subject to data protection laws. Furthermore, the operating company has to provide data on the feed-in of the past year.

Furthermore, most facilities need to be remotely controllable to allow the grid operator to obtain actual feed-in information and to remotely reduce the electricity which is fed into the grid in case of over-supply and resulting grid shortages or other grid-based issues. Remote controllability of utility scale renewable energy facilities is a precondition for the compensation entitlement under the EEG 2017.

#### 2.2.5.1.3 *Additional Support for Renewable Energy Facilities*

In addition to the stabilization of revenue explained above, renewable energy facilities receive support through further statutory privileges. First, grid operators need to afford priority to the connection of renewable energy facilities to the grid. Second, all grid system operators are obliged to afford renewable energy installations priority feed-in rights through the preferred physical purchase, transmission and distribution of electricity from renewable energy sources. In case of a grid overload, grid operators can always call up the current feed-in level and subsequently curtail or shut down the feed-in from the renewable facility via remote control, however only after conventional sources have already been required to shut down. If electricity feed-in from a renewable energy facility is curtailed or shut down due to a grid overload, the grid operator is also obliged to compensate the operator of the affected renewable energy facility for 95% of lost revenue, as well as any net additional expenses. However, if the loss of revenue exceeds 1% of that annual revenue in a given year, 100% compensation shall be paid under this compensation scheme from that point in time on.

#### 2.2.5.1.4 *Power Purchase Agreements and Direct Marketing*

PPAs have to comply with the rules of the German Civil Code (*Bürgerliches Gesetzbuch*, “BGB”) applying to general contract law (Sections 311 BGB *et seqq.*) and general terms and conditions (*Allgemeine Geschäftsbedingungen*). This means that standardized contract terms are subject to a certain fairness control by the competent courts regarding their content and the way they are presented to the respective other contractual party. As a general rule, standardized terms are invalid if they are not transparent, unclear, unbalanced or inappropriately discriminatory.

In addition, if a producer or direct marketer delivers electricity directly to a final consumer (*i.e.*, in particular in the case of a corporate PPA), additional obligations apply under the German Energy Industry Act and EEG 2017, as the producer or direct marketer becomes a supplier at the same time and is therefore subject to the regulations applicable for an electricity supplier. This affects, for example, obligations relating to invoicing, electricity labelling and the payment of the EEG levy to the TSOs.

PPAs are relatively new and have so far been the exception in the development of renewable energy facilities. However, it is possible that this will change in the future. Given this relative novelty, there are no clear market standards as of yet and project developers need to work with the financing parties to find equitable solutions.

#### 2.2.5.1.5 *German Planning Law*

The erection and operation of solar and onshore wind farms requires a permit. Generally speaking, a solar farm will require a building permit, while most wind farms will require a (more complex) permit under the BImSchG. In both cases, the competent authority will issue the permit if the statutory requirements are fulfilled. There is no room for any discretion by the competent authority.

##### 2.2.5.1.5.1 *Land planning law*

The authority will assess compliance with planning law as one of the key aspects as well as compliance with other relevant requirements. Even if a project complies with the requirements of planning law, the authority will assess in detail whether the project complies with all other relevant regulations. It is therefore possible that a permit cannot be issued due to, *e.g.*, non-compliance with nature conservation law, or that the permit will be issued with restrictive conditions.

Planning law requirements are laid down in different plans, namely the regional plan for the area of, *e.g.*, a county (*Regionalplan*, *Raumordnungsprogramm*), the zoning plan for the area of a municipality (*Flächennutzungsplan*) and (if any) land-use plans for certain areas in a municipality (*Bebauungsplan*). These determine which usage a certain area is intended for (*e.g.* residential area, traffic or – and this is relevant for solar and wind farms – use for renewable energy projects). Solar and wind farms can only be implemented if they comply with land planning law at the point in time the permit is issued. This means that land planning law can change during the permitting procedure.

The legal basis for the regional plans is the Federal Spatial Planning Act (*Raumordnungsgesetz*) and the respective state's law on regional planning. The competent regional planning authorities are determined by state law. Municipalities prepare urban development plans (*Bauleitpläne*) in their own responsibility by means of a two-tiered approach consisting of zoning plans (*Flächennutzungsplan* or *vorbereitender Bauleitplan*) and land-use plans (*Bebauungsplan* or *verbindlicher Bauleitplan*) in accordance with the provisions of the German Building Code (*Baugesetzbuch*, "**BauGB**"). Planning authorities have a considerable amount of discretion (*Planungsermessen*) in exercising their planning competence (*planerische Gestaltungsfreiheit*). They are, however, required by law to take into account private and public interests as well as to pursue a number of prescribed objectives, including sustainable urban development, the protection of natural resources and a socially fair use of soil serving the well-being of the community. All relevant private and public interests must be identified and evaluated by the planning authority before balancing them against and among each other (*Abwägung*). In addition, material effects on the environment must be identified by an environmental audit (*Umweltprüfung*) as well as described and evaluated in an environmental report (*Umweltbericht*). The results of the environmental audit shall be taken into account when balancing all relevant private and public interests.

#### 2.2.5.1.5.2 Regional plans (*Regionalpläne*)

Regional plans determine the usage of the respective land for a rather large area, resulting in rather abstract regulations. In the regional plans, areas can be determined as

- Priority areas (*Vorranggebiete*), meaning that they are intended for certain usages and these usages trump conflicting usages of the area,
- Reserved areas (*Vorbehaltsgebiete*), meaning that the area is reserved for certain usages,
- Suitability areas (*Eignungsgebiete*), meaning that the designated usage can only be implemented in the respective areas in the regional plan and not in other areas.

These categories can also be combined to priority areas with the effect of suitability areas (*Vorranggebiete mit der Wirkung von Eignungsgebieten*).

Most regional plans provide for specific areas for wind energy, meaning that, generally speaking, wind farm projects can only be realized in areas which have been designated for this purpose in regional plans. On the other hand, there are typically no specific areas for solar farms in regional plans, meaning that these can be implemented in areas where there is no other prioritized usage.

#### 2.2.5.1.5.3 Zoning Plans (*Flächennutzungsplan*)

On the first level of municipal planning, a municipality issues a zoning plan that sets forth the basic classification of land uses according to urban development objectives and the needs of the municipality with respect to the entire municipal territory. The zoning plan has to reflect the content of the regional plan. Such zoning plans generally apply to the entire area of the municipality. Certain areas of a municipality may, however, be left out if the main characteristics of the zoning plan will not be affected thereby and a separate zoning plan for the relevant area is to be adopted at a later stage.

A zoning plan may set forth the specific future use of certain areas (*e.g.*, building areas and traffic areas), but generally does not create individual rights, in particular no building rights. The classification of land uses can be

divided into several categories: areas designated for development, public and private infrastructure, traffic and transportation, and other uses (*e.g.*, areas for public utilities and green areas).

As soon as possible (*i.e.*, once the zoning plan is sufficiently detailed), the municipality must issue a notification comprising the objectives, effects and alternatives of the plan and afford the public an opportunity to comment and express any concerns, which may include public hearings. Following the first round of such public participation, the municipality may amend the zoning plan. To proceed, the municipality has to formally disclose the (amended) draft zoning plan with a statement setting forth the underlying considerations with respect thereto. The zoning plan must then be announced publicly and displayed for one month to encourage the public to further participate in the planning process. Following the expiration of the one-month period, the council of the municipality adopts the zoning plan in a public meeting.

In addition to the public, municipalities must also involve public authorities and other bodies of public interest (*sonstige Träger öffentlicher Belange*) if their respective area of responsibility is affected by a zoning plan, and request such authorities to comment on the draft plan.

The final zoning plan must be submitted to the relevant higher authority for approval. This higher authority may, however, only examine the legality of the zoning plan, including its conclusion (*i.e.*, it may only deny its approval if the zoning plan was not prepared in compliance with applicable laws). Following its formal approval, the zoning plan is officially enacted by way of public announcement by the municipality.

#### 2.2.5.1.5.4 Land-Use Plan (*Bebauungsplan*)

On the second level of municipal, land-use plans may determine the use of land in designated areas where there is a need for a more detailed planning than laid down in the zoning plan.

As a general rule, a land-use plan is developed from the descriptions in the applicable zoning plan and therefore has to comply with the zoning plan. In particular, a land-use plan establishes the legally binding rules with respect to matters such as the size of plots and the height, density and specific use of buildings erected on a plot and may also designate land as being reserved for public purposes, industrial use, mixed use, social housing, infrastructure, open spaces and protected areas.

In most cases, the building permit for a solar farm requires a land-use plan that has to be adopted by the time the permit is issued. Wind farms, on the other hand, can be – and often are – implemented also in areas without a land-use plan. In these cases, the authority assesses whether the project contradicts the zoning plan. In particular, if a zoning plan provides a specific area for the implementation of *e.g.* wind farms, these cannot be implemented outside of these areas (section 35(3) sentence 3 BauGB).

The process of establishing a land-use plan basically follows the same procedures as for the zoning plan. The process of preparing a land-use plan is usually initiated by the relevant local council or planning committee or following an inquiry of local residents or an investor. As opposed to the zoning plan, the land-use plan does not require approval by a higher authority, whereas the land-use plan is based on the zoning plan for which such approval has already been obtained. However, the land-use plan additionally needs to be enacted as a municipal by-law which requires the municipality to publish the final land-use plan by way of public announcement and to display it for inspection by the public. As a municipal by-law, a land-use plan stipulates legally binding provisions determining whether a building project is permissible, whereas a zoning plan has no direct binding legal effect.

#### 2.2.5.1.5.5 Construction and Operation of Solar and Wind Parks

The erection of solar facilities is subject to the BauGB and the state building act (*Landesbauordnung*) of the state (*Land*), where the solar facility is built. The erection of a solar facility usually requires a building permit pursuant to the relevant state building act. It will generally only require submission of the application documents, their assessment by the authority and issuance of the permit. Building permits may contain certain ancillary provisions such as, for example, a dismantling obligation, precautions against harmful environmental effects caused by electric, magnetic and electromagnetic fields caused by low-frequency installations or the obligation to avoid disturbances of neighboring residents through dazzling effects. In general terms, the building permit only covers the permit for the erection of the plant. All other possibly required permits have to be applied for separately. Depending on the site, other permits may be required, *e.g.*, under the German Water Resources Act (*Wasserhaushaltsgesetz*) and the Federal Nature Conservation Act (*Bundesnaturschutzgesetz*, “**BNatSchG**”). The building permit generally requires, *inter alia*, the existence of a local development plan or a project-related local development plan accompanied by an implementation agreement between the municipality and the facility operator including certain implementation

obligations of the operator. The length of the approval procedure varies among the authorities and states. Provided all prerequisites are fulfilled, the building authority is obligated without discretion to issue the permit.

Wind farms usually require a permit under BImSchG. In accordance with the BImSchG and the Federal Immission Control Act (*Vierte Verordnung zur Durchführung des Bundes-Immissionsschutzgesetzes*, “**BImSchV**”), onshore wind turbines with a hub height greater than 50 meters must obtain regulatory approval. This approval procedure under the BImSchG has become the industry standard, as large-scale onshore wind energy dominates the German renewable energy market.

The BImSchG permit can be issued in a formal or a simplified procedure (§§ 10, 19 BImSchG), mainly depending on the wind farm's size. A formal procedure requires the participation of the public and therefore is much more time-consuming and complex than the simplified procedure. A formal procedure is always required when an Environmental Impact Assessment (“**EIA**”) has to be conducted (see below), but the applicant can also choose a formal procedure in order to benefit from the procedure's effect for legal certainty.

Where an onshore wind park consists of more than three turbines, an additional regulatory requirement may be required under the Environmental Impact Assessment Act (*Gesetz über die Umweltverträglichkeitsprüfung*, “**UVPG**”). The UVPG requires that, as part of the approval procedure under the BImSchG is made under certain conditions. In accordance with the Act, wind parks with 3-5 turbines require location based screening in order to assess whether an EIA is needed; for parks with 6-19 turbines, the relevant authority decides in a general case screening whether an EIA is needed; for parks with over 19 turbines an EIA is always needed. The EIA requires a thorough and comprehensive assessment and detailed presentation of the project's possible impacts on the environment. An EIA can therefore be rather costly and time-consuming.

In addition to the application of the BImSchG, the competent authorities are responsible for applying other relevant regulations. These include the zoning law provisions under the BauGB, the construction and building regulations of the respective federal states, the nature and landscape conservation regulations under the BNatSchG, the Air Traffic Act (*Luftverkehrsgesetz*), the Federal Forest Act (*Bundeswaldgesetz*) and the Federal Roads Act (*Bundesfernstraßengesetz*). If all requirements are fulfilled, the competent authority is required to issue the permit under BImSchG without discretion.

The BImSchG permit has a so-called concentration effect. Generally, it includes all other permits required for constructing and operating the wind farm such as building permits and exemptions under the BNatSchG. The BImSchG permit thus has the character of a combined building and environmental permit. The concentration effect does not cover permits without a direct connection to the plant itself. Therefore, permits may again be necessary for the construction and operation of other necessary facilities, such as access roads, crane sites grid connections lines and substations. These must be applied for separately.

BImSchG licenses and partial licenses issued by the relevant authority may also be tied to additional specific conditions or obligations to secure the operator's compliance with the conditions for licensing. These may potentially include dismantling obligations, requirements for protection from noise or air pollution, or the obligation to carry out compensatory measures (for impacts on nature, forests etc.) and shadowing, and, in individual cases, shutdown times or monitoring measures, inter alia, aiming at the avoidance of disturbances of neighboring residents or at the protection of protected species, for instance certain birds or bats (with corresponding reaction options for the permitting authority in the event of bird or bat strikes, which can lead to operating restrictions or the shutdown of the renewable energy facility in the worst case).

The relevant authorities monitor and measure the relevant emission values and compliance with other ancillary provisions in order to ensure compliance with the license provisions and, if the operator of a renewable energy facility fails to comply with the conditions imposed, the authority may restrict operations of the facility in whole or in part, close down or dismantle any installations revoke operating licenses. The competent authority may further issue subsequent orders in order to ensure conformance to the obligations arising under the BImSchG if previous conditions prove inadequate. These orders are subject to the proportionality principle, with special attention to be paid to the nature, volume and hazardousness of the emissions created by the facility. The imposition of additional requirements by subsequent orders may result in a decrease in production volume of the relevant facility. Finally, there are currently discussions whether authorities may revoke issued permits or order operating restrictions or even a shutdown of facilities due to settlements of protected species after the issuance of a permit. Lacking any case law on this matter the issue constitutes a potential risk. Even if permissible, the competent authority would be required to apply the principle of proportionality, thereby reducing the chance of a reduction of operations or shut down. Nevertheless, some chance of harmful impact on production would exist.

#### 2.2.5.1.6 Challenges of existing permits

Licenses issued by the relevant authority may be challenged by third parties leading to their suspension or termination. As such, there remains a risk that facilities are unable to operate as expected or must be shut down or decommissioned in full or in part.

Particularly important from a practical point of view, especially for wind parks, are challenges by third-parties (e.g., neighbors, competitors, NGOs (*Non-Governmental Organization*), local municipalities, etc.). These challenges have the potential to cause significant delays in the completion of a project, undermine the operation of the facility, or result in an annulment of the license. For this reason the Federal Ministry of Transport and Digital Infrastructure has adopted a draft law which provides that the Higher Administrative Court (*Oberverwaltungsgericht*) will be the competent court of first instance for disputes concerning the erection, operation and modification of onshore wind energy installations with a total height of more than 50 meters. With the proposed Investment Acceleration Act (*Investitionsbeschleunigungsgesetz*) the Ministry hopes to shorten legal proceedings significantly and thus reduce delays.

Challenges can generally only be brought forward in a certain period of time, depending on the type of permitting procedure. In the case the permitting procedure required a participation of the public and therefore the public display of the permit, third parties can bring forward challenges within one month after the conclusion of the public display of the permit. In other cases, the authorities might serve the permit individually upon some third parties, thus triggering a complaint period of one month as well. Parties that were not specifically notified of the permit can bring forward complaints within about one year after gaining knowledge of the permit.

Depending on the federal state in which the permit has been issued, third parties either have a right to file a notice of objection to the license to an intermediate or higher state authority or to bring legal action against the decision of the public authority in the administrative courts within one month after the permit has been announced to them. Furthermore, the Environmental Damage Act (*Umweltschadensgesetz*) sets out that environmental associations may take legal action against the operation of installations subject to a permit and under the Environmental Appeals Act (*Umweltrechtsbehelfsgesetz*) environmental association may appeal against the issuance of permits, including permits under the BImSchG, even if not directly affected. In order to avoid that remedies can be lodged long after the permit has been granted, the authority can publicly announce the permit.

Generally, in order to mitigate legal risks, a project should only be implemented once the deadlines for challenges have expired. However, according to the BauGB, a third party's objections and actions for rescission against the building permit of a project have no suspensive effect, meaning that they do not in themselves prevent the implementation of a solar farm. The BImSchG does not currently contain any such regulation, so that the competent authorities often order the immediate enforceability of the permit in order to achieve the same effect. The Investment Acceleration Act (*Investitionsbeschleunigungsgesetz*) proposed by the Federal Ministry of Transport and Digital Infrastructure provides for the introduction of such regulation into the BImSchG in order to establish alignment with the BauGB. However, regarding both solar and wind projects, the third-party objectors or claimants may initiate preliminary proceedings before the competent administrative court with the aim of suspending the permit for the time the objection procedure or the main court proceedings are pending. If these are successful, the project can only be implemented once the court has resolved the main proceeding. Receiving a binding court decision may take several years due to the further legal remedies, such as the appeals against decisions of the administrative court of first and, in principle, second instance.

Objections or court actions are often launched for strategic reasons knowing that the holder of the permit is required to construct the solar or wind park, in principle, within 18 months after the public announcement of the award in the tender procedure. The investor then has to start construction works despite the risk of a revocation of the permit at a later point in time in order to meet the deadline for the commissioning of the facilities. The decision to start construction works under such circumstances is typically based on a legal analysis of the merits of the raised objections or claims and a forecast regarding the outcome of court proceedings. Despite applying due diligence, a court decision cannot always be predicted and thus the permit may be annulled resulting in stranded investments as far as the construction is concerned, including additional costs for dismantling built facilities. Additionally this might lead to a revocation of the award under the subsidized marketing mechanism, including a forfeiture of the security payments made during the tender procedure. In case of third-party remedies launched after the bid was placed the investor can apply for a onetime extension of the deadline for commissioning in order to retain the award, however, the 24-month deadline for the forfeiture of the security payments can-not be extended.

### 2.2.5.2 Czech Republic

#### 2.2.5.2.1 *Financial Support Scheme*

Operational support has historically been the main incentive for developing RES. The 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 should be 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 (*i.e.*, market) electricity sales. 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 as prescribed by law (the number of years for which the FiT is guaranteed also depends on the type of RES benefiting from the FiT). 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 could 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.

In 2016 and 2017, the EC issued a series of decisions approving the support schemes for various types of renewables, including decision SA.40171 (2015/NN) from November 2016 on the controversial support scheme for renewables commissioned between 2006-2012, *i.e.*, in the years where a significant portion of existing solar and wind sources were developed. Broadly speaking, the EC declared that, from a state aid rules perspective, the support schemes are compatible with the EU’s internal market.

That said, the EC’s decisions anticipate that the Czech government shall adopt measures to control the so-called “overcompensation” in respect of some of the support schemes. Specifically, projects put into operation between 2006 and 2012 would be deemed to be “overcompensated” if their internal rate of return (IRR) is not reasonable, *i.e.* if it exceeds the limits indicated in the EC’s decision (IRR 6.3%-7% for hydro and wind; 6.3-8.4% for photovoltaic; or 7-9.5% for biomass).

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 will have a significant impact on the system of subsidizing 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 in 2021 or later. Currently no substantial subsidy is anticipated for new large scale photovoltaic developments.

The Draft RES Amendment also addresses the issue of “overcompensation” and foresees a 6.3% IRR for PV power plants, which is the lowest possible return of all renewable energy sources. For 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 sector who, recommended one single regulated return for all renewable technologies. 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.

The financial volume of support of renewables is increasing annually, but this is mainly due to mandatory increase (indexation) of FiTs granted in the past years for existing projects. The largest portion of the annual volume of the subsidies is paid to renewables (and in particular photovoltaic) put into operation in years 2008 – 2010. It should be noted that over the past years the Czech legislator has implemented various measures effectively reducing the return on investment originally anticipated when putting the projects into operation in years 2008 – 2010 (such as the so-called solar levy on revenue obtained from PV plants which were installed (put into operation) in 2010). It has been argued that such measures, by having been put in place with retroactive effect, have adversely impacted legitimate expectations of investors. Nevertheless, the measures remain in place.

#### 2.2.5.2.2 *Power Purchase Agreements and Direct Marketing*

Corporate PPAs are yet to be widely used in the Czech renewable energies market. Depending on the technical solution, neither network charges nor an EEG levy may apply in cases of direct marketing of electricity off the grid (*i.e.*, on-site PPAs). The operator of the renewable energy facility may also be required to fulfill not only the obligations of a power producer but also the obligations of an electricity trader, in accordance with section 23(2) and section 30(2) Energy Act No. 458/2000 Coll. respectively. More complex regulation and charges apply to PPA schemes involving the public distribution grid.

PPAs between operators of a renewable energy facility and consumers still connected to the public grid necessitate, *inter alia*, that the distribution system operator grant their consent (subject to fulfillment of relevant conditions) to the operator of the renewable energy facility to supply the electricity before the operator may supply it directly to a customer.

#### 2.2.5.2.3 *Permits for the Construction and Operation of Renewable Energy Facilities*

Prior to development of any new energy project with an installed capacity of 1 MW or more in the Czech Republic, a so-called state authorization must be obtained. The state authorization is granted by the Ministry of Industry and Trade and the conditions for its granting include compliance of the project with the State Energy Policy, National Action Plan for Renewables, Zoning Documentation as well as requirements on grid stability. The state authorization does not act as a substitute for the requirement to obtain other permits for development of the energy project (such as environmental permits, planning permit or construction permit). The authorization is revoked if the developer does not file the request for the planning permit with the relevant construction authority within three years from the date the authorization has been granted.

#### 2.2.5.3 *Italy*

##### 2.2.5.3.1 *Financial Support Schemes*

Italy's older regulations concerning PV funding are set forth in the decrees *Conto Energia I, II, III, IV* and *V*<sup>4</sup>, which were adopted between 2005 and 2012 and granted a support scheme to operators of renewable energy facilities that entailed a FiT in a fix amount which tended to be based on the capacity of such plants, with higher capacity plants receiving a lower subsidy, for a period of 20 years. In July 2013, the total costs of the incentives reached EUR 6.7 billion and the FiTs for PV plants were abolished.

Italy has implemented *Strategia Energetica Nazionale* (SEN) to aid in the energy transition after the expiration of these regulations. All PV facilities which were created while the *Conto Energia* was in place still receive the incentives provided for by these decrees until expiration of the relevant term set forth in the applicable regulation. Projects for the construction of new renewable energy facilities were not entitled to any kind of FiT or other form of incentive until the new ministerial decree 4/7/2019 on incentives for renewable sources of electricity ("**RES 1**") entered into force (discussed below).

As of January 1, 2016, the former system of green certificates, which were awarded by the *Gestore dei Servizi Energetici S.p.A.* ("**GSE**"), a company owned entirely by the Ministry of Economic Affairs and Finance, in proportion to the amount of energy produced by RES and cogeneration plants that had commenced activities by December 31, 2012, was abolished as well. According to the legislation, each electricity producer (or importer) had an obligation to generate (or put into the grid) a given share of electricity generated from RES or, alternatively, to obtain a corresponding amount of green certificates. The system has since been replaced by a new incentive system (so-called "**GRIN**") in the form of extra remuneration granted by GSE to operators formerly entitled to green certificates. The value of the incentives replacing green certificates has been set out for 2019 in Italian Regulatory Authority for Energy, Networks and the Environment ("**ARERA**") Resolution No. 17/2020/R/EFR of January 28, 2020.

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 have access to incentives through registration (*i.e.*, enrollment in specific registers held and managed by GSE). Second, those with

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<sup>4</sup> Ministerial Decrees of July 28, 2005 and February 6, 2006 – *Conto Energia 1*; Ministerial Decree of February 19, 2007 – *Conto Energia 2*; Ministerial Decree of August 6, 2010 – *Conto Energia 3*; Ministerial Decree of May 5, 2011 – *Conto Energia 4* and Ministerial Decree of July 5, 2012 – *Conto Energia 5*.

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, PV plants on agricultural land do not receive incentives through the RES 1 decree.

The incentives are granted by means of competitive procedures (tenders and registers, depending on the size of the RES plant) in seven rounds up until 2021. Three rounds have already taken place (with respective tender opening dates on September 30, 2019, January 31, 2020 and May 31, 2020) and the GSE will publish the remaining four calls for tender regarding both the registers and the auctions during the period from 2020 through 2021 unless, prior to the opening date of the seventh round (scheduled for September 30, 2021), the average annual cost of the incentives reaches EUR 5.8 billion (in such case, no further incentives will be granted under the RES 1 decree). With specific regard to the procedures for registers, the participants are organized into different groups, with Group-A applicable, *inter alia*, to PV plants and Group A-2 specifically applicable to those PV plants whose modules are installed to replace roofs with Eternit or asbestos. Newly built plants, or plants subject to upgrading or refurbishment, as well as fully rebuilt and reactivated plants with a capacity of less than 1 MW may access to incentives by participating in public procedure for registration, whereas those with a capacity equal or higher than 1 MW may participate through auction procedures.

Successful RES projects will have access to incentives for a period of 20 years (except for hydroelectric plants, whose incentive periods may last for 25-30 years, depending on the characteristics of the relevant plants).

PV projects may also benefit from additional incentives. Indeed, a premium of 10 EUR/MWh is added to the share of net production consumed on site for installations of up to 100 kW on buildings, provided that on an annual basis, the energy consumed on site exceeds 40% of the plant's net production. This premium may be cumulated with the premium of 12 EUR/MWh provided to Group A-2 PV systems (*i.e.*, complete replacement of asbestos or eternity) on all energy produced.

#### 2.2.5.3.2 Power Purchase Agreements and Direct Marketing

In Italy on-site PPAs may be considered to fall under the regulations set out in Resolution 578/2013/R/EEL of ARERA. According to this Resolution, the "Simple Production and Consumption models" (*Sistemi Semplici di Produzione e Consumo*) differ from the conventional electricity exchange through the public grid. The main subset of these for renewable energy is the Sistema Efficiente di Utensila ("SEU"), which enables a renewable energy producer whose production plant is directly connected to the consumer's premises, to sell energy directly to the latter without recourse to the public grid. To make use of SEUs and other systems falling under ARERA these systems must be registered with GSE under a specific approval procedure, newly established in January 2020.

Besides the above-mentioned models, bilateral off-site PPAs outside the energy exchange can be concluded. They must, however, be registered with Gestore dei Mercati Energetici S.p.a. ("GME") with the amount of electricity intended for sale being regularly reported. Currently, this sort of agreement has a short duration (1-2 years on average) and it is most common between power producers and wholesalers who purchase the energy produced by the producers and, in turn, trade such energy into the market. That said, it is worth noticing that according to RES 1 decree, RES plants (i) newly built or completely rebuilt; (ii) entered into operation after January 1, 2017 and (iii) not benefitting from any public incentives, will be eligible for long term PPAs to be negotiated on a market-trading platform that will be managed by the GME. As of today's date, such platform has not been set up and implemented.

#### 2.2.5.3.3 Challenges of Permits for the Construction and Operation of Renewable Energy Facilities

The construction of new RES electricity plants with a power capacity equal to or exceeding specific thresholds (*i.e.*, 20 kW for PV plants, 60 kW for wind plants) is subject to PAUR, which includes an EIA. PAUR is a simplified procedure which takes place through the so-called Conference of Services (*Conferenza dei Servizi*) involving all public and private entities concerned with the relevant RES project. Following successful completion of such simplified procedure, the Regional Authority then issues a single authorization (*Autorizzazione Unica*, "AU") which includes all required permits and clearances to build and operate the specific RES project.

If a permit does not comply with the applicable laws and regulations the issuing authority is, in principle, entitled to revoke the permit within 18 months from the date on which the permit was issued according to Article 21-novies of State Law no. 241/1990 and under certain circumstances even thereafter. Other authorities might, in the event of a violation of the applicable laws, also challenge a permit before the competent administrative court, provided the issuance of the permit or authorization of such authority would have been required in the permitting procedure but has not been obtained or in case they prove that their interest is jeopardized by the permit or authorization.

Moreover, third parties having an actual legal interest (for example neighbors or environmental organizations) may in principle file an action for annulment before the competent administrative court against the AU or any other authorization which may be issued in the PAUR procedure (for example landscape authorizations, screening decisions excluding the EIA procedure etc.) within 60 days after the publication of the AU, if there is a public announcement of the authorization (e.g., publication in an official bulletin), or with the completion of works or a prior proven full knowledge of the third party. The competent court might then grant an interim suspension, if the applicant demonstrates that the continuation of works permitted under the challenged authorization would expose him to serious and irreversible damage. Alternatively, within 120 days after the publication of the AU, such parties may challenge the said AU before the President of the Italian Republic (*Ricorso Straordinario al Presidente della Repubblica*).

#### 2.2.5.4 The Netherlands

The Authority for Consumers and Markets (ACM) is the designated national regulatory authority in the field of energy market regulation. The specialized Energy Department of the ACM monitors and enforces compliance with the Electricity Act 1998, the Gas Act and the Heat Act (together, the “Acts”), and the rules laid down in several EU regulations and delegated legislation.

##### 2.2.5.4.1 *Financial Support Scheme*

###### 2.2.5.4.1.1 SDE+(+) 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 low cost technologies. All eligible RES technologies (e.g., onshore wind and solar 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 wind and solar 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.

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<sub>2</sub> and other greenhouse gases”, instead of “generated renewable energy”. Therefore, CO<sub>2</sub>-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.

Due to the fact that the value of guarantees of origin (*garanties van oorsprong* („GoOs“)) for renewable energy has increased over the past year, the Dutch Minister of Economic Affairs and Climate Policy has announced that as of autumn 2020 the value of the GoOs for wind and solar will be set annually, which amount will be taken into account when determining the SDE++ subsidy. This correction of the SDE++ subsidy for the value of the GoOs will only affect solar and wind projects that apply for SDE++ subsidy as of autumn 2020. It will not affect projects that have already been awarded subsidy that time.

When applying for SDE++ subsidy, several obligations may be imposed on project developers. For example, due to the fact that the Netherlands is experiencing capacity shortages on its electricity grid (see also section “2.2.5.4.3.2 *Grid capacity allocation*”), as of October 1, 2019 applicants for SDE+(+) subsidy are obliged to include in their subsidy application a statement from the grid operator that there is capacity available on the grid to connect the envisaged project. In addition, it may in some cases be mandatory to also attach a feasibility study to the subsidy application. Furthermore, if someone else is the owner of the intended location of the generation facility it is necessary to obtain a formal declaration from the land owner that the land can be used for the envisaged project. Any arrangements in relation to the land rights to secure the ownership of the generation facility, can be finalized after the application for the SDE+(+) subsidy.

###### 2.2.5.4.1.2 Tax incentives

Dutch tax law provides for specific tax incentives with respect to sustainable investments, such as the Energy Investment Allowance Scheme (“EIAS”). The EIAS is a tax credit to stimulate the sustainable use of energy. In order to apply for the EIAS, the following conditions must be met: (i) the EIAS must be claimed by a taxpayer qualifying as an entrepreneur (Dutch entity or non-resident taxpayer); (ii) the taxpayer must invest in a particular business asset; (iii) that business asset must be listed on a specific energy list for qualifying energy investments; and (iv) the Dutch

Enterprise Agency (*Rijksdienst voor ondernemend Nederland* („RVO“)) must confirm that the business asset qualifies as a listed energy investment. The RVO publishes a so-called “energylist” each year, in which the type of equipment for which a tax benefit may be granted, is specified. The energy list for 2020 contains solar equipment but no equipment for wind energy systems other than wind-water mills. The taxpayer must apply for the RVO's approval within 3 months after the taxpayer has entered into any agreement in respect of the acquisition, realization or production of the asset.

The maximum investment amount eligible for the EIAS is EUR 124 million per taxpayer per financial year. In the event that the implementation of the EIAS results into a fiscal loss for corporate income tax purposes at the level of the taxpayer, the loss can be carried forward 6 years.

In order to avoid that taxpayers claim multiple incentives in relation to the same investment, projects that have been granted with SDE+ subsidy are in principle not entitled to write off investments under the Energy Investment Allowance scheme. Furthermore, if the business asset for which a taxpayer has claimed the EIAS, is (partially) sold within a period of 5 years since the beginning of the calendar year in which the investment has been made, the taxpayer is obliged to take a (partial) recapture of the tax credit. Said recapture results into an increase of the taxable profits in the year of disinvestment.

#### 2.2.5.4.2 *Power Purchase Agreements and Direct Marketing*

In the Netherlands, there is no standard PPA. In relation to corporate PPAs, generally two types of corporate PPAs can be distinguished. A financial (or synthetic) corporate PPA is concluded when buyers purchase electricity and the associated GoOs (as defined in article 15 of Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009) with the intention of reselling the electricity and retaining the GoOs in order to book them against their own electricity consumption or to trade them on the GoO market. Inversely, the physical corporate PPA is concluded when buyers intend to use the purchased electricity (and associated GoOs) for their own operations; this contract is typically entered into by corporations with high energy demand, such as data centers and industrial consumers.

The PPA will generally be a long-term contract, designed to offer the project company – in combination with the SDE+(+) subsidy – a steady revenue stream. Revenues under the PPA will usually mirror the SDE+(+) subsidy mechanism as much as possible. This means that the PPA price shall, to a large extent, equal the market price. However, in the case the market price drops below the floor price in the SDE+(+) subsidy, this may be different. Although parties may agree to mitigate this risk through a floor in the PPA price, this will come at a cost.

Dutch case law and legal literature generally do not view electricity as a material object. However, it is seen as a transferable good, meaning the PPA must comply with the provisions of the Dutch Civil Code (*Burgerlijk Wetboek*) on purchase agreements and the transfer of property.

#### 2.2.5.4.3 *Permits for the Construction and Operation of Renewable Energy Facilities*

##### 2.2.5.4.3.1 *Permits*

In principle, a permit procedure and a spatial planning procedure should be followed prior to the construction of a generation facility. Various permits and authorizations are required to construct new projects in the Netherlands. Some examples of required permits are an environmental permit, a water permit, a permit in accordance with the Nature Conservancy Act and an authorization or exemption based on the Flora and Fauna Act. In order to enhance the development of renewable energy production facilities and achieve the renewable targets a coordination procedure has been included in the Dutch Spatial Planning Act (*Wet Ruimtelijke Ordening*, section 3.6), which combines and simplifies the application for permits and licenses. The coordination procedure shortens the throughput times considerably, whilst retaining legal protection, by centralizing the planning decisions and coordinating all permits and exemptions needed for a project. Three types of coordination procedures can be distinguished: a municipal, a provincial and a state coordination procedure, whereby the latter is applicable to major energy infrastructure projects that are considered projects of national importance.

##### 2.2.5.4.3.2 *Grid capacity allocation*

Currently, the Netherlands is experiencing capacity shortages on the Dutch power grid. As a result, in certain areas grid operators have been refusing to provide the requested connection and transport capacity, stating there is no capacity available.

Pursuant to section 23 of the Electricity Act 1998, grid operators are unconditionally obliged to connect parties that request a grid connection. In addition, section 24 of the Electricity Act 1998 obliges grid operators to provide transport capacity to anyone making the request. Transport capacity can only be refused where no transport capacity is reasonably available. When this situation is deemed to occur has been the subject of debate and conflicting opinions between grid operators and their customers and, consequently, has been the subject of several cases appearing before Dutch courts.

The Dutch regulator is working on new legislation to address the problems and provide clarity on the matters addressed above, however, this new Dutch Energy Act is not expected to enter into force before Q3/2022. Meanwhile several (short-term) measures have been taken.

For example, to prevent the queue of renewable energy projects that are waiting to receive transport capacity from getting longer, applicants for subsidy are now obliged to include in their subsidy application a statement from the grid operator regarding the capacity available on the grid at the envisaged project location. Furthermore, by means of a General Administrative Order exemptions have been made possible from the obligation that the high-voltage grid must be redundant (n-1) at all times, resulting in grid operators being able to make use of the reserve capacity. In addition, grid operators are in the process of amending the Dutch Electricity Grid Code and, more specifically, amending the provisions in the Code that relate to congestion management. This envisaged amendment of the Grid Code is expected to be decided upon in the course of 2020, at the earliest.

#### 2.2.5.5 Poland

##### 2.2.5.5.1 *Financial Support Scheme*

From 2015 through 2023, the National Fund for Environmental Protection and Water Management grants low interest loans to entrepreneurs that run renewable energy projects under the “*Program priorytetowy. Rozproszone, odnawialne źródła energii*” (Priority program. Distributed, renewable energy).

Eligible to receive such funding are projects pertaining to solar energy plants with a minimum capacity of 40 kW peak (“**kWp**”) and a maximum capacity of 1 MW peak (“**MWp**”) as well as wind energy plants with a minimum capacity of 40 kWp and a maximum capacity of 3 MWp. The overall budget of the program amounts to PLN 570 million (approximately EUR 127.2 million), while the loan itself has a maximum amount of PLN 40 million (approximately EUR 8.9 million) and shall cover a maximum of 85% of an investment’s eligible costs. In procedural terms, the investor must submit an application and the costs are ultimately borne by the end consumer. The means provided by the National Fund for Environmental Protection and Water Management to promote renewable energy are made up of compensation and penalty fees paid by electricity producers and suppliers that have failed to meet their quota obligations. The costs of these fees are passed on to end-users according to the “*Prawo ochrony środowiska*” (law on environmental protection). So far, there have been two calls for application for loans (in 2015 and 2016), but there is no information as to when (or whether) a new call for applications to obtain this form of support will be published.

Poland has been supporting renewable energy sources through a system of tradeable certificates of origin (the so-called green certificates). This system was introduced in 2005 in the Polish general energy law (*Prawo energetyczne* – “**Energy Law**”). Under this scheme, the entities supplying electricity to end users and other types of entities are obliged to submit certain quota of certificates of origin to the President of ERA for redemption or pay a substitution fee. The cost of purchasing certificates is reflected in the electricity price. However, it was decided that the green certificates support system will be phased-out. The Polish Renewable Energy Sources Act (*Ustawa o odnawialnych źródłach energii* – “**RES Act**”), passed in 2015 to specify the terms and conditions of operating in the business of generating energy from renewable sources, maintained it only for installations which began generating electricity before July 1, 2016 and limited it to 15 years from the date the installation first exported electricity to the grid.

The RES Act introduced several new support systems, *inter alia*, an auction support system. Under the auction support system, the winners of the auctions obtain the right to cover the negative balance between the respective auction price and the power exchange price (quasi contracts for difference). This balance changes from month to month. Any positive balance does not have to be paid immediately, but is carried forward to be offset against future negative balances. Only if a positive balance remains at the end of the 15-year support term, the entity holding the renewable energy plant must pay this remaining balance. The auctions are carried out independently for five project categories (so-called baskets), onshore wind and solar energy being one of them. The most popular auctions, which received the most support, were the ones for the onshore wind farm projects above 1 MW and PV projects up to 1 MW. However, it is expected that large scale solar (above 1 MW) will win significant volume of support in the

next auction (in 2020). In August 2019 an amendment to the RES Act was introduced to improve the situation of producers of electricity from renewable energy sources and to prepare the legal framework for the planned record auctions of renewable energy. In the recent auction no. AZ/6/2019 for electricity from renewable energy sources the lowest successful bid was 162.83 PLN/MWh, while the highest successful bid amounted to 233.29 PLN/MWh.

With the amendment deadline for the start of electricity sales from the plant, which won an auction, was extended. Previously, the regulations in force stipulated that the first sale of electricity from a photovoltaic system must take place within 18 months of the end of the auction. This period has been extended to 24 months. For onshore wind farms, this period has been extended from 30 months to 33 months. The extended deadlines also affect those electricity producers that won the auctions before the amendment came into force. To benefit from the introduced amendment, electricity producers must apply to the Polish Regulator, *i.e.*, the President of the Polish Energy Regulatory Authority.

In Poland electricity from renewable energy sources benefits from tax exemptions. According to article 30(1) of the “*ustawa o podatku akcyzowym*” (general tax law) electricity from renewable energy sources is generally exempt from consumption tax, meaning both generators and suppliers of electricity are exempt from paying excise tax on all renewable electricity sold to end-users or consumed, when they submit the relevant volume of green certificates to the competent authority.

It is currently not allowed to locate and build a wind farm if the distance from residential buildings is shorter than ten times the height of the wind farm, which is measured from the ground to the highest point of the wind turbine plus its technical components (*i.e.*, the rotor blades). The Minister of Climate plans to relax this limitation in order to allow a greater number of wind projects to be developed through local communities’ right to waive this limitation.

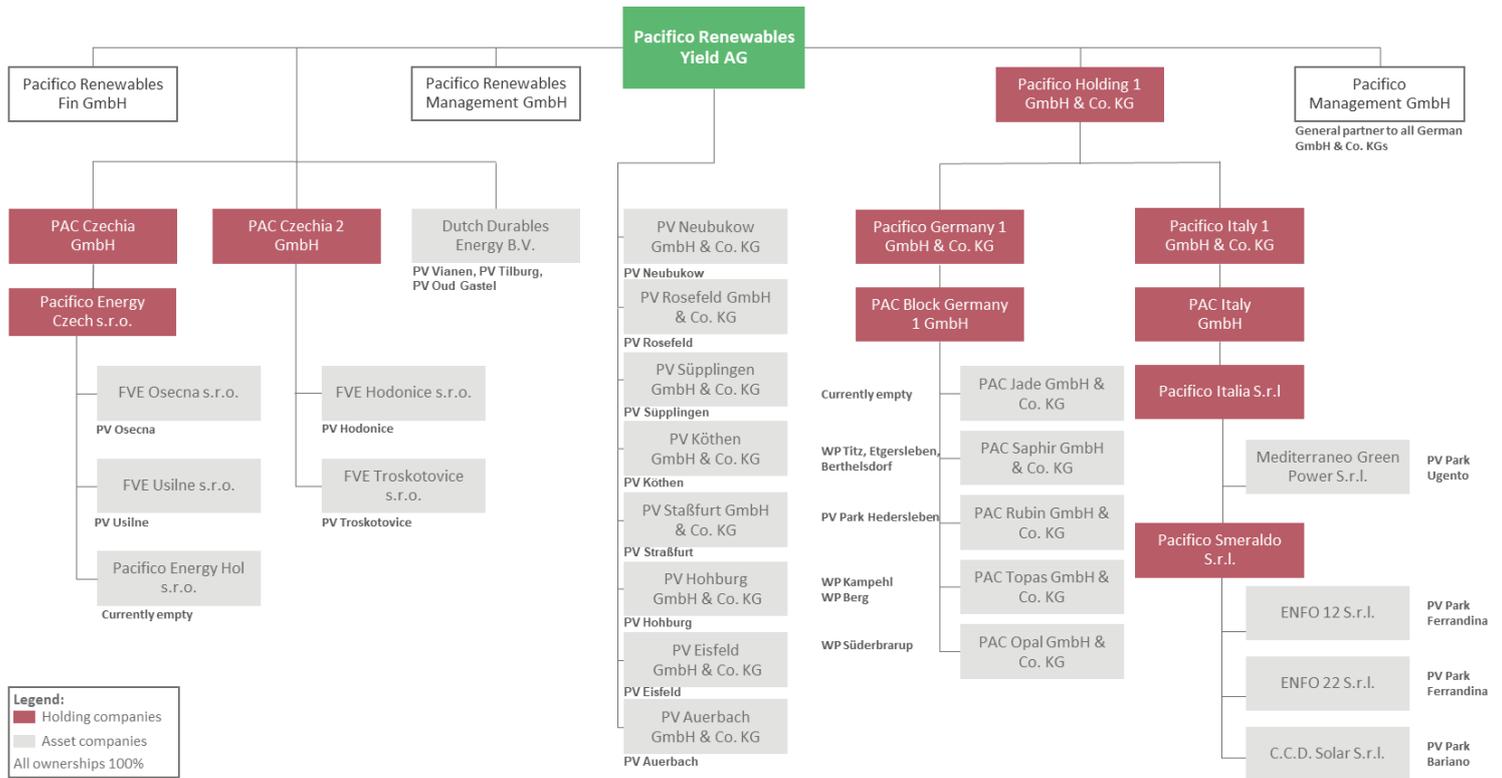
#### **2.2.5.5.2 Power Purchase Agreements and Direct Marketing**

PPAs in Poland can largely be categorized into four main groups: “on site”, “near site direct wire”, “off-site” and “virtual” PPAs. “On site” and “near site” PPAs serve to connect producer and consumer without the need for use of a public grid, with “off-site” PPAs necessitate the use of operators’ grids with accompanying payment of a transmission fee. In contrast, virtual PPAs (also known as “synthetic” PPAs) are not contracts for the physical supply of electricity to end-consumers, but are financial instruments and constitute a long-term guarantee of a stable power price. In particular, it shall be noted that corporate PPAs are becoming increasingly popular in Poland, though the number of such contracts concluded to date is limited.

PPAs have to meet the statutory content requirements for energy sale or transmission agreements set out in Article 5 of the Energy Law. Additional obligations arise, however, where the electricity is sold directly to an end-user, most notably the requisite redemption of “green certificates” to cover a specific portion of the electricity sold (or payment of the “substitution fee”).

#### **2.2.6 Group Structure**

As of the date of this Prospectus, the Company has 36 direct and indirect wholly-owned subsidiaries of which 10 serve as intermediate holding companies and 23 hold the onshore wind and photovoltaic assets. The following graph depicts the current group structure:



As of the date of this Prospectus, the Company is controlled by its indirect majority shareholder, Pelion, which is also the majority shareholder of Pacifico Partners, and others (see section “9.1 Notifiable / Controlling Interest; Voting Rights”; for related risks, see sections “4.2.1 The Company heavily depends on its Strategic Partnership with Pacifico Energy Partners GmbH regarding the acquisition of new projects and asset management services. There is no guarantee that the Strategic Partnership will prove successful and remain in force or that the Company otherwise would be able to identify and acquire a sufficient number of suitable assets to fully implement its portfolio growth strategy.” and “4.7.2 Following this Offering, the majority shareholder will retain a significant influence over the Company and the interests of the majority shareholder may conflict with those of the Company and its other shareholders.”).

## 2.2.7 Management’s Discussion and Analysis of Financial Condition and Results of Operations

The financial information contained in the following tables is taken or derived from the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2019 and the unaudited condensed consolidated interim financial information of the Company as of and for the six-month period ended June 30, 2020. Additional financial information is taken or derived from the Company’s accounting records or internal reporting system. The audited consolidated financial statements were prepared in accordance with German GAAP. The unaudited condensed consolidated interim financial information has been prepared in accordance with the recognition, measurement and presentation principles of the HGB.

Where financial information in the following tables are labelled “audited”, this means that they have been taken from the audited financial statements mentioned above. The label “unaudited” is used in the following tables to indicate financial information that has not been taken from the audited financial statements mentioned above, but has been taken either from the Company’s unaudited condensed interim consolidated financial information mentioned above or the Company’s accounting records or internal reporting system, or has been calculated based on figures from the aforementioned sources.

Unless indicated otherwise, all financial information presented in the tables below is shown in millions of Euro (in EUR million) and is commercially rounded to one digit after the decimal point. Changes, including percentage changes, are calculated based on the figures as presented in this Prospectus and commercially rounded to one digit after the decimal point. As a result of rounding effects, the aggregated amounts (sum totals or sub totals or differences or if numbers are put in relation) may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Prospectus. Furthermore, rounded figures in tables may not add up exactly to the totals contained in those tables and aggregated percentages may not exactly equal 100%.

*Financial information presented in parentheses denotes the negative of such figure presented. A dash (“–”) signifies that the relevant figure is not available, while a zero (“0” or “0.0”) signifies that the relevant figure is available but has been rounded to zero.*

*Certain information in the discussion and analysis set forth below and elsewhere in this Prospectus includes forward looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in these forward looking statements. See “4 Risk Factors”, specifically “4.1.1 The Company has only limited previous operating and financial history. Investors may therefore be unable to appropriately assess the Company’s prospects.” for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in this Prospectus. This discussion and analysis should also be read in conjunction with the financial statements presented in section “8 Financial Information and Key Performance Indicators”, including the notes thereto, and the explanations in “1.6.2 Presentation of Financial Information”.*

*Some of the measures used in this Prospectus are not defined or required measures of financial performance under German GAAP, but have been prepared on the basis of HGB figures, and should not be considered as an alternative to net cash flow from operating activities as a measure of liquidity or as an alternative to net result for the period as an indicator of our operating performance or any other measures of performance derived in accordance with German GAAP. For a discussion of certain non-GAAP measures used in this section and elsewhere in the Prospectus, see “1.6.3 Non-GAAP Financial Information”.*

#### 2.2.7.1 Key Factors Affecting Pacifico’s Business, Results of Operations and Financial Position

The following section provides an overview of external factors and factors resulting from Pacifico’s operating activities that the Company believes materially affect its business, results of operations and financial position. For a discussion of certain factors that may adversely affect Pacifico’s financial position and results of operations, see the risk factors set out in section “4 Risk Factors”.

##### *2.2.7.1.1 Government Incentives*

As of June 30, 2020, all plants in Pacifico’s current portfolio benefited from long-term government subsidies; the weighted average remaining time of government subsidies was 10 years. Pricing of the majority of the electricity sold under these government subsidies will remain fixed. A loss of or reduction in such incentives could decrease the attractiveness of clean energy projects to power producers, which could reduce the profitability Pacifico’s plants and the availability of attractive acquisition opportunities.

##### *2.2.7.1.2 Electricity prices*

With the ongoing trend to reduce government incentives, the expiry of support mechanisms for Pacifico’s existing portfolio and future acquisitions of assets, which may not fully or not at all benefit from support mechanisms, Pacifico’s exposure to market prices for electricity will increase. The volatility of these prices and the risk of low or negative electricity prices (which has already manifested as a result of decreased electricity demand due to the COVID-19 pandemic) may increase going forward with a growing share of renewable assets being connected to the grid, assuming a tipping point will be reached at which combined cycle gas turbines are pushed out of the merit curve. This may impact Pacifico’s future returns.

##### *2.2.7.1.3 Project Operations and Generation*

Pacifico’s total production revenue at individual project level is primarily a function of the volume of electricity generated and sold by its onshore wind and solar energy power plants as well as, to a lesser extent, where applicable, the sale of green energy certificates and other environmental attributes related to energy generation. The variability of the volume of electricity is mainly driven by meteorological volatility. Due to Pacifico’s diversified portfolio across currently four EU member states and two technologies, the variability of output of its portfolio is less than the average of the individual variability of the projects. The Company expects that the volatility of production will further decrease with the growth of Pacifico’s portfolio. A simulation based on historical weather data from the portfolio in November 2019 has shown that the volatility of Pacifico’s energy production is expected to decrease significantly with the Company’s targeted portfolio expansion to 220 MW by the end of 2021. Technical availability of German wind parks is assured at 97% by the respective O&M provider. The O&M may be, but does not have to be the same party as the turbine supplier (original equipment manufacturer (OEM)). For solar farms outside of Germany, technical availability or performance ratio is contractually guaranteed by the respective O&M provider and depends on the actual irradiation measurements.

#### 2.2.7.1.4 *Project Acquisitions*

Pacifico's ability to execute its portfolio growth strategy and drive its revenues accordingly is dependent on its ability to acquire additional renewable energy generation assets from its strategic partner or unaffiliated third parties. Hereto, Pacifico has priority access to a pipeline of more than 600 MW and regularly considers secondary market opportunities. However, it might not be able to or want to acquire assets proposed under the ROFOA, since Pipeline Projects might not meet the Company's return target or its due diligence might unveil certain unacceptable risks. Partnerships with unaffiliated third parties might further add to the company's growth options. However, the company might not be able to identify or enter into suitable additional partnerships.

#### 2.2.7.1.5 *Debt financing*

Pacifico uses a portion of its cash flows for interest and principal payments on borrowings under project-financing arrangements. Interest expense reflects periodic interest on debt in Pacifico's existing portfolio as well as interest on any borrowings and the commitment fee under the Company's revolving credit facility. Changes in interest rates would affect interest under these financings only to a limited extent, as the large majority of Pacifico's interest expenses are either fixed or hedged and Pacifico's exposure to refinancing risk is currently limited due to the focus on project financing. The exposure to refinancing risk will increase with the utilization of the Company's revolving credit facility for acquisition financing.

#### 2.2.7.1.6 *Operating expenses*

We anticipate that our operating expenses will develop in line with our revenues as most of our expenses are contracted and, for instance, the management fee under the CAMA is variable and linked to revenues. O&M fees are linked to inflation in our business cases.

#### 2.2.7.1.7 *Currency developments*

Our operating result is reported in Euro. However, part of our revenues and expenses are generated in currencies other than Euro, currently the Czech koruna for our assets in the Czech Republic. In the future, we expect to be active in other countries with a currency other than the Euro, which will increase our exposure to foreign exchange fluctuations in local currencies where our clean power generation assets are located. For example, if the Company ultimately agreed with Pacifico Development to acquire the three wind farms in Poland described in section "2.2.4.3.2.1.1 *Kuyavian-Pomeranian Voivodeship, Poland*", this would expose Pacifico to risks in relation to the exchange rate between the Euro and Polish zloty. Even though for now we do not have foreign exchange exposure on the debt side as all the debt for our plants in the Czech republic is denominated in Czech koruna, fluctuations in foreign exchange rates could negatively impact our topline.

#### 2.2.7.2 Comparability

The Company was formed as a limited liability company on September 11, 2018. Accordingly, the Company's 2018 financial statements relate to a short financial year.

The Company acquired its first operative portfolios of renewable energy plants as of June 30, 2019 and its holding company functions including employees were only established in the course of 2019. Therefore, even though the financial statements for the fiscal year ending December 31, 2019 included in section "8.1.1 *Unaudited Condensed Consolidated Interim Financial Statement for the Six-Month Period Ended June 30, 2020*" cover a full fiscal year, the Company was not fully operational during the whole period covered by these financial statements.

Furthermore, on May 15, 2020 (with economic effect as of January 1, 2020), the Company closed the acquisition of photovoltaic plants in Germany with a total installed capacity of 21.2 MW, thereby growing its overall portfolio by 35%. This transaction is reflected in the consolidated financial statements for the six-month period ended June 30, 2020, but not in any audited full-year financial statements.

As a result, the audited historical financial information included in the Prospectus is not representative of the Company's current financial condition, results of operations and cash flows and, as the Company intends to make further significant investments in the future, none of the historical financial information should be understood as representative for the Company's future position.

### 2.2.7.3 *Results of Operations*

The following table shows financial information from the Company's consolidated income statement for the six month-periods ended June 30, 2020, December 31, 2019 and June 30, 2019 as well as for the financial year ended December 31, 2019 and the short financial year ended December 31, 2018:

|                                                             | Six-month period ended |                      |                  | Financial year ended<br>December 31, |                  |
|-------------------------------------------------------------|------------------------|----------------------|------------------|--------------------------------------|------------------|
|                                                             | June 30,<br>2020       | December<br>31, 2019 | June 30,<br>2019 | 2019                                 | 2018             |
| (in EUR)                                                    | (unaudited)            |                      |                  | (audited)                            |                  |
| Sales revenues                                              | 8,992,378              | 4,857,064            | 171,169          | 5,028,233                            | 0                |
| Other operating income                                      | 233,290                | 131,098              | 54,178           | 185,276                              | 3,175            |
| Cost of materials: Cost of purchased services               | (1,408,371)            | (1,006,030)          | 0                | (1,006,030)                          | 0                |
| Personnel expenses                                          | (402,499)              | (205,818)            | 0                | (205,818)                            | 0                |
| <i>thereof Wages and salaries</i>                           | <i>(381,306)</i>       | <i>(194,892)</i>     | <i>0</i>         | <i>(194,892)</i>                     | <i>0</i>         |
| <i>thereof Social security, pensions and other benefits</i> | <i>(21,193)</i>        | <i>(10,926)</i>      | <i>0</i>         | <i>(10,926)</i>                      | <i>0</i>         |
| Depreciation of fixed intangible and tangible assets        | (3,865,912)            | (2,674,977)          | (221)            | (2,675,198)                          | (465)            |
| Other operating expenses                                    | (1,550,189)            | (628,922)            | (300,365)        | (929,287)                            | (179,979)        |
| Other interest and similar income                           | 0                      | 0                    | 0                | 0                                    | 1                |
| Interest and similar expenses                               | (1,718,191)            | (1,537,496)          | (22,852)         | (1,560,348)                          | (7,440)          |
| <i>thereof to affiliated companies</i>                      | <i>0</i>               | <i>(204,395)</i>     | <i>(21,234)</i>  | <i>(225,629)</i>                     | <i>(889)</i>     |
| Taxes on income                                             | 31,423                 | (547,829)            | 0                | (547,829)                            | 0                |
| Other taxes                                                 | (10,161)               | (4,340)              | (12)             | (4,352)                              | 0                |
| <b>Consolidated net loss</b>                                | <b>301,767</b>         | <b>(1,617,250)</b>   | <b>(98,103)</b>  | <b>(1,715,353)</b>                   | <b>(184,708)</b> |
| Loss carryforward                                           | (1,844,133)            | (226,883)            | (184,708)        | (184,708)                            | 0                |
| Deconsolidation result                                      | 0                      | 0                    | 55,928           | 55,928                               | 0                |
| <b>Accumulated losses</b>                                   | <b>(1,542,366)</b>     | <b>(1,844,133)</b>   | <b>(226,883)</b> | <b>(1,844,133)</b>                   | <b>(184,708)</b> |

Through electricity generation and feed-in tariffs from photovoltaic and wind power plants the Company generated EUR 9.0 million in sales revenues in the six-month period ended June 30, 2020 (EUR 5.0 million in the financial year ended December 31, 2019 during which Pacifico acquired its initial portfolio on June 30, 2019 with the effect that sales revenues effectively only covered a six-month period). This increase was mainly due to the acquisition of eight operational photovoltaic plants in Germany with a total capacity of 21.2 MW with economic effect as of January 1, 2020 as well as favorable weather conditions, particularly for photovoltaic power generation which currently forms the largest share of the Company's portfolio.

Since the Company did not own any power generation assets, it had very limited sales revenues of EUR 0.2 million in the six-month period ended June 30, 2019 related to the sale of a non-operational subsidiary and none in its short financial year ended December 31, 2018.

Sales revenues generated by the Company are broken down by country as follows:

| Country        | Six-month period ended June 30, |      |      |   | Financial year ended December 31, |      |      |   |
|----------------|---------------------------------|------|------|---|-----------------------------------|------|------|---|
|                | 2020                            |      | 2019 |   | 2019                              |      | 2018 |   |
|                | TEUR                            | %    | TEUR | % | TEUR                              | %    | TEUR | % |
| Germany        | 5,452                           | 60.6 | 0    | – | 1,917                             | 38.1 | 0    | – |
| Czech Republic | 2,752                           | 30.6 | 0    | – | 2,156                             | 42.9 | 0    | – |
| Italy          | 723                             | 8.0  | 0    | – | 955                               | 19.0 | 0    | – |

|                 |    |     |   |   |   |   |   |   |
|-----------------|----|-----|---|---|---|---|---|---|
| The Netherlands | 65 | 0.7 | 0 | – | 0 | 0 | 0 | – |
|-----------------|----|-----|---|---|---|---|---|---|

The share of sales revenues generated in Germany in the six-month period ended June 30, 2020 increased compared to the financial year 2019 due to the acquisition of a 21.2 MW photovoltaic portfolio in Germany with economic effect as of January 1, 2020. Parts of the subsidies in Italy for the first half of 2020 are remunerated in the second half of the year and therefore not reflected in sales revenues for the six-month period ended June 30, 2020.

Pacifico's photovoltaic power plants in Germany experienced a slightly above-average year in 2019. Production at its German wind power plants fell short of expectations. Overall, production at the German plants was on target.

The operation of all Czech plants in 2019 went according to plan and there were no noteworthy technical incidents. Production at the plants exceeded expectations.

The sales revenues of Pacifico's Italian plants was slightly above expectations in 2019. Although two plants had to be temporarily disconnected from the grid to allow for technical repairs and the meteorological conditions were poorer than expected, these shortcomings were more than compensated for by higher electricity prices.

#### 2.2.7.4 *Assets*

The following table provides an overview of the Company's assets as of June 30, 2020 as well as December 31, 2019 and 2018:

| (in EUR)                                                                                                              | June 30,           | December 31,      |                  |
|-----------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|------------------|
|                                                                                                                       | 2020               | 2019              | 2018             |
|                                                                                                                       | <u>(unaudited)</u> | <u>(audited)</u>  |                  |
| <b>FIXED ASSETS</b>                                                                                                   |                    |                   |                  |
| <b>Intangible assets</b>                                                                                              |                    |                   |                  |
| Acquired concessions, industrial property and similar rights and assets as well as licenses in such rights and assets | 533,466            | 569,883           | 0                |
| Goodwill                                                                                                              | 1,079,444          | 1,066,851         | 0                |
|                                                                                                                       | <b>1,612,910</b>   | <b>1,636,734</b>  | <b>0</b>         |
| <b>Tangible assets</b>                                                                                                |                    |                   |                  |
| Land similar rights and buildings including buildings on leasehold land                                               | 1,820,292          | 794,999           | 0                |
| Technical equipment and machinery                                                                                     | 95,820,113         | 59,705,228        | 0                |
| Other equipment, factory and office equipment                                                                         | 14,351             | 11,862            | 1,908            |
| Prepayments and construction in process                                                                               | 0                  | 0                 | 1,271,327        |
|                                                                                                                       | <b>97,654,756</b>  | <b>60,512,089</b> | <b>1,273,235</b> |
| <b>Financial assets</b>                                                                                               |                    |                   |                  |
| Participations                                                                                                        | 11,064             | 800               | 0                |
|                                                                                                                       | <b>99,278,730</b>  | <b>62,149,623</b> | <b>1,273,235</b> |
| <b>CURRENT ASSETS</b>                                                                                                 |                    |                   |                  |
| <b>Receivables and other assets</b>                                                                                   |                    |                   |                  |
| Trade receivables                                                                                                     | 1,805,918          | 1,071,877         | 0                |
| Other assets                                                                                                          | 2,061,886          | 2,456,510         | 215,708          |
| <i>thereof taxes</i>                                                                                                  | <i>1,742,782</i>   | <i>1,804,126</i>  | <i>213,285</i>   |
|                                                                                                                       | <b>3,867,804</b>   | <b>3,528,387</b>  | <b>215,708</b>   |
| <b>Bank balances</b>                                                                                                  | 12,207,356         | 11,767,154        | 1,538,792        |
|                                                                                                                       | <b>16,075,160</b>  | <b>15,295,541</b> | <b>1,754,500</b> |

|                                      |                    |                   |                  |
|--------------------------------------|--------------------|-------------------|------------------|
| <b>PREPAID EXPENSES</b>              | <b>5,165,280</b>   | <b>5,633,485</b>  | <b>0</b>         |
| <b>DEFICIT NOT COVERED BY EQUITY</b> | <b>0</b>           | <b>0</b>          | <b>159,991</b>   |
|                                      | <b>120,519,170</b> | <b>83,078,649</b> | <b>3,187,726</b> |

#### 2.2.7.4.1 June 30, 2020 Compared to December 31, 2019

As of June 30, 2020, the Company's total assets amounted to EUR 120.5 million compared to EUR 83.1 million as of December 31, 2019. The by far largest item was technical equipment and machinery, consisting of wind and photovoltaic assets and amounted to EUR 95.8 million as of June 30, 2020 compared to EUR 59.7 million as of December 31, 2019. This increase of EUR 36.1 million was mainly due to the acquisition of eight operational photovoltaic plants in Germany with a total capacity of 21.2 MW.

Bank balances in the amount of EUR 12.2 million as of June 30, 2020 (EUR 11.8 million as of December 31, 2019) refer to the total of all bank balances in the Pacifico Group. This increase was mainly (EUR 3.8 million) driven by the first-time consolidation of the newly-acquired photovoltaic power plants described above. EUR 4.7 million of bank balances were subject to withdrawal restraints due to contractual provisions in the agreements with lending banks.

#### 2.2.7.4.2 December 31, 2019 Compared to December 31, 2018

As of December 31 2019, the Company's total assets amounted to EUR 83.1 million compared to EUR 3.2 million as of December 31, 2018. This increase was mainly due to the addition of technical equipment and machinery, consisting of wind and photovoltaic assets and amounting to EUR 59.7 million as of December 31, 2019. The Company acquired these assets (i) by way of a contribution with economic effect as of June 30, 2019 in connection with a capital increase resolved on June 25, 2019 and (ii) through a purchase of four existing photovoltaic plants in the Czech Republic. The assets were recognized with their fair value on the basis of a purchase price allocation. The revaluation which occurred in the course of this purchase price allocation increased the Company's tangible assets by EUR 18.4 million and resulted in goodwill, almost exclusively related to the portfolio contributed in connection with the capital increase, in an amount of EUR 1.1 million as of December 31, 2019.

Bank balances in the amount of EUR 11.7 million as of December 31, 2019 (EUR 1.5 million as of December 31, 2018) refer to the total of all bank balances in the Pacifico Group. This increase was mainly (EUR 7.8 million) driven by the first-time consolidation of the newly-acquired wind and photovoltaic power plants described above. EUR 3.8 million of bank balances were subject to withdrawal restraints due to contractual provisions in the agreements with lending banks.

Prepaid expenses of EUR 5.6 million as of December 31, 2019 mainly include prepayments of leasing liabilities for facilities in the Czech Republic as well as advance lease payments, which are released to income over the facilities' or lease agreements' term.

#### 2.2.7.5 Equity

The following table provides an overview of the Company's equity as of June 30, 2020 as well as December 31, 2019 and 2018:

| (in EUR)                                           | <b>June 30,</b>    | <b>December 31,</b> |             |
|----------------------------------------------------|--------------------|---------------------|-------------|
|                                                    | <b>2020</b>        | <b>2019</b>         | <b>2018</b> |
|                                                    | <b>(unaudited)</b> | <b>(audited)</b>    |             |
| <b>EQUITY</b>                                      |                    |                     |             |
| <b>Share capital</b>                               | 1,930,455          | 1,135,000           | 25,000      |
| <b>Capital reserve</b>                             | 40,269,555         | 23,565,000          | 0           |
| <b>Accumulated losses</b>                          | (1,542,366)        | (1,844,133)         | (184,708)   |
| <b>Equity difference from currency translation</b> | (640,423)          | (113,995)           | (283)       |
| <b>Deficit not covered by equity</b>               | 0                  | 0                   | 159,991     |
|                                                    | <b>40,017,221</b>  | <b>22,741,872</b>   | <b>0</b>    |

### 2.2.7.5.1 June 30, 2020 Compared to December 31, 2019

The Company's share capital increased by EUR 0.8 million and its capital reserve increased by EUR 16.7 million in the six months ended June 30, 2020 due to the issuance of 795,455 new shares against contributions in cash of EUR 1.00 per share plus a cash premium in the amount of EUR 21.00 per share. The capital increase was mainly implemented to finance the acquisition of eight operational photovoltaic plants in Germany.

### 2.2.7.5.2 December 31, 2019 Compared to December 31, 2018

The Company's share capital and its capital reserve increased by a total of EUR 24.7 million in 2019 due to two capital increases.

The first of these capital increases, resolved on June 25, 2019, was carried out in the context of the integration of an operating portfolio managed by the Company's wholly-owned subsidiary Pacifico Holding I GmbH & Co. KG containing wind and photovoltaic power plants in Germany and Italy. In addition, shares in Pacifico Management GmbH and Dutch Durables Energy B.V., holding a photovoltaic development project in the Netherlands were contributed. As part of the capital increase, the two sole shareholders of what was then Pacifico European Renewables Yieldco GmbH agreed to make contributions to the company's capital reserve in the amount of EUR 21 per share.

The second capital increase, resolved by an extraordinary shareholders' meeting of the Company on October 16, 2019 with the aim of improving the Company's capitalization and expanding the free float, was carried out in the run-up to the Company's open market listing on the Dusseldorf stock exchange. New investors were attracted for this purpose and subscribed a total of 135,000 new shares in the newly formed Pacifico Renewables Yield AG. The issue price for this capital injection was also EUR 1.00 per share and investors paid a premium of EUR 19.00 per share held into the Company's free reserves.

For an overview of the two capital measures, see the explanations in note 4.3.5 to the consolidated financial statements of the Company as of December 31, 2019 under the heading "Equity" included in section "8.1.2.3 Consolidated notes for the fiscal year ended December 31, 2019".

### 2.2.7.6 Liabilities

The following table provides an overview of the Company's liabilities as of June 30, 2020 as well as December 31, 2019 and 2018:

| (in EUR)                                            | <b>June 30,<br/>2020</b> | <b>December 31,</b>                          |                  |
|-----------------------------------------------------|--------------------------|----------------------------------------------|------------------|
|                                                     | <b>(unaudited)</b>       | <b>2019</b>                                  | <b>2018</b>      |
|                                                     |                          | <b>(audited, unless otherwise indicated)</b> |                  |
| <b>PROVISIONS</b>                                   |                          |                                              |                  |
| Tax provisions                                      | 889,424                  | 613,153                                      | 0                |
| Other provisions                                    | 1,647,203                | 620,489                                      | 50,827           |
|                                                     | <b>2,536,627</b>         | <b>1,233,642</b>                             | <b>50,827</b>    |
| <b>ACCOUNTS PAYABLE</b>                             |                          |                                              |                  |
| Bank loans and overdrafts                           | 52,396,633               | 26,567,029                                   | 0                |
| Trade payables                                      | 1,035,736                | 1,054,519                                    | 135,255          |
| Payables to shareholders                            | 0                        | 0                                            | 2,895,889        |
| Other liabilities                                   | 19,124,870               | 28,247,285                                   | 57,755           |
|                                                     | <b>72,557,239</b>        | <b>55,868,833</b>                            | <b>3,088,899</b> |
| <b>DEFERRED TAX LIABILITIES</b>                     | <b>5,408,083</b>         | <b>3,234,302</b>                             | <b>48,000</b>    |
| <b>TOTAL PROVISIONS AND LIABILITIES (UNAUDITED)</b> | <b>80,501,949</b>        | <b>60,336,777</b>                            | <b>3,187,726</b> |

### 2.2.7.6.1 June 30, 2020 Compared to December 31, 2019

Total provisions and liabilities increased in the six-month period ended June 30, 2020 by EUR 20.2 million from EUR 60.3 million as of December 31, 2019 to EUR 80.5 million as of June 30, 2020. This increase was mainly

driven by an increase in bank loans and overdrafts by EUR 25.8 million mainly due to loans acquired as part of the newly acquired photovoltaic portfolio in Germany, an increase in these loans as well as an increase in loans regarding the Czech portfolio; these increase were only partly offset by a decrease in other liabilities by EUR 9.1 million mainly due to an early prepayment of two subordinated bonds in the Czech Republic. Furthermore, deferred tax liabilities increased by EUR 2.2 million due to the first-time consolidation of the eight newly-acquired operational photovoltaic plants at fair value and other provisions increased by EUR 1.0 million due to provisions acquired as part of the newly acquired photovoltaic portfolio in Germany and higher provisions for the management board's virtual shares resulting from a higher share price compared to 2019 and, unlike in 2019, coverage for the full period.

#### 2.2.7.6.2 December 31, 2019 Compared to December 31, 2018

The increase in provisions to EUR 1.2 million as of December 31, 2019 resulted from the acquisition of Pacifico's first portfolios. Tax provisions mainly related to taxes which had yet to be paid to tax authorities in the Czech Republic (EUR 0.5 million) and Germany (EUR 0.1 million). Other provisions increased to EUR 0.6 million, mainly due to future dismantling obligations for wind farms in Germany which were acquired in the course of 2019.

Accounts payable increased by EUR 52.8 million from EUR 3.1 million as of December 31, 2018 to EUR 55.9 million as of December 31, 2019 in connection with the initial portfolio acquisitions which were offset only to a limited degree by a repayment of shareholder loans from Pelion in an amount of EUR 2.9 million on September 24, 2019. Specifically, new bank loans were taken out in an amount of EUR 26.6 million as of December 31, 2019. Other liabilities include three subordinated bonds with a total outstanding amount as of December 31, 2019 of EUR 18.8 million which the Company issued in 2019 through intermediate holding companies. In accordance with the adjustments to the German accounting standards, the Company's leasing obligations for the new Czech facilities at Osečná and Úsilné were also recognized as other liabilities in the amount of EUR 8.7 million as of December 31, 2019.

The increase in deferred tax liabilities to EUR 3.2 million was due to the first-time consolidation of the newly acquired portfolios.

For further information, see the explanations in note 4.3.5 to the consolidated financial statements of the Company as of December 31, 2019 under the headings "Accounts payable" and "Deferred tax liabilities" included in section "8.1.2.3 Consolidated notes for the fiscal year ended December 31, 2019".

#### 2.2.7.7 Consolidated Statement of Cash Flows

| Position                                                                                                          | EUR                                     | EUR                                   | EUR                                     | EUR                                         | EUR                                         |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------------|---------------------------------------------|
|                                                                                                                   | January 1,<br>2020-<br>June 30,<br>2020 | July 1, 2019-<br>December 31,<br>2019 | January 1,<br>2019-<br>June 30,<br>2019 | January 1,<br>2019-<br>December 31,<br>2019 | October 8,<br>2018-<br>December 31,<br>2018 |
| Consolidated net income / loss                                                                                    | 301,769                                 | (1,617,256)                           | (98,097)                                | (1,715,353)                                 | (184,708)                                   |
| + Depreciation of fixed asset items                                                                               | 3,865,912                               | 2,674,977                             | 221                                     | 2,675,198                                   | 465                                         |
| + Increase in provisions                                                                                          | 354,653                                 | (42,892)                              | 102,180                                 | 59,289                                      | 50,827                                      |
| +/- Other non-cash expenses/income                                                                                | (344,587)                               | (161,320)                             | 0                                       | (161,320)                                   | 0                                           |
| + Decrease in inventories, trade receivables and other assets not allocated to investment or financing activities | (339,418)                               | 1,498,328                             | (306,537)                               | 1,191,791                                   | (215,707)                                   |
| - Decrease in trade payables and other liabilities not attributable to investment or financing activities         | (18,783)                                | (189,494)                             | (74,633)                                | (264,127)                                   | 241,010                                     |
| +/- Loss / profit from the disposal of fixed assets                                                               | 0                                       | (38,215)                              | (171,169)                               | (209,384)                                   | 0                                           |
| +/- Interest expenses/interest income                                                                             | 1,718,191                               | 1,560,348                             | 0                                       | 1,560,348                                   | 7,440                                       |
| +/- Income tax expense / income                                                                                   | 190,360                                 | 683,464                               | 0                                       | 683,464                                     | 0                                           |
| +/- Income tax payments                                                                                           | 0                                       | (36,442)                              | 0                                       | (36,442)                                    | 0                                           |

|                                                                             |                     |                     |                  |                     |                    |
|-----------------------------------------------------------------------------|---------------------|---------------------|------------------|---------------------|--------------------|
| <b>= Cash flow from operating activities</b>                                | <b>5,728,097</b>    | <b>4,331,498</b>    | <b>(548,035)</b> | <b>3,783,464</b>    | <b>(100,672)</b>   |
| - Payments made for investments in intangible assets                        | 0                   | (56,289)            | (1,639)          | (57,928)            | 0                  |
| - Payments made for investments in tangible fixed assets                    | (521,717)           | (2,150,266)         | (715,998)        | (2,866,264)         | (1,019,270)        |
| + Proceeds from disposals from the consolidated group                       | 0                   | 2,622,808           | 25,000           | 2,647,808           | 0                  |
| - Payments for additions to the consolidated group                          | (18,782,038)        | (20,848,970)        | 0                | (20,848,970)        | (255,057)          |
| <b>= Cash flow from investment activities</b>                               | <b>(19,303,755)</b> | <b>(20,432,716)</b> | <b>(692,637)</b> | <b>(21,125,354)</b> | <b>(1,274,327)</b> |
| Proceeds from equity contributions from shareholders of the parent company  | 17,500,010          | 13,240,000          | 875,000          | 14,115,000          | 0                  |
| + Proceeds from issuance of bonds and borrowings                            | 7,447,006           | 27,075,656          | 304,594          | 27,380,250          | 2,895,000          |
| - Payments for the redemption of bonds and loans                            | (13,423,046)        | (20,404,448)        | 0                | (20,404,448)        |                    |
| - Interest paid                                                             | (1,439,633)         | (1,354,146)         | 0                | (1,354,146)         | (6,551)            |
| <b>= Cash flow from financing activities</b>                                | <b>10,084,337</b>   | <b>18,557,063</b>   | <b>1,179,594</b> | <b>19,736,656</b>   | <b>2,888,449</b>   |
| Changes in cash and cash equivalents                                        | (3,491,320)         | 2,455,844           | (61,079)         | 2,394,766           | 1,513,448          |
| +/- Changes in cash and cash equivalents due to exchange rate and valuation | (166,865)           | 0                   | 0                | 0                   | (515)              |
| +/- Changes in cash and cash equivalents due to consolidation               | 3,764,658           | 2,168,381           | 5,665,215        | 7,833,596           | 859                |
| + Cash and cash equivalents at the beginning of the period                  | 11,767,154          | 7,142,929           | 1,538,792        | 1,538,792           | 25,000             |
| <b>= Cash and cash equivalents at the end of the period</b>                 | <b>12,207,356</b>   | <b>11,767,154</b>   | <b>7,142,929</b> | <b>11,767,154</b>   | <b>1,538,792</b>   |

#### 2.2.7.7.1 June 30, 2020 compared to December 31, 2019

Cash and cash equivalents as of June 30, 2020 increased by EUR 0.4 million compared to December 31, 2019 due to the following:

Net cash inflow from operating activities of the operational portfolio in the six months ended June 30, 2020 amounted to EUR 5.7 million (compared to EUR 4.3 million in the six months ended December 31, 2019) and was mainly attributable to the operation of the Group's wind and photovoltaic plants.

Cash flow from investment activities in the six months ended June 30, 2020 amounted to EUR (19.3) million almost entirely due to investments in connection with the acquisition of eight operational photovoltaic plants in Germany.

Cash flow from financing activities in the six months ended June 30, 2020 amounted to EUR 10.1 million and was attributable to a capital increase and increases in loans at the level of the newly-acquired plants somewhat counterbalanced by scheduled repayments and interest payments.

In addition to these cash-relevant developments, the contribution of the operating portfolio increased cash and cash equivalents by EUR 3.8 million due to the liquid funds available in the contributed companies following consolidation.

### 2.2.7.7.2 December 31, 2019 Compared to December 31, 2018

Cash and cash equivalents at the end of 2019 increased by EUR 10.2 million compared to December 31, 2018 due to the following:

Net cash inflow from operating activities of the operational portfolio in the year ended December 31, 2019 amounted to EUR 3.8 million and was mainly attributable to the depreciation related to the newly-integrated portfolios.

Cash flow from investment activities in the year ended December 31, 2019 amounted to EUR (21.1) million mainly due to investments in the Czech portfolio and expenses for the construction of roof-mounted photovoltaic systems in the Netherlands.

Cash flow from financing activities in the year ended December 31, 2019 amounted to EUR 19.7 million and was attributable to capital raises and proceeds from new loans in 2019.

In addition to these cash-relevant developments, the contribution of the operating portfolio increased cash and cash equivalents by EUR 7.8 million due to the liquid funds available in the contributed companies following consolidation.

### 2.2.7.8 Operative Units

The Company currently does not apply segment reporting. However, in order to offer transparency in Pacifico's operational results, the Company shows adjusted operative EBITDA and adjusted operative EBIT as key operating figures for its operative units (for further information about these non-GAAP measures, see section "1.6.3 Non-GAAP Financial Information"). These non-GAAP measures are calculated (and can be reconciled to measures under German GAAP) as follows (including adjustments for non-recurring effects):

| (in EUR)                                                                                                                                                                                                                                      | <b>Six-month<br/>period ended<br/>June 30, 2020</b> | <b>Financial year<br/>ended<br/>December 31,<br/>2019</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|
| Sales revenues                                                                                                                                                                                                                                | 8,992,378                                           | 5,028,233                                                 |
| Other operating income                                                                                                                                                                                                                        | 233,290                                             | 185,276                                                   |
| Cost of materials: Cost of purchased services                                                                                                                                                                                                 | (1,408,371)                                         | (1,006,030)                                               |
| Personnel expenses                                                                                                                                                                                                                            | (402,499)                                           | (205,818)                                                 |
| Other operating expenses                                                                                                                                                                                                                      | (1,550,189)                                         | (929,287)                                                 |
| Adjusted for the following effects:                                                                                                                                                                                                           |                                                     |                                                           |
| Non-operating income                                                                                                                                                                                                                          | (233,290)                                           | (185,571)                                                 |
| Personnel expenses at the level of the Company                                                                                                                                                                                                | 402,499                                             | (205,818)                                                 |
| Cost of materials not attributable to the Group's business activities                                                                                                                                                                         | 27,131                                              | 0                                                         |
| Other operating expenses which are not attributable to the Group's business activities, mainly one-off costs for the structuring of the Group and the listing of the Company, corrected for positive adjustments resulting from consolidation | 611,506                                             | 269,623                                                   |
| One-time expenses at project company level, mainly legal and consulting fees                                                                                                                                                                  | 74,951                                              | 288,000                                                   |
| <b>Adjusted operative EBITDA</b>                                                                                                                                                                                                              | <b>6,747,405<sup>(1)</sup></b>                      | <b>3,650,244<sup>(2)</sup></b>                            |
| Depreciation of fixed intangible and tangible assets                                                                                                                                                                                          | (3,865,912)                                         | (2,675,198)                                               |
| Adjusted for the following effects:                                                                                                                                                                                                           |                                                     |                                                           |
| Conformation to group-wide terms of use                                                                                                                                                                                                       | (1,337,789)                                         | (996,102)                                                 |
| Depreciation of hidden reserves                                                                                                                                                                                                               | 1,263,198                                           | 869,153                                                   |
| Other depreciation                                                                                                                                                                                                                            | 28,508                                              | 13,326                                                    |
| <b>Adjusted operative EBIT<sup>(2)</sup></b>                                                                                                                                                                                                  | <b>2,835,410<sup>(3)</sup></b>                      | <b>861,423<sup>(4)</sup></b>                              |

(1) Attributable to the following countries: Germany: 58%, Czech Republic: 36%, Italy: 7% and the Netherlands: (1%).

- (2) Attributable to the following countries: Germany: 29%, Czech Republic: 50% and Italy: 21%.
- (3) Attributable to the following countries: Germany: 35%, Czech Republic: 60%, Italy: 10% and the Netherlands: (5%).
- (4) Attributable to the following countries: Germany: (82)%, Czech Republic: 122% and Italy: 60%.

For the short financial year 2018, no adjusted operative EBITDA and adjusted operative EBIT is provided as Pacifico did not have any operative units in that period.

### **2.2.8 Material Changes in the Company's Borrowing and Funding Structure**

There have been no material changes in Pacifico's borrowing and funding structure since June 30, 2020. Ongoing repayments have been made as scheduled.

### **2.2.9 Investments**

On March 12, 2020, the Company concluded a purchase agreement for the acquisition of eight operative photovoltaic plants in Germany with a capacity of 21.2 MW (Auerbach, Hohburg, Eisfeld, Staßfurt, Rosefeld, Köthen, Neubukow, Süplingen) at an enterprise value of EUR 36.8 million (including indebtedness). The plants entered operation phase between 2008 and 2012 and benefit from subsidized FiTs under the German EEG between EUR 211 and EUR 462 per MWh on average for another 11.8 years. With respect to plants with a capacity of 14 MW, the Company holds options to extend the lease or purchase the land after expiry of the FiTs in order to allow for a Golden End. The acquisition was closed on May 15, 2020 with economic effect as of January 1, 2020. The Company expects these eight photovoltaic systems to generate revenues of around EUR 5.1 million in 2020.

On November 5, 2020, the Company signed an agreement to acquire a 15.6 MW turn-key onshore wind farm in the vicinity of Reudelsterz, Rhineland-Palatinate, Germany from a subsidiary of New Energies Systems AG (Mayen, Rhineland-Palatinate, Germany), an unaffiliated project development company at an enterprise value of EUR 35 million, including senior project financing. Closing of the transaction is subject to certain conditions, including the commissioning of all turbines and successful completion of the trial period, and is expected to occur in early 2021. The Company intends to fund the acquisition solely by raising additional debt under its upsized revolving credit facility with Triodos Bank N.V. (see "9.7.4 Revolving Credit Facility provided by Triodos Bank N.V.").

The Company expects to finance its ongoing activities from the cash flows generated through the sale of electricity. Any opportunistic acquisitions are intended to be funded through targeted capital measures consisting of equity and/or debt financing with a focus on financial discipline: its strategic priority is to limit unused liquidity to a minimum and to translate any capital measures into investments as soon as possible.

### **2.2.10 Trend Information**

As of the date of this Prospectus, Pacifico's energy production has not been impacted by the global COVID-19 pandemic. Due to favorable weather conditions, particularly for photovoltaic assets, the Pacifico Group produced a higher than expected 46.5 GWh of energy in the first six months of 2020 which resulted in higher than expected sales revenues of EUR 9.0 million. This higher level of production by far overcompensated minor impacts of lower energy prices in Italy and occurrences of negative energy prices in Germany. A newly acquired German photovoltaic portfolio with a capacity of 21.2 MW and the completed construction of additional photovoltaic plants in the Netherlands with a capacity of 3.3 MW contributed to the production growth.

In the third quarter of 2020, Group-wide sales revenues developed according to the Company's expectations since the effect of weaker wind conditions in Germany, which led to a portfolio production of 8% below plan, was offset by strong solar radiation in the Czech Republic.

### **2.2.11 Outlook**

The Company expects that in 2020 its current portfolio comprising an overall capacity of 81.0 MW will produce between 80 and 88 GWh of green electricity resulting in total revenues of between EUR 15.5 million and EUR 17 million. At the same time, this would save at least 62,000 tons of carbon dioxide.

### **3 WORKING CAPITAL STATEMENT**

The Company, in its own opinion and in line with the duration of the validity of the Prospectus established in article 12 of the Prospectus Regulation, has sufficient working capital for a period of at least 12 months from the date of this Prospectus.

## 4 RISK FACTORS

*An investment in the shares of the Company is subject to risks. In addition to the other information contained in this Prospectus, investors should carefully consider the following risks when deciding whether to acquire subscription rights and to invest in the shares of the Company. The market price of the Company's shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment.*

*According to article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, the risk factors featured in a Prospectus shall be limited to risks which are specific to the issuer and/or to the securities and which are material for taking an informed investment decision. Therefore, the following risks are only those risks that are specific to the Company and its shares. However, the Company is confronted with various other potentially material risks related to global economic developments or generally faced by any company producing energy from renewable energy sources and which investors should consider before making any investment decision. Furthermore, any investment in the Company's shares bears general risks relevant to investments in this type of security. The market price of the Company's shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment.*

*The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, other risks, facts or circumstances not presently known to the Company could prove to be important and could have a material adverse effect on the business, results of operations and financial position of the Company. The value of the shares in the Company could decline as a result of the occurrence of any of these risks, and investors could lose all or part of their investments.*

*The following risk factors are organized in subcategories depending on their respective nature. In each category the two most material risk factors, based on the Company's current expectation concerning probability of their occurrence and the expected magnitude of their impact, are mentioned at the beginning of each section, it being understood, that any of the risks described below may materialize and the materialization of any of the risks described below, irrespective of their placement, may result in a significant decrease in the price of the Company's shares or a total loss for the investor. The Company has further assessed the relative materiality of each risk compared to other risks over all categories based on the relevant risk's potential impact on the Company and the Shares and the probability of its occurrence. A statement on this assessment as of the date of this Prospectus is included at the end of each risk factor, by means of statements whether the risk has, in increasing order, an "adverse effect", a "material adverse effect" or a "highly adverse effect". As both, impact and probability, were taken into account when determining the potential influence, it is possible that a risk with a comparatively higher probability of occurrence, but a comparatively lower impact is considered to have a "material adverse effect" or a "highly adverse effect".*

### 4.1 Risks Relating to the Limited History of the Company

#### 4.1.1 *The Company has only limited previous operating and financial history. Investors may therefore be unable to appropriately assess the Company's prospects.*

The Company was originally formed as a limited liability company (*Gesellschaft mit beschränkter Haftung*, (GmbH)), governed by the laws of the Federal Republic of Germany, on September 11, 2018 under the legal name "Pacifico European Renewables Yieldco GmbH". On August 28, 2019, an extraordinary general shareholders' meeting resolved upon the conversion of the Company into a stock corporation under German law (*Aktiengesellschaft*) with the legal name Pacifico Renewables Yield AG which became effective upon entry in the Commercial Register on September 3, 2019. The Company acquired its first operative portfolios of renewable energy plants as of June 30, 2019 and its holding company functions including employees were only established in the course of 2019.

Accordingly, unlike mature companies, the Company's operating and financial history is limited and the audited historical financial information included in the Prospectus is not representative of the Company's current financial condition, results of operations and cash flows. Specifically, since the Company has only operated renewable energy plants since mid-2019, the financial statements for the rump fiscal year 2018 included elsewhere in this Prospectus do not present information for the Company's current operative activities. Similarly, the Company was not fully operational during the whole period covered by the financial statements for the fiscal year ending December 31, 2019 included elsewhere in this Prospectus. Furthermore, on May 15, 2020 (with economic effect as of January 1, 2020), the Company closed the acquisition of photovoltaic plants in Germany with a total installed capacity of 21.2 MW, thereby growing its overall portfolio by 35%. This transaction is reflected in the consolidated financial statements for the six-month period ended June 30, 2020, but not in any audited full-year financial statements.

In addition, the Company intends to make further significant investments in the future as part of its portfolio growth strategy. Therefore, none of the historical financial information should be understood as representative for the Company's future position.

Due to the limited financial information and the ongoing development of Pacifico's portfolio, investors may be unable to properly assess the Company's current and specifically its future performance, which could have an adverse effect on their investment decision.

#### **4.1.2 *There is no guarantee that the Company will maintain profitability in the future.***

The Company has only a limited operating history as a power producer and thus only limited relevant financial information is available. The Company was originally incorporated in 2018 and its operations were ramped up during 2019, resulting in an annual net loss of EUR 0.2 million in the rump fiscal year 2018, a consolidated annual net loss of EUR 1.7 million in the fiscal year 2019 and a consolidated net income of EUR 0.3 million in the six-month period ended June 30, 2020. As part of its business strategy, the Company intends to make significant future investments in portfolio growth which will require additional funding. A significant shortfall in the Company's profitability could increase the necessary financing requirements, which the Company may not be able to secure (see "4.2.2 *The Company may not be able to secure sufficient external financing at acceptable conditions in order to implement its portfolio growth strategy.*"). Against this background there can be no assurance that the Company will maintain profitability in the future, which may have a material adverse effect on the successful implementation of its portfolio growth strategy and thus the achievement of its business plan.

#### **4.1.3 *The Company's management team has only limited experience in managing a public company, and publicly traded company reporting and compliance requirements could divert resources from the day-to-day management of Pacifico's business and interfere with its lean organizational set-up while insufficient compliance could subject Pacifico to high penalties as well as a loss of reputation.***

The Company's shares have been listed on the open market (*Freiverkehr*) of the Dusseldorf Stock Exchange only since November 19, 2019. Thus, the Company's management team has only limited experience in managing a public company, interacting with public investors and complying with the increasingly complex laws pertaining to public companies (*e.g.*, reporting obligations, public disclosure requirements, corporate governance and accounting standards), in particular since the management team has had no prior experience in this regard and as part of its business strategy the Company operates on a lean organizational structure. Therefore, any obligations applicable to the Company require substantial attention from the Company's management and could divert resources away from the day-to-day management of Pacifico's business. The level of applicable obligations would significantly increase in case of a future uplisting to a regulated market.

There is no guarantee that the Company will be able to fully comply with all applicable requirements and the Company's current human resources may prove insufficient to ensure compliance. Any non-compliance could result in significant fines or other penalties as well as a loss of reputation, which could negatively affect the Company's ability to carry out capital increases in the future and the willingness of counterparties to do business with it. To secure compliance it may become necessary to hire further employees or purchase outside services which may in turn interfere with the Company's lean organizational set-up, increase its costs and thus have a material adverse effect on its financial results and condition.

## **4.2 Risks Relating to the Company's Business Structure**

### **4.2.1 *The Company heavily depends on its Strategic Partnership with Pacifico Energy Partners GmbH regarding the acquisition of new projects and asset management services. There is no guarantee that the Strategic Partnership will prove successful and remain in force or that the Company otherwise would be able to identify and acquire a sufficient number of suitable assets to fully implement its portfolio growth strategy.***

The Company strives to become a leading independent producer of electricity from renewable energy plants. Hereto, it acquires, holds and operates photovoltaic and onshore wind parks in several European countries (Germany, Poland, the Czech Republic, Italy and the Netherlands). By the end of 2023, the Company intends to operate a target portfolio of approximately 400 MW through the acquisition of suitable onshore wind and photovoltaic projects in line with its investment charter.

As a key element to this growth strategy, the Company entered into the Strategic Partnership with Pacifico Partners, a majority-owned subsidiary of the Company's indirect majority shareholder Pelion, under which the

Company has contractually secured priority access to projects developed by Pacifico Partners. Furthermore, Pacifico Partners performs project acquisition brokerage, asset management and other services for the Group under the Strategic Partnership. Pursuant to the revised Right of First Offer Agreement dated June 30, 2020, which forms part of the Strategic Partnership, Pacifico Partners is obliged to offer for sale to the Company all energy projects that meet the investment criteria of the Company's investment charter; the Company is not obliged to make any proposed investment. If the Company declines to acquire a project, Pacifico Partners may, for a period of two years, offer this project to a third party only on terms (including purchase price) and conditions generally no less favorable to Pacifico Partners than those offered to the Company.

The Strategic Partnership does not prohibit the Company from sourcing renewable energy projects from third-party project developers or asset owners, either through Pacifico Partners' brokerage or independently, and the Company intends to become a platform to project developers. However, as of the date of this Prospectus, the ROFOA under the Strategic Partnership is the only contractually binding right of the Company to access new renewable energy projects and forms the basis of the Company's growth projections. Pacifico Partners' Project Pipeline comprises projects of more than 600 MW in different developmental stages. However, Pacifico Partners does not yet have a track record of successful development projects and depends on local partners. It is not certain whether Pacifico Partners will successfully develop these projects and offer them to the Company at attractive terms since project development is associated with significant risks including risks beyond the developer's control.

In addition, any transaction between Pacifico on the one hand and Pacifico Partners and/or Pacifico Development on the other hand, including acquisitions from the project pipeline (*e.g.*, any potential acquisition of the three onshore wind parks in Kuyavian-Pomeranian Voivodship, Poland, as well as any related financing provided by Pacifico Renewables Fin GmbH), even if based on market standard terms, potentially constitutes a related party transaction which must comply with the strict requirements of the German Stock Corporation Act (*Aktiengesetz*) in order to be valid. Pursuant to the German Stock Corporation Act, agreements by a stock corporation with founders or shareholders holding more than 10% of the corporation's share capital under which the stock corporation is to acquire current assets, assets to be created or other assets in consideration for an amount exceeding 10% of the share capital of the corporation and which are entered into during the first two years following registration of the corporation in the commercial register, enter into force only upon their registration in the commercial register following approval by the general shareholders' meeting.

Therefore, there may be various reasons for a failure of the Strategic Partnership, *e.g.*, a general lack of suitable projects available to Pacifico Partners, Pacifico Partners not offering suitable projects to the Company despite its obligation to do so, a loss of expertise at Pacifico Partners due to the departure of key management or employees, problems with Pacifico Partners' local partners, a lack of agreement between the parties as to the relevant project status (including in connection with the COVID-19 pandemic) or offer terms including price or risk allocation, or projects which do not meet the Company's commercial or other requirements.

Furthermore, the Strategic Partnership with Pacifico Partners may be at risk in case of financial distress of Pacifico Partners or Pacifico Development, which holds the projects Pacifico Partners develops. Project development of renewable energy projects is highly working capital intensive. If insolvency proceedings concerning Pacifico Partners or Pacifico Development were commenced, the insolvency administrator could decide not to fulfil Pacifico Partners' obligations under the Strategic Partnership or Pacifico Development's obligations under its related back-to-back agreement with Pacifico Partners so that the Project Pipeline would no longer be available to the Company for acquisition. In this case, the Company would have to find other acquisition projects and services which may not be available or could result in additional costs and could have a negative impact on the Company's growth potential.

In case of financial distress of PAC Poland 2 GmbH, which is the holding company of the three onshore wind parks in Kuyavian-Pomeranian Voivodship, Poland, and borrower under the intended loan which shall be funded with the proceeds from this Offering, the covenants or collateral under the intended loan agreement may prove insufficient and Pacifico may not be able to receive full or any repayment at all of any loan provided to the borrower and may lose a significant acquisition opportunity. The later could also result from any failure to successfully negotiate an acquisition as intended under the related non-binding letter of intent between the Company's subsidiary PAC Czechia GmbH and Pacifico Development.

In addition, Pacifico Partners, Pacifico Development or the Company could change their strategy or for other reasons terminate the Strategic Partnership or the related back-to-back agreement between Pacifico Partners and Pacifico Development. The ROFOA has been entered into for an indefinite term and may be terminated by either party without cause for the first time with effect of December 31, 2024. If any party terminates the ROFOA or the related back-to-back agreement, the Company will no longer have preferential access to Pacifico Partners' Project

Pipeline. In addition, a breach of the ROFOA by Pacifico Partners or the related back-to-back agreement by Pacifico Development would put the Company's business model at risk.

If the Strategic Partnership does not prove successful or ceases, the Company would depend on its own ability to identify and purchase suitable new photovoltaic and wind parks from other project developers or third-party owners or to engage in new strategic partnerships with other project developers. However, the number of suitable solar and onshore wind parks which fulfil the Company's investment criteria as to regional focus, technological mix, size and profitability is limited and subject to competition from other potential investors, *e.g.*, other asset and fund managers or institutional investors. As a result, the Company may lose identified third-party acquisition targets to other bidders or may otherwise be unable to find suitable acquisition targets to implement its growth strategy. Fierce competition may also force the Company to pay higher prices than expected for targeted plants. Additionally, Pacifico Partners may decide to enter into competition with the Company.

Besides developing of assets under the Project Pipeline and identifying secondary market acquisition targets, Pacifico Partners performs asset management and certain other services for the Pacifico Group. If these services were terminated, the Company would have to find a substitute provider which could result in transition or higher service costs or may interfere with the smooth operation of the portfolio assets during the transition phase and may thereby have a highly adverse effect on Pacifico's revenues and financial condition.

**4.2.2 *The Company may not be able to secure sufficient external financing at acceptable conditions in order to implement its portfolio growth strategy.***

The Company follows a strategy of portfolio growth through the acquisition of renewable energy projects from Pacifico Partners or third-party sources, thereby growing its existing 81.0 MW portfolio into a target portfolio of approximately 400 MW by the end of 2023. The Offering which is the subject of this Prospectus is intended to provide debt financing for a 51.8 MW onshore wind portfolio in Poland to PAC Poland 2 GmbH, the portfolio's holding company. However, the Offering may fail or provide less new capital than targeted which may put the acquisition or further growth projects at risk. In any case, further acquisitions will require significant external funding beyond the Offering. The necessary funds shall be raised primarily through additional capital increases and partly through debt financing.

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. The plunge of the stock markets caused by the COVID-19 pandemic has impeded access to the financial markets and thus also the raising of equity capital. While stock markets have mainly recovered from their significant losses, volatility has remained high and further effects of the COVID-19 pandemic on the financial markets cannot be ruled out, which could negatively influence the procurement of equity capital by the Company in the near future.

In order to implement its growth strategy, the Company 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 the Company's 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 the Company at unattractive conditions (*e.g.*, at high interest rates). If the Company 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 the Company's prospects.

**4.2.3 *Acquisitions of further portfolios may fail or, if completed, the acquired assets may not perform as expected. Furthermore, the Company's acquisition activities and subsequent integration into Pacifico's organization may be difficult and may consume a significant portion of its management's focus, and, if not successful, reduce its profitability.***

The acquisition of a number of significant energy projects is core to the Company's business strategy. Pacifico's continued growth is, to a large degree, dependent on a steady stream of acquisitions. The Company is constantly looking for new opportunities within the partnership with Pacifico Partners and beyond and will go through various stages of evaluating, negotiating and completing a variety of transactions. From time to time, attractive opportunities may arise because of unusual conditions in a region, conditions in Pacifico's industry or circumstances particular to a seller. In these and other situations, the Company may be required to act quickly or it will lose the opportunity.

Activities related to acquisitions of further energy projects may consume a portion of the focus of the Company's management. Future acquisitions may be large and complex, and the Company may not be able to complete them as planned or at all. There can be no assurance that the Company will be able to negotiate the required agreements and maintain the necessary permits and financing. Such circumstances, which are by nature not fully within the Company's control, could hinder or prevent the Company from successfully acquiring further projects. Even if the Company is able to effectuate such acquisitions, the success of these projects, and the performance under related agreements, will be subject to additional risks including, but not limited to, risks relating to legal and regulatory developments.

Further, the acquisition of power generation assets is subject to significant investments and substantial risks, including the failure to identify material problems or liabilities during the due diligence process (for which the Company may not be indemnified or able to seek damages under warranty claims post-closing of the acquisitions). While the Company will perform due diligence on prospective acquisitions, it may not discover all potential legal, tax, construction and operational deficiencies in such projects. It is possible that relevant information will not be recorded, made available to or reviewed by the Company in a particular case. Additionally, for possible acquisitions from project developers, the due diligence review of a project company prior to the acquisition may only be possible to a limited extent or may only be conducted with a disproportionate investment of time and effort. The Company cannot guarantee that all risks related to acquisitions can be properly identified or identified at all, addressed in the negotiations with the seller and be contractually safeguarded against. In addition, the Company's assessments and prognoses as well as experts' opinions and studies concerning the facilities and their energy yields may turn out to be deficient and/or insufficient. Any failure to identify and remedy potential risks could lead to an underperformance of the projects and therefore a negative impact on the Company's revenues.

Further, there is a risk that the purchase price paid by the Company for the shares in a project company will be too high compared to the actual profitability of the renewable energy project or in light of known or unknown risks associated with the respective solar or wind facilities. Expert opinions indicating the weather conditions (*i.e.*, wind and sun conditions) may deviate from the actual weather conditions and negatively affect the profits of a project. Moreover, acquired technologies and licenses used by the project company may not be legally valid or may be of little or no any value so that Pacifico cannot make use of them as planned or at all. Furthermore, the installed components in a facility may turn out to be less productive and of a lesser quality than expected (despite producers' descriptions), and the Company may not always have contractual recourse against the seller or producer in such cases or such contractual claims may be insufficient to cover all potential liabilities. No assurance can be given that the Company will be able to negotiate appropriate representations and warranties in the acquisition agreements with the seller (including with Pacifico Partners) for all identified and unidentified risks. This depends to a large extent on the Company's position in the negotiations. It may also be possible that defects which are covered by warranty claims will only be detected after the limitation period of the warranties and therefore contractual claims against the seller will expire and indemnification agreements with the sellers may be unenforceable. If the Company is not able to negotiate appropriate representations and warranties or purchase price adjustments in the acquisition agreements, possible underperformances of the projects may negatively affect the Company's sales revenue without any compensation.

The success of acquisitions of new energy projects depends to a certain extent on the successful integration of the acquired operations into the Company's existing organization. Any acquisitions that the Company will complete are accompanied by the risks commonly encountered with acquisitions of businesses, such as diversion of management's attention from the normal operation of the Company's existing business. In addition, the integration of newly acquired renewable energy projects could be more complicated and time-consuming than initially expected and could result in delays and cause the integration to become more expensive than envisaged. This could particularly be the case when entering markets in which the Company has no or limited prior experience. Furthermore, the Company may be unable to keep or maintain the business relationships of the newly acquired legal entities, the replacement of which might lead to operating difficulties and/or failure to commence production on time and on budget. All of the above could have a highly adverse effect on the successful implementation of the Company's growth strategy through the acquisition of new solar and wind parks as well as its financial results and condition.

**4.2.4 *The Company depends on a number of services provided by its strategic partner or other third parties. Respective service agreements could be improperly fulfilled or even terminated and it is possible that the Company would not be able to find adequate replacements.***

The Company runs its 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 the Company 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, (ii) asset management,

in particular proposals for the optimization of the energy projects, financial planning, liquidity analysis and risk management (iii) brokering services regarding the acquisition of third party energy projects identified by Pacifico Partners, and (iv) repowering services regarding the renewal of old energy plants. The technical management of its facilities is therefore the responsibility of various 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 the Company.

If any service provider is unable to provide the agreed services, e.g., in case of financial distress (e.g., application for insolvency proceedings, non-payment of liabilities), or a lack of sufficient number of qualified employees, or if these service agreements expire without being extended or are terminated, the Company will have to find replacements to provide these services or additional resources have to be set up at the Company. This could result in higher costs and difficulties for the Company during the transition period. Similarly, non-performance or improper performance of the service providers under the service agreements could lead to higher costs and might not always be fully recoverable. The above risks may have a highly adverse effect on the Company's business, results of operation, financial condition and prospects.

**4.2.5 *The Company is dependent on the relationships, skills, expertise and experience in the financial and renewable energy industry of the members of its management team, and its business could be adversely affected by the loss of any members of its management team.***

The Company's future growth and success depend on the performance, skills and talent of its management who have the necessary know-how and experience required for Pacifico's business and is in charge of developing and implementing the Company's business strategy. As such, the Company's management team is responsible, among other things, for deal sourcing and analysis, as well as fund raising for its portfolio growth strategy and financial optimization. In particular, the members of the management team have a broad network in the financial and renewable energy industries, which allows the Company to gain insight into financing for as well as developments and acquisition opportunities in the renewable energy sector. Specifically their rich financing experience is important for the Company's financial optimization strategy.

There is no guarantee that the Company will be able to retain the services of the members of its management in the future. Competition for experienced managers and qualified employees is intense in the Company's industry, and the loss of management members or the Company's inability to identify, attract, retain, develop and motivate highly skilled replacements or qualified new employees required for the operation of the business could hinder the Company's ability to successfully run and further develop its business, which could have a material adverse effect on the Company's prospects.

**4.2.6 *A temporarily high share price would increase the Company's costs under the Strategic Partnership.***

The Company has entered into a master services agreement (MSA), which regulates all services which the Company receives from Pacifico Partners other than pipeline access and commercial asset management, specifically asset stewardship services, broker services and repowering services. Asset stewardship services comprise all asset management activities that go beyond day-to-day commercial operations, such as proposals for technical optimization of the plant and improvement of external financing, the development of optimal maintenance concepts, the conceptualization and implementation of possible continued operation of plants after the end of the feed-in tariffs, financial planning and liquidity management as well as risk analysis. Pacifico Partners' compensation amounts to 0.5% p.a. of the Company's enterprise value up to EUR 1.0 billion and to 0.45% p.a. of the Company's enterprise value above EUR 1.0 billion. The enterprise value for an invoice to be submitted by Pacifico Partners to receive its compensation, payable at the end of a calendar quarter, is calculated by using the average of the quarter of the market capitalization, plus all debt capital liabilities and minus any cash balances of the Company and its subsidiaries. Accordingly, any temporary and unusually high share prices during a quarter could result in higher costs under the Strategic Partnership which may not be aligned with a sustainable increase in the Company's value. The currently low liquidity and high volatility in the Company's share price may increase the likelihood of such price spikes. The above risk may have an adverse effect on the Company's business, results of operation, financial condition and prospects.

**4.2.7** *With respect to parts of its portfolio the Company is and due to further acquisitions may in the future become subject to additional project development and construction risks. A delayed start of operation, delays in the completion of construction or a failure to complete all plants of a project could result in a loss of subsidies under support schemes, otherwise lower compensation for electricity fed into the grid or no compensation at all.*

While the Company's general strategy is to acquire only operative or close to operative (*i.e.*, where the construction phase is fully contractually secured, including that all permissions and approvals to complete construction work are fully in place) renewable energy plants, it may from time to time deviate from it and acquire projects which are to a certain extent still under development or construction. For example, parts of Pacifico's Dutch portfolio with an expected combined capacity of 14.7 MW are currently still under development or construction.

The development and construction of wind parks or photovoltaic plants is a complex and time and cost intensive undertaking, subject to special economic, technological and regulatory risks associated therewith which the Company may have to bear. Furthermore, delayed or defective construction may have further consequences. Reasons for such delays may be, *inter alia*, administrative delays, limitations of building periods due to nature conservation laws in certain areas or supply difficulties, including the insolvency of suppliers of important components, such as wind turbines or solar panels. For example, in the Netherlands there have been delays and certain development sub-projects had to be replaced due to a loss of some of the planned grid connection. While the Company intends to have plants with a capacity of up to 19.7 MW in the Netherlands connected to the grid, a loss of individual projects cannot be ruled out. 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 with regard to projects of the Company, particularly if the COVID-19 pandemic intensifies in countries in which Pacifico already operates or may operate in the future.

Such consequences may include the loss of funding or even withdrawal of awards. Moreover, it cannot be excluded that new claims (*e.g.*, in relation to nature protection or protected neighbor rights) may arise during construction and will inhibit further construction activities, which could adversely affect the Company's business prospects.

Constructions require the collaboration of local partners including general contractors. The Company expects these local partners to be familiar with local and domestic legal requirements and customs in the area where the project is located. The collaboration partners are in charge of the technical aspects of the construction of the renewable energy project as well as communications with the authorities and in turn depend on their subcontractors. Any problems or issues with the erection of the respective wind park or solar facility caused by, *e.g.*, supply problems in connection with certain required components of the facility, an adverse deviation in quality of delivered components compared with the features originally ordered or the wrong facility components, may result in delays in or even cancellation of (*e.g.*, due to successful third-party claims against any necessary permits) the completion of the project and lead to an increase of costs or even the invalidation of an award under the subsidized marketing mechanisms if the relevant regulatory completion date is not met. Furthermore, labor disputes and strikes within the sphere of a contractual partner or other force majeure events may cause delays in the erection of a photovoltaic or wind park which could result in a loss of sales of revenues or damages to be paid to an off-taker. The Company may be unable to take recourse against and receive adequate compensation from the contractual partner or its insurer for any delays and revenue losses which could have a material adverse effect on the Company's results of operation and financial condition.

**4.2.8** *Pacifico may be affected by cyber or physical attacks, IT failures and disruptions which could impact its ability to properly operate its systems and networks.*

Pacifico's business relies heavily on the efficient and uninterrupted operation of its IT infrastructure. Pacifico or its asset manager Pacifico Partners may be subject to IT failures in, and disruptions to, such systems and networks, which are used throughout its business, including at its highly automated power generating plants and for the distribution and supply of power. Such IT failures may be caused by issues with system updates, natural disasters, malicious cyber-attacks, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic breaches or similar events or disruptions. In addition, terrorist or other physical or cyber-attacks against one of Pacifico's larger facilities or the grid infrastructure to which Pacifico's plants are connected could cause disruptions in Pacifico's operations and may result in a loss of sales revenues as well as significant costs of repair. While the Company has not become aware of any attacks against its systems, in the past, several instances of attempted cyber-attacks against utilities companies and grid infrastructure operators using malicious software often related to "CrashOverride" became known. If the Company was temporarily unable to

operate its power plants due to such IT failures or disruptions, this could have an adverse effect on its result of operations and also its financial condition.

### **4.3 Risks Relating to the Operation of Pacifico's Plants**

#### **4.3.1 *The generation of electric energy from renewable energy sources depends heavily on suitable meteorological conditions. If conditions are unfavorable, including due to periodic variability in weather conditions and long-term climate change, Pacifico's ability to generate electricity and thus revenues from its renewable energy assets may be substantially below its expectations.***

The Company has invested in renewable energy projects that utilize wind and sunlight and plans to invest in further onshore wind and solar energy projects. Production levels for its wind and solar projects depend on suitable wind and sunlight, as well as on general weather conditions, all of which are beyond the Company's control and may vary significantly, resulting in volatility in production levels, revenues and profitability.

For example, operating results generated by a wind park fundamentally depend on suitable wind conditions, which exhibit certain seasonal patterns and are difficult to predict. Wind exceeding a certain speed may require the turbines of a wind park to be reduced or even stopped resulting in limited or no power generation at all. In addition, wind yields may be reduced by neighboring wind parks or other large structures built subsequently in the vicinity of the Company's current or future plants. Similarly, solar parks are fundamentally dependent on suitable solar conditions and associated weather conditions. Excessive temperatures may reduce solar energy production.

In order to assess this risk, forecasts are prepared for wind and photovoltaic projects 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 wind energy production in any given year in the future.

While the Company also considers possible variations in normal weather patterns and potential impacts on Pacifico's future operations, there can be no assurance that such planning can prevent these impacts or accurately predict future weather conditions. To the extent climate change causes alterations in temperature and wind patterns, variability in precipitation and increase in sea levels or exacerbates the intensity or frequency of extreme weather events, it could negatively impact Pacifico's business and operations. Also, a constant change of the large-scale weather pattern and therefore the wind and irradiation conditions due to climate change may heavily impact Pacifico's business, financial results and condition as well as business prospects, while drops in production could have a highly adverse effect on Pacifico's sales revenues or result in higher costs for maintenance, repairs or replacements all of which would have a highly adverse impact on Pacifico's results of operations.

#### **4.3.2 *Maintenance and refurbishment of renewable power generation facilities involve significant risks that could result in unplanned failures of power generation, reduced output and unanticipated costs.***

The operation of Pacifico's current and future facilities involves risks that include the breakdown or failure of equipment or processes, performance below expected levels of output or efficiency and the inability to transport electricity to customers in an efficient manner due to a lack of transmission capacity or transmission infrastructure issues. Such failures and performance issues can stem from a number of factors, including errors in operation, lack of maintenance, defects of building materials and general wear over time, which may be beyond the control of the Company. As a result, Pacifico's current and future facilities require planned periodic major overhaul activities from time to time, which may also include some improvements. For example, in the first half of 2020, one of the turbines in Pacifico's Süderbrarup wind farm had to be exchanged, which was, however, covered under a full scope operations and maintenance agreement. Unplanned outages of generating units, including extensions of scheduled outages due to mechanical failures or other problems relating to Pacifico's 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's business that may reduce Pacifico's revenue as it would only be able to sell fewer energy or may increase Pacifico's operating and maintenance expenses or investments. In order to satisfy its own forward power sales obligations under any future PPAs, Pacifico may be required to purchase replacement power from third parties in the open market at higher costs.

In addition, critical equipment or parts may not always be readily available when needed. Finally, the Company cannot be certain of the level of capital expenditures that will be required due to changing environmental, health and safety laws and regulations (including changes in the interpretation or enforcement thereof), necessary facility repairs and unexpected events (such as natural or man-made disasters or terrorist attacks). Pacifico's PPAs

may provide for mechanisms for price increases to allow for such costs to be recovered over time, but this may not cover all risks and could result in the Company having to obtain additional financing.

Any unexpected failure, including failure associated with breakdowns, unplanned outages of Pacifico's power generating facilities or any unanticipated capital expenditures at Pacifico's power plants, could result in reduced profitability and jeopardize the ability of the Company to fulfil its liabilities and other obligations and make distributions as well as limit the future growth by risking market reputation and the relationship with third parties (e.g., manufacturers of equipment for renewable energy projects, service providers, financing partners) which may have a material adverse effect on the Company's results of operations, business activities and prospects.

**4.3.3 *Pacifico's business, specifically the operation of renewable energy plants, is subject to risks that may result in damages or injuries to its own or third parties' assets or revenues which may not or only insufficiently be covered by insurances.***

As a power producer from wind and solar sources, Pacifico's operations of its power generation facilities could result in various forms of damages to its own or third parties assets or revenues. Specifically, power generation involves hazardous activities, including operating large and heavy pieces of rotating equipment, which may bend or break and fall, and delivering electricity to transmission and distribution systems. In addition to natural risks (particularly thunderstorms), hazards (such as fire, explosion or machinery failure) which may occur as a result of inadequate internal processes, technological flaws, human error and external events are inherent risks in Pacifico's operations. Some of Pacifico's plants have already been in operation for more than 10 years which, despite regular maintenance, may increase the risks of technological flaws. In addition, with a plant's increased maturity, the Company will typically switch from full scope operations and maintenance agreements to lower cost maintenance agreements which results in decreased coverage for malfunctions. The hazards described above can cause significant personal injury or loss of life or severe damage to and destruction of property, plant and equipment and suspension of operations.

While Pacifico maintains insurance and tries to obtain warranties from vendors and obligates contractors to meet certain performance levels, Pacifico may not be able to obtain such insurance, warranties or other guarantees or the compensation thereunder may not be adequate to cover Pacifico's lost revenue, increased expenses and financing costs or liquidated damages payments should Pacifico experience equipment breakdown or non-performance by contractors or vendors. As a result of the risks discussed in this Prospectus and other potential hazards associated with the power generation industry, Pacifico may from time to time become exposed to significant liabilities for which Pacifico may not have adequate insurance coverage.

The control and management of these risks depend upon adequate development and training of personnel and on the existence of operational procedures, preventive maintenance plans and specific programs supported by quality control systems that may reduce, but do not eliminate, the possibility of the occurrence and impact of these risks. The project companies maintain an amount of insurance protection that the Company believes is customary and Pacifico will uphold such insurance status (also for future additional acquisitions), but there can be no assurance that Pacifico's insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which Pacifico may be subject. Due to rising insurance costs and changes in the insurance markets, the Company cannot guarantee that insurance coverage will continue to be available on terms similar to those presently available to Pacifico or at all.

The occurrence of any of the above-mentioned events, in particular if not sufficiently covered by insurance, may result in Pacifico being subject to investigation, remediation requirements, substantial damages, personal injury and natural resource damages, fines and/or penalties and loss of revenue from suspended operations, which could not only have a material adverse effect on Pacifico's financial condition but also on its reputation as shown by large-scale press coverage of incidents particularly in connection with wind plants.

**4.3.4 *Pacifico is subject to risks relating to the delay of projects due to claims by third parties, e.g. environmental associations, municipalities or citizens' initiatives.***

The Company's projects may be subject to legal claims by third parties, e.g., initiated by environmental associations, municipalities or citizens' initiatives. Local resistance against renewable energy projects, in particular wind parks, may lead to significant delays in the completion of a project. In general, any relevant permits may be challenged even after they have been granted. As a consequence, certain risks of legal proceedings against the relevant permits for a project will have to be borne by the Company which may lead to the adverse effect that either acquired projects may not be realized as planned or at all or that existing facilities may have to be partially or completely dismantled.

Furthermore, even after a project has been completed, legal proceedings could potentially still be initiated against the operation of renewable energy projects. Shade or disco effects from rotating blades or other impacts on the environment could be used by third parties, in particular local inhabitants or environmental associations, as a basis for requests to the authorities to issue ancillary provisions to granted permits (provided that these impacts were not known before) which could lead to restrictions in the operation of the facilities and reduced energy production or additional costs for protection measures, or, in the worst case, even to the revocation of permit. Though the energy transition is mostly well perceived in the countries in which the Company will be operating, local resistance against wind parks is rising (owing to the so-called not-in-my-backyard-effect) and also some municipalities and nature protection organizations view in particular on-shore wind parks critically and tend to raise claims against such projects. Any delay in the completion of projects or any obligation to shut-off plants by night or during certain other environmental or ecological circumstances (e.g., times of bird migration), or due to results of monitoring measures (e.g., bat monitoring), could raise a project's costs or limit its revenues. Any legal proceedings regarding the operation of a project could lead to a temporary or permanent restriction of the performance and a loss of profits.

Any delays or even failures in the realization of its projects could have a material adverse effect on Pacifico's result of operations as well as the successful implementation of its business plan, while the costs of legal proceedings could have a material adverse impact on its result of operations or financial position.

**4.3.5 *Failures to fulfil or comply with the requirements of governmental permits for the operation of renewable energy facilities or the terms of any applicable support mechanism may result in temporary or permanent shutdowns of the facilities and in the withdrawal of governmental permits, and permits or the temporary or permanent loss of government subsidies may be limited in scope and may contain shutdown obligations or other conditions and limitations which need to be fulfilled by Pacifico.***

The governmental permits required for the erection and operation of a renewable energy facility are subject to the fulfilment of certain requirements to be met by the developer during the permitting phase, but also by Pacifico as the operator of the facility during the operational phase. Failure to meet such requirements may result in enforcement measures by the authorities which, in a worst case, may include the temporary or permanent shutdown of facilities or even the withdrawal of permits granted, which would then lead to delays or cancellation of projects yet to be built or a cessation of the operation of existing facilities. Ultimately, the failure to comply with the requirements of governmental permits may also lead to an obligation to repay payments obtained from subsidized marketing mechanisms or other governmental incentives.

Furthermore, approvals regarding the erection of wind facilities often include shutdown obligations under certain circumstances. Pursuant to such obligations, one or more facilities may have to be deactivated temporarily or permanently if certain noise emission thresholds or shadowing limits regarding neighboring structures are exceeded, or if there is a risk of grid overload or the necessity to protect specific species, such as bats, this may result in significant losses for Pacifico.

In addition, authorities may subsequently amend existing permits for solar and wind facilities and impose additional conditions and limitations on the operator, in particular if violations of nature protection regulations or endangered species protection matters are detected during the monitoring of the operation of the facility, if new knowledge of certain circumstances and impacts of the facilities is gained (e.g., new knowledge regarding certain species living in the vicinity of the facilities which are impacted by the operation of the facilities) or if new, stricter legal requirements are adopted. The competent authorities may also impose the obligation to temporarily or permanently shut down a facility, or to implement or conduct measures to eliminate the violation of laws if this is essential for the protection of third parties or nature.

Such shutdowns may result in significant losses for Pacifico and therefore have a material adverse effect on its results of operation and financial condition. Similarly, any support mechanism applicable to the Group may include specific terms, the non-compliance of which could result in a temporary or permanent loss of the related subsidies, which would have a material adverse effect on the Company's overall business.

**4.3.6 *Wind turbines or solar panels may lose efficiency or degrade earlier or their overall lifespan may be shorter than expected by the Company.***

The renewable energy plants operated by the Company could lose their efficiency or degrade earlier or have a shorter lifespan than expected by the Company. The Company is calculating returns from renewable energy plants based on their specific parameters. However, over their lifecycle plants may develop differently from prior expectations and the Company cannot guarantee that its renewable energy plants will actually reach the expected

lifespan, in particular considering that even though the technology for wind turbines and solar panels is mature the market has only limited experience with such longer lifespans.

A continuing level of efficiency and lifetimes assumed in these calculations are usually not fully covered by suppliers' manufacturer guarantees. Furthermore, warranties provided by the suppliers of equipment for Pacifico's projects may be limited by the supplier's ability to satisfy its warranty obligations or by the expiration of applicable time or liability limits, which could reduce or void the warranty protections, or the warranties may be insufficient to compensate Pacifico's losses. These limitations may be particularly relevant for its wind farms in Germany.

Such efficiency losses and negative changes in the calculation of the Company may have an adverse material effect on its projected revenues and result of operations and may disrupt the implementation of its business plan.

#### **4.3.7 Dismantling existing plants may result in higher than expected costs.**

At the end of their life-cycle or as a result of dismantling orders in connection with the withdrawal of a permit or for other reasons, such as premature termination of leases, Pacifico must dismantle these plants. The costs for dismantling, specifically for wind plants, vary significantly depending on the type of plant and its base. With respect to its onshore wind portfolios in Germany, the Company made provisions in its financial statements which it deems sufficient in line with applicable permits. However, there can be no guarantee that these provisions will be sufficient to cover actual costs and actual costs may be higher than expected. No provisions have been set aside for the dismantling of solar energy systems, which could have an adverse effect on the Company's results of operation and financial condition.

#### **4.3.8 Off-takers may fail to make timely payments under their PPAs or even become completely unable to meet their payment obligations.**

Currently, all of Pacifico's plants benefit from support schemes for the promotion of renewable energy. As of June 30, 2020, the average remaining term of the feed-in tariffs applicable to its assets was approximately 10 years. With feed-in tariffs expiring, repowering of existing plants or the acquisition of new plants which may not benefit from support schemes direct marketing will gain significance for Pacifico. In this context, Pacifico expects to enter into long-term PPAs or other off-take agreements.

Off-takers of electricity produced or stored in facilities owned and operated by the Company may fail to make timely payments to Pacifico pursuant to the terms of their respective PPAs or other off-take agreements, which could lead to a significant receivable balance. As a result of payment delays, Pacifico may be unable to make timely payments to its lenders and lessors or operation and maintenance (O&M) or other services providers. Although payment obligations are usually secured by collateral under off-taker agreements of the direct marketing company or other PPA-buyer and the Company is not aware that significant payments owed to the project companies or to entities the Company is considering to acquire as of the date of this Prospectus were not made on time, there can be no guarantee that Pacifico off-takers will stay current with payments in the future.

Moreover, a potential insolvency of one of the Company's off-takers may lead to a substantial loss of outstanding payments as well as the loss of a direct sales source. The sourcing of a new purchaser may cost time and lead to loss of revenues as the generated electricity may be sold at inferior conditions than the conditions of the PPA or other off-take agreement concluded with the insolvent off-taker. Such losses and set-backs could have a material adverse effect on Pacifico's prospects and the successful implementation of its business plan.

#### **4.3.9 Pacifico is exposed to risks in connection with grid connections, transmission facilities and feed-in of electricity.**

The feed-in of the electricity produced by the renewable energy projects of the Company into the available local grids depends on the existing connections to such grid via respective transformer substations. Changes in or disturbances of the grid connection or the local grid to which the respective facility is connected may occur (e.g., in the event of a breakdown of the grid due to storm, fire or flood, or in case of necessary repair measures, the grid operators may order the shutdown of the renewables facilities feeding electricity into the respective part of the grid to avoid a black out). These changes or disturbances may affect the profitability of the renewable energy projects, and it cannot be guaranteed that the Company will have a right to or be able to enforce potential claims for damages against the grid operators or other third parties. Should the grid operator or other third parties require the installation of a new connection to the grid, additional costs and further delays may occur for the Company. This also applies to a certain degree – despite the grid operators' statutory compensation obligations in some jurisdictions – in the event

of a potential shutdown of the renewable energy projects as a result of a capacity overload of the grid (grid congestions), which could result in an adverse effect on the Company's result of operations and financial condition.

#### **4.4 Risks Relating to the Markets in which the Company Operates**

##### ***4.4.1 Pacifico Partners and other developers may have increasing difficulties to find suitable locations with favorable weather conditions for renewable energy projects which may negatively impact the Company's ability to acquire suitable projects.***

For its further portfolio growth, the Company targets small- and medium-sized renewable energy assets requiring equity investments between EUR 5 million and EUR 50 million. The development of renewable energy projects may be affected by increasing competition. It could therefore become more difficult for Pacifico Partners or other project developers cooperating with the Company in the future to secure suitable locations to develop renewable energy projects, negatively impacting on the Company's ability to acquire suitable projects for its own portfolio.

Furthermore, suitable locations for renewable energy projects in countries in which the Company intends to operate may become scarce due to stricter environmental regulations, changes in building laws (*e.g.*, by increasing the required distance between a project and buildings), or local resistance against these projects. The increasing number of renewable energy projects reduces the potential sites for new developments with weather conditions favorable to operate a renewable energy facility. The Company may therefore not be able to secure the number of projects it planned to acquire, which could have a highly adverse effect on the successful implementation of its growth strategy and thus its future business and prospects.

##### ***4.4.2 The market price for electric power is subject to fluctuations and Pacifico may be adversely affected by deteriorating prices on the markets for electricity.***

As of the date of this Prospectus, the sale of electricity from all of Pacifico's plants is subject to subsidized feed-in tariffs which guarantee a certain price independent of the (typically lower) market price which currently limits Pacifico's exposure to market price fluctuations. However, under certain regulatory regimes, feed-in tariffs are suspended if spot market prices for electricity are negative over a certain continuous period of time. The spot market is an exchange market on which electricity is traded for immediate delivery. On the spot market, electricity prices could decrease substantially due to changes in electricity demand, an increase in available production facilities or new generation methods. For example, the first quarters of 2020 saw a significant decrease in electricity prices in connection with the COVID-19 pandemic. This potential suspension of feed-in tariffs applies to parts of the German as well as to the complete Dutch photovoltaic portfolio, including the 15.6 MW turn-key onshore wind farm in Germany with respect to which the Company entered into a purchase agreement on November 5, 2020.

In addition, subsidized feed-in tariffs are applicable to a given plant only for a limited time following which the electricity generated at the plant can only be sold via an exchange market or through private power purchase agreements, in each case without public subsidies. As of June 30, 2020, the Company's portfolio on average had approximately 10 years of FITs remaining, with first expiries occurring at the end of 2022. With feed-in tariffs expiring, repowering of existing plants or the acquisition of new plants which may not benefit from subsidized feed-in tariffs direct marketing and thus higher exposure to market price fluctuation will gain significance for Pacifico as this could have an adverse effect on the projected revenues.

##### ***4.4.3 Lower prices for electricity from conventional sources or an increasing competition by other renewable energy sources could negatively impact Pacifico's revenues from energy sales.***

The demand for electricity from renewable energy sources like onshore wind and solar facilities also depends on the economic advantages and disadvantages of these forms of energy generation compared to energy generation out of conventional energy sources (such as coal, nuclear, oil or gas) or other renewable energy sources. In case of a decline of the prices for conventional energy sources (*e.g.*, due to regulatory changes, for example permitting new energy production methods such as fracking, the increased use of nuclear power, or lower commodity prices for gas) or a general decline of energy prices due to increased competition in the energy market as a result of the liberalization, electricity from renewable energy sources might become less attractive from an economic point of view, which would have an adverse impact on the prices achievable for the electricity sold by Pacifico under unsubsidized marketing channels or subsidized marketing mechanisms where low wholesale prices will leave the Company to the subsidized minimum price (*e.g.*, market premium under the EEG in Germany) and will create no further upsides. The advantages and disadvantages of conventional energy sources in comparison to renewable energy sources, in particular the development of electricity prices, depend to a great extent on political influence and the support of the energy market. Governments in favor of technologies mitigating greenhouse gases are more likely to support and pass legislation

beneficial for renewable energy sources (*e.g.*, by taxing greenhouse gas emissions or prohibiting the construction of new coal power plants like in the UK or France). On the other hand, governments supporting the extension of the lifespan of conventional power plants (*e.g.*, nuclear power plants in France) or the construction of new generation assets (*e.g.*, gas and nuclear power stations in the UK or recently lignite and hard coal power plants in Germany) or reducing emission standards for power plants negatively affect the investment environment for renewable energy plants as competition from conventional generation assets rises.

Furthermore, new renewable energy sources like geothermal power plants could become mature technologies and become a competing generation method with higher cost efficiency. Moreover, an oversupply of electricity from renewable energy facilities with existing technologies could negatively affect the wholesale electricity price at times where a lot of renewable energy is available.

The flexibility and ability of Pacifico to react to such price developments in the fields of unsubsidized marketing channels depends on the terms and conditions of its PPAs or electricity supply agreements with direct marketing intermediaries, the latter of which in Germany can often times be terminated on an annual basis and do not provide for any adjustment possibilities regarding energy prices in this case. This may also apply for other European countries, such as Italy, the Netherlands, Poland and the Czech Republic.

Negative price developments due to the above-mentioned reasons could have a highly adverse effect on Pacifico's sales revenues while competition either from conventional or other renewable energy sources could have a highly adverse effect on the Company's business model and prospects.

#### **4.4.4 Pacifico could be adversely affected by increasing competition in certain markets.**

While most of Pacifico's power generation assets will conduct business under regulated tariffs in case of subsidized direct marketing or long-term PPAs, with off-takers usually contractually obligated to purchase electricity for the term of such contracts, Pacifico still faces competition with respect to strategic acquisitions – although mitigated by the Strategic Partnership – and new PPAs. Some of the power production markets in which the Company intends to operate are currently characterized by numerous strong and capable competitors, many of whom may have extensive and diversified operating experience (including both domestic and international experience) and financial resources similar to or greater than the Company. Such competition may result in low tariffs in certain areas, relative to historical PPAs. These competitive factors could have a material adverse effect on Pacifico's ability to compete in certain markets. Recessionary conditions in the Eurozone and, in particular, in Germany could adversely affect the demand with a potential subsequent reduction in prices for energy and, thereby, negatively affect Pacifico's business.

The Company has acquired and is planning to acquire more renewable energy projects located in and operated through project companies located in different European countries, in particular Germany, the Netherlands, the Czech Republic and Italy. Consequently, the Company offers and sells the electricity produced by its energy projects in the Eurozone and prices paid depend on circumstances in the relevant markets. As the industrial sector accounts for one of the largest parts of energy consumption in Europe and therefore purchases a significant amount of the electricity generated by renewable energy sources in Europe, the development of the demand for energy in general and renewable energy in particular, in the Eurozone, depends on the amicable development of the general economic conditions. A general economic slowdown in parts of Europe resulting from, among other factors, falling gross domestic product, rising unemployment and economic uncertainty, may adversely impact macroeconomic conditions in Germany and/or other European countries. For example, several of the European economies in which the Company has invested or plans to invest in renewable energy projects are trending downwards or were until recently, or continue to be, in recession. These countries could experience further recessions, and countries with stable or moderately growing economies, such as, currently, Germany, could experience severe downturns in the future. The definite withdrawal of the United Kingdom from the European Union could have an adverse impact on the whole European economy. Not only the finance system but also the industry and service sector could become severely damaged by the cutting of supply lines and the disruption of the highly interwoven European economy.

Such negative economic developments have an indirect negative impact on the industrial need for electric energy in the regions in which the Company plans to operate and as such may have a material adverse effect on the successful implementation of the Company's business strategy.

#### **4.4.5 A high inflation rate could negatively impact Pacifico's results.**

The consideration Pacifico receives for its energy sales under a subsidized marketing system is fixed for a long period of time and, in certain countries (*e.g.*, Germany), does not provide for any adjustment mechanism to compensate for increases in inflation. Therefore, as a result of increasing inflation over a longer period of time, prices

and investment costs and Pacifico's expenses might rise without Pacifico being able to fully or partly compensate such increase through increased earnings. In addition, some of the assumptions underlying the Company's business planning regarding certain renewable energy facilities over a long period of time may be rendered inaccurate, and increased inflation might have a material adverse effect on the Company's rate of return and the profitability of its renewable energy facilities.

#### **4.4.6 Pacifico is subject to risks relating to changes in interest rates with respect to its financing.**

The Company's financing strategy concerning acquisition of solar and wind parks 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 June 30, 2020 Pacifico's liabilities represented 60% of Pacifico's total assets. In the case of loans with fixed interest rates the possibility cannot be excluded that after the expiry of the fixed interest rate term (*Zinsbindungsfrist*), the then available interest rates will only be available on the market above the interest rates expected by the Company and used in its internal calculations, which may impair the profitability of the Company's solar or wind parks and/or hamper the future development of Pacifico's asset portfolio. Furthermore, at the expiry of a financing agreement, the Company may, due to a deterioration of the market conditions, only be in a position to refinance the principal amount at higher interest rates and thereby incur higher costs and existing return expectations may not be sufficient to cover the increased costs in full or in part. In the case of variable interest rates, the Company will consider entering into hedging arrangements using interest rate swaps to safeguard against a rise of interest rates payable. However, even when pursuing such a hedging strategy, the Company cannot provide any assurance that it will be able to hedge all interest rates in the future or that its hedging transactions will sufficiently shield it from such risks, which could have a material adverse effect on the Company's financial results and condition.

#### **4.4.7 Pacifico is exposed to interest rate risks and could suffer exchange rate losses.**

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 the Company. Interest rate swaps in which the Company is the beneficiary of a variable interest rate, but for which no "floor" is fixed at 0%, increase the interest burden for the Company if the reference interest rate is below 0%. This assumes that the variable component of the loan to be hedged contains a 0% "floor", which is true for two of the Company's loans.

Pacifico generates most of its revenues in Euros. Exchange rate risks currently only exist with respect to the plants in the Czech Republic. In particular, the expenses for modules are dependent on exchange rate fluctuations. Exchange rate fluctuations between foreign currencies and the Euro can lead to exchange rate losses. Assuming that the exchange rate continues to be quoted at between EUR 27 and 28/CZK from mid-March 2020 to mid-May 2020 compared to the average exchange rate in 2019 (EUR 25.57/CZK), this would mean a decline in revenues in Euros of less than approximately 3% at group level. It cannot be ruled out that exchange rate hedging transactions concluded by Pacifico will not or not fully compensate for the corresponding exchange rate risks. Furthermore, the intended acquisition of three wind farms in Poland would expose Pacifico to risks in relation to the exchange rate between the Euro and Polish zloty. Fluctuations in foreign exchange rates could have an adverse effect on Pacifico's sales revenues.

#### **4.4.8 From time to time, Pacifico uses various financial instruments and is therefore exposed to various risks, e.g. breach of covenants or refinancing.**

The Company is from time to time subject to refinancing risks, currently from a promissory note at the level of an intermediate holding company and after the closing of the 15.6 MW acquisition in Germany from draw-downs of the Company's revolving credit facility. 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 and, and requires a remaining final repayment of EUR 3.3 million in 2029 after scheduled repayment. The Company's revolving credit facility can be drawn for a period of up to 18 months. Following this period, the Company must refinance any draw-downs through alternative financing which it may be unable to obtain.

In general, risks from financing instruments are limited by the conservative capital structure. At Group level, 100% of the external liabilities resulting from project financing can be fully repaid in the course of normal business operations from current project income.

However, if the current project income should not suffice to cover 100% of the liabilities, this could have material adverse effects on Pacifico's financial condition and prospects.

## 4.5 Risks Relating to Legal and Regulatory Issues

### 4.5.1 *Almost all of Pacifico's revenues are based on some form of public support mechanisms for the promotion of energy from renewable sources, specifically subsidized feed-in tariffs, and any change in the various regulatory frameworks may significantly affect its revenues.*

Currently, all of Pacifico's onshore wind and photovoltaic plants benefit from subsidized feed-in tariffs which secure stable and predictable cash flows mainly independent from the market price for electricity. As of June 30, 2020, the average remaining term of the feed-in tariffs applicable to its assets was approximately 10 years.

However, there is no guarantee that Pacifico will continue to benefit from financial incentives, including tax incentives, for the energy produced by its current or future assets and that such incentives will not be reduced or even cancelled in the future or that the period of eligibility will not be shortened. In cases of regulatory changes or reductions of public incentives, transitional legal provisions, so-called grandfathering rules, permitting Pacifico to benefit from the previous rules are of vital importance for Pacifico to secure its investments and expected returns. However, chances to existing support mechanisms may also be applied retroactively for existing plants without providing for such grandfathering rules or such grandfathering of support may be insufficient to fully balance the loss or reduction of incentives. In this case, Pacifico would lose (parts of) its revenues from the relevant assets and may have to engage in direct marketing activities for the energy products at these plants. Furthermore, for renewable energy facilities to be erected and connected to the grid in the future, there is no guarantee that the currently existing support mechanisms for renewable energy will remain at the same levels as currently existing or at all, which could impact the profitability of Pacifico's energy plants and its sales revenues. Moreover, future changes in tax laws or administrative practices may have an adverse effect on Pacifico's results of operations, potentially with a retroactive effect.

In recent years incentives for the generation of renewable energy have been reduced with respect to both the amount of subsidized tariffs and the duration of eligibility, and this trend is likely to continue and subsidized tariffs and support may be further reduced or even cancelled in the future. In addition, fiscal policy measures resulting from the COVID-19 pandemic are straining national budgets and increase the likelihood of retroactive intervention in national renewable energy programs. Lawmakers or competent authorities may thus decide to further reduce or cancel public incentives for renewable energy or may shift the share of support in favor of renewable energy sources other than solar and onshore wind power.

In Germany, approaches on the promotion of renewable energy generation have constantly been amended (and may continue to be amended in the future). For example, under the EEG the standard remuneration method for new installations was changed from FiTs to a market premium system compensating the shortfall between the price achieved for the electricity by mandatory direct marketing and the statutory tariffs. In addition, fixed statutory tariffs were replaced by tender procedures resulting in a "pay-as-bid" remuneration. The amount of capacity to be auctioned is generally limited depending on the type of renewable energy source and the point in time the installation commences operation, and is further limited in areas where the transmission grid faces extraordinary extension demands. The government's overall aim is to continue the expansion of energy production from renewable energy sources while at the same time keeping energy prices for end customers stable, which have risen significantly for years as a result of the support for renewable energy source. This is primarily targeted by a reduction of support for new assets.

In the past, the Czech government made several retroactive interventions in renewable energy support programs. A three-year solar tax was introduced in 2011, which was later extended by 17 years at a lower rate. At the end of April 2020, the Czech government announced its intention to make further retroactive cuts in the subsidies for renewable electricity generation. If the proposed law is implemented, this would have a significant negative impact on the Company's revenues from its photovoltaic plants in the Czech Republic.

In Italy, the "Spalma incentivi" directive reduced the compensation for existing photovoltaic systems in 2014. Such interventions pose a risk to the Company's existing power plants and their projected sales revenues.

Furthermore, the existing energy surcharge and incentive system to grant financial support for the production of energy from renewable sources as applied by various EU Member States is under continuous scrutiny by the EC to its compliance with EU state aid rules. While, for example, the EC and the European Court of Justice recently found the German system to be generally in line with EU state aid rules, there can be no guarantee that such assessment will always be maintained and that the EC will not consider the prevailing systems in the future to violate EU state aid rules.

Any of the above may lead to reductions, limitations or cancellations of financial support for renewable energy or obligations for the beneficiaries of such systems to repay received incentives in full or in part, which could have a highly adverse effect on Pacifico's financial condition.

**4.5.2 *Pacifico is subject to extensive environmental, health and safety laws and regulations, as well as other political, social and community actions or pressure.***

The Pacifico Group is subject to numerous international, national, state and local environmental, health and safety laws and regulations in the countries in which it operates, as well as the requirements of the independent government agencies, which can lead to significant ongoing costs and reduced profit (e.g. due to restrictions on operational time or additional technical requirements) and may expose Pacifico to substantial liabilities. These laws, regulations and requirements include among other things the protection of migratory birds and endangered and threatened species or protected habitats, the landscape, the health and safety of the local population, and the protection of the health and safety of Pacifico's employees. Pacifico is also required to maintain environmental permits, licenses and approvals for the operation of its future facilities, construction of new, or modification of existing facilities or the installation and operation of new equipment required for Pacifico's businesses. Permits, licenses and approvals may be subject to amendments by authorities and may also be challenged by third parties. These laws, regulations and requirements are expected to become more stringent in the future and may result in increased liabilities, compliance costs and capital expenditures or difficulties in Pacifico's ability to comply with applicable requirements or obtain financing for Pacifico's projects.

From time to time, Pacifico may not be in compliance with applicable environmental, health and safety laws, regulations or requirements or environmental permits. The business of generating electricity involves certain risks, including fire, damaged nacelles, falling blades or bypasses. Government environmental agencies and, in some jurisdictions, environmental organizations and/or other private parties, could take enforcement actions against Pacifico for any failure to comply with applicable laws, regulations or requirements or environmental permits. Such enforcement actions could lead to, among other things, the imposition of fines, liabilities or capital improvements, revocation of licenses, suspension of operations, imposition of criminal liability or reputational harm to Pacifico. Environmental laws and regulations can also impose joint, several and strict liability for the environmental remediation of releases and discharges of hazardous materials and wastes at Pacifico's and its predecessors' currently and formerly owned, leased and operated sites and at third-party sites to which Pacifico or its predecessors have sent waste, and could require Pacifico to incur significant costs for natural resource damages, investigate or remediate resulting contamination or indemnify or reimburse third parties for the same.

A need to obtain revised permits, purchase offsets or allowances due to changes in laws, legal regulations and requirements could slow down the implementation of Pacifico's business strategy and have a material adverse effect on its financial condition and prospects, while liability for non-compliance could, in addition to financial impacts, have a highly adverse effect on its reputation.

**4.5.3 *There is some uncertainty as to the duration of the support mechanism for PV plants in the Czech Republic and any shorter than the expected 20-year term would negatively impact Pacifico's revenues from its operations in the Czech Republic.***

Pacifico currently operates four PV plants in the Czech Republic which benefit from governmental support mechanisms in the form of FiTs and Green Bonuses. In the six-month period ended June 30, 2020, 30.6% of Pacifico's sales revenues were attributable to electricity produced by these plants (42.9% in the financial year 2019).

The Company expects the support for PV plants in the Czech Republic to cover the plants' lifetime of 20 years. However, this duration is not set forth in Act No. 180/2005 Coll. on the support of the use of renewable energy sources. Instead, ERO Regulation No. 150/2007 and its successor 140/2009 stipulated that an indexation of 2% to 4% p.a. should take place over the anticipated lifetime of the power plant of 20 years for PV power plants. Even though the validity of these ERO Regulations was questionable, they were applied until their repeal in the course of enacting Act No. 165/2012 Coll. on supported sources of energy, which adopted the idea, that an indexation of 2 % p.a. shall take place over the anticipated lifetime of the plant.

The Czech Republic's political intention to support PV plants over an anticipated lifetime of 20 years is reflected in the decision of the European Commission on the compatibility of the support of renewables under Act No. 180/2005 Coll. with EU state aid rules (SA.40171 (2015/NN) – Czech Republic of November 28, 2016). The decision explains in its recitals that the support which was the subject of the decision was granted for the lifetime (service life) of installations which in the case of PV was, according to Czech authorities, 20 years. The lifetime of the plants as the term, during which the support shall be paid to the relevant operator, is also mentioned in an

explanatory report to the amendment to Act no. 165/2012 Coll., on the supported energy sources, which is currently being discussed in the Czech parliament.

However, given that the duration of the support mechanism is not stated in statutory law, there is a legal opinion stating that the support for PV plants expires after 15 years. If any relevant government authority or competent court were to follow this opinion, Pacifico's plants would lose 5 years of public support compared to current expectations and thus lose a significant share of projected revenues, which would have a highly adverse effect on Pacifico's financial situation.

**4.5.4 *Pacifico often does not own the land on which its renewable energy plants are located, which could result in disruption to Pacifico's future operations.***

The project companies through which Pacifico acquires renewable energy projects often do not own the land on which the relevant power generation assets or ancillary facilities (e.g., grid connections, access roads) are or will be located. Pacifico may, therefore, become subject to less desirable terms and increased costs to retain necessary land use if it does not have valid lease agreements, easements or rights of way or if such rights of way or lease agreements lapse or terminate or extension options are not exercisable. It is also possible that the grantors of such rights may lose the ability to grant the right as agreed (e.g., in the case of insolvency of land owners or lenders). The Pacifico Group's loss of these rights, its inability to renew rights of way through contracts or lease agreements, or otherwise, may adversely affect Pacifico's ability to operate its power generation assets, especially in wind and solar parks that require extensive areas. In addition, the separation between land ownership and use could lead to disputes as to the ownership in the plants or support infrastructure erected on the land, which could have an adverse effect on Pacifico's future operations.

**4.6 Risks Relating to the Financial Information and the Revenue Forecasts Contained in this Prospectus**

**4.6.1 *The revenue forecast contained in this Prospectus for the financial year ended December 31, 2020 could deviate significantly from the actual revenue of Pacifico in that financial period.***

The revenue forecast contained in this Prospectus for the financial year ended December 31, 2020 relates to financial information for a financial year which has not yet ended and is based on assumptions of the Management Board. These assumptions relate to commercial expectations and other external factors, including political, legal, fiscal, weather and market conditions, all of which are difficult to predict. The Management Board diligently reviewed the appropriateness of the revenue forecast and the underlying assumptions before its decision to include it in the Prospectus. Even if the revenue forecast and its underlying assumptions are appropriate from the Company's point of view at the date of this Prospectus, in retrospect they can prove to be erroneous or incorrect. The inclusion of the revenue forecast in this Prospectus should not be regarded as an indication that the Company considers such financial targets to be achievable or any outlook to present reliable predictions of future events. Accordingly, investors should not place undue reliance on any revenue forecast or outlook information included in this Prospectus. The above risks may have an adverse effect on the investment of potential investors.

**4.6.2 *Potential investors in the Offering have to make an investment decision based on historical information that was not prepared under IFRS and the Company plans to continue preparing its future financial reports under German GAAP.***

The Company currently prepares and plans to continue to prepare its financial statements on the basis of German GAAP, which differ from International Financial Reporting Standards as issued by the International Accounting Standards Board and adopted by the European Union ("IFRS") in many ways. For example, the scope of consolidated entities, amortization of goodwill or the treatment of share-based compensation may differ between German GAAP and IFRS. Furthermore, in contrast to German GAAP, under IFRSs, equity interest in partnerships only exist to the extent that an entity has neither an unconditional nor a conditional obligation to deliver money or other assets. A right of the shareholders of partnerships to return their shares at any time in return for a settlement must be shown in the balance sheet as a liability, even if the position of the shareholders legally takes the form of a residual interest. In accordance with these rules, the equity capital of a limited partnership would have to be reported in full or in part as borrowed capital in IFRS financial statements, since under German law there are non-excludable, ordinary termination rights.

Further differences between IFRS and German GAAP include the depreciation and amortization of assets, the recognition of revenues and the recognition of leasing agreements regarding lands, buildings and rights of way. Therefore, the Company's accounting of its existing or future portfolios or their revenues under German GAAP may differ from IFRS standards.

As a result, potential investors in the Offering will have to base their investment decision on financial information set up under a different accounting standard than IFRS which would be applied by most listed companies, including a number of issuers listed on the open market (*Freiverkehr*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*), which may not be a suitable for all investors. As a consequence, the above risks may have an adverse effect on the investment by potential investors.

#### **4.7 Risks Relating to the Shares of the Company and the Offering**

##### ***4.7.1 There may be a lack of active trading in the Shares following the Offering.***

The Company's existing shares are already listed on the open market (*Freiverkehr*) of the Dusseldorf Stock Exchange. However, so far, there has only been very limited trading in the shares. There is no guarantee that the Subscription Price for the New Shares in the Offering will correspond to the stock market price after the Offering or that, following the Offering, an active trading in the Company's shares will be maintained. Specifically, if the Offering is poorly received and the size of the implementing capital increase is significantly smaller than the Offering or mainly taken up by the Company's existing indirect majority shareholder, Pelion (the "**Majority Shareholder**") or, conversely, if current shareholders subscribed for all New Shares so that there would not be New Shares available for a rump placement, the Offering may not increase the free float. Any failure to maintain an active trading may affect the liquidity of the Company's Shares and the Company cannot assure that the market price of its Shares will not decline below the offer price. Consequently, investors may not be in a position to sell their shares in the Company quickly or at or above the offer price. The above risk may have a highly adverse effect on the future share price.

##### ***4.7.2 Following this Offering, the majority shareholder will retain a significant influence over the Company and the interests of the majority shareholder may conflict with those of the Company and its other shareholders.***

Following a successful completion of this Offering, the Majority Shareholder is expected to own at least 50% of the Company's share capital. In addition, the Majority Shareholder, will be entitled to appoint one of the members of the Supervisory Board of the Company. Currently, the chairman of the Supervisory Board, David Neuhoff, has been appointed by the Majority Shareholder. Consequently, the Majority Shareholder will retain a significant influence over the Company following the Offering. The interests of the Majority Shareholder, who also owns Pacifico Development GmbH and holds a majority share in the Company's strategic partner Pacifico Partners and thus controls the Project Pipeline and may influence its development or the Strategic Partnership altogether, may deviate from the Company's interests or those of other shareholders. Certain measures and transactions as well as dividend payments may be implemented by the Majority Shareholder despite opposition from other shareholders and certain other measures and transactions may be impossible to implement without the support of the Majority Shareholder, which may have a highly adverse effect on the Company's future share price.

##### ***4.7.3 Future issues of ordinary shares, in particular to finance the future portfolio growth may dilute the holdings of shareholders.***

The Company will require significant additional capital in the future to finance its portfolio growth strategy. To finance the intended acquisitions of new renewable energy projects, the Company seeks to raise capital, in particular through offerings of additional equity securities. An issuance of additional equity securities or securities convertible into equity securities, such as convertible bonds or warrants, could potentially reduce the market price of the Shares and would dilute their economic value and, unless subscription rights are granted to existing shareholders, their voting rights. Because the timing and nature of any future offering would depend on market conditions at the time of such offering, the Company cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, or the issuance of the Company's shares to employees in the context of any future employee stock participation program, could lead to a dilution of the economic and voting rights of the existing shareholders. The shareholders thus bear the risk that any future offerings could reduce the market price of the Company's shares and/or dilute their shareholdings which may have a highly adverse effect on any dividend payments.

##### ***4.7.4 Future sales of ordinary shares by the Company's shareholders, in particular disposals of shares by Pelion Alpha GmbH or Pacifico Partners, could depress the price of its ordinary shares.***

Sales of a substantial number of shares in the public market following the successful completion of this Offering, or the perception that such sales might occur, could depress the market price of the Company's shares and could impair its ability to raise capital through the sale of additional equity securities. If Pacifico Partners or one or

more other shareholders of the Company effect a sale or sales of a substantial number of shares in the stock market, or if the market believes that such sales might take place, the market price of the shares could decline. The above risks may have a material adverse effect on the future share price.

**4.7.5 *The share prices of publicly traded companies can be highly volatile, and investors could lose all or part of their investment.***

Following this Offering, the Company's share price will be affected primarily by the supply and demand for the shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Company's control, including, but not limited to, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, the absence of analyst coverage on the Company, changes in trading volumes in the Company's shares, changes in macroeconomic conditions, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception in the Company or the industry, changes in the statutory framework in which the Company operates and other factors, and can therefore be subject to substantial fluctuations. In addition, general market conditions and fluctuations of share prices and trading volumes generally could lead to pricing pressures on the Company's shares, even though there may not be a reason for this based on Pacifico's business performance or earnings outlook. In particular, public perception of the Company as an electricity generating company could result in the share price moving in line with the prices of other shares in companies of this nature, which have traditionally tended to be more volatile than the share prices of companies operating in other industries. If the Company's share price or the trading volume in its shares decline as a result of the realization of any or all of these events, investors could lose part or all of their investment in the Company's shares. The above risks may have a material adverse effect on the investment of potential investors.

**4.7.6 *Any dividend payment in respect of Pacifico Shares is subject to a number of factors, including the distributions of earnings to the Company by its subsidiaries and the Group's business, financial condition, cash flows and results of operations.***

The Company's ability to pay dividends in the future will depend on a number of factors, principally on its ability to receive sufficient dividends from its subsidiaries. As a holding company, Pacifico Renewables Yield AG conducts substantially all of its operations through its subsidiaries; these entities generate substantially all of the operating income and cash flow of the Group. The ability of these entities to make dividend payments to the Company depends largely on their financial condition and ability to generate profits. In addition, because the Company's subsidiaries are separate and distinct legal entities, they may be restricted by contract, including other financing arrangements, charter provisions or the applicable laws and regulations of the countries in which they operate from paying any dividends or lending or advancing funds to the Company. For example, certain subsidiaries' financing agreements contain clauses on dividend payments under which the relevant subsidiary may only make distributions after current operating expenses have been covered, the respective debt service has been fulfilled or payments have been made in full into the debt service reserve accounts. Moreover, claims of the creditors of the Company's subsidiaries have priority over any claims that the Company may have with respect to the assets of its subsidiaries. Therefore, even if the Pacifico Group's activities, on a consolidated basis, result in an annual profit, the Company may not be able to pay a dividend on the basis of its relevant unconsolidated financial statements.

The Company's general meeting will decide on matters relating to the payment of future dividends. However, the Company will continue to make certain investments in its portfolio and certain reserves must or may be established by law and have to or may be deducted when calculating the distributable profit. Any change or incorrect assumption in relation to the dividends or interest or other accounts receivable by the Company (including in relation to projected power prices, wind and sun conditions, availability and operating performance of equipment used in the operation of solar and wind parks within the Company's portfolio ability to pay distributions to shareholders) may reduce the level of potential distribution or result in the Company not being able to pay any dividend at all. Under the (currently unused) revolving credit facility with Triodos, the Company is restricted from paying dividends for the current financial year, *i.e.*, in the calendar year 2021 and thereafter are subject to certain conditions. Accordingly, dividends may not be paid prior to the calendar year 2022.

Any of these factors, individually or in combination, could have a material adverse effect on the Company's ability to pay dividends and thus on the return of investors' investments.

**4.7.7 Due to the inclusion of the Shares of the Company in the Open Market of the Dusseldorf Stock Exchange certain investor protection provisions relating to regulated markets do not apply.**

The Company's shares are listed on the open market (*Freiverkehr*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*). Disclosure and reporting obligations for issuers and their shareholders are more limited on the open market compared to the standard of the regulated market as the German Securities Trading Act (*Wertpapierhandelsgesetz*) does not apply to shares listed on the open market. In particular, a shareholder's obligation to notify the Company of the number of voting rights or instruments held upon reaching or crossing certain thresholds is not applicable. Notifications regarding holdings are limited to reaching or losing a 25% or a majority participation in the issuer in accordance with the AktG. Furthermore, investors obtaining control (*i.e.*, at least 30% of the company's voting rights) over the Company are not required to make a public offer to all shareholders to acquire their shares in accordance with the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) and its minimum pricing rules as long as the Company's shares are not admitted to trading on a regulated market. As a consequence, compared to an issuer whose shares are listed on a regulated market, investors may obtain less information on the Company's shareholder structure and would not be protected in case of a change in control by a statutory exit option and its minimum pricing rules. The above risk may have a material adverse effect on the price or liquidity of the Company's share.

**4.7.8 If the Offering is cancelled investors could lose fees or commissions incurred in connection with an exercise of subscription rights.**

The Underwriting Agreement provides that the Joint Bookrunners may terminate the Underwriting Agreement under certain circumstances. In the case of an early termination of the Underwriting Agreement, the Offering might not take place. Claims regarding paid commissions and costs incurred in connection with the exercise of subscription rights by a shareholder will be determined solely on the basis of the legal relationship between the shareholder and the institution to which the shareholder submitted its subscription rights exercise notice. A claim on the part of the investors for delivery of the Shares will not exist in this case. The above risk may have an adverse effect on the investment of potential investors.

## 5 TERMS AND CONDITIONS OF THE SHARES

### 5.1 Information on the Shares

#### 5.1.1 Form; Currency of the Securities Issue

All of the Company's shares are ordinary bearer shares with no-par value, each with a notional value of EUR 1.00. Each share entitles the owner to one vote at the shareholders' meetings of the Company.

The Company's shares, including the New Shares, are denominated in Euro.

#### 5.1.2 ISIN/WKN/Trading Symbol

The various security identification numbers for the New Shares are as follows:

|                                                                   |              |
|-------------------------------------------------------------------|--------------|
| International Securities Identification Number (ISIN) .....       | DE000A2YN371 |
| German Securities Code ( <i>Wertpapierkennnummer</i> (WKN)) ..... | A2YN37       |
| Trading Symbol.....                                               | PRY          |

The various security identification numbers for the subscription rights are as follows. However, neither the Company nor any of the Joint Bookrunners will apply for any subscription rights trading on any stock exchange and subscription rights that are not exercised in a timely manner will lapse and be of no value; no compensation will be payable for subscription rights that are not exercised.

|                                                                   |              |
|-------------------------------------------------------------------|--------------|
| International Securities Identification Number (ISIN) .....       | DE000A289WV9 |
| German Securities Code ( <i>Wertpapierkennnummer</i> (WKN)) ..... | A289WV       |

#### 5.1.3 Legal Framework for the Creation of the New Shares

The provisions of the AktG on capital increases by resolution of the shareholders' meeting against cash contributions, sections 182 *et seq.* AktG, form the legal basis for the issuance of the New Shares.

#### 5.1.4 Certification; Delivery

The New Shares will be delivered to buyers in the form of co-ownership rights in a global share certificate expected to be deposited with the collective securities depository Clearstream Banking Aktiengesellschaft ("Clearstream") on December 3, 2020. The New Shares are expected to be credited to investors' accounts on December 4, 2020 through the book-entry facilities of Clearstream Banking Aktiengesellschaft. Investors can obtain information about the actual delivery of the New Shares subscribed for under the Subscription Offer from their respective custodian bank. Trading in New Shares is expected to start on the day of the crediting of such shares to the investor's account. According to the Company's articles of association, shareholders are not entitled to receive individual share certificates.

### 5.2 Rights attached to the New Shares

#### 5.2.1 Dividend Rights and Liquidation Rights

The New Shares carry full dividend entitlements from January 1, 2020. In the event of the Company's liquidation, any proceeds will be distributed to the holders of the Company's shares in proportion to their interest in the Company's share capital.

The shareholders' share of the Company's profits is determined based on their respective interests in the Company's share capital. For a German stock corporation (*Aktiengesellschaft*) under the laws of Germany such as the Company, the distribution of dividends for any given financial year and the amount and payment date thereof are resolved by the Company's shareholders' meeting (*Hauptversammlung*) of the subsequent financial year, based upon either a joint proposal by the Management Board and the Supervisory Board or upon the Management Board's or the Supervisory Board's proposal. The shareholders' meeting must be generally held within the first eight months of each financial year. However, a legislative act that was adopted by the German legislator on March 27, 2020 as a consequence of the COVID-19 pandemic and which stipulates several temporary exemptions from certain statutory rules (*Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie im Zivil-, Insolvenz- und Strafverfahrensrecht*,

the “**COVID-19 Mitigation Act**”) provides that, in deviation of the relevant rules under the AktG, the shareholders’ meeting of a German stock corporation (*Aktiengesellschaft*) may be held within the whole financial year of the relevant entity based on a decision of the management board in conjunction with the supervisory board’s approval. This legislative act also, amongst others, allows for a shortened convocation period of such shareholders’ meeting of 21 days, certain facilitations for the digital participation or casting of votes in shareholders’ meetings and the holding of fully virtual shareholders’ meetings (in which shareholders have only limited rights to request information and only limited possibilities to legally challenge resolutions of such shareholders’ meeting), each based on a decision of the management board in conjunction with the supervisory board’s approval.

Dividends may only be distributed from the Company’s net retained profits (*Bilanzgewinn*). Net retained profits are calculated based on the Company’s unconsolidated financial statements prepared in accordance with German generally accepted accounting principles of the HGB. These accounting principles differ from IFRS in material respects.

When determining net retained profits, the net income or loss for the financial year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for retained profit/loss carryforwards (*Gewinn-/Verlustvorträge*) from the previous financial year and withdrawals from, or appropriations to, reserves (retained earnings). Certain reserves must be set aside by law and deducted when calculating the net retained profits available for distribution.

The Management Board must prepare unconsolidated financial statements (balance sheet, income statement and notes to the unconsolidated financial statements) for the previous financial year by the statutory deadline and present these to the Supervisory Board and the auditors immediately after preparation. At the same time, the Management Board must present a proposal for the allocation of any net retained profits to the Supervisory Board pursuant to section 170(2) AktG. According to section 171 AktG, the Supervisory Board must review the unconsolidated financial statements and the proposal for the allocation of the net retained profits and report to the shareholders’ meeting in writing on the results of such review.

The shareholders’ meeting’s resolution on the allocation of any net retained profits requires a simple majority of votes cast to be passed. Pursuant to section 22 of the articles of association, the shareholders’ meeting may also resolve on a distribution in kind in addition to or in place of a distribution in cash.

The COVID-19 Mitigation Act provides in deviation from general rules that the Management Board may, with the consent of the Supervisory Board, decide to pay an interim dividend from the retained profits to shareholders. On October 28, 2020, the German Federal Ministry of Justice and Consumer Protection published an ordinance extending the COVID-19 Mitigation Act’s period of application until December 31, 2021.

Dividends resolved by the shareholders’ meeting are due and payable in compliance with the rules of the respective clearing system on the third business day following the relevant shareholders’ meeting, unless a later due date is specified in the dividend resolution or the articles of association. Since all of the Company’s dividend entitlements will be evidenced by one or more Global Share Certificates deposited with Clearstream, Clearstream will transfer the dividends to the shareholders’ custodian banks for crediting to their accounts. German custodian banks are obligated to distribute these funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank about the terms and conditions applicable in their case. To the extent dividends can be distributed by the Company in accordance with the HGB and corresponding decisions are taken, there are no restrictions on shareholders’ rights to receive such dividends.

Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid.

Any dividends not claimed within three years become time-barred. Once the statute of limitations applies, the right to receive the relevant dividend payments passes to the Company.

### **5.2.2 Voting Rights**

Each Share of the Company, including the New Shares, carries one vote at the Company’s shareholders’ meeting. There are no restrictions on voting rights.

### **5.2.3 General Provisions Governing Subscription Rights**

In principle, section 186 AktG grants to all shareholders the right to subscribe for new shares to be issued in a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a

prescribed period before the deadline for subscription expires if the Company or any bank applies for such trading. However, shareholders do not have a right to request admission to trading for subscription rights. In connection with the Subscription Offer of the New Shares, Neither the Company nor any of the Joint Bookrunners will apply for any subscription rights trading on any stock exchange.

The general shareholders' meeting of a German stock corporation (*Aktiengesellschaft*) may, subject to a majority of at least 75% of the share capital represented at the vote, resolve to exclude subscription rights. It may also authorize the management board, subject to the approval by the supervisory board, to resolve to exclude subscription rights. Exclusion of shareholders' subscription rights also requires a report from the management board of the company that justifies and demonstrates that the company's interest in excluding subscription rights outweighs the interest of the shareholders being granted subscription rights.

Under section 186 AktG, excluding shareholders' subscription rights when new shares are issued is specifically permissible where:

- the Company increases its share capital against cash contributions;
- the amount of the capital increase of the issued shares under exclusion of subscription rights does not exceed 10% of the outstanding share capital, both at the time when the authorization takes effect and at the time when it is authorized; and
- the price at which the new shares are issued is not materially lower than the stock exchange price of the Company's shares.

### 5.3 Creation of New Shares

The New Shares originate from a capital increase with subscription rights against contribution in cash resolved by the Company's general shareholders' meeting of August 26, 2020 through which the Company's registered share capital will be increased from EUR 1,930,455.00 to up to EUR 3,516,662.00 through the issuance of up to 1,586,207 new ordinary bearer shares with no-par value (the "**Capital Increase**"), each such share representing a notional value of EUR 1.00 in the share capital of the Company and with full dividend rights from January 1, 2020. The consummation of the Capital Increase is expected to be entered in the Commercial Register and the New Shares are expected to be issued on or around December 2, 2020. With respect to a fractional share amount of 6,752 new ordinary bearer shares with no-par value originating from the Capital Increase, the subscription rights of the shareholders have been excluded.

### 5.4 Transferability

The Company's shares are freely transferable in accordance with the legal requirements for ordinary bearer shares. There are no legal restrictions on the transferability of the shares except for the lock-up agreements as described in section "*6.3 Subscription Offer*" and section "*6.6 Underwriting Agreement*".

### 5.5 Tax Warning

The tax legislation of the investor's country of residence and of Germany as the Company's country of incorporation may have an impact on the income received from the securities. Tax consequences may differ according to the provisions of different tax treaties and the investor's particular circumstances. Therefore, investors are urged to consult their own tax advisors as to tax consequences of the acquisition, ownership and disposition of shares in the Company.

### 5.6 Notice to Distributors

Solely for the purpose of fulfilling the product governance requirements set forth in (i) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**"), (ii) articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing MiFID II and (iii) local implementing measures (together, the "**MiFID II Requirements**"), and disclaiming any and all liability, whether arising in tort, contract or otherwise, which a "manufacturer" (for the purposes of the MiFID II Requirements) may otherwise have with respect thereto, the subscription rights to the New Shares and the New Shares have been subject to a product approval process. As a result of such process, it has been determined that the subscription rights and the New Shares are (i) compatible with an end-target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in

MiFID II, and (ii) eligible for distribution through all distribution channels permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, the price of the subscription rights and the New Shares may decline and investors could lose all or part of their investment. The New Shares offer no guaranteed income and no capital protection, and an investment in the subscription rights or New Shares is only suitable for investors who:

- do not need a guaranteed income or capital protection;
- either alone or together with an appropriate financial or other adviser, are capable of evaluating the merits and risks of such an investment; and
- have sufficient resources to be able to bear any losses that may result from such an investment.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions with respect to the Offering and does not constitute (i) an assessment of suitability or appropriateness for the purposes of MiFID II or (ii) a recommendation to any investor or group of investors to invest in, purchase or take any other action with respect to the subscription rights or the New Shares. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the subscription rights and the New Shares and determining appropriate distribution channels.

## **5.7 Information about the Offerors**

The New Shares will be offered by the Company as well as Stifel Europe Bank AG, Kennedyallee 76, 60596 Frankfurt am Main, Germany, LEI 529900MC68RTGHKI4F05, and M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Ferdinandstraße 75, 20095 Hamburg, Germany, LEI MZI1VDH2BQLFZGLQDO60.

## **5.8 Takeover and Squeeze-Out Proceedings**

### **5.8.1 Non-applicability of the German Securities Acquisition and Takeover Act; statement on public takeover offers**

The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) does not apply to the Company, because it only applies to target companies which have issued shares or certain other securities which are admitted to trading on an organized market. The segment Primärmarkt of the open market (*Freiverkehr*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) on which the Shares of the Company are traded, is not such an organized market. Therefore, even if a shareholder gains control of the Company by acquiring at least 30% of the Company’s voting rights, such shareholder will neither be required to publish this fact nor to make a mandatory takeover bid to the other shareholders.

There have been no public takeover offers in relation to the Company in the period from January 1, 2020 until the date of this Prospectus.

### **5.8.2 Squeeze-Out under Stock Corporation Law**

Under section 327a *et seq.* AktG, which governs the so-called “squeeze-out under stock corporation law”, upon the request of a shareholder holding 95% of the share capital (“**Principal Shareholder**”), the shareholders’ meeting of a German stock corporation may resolve to transfer the shares of minority shareholders to the Principal Shareholder against payment of adequate compensation in cash. The amount of the cash payment that must be offered to minority shareholders has to reflect “the circumstances of the Company” at the time the shareholders’ meeting passes the resolution. The amount of the cash payment is based on the full value of the company, which is generally determined using the capitalized earnings method. The minority shareholders are entitled to file for an appraisal proceeding (*Spruchverfahren*), in the course of which the appropriateness of the cash payment is reviewed.

### **5.8.3 Squeeze-Out under Transformation Law**

In addition, under the provisions of section 62(5) of the German Reorganization and Transformation Act (*Umwandlungsgesetz*), within three months after the conclusion of a merger agreement, the shareholders’ meeting of a transferring company may pass a resolution pursuant to section 327a(1) sentence 1 AktG, *i.e.*, a resolution on the transfer of the shares held by the remaining shareholders (minority interests) to the transferee company (Principal Shareholder) in exchange for an adequate cash settlement if the Principal Shareholder has at least 90% of the share

capital. The result of this “squeeze-out under reorganization law” is the exclusion of the minority shareholders in the transferring company. The entitlement to consideration is based on the provisions of sections 327a *et seq.* AktG.

#### **5.8.4 Integration**

Pursuant to section 319(1) AktG, the Company’s shareholders’ meeting may vote for an integration (*Eingliederung*) into another stock corporation that has its registered office in Germany, provided the prospective parent company holds at least 95% of the shares of the Company. The former shareholders of the Company are entitled to an adequate compensation, which generally must be provided in the form of shares in the parent company. In such case, section 305(3) sentence 1 AktG stipulates that shares must be issued based on the exchange ratio which would be considered reasonable in case of a merger between the two companies (so-called “merger value ratio” (*Verschmelzungswertrelation*)). Fractional amounts may be paid out in cash.

## 6 DETAILS OF THE OFFERING

### 6.1 Subject Matter of the Offering

This offering relates to 1,579,455 new ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) of the Company, each such share representing a notional value of EUR 1.00 in the share capital of the Company and with full dividend rights from January 1, 2020. The New Shares will be offered to the Company's shareholders for subscription by means of indirect subscription rights (*mittelbares Bezugsrecht*) at a ratio of 11:9 (11 existing shares entitle to subscribe for 9 New Shares at the Subscription Price) (the "**Subscription Offer**"). The New Shares originate from a capital increase with subscription rights against contribution in cash resolved by the general shareholders' meeting of the Company of August 26, 2020 through which the Company's registered share capital will be increased from EUR 1,930,455.00 to up to EUR 3,516,662.00 through the issuance of up to 1,586,207 new ordinary bearer shares with no-par value (the "**Capital Increase**"). With respect to a fractional share amount of 6,752 new ordinary bearer shares with no-par value originating from the Capital Increase, the subscription rights of the shareholders have been excluded. The consummation of the Capital Increase is expected to be entered into the commercial register at the local court (*Amtsgericht*) of Munich, Germany, and the New Shares are expected to be issued on or around December 2, 2020.

The Subscription Offer will include (i) a public offering in Germany and (ii) private placements to eligible investors outside the United States of America (the "**United States**") in offshore transactions within the meaning of, and in reliance on, Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**"). 6,752 fractional shares and any New Shares that are not subscribed for in the Subscription Offer (together, the "**Rump Shares**") will be offered by the Joint Bookrunners for sale to eligible investors in Germany and other selected jurisdictions at a price at least as high as the Subscription Price by way of private placements (the "**Rump Placement**" and, together with the Subscription Offer, the "**Offering**"). However, any Rump Placement will only be conducted if and to the extent necessary to reach total gross proceeds of the Subscription Offer and the Rump Placement of EUR 40 million. This is in line with the Company's direct financial needs which amount to only approximately EUR 40 million. The Rump Shares will only be offered outside the United States to eligible investors in offshore transactions in reliance on Regulation S under the Securities Act. The ultimate decision on the allotment of the Rump Shares to institutional and qualified investors rests with the Company after consultation with the Joint Bookrunners.

Stifel and M.M. Warburg are acting as Joint Global Coordinators and also as Joint Bookrunners. The Offering is based on the underwriting agreement dated November 13, 2020 among the Company and the Joint Bookrunners (the "**Underwriting Agreement**"). This Offering is subject to, among other things, the consummation of the Capital Increase being entered in the Commercial Register.

The final results of the Subscription Offer will be published on the Company's website. Under certain circumstances, the Offering may be terminated. See below "**6.3 Subscription Offer**".

### 6.2 Expected Timetable for the Offering

The following is the expected timetable of the Subscription Offer, which may be extended or shortened:

|                         |                                                                                                                                    |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| November 13, 2020 ..... | Approval of the Prospectus by BaFin                                                                                                |
|                         | Publication of the approved Prospectus on the Company's website<br>www.pacifico-renewables.com in the "Investor Relations" section |
| November 16, 2020 ..... | Publication of the Subscription Offer in the German Federal Gazette<br>( <i>Bundesanzeiger</i> )                                   |
| November 17, 2020 ..... | Commencement of the subscription period                                                                                            |
| November 30, 2020 ..... | End of the subscription period                                                                                                     |
|                         | Last day for payment of the Subscription Price                                                                                     |
| December 1, 2020 .....  | Announcement of the final results of the Subscription Offer on the<br>Company's website                                            |
|                         | Rump Placement of the Rump Shares                                                                                                  |

|                        |                                                                                                                                                                         |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | Application for entry of the consummation of the Capital Increase in the Commercial Register                                                                            |
| December 2, 2020 ..... | Entry of the consummation of the Capital Increase in the Commercial Register                                                                                            |
| December 4, 2020 ..... | Book-entry delivery of the New Shares subscribed for during the subscription period or placed in the Rump Placements                                                    |
|                        | Inclusion of the New Shares in the Company's existing quotation on the open market of the Dusseldorf Stock Exchange with additional requirements ( <i>Primärmarkt</i> ) |

This Prospectus will be published on the Company's website at [www.pacifico-renewables.com](http://www.pacifico-renewables.com) in the "Investor Relations" section.

### 6.3 Subscription Offer

The following is an English language translation of the German-language Subscription Offer. The legally binding German-language Subscription Offer is expected to be published in the German Federal Gazette (*Bundesanzeiger*) on November 16, 2020:

**"Pacifico Renewables Yield AG,  
Grünwald, Germany  
(ISIN DE000A2YN371 / WKN A2YN37)**

On August 26, 2020, the ordinary shareholders' meeting of Pacifico Renewables Yield AG (the "**Company**") adopted a resolution to increase the share capital of the Company from EUR 1,930,455.00 by an amount of up to EUR 46,000,000.00 against contributions in cash through the issuance of up to 46,000,000 new ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) at an issue price of EUR 1.00 per share, each such share representing a notional value of EUR 1.00 and carrying full dividend rights as of January 1, 2020. On November 11, 2020, the management board of the Company, with the approval by the supervisory board of the same date and in line with the further determinations of the resolution of the ordinary shareholders' meeting, set forth the subscription price of EUR 29.00, the subscription ratio of 11:9 and the resulting number of 1,579,455 shares to be offered for subscription (the "**New Shares**") as well as the subscription period.

As part of the capital increase, the Company's existing shareholders will be granted statutory subscription rights in the form of indirect subscription rights (*mittelbares Bezugsrecht*) pursuant to section 186(5) of the German Stock Corporation Act (*Aktiengesetz*). Stifel Europe Bank AG, Kennedyallee 76, 60596 Frankfurt am Main, Germany (telephone +49 69 78808-0, website: [www.stifel.com](http://www.stifel.com)), LEI 529900MC68RTGHKI4F05 ("**Stifel**") and M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Ferdinandstraße 75, 20095 Hamburg, Germany (telephone +49 40 3282-0, website: [www.mmwarburg.com](http://www.mmwarburg.com)), LEI MZI1VDH2BQLFZGLQDO60 (together, the "**Joint Global Coordinators**" and the "**Joint Bookrunners**") have agreed, pursuant to the underwriting agreement between the Company and the Joint Bookrunners dated November 13, 2020 (the "**Underwriting Agreement**"), to offer the New Shares to the shareholders of the Company at a ratio of 11:9 (11 existing shares entitle to subscribe for 9 New Shares), subject to the terms set forth below under "*Important Notice*".

The subscription rights (ISIN DE000A289WV9 / WKN A289WV) attributable to the existing shares of the Company (ISIN DE000A2YN371 / WKN A2YN37) will automatically be delivered by Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany, to the custodian banks on the morning of November 19, 2020 as per the status on November 18, 2020 at 11:59 p.m. CET (Record Date). The custodian banks are responsible for booking the subscription rights to the eligible custodian accounts of the Company's existing shareholders.

The implementation of the capital increase is expected to be entered in the commercial register at the local court (*Amtsgericht*) of Munich, Germany (the "**Commercial Register**") on or around December 2, 2020.

### ***Subscription Period and Exercise of the Subscription Rights***

To avoid exclusion from the exercise of their subscription rights, shareholders who want to purchase New Shares have to exercise their subscription rights relating to the New Shares in the period

**from November 17, 2020 through November 30, 2020**

through their custodian bank at the subscription agent Stifel during regular business hours (the “**Subscription Period**”). Investors are recommended to follow the respective instructions by their custodian banks. Subscription rights that are not exercised in a timely manner will lapse and be of no value. No compensation will be payable for subscription rights that are not exercised.

Stifel as the subscription agent has its office in Frankfurt am Main, Germany.

In accordance with the subscription ratio of 11:9, 11 existing shares of the Company entitle the holder to subscribe for 9 New Shares at the subscription price per New Share. Shareholders may only subscribe for one share or multiples thereof; accordingly, the minimum number of New Shares to be subscribed by a shareholder is one share and there is no explicit maximum number of New Shares a shareholder may subscribe; however, the necessary number of exercised subscription rights *de facto* limits the number of New Shares a shareholder may subscribe for. The notice of the exercise of subscription rights is binding upon its receipt by the subscription agent and cannot be altered afterwards. The exercise of the subscription rights is, however, conditional upon the entry of the implementation of the capital increase with the Commercial Register and subject to the other limitations set forth below under “*Important Notice*”. The transfer of the New Shares to the shareholders of the Company that have exercised their subscription rights in the New Shares will be made by Clearstream Banking Aktiengesellschaft, acting on behalf of the subscription agent, through the depository banks.

### ***Subscription Price***

The subscription price per New Share is EUR 29.00 (the “**Subscription Price**”). The Subscription Price must be paid no later than November 30, 2020.

### ***Trading in Subscription Rights / Existing Shares / New Shares***

In connection with the Subscription Offer of the New Shares, neither the Company nor any of the Joint Bookrunners will apply for any subscription rights trading on any stock exchange.

As of November 17, 2020, the existing shares of the Company (ISIN DE000A2YN371/WKN A2YN37) will be quoted as “ex-rights” on the open market of the Dusseldorf Stock Exchange with additional requirements (*Primärmarkt*).

The Company will apply for the New Shares to be included in the existing quotation for the Company’s shares on the open market of the Dusseldorf Stock Exchange with additional requirements (*Primärmarkt*). It is expected that the inclusion will occur on December 3, 2020, however, there can be no guarantee for such inclusion.

### ***Important Notice***

**Prior to making a decision to exercise, purchase or sell subscription rights for the New Shares, shareholders and investors are advised to carefully read the securities prospectus dated November 13, 2020 for the public offering of the New Shares and to take particular note of the risks described in section “4 Risk Factors” of the prospectus and to consider such information when making their decision. In light of the potentially high volatility of equity prices and the market environment, shareholders should inform themselves of the Company’s current share price before exercising their subscription rights for the New Shares at the Subscription Price. The Company reserves the right to withdraw from the Subscription Offer, in particular, in the event of a deterioration of the market conditions.**

**The Joint Bookrunners may, under certain circumstances, terminate the Underwriting Agreement and their respective commitments thereunder. These circumstances include, in particular, the occurrence of certain material adverse changes in the earnings, business affairs, condition (financial and operational, legal or otherwise), or prospects of the Company and its subsidiaries, taken as a whole, and material restrictions on stock exchange trading on the Dusseldorf Stock Exchange or the Frankfurt Stock Exchange.**

**If the Joint Bookrunners terminate the Underwriting Agreement or the Company withdraws from the Subscription Offer before the implementation of the capital increase has been registered with the Commercial Register, shareholders' subscription rights will lapse without compensation. In this case, the institutions brokering subscription rights trading will not reverse any transactions already completed with investors. Accordingly, investors who have acquired subscription rights would suffer a complete loss. In addition, if, at the time of the termination, any sales of New Shares have already been made, the seller of the relevant shares bears the risk of not being able to meet the delivery obligation by delivering New Shares. If the Joint Bookrunners terminate the Underwriting Agreement after the registration of the implementation of the capital increase in the Commercial Register, shareholders and purchasers of subscription rights who have exercised their subscription rights will be entitled to acquire New Shares at the Subscription Price; a withdrawal of the shareholders and those having acquired and exercised subscription rights is not possible in such case.**

#### *Form and Certification of the New Shares*

The New Shares (ISIN DE000A2YN371 / WKN A2YN37) will be represented by a global share certificate, which will be deposited with Clearstream Banking Aktiengesellschaft. Under the Company's articles of association, shareholders are not entitled to have their shares evidenced by individual share certificates. Unless the Subscription Period is extended or the Subscription Offer is cancelled, the New Shares subscribed for in the Subscription Offer are expected to be made available to the collective securities custody as a co-ownership proportion in the global share certificate on or about December 3, 2020. In the same way, the New Shares acquired in the Rump Placement (as described below) are expected to be made available on December 3, 2020, *i.e.*, after the end of the Rump Placement. The New Shares hold the same rights as all other shares of the Company (including full dividend rights from the financial year starting January 1, 2020) and do not convey any additional rights or advantages.

#### *Commissions*

The custodian banks may charge a customary commission in connection with the subscription of the New Shares.

#### *Placement of Unsubscribed New Shares/Rump Placement*

The Joint Bookrunners will offer any New Shares not subscribed for in the Subscription Offer and 6,752 fractional shares, for which subscription rights have been excluded by the resolution of the ordinary shareholders' meeting, for sale to eligible investors in the Federal Republic of Germany ("**Germany**") and other selected jurisdictions at a price at least as high as the Subscription Price (the "**Rump Placement**"). However, any Rump Placement will only be conducted if and to the extent necessary to reach total gross proceeds of the Subscription Offer and the Rump Placement of EUR 40 million. This is in line with the Company's direct financial needs which amount to only approximately EUR 40 million. In any Rump Placement shares will only be offered outside the United States of America ("**United States**") to eligible investors in so-called offshore transactions in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

The Company's existing majority shareholder Pelion Green Future Alpha GmbH has committed to the Joint Bookrunners to participate in the Capital Increase with an investment of at least EUR 8 million.

#### *Selling Restrictions*

The New Shares and the subscription rights will only be publicly offered in Germany. Neither the New Shares nor the subscription rights have been or will be registered under the Securities Act or with the securities regulatory authority of any state or other jurisdiction of the United States. The New Shares and subscription rights may at no time be offered, sold, exercised, pledged, transferred or delivered, directly or indirectly, to or within the United States, except pursuant to an exemption from the registration requirements of the Securities Act or in a transaction not subject to the registration requirements of the Securities Act, and, in each case, in accordance with any applicable securities laws of any State of the United States.

The acceptance of this offer outside Germany may be subject to restrictions. Persons who intend to accept this offer outside Germany are requested to inform themselves of and comply with the restrictions that exist outside Germany.

### ***Availability of Prospectus***

The prospectus has been published on the Company's website ([www.pacifico-renewables.com](http://www.pacifico-renewables.com) in the "Investor Relations" section) on November 13, 2020.

Grünwald, November 16, 2020

Pacifico Renewables Yield AG

The Management Board"

### **6.4 Subscription Rights Not Exercised and Transferability**

Subscription rights not exercised within the Subscription Period will become void and have no value. The subscription rights are fully transferable.

### **6.5 Management / Shareholder Participation in the Offering**

The members of the Company's management board, Dr. Martin Siddiqui and Christoph Strasser, who each hold 773 Shares in the Company, intend to participate in the Offering by fully exercising their subscription rights.

In addition, the Company's direct majority shareholder, Pelion Green Future Alpha GmbH, committed to the Joint Bookrunners to participate in the Offering with an investment of at least EUR 8 million.

### **6.6 Underwriting Agreement**

On November 13, 2020, the Company and Stifel Europe Bank AG, Kennedyallee 76, 60596 Frankfurt am Main, Germany (telephone +49 69 78808-0, website: [www.stifel.com](http://www.stifel.com)), LEI 529900MC68RTGHKI4F05 and M.M. Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Ferdinandstraße 75, 20095 Hamburg, Germany (telephone +49 40 3282-0, website: [www.mmwarburg.com](http://www.mmwarburg.com)), LEI MZI1VDH2BQLFZGLQDO60 entered into the Underwriting Agreement with respect to the Subscription Offer and the Rump Placement.

Pursuant to the Underwriting Agreement, the Joint Bookrunners have agreed to use their best efforts to offer the Rump Shares to investors in proportion to the following percentages: 50% Stifel and 50% M.M. Warburg.

The Subscription Offer will include (i) a public offering in Germany and (ii) private placements to eligible investors outside the United States in offshore transactions within the meaning of, and in reliance on, Regulation S under the Securities Act. The Rump Shares will be offered by the Joint Bookrunners for sale in the Rump Placement. The Rump Shares will only be offered outside the United States to eligible investors in offshore transactions in reliance on Regulation S under the Securities Act.

The Underwriting Agreement also stipulates that the Company must release the Joint Bookrunners from certain liabilities and that the Joint Bookrunners' obligations under the Underwriting Agreement are contingent on the fulfillment of certain conditions, including, for example, the receipt of standard legal opinions.

Under the Underwriting Agreement, the Company is obliged to pay the Joint Bookrunners fixed basic placement commissions calculated as a percentage the aggregate gross proceeds from the Offering. Furthermore, the Company may pay the Joint Bookrunners an additional discretionary fee, payable entirely at the sole discretion of the Company, which is also calculated as a percentage of the aggregate gross proceeds from the Offering. The decision to pay any performance fee and its amount are within the sole discretion of the Company. The overall fees to be paid by the Company to the Joint Bookrunners amount to approximately EUR 1.0 million (assuming the sale of all shares in the Offering at the Subscription Price). The Company has also agreed to reimburse the Joint Bookrunners for certain expenses incurred by them in connection with the Offering.

See section "6.3 Subscription Offer" above for additional information on termination rights under the Underwriting Agreement.

## 6.7 Lock-up Agreement

In the Underwriting Agreement, the Company has agreed with the Joint Bookrunners that, during the period commencing on November 13, 2020 and ending three months after the first day of trading of the New Shares on the Dusseldorf Stock Exchange, without the prior written consent of the Joint Bookrunners, which shall not be unreasonably withheld, the Company, its Management Board or its Supervisory Board will not, and will not agree to:

- announce or effect an increase of the Company's share capital out of authorized capital or contingent capital;
- propose to the Company's shareholders' meeting an increase of the Company's share capital;
- announce, effect or propose the issuance of securities with conversion or option rights on the Company's shares;
- offer, pledge, allot, issue (unless required by applicable law), sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of the Company or any securities convertible into or exercisable or exchangeable for shares of the Company or enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares in the Company; or
- enter into a transaction or perform any action economically similar to those described above.

The foregoing does, however, not apply to (i) any increase of the Company's share capital through the implementation of the Capital Increase in connection with the Offering and the issuance of the New Shares or (ii) proposals to the Company's shareholders' meeting to create authorized capital, contingent capital, an authorization to issue securities convertible into or exercisable or exchangeable for shares of the Company (such authorizations, for the avoidance of doubt, not to be exercised throughout the lock-up period). The Company may further issue or sell Shares or other securities to the management or employees of the Company or of its subsidiaries under a customary directors' and/or employees' stock option plan.

In addition, Pelion Green Future Alpha GmbH has agreed with the Joint Bookrunners that, during the period commencing on November 13, 2020 and ending six months after the first day of trading of the New Shares on the Dusseldorf Stock Exchange, without the prior written consent of the Joint Bookrunners, which shall not be unreasonably withheld, it will not:

- sell, market, transfer or otherwise dispose of, either directly or indirectly, any shares or other securities or legal positions conferring a right or obligation to acquire shares in the Company; or
- enter into any transaction economically equivalent to any transaction described in the preceding bullet (*e.g.*, an issuance of options or conversion rights on shares of the Company).

The foregoing shall not apply to (i) transfers to affiliates (in the meaning of section 15 of the German Stock Corporation Act) or legal successors of Pelion Green Future Alpha GmbH, provided in each case that such transferee(s) agree(s) towards the Joint Bookrunners to be bound by the same lock-up undertaking (ii) future uses as collateral, (iii) disposals in the context of a takeover offer for the Company, (iv) any transfers of shares pursuant to enforcement of any collateral entered into in accordance with (ii).

## 6.8 Dilution

Shareholders who exercise their subscription rights with respect to the New Shares in full will maintain their percentage of ownership in the Company's share capital and voting rights following the Capital Increase. To the extent that shareholders do not exercise their subscription rights, and assuming that all New Shares will be issued, each shareholder's participation in the Company's share capital and voting rights will be diluted by approximately 82%.

## 6.9 Additional Selling Restrictions

Neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction other than Germany except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required to inform themselves about

and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

### **6.9.1 United States of America**

The Company does not intend to register either the Offering or any portion of the Offering in the United States or to conduct a public offering of shares in the United States. The New Shares and the subscription rights have not been, and will not be, registered pursuant to the provisions of the Securities Act or with the securities regulators of the individual states of the United States and may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal regulations. The New Shares may be sold outside the United States in accordance with Rule 903 of Regulation S and in compliance with other United States legal regulations, and no “direct selling efforts” as defined in Regulation S may take place.

In addition, until 40 days after the commencement of this Offering, an offer or sale of shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

### **6.9.2 United Kingdom**

Sales in the United Kingdom are also subject to restrictions. The Joint Bookrunners will represent and warrant to the Company that: (i) they have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”) received by it in connection with the issue or sale of any New Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company; and (ii) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Shares in, from or otherwise involving the United Kingdom.

### **6.9.3 European Economic Area and the United Kingdom**

The Joint Bookrunners will further represent and warrant in the Underwriting Agreement that they have not and will not publicly offer the New Shares in any of the member states of the EEA that are subject to Regulation (EU) 2017/1129 and the United Kingdom (each, a “**Relevant State**”), other than the offers contemplated in this Prospectus, except that the Joint Bookrunners may make an offer to the public in that Relevant State of any New Shares at any time under the following exemptions under Regulation (EU) 2017/1129: (a) solely to qualified investors; (b) to fewer than 150 natural or legal persons (other than qualified investors) subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or (c) in any other circumstances falling within Article 1 No. 4 of Regulation (EU) 2017/1129, provided that no such offer (as set forth in clauses (a) to (c)) of New Shares shall result in a requirement for the publication by the Company or the Joint Bookrunners of a prospectus pursuant to Article 3 of Regulation (EU) 2017/1129. The expression an “offer to the public” in relation to the New Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares to be offered so as to enable an investor to decide to purchase or subscribe for any New Shares.

## **6.10 Paying Agent, Depositary Agent, Designated Sponsor**

The paying agent is Quirin Privatbank AG, Kurfürstendamm 119, 10711 Berlin.

The depositary agent is Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.

Stifel acts as designated sponsor for the Company’s shares. As designated sponsor Stifel committed to provide additional liquidity during daily trading hours in the electronic trading system XETRA to improve the quality of trading and pricing of the Company’s securities by entering quotas, *i.e.*, ask and bid prices for the demand and supply sides, into the system in accordance with the exchange rules of the Frankfurt Stock Exchange. A precondition for the provision of these services is that Stifel remains admitted as designated sponsor in the electronic trading system XETRA. Stifel is free to provide services to issuers of other securities at any time.

In the agreement regarding the provision of the designated sponsoring duties, the Company has undertaken to provide Stifel with all information necessary for the performance of its duties and to ensure that such information is correct. Additionally, the Company has given market standard representations. The agreement between the

Company and Stifel has an indefinite term and may be terminated for the first time as of June 30, 2023 given month prior notice; the right of termination for cause remains unaffected. For its designated sponsoring services, Stifel receives a remuneration in the amount of EUR 13,000 in the first year, EUR 18,000 in the second year and EUR 28,000 in the third year. Additionally, the Company will reimburse Stifel for all proven costs and expenses in connection with the performance of the designated sponsoring duties, such as fees of Deutsche Börse AG relating to the Company's securities.

## 7 CORPORATE GOVERNANCE

### 7.1 Overview

The Company's governing bodies are the Management Board, the Supervisory Board and the shareholders' meeting. The powers and responsibilities of these corporate bodies are governed by the German Stock Corporation Act (*Aktiengesetz*), the articles of association and the rules of procedure of the Management Board and the Supervisory Board.

The shareholders' meeting elects the members of the Supervisory Board, which in turn appoints the members of the Management Board. The Supervisory Board represents the Company in and out of court *vis-à-vis* the members of the Management Board. The Supervisory Board is responsible for the appointment of members of the Management Board, the conclusion of their service contracts and the revocation of appointments as well as for the change and termination of their service contracts.

The Management Board is responsible for managing the Company in accordance with applicable law, the articles of association and its rules of procedure, including the schedule of responsibilities. Pursuant to the rules of procedure of the Management Board, the Management Board must obtain the prior consent of the Supervisory Board for certain transactions or measures. The Management Board represents the Company in dealings with third parties. As set out in the AktG, the Supervisory Board advises and oversees the Management Board's administration of the Company, but is itself generally not authorized to manage or represent the Company.

Each member of the Management Board and Supervisory Board owes a duty of loyalty, duty of legality and duty of care to the Company. In discharging these duties, each member of these bodies must consider a broad spectrum of interests, particularly those of the Company and its shareholders, employees and creditors. In addition, the Management Board must also take into consideration the shareholders' rights to equal treatment and equal access to information. If members of the Management Board or Supervisory Board breach their duties, they may be jointly and severally liable with the other members of the Management Board or the Supervisory Board to the Company for any damages the Company has incurred.

Simultaneous membership in the Supervisory Board and the Management Board is not permitted under the AktG, as the Supervisory Board is tasked with supervising the management of the Company by the Management Board. In exceptional cases and for an interim period, a member of the Supervisory Board may, however, assume a vacant seat on the Management Board. During this period, such individual may not perform any duties pertaining to his position on the Supervisory Board. In addition, the duration of such stand-in arrangements may not exceed one year.

### 7.2 Management Board

#### 7.2.1 Overview

Pursuant to section 7.1 of the Company's articles of association, the Management Board consists of at least one member. The Supervisory Board determines the exact number of the members of the Management Board. Pursuant to section 84(2) AktG and section 7.2 of the articles of association, the Supervisory Board may appoint any member of the Management Board as chairman of the Management Board and any other member as deputy chairman.

Resolutions of the Management Board are generally passed in meetings, which take place at the Company's offices. In addition, resolutions may be passed independently of physical meetings via circular resolutions (in writing, orally, per telephone, email, facsimile or other common means of communication (particularly including video conference)).

The Management Board has a quorum, if all its members have been invited and at least half of its members (including the chairman or chief financial officer) are present at a meeting. In case that the Management Board consists of only two members, it has only a quorum, if all members of the Management Board are present. Resolutions of the Management Board are generally passed by a simple majority of the votes cast, unless statutory provisions or the rules of procedure provide otherwise. In case of a tie, the chairman has a deciding vote, if the Management Board consists of at least three members. A member of the Management Board may be represented by an authorized other member of the Management Board based on a power of attorney with limited scope.

### 7.2.2 *Members of the Management Board*

At the date of this Prospectus, the Management Board is composed of Dr. Martin Siddiqui and Christoph Strasser, who were first appointed on October 1, 2019.

**Dr. Martin Siddiqui** obtained a diploma (M.Sc. equivalent) in Economics from the University of Mannheim, Germany, and Ph.D. (*Doctor rerum politicarum*) in Economics from the Zeppelin University in Friedrichshafen, Germany. He is a former associate in J.P. Morgan's Corporate & Investment Bank with four years' experience covering German and Austrian financial institutions and large German corporate banking clients, *i.a.* sustainable finance projects and green bond issuances.

Alongside his office as member of the Management Board of the Company, Dr. Siddiqui is not, and was not within the last five years, a member of any administrative, management or supervisory bodies of and/or a partner of companies or partnerships outside Pacifico.

**Christoph Strasser** studied business administration at the University of Mannheim and received an M.Sc. in Management from University of Mannheim, Germany, and the ESSEC Business School. He is a former Associate in J.P. Morgan's Corporate & Investment Bank with close to four years' experience in covering large German and Austrian corporate banking clients, *i.e.*, on financing projects in the renewables space.

Alongside his office as member of the Management Board of the Company, Mr. Strasser is not, and was not within the last five years, a member of any administrative, management or supervisory bodies of and/or a partner of companies or partnerships outside Pacifico.

The members of the Management Board can be reached at Bavariafilmplatz 7, Gebäude 49, 82031 Grünwald, Germany.

### 7.2.3 *Remuneration and other Benefits*

The following table provides an overview of the payments and benefits granted by the Company to the members of the Management Board in the financial year ended December 31, 2019. As the Management Board Members took their office as of October 1, 2019, the compensation was paid pro rata for the period from October 1, 2019 through December 31, 2019:

|                     | <b>Fixed salary<br/>EUR</b> | <b>Total 2019<br/>EUR</b> |
|---------------------|-----------------------------|---------------------------|
| Dr. Martin Siddiqui | 25,000                      | 75,000                    |
| Christoph Strasser  | 25,000                      | 75,000                    |
|                     | <b>50,000</b>               | <b>150,000</b>            |

In addition to the annual fixed remuneration, provisions in the amount of EUR 100,000 were formed for virtual share-based remuneration with a long-term incentive effect, which are distributed among the Management Board members as follows:

Dr. Martin Siddiqui      EUR 50,000

Christoph Strasser      EUR 50,000

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 Company's current share price. In total, the virtual stocks will be vested with a cliff 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.

### 7.2.4 *Shareholdings of the Members of the Management Board*

As of the date of this Prospectus, Dr. Martin Siddiqui and Christoph Strasser each hold 773 Shares in the Company.

## 7.3 Supervisory Board

### 7.3.1 Overview

In accordance with sections 95 and 96 AktG and section 10.1 of the Company's articles of association, the Supervisory Board comprises six members. Pelion is entitled to appoint one member to the Supervisory Board if it holds no-par value shares representing at least 10% of the Company's share capital. Pursuant to section 100(5) AktG, the members of the Supervisory Board as a whole must be familiar with the industry in which the Company conducts its business.

According to section 10.3 of the articles of association, members of the Supervisory Board may be elected for a maximum term lasting until the end of the shareholders' meeting which resolves on the discharge (*Entlastung*) of the relevant members of the Supervisory Board for the fourth financial year after the commencement of the term of office. The financial year in which the term of office commenced is not counted towards the aforementioned number of four years. For members of the Supervisory Board who leave office before the end of their term, a successor must be elected for the remaining term of the leaving member, unless the Company's shareholders' meeting specifies a different term for such successor. The same applies if a reelection becomes necessary due to a challenge of a previous election. Reelections of members of the Supervisory Board are permissible.

The Supervisory Board must hold at least two meetings in each calendar half-year. Meetings of the Supervisory Board are generally called at least five calendar days in advance by the chairman of the Supervisory Board, not taking into account the day on which the invitation is sent and the day of the meeting itself. Notice of meetings may be given in writing, by telefax or via electronic communication. In urgent cases, the chairman may shorten this period.

The articles of association and the rules of procedure of the Supervisory Board provide that resolutions of the Supervisory Board are generally passed in meetings. If all members of the Supervisory Board participate in a resolution, or, at the order of the chairman and further provided that at least half of the members of the Supervisory Board participate in a resolution, such resolution of the Supervisory Board may also be passed in writing, per telephone, email, facsimile or by equivalent means. Absent members of the Supervisory Board may also participate in the voting by submitting their votes in writing through another member of the Supervisory Board.

The Company's articles of association provide that the Supervisory Board has a quorum if all members of the Supervisory Board have been duly invited and at least the half of the members of which the Supervisory Board consists participate in the vote. Any members who abstain from voting are considered present for purposes of calculating the quorum. Unless otherwise provided for by mandatory law or the articles of association, resolutions of the Supervisory Board are passed with a simple majority of the votes cast. If a vote by the Supervisory Board results in a tie, the chairman has two votes in case of a new voting on the same agenda item. Resolutions of the Supervisory Board are documented by the chairman and circulated to all members of the Supervisory Board.

A member of the Supervisory Board who has a conflict of interest must abstain from participating in the deliberation and the decision-making process with respect to the relevant matter. If any such member was nevertheless involved in the decision-making process, then such decision may be nullified.

### 7.3.2 Members of the Supervisory Board

At the date of this Prospectus, the Supervisory Board is composed of the following six members:

| <u>Name</u>                                  | <u>First Appointed</u> | <u>Appointed until</u>                 | <u>Principal Occupation</u>                                                            |
|----------------------------------------------|------------------------|----------------------------------------|----------------------------------------------------------------------------------------|
| David Neuhoff<br>(Chairman)                  | August 28, 2019        | Ordinary shareholders'<br>meeting 2025 | CEO at Linus Capital                                                                   |
| Dr. Bettina Mittermeier<br>(Deputy chairman) | August 28, 2019        | Ordinary shareholders'<br>meeting 2025 | Senior Legal Counsel at a<br>listed international financial<br>services group (DAX 30) |
| Dr. Eva Kreibohm                             | August 26, 2020        | Ordinary shareholders'<br>meeting 2025 | Lawyer and notary public at<br>BEITEN BURKHARDT<br>Rechtsanwalts-gesellschaft<br>mbH   |

| <u>Name</u>      | <u>First Appointed</u> | <u>Appointed until</u>              | <u>Principal Occupation</u>              |
|------------------|------------------------|-------------------------------------|------------------------------------------|
| Dr. Michael Menz | August 26, 2020        | Ordinary shareholders' meeting 2025 | Chief administrative officer GROPYIUS AG |
| Verena Mohaupt   | March 16, 2020         | Ordinary shareholders' meeting 2025 | Partner of Findos Investor GmbH          |
| Florian Seubert  | August 26, 2020        | Ordinary shareholders' meeting 2025 | Partner at Maxburg Capital Partners      |

The following description provides summaries of the *curricula vitae* of the current members of the Supervisory Board and indicates their principal activities outside the Pacifico Group to the extent those activities are significant with respect to them.

**David Neuhoff** obtained a law degree from the Rheinische Friedrich-Wilhelms-Universität in Bonn, where he passed the bar exams with honors. He is the CEO at Linus Capital, an innovative investment company that offers access to selected, off-market real estate investments, where he is responsible for the operations in the DACH region and Great Britain with a focus on acquisitions and transaction structuring. Mr. Neuhoff has many years of experience as a real estate investor and transaction lawyer in real estate, corporate law and M&A; he advised on transactions with a volume of over EUR 2 billion. Prior to founding Linus, David worked several years for the international law firm Bryan Cave Leighton Paisner (formerly Berwin Leighton Paisner).

Alongside his office as a member of the Supervisory Board of the Company, Mr. Neuhoff is currently a member of the supervisory board of Uferhallen AG. Other than that Mr. Neuhoff is not a member of other statutory supervisory boards nor of comparable domestic and foreign supervisory bodies of commercial enterprises.

**Dr. Bettina Mittermeier** is currently a Senior Legal Counsel at a listed international financial services group (DAX 30) specialized in Corporate Law and Governance. In addition, she supports the Haen-Carstanjen & Söhne Family Office, which specializes in liquid investments, as a member of the advisory board. In her previous position, Dr. Mittermeier was a lawyer at Milbank LLP, where she advised listed companies and private equity investors on corporate and capital markets law. Dr. Mittermeier is a fully qualified lawyer (*Volljuristin*), studied law at the University of Heidelberg and completed her doctorate in capital market law at the Max Planck Institute in Hamburg.

Dr. Mittermeier is currently neither a member of other statutory supervisory boards nor of comparable domestic and foreign supervisory bodies of commercial enterprises.

**Verena Mohaupt** has extensive experience in finance and private equity. She started her career in investment banking at Goldman Sachs International in London, followed by positions at McKinsey & Co. and Allianz Capital Partners. She was also one of the founders of ciao.com AG, a European online shopping portal. Ms. Mohaupt is currently a partner at Findos Investor GmbH, a medium-sized private equity fund based in Munich, and a member of the supervisory board of Home24. Verena Mohaupt was born in Essen in 1968. She holds a degree in Business Administration from the Westfälische Wilhelms University in Münster (*Diplom-Kauffrau*) and a Master in Business Administration (MBA) from INSEAD in Fontainebleau, France.

Alongside her office as a member of the Supervisory Board of the Company, Ms. Mohaupt is currently a member of the supervisory board of home24 SE. Other than that Ms. Mohaupt is not a member of other statutory supervisory boards nor of comparable domestic and foreign supervisory bodies of commercial enterprises.

**Florian Seubert** is a partner and co-founder of Maxburg Capital Partners GmbH, an investment management company focused on the German-speaking region. From 1999 to 2013, he was co-founder and CFO of zooplus AG, which during his tenure developed from a start-up to an SDAX-listed European market leader with a market capitalization of over EUR 400 million, over EUR 500 million turnover and an active presence in more than 20 national markets. Before his time as an entrepreneur Mr. Seubert worked for JPMorgan Securities in London and New York in the securities field. Mr. Seubert holds a degree in Philosophy, Politics and Economics from Oxford University and has been an active investor in the German small cap scene since the late 1990s.

Alongside his office as a member of the Supervisory Board of the Company, Mr. Seubert is currently a member of the following administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Pacifico:

- Zur Rose AG, Frauenfeld, Switzerland (member of the administrative board (*Mitglied des Verwaltungsrats*));

- Susi Partners AG, Zurich, Switzerland (member of the administrative board (*Mitglied des Verwaltungsrats*));
- Maxburg Capital Partners GmbH, Munich, Germany (managing director (*Geschäftsführer*));
- AB 1204 Verwaltungs GmbH (managing director (*Geschäftsführer*)); and
- Eviva Espana GmbH, Brannenburg, Germany (managing director (*Geschäftsführer*)).

Other than that Mr. Seubert is not a member of other statutory supervisory boards nor of comparable domestic and foreign supervisory bodies of commercial enterprises.

**Dr. Eva Kreibohm** is an attorney and notary public based in Berlin. She studied law at the Universities of Trier, Paris Sorbonne-Panthéon and FU Berlin and was admitted to the bar in Germany in 2005. Since 2005, her legal practice at BEITEN BURKHARDT Rechtsanwalts-gesellschaft mbH has focused on advising state, administration and public enterprises (government & public sector) on complex issues of civil and corporate law, assisting public sector clients, in particular in large financing and privatization projects, and asserting claims arising from such projects. In addition, she advised her national and international clients on the drafting and negotiation of contracts as well as on restructuring and reorganization. Since 2018, Dr. Kreibohm has been working as a notary public mainly in the areas of corporate and real estate law.

Dr. Kreibohm is currently neither a member of other statutory supervisory boards nor of comparable domestic and foreign supervisory bodies of commercial enterprises.

**Dr. Michael Menz** studied law at the Albert-Ludwigs-University of Freiburg, Germany, where he passed the first state examination, followed by a Master of Laws (LL.M) at the School of Law of the University of Georgia, USA. In addition, he completed his doctorate at the Albert-Ludwigs-University at the Institute for Business Law before completing his legal clerkship at the Higher Regional Court (*Oberlandesgericht*) of Düsseldorf with the second state examination. Dr. Menz has extensive experience in the field of commercial and corporate law as well as corporate governance. He started his career at Freshfields Bruckhaus Deringer LLP, where he last worked as counsel specializing in M&A and private equity. He then served as general counsel and senior vice president for corporate governance and corporate real estate at Zalando SE for more than seven years. Since 2020, Dr. Menz has been a member of the management board of GROPYUS AG as chief administrative officer, where he is responsible for legal & risk, human resources and sustainability.

Other than that Dr. Menz is currently neither a member of other statutory supervisory boards nor of comparable domestic and foreign supervisory bodies of commercial enterprises.

### 7.3.3 Supervisory Board Remuneration

The following table provides an overview of the payments and benefits granted by the Company to the members of the Supervisory Board in the financial year ended December 31, 2019. The compensation was paid pro rata from August 28, 2019 through December 31, 2019:

|                         | <b>Supervisory Board<br/>remuneration</b> | <b>Other<br/>payments</b> | <b>Total</b> |
|-------------------------|-------------------------------------------|---------------------------|--------------|
|                         | <b>EUR</b>                                | <b>EUR</b>                | <b>EUR</b>   |
| David Neuhoff           | 4,110                                     | 0                         | 4,110        |
| Dr. Bettina Mittermeier | 2,055                                     | 0                         | 2,055        |
| Ulf Oesterlin           | 2,055                                     | 0                         | 2,055        |
|                         | <b>8,220</b>                              | <b>0</b>                  | <b>8,220</b> |

### **7.3.4 Shareholdings of the Members of the Supervisory Board**

As of the date of this Prospectus, David Neuhoff holds 33,750, Dr. Bettina Mittermeier holds 1,000, Verena Mohaupt holds 3,956 and Florian Seubert holds 48,522 Shares in the Company, in each case directly or indirectly. The other members of the Supervisory Board currently do not hold any Shares in the Company.

### **7.4 Certain Information Regarding Members of the Management Board and the Supervisory Board**

In the last five years, no member of the Management Board or member of the Supervisory Board has been:

- convicted of fraudulent offenses; or
- the subject of any official public incriminations and/or sanctions pending or imposed by statutory or legal authorities, including designated professional bodies; or
- disqualified from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no conflicts of interest or potential conflicts of interest between the members of the Management Board and Supervisory Board with respect to their duties to the Company on the one hand and their private interests, membership in governing bodies of companies or other obligations on the other.

There are no family relationships between the members of the Management Board and members of the Supervisory Board, either amongst themselves or in relation to the members of the respective other body.

A directors and officers (D&O) group insurance policy has been concluded for the members of the Management Board and the members of the Supervisory Board with coverage in line with best market practice and a deductible in line with the respective provisions of the German Stock Corporation Act (*Aktiengesetz*) and the German Corporate Governance Code.

## 8 FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

The financial information contained in the following tables is taken or derived from the German-language audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2019 and the unaudited condensed consolidated interim financial information of the Company as of and for the six-month period ended June 30, 2020. Additional financial information is taken or derived from the Company's accounting records or internal reporting system. The audited consolidated financial statements were prepared in accordance with German GAAP. The unaudited condensed consolidated interim financial information has been prepared in accordance with the recognition, measurement and presentation principles of the HGB.

Where financial information in the following tables are labelled "audited", this means that they have been taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the audited financial statements mentioned above, but has been taken either from the Company's unaudited condensed consolidated financial information mentioned above or the Company's accounting records or internal reporting system, or has been calculated based on figures from the aforementioned sources.

The following financial information should be read together with sections "1.6.2 Presentation of Financial Information" and "2.2.7 Management's Discussion and Analysis of Financial Condition and Results of Operations". Our historical results are not necessarily indicative of the results that should be expected in the future.

### 8.1 Historical Financial Information

#### 8.1.1 Unaudited Condensed Consolidated Interim Financial Statement for the Six-Month Period Ended June 30, 2020

##### 8.1.1.1 Consolidated balance sheet as of June 30, 2020

| ASSETS                                                                                                                   | June 30, 2020<br>EUR | December 31, 2019<br>EUR |
|--------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
| <b>A. FIXED ASSETS</b>                                                                                                   |                      |                          |
| <b>I. Intangible assets</b>                                                                                              |                      |                          |
| 1. Acquired concessions, industrial property and similar rights and assets as well as licenses in such rights and assets | 533,466              | 569,883                  |
| 2. Goodwill                                                                                                              | 1,079,444            | 1,066,851                |
|                                                                                                                          | <b>1,612,910</b>     | <b>1,636,734</b>         |
| <b>II. Tangible assets</b>                                                                                               |                      |                          |
| 1. Land similar rights and buildings including buildings on leasehold land                                               | 1,820,292            | 794,999                  |
| 2. Technical equipment and machinery                                                                                     | 95,820,113           | 59,705,228               |
| 3. Other equipment, factory and office equipment                                                                         | 14,351               | 11,862                   |
|                                                                                                                          | <b>97,654,756</b>    | <b>60,512,089</b>        |
| <b>III. Financial assets</b>                                                                                             |                      |                          |
| Participations                                                                                                           | 11,064               | 800                      |
|                                                                                                                          | <b>99,278,730</b>    | <b>62,149,623</b>        |
| <b>B. CURRENT ASSETS</b>                                                                                                 |                      |                          |
| <b>I. Receivables and other assets</b>                                                                                   |                      |                          |
| 1. Trade receivables                                                                                                     | 1,805,918            | 1,071,877                |
| 2. Other assets                                                                                                          | 2,061,886            | 2,456,510                |

thereof from taxes EUR 1,742,782 (previous year EUR 1,804,126)

|            |                         |                    |                   |
|------------|-------------------------|--------------------|-------------------|
|            |                         | <b>3,867,804</b>   | <b>3,528,387</b>  |
| <b>II.</b> | <b>Bank balances</b>    | 12,207,356         | 11,767,154        |
|            |                         | <b>16,075,160</b>  | <b>15,295,541</b> |
| <b>C.</b>  | <b>PREPAID EXPENSES</b> | <b>5,165,280</b>   | <b>5,633,485</b>  |
|            |                         | <b>120,519,170</b> | <b>83,078,649</b> |

| <b>LIABILITIES</b>                                     | <b>June 30, 2020</b> | <b>December 31, 2019</b> |
|--------------------------------------------------------|----------------------|--------------------------|
|                                                        | <b>EUR</b>           | <b>EUR</b>               |
| <b>A. EQUITY</b>                                       |                      |                          |
| <b>I. Share capital</b>                                | 1,930,455            | 1,135,000                |
| <b>II. Capital reserve</b>                             | 40,269,555           | 23,565,000               |
| <b>III. Net loss</b>                                   | (1,542,366)          | (1,844,133)              |
| <b>IV. Equity difference from currency translation</b> | (640,423)            | (113,995)                |
|                                                        | <b>40,017,221</b>    | <b>22,741,872</b>        |
| <b>B. PROVISIONS</b>                                   |                      |                          |
| 1. Tax provisions                                      | 889,424              | 613,153                  |
| 2. Other provisions                                    | 1,647,203            | 620,489                  |
|                                                        | <b>2,536,627</b>     | <b>1,233,642</b>         |
| <b>C. ACCOUNTS PAYABLE</b>                             |                      |                          |
| 1. Bank loans and overdrafts                           | 52,396,633           | 26,567,029               |
| 2. Trade payables                                      | 1,035,736            | 1,054,519                |
| 3. Other liabilities                                   | 19,124,870           | 28,247,285               |
|                                                        | <b>72,557,239</b>    | <b>55,868,833</b>        |
| <b>D. DEFERRED TAX LIABILITIES</b>                     | <b>5,408,083</b>     | <b>3,234,302</b>         |
|                                                        | <b>120,519,170</b>   | <b>83,078,649</b>        |

8.1.1.2 Consolidated income statement for the period from January 1 through June 30, 2020

|                                                                                                                                                   | <b>Six months ended</b> |                          |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------|----------------------|
|                                                                                                                                                   | <b>June 30, 2020</b>    | <b>December 31, 2019</b> | <b>June 30, 2019</b> |
|                                                                                                                                                   | <b>EUR</b>              | <b>EUR</b>               | <b>EUR</b>           |
| 1. Sales revenues                                                                                                                                 | 8,992,378               | 4,857,064                | 171,169              |
| 2. Other operating income                                                                                                                         | 233,290                 | 131,098                  | 54,178               |
| 3. Cost of materials                                                                                                                              |                         |                          |                      |
| Cost of purchased services                                                                                                                        | (1,408,371)             | (1,006,030)              | 0                    |
| 4. Personnel expenses                                                                                                                             |                         |                          |                      |
| a) Wages and salaries                                                                                                                             | (381,306)               | (194,892)                | 0                    |
| b) Social security, pensions and other benefits                                                                                                   | (21,193)                | (10,926)                 | 0                    |
|                                                                                                                                                   | (402,499)               | (205,818)                | 0                    |
| 5. Depreciation of fixed intangible and tangible assets                                                                                           | (3,865,912)             | (2,674,977)              | (221)                |
| 6. Other operating expenses                                                                                                                       | (1,550,189)             | (628,922)                | (300,365)            |
| 7. Interest and similar expenses                                                                                                                  | (1,718,191)             | (1,537,496)              | (22,852)             |
| <i>thereof to affiliated companies EUR 0,00 (six months ended December 31, 2019: EUR (204,395); six months ended June 30, 2019: EUR (21,234))</i> |                         |                          |                      |
| 8. Taxes on income                                                                                                                                | 31,423                  | (547,829)                | 0                    |
| 9. Other taxes                                                                                                                                    | (10,161)                | (4,340)                  | (12)                 |
| <b>10. Consolidated net income / loss</b>                                                                                                         | <b>301,767</b>          | <b>(1,617,250)</b>       | <b>(98,103)</b>      |
| 11. Loss carryforward                                                                                                                             | (1,844,133)             | (226,883)                | (184,708)            |
| 12. Deconsolidation result                                                                                                                        | 0                       | 0                        | 55,928               |
| <b>13. Accumulated losses</b>                                                                                                                     | <b>(1,542,366)</b>      | <b>(1,844,133)</b>       | <b>(226,883)</b>     |

### 8.1.1.3 Notes to the Condensed Interim Consolidated Financial Statements

#### 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 April 27, 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 photovoltaic power plants 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.

#### 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 interim financial statements:

| Company                                        | Registered Office      | Share in % |
|------------------------------------------------|------------------------|------------|
| Pacifico Management GmbH <sup>1)</sup>         | Munich, Germany        | 100        |
| Pacifico Holding 1 GmbH & Co. KG <sup>1)</sup> | Munich, Germany        | 100        |
| Pacifico Germany 1 GmbH & Co. KG               | Munich, Germany        | 100        |
| PAC Block Germany 1 GmbH                       | Munich, Germany        | 100        |
| PAC Jade GmbH & Co. KG                         | Munich, Germany        | 100        |
| PAC Opal GmbH & Co. KG                         | Munich, Germany        | 100        |
| PAC Rubin GmbH & Co. KG                        | Munich, Germany        | 100        |
| PAC Saphir GmbH & Co. KG                       | Munich, Germany        | 100        |
| PAC Topas GmbH & Co. KG                        | Munich, Germany        | 100        |
| Pacifico Italy 1 GmbH & Co. KG                 | Munich, Germany        | 100        |
| PAC Italy GmbH                                 | Munich, 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 <sup>1)</sup>                 | Munich, Germany        | 100        |
| Pacifico Energy Czech s.r.o.                   | Prague, Czech Republic | 100        |
| FVE Osecna S.r.o.                              | Prague, Czech Republic | 100        |
| FVE Usilne S.r.o.                              | Prague, Czech Republic | 100        |
| Pacifico Energy Hol s.r.o.                     | Prague, Czech Republic | 100        |
| PAC Czechia 2 GmbH <sup>1)</sup>               | Munich, 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. <sup>1.)</sup>       | Bosch en Duin, Netherlands | 100 |
| PV Süpplingen GmbH & Co. KG <sup>1.) 2.)</sup>  | Grünwald, Germany          | 100 |
| PV Auerbach GmbH & Co. KG <sup>1.) 2.)</sup>    | Grünwald, Germany          | 100 |
| PV Eisfeld GmbH & Co. KG <sup>1.) 2.)</sup>     | Grünwald, Germany          | 100 |
| PV Hohburg GmbH & Co. KG <sup>1.) 2.)</sup>     | Grünwald, Germany          | 100 |
| PV Köthen BF 5 GmbH & Co. KG <sup>1.) 2.)</sup> | Grünwald, Germany          | 100 |
| PV Rosefeld GmbH & Co. KG <sup>1.) 2.)</sup>    | Grünwald, Germany          | 100 |
| PV Neubukow GmbH & Co. KG <sup>1.) 2.)</sup>    | Grünwald, Germany          | 100 |
| PV Staßfurt GmbH & Co. KG <sup>1.) 2.)</sup>    | Grünwald, Germany          | 100 |

<sup>1.)</sup> Entities in which the Company has a direct participating interest

<sup>2.)</sup> Addition in 2020

Due to the change in the group of consolidated companies, in particular the items fixed assets, bank balances and liabilities to banks have changed significantly. The following table shows the amounts of these changes:

| <b>Consolidation-related change</b> | <b>TEUR</b>   |
|-------------------------------------|---------------|
| Fixed assets                        | 41,156        |
| <i>thereof from revaluation</i>     | <i>13,090</i> |
| Bank balances                       | 3,765         |
| Bank loans and overdrafts           | 22,579        |

### **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 sales 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 have therefore an impact on the resulting goodwill or negative goodwill from consolidation.

### **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 fixed assets have been recognized at acquisition cost less scheduled straight-line depreciation over their expected useful lives. 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 fixed 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.

## **Notes to the Consolidated Balance Sheet**

### ***Fixed Assets***

The development of the individual fixed asset items is shown in the statement of changes in fixed assets, 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 essentially comprise licenses required for the commissioning and operation of wind and photovoltaic power plants. This item also includes licenses for purchased consolidation software at the level of Pacifico Renewables Yield AG.

### ***Tangible assets***

Tangible assets include all of the Group's wind and photovoltaic power plants existing as of June 30, 2020.

The additions during the fiscal year relate to the photovoltaic power plants in the Netherlands.

The consolidation-related changes are due to the addition of eight photovoltaic 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 of these assets increases the Group's property, plant, and equipment by TEUR 13,090.

### ***Financial assets***

Financial assets include a minority interest in a GbR and a Struktur-GmbH. 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 company holds a minority interest in a Struktur-GmbH of PV-Park Köthen.

### ***Current assets***

#### ***Bank balances***

This item shows all bank balances within the Group as of the reporting date of June 30, 2020. The amount of TEUR 12,207 includes an amount of TEUR 4,656 which is subject to disposal restrictions.

### ***Equity***

Pacifico Renewables Yield AG's share capital increased by TEUR 795,455 in the first half of 2020 and amounts to EUR 1,930,455 as of June 30, 2020. The share capital is divided into 1,930,455 bearer shares with a notional value of EUR 1.00 per share.

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 share 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).

The capital increase of 915,000 new no-par value bearer shares of the Company at an issue price of EUR 22.00 per share, which was resolved on March 16, 2020, was successfully completed on April 28, 2020, with the issue of 795,455 new shares. 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 EUR 16,704,555 and are valued at EUR 40,269,555 as of June 30, 2020.

As of June 30, 2020, there are no other obligations from subscription rights, convertible bonds or comparable securities.

### Accounts Payable

Accounts payable have the following remaining terms:

|                                     | <b>Total<br/>amount<br/>TEUR</b> | <b>Remaining<br/>term<br/>up to 1 year<br/>TEUR</b> | <b>Remaining<br/>term<br/>2 to 5 years<br/>TEUR</b> | <b>Remaining<br/>term more<br/>than 5 years<br/>TEUR</b> |
|-------------------------------------|----------------------------------|-----------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------|
| Bank loans and overdrafts*          | 52,397                           | 6,638                                               | 25,492                                              | 20,267                                                   |
| Trade payables                      | 1,036                            | 1,036                                               | 0                                                   | 0                                                        |
| Other liabilities                   | 19,125                           | 2,223                                               | 7,648                                               | 9,254                                                    |
| <i>thereof subordinated loans*</i>  | 10,618                           | 733                                                 | 3,230                                               | 6,615                                                    |
| <i>thereof leasing liabilities*</i> | 7,873                            | 816                                                 | 4,418                                               | 2,639                                                    |
| <i>Other liabilities</i>            | 232                              | 232                                                 | 0                                                   | 0                                                        |
|                                     | <b>72,558</b>                    | <b>9,897</b>                                        | <b>33,140</b>                                       | <b>29,521</b>                                            |

\* collateralized

Other liabilities include one subordinated bond from external lenders with a total value of TEUR 10,415 and outstanding interest of TEUR 203. In addition, this position includes tax liabilities of TEUR 232 as well as leasing liabilities reclassified within the Group.

The existing 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. As a result, a leasing liability to the lessor was recorded as a liability, which is valued at TEUR 7,873 as of June 30, 2020.

### Deferred tax liabilities

Deferred tax liabilities in the amount of TEUR 5,408 reported in the consolidated balance sheet were formed by the hidden reserves in the wind and photovoltaic 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.

|                | <b>Total<br/>amount<br/>TEUR</b> | <b>Reversal<br/>over 1 year<br/>TEUR</b> | <b>Reversal over<br/>2 to 5 years<br/>TEUR</b> | <b>Reversal<br/>over more<br/>than 5 years<br/>TEUR</b> |
|----------------|----------------------------------|------------------------------------------|------------------------------------------------|---------------------------------------------------------|
| Deferred taxes | 5,408                            | 444                                      | 1,692                                          | 3,272                                                   |

### Notes to the Consolidated Income Statement

#### Sales revenues

The Group's sales revenues of TEUR 8,992 are distributed as follows among the individual countries in which Pacifico Renewables Yield AG operates:

| <b>Country</b> | <b>TEUR</b>  |
|----------------|--------------|
| Germany        | 5,452        |
| Czech Republic | 2,752        |
| Italy          | 723          |
| Netherlands    | 65           |
| <b>Total</b>   | <b>8,992</b> |

#### Other operating income

Other operating income mainly includes realized gains from currency translation (TEUR 207).

### *Cost of materials*

During the reporting period, cost of materials at the level of the special purpose vehicles as well as the intermediate holding companies amounted to TEUR 1,408 and is broken down into the following categories by country in which Pacifico Renewables Yield AG operates:

|                    | <b>Germany<br/>TEUR</b> | <b>Czech<br/>Republic<br/>TEUR</b> | <b>Italy<br/>TEUR</b> | <b>Netherlands<br/>TEUR</b> | <b>Total<br/>TEUR</b> |
|--------------------|-------------------------|------------------------------------|-----------------------|-----------------------------|-----------------------|
| Technical services | 725                     | 72                                 | 47                    | 5                           | 849                   |
| Lease              | 217                     | 8                                  | 4                     | 100                         | 329                   |
| Miscellaneous      | 168                     | 14                                 | 45                    | 3                           | 230                   |
| <b>Total</b>       | <b>1,110</b>            | <b>94</b>                          | <b>96</b>             | <b>108</b>                  | <b>1,408</b>          |

### *Depreciation*

Depreciations are made up of three different components: depreciation of fixed assets, consolidation-related depreciation of hidden reserves disclosed during initial consolidation, and other depreciation. Depreciations of fixed assets (TEUR 3,675) consist out of adjusted depreciation from the individual financial statements of the subsidiaries. The assets are depreciated at Group level over their total useful lifetime of 20 to 30 years. Consolidation-related depreciation (TEUR 1,337) includes depreciation on revaluations of assets due to business combinations and the resulting hidden reserves.

These are also amortized over their total useful lifetime of 20 to 30 years. Depreciation of TEUR 237 resulting from the capitalization of leased assets in the Czech Republic is reported separately. Other depreciation and amortization consists of depreciation of other equipment and amortization of intangible assets.

|                                                                | <b>TEUR</b>  |
|----------------------------------------------------------------|--------------|
| Depreciations of assets (standalone financial statement level) | 3,675        |
| Group adjustments to uniform useful lives                      | (1,337)      |
| Depreciation of leased assets                                  | 237          |
| Depreciation of hidden reserves and goodwill                   | 1,263        |
| Other depreciations                                            | 28           |
| <b>Total</b>                                                   | <b>3,866</b> |

### *Other operating expenses*

Other operating expenses in the first half year 2020 (TEUR 1,550) largely comprise the project companies' legal and consulting fees (TEUR 291), expenses for the dismantling of renewable energy facilities (TEUR 266), commercial management (TEUR 365), costs for monetary transactions and other expenses to banks (TEUR 235) as well as expenses from currency translation (TEUR 55).

### *Taxes on income*

The tax expense of the first half-year 2020 of TEUR 191 is offset by the release of deferred tax liabilities of TEUR 222, which is why tax income of TEUR 31 is reported in the income statement as of June 30, 2020.

### **Other Mandatory Disclosures**

#### *Contingent liabilities and other financial obligation*

|                                                | <b>Total amount<br/>TEUR</b> | <b>Remaining<br/>term up to<br/>1 year<br/>TEUR</b> | <b>Remaining<br/>term<br/>2 to 5 years<br/>TEUR</b> | <b>Remaining<br/>term more<br/>than 5 years<br/>TEUR</b> |
|------------------------------------------------|------------------------------|-----------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------|
| Maintenance and operation management contracts | 5,060                        | 1,047                                               | 3,217                                               | 796                                                      |
| Lease agreements                               | 4,382                        | 401                                                 | 1,386                                               | 2,595                                                    |

|                                       |               |              |              |              |
|---------------------------------------|---------------|--------------|--------------|--------------|
| Master Service Agreement              | 1,693         | 410          | 1,283        | 0            |
| Commercial Asset Management Agreement | 1,280         | 240          | 1,040        | 0            |
|                                       | <b>12,415</b> | <b>2,098</b> | <b>6,926</b> | <b>3,391</b> |

### *Employees*

As of June 30, 2020, the Group employed, besides the two Management Board members, two full-time employees.

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

Pelion Green Future Alpha GmbH (formerly Pelion Alpha GmbH) has informed us that it directly owns more than 25% of the shares in our Company as well as a majority interest in our Company. Furthermore, we were informed that Pelion Green Future GmbH (formerly Pelion Capital GmbH) no longer directly owns more than 25% of the shares in our Company and a majority stake in our Company, but that now owns more than 25% of the shares in our Company and a majority stake in our Company indirectly by way of attribution of the shares directly held by Pelion Green Future Alpha GmbH. We were further informed that Felicis Holding GmbH and Alexander Samwer each continue to hold more than 25% of the shares in our Company and a majority stake in our Company by way of attribution of the shares directly held by Pelion Green Future Alpha GmbH. Any notification received has been published in the Federal Gazette in accordance with section 20(6) AktG.

### *Supplementary report*

Chronology of significant events after the reporting date and before September 10, 2020:

#### **On July 28, 2020, the Management Board and the Supervisory Board decided to propose a capital increase with subscriptions rights to further expand the portfolio to the Annual General Meeting**

The capital increase is related to the further expansion of the portfolio, in particular a possible acquisition of three wind farms in Poland with a capacity of 51.8 MW developed by Pacifico Energy Partners GmbH. In this respect, the Company received a concrete purchase offer on July 28, 2020, which it is currently examining respectively negotiating intensively.

#### **Annual General Meeting on August 26, 2020**

Among others, the following agenda items were approved:

- Resolution on the extension of the company's supervisory board from three to six members. The following new members were elected to the Supervisory Board, subject to the increase in the size of the supervisory board being entered in the commercial register:
  - i. Dr. Eva Kreibohm, attorney and notary public, Berlin,
  - ii. Dr. Michael Menz, Chief Administrative Officer, GROPYUS AG, Berlin
  - iii. Mr. Florian Seubert, Partner, Maxburg Capital Partners, Munich.
- Resolution on the increase of the Company's share capital against cash contribution with targeted gross proceeds of EUR 46 million and (indirect) subscription rights for existing shareholders.

## Consolidated Development of Fixed Assets

|             |                                                                                                               | Acquisition and manufacturing costs |                |                                       |                    |
|-------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------|---------------------------------------|--------------------|
|             |                                                                                                               | January 1,<br>2020                  | Additions      | Consolida-<br>tion-related<br>changes | June 30, 2020      |
|             |                                                                                                               | EUR                                 | EUR            | EUR                                   | EUR                |
| <b>I.</b>   | <b>Intangible assets</b>                                                                                      |                                     |                |                                       |                    |
| 1.          | Acquired concessions industrial property and similar rights and assets and licenses in such rights and assets | 662,938                             | 0              | 0                                     | 662,938            |
| 2.          | Goodwill                                                                                                      | 1,201,105                           | 0              | 74,667                                | 1,275,772          |
|             | <b>Total intangible assets</b>                                                                                | <b>1,864,043</b>                    | <b>0</b>       | <b>74,667</b>                         | <b>1,938,710</b>   |
| <b>II.</b>  | <b>Tangible assets</b>                                                                                        |                                     |                |                                       |                    |
| 1.          | Land, similar rights and buildings including buildings on leasehold land                                      | 857,003                             | 0              | 1,232,589                             | 2,089,592          |
| 2.          | Technical equipment and machinery                                                                             | 88,836,906                          | 521,717        | 62,309,916                            | 151,668,539        |
| 3.          | Other equipment, factory and office equipment                                                                 | 13,265                              | 836            | 3,765                                 | 17,866             |
| 4.          | Prepayments and construction in process                                                                       | 0                                   | 0              | 0                                     | 0                  |
|             | <b>Total tangible assets</b>                                                                                  | <b>89,707,174</b>                   | <b>522,553</b> | <b>63,546,270</b>                     | <b>153,775,997</b> |
| <b>III.</b> | <b>Financial assets</b>                                                                                       |                                     |                |                                       |                    |
|             | Participations                                                                                                | 800                                 | 0              | 10,264                                | 11,064             |
|             | <b>Total financial assets</b>                                                                                 | <b>800</b>                          | <b>0</b>       | <b>10,264</b>                         | <b>11,064</b>      |
|             | <b>Total fixed assets</b>                                                                                     | <b>91,572,017</b>                   | <b>522,553</b> | <b>63,631,201</b>                     | <b>155,725,771</b> |

| Accumulated depreciation |                                           |                                   |                   | Book values       |                      |
|--------------------------|-------------------------------------------|-----------------------------------|-------------------|-------------------|----------------------|
| January 1,<br>2020       | Depreciation<br>during the<br>fiscal year | Consolidation-<br>related changes | June 30,<br>2020  | June 30,<br>2020  | December<br>31, 2019 |
| EUR                      | EUR                                       | EUR                               | EUR               | EUR               | EUR                  |
| 93,055                   | 36,416                                    | 0                                 | 129,471           | 533,467           | 569,883              |
| 134,254                  | 62,075                                    | 0                                 | 196,329           | 1,079,443         | 1,066,851            |
| <b>277,309</b>           | <b>98,491</b>                             | <b>0</b>                          | <b>325,800</b>    | <b>1,612,910</b>  | <b>1,636,734</b>     |
| 62,004                   | 46,926                                    | 160,369                           | 269,299           | 1,820,293         | 794,999              |
| 29,131,678               | 3,718,382                                 | 22,998,366                        | 55,848,426        | 95,820,113        | 59,705,228           |
| 1,402                    | 2,113                                     | 0                                 | 3,515             | 14,351            | 11,862               |
| 0                        | 0                                         | 0                                 | 0                 | 0                 | 0                    |
| <b>29,195,084</b>        | <b>3,767,421</b>                          | <b>23,158,735</b>                 | <b>56,121,240</b> | <b>97,654,757</b> | <b>60,512,089</b>    |
| 0                        | 0                                         | 0                                 | 0                 | 11,064            | 800                  |
| 0                        | 0                                         | 0                                 | 0                 | <b>11,064</b>     | <b>800</b>           |
| <b>29,422,393</b>        | <b>3,865,912</b>                          | <b>23,158,735</b>                 | <b>56,447,040</b> | <b>99,278,731</b> | <b>62,149,623</b>    |

8.1.1.4 Consolidated Statement of Changes in Equity

| EUR                                           | Parent company's equity |                   |                   |                                             |
|-----------------------------------------------|-------------------------|-------------------|-------------------|---------------------------------------------|
|                                               | Share capital           | Reserves          |                   | Equity difference from currency translation |
|                                               |                         | Capital reserves  | Total             |                                             |
| <b>As of January 1, 2020</b>                  | <b>1,135,000</b>        | <b>23,565,000</b> | <b>23,565,000</b> | <b>(113,995)</b>                            |
| Increase / decrease of capital shares         | 795,455                 | 0                 | 0                 | 0                                           |
| Allocation to / withdrawal from reserves      | 0                       | 16,704,555        | 16,704,555        | 0                                           |
| Currency translation                          | 0                       | 0                 | 0                 | (526,428)                                   |
| Change in the group of consolidated companies | 0                       | 0                 | 0                 | 0                                           |
| Consolidated net loss                         | 0                       | 0                 | 0                 | 0                                           |
| <b>As of June 30, 2020</b>                    | <b>1,930,455</b>        | <b>40,269,555</b> | <b>40,269,555</b> | <b>(640,423)</b>                            |

| EUR                                           | Parent company's equity  |                              |                   |                   | Group equity |
|-----------------------------------------------|--------------------------|------------------------------|-------------------|-------------------|--------------|
|                                               | Profit/loss carryforward | Consolidated net profit/loss | Total             | Total             |              |
|                                               |                          |                              |                   |                   |              |
| <b>As of January 1, 2020</b>                  | <b>(1,844,133)</b>       | <b>0</b>                     | <b>22,741,872</b> | <b>22,741,872</b> |              |
| Increase / decrease of capital shares         | 0                        | 0                            | 795,455           | 795,455           |              |
| Allocation to / withdrawal from reserves      | 0                        | 0                            | 16,704,555        | 16,704,555        |              |
| Currency translation                          | 0                        | 0                            | (526,428)         | (526,428)         |              |
| Change in the group of consolidated companies | 0                        | 0                            | 0                 | 0                 |              |
| Consolidated net loss                         | 0                        | 301,769                      | 301,769           | 301,769           |              |
| <b>As of June 30, 2020</b>                    | <b>(1,844,133)</b>       | <b>301,769</b>               | <b>40,017,223</b> | <b>40,017,223</b> |              |

8.1.1.5 Consolidated Cash Flow Statement

| No.        | Position                                                                                                          | EUR                       | EUR                       | EUR                       |
|------------|-------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|---------------------------|
|            |                                                                                                                   | 01/01/2020-<br>06/30/2020 | 07/01/2019-<br>12/31/2019 | 01/01/2019-<br>06/30/2019 |
| 1.         | Consolidated net income / loss                                                                                    | 301,769                   | (1,617,256)               | (98,097)                  |
| 2.         | + Depreciation of fixed asset items                                                                               | 3,865,912                 | 2,674,977                 | 221                       |
| 3.         | + Increase in provisions                                                                                          | 354,653                   | (42,892)                  | 102,180                   |
| 4.         | +/- Other non-cash expenses/income                                                                                | (344,587)                 | (161,320)                 | 0                         |
| 5.         | + Decrease in inventories, trade receivables and other assets not allocated to investment or financing activities | (339,418)                 | 1,498,328                 | (306,537)                 |
| 6.         | - Decrease in trade payables and other liabilities not attributable to investment or financing activities         | (18,783)                  | (189,494)                 | (74,633)                  |
| 7.         | +/- Loss / profit from the disposal of fixed assets                                                               | 0                         | (38,215)                  | (171,169)                 |
| 8.         | +/- Interest expenses/interest income                                                                             | 1,718,191                 | 1,560,348                 | 0                         |
| 9.         | +/- Income tax expense / income                                                                                   | 190,360                   | 683,464                   | 0                         |
| 10.        | +/- Income tax payments                                                                                           | 0                         | (36,442)                  | 0                         |
| <b>11.</b> | <b>= Cash flow from operating activities</b>                                                                      | <b>5,728,097</b>          | <b>4,331,498</b>          | <b>(548,035)</b>          |
| 12.        | - Payments made for investments in intangible assets                                                              | 0                         | (56,289)                  | (1,639)                   |
| 13.        | - Payments made for investments in tangible fixed assets                                                          | (521,717)                 | (2,150,266)               | (715,998)                 |
| 14.        | + Proceeds from disposals from the consolidated group                                                             | 0                         | 2,622,808                 | 25,000                    |
| 15.        | - Payments for additions to the consolidated group                                                                | (18,782,038)              | (20,848,970)              | 0                         |
| <b>16.</b> | <b>= Cash flow from investment activities</b>                                                                     | <b>(19,303,755)</b>       | <b>(20,432,716)</b>       | <b>(692,637)</b>          |
| 17.        | Proceeds from equity contributions from shareholders of the parent company                                        | 17,500,010                | 13,240,000                | 875,000                   |
| 18.        | + Proceeds from issuance of bonds and borrowings                                                                  | 7,447,006                 | 27,075,656                | 304,594                   |
| 19.        | - Payments for the redemption of bonds and loans                                                                  | (13,423,046)              | (20,404,448)              | 0                         |
| 20.        | - Interest paid                                                                                                   | (1,439,633)               | (1,354,146)               | 0                         |
| <b>21.</b> | <b>= Cash flow from financing activities</b>                                                                      | <b>10,084,337</b>         | <b>18,557,063</b>         | <b>1,179,594</b>          |
| 22.        | Changes in cash and cash equivalents                                                                              | (3,491,320)               | 2,455,844                 | (61,079)                  |
| 23.        | +/- Changes in cash and cash equivalents due to exchange rate and valuation                                       | 166,865                   | 0                         | 0                         |
| 24.        | +/- Changes in cash and cash equivalents due to consolidation                                                     | 3,764,658                 | 2,168,381                 | 5,665,215                 |
| 25.        | + Cash and cash equivalents at the beginning of the period                                                        | 11,767,154                | 7,142,929                 | 1,538,792                 |
| <b>26.</b> | <b>= Cash and cash equivalents at the end of the period</b>                                                       | <b>12,207,356</b>         | <b>11,767,154</b>         | <b>7,142,929</b>          |

8.1.1.6 Certificate after audit review

**CERTIFICATE AFTER AUDIT REVIEW**

To Pacifico Renewables Yield AG, Grünwald

We have performed an audit review of Pacifico Renewables Yield AG, Grünwald's consolidated half-year report – comprising the consolidated balance sheet, consolidated income statement, consolidated notes, consolidated statement on changes in equity and consolidated cash-flow statement – and interim group management report for the period from January 1, 2020 through June 30, 2020, which form a part of the half-year financial report in application of Art. 115 WpHG (German Securities Trading Act). The preparation of the consolidated half-year report in accordance with German commercial law and the interim group management report in accordance with the provisions pursuant to WpHG as applicable to interim group management reports is the responsibility of the Company's legal representatives. Our responsibility is to issue a certificate on the consolidated half-year report and the interim group management report based on our audit review.

We have conducted our audit review of the consolidated half-year report and of the interim group management report in compliance with German Generally Accepted Standards for the Audit Review of Financial Statements as issued by the German Institute of Certified Public Accountants (*Institut der Wirtschaftsprüfer*; "IDW"). According to these standards, our audit review must be planned and performed in such a form that we can preclude, through critical evaluation, with a certain level of assurance, that the consolidated half-year report has not been prepared, in any material respects, in accordance with the principles pursuant to German commercial law and that the interim group management report has not been prepared, in any material respects, in accordance with the provisions pursuant to WpHG as applicable to interim group management reports. An audit review is primarily limited to inquiries of the Company's staff as well as analytical assessments and therefore does not provide the assurance attainable in an audit of financial statements. According to our engagement, we have not performed an audit of the financial statements; therefore, we cannot issue an audit certificate.

Based on our audit review, we have not become aware of any facts that cause us to presume that the consolidated half-year report has not been prepared, in all material respects, in accordance with German commercial law or that the interim group management report has not been prepared, in all material respects, in accordance with the provisions pursuant to WpHG as applicable to interim group management reports.

Munich, September 10, 2020

Baker Tilly GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
(Düsseldorf)

Abel  
German CPA

Merget  
German CPA

8.1.2 *Consolidated Financial Statements of Pacifico Renewables Yield AG as of December 31, 2019 prepared in accordance with HGB*

8.1.2.1 *Consolidated balance sheet as of December 31, 2019 (audited)*

| <b>A S S E T S</b> |                                                                                                                       | <b>December 31, 2019</b> | <b>December 31, 2018</b> |
|--------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
|                    |                                                                                                                       | <b>EUR</b>               | <b>EUR</b>               |
| <b>A.</b>          | <b>FIXED ASSETS</b>                                                                                                   |                          |                          |
| <b>I.</b>          | <b>Intangible assets</b>                                                                                              |                          |                          |
| 1.                 | Acquired concessions, industrial property and similar rights and assets as well as licenses in such rights and assets | 569,883                  | 0                        |
| 2.                 | Goodwill                                                                                                              | 1,066,851                | 0                        |
|                    |                                                                                                                       | <b>1,636,734</b>         | <b>0</b>                 |
| <b>II.</b>         | <b>Tangible assets</b>                                                                                                |                          |                          |
| 1.                 | Land similar rights and buildings including buildings on leasehold land                                               | 794,999                  | 0                        |
| 2.                 | Technical equipment and machinery                                                                                     | 59,705,228               | 0                        |
| 3.                 | Other equipment, factory and office equipment                                                                         | 11,862                   | 1,908                    |
| 4.                 | Prepayments and construction in process                                                                               | 0                        | 1,271,327                |
|                    |                                                                                                                       | <b>60,512,089</b>        | <b>1,273,235</b>         |
| <b>III.</b>        | <b>Financial assets</b>                                                                                               |                          |                          |
|                    | Participations                                                                                                        | 800                      | 0                        |
|                    |                                                                                                                       | <b>62,149,623</b>        | <b>1,273,235</b>         |
| <b>B.</b>          | <b>CURRENT ASSETS</b>                                                                                                 |                          |                          |
| <b>I.</b>          | <b>Receivables and other assets</b>                                                                                   |                          |                          |
| 1.                 | Trade receivables                                                                                                     | 1,071,877                | 0                        |
| 2.                 | Other assets<br><i>thereof from taxes EUR 1,804,126 (previous year EUR 213,285)</i>                                   | 2,456,510                | 215,708                  |
|                    |                                                                                                                       | <b>3,528,387</b>         | <b>215,708</b>           |
| <b>II.</b>         | <b>Bank balances</b>                                                                                                  | 11,767,154               | 1,538,792                |
|                    |                                                                                                                       | <b>15,295,541</b>        | <b>1,754,500</b>         |
| <b>C.</b>          | <b>PREPAID EXPENSES</b>                                                                                               | 5,633,485                | 0                        |
| <b>D.</b>          | <b>DEFICIT NOT COVERED BY EQUITY</b>                                                                                  | 0                        | 159,991                  |
|                    |                                                                                                                       | <b>83,078,649</b>        | <b>3,187,726</b>         |

| <b>LIABILITIES</b>                                     | <b>December 31, 2019</b> | <b>December 31, 2018</b> |
|--------------------------------------------------------|--------------------------|--------------------------|
|                                                        | <b>EUR</b>               | <b>EUR</b>               |
| <b>A. EQUITY</b>                                       |                          |                          |
| <b>I. Share capital</b>                                | 1,135,000                | 25,000                   |
| <b>II. Capital reserve</b>                             | 23,565,000               | 0                        |
| <b>III. Net loss</b>                                   | (1,844,133)              | (184,708)                |
| <b>IV. Equity difference from currency translation</b> | (113,995)                | (283)                    |
| <b>V. Deficit not covered by equity</b>                | 0                        | 159,991                  |
|                                                        | <b>22,741,872</b>        | <b>0</b>                 |
| <b>B. PROVISIONS</b>                                   |                          |                          |
| 1. Tax provisions                                      | 613,153                  | 0                        |
| 2. Other provisions                                    | 620,489                  | 50,827                   |
|                                                        | <b>1,233,642</b>         | <b>50,827</b>            |
| <b>C. ACCOUNTS PAYABLE</b>                             |                          |                          |
| 1. Bank loans and overdrafts                           | 26,567,029               | 0                        |
| 2. Trade payables                                      | 1,054,519                | 135,255                  |
| 3. Payables to shareholders                            | 0                        | 2,895,889                |
| 4. Other liabilities                                   | 28,247,285               | 57,755                   |
|                                                        | <b>55,868,833</b>        | <b>3,088,899</b>         |
| <b>D. DEFERRED TAX LIABILITIES</b>                     | <b>3,234,302</b>         | <b>48,000</b>            |
|                                                        | <b>83,078,649</b>        | <b>3,187,726</b>         |

8.1.2.2 Consolidated income statement for the period from January 1 through December 31, 2019 (audited)

|                                                         | <b>2019</b>        | <b>2018</b>      |
|---------------------------------------------------------|--------------------|------------------|
|                                                         | <b>EUR</b>         | <b>EUR</b>       |
| 1. Sales revenues                                       | 5,028,233          | 0                |
| 2. Other operating income                               | 185,276            | 3,175            |
| 3. Cost of materials                                    |                    |                  |
| Cost of purchased services                              | (1,006,030)        | 0                |
| 4. Personnel expenses                                   |                    |                  |
| a) Wages and salaries                                   | (194,892)          | 0                |
| b) Social security, pensions and other benefits         | (10,926)           | 0                |
|                                                         | <u>(205,818)</u>   | <u>0</u>         |
| 5. Depreciation of fixed intangible and tangible assets | (2,675,198)        | (465)            |
| 6. Other operating expenses                             | (929,287)          | (179,979)        |
| 7. Other interest and similar income                    | 0                  | 1                |
| 8. Interest and similar expenses                        | (1,560,348)        | (7,440)          |
| <i>thereof to affiliated companies EUR -225,629</i>     |                    |                  |
| <i>(previous year: EUR 889)</i>                         |                    |                  |
| 9. Taxes on income                                      | (547,829)          | 0                |
| 10. Other taxes                                         | (4,352)            | 0                |
| <b>11. Consolidated net loss</b>                        | <b>(1,715,353)</b> | <b>(184,708)</b> |
| 12. Loss carryforward                                   | (184,708)          | 0                |
| 13. Deconsolidation result                              | 55,928             | 0                |
| <b>14. Accumulated losses</b>                           | <b>(1,844,133)</b> | <b>(184,708)</b> |

### 8.1.2.3 Consolidated notes for the fiscal year ended December 31, 2019

#### **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 April 27, 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 significant changes in the group of Pacifico Renewables Yield AG's consolidated companies, comparability with the previous consolidated financial statements is severely limited. As of June 30, 2019, the Group structure was changed by the contribution of an operating portfolio of wind and photovoltaic power plants, which is held by Pacifico Holding 1 GmbH & Co. KG and Dutch Durables B.V. in the current group structure. Further additions to the group of consolidated companies relate to the acquisition of four photovoltaic power plants in the Czech Republic.

#### **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 100% of the shares in all group companies. The following subsidiaries have been fully consolidated in the annual financial statements:

| <b>Company</b>                    | <b>Registered office</b> | <b>Share in %</b> |
|-----------------------------------|--------------------------|-------------------|
| Pacifico Management GmbH*         | Munich, Germany          | 100               |
| Pacifico Holding 1 GmbH & Co. KG* | Munich, Germany          | 100               |
| Pacifico Germany 1 GmbH & Co. KG  | Munich, Germany          | 100               |
| PAC Block Germany 1 GmbH          | Munich, Germany          | 100               |
| PAC Jade GmbH & Co. KG            | Munich, Germany          | 100               |
| PAC Opal GmbH & Co. KG            | Munich, Germany          | 100               |
| PAC Rubin GmbH & Co. KG           | Munich, Germany          | 100               |
| PAC Saphir GmbH & Co. KG          | Munich, Germany          | 100               |
| PAC Topas GmbH & Co. KG           | Munich, Germany          | 100               |
| Pacifico Italy 1 GmbH & Co. KG    | Munich, Germany          | 100               |
| PAC Italy GmbH                    | Munich, 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*                 | Munich, Germany          | 100               |
| Pacifico Energy Czech s.r.o.      | Prague, Czech Republic   | 100               |
| Pacifico Energy Ose s.r.o.        | Prague, Czech Republic   | 100               |
| FVE Osecna S.r.o.                 | Prague, Czech Republic   | 100               |
| Pacifico Energy Usi s.r.o.        | Prague, Czech Republic   | 100               |
| FVE Usilne S.r.o.                 | Prague, Czech Republic   | 100               |
| Pacifico Energy Hol s.r.o.        | Prague, Czech Republic   | 100               |

|                               |                            |     |
|-------------------------------|----------------------------|-----|
| PAC Czechia 2 GmbH*           | Munich, Germany            | 100 |
| Pacifico Energy Hodo s.r.o.   | Prague, Czech Republic     | 100 |
| FVE Hodonice s.r.o.           | Prague, Czech Republic     | 100 |
| Pacifico Energy Trosko s.r.o. | Prague, Czech Republic     | 100 |
| FVE Troskotovice s.r.o.       | Prague, Czech Republic     | 100 |
| Dutch Durables Energy B.V.*   | Bosch en Duin, Netherlands | 100 |

\* Entities in which the Company has a direct participating interest

The following subsidiaries were included in the consolidated financial statements as of December 31, 2018 by way of full consolidation:

| <b>Company</b>                | <b>Registered office</b> | <b>Share in %</b> |
|-------------------------------|--------------------------|-------------------|
| PAC Poland 2 GmbH*            | Munich, Germany          | 100               |
| PAC Czechia GmbH*             | Munich, Germany          | 100               |
| GB Dębowa Łąka 402 sp. z o.o. | Warsaw, Poland           | 100               |
| GB 12W 212 sp. z o.o.         | Warsaw, Poland           | 100               |
| GB Świecie 404 sp. z o.o.     | Warsaw, Poland           | 100               |
| GB Książki 405 sp. z o.o.     | Warsaw, Poland           | 100               |
| Pacifico Energy Czech s.r.o.  | Prague, Czech Republic   | 100               |
| Pacifico Ambra S.r.l.*        | Bolzano, Italy           | 100               |

\* Entities in which the Company has a direct participating interest

The Polish subgroup structured under PAC Poland 2 GmbH and Pacifico Ambra S.r.l. was sold and deconsolidated as of June 30, 2019.

Due to the change in the group of consolidated companies, in particular the items fixed assets, bank balances and liabilities to banks have changed significantly. The following table shows the amounts of these changes:

| <b>TEUR</b>                     | <b>Consolidation-related change</b> |
|---------------------------------|-------------------------------------|
| Fixed assets                    | 55,526                              |
| <i>thereof from revaluation</i> | <i>18,419</i>                       |
| Bank balances                   | 7,834                               |
| Bank loans and overdrafts       | 26,567                              |
| Other liabilities               | 11,000                              |

### **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 sales 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 have therefore an impact on the resulting goodwill or negative goodwill from consolidation.

### **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 fixed assets have been recognized at acquisition cost less scheduled straight-line depreciation over their expected useful lives. 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 fixed 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 uniformly 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 items 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.

## **Notes on the consolidated balance sheet**

### ***Fixed assets***

The development of the individual fixed asset items is shown in the statement of changes in fixed assets, 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 essentially comprise licenses required for the commissioning and operation of wind and photovoltaic power plants. This item also includes licenses for purchased consolidation software at the level of Pacifico Renewables Yield AG.

### ***Goodwill***

The addition in the fiscal year mainly results from the initial consolidation of Pacifico Holding 1 GmbH & Co. KG's operating portfolio brought in by Pelion. The contribution was made as a contribution in kind in the course of the capital increase on June 30, 2019. Goodwill also arose from the initial consolidation of PAC Czechia GmbH's portfolio. Goodwill is allocated to the individual companies as follows:

|                                  |                      |                              |
|----------------------------------|----------------------|------------------------------|
| Pacifico Holding 1 GmbH & Co. KG | 1,197,801 EUR        | Portfolio Pacifico Holding 1 |
| Pacifico Energy Hol S.r.o.       | 1,108 EUR            | Portfolio PAC Czechia GmbH   |
| Pacifico Energy Ose S.r.o.       | 1,098 EUR            | Portfolio PAC Czechia GmbH   |
| Pacifico Energy Usi S.r.o.       | 1,098 EUR            | Portfolio PAC Czechia GmbH   |
|                                  | <b>1,201,105 EUR</b> |                              |

### ***Tangible assets***

Tangible assets include all of the Group's wind and photovoltaic power plants existing as of December 31, 2019.

The additions during the fiscal year relate to the photovoltaic power plants in the Czech Republic.

The consolidation-related changes are due to the addition of the operating portfolio of wind and photovoltaic power plants within the scope of the capital increase performed on June 30, 2019. The book values of technical equipment and machinery from the subsidiaries' standalone financial statements were recognized in the balance sheet at group level at their fair value by means of a purchase price allocation. The revaluation as part of the assets' purchase price allocation increases the Group's tangible assets item by TEUR 18,419.

### ***Financial assets***

Financial assets include a minority interest in a GbR. This 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.

## **Current assets**

### ***Trade receivables***

Trade receivables include all receivables outstanding as of the reporting date of December 31, 2019. The receivables are largely made up of receivables from the generated energy's purchasers.

### ***Other assets***

Other assets mainly comprise tax receivables from the individual tax offices and an escrow account. Furthermore, this item includes deposits made for the Company's office and for lease payments in Italy as well as advance payments for services to be rendered by external service providers going forward.

### ***Bank balances***

This item shows all bank balances within the Group as of the reporting date of December 31, 2019. The amount of TEUR 11,767 includes an amount of TEUR 3,830 which is subject to disposal restrictions.

### ***Prepaid expenses***

Prepaid expenses and deferred charges mainly include prepayments of leasing liabilities for facilities in the Czech Republic as well as advance lease payments, which are released to income over the facilities' or lease agreements' term.

## **Equity**

Pacifico Renewables Yield AG's share capital increased by TEUR 1,110 from TEUR 25 to TEUR 1,135 as of December 31, 2019. The share capital is divided into 1,135,000 bearer shares with a notional value of EUR 1.00 per share.

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 share 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).

Both the share capital and the capital reserve of Pacifico Renewables Yield AG increased by a total amount of TEUR 24,675 in the year under review as a result of two capital increases. In addition to the capital increases, the Group's balance sheet equity decreased by TEUR 1,829 due to equity differences and the consolidated net loss for the year. The loss carried forward was corrected by TEUR 56 to (129) due to the sale of the two Group companies PAC Poland 2 GmbH and Pacifico Ambra S.r.l. and the associated deconsolidation. As a result, the Group is able to report equity in the amount of TEUR 22,742 as of December 31, 2019.

The first capital increase in 2019 was carried out as part of the integration of an operating portfolio into the Group. The operating portfolio, which is held under the company Pacifico Holding 1 GmbH & Co. KG, comprises wind and photovoltaic power plants in Germany and photovoltaic power plants in Italy. The capital increase was performed to some extent against cash contributions and to some extent against contributions in kind. In the course of the capital increase, the former Pacifico European Renewables Yieldco GmbH's two sole shareholders decided to make contributions to the company's free capital reserve in the amount of EUR 21.00 per share held. Here too, the contributions were made to some extent in cash and to some extent in kind. In this case, the contributions in kind represent shares in the companies Pacifico Management GmbH, Dutch Durables Energy B.V. and Pacifico Holding 1 GmbH. These shares were recognized at the following fair values as of June 30, 2019:

|                                  |               |
|----------------------------------|---------------|
| Pacifico Holding 1 GmbH & Co. KG | 8,500,000 EUR |
| Dutch Durables Energy B.V.       | 2,000,000 EUR |
| Pacifico Management GmbH         | 60,000 EUR    |

The second capital increase in 2019 was carried out prior to the over-the-counter listing on the Düsseldorf stock exchange and was aimed to improve the company's capitalization and to expand its investor base. For this purpose, additional investors were acquired, who subscribed to a total of 135,000 new shares of Pacifico Renewables Yield AG. The issue price for this capital increase was EUR 1.00 per share and the investors paid a premium of EUR 19.00 per share held into the company's free reserve.

In the following, the two capital measures taken by the company will be summarized:

**Share capital**

| <b>Company</b>                | <b>Issued shares</b> | <b>Issue amount EUR</b> | <b>Total amount EUR</b> | <b>Capital increase</b> |
|-------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Pelion Green Future GmbH      | 875,000              | 1.00                    | 875,000.00              | June 30, 2019           |
| Pacifico Energy Partners GmbH | 100,000              | 1.00                    | 100,000.00              | June 30, 2019           |
| Other investors               | 135,000              | 1.00                    | 135,000.00              | October 16, 2019        |
|                               | <b>1,110,000</b>     |                         | <b>1,110,000.00</b>     |                         |

**Capital reserve**

| <b>Company</b>                | <b>Shares held</b> | <b>Total amount EUR</b> | <b>Capital increase</b> |
|-------------------------------|--------------------|-------------------------|-------------------------|
| Pelion Green Future GmbH      | 900,000            | 18,900,000.00           | June 30, 2019           |
| Pacifico Energy Partners GmbH | 100,000            | 2,100,000.00            | June 30, 2019           |
| Other investors               | 135,000            | 2,565,000.00            | October 16, 2019        |
|                               | <b>1,135,000</b>   | <b>23,565,000.00</b>    |                         |

As of December 31, 2019, there are no other obligations from subscription rights, convertible bonds or comparable securities.

**Tax provisions**

Tax provisions comprise all income taxes for the financial year and the previous years which are still to be paid to the tax authorities. The provisions for payable taxes are divided among the Group's individual countries as follows:

| <b>TEUR</b>    | <b>Total</b> |
|----------------|--------------|
| Germany        | 87           |
| Czech Republic | 525          |
| Italy          | 1            |
|                | <b>613</b>   |

Tax provisions were calculated by the local tax consultants in the various countries in which Pacifico Renewables Yield AG operates.

**Other provisions**

Other provisions in the amount of TEUR 620 mainly consist of provisions for dismantling obligations of the German wind farms and provisions for accounting and auditing fees.

In addition, other provisions include virtual share-based remuneration with long-term incentives for the Management Board. These provisions were formed for the 2019 reporting year in the amount of TEUR 100.

**Accounts payable**

Accounts payable have the following remaining terms:

|                            | <b>Total amount TEUR</b> | <b>Remaining term up to 1 year TEUR</b> | <b>Remaining term 2 to 5 years TEUR</b> | <b>Remaining term more than 5 years TEUR</b> |
|----------------------------|--------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|
| Bank loans and overdrafts* | 26,567                   | 5,402                                   | 15,275                                  | 5,890                                        |
| Trade payables             | 1,055                    | 1,055                                   | 0                                       | 0                                            |
| Other liabilities          | 28,247                   | 10,387                                  | 6,526                                   | 11,334                                       |

|                                      |        |       |       |       |
|--------------------------------------|--------|-------|-------|-------|
| <i>thereof from taxes</i>            | 420    | 420   | 0     | 0     |
| <i>thereof subordinated bonds*</i>   | 18,936 | 8,951 | 3,020 | 6,965 |
| <i>thereof leasing liabilities *</i> | 8,691  | 816   | 3,506 | 4,369 |
| <i>other liabilities</i>             | 200    | 200   | 0     | 0     |

\* collateralized.

Other liabilities include three subordinated bonds from external lenders with a total value of TEUR 18,730 as of the balance sheet date. In addition, this item includes leasing liabilities reclassified within the Group.

The existing 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. As a result, the assets were initially capitalized at their acquisition costs on HBII/III level and depreciated according to schedule over their useful life. Within the scope of the subsequent initial consolidation, hidden reserves in the amount of TEUR 5,558 were capitalized. At the same time, a leasing liability to the lessor was recorded as a liability. The leasing payments made when the equipment was acquired were shown as prepaid expenses and deferred charges. This increased other liabilities by TEUR 8,691.

### **Deferred tax liabilities**

Deferred tax liabilities in the amount of TEUR 3,234 reported in the consolidated balance sheet were formed by the hidden reserves in the wind and photovoltaic 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.

|                | <b>Total<br/>amount<br/>TEUR</b> | <b>Reversal<br/>over 1 year<br/>TEUR</b> | <b>Reversal over<br/>2 to 5 years<br/>TEUR</b> | <b>Reversal<br/>over more<br/>than 5 years<br/>TEUR</b> |
|----------------|----------------------------------|------------------------------------------|------------------------------------------------|---------------------------------------------------------|
| Deferred taxes | 3,234                            | 297                                      | 890                                            | 2,047                                                   |

### **Notes on the consolidated income statement**

#### **Sales revenues**

The Group's sales revenues of TEUR 5,028 are distributed as follows among the individual country groups in which Pacifico Renewables Yield AG operates:

| <b>TEUR</b>    | <b>Total</b> |
|----------------|--------------|
| Germany        | 1,917        |
| Czech Republic | 2,156        |
| Italy          | 955          |
|                | <b>5,028</b> |

#### **Other operating income**

Other operating income mainly includes income from currency translation (TEUR 120). This item also includes income from insurance compensation as well as income from the recognition of statute-barred liabilities in the income statement.

#### **Cost of materials**

During the reporting period, cost of materials amounted to TEUR 1,006 and is broken down into the following components:

| <b>TEUR</b>        | <b>Germany</b> | <b>Czech<br/>Republic</b> | <b>Italy</b> | <b>Total</b> |
|--------------------|----------------|---------------------------|--------------|--------------|
| Technical services | 487            | 107                       | 105          | 699          |

|               |     |    |    |     |
|---------------|-----|----|----|-----|
| Lease         | 135 | 28 | 4  | 167 |
| Miscellaneous | 93  | 23 | 24 | 140 |

### *Personnel expenses*

Personnel expenses comprise the salaries of employees and the Management Board members' remuneration of Pacifico Renewables Yield AG. The salary of one employee at PAC Poland 2 GmbH was included in the consolidated income statement until the sale of the company on June 30, 2019.

### *Depreciation*

Depreciations are made up as follows:

| <b>TEUR</b>                                                    | <b>Total</b> |
|----------------------------------------------------------------|--------------|
| Depreciations of assets (standalone financial statement level) | 2,587        |
| Group adjustments to uniform useful lives                      | (996)        |
| Depreciation of leased assets                                  | 202          |
| Depreciation of hidden reserves                                | 869          |
| Other depreciations                                            | 13           |
| <b>SUMME</b>                                                   | <b>2,675</b> |

Depreciation of fixed assets (TEUR 2,578) was adjusted at Group level in accordance with the uniform useful life of between 20 and 30 years (TEUR (996)). The capitalization of leased assets in the Czech Republic resulted in additional depreciation in the amount of TEUR 202. Furthermore, the disclosure of hidden reserves from the revaluation of assets as part of the purchase price allocation and their depreciation over the remaining useful life uniformly applied throughout the Group resulted in additional depreciation of TEUR 869. Other depreciations mainly comprise the depreciation of factory and office equipment.

### *Other operating expenses*

Other operating expenses largely comprise the project companies' asset management costs as well as holding costs. The calculation of the asset management fee is based on contracts between Pacifico Energy Partners and the individual project companies. The agreement, which was applicable in 2019, was replaced by the Commercial Asset Management Agreement as of January 1, 2020. Through the integration of an operating portfolio held by Pacifico Holding 1 GmbH & Co. KG, as well as the acquisition of four photovoltaic plants in the Czech Republic in June and July 2019, the corresponding expenses are reported in the consolidated income statement as of July 1, 2019. The Czech plants also incurred a fee for the integration of the newly acquired plants, which was also paid in the second half of 2019. As the majority of the plants in the Netherlands had not yet been commissioned on December 31, 2019, Pacifico Energy Partners GmbH did not charge an asset management fee for these plants. The total asset management fee in 2019 amounted to TEUR 574.

### *Interest and similar expenses*

Interest and similar expenses include interest to Pelion, due to the granting of shareholder loans in the amount of TEUR 226. These shareholder loans were repaid in full on June 30, 2019 in the course of the Group's restructuring. Other interest in the amount of TEUR 1,334 consists of interest on debt financing. They include an amount of TEUR 112 for notional interest payments in connection with the capitalization of the assets FVE Úsilné S. r. o. and FVE Osečná S. r. o. and the recognition of a leasing liability in the Group.

### *Taxes on income*

Taxes on income include all taxes paid and payable for the financial year. Taxes yet to be paid were calculated by the local tax consultants in the various countries in which Pacifico Renewables Yield AG operates.

## Other mandatory disclosures

### *Contingent liabilities and other financial obligations*

|                                                | <b>Total amount<br/>TEUR</b> | <b>Remaining<br/>term up to<br/>1 year<br/>TEUR</b> | <b>Remaining<br/>term<br/>2 to 5 years<br/>TEUR</b> | <b>Remaining<br/>term more<br/>than 5 years<br/>TEUR</b> |
|------------------------------------------------|------------------------------|-----------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------|
| Maintenance and operation management contracts | 4,220                        | 875                                                 | 2,845                                               | 500                                                      |
| Lease agreements                               | 2,235                        | 201                                                 | 790                                                 | 1,244                                                    |
| Master Service Agreement                       | 1,685                        | 337                                                 | 1,348                                               | 0                                                        |
| Commercial Asset Management Agreement          | 835                          | 167                                                 | 668                                                 | 0                                                        |
|                                                | <b>8,975</b>                 | <b>1,580</b>                                        | <b>5,651</b>                                        | <b>1,744</b>                                             |

### *Auditor's fee*

The auditor's total fee of TEUR 109 calculated for the fiscal year includes Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft's services for the audit of the financial statements.

### *Employees*

As of December 31, 2019, the Group employed, besides the two Management Board members, one full-time employee.

### *Management*

As of December 31, 2019, 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 2019 financial year, the Management Board members' remuneration amounted to EUR 50,000, consisting of an annual fixed salary paid in 12 monthly instalments. Remuneration in kind mainly include travel expenses and social security contributions.

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

|                     | <b>Fixed salary<br/>EUR</b> | <b>Total 2019<br/>EUR</b> |
|---------------------|-----------------------------|---------------------------|
| Dr. Martin Siddiqui | 25,000*                     | 75,000                    |
| Christoph Strasser  | 25,000*                     | 75,000                    |
|                     | <b>50,000*</b>              | <b>150,000</b>            |

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

In addition to the annual fixed remuneration, provisions in the amount of TEUR 100 were formed for virtual share-based remuneration with a long-term incentive effect, which are distributed among the Management Board members as follows

Dr. Martin Siddiqui      TEUR 50

Christoph Strasser      TEUR 50

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 Company'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***

As of December 31, 2019, the Supervisory Board comprised:

#### **David Neuhoff, Chairman of the Supervisory Board**

CEO of LINUS Capital, 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.

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

|                         | <b>Supervisory Board<br/>remuneration EUR</b> | <b>Other payments<br/>EUR</b> | <b>Total<br/>EUR</b> |
|-------------------------|-----------------------------------------------|-------------------------------|----------------------|
| David Neuhoff           | 4,110*                                        | 0                             | 4,110                |
| Dr. Bettina Mittermeier | 2,055*                                        | 0                             | 2,055                |
| Ulf Oesterlin           | 2,055*                                        | 0                             | 2,055                |
|                         | <b>8,220*</b>                                 | <b>0</b>                      | <b>8,220</b>         |

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

### ***Proposed appropriation of profits.***

The Company suggests carrying forward the result to new account.

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

Pelion Capital GmbH, Schönefeld, has informed us in accordance with section 20(4) AktG that it no longer directly owns a majority interest but only a majority interest in our Company, taking into account the attribution in accordance with section 16(4) AktG. Furthermore, Pelion Capital GmbH, Schönefeld, has notified us pursuant to section 20(1) and (3) AktG that it continues to directly own more than one quarter of the shares in our Company. The notification has been published in the Federal Gazette according to section 20(6) AktG.

### ***Supplementary report***

Chronology of significant events after the reporting date and before May 15, 2020:

### **Acquisition of a 21.2 MW photovoltaic portfolio in Germany**

On March 12, 2020, Pacifico Renewables Yield AG concluded a purchase agreement for the acquisition of eight photovoltaic plants already in operation in Germany with a capacity of 21.2 MW. With such transaction, Pacifico Renewables Yield AG's portfolio was expanded by 35% to 81.0 MW. The photovoltaic portfolio was transferred in full to Pacifico Renewables Yield AG with retroactive effect from the turn of the year.

The photovoltaic systems, five of which are installed on open spaces and three on roofs, are spread over five German federal states and were commissioned between 2008 and 2012. The parks will benefit on average for another 11.8 years from EEG remuneration rates of EUR 211 to EUR 462 per MWh. Pacifico Renewables Yield AG expects sales revenues of around EUR 5.1 million from the photovoltaic portfolio for the 2020 financial year. The enterprise value of the portfolio, including the assumption of long-term project financing, amounts to EUR 36.8 million. The company expects additional financing flexibility through unused debt sustainability at project level. In addition, 14 MW of the portfolio includes option values at the end of the feed-in tariffs through lease extension options and the acquisition of a plot of land. As of mid-2020, the management is to be taken over by Pacifico Energy Partners GmbH, which is also acting as an agent for this transaction.

The acquisition was completed on May 15, 2020.

### **Changes in the Supervisory Board**

An Extraordinary General Meeting held on March 16, 2020 approved the Supervisory Board's proposal and elected Ms. Verena Mohaupt into the company's Supervisory Board as successor to Mr. Ulf Oesterlin, who retired from the Supervisory Board.

Verena Mohaupt was born in Essen in 1968. She holds a degree in Business Administration from the Westfälische Wilhelms University in Münster (Diplom-Kauffrau) and a Master in Business Administration (MBA) from INSEAD in Fontainebleau, France. Ms. Mohaupt has profound expertise in the areas of finance and private equity. She started her career in investment banking at Goldman Sachs International in London, followed by positions at McKinsey & Co. and Allianz Capital Partners. She was also one of the founders of ciao.com AG, a European online shopping portal. Ms. Mohaupt is currently a partner at Findos Investor GmbH, a medium-sized private equity fund based in Munich, and a member of the supervisory board of the listed company home24 SE.

### **Covid-19 pandemic**

The risks, such as more difficult access to capital markets and delays in the completion of plants, are offset by the fact that the production of the plants owned by the Company will not be negatively affected by the Covid-19 pandemic.

### **Capital increase successfully implemented**

On April 27, 2020, the Company successfully placed 795,455 new shares at a price of EUR 22.00 each in a private placement after increasing the originally announced placement volume. In connection herewith, the company successfully attracted renowned institutional investors and significantly expanded the free float.

The issue proceeds of approximately EUR 17.5 million will be used to further expand the Company's wind and photovoltaic portfolio, in particular to finance the acquisition of eight photovoltaic plants already in operation in Germany with a capacity of 21.2 MW which had been announced on March 12, 2020.

### **Conclusion of a revolving credit line**

On May 13, 2020, Pacifico Renewables Yield AG signed an agreement for a EUR 8.35 million revolving credit line with Europe's leading sustainability bank, Triodos Bank N.V. Germany. Such credit line, as a flexible acquisition financing instrument, enables the Company to continue to grow without having to raise capital in advance. Drawings bear interest at a maximum rate of 3.85% p.a. and must be repaid within 18 months. A commitment fee of 1.55% p.a. is charged for the undrawn portion of the credit line. The credit line is based on a subordinated collateral package of German and Dutch investments. The collateral base is revalued annually, which also provides the possibility to increase the credit line going forward by adding further collateral.

## Consolidated development of fixed assets

|             |                                                                                                               | <b>Acquisition and manufacturing costs</b> |                  |                    |                                                |                              |
|-------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------|--------------------|------------------------------------------------|------------------------------|
|             |                                                                                                               | <b>January 1,<br/>2019</b>                 | <b>Additions</b> | <b>Disposals</b>   | <b>Consolida-<br/>tion-related<br/>changes</b> | <b>December 31,<br/>2019</b> |
|             |                                                                                                               | <b>EUR</b>                                 | <b>EUR</b>       | <b>EUR</b>         | <b>EUR</b>                                     | <b>EUR</b>                   |
| <b>I.</b>   | <b>Intangible assets</b>                                                                                      |                                            |                  |                    |                                                |                              |
| 1.          | Acquired concessions industrial property and similar rights and assets and licenses in such rights and assets | 0                                          | 65,170           | 0                  | 597,768                                        | 662,938                      |
| 2.          | Goodwill                                                                                                      | 0                                          | 0                | 0                  | 1,201,105                                      | 1,201,105                    |
|             | <b>Total intangible assets</b>                                                                                | <b>0</b>                                   | <b>65,170</b>    | <b>0</b>           | <b>1,798,873</b>                               | <b>1,864,043</b>             |
| <b>II.</b>  | <b>Tangible assets</b>                                                                                        |                                            |                  |                    |                                                |                              |
| 1.          | Land, similar rights and buildings including buildings on leasehold land                                      | 0                                          | 7,856            | (48,421)           | 897,568                                        | 857,003                      |
| 2.          | Technical equipment and machinery                                                                             | 0                                          | 6,727,071        | 0                  | 82,109,835                                     | 88,836,906                   |
| 3.          | Other equipment, factory and office equipment                                                                 | 2,373                                      | 11,302           | 0                  | (410)                                          | 13,265                       |
| 4.          | Prepayments and construction in process                                                                       | 5,602,501                                  | 0                | (6,940,967)        | 1,338,466                                      | 0                            |
|             | <b>Total tangible assets</b>                                                                                  | <b>5,604,874</b>                           | <b>6,746,229</b> | <b>(6,989,388)</b> | <b>84,345,459</b>                              | <b>89,707,174</b>            |
| <b>III.</b> | <b>Financial assets</b>                                                                                       |                                            |                  |                    |                                                |                              |
|             | Participations                                                                                                | 0                                          | 0                | 0                  | 800                                            | 800                          |
|             | <b>Total financial assets</b>                                                                                 | <b>0</b>                                   | <b>0</b>         | <b>0</b>           | <b>800</b>                                     | <b>800</b>                   |
|             | <b>Total fixed assets</b>                                                                                     | <b>5,604,874</b>                           | <b>6,811,399</b> | <b>(6,989,388)</b> | <b>86,145,132</b>                              | <b>91,572,017</b>            |

| Accumulated depreciation |                                           |                                   |                      | Book values          |                      |
|--------------------------|-------------------------------------------|-----------------------------------|----------------------|----------------------|----------------------|
| January 1,<br>2019       | Depreciation<br>during the<br>fiscal year | Consolidation-<br>related changes | December<br>31, 2019 | December<br>31, 2019 | December<br>31, 2018 |
| EUR                      | EUR                                       | EUR                               | EUR                  | EUR                  | EUR                  |
| 0                        | 7,242                                     | 85,813                            | 93,055               | 569,883              | 0                    |
| 0                        | 134,254                                   | 0                                 | 134,254              | 1,066,851            | 0                    |
| <b>0</b>                 | <b>141,496</b>                            | <b>85,813</b>                     | <b>227,309</b>       | <b>1,636,734</b>     | <b>0</b>             |
| 0                        | 12,044                                    | 49,960                            | 62,004               | 794,999              | 0                    |
| 0                        | 2,520,674                                 | 26,611,004                        | 29,131,678           | 59,705,228           | 0                    |
| 465                      | 984                                       | (46)                              | 1,402                | 11,862               | 1,908                |
| 4,331,174                | 0                                         | (4,331,174)                       | 0                    | 0                    | 1,271,327            |
| <b>4,331,639</b>         | <b>2,533,702</b>                          | <b>22,329,743</b>                 | <b>29,195,084</b>    | <b>60,512,089</b>    | <b>1,273,235</b>     |
| 0                        | 0                                         | 0                                 | 0                    | 800                  | 0                    |
| <b>0</b>                 | <b>0</b>                                  | <b>0</b>                          | <b>0</b>             | <b>800</b>           | <b>0</b>             |
| <b>4,331,639</b>         | <b>2,675,198</b>                          | <b>22,415,557</b>                 | <b>29,422,394</b>    | <b>62,149,623</b>    | <b>1,273,235</b>     |

8.1.2.4 *Consolidated statement of changes in equity as of December 31, 2019 (audited)*

| EUR                                           | Parent company's equity |                   |                  |                   |          | Equity difference from currency translation |
|-----------------------------------------------|-------------------------|-------------------|------------------|-------------------|----------|---------------------------------------------|
|                                               | Reserves                |                   |                  |                   | Total    |                                             |
|                                               | Share capital           | Capital reserves  | Retained profits |                   |          |                                             |
| <b>As of January 1, 2019</b>                  | <b>25,000</b>           | <b>0</b>          | <b>0</b>         | <b>0</b>          | <b>0</b> | <b>(283)</b>                                |
| Increase / decrease of capital shares         | 1,110,000               | 0                 | 0                | 0                 | 0        | 0                                           |
| Allocation to / withdrawal from reserves      | 0                       | 23,565,000        | 0                | 23,565,000        | 0        | 0                                           |
| Currency translation                          | 0                       | 0                 | 0                | 0                 | 0        | (113,712)                                   |
| Change in the group of consolidated companies | 0                       | 0                 | 0                | 0                 | 0        | 0                                           |
| Consolidated net loss                         | 0                       | 0                 | 0                | 0                 | 0        | 0                                           |
| <b>As of December 31, 2019</b>                | <b>1,135,000</b>        | <b>23,565,000</b> | <b>0</b>         | <b>23,565,000</b> | <b>0</b> | <b>(113,995)</b>                            |

| EUR                                           | Parent company's equity      |                              |                   |                          |                   | Group equity |
|-----------------------------------------------|------------------------------|------------------------------|-------------------|--------------------------|-------------------|--------------|
|                                               | Profit/loss carryforward     | Consolidated net profit/loss | Total             | Non-controlling interest |                   |              |
|                                               | <b>As of January 1, 2019</b> | <b>(184,708)</b>             | <b>0</b>          | <b>(159,991)</b>         | <b>0</b>          |              |
| Increase / decrease of capital shares         | 0                            | 0                            | 1,110,000         | 0                        | 1,110,000         |              |
| Allocation to / withdrawal from reserves      | 0                            | 0                            | 23,565,000        | 0                        | 23,565,000        |              |
| Currency translation                          | 0                            | 0                            | (113,712)         | 0                        | (113,712)         |              |
| Change in the group of consolidated companies | 55,928                       | 0                            | 55,928            | 0                        | 55,928            |              |
| Consolidated net loss                         | 0                            | (1,715,353)                  | (1,715,353)       | 0                        | (1,715,353)       |              |
| <b>As of December 31, 2019</b>                | <b>(128,780)</b>             | <b>(1,715,353)</b>           | <b>22,741,872</b> | <b>0</b>                 | <b>22,741,872</b> |              |

8.1.2.5 Consolidated cash flow statement (audited)

| No.        | Position                                                                                                          | EUR                       | EUR                       |
|------------|-------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|            |                                                                                                                   | 01/01/2019-<br>12/31/2019 | 10/08/2018-<br>12/31/2018 |
| 1.         | Consolidated net loss                                                                                             | (1,715,353)               | (184,708)                 |
| 2.         | + Depreciation of fixed asset items                                                                               | 2,675,198                 | 465                       |
| 3.         | + Increase in provisions                                                                                          | 59,289                    | 50,827                    |
| 4.         | +/- Other non-cash expenses/income                                                                                | (161,320)                 | 0                         |
| 5.         | + Decrease in inventories, trade receivables and other assets not allocated to investment or financing activities | 1,191,791                 | (215,707)                 |
| 6.         | - Decrease in trade payables and other liabilities not attributable to investment or financing activities         | (264,127)                 | 241,010                   |
| 7.         | +/- Loss / profit from the disposal of fixed assets                                                               | (209,384)                 | 0                         |
| 8.         | +/- Interest expenses/interest income                                                                             | 1,560,348                 | 7,440                     |
| 9.         | +/- Income tax expense / income                                                                                   | 683,464                   | 0                         |
| 10.        | +/- Income tax payments                                                                                           | (36,442)                  | 0                         |
| <b>11.</b> | <b>= Cash flow from operating activities</b>                                                                      | <b>3,783,464</b>          | <b>(100,672)</b>          |
| 12.        | - Payments made for investments in intangible assets                                                              | (57,928)                  | 0                         |
| 13.        | - Payments made for investments in tangible fixed assets                                                          | (2,866,264)               | (1,019,270)               |
| 14.        | + Proceeds from disposals from the consolidated group                                                             | 2,647,808                 | 0                         |
| 15.        | - Payments for additions to the consolidated group                                                                | (20,848,970)              | (255,057)                 |
| <b>16.</b> | <b>= Cash flow from investment activities</b>                                                                     | <b>(21,125,354)</b>       | <b>(1,274,327)</b>        |
| 17.        | Proceeds from equity contributions from shareholders of the parent company                                        | 14,115,000                | 0                         |
| 18.        | + Proceeds from issuance of bonds and borrowings                                                                  | 27,380,250                | 2,895,000                 |
| 19.        | - Payments for the redemption of bonds and loans                                                                  | (20,404,448)              |                           |
| 20.        | - Interest paid                                                                                                   | (1,354,146)               | (6,551)                   |
| <b>21.</b> | <b>= Cash flow from financing activities</b>                                                                      | <b>19,736,656</b>         | <b>2,888,449</b>          |
| 22.        | Changes in cash and cash equivalents                                                                              | 2,394,766                 | 1,513,448                 |
| 23.        | +/- Changes in cash and cash equivalents due to exchange rate and valuation                                       | 0                         | (515)                     |
| 24.        | +/- Changes in cash and cash equivalents due to consolidation                                                     | 7,833,596                 | 859                       |
| 25.        | + Cash and cash equivalents at the beginning of the period                                                        | 1,538,792                 | 25,000                    |
| <b>26.</b> | <b>= Cash and cash equivalents at the end of the period</b>                                                       | <b>11,767,154</b>         | <b>1,538,792</b>          |

### 8.1.2.6 Independent Auditor's Report

## **REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT**

To Pacifico Renewables Yield AG, Grünwald

### **Audit opinion**

We have audited Pacifico Renewables Yield AG, Grünwald's and its subsidiaries' (the Group) consolidated financial statements comprising the consolidated balance sheet as of December 31, 2019, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from January 1, 2019 through December 31, 2019 as well as the notes to the consolidated financial statements, including a presentation of the accounting and valuation methods. Furthermore, we have audited Pacifico Renewables Yield AG's group management report for the fiscal year from January 1, 2019 through December 31, 2019.

According to our assessment based on the knowledge obtained during our audit,

- the attached consolidated financial statements comply, in all material respects, with the requirements pursuant to German commercial law and provide, in compliance with German generally accepted accounting principles, a true and fair view of the Group's assets, liabilities, and financial position as of December 31, 2019 and of its profit situation for the fiscal year from January 1, 2019 through December 31, 2019; and
- the attached group management report as a whole provides a true and fair 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 the Group's future development.

Pursuant to section 322(3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the consolidated financial statements' and the group management report's legal compliance.

### **Basis for our audit opinions**

We have conducted our audit of the consolidated financial statements and of the group management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*; "IDW"). Our responsibilities pursuant to these requirements and principles are further described in the section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" in our audit certificate. We are independent from the Group companies in accordance with the requirements pursuant to German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinions expressed on the consolidated financial statements and on the group management report.

### **Other information**

The legal representatives and the Supervisory Board are responsible for other information. Other information comprises the following components of the annual report: key figures, the Management Board's foreword, the Supervisory Board's report, but not the consolidated financial statements, the audited Group management report and our related audit certificate.

Our audit opinion on the consolidated financial statements and the group management report does not cover such other information and, consequently, we will not express any audit opinion or other form of conclusions in connection with such information.

In connection with our audit it is our responsibility to read the abovementioned other information and assess whether such other information

- is materially inconsistent with the consolidated financial statements, the audited group management report or the knowledge obtained during our audit; or
- otherwise seems to have been materially misstated.

If we should conclude, based on our work performed, that such other information has been materially misstated, we are obliged to report on such fact. In connection herewith, we have nothing to report.

### **Legal Representatives' and Supervisory Board's Responsibilities for the Consolidated Financial Statements and the Group Management Report**

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements pursuant German commercial law and that the consolidated financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Group's assets, liabilities, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have determined, in accordance with German generally accepted accounting principles, as being necessary in order to provide for the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, the legal representatives are responsible to assess the Group's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the continuation as a going concern. Furthermore, they are responsible for financial reporting based on the going concern principle unless otherwise required due to actual or legal circumstances.

Furthermore, the legal representatives are responsible for the preparation of the group management report that, as a whole, provides a true and fair 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. Furthermore, the legal representatives are responsible for such precautions and measures (systems) they have deemed necessary in order to provide for the preparation of a group management report that is in accordance with applicable German legal requirements, and in order to provide sufficiently appropriate evidence for the statements contained in the group management report.

The supervisory board is responsible to monitor the Group's financial reporting process for the preparation of the consolidated financial statements.

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

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from any material misstatements, whether due to fraud or error, and whether the group management report as a whole presents a true and fair view of the Group's position and is, in all material respects, consistent with the consolidated financial statements and the knowledge obtained during our audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an audit certificate 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 section 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the IDW will always detect any material misstatement. Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the group management report.

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

- identify and assess the risks of material misstatements in the consolidated financial statements and the group management report, whether due to fraud or error, plan 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 any material misstatements resulting from fraud is higher than for those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of the internal control system relevant for the audit of the consolidated financial statements and of precautions and measures relevant for the audit of the group management report, in order to plan audit procedures being appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems;
- evaluate the appropriateness of accounting methods applied by the legal representatives and the reasonableness of estimates made by the legal representatives as well as the related disclosures;
- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the audit certificate 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 opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. However, future events or conditions may cause the Group to cease 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 provide a true and fair view of the Group's assets, liabilities, financial position and profit situation in compliance with German generally accepted accounting principles;
- we obtain sufficiently appropriate audit evidence for the companies' accounting information or business activities within the Group, in order to express audit opinions on the consolidated financial statements and 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 group management report's consistency with the consolidated financial statements, its conformity with German law, and its presentation of the Group's position;
- perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficiently appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives 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 underlying assumptions. There is a substantial unavoidable risk that future events will differ significantly from the prospective information.

We discuss with the supervisors, inter alia, the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system we identify during our audit.

Munich, June 9, 2020

Baker Tilly GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
(Düsseldorf)

Abel  
German CPA

Merget  
German CPA

8.1.3 *Consolidated Financial Statements of Pacifico European Renewables Yieldco GmbH prepared in accordance with HGB for the short financial year from October 8, 2018 through December 31, 2018*

8.1.3.1 *Consolidated balance sheet as of December 31, 2018 (audited)*

| A S S E T S                                      | 12/31/2018   |                     | 10/8/2018 |
|--------------------------------------------------|--------------|---------------------|-----------|
|                                                  | EUR          | EUR                 | TEUR      |
| <b>A. FIXED ASSETS</b>                           |              |                     |           |
| <b>Tangible assets</b>                           |              |                     |           |
| 1. Other equipment, factory and office equipment | 1,908.00     |                     | 0         |
| 2. Prepayments and construction in process       | 1,271,327.39 |                     | 0         |
|                                                  |              | 1,273,235.39        | 0         |
| <b>B. CURRENT ASSETS</b>                         |              |                     |           |
| <b>I. Receivables and other assets</b>           |              |                     |           |
| Other assets                                     |              | 215,707.43          | 0         |
| <b>II. Bank balances</b>                         |              | 1,538,792.34        | 25        |
|                                                  |              | 1,754,499.77        | 25        |
| <b>C. Deficit not covered by equity</b>          |              | 159,991.25          | 0         |
|                                                  |              | <b>3,187,726.41</b> | <b>25</b> |

**LIABILITIES**

|                                                          | <u>12/31/2018</u> |                            | <u>10/8/2018</u> |
|----------------------------------------------------------|-------------------|----------------------------|------------------|
|                                                          | EUR               | EUR                        | TEUR             |
| <b>A. EQUITY</b>                                         |                   |                            |                  |
| <b>I. Subscribed capital</b>                             |                   | 25,000.00                  | 25               |
| <b>II. Equity difference from currency translation</b>   |                   | (282.96)                   | 0                |
| <b>III. Annual net loss</b>                              |                   | (184,708.29)               | 0                |
| <b>IV. Deficit not covered by equity</b>                 |                   | 159,991.25                 | 0                |
|                                                          |                   | <u>0.00</u>                | <u>25</u>        |
| <b>B. PROVISIONS</b>                                     |                   |                            |                  |
| Other provisions                                         |                   | 50,827.23                  | 0                |
| <b>C. ACCOUNTS PAYABLE</b>                               |                   |                            |                  |
| 1. Trade payables                                        | 135,255.39        |                            | 0                |
| 2. Payables to shareholders                              | 2,895,889.13      |                            | 0                |
| 3. Other liabilities<br>including from taxes: EUR 329.50 | <u>57,754.66</u>  |                            |                  |
|                                                          |                   | 3,088,899.18               | <u>0</u>         |
| <b>D. DEFERRED INCOME</b>                                |                   | <u>48,000.00</u>           | <u>0</u>         |
|                                                          |                   | <u><b>3,187,726.41</b></u> | <u><b>25</b></u> |

8.1.3.2 Consolidated income statement for the short fiscal year from October 8, 2018 through December 31, 2018  
(audited)

|                                                                | <u>EUR</u>                 |
|----------------------------------------------------------------|----------------------------|
| 1. Other operating income                                      | 3,175.46                   |
| 2. Depreciations<br>on fixed intangible and<br>tangible assets | (465)                      |
| 3. Other operating expenses                                    | (179,979.37)               |
| 4. Other interest and similar income                           | 1.07                       |
| 5. Interest and similar expenses                               | (7,440.37)                 |
| <b>6. Annual net loss</b>                                      | <b><u>(184,708.29)</u></b> |

### 8.1.3.3 Consolidated notes for the short fiscal year from October 8, 2018 through December 31, 2018

#### **General notes**

Pacifico European Renewables Yieldco GmbH, Grünwald, is registered in the Commercial Register of the Munich Local Court under HRB 243942.

Pacifico European Renewables Yieldco GmbH, Grünwald, Germany, hereinafter referred to as "PERY" or the "Company", as the parent company, is exempt from the obligation to prepare consolidated financial statements and a group management report in accordance with section 293(1) HGB (German Commercial Code). It nevertheless prepares voluntary consolidated financial statements in accordance with sections 297 et seq. HGB.

The consolidated income statement has been prepared according to the total cost method. The German Accounting Standards (DRS) are taken into account unless they conflict with statutory regulations or restrict statutory option rights.

The figures for the previous year are not disclosed because the Group did not exist in the previous year.

The consolidated financial statements include a consolidated statement of changes in equity in accordance with DRS 22 and a consolidated cash flow statement in accordance with DRS 21.

As of the balance sheet date, the Group shows a deficit not covered by equity in the amount of TEUR 160. Despite the existing over-indebtedness in the balance sheet, the valuation is still based on the going-concern assumption (section 252(1) no. 2 HGB), as the upcoming restructuring measures within the Group have positive profit forecasts and the Company also has sufficient liquid funds in order to finance its current business operations.

#### **Group of consolidated companies**

Besides Pacifico European Renewables Yieldco GmbH, Grünwald, the consolidated financial statements include all directly and indirectly held subsidiaries, unless there were special reasons for exclusion.

Subsidiaries in which the parent company holds more than 50% of the shares or over which the parent company exercises a controlling influence are included according to the full consolidation principles.

The following subsidiaries have been included in the consolidated financial statements by way of full consolidation:

| <u>Entity</u>                      | <u>Registered office</u> | <u>Share in %</u> | <u>Type of participation</u> |
|------------------------------------|--------------------------|-------------------|------------------------------|
| PAC Poland 2 GmbH .....            | Munich                   | 100               | Direct                       |
| PAC Czechia GmbH.....              | Munich                   | 100               | Direct                       |
| GB Dębowa Łąka 402 sp. z o.o. .... | Warsaw, Poland           | 100               | Indirect                     |
| GB 12W 212 sp. z o.o. ....         | Warsaw, Poland           | 100               | Indirect                     |
| GB Świecie 404 sp. z o.o.....      | Warsaw, Poland           | 100               | Indirect                     |
| GB Książki 405 sp. z o.o.....      | Warsaw, Poland n         | 100               | Indirect                     |
| Pacifico Energy Czech s.r.o.....   | Prague, Czech Republic   | 100               | Indirect                     |
| Pacifico Ambra S.r.l. ....         | Bolzano, Italy           | 100               | Direct                       |

#### **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).

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 sales 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 have therefore an impact on the resulting goodwill or negative goodwill from consolidation. Furthermore, deferred tax assets are formed for the differences in the valuation according to commercial law and their valuation according to tax law arising from consolidation measures.

### **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:

**Tangible fixed 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 useful life is generally between five and fifteen years.

**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.

**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 items with a remaining term of more than one year, the maximum value or acquisition cost principle was observed.

The balance sheet values of the Group subsidiaries not reporting in Euros were valued in accordance with section 308a HGB at the

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

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.

### **Notes on the balance sheet and the income statement**

The development of the individual **fixed asset** items is shown in the statement of changes in fixed assets, indicating the business year's depreciations.

**Other provisions** mainly comprise provisions for auditing.

**Liabilities** have the following remaining terms:

|                            | <b>Total amount</b> | <b>Remaining term</b> | <b>Remaining term</b> | <b>Remaining term more</b> |
|----------------------------|---------------------|-----------------------|-----------------------|----------------------------|
|                            | <b>TEUR</b>         | <b>up to 1 year</b>   | <b>1 to 5 years</b>   | <b>than 5 years</b>        |
|                            | <b>TEUR</b>         | <b>TEUR</b>           | <b>TEUR</b>           | <b>TEUR</b>                |
| Trade payables.....        | 135                 | 135                   | 0                     | 0                          |
| Payables to shareholders.. | 2,896               | 0                     | 0                     | 0                          |
| Other liabilities .....    | 58                  | 58                    | 2,896                 | 0                          |
|                            | <b>3,089</b>        | <b>193</b>            | <b>2,896</b>          | <b>0</b>                   |

The loan to the shareholder Pelion Capital GmbH is not collateralized.

### **Notes on the consolidated cash flow statement**

The cash flow statement shows the change in cash and cash equivalents in the PERY Group. Cash and cash equivalents consist of cash and cash equivalents that are not subject to any restraints on disposal. The cash flow statement was prepared in accordance with DRS 21 and breaks down the change in cash and cash equivalents into cash flows from operating, investment and financing activities. The cash flow from operating activities is presented by using the indirect method.

In the financial year, the change in cash and cash equivalents amounts to TEUR 1,514 and is broken down as follows:

The net cash outflow from operating activities amounts to TEUR 101 and is attributable to the Group's not yet operating activities. Due to the fact that the Group had not yet generated any operating income as of December 31, 2018, a negative result in the amount of TEUR 185 had to be recorded. With the transfer of Pacifico Group's operating portfolio as of June 30, 2019, a significantly more positive result can be expected.

Cash flow from investing activities shows a total amount of TEUR (1,274), which is mainly related to the acquisition of the Polish portfolio. The companies were acquired through a share deal and construction in process was included in the Group's fixed assets.

Cash flow from financing activities amounts to TEUR 2,888 and mainly results from a shareholder loan in the amount of TEUR 2,895 taken out by the shareholder Pelion Capital GmbH.

Apart from these significant cash events, the Group had no cash and cash equivalents subject to restraints on disposal.

### **Other mandatory disclosures**

#### **Contingent liabilities and other financial obligations**

As of the balance sheet date, there are no financial obligations from leasing and maintenance contracts, rental agreements or lease agreements.

#### **Auditor's fee**

The auditor's total fee of TEUR 20 calculated for the fiscal year includes Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft's services for the audit of the financial statements.

#### **Employees**

The average number of staff employed by the Group during the 2018 financial year is 1.

#### **Group structure**

#### **Management**

PERY GmbH's managing director

Ulf Oesterlin, Munich, Entrepreneur

In the fiscal year, Mr. Oesterlin had the power of sole representation.

### **Proposed appropriation of profits**

The Company suggests carrying forward the result to new account.

### **Supplementary report**

With effect from June 30, 2019, the Group received an operating portfolio from Pacifico Group through a contribution from the sole shareholder Pelion Capital GmbH. This portfolio contains 25 wind turbines and solar energy plants, which are already in operation. In addition to this increase in the capital contribution, the parent company's share capital was also increased from EUR 25,000 to EUR 1,000,000, divided into 1,000,000 shares of EUR 1.00 each. In addition to the sole shareholder Pelion Capital GmbH as of December 31, 2018, a new investor, Pacifico Energy Partners GmbH, entered the portfolio with a 10% stake in the share capital (100,000 shares).

New investments were made in 2019. On the one hand, building rights were acquired for a portfolio of photovoltaic systems in the Netherlands, which were contributed to the company by Pacifico Energy Partners GmbH by increasing the company's free reserves. In addition, two photovoltaic portfolios in the Czech Republic were acquired.

Grünwald, July 24, 2019

Management

Consolidated development of fixed assets for the short fiscal year from October 8, 2018 through December 31, 2018

|                                                                 | Acquisition and manufacturing costs |                     |             |                                           |                     | Accumulated depreciation |                                   |             |               |                                    |                     | Book values         |             |
|-----------------------------------------------------------------|-------------------------------------|---------------------|-------------|-------------------------------------------|---------------------|--------------------------|-----------------------------------|-------------|---------------|------------------------------------|---------------------|---------------------|-------------|
|                                                                 | 10/8/2018                           | Additions           | Disposals   | Addition from<br>initial<br>consolidation | 12/31/2018          | 10/8/2018                | Financial<br>year<br>depreciation | Disposals   | Appreciations | Changes<br>due to<br>consolidation | 12/31/2018          | 12/31/2018          | 10/8/2018   |
|                                                                 | EUR                                 | EUR                 | EUR         | EUR                                       | EUR                 | EUR                      | EUR                               | EUR         | EUR           | EUR                                | EUR                 | EUR                 | EUR         |
| Tangible assets                                                 |                                     |                     |             |                                           |                     |                          |                                   |             |               |                                    |                     |                     |             |
| Other<br>equipment,<br>factory and<br>office<br>equipment ..... | 0.00                                | 0.00                | 0.00        | 2,373.08                                  | 2,373.08            | 0.00                     | 465.08                            | 0.00        | 0.00          | 0.00                               | 465.08              | 1,908.00            | 0.00        |
| Prepayments<br>and<br>construction in<br>process .....          | 0.00                                | 1,019,270.47        | 0.00        | 4,583,230.51                              | 5,602,500.98        | 0.00                     | 0.00                              | 0.00        | 0.00          | 4,331,173.59                       | 4,331,173.59        | 1,271,327.39        | 0.00        |
| <b>Total tangible<br/>assets .....</b>                          | <b>0.00</b>                         | <b>1,019,270.47</b> | <b>0.00</b> | <b>4,585,603.59</b>                       | <b>5,604,874.06</b> | <b>0.00</b>              | <b>465.08</b>                     | <b>0.00</b> | <b>0.00</b>   | <b>4,331,173.59</b>                | <b>4,331,638.67</b> | <b>1,273,235.39</b> | <b>0.00</b> |
| <b>Total fixed<br/>assets.....</b>                              | <b>0.00</b>                         | <b>1,019,270.47</b> | <b>0.00</b> | <b>4,585,603.59</b>                       | <b>5,604,874.06</b> | <b>0.00</b>              | <b>465.08</b>                     | <b>0.00</b> | <b>0.00</b>   | <b>4,331,173.59</b>                | <b>4,331,638.67</b> | <b>1,273,235.39</b> | <b>0.00</b> |

8.1.3.4 Consolidated cash flow statement (audited)

|                                                                                                                                      | EUR                   |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1. Net profit for the period (including minority interests)                                                                          | (184,708.29)          |
| 2. +/- Depreciation / appreciation of fixed asset items                                                                              | 465.08                |
| 3. +/- Increase / decrease in provisions                                                                                             | 50,827.23             |
| 4. +/- Other non-cash expenses/income                                                                                                | 0.00                  |
| 5. +/- Decrease / increase in inventories, trade receivables and other assets not attributable to investment or financing activities | (215,707.43)          |
| 6. +/- Increase / decrease in trade payables and other liabilities not attributable to investment or financing activities            | 241,010.05            |
| 7. +/- Loss / profit from the disposal of fixed assets                                                                               | 0.00                  |
| 8. +/- Interest expenses / interest income                                                                                           | 7,440.37              |
| 9. - Other investment income                                                                                                         | 0.00                  |
| 10. +/- Expenses / income from extraordinary items                                                                                   | 0.00                  |
| 11. +/- Income tax expense / income                                                                                                  | 0.00                  |
| 12. + Proceeds from extraordinary items                                                                                              | 0.00                  |
| 13. - Payments from extraordinary items                                                                                              | 0.00                  |
| 14. +/- Income tax payments                                                                                                          | 0.00                  |
| <b>15. = Cash flow from operating activities</b>                                                                                     | <b>(100,672.99)</b>   |
| 1. Proceeds from disposal of intangible assets                                                                                       | 0.00                  |
| 2. - Payments made for investments in intangible assets                                                                              | 0.00                  |
| 3. + Proceeds from disposal of tangible fixed assets                                                                                 | 0.00                  |
| 4. - Payments made for investments in tangible fixed assets                                                                          | (1,019,270.47)        |
| 5. + Proceeds from disposal of financial assets                                                                                      | 0.00                  |
| 6. - Payments made for investments in financial assets                                                                               | 0.00                  |
| 7. + Proceeds from disposals from the consolidated group                                                                             | 0.00                  |
| 8. - Payments for additions to the consolidated group                                                                                | (255,056.92)          |
| 9. + Proceeds from financial investments within the scope of short-term financial planning                                           | 0.00                  |
| 10. - Payments due to financial investments within the scope of short-term financial planning                                        | 0.00                  |
| 11. + Proceeds from extraordinary items                                                                                              | 0.00                  |
| 12. - Payments from extraordinary items                                                                                              | 0.00                  |
| 13. + Interest received                                                                                                              | 0.00                  |
| 14. + Dividends received                                                                                                             | 0.00                  |
| <b>15. = Cash flow from investment activities</b>                                                                                    | <b>(1,274,327.39)</b> |
| 1. Proceeds from equity contributions from shareholders of the parent company                                                        | 0.00                  |
| 2. + Proceeds from equity contributions of other shareholders                                                                        | 0.00                  |
| 3. - Payments from equity reductions to shareholders of the parent company                                                           | 0.00                  |
| 4. - Payments from equity reductions to other shareholders                                                                           | 0.00                  |
| 5. + Proceeds from issuance of bonds and borrowings                                                                                  | 2,895,000.00          |
| 6. - Payments for the redemption of bonds and loans                                                                                  | 0.00                  |
| 7. + Proceeds from subsidies/grants received                                                                                         | 0.00                  |
| 8. + Proceeds from extraordinary items                                                                                               | 0.00                  |
| 9. - Payments from extraordinary items                                                                                               | 0.00                  |
| 10. - Interest paid                                                                                                                  | (6,551.24)            |
| 11. - Dividends paid to shareholders of the parent company                                                                           | 0.00                  |
| 12. - Dividends paid to other shareholders                                                                                           | 0.00                  |
| <b>13. = Cash flow from financing activities</b>                                                                                     | <b>2,888,448.76</b>   |
| 14. Changes in cash and cash equivalents                                                                                             | 1,513,448.38          |
| "                                                                                                                                    | 1,513,448.38          |
| 15. +/- Changes in cash and cash equivalents due to exchange rate and valuation                                                      | (514.55)              |
| 16. +/- Changes in cash and cash equivalents due to consolidation                                                                    | 858.51                |
| 17. + Cash and cash equivalents at the beginning of the period                                                                       | 25,000.00             |
| <b>18. = Cash and cash equivalents at the end of the period</b>                                                                      | <b>1,538,792.34</b>   |

8.1.3.5 Consolidated statement of changes in equity for the short fiscal year from October 8, 2018 through December 31, 2018 (audited)

| (EUR)                                          | Parent company's equity |                  |                  |                                             |                          |                       |                         | Non-controlling interests | Group equity    |                         |
|------------------------------------------------|-------------------------|------------------|------------------|---------------------------------------------|--------------------------|-----------------------|-------------------------|---------------------------|-----------------|-------------------------|
|                                                | Reserves                |                  |                  | Equity difference from currency translation | Profit/loss carryforward | Group net profit/loss | Total                   |                           |                 |                         |
|                                                | Share capital           | Capital reserves | Retained profits |                                             |                          |                       |                         | Total                     |                 |                         |
| <b>As of October 8, 2018</b>                   | <b>25,000</b>           | <b>0</b>         | <b>0</b>         | <b>0</b>                                    | <b>0</b>                 | <b>0</b>              | <b>0</b>                | <b>25,000</b>             | <b>0</b>        | <b>25,000</b>           |
| Increase/reduction of capital shares           | 0                       | 0                | 0                | 0                                           | 0                        | 0                     | 0                       | 0                         | 0               | 0                       |
| Allocation to / withdrawal from reserves       | 0                       | 0                | 0                | 0                                           | 0                        | 0                     | 0                       | 0                         | 0               | 0                       |
| Currency translation                           | 0                       | 0                | 0                | 0                                           | (323)                    | 0                     | 40                      | (283)                     | 0               | (283)                   |
| Other changes                                  | 0                       | 0                | 0                | 0                                           | 0                        | 0                     | 0                       | 0                         | 0               | 0                       |
| Changes in the group of consolidated companies | 0                       | 0                | 0                | 0                                           | 0                        | 0                     | 0                       | 0                         | 0               | 0                       |
| Group net loss                                 | 0                       | 0                | 0                | 0                                           | 0                        | 0                     | (184,708)               | (184,708)                 | 0               | (184,708)               |
| <b>As of December 31, 2018</b>                 | <b><u>25,000</u></b>    | <b><u>0</u></b>  | <b><u>0</u></b>  | <b><u>0</u></b>                             | <b><u>(323)</u></b>      | <b><u>0</u></b>       | <b><u>(184,668)</u></b> | <b><u>(159,991)</u></b>   | <b><u>0</u></b> | <b><u>(159,991)</u></b> |

### 8.1.3.6 Independent Auditor's Report

## **REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT**

To Pacifico European Renewables Yieldco GmbH, Grünwald

### **Audit opinion**

We have audited Pacifico European Renewables Yieldco GmbH, Grünwald's and its subsidiaries' (the Group) consolidated financial statements comprising the consolidated balance sheet as of December 31, 2018, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the short fiscal year from October 8 through December 31, 2018 as well as the notes to the consolidated financial statements, including a presentation of the accounting and valuation methods.

According to our assessment based on the knowledge obtained during our audit, the attached consolidated financial statements comply, in all material respects, with the requirements pursuant to German commercial law and provide, in compliance with German generally accepted accounting principles, a true and fair view of the Group's assets and financial position as of December 31, 2018 and of its profit situation for the short fiscal year from October 8 through December 31, 2018.

Pursuant to section 322(3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the consolidated financial statements' legal compliance.

### Basis for our audit opinions

We have conducted our audit of the consolidated financial statements in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*; "IDW"). Our responsibilities pursuant to these requirements and principles are further described in the section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" in our audit certificate. We are independent from the Group companies in accordance with the requirements pursuant to German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinions expressed on the consolidated financial statements.

### **Legal Representatives' Responsibilities for the Consolidated Financial Statements**

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements pursuant German commercial law and that the consolidated financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Group's assets, liabilities, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have determined, in accordance with German generally accepted accounting principles, as being necessary in order to provide for the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, the legal representatives are responsible to assess the Group's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the continuation as a going concern. Furthermore, they are responsible for financial reporting based on the going concern principle unless otherwise required due to actual or legal circumstances.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from any material misstatements, whether due to fraud or error, and to issue an audit certificate that includes our audit opinions on the consolidated financial statements.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the IDW will always detect any material misstatement. Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- identify and assess the risks of material misstatements in the consolidated financial statements, whether due to fraud or error, plan 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 any material misstatements resulting from fraud is higher than for those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of the internal control system relevant for the audit of the consolidated financial statements in order to plan audit procedures being appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems;
- evaluate the appropriateness of accounting methods applied by the legal representatives and the reasonableness of estimates made by the legal representatives as well as the related disclosures;
- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the audit certificate to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. However, future events or conditions may cause the Group to cease 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 provide, by taking into account German generally accepted accounting principles, a true and fair view of the Group's assets, liabilities, financial position and profit situation;
- we obtain sufficiently appropriate audit evidence for the companies' accounting information or business activities within the Group, in order to express an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;

We discuss with the supervisors, inter alia, the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system we identify during our audit.

Munich, July 24, 2019

Baker Tilly GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
(Düsseldorf)

signed

signed

Weissinger  
German CPA

Abel  
German CPA

**8.1.4 Annual Financial Statements of Pacifico Renewables Yield AG (formerly Pacifico European Renewables Yieldco GmbH) as of December 31, 2019 prepared in accordance with HGB**

**8.1.4.1 Balance sheet as of December 31, 2019 (audited)**

| <b>A S S E T S</b>                                                                                             | <b>12/31/2019<br/>EUR</b> | <b>12/31/2018<br/>TEUR</b> |
|----------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------|
| <b>A. FIXED ASSETS</b>                                                                                         |                           |                            |
| <b>I. Intangible assets</b>                                                                                    |                           |                            |
| Acquired concessions, industrial property and similar rights and assets and licenses in such rights and assets | 57,928.00                 | 0                          |
| <b>II. Tangible assets</b>                                                                                     |                           |                            |
| Other equipment, factory and office equipment                                                                  | 8,075.00                  | 0                          |
| <b>III. Financial assets</b>                                                                                   |                           |                            |
| 1. Shares in affiliated companies                                                                              | 20,974,487.34             | 63                         |
| 2. Loans to affiliated companies                                                                               | 40,000.00                 | 2,840                      |
|                                                                                                                | <b>21,080,490.34</b>      | <b>2,903</b>               |
| <b>B. CURRENT ASSETS</b>                                                                                       |                           |                            |
| <b>I. Receivables and other assets</b>                                                                         |                           |                            |
| 1. Receivables from affiliated companies                                                                       | 646,756.43                | 34                         |
| 2. Other assets                                                                                                | 1,505.14                  | 0                          |
|                                                                                                                | <b>648,261.57</b>         | <b>34</b>                  |
| <b>II. Bank balances</b>                                                                                       | 2,972,143.46              | 16                         |
|                                                                                                                | <b>3,620,405.03</b>       | <b>50</b>                  |
| <b>C. PREPAID EXPENSES</b>                                                                                     | 14,960.55                 | 0                          |
| <b>D. DEFICIT NOT COVERED BY EQUITY</b>                                                                        | 0.00                      | 83                         |
|                                                                                                                | <b>24,715,855.92</b>      | <b>3,036</b>               |

| <b>LIABILITIES</b>                                                  | <b>12/31/2019</b>    | <b>12/31/2018</b> |
|---------------------------------------------------------------------|----------------------|-------------------|
|                                                                     | <b>EUR</b>           | <b>TEUR</b>       |
| <b>A. EQUITY</b>                                                    |                      |                   |
| <b>I. Share capital</b>                                             | 1,135,000.00         | 25                |
| <b>II. Capital reserve</b>                                          | 23,565,000.00        | 0                 |
| <b>III. Net loss</b>                                                | (318,466.66)         | (108)             |
| <b>IV. Deficit not covered by equity</b>                            | 0.00                 | 83                |
|                                                                     | <b>24,381,533.34</b> | <b>0</b>          |
| <b>B. PROVISIONS</b>                                                |                      |                   |
| Other provisions                                                    | 205,294.54           | 33                |
|                                                                     | <b>205,294.54</b>    | <b>33</b>         |
| <b>C. ACCOUNTS PAYABLE</b>                                          |                      |                   |
| 1. Trade payables                                                   | 100,828.42           | 107               |
| 2. Payables to affiliated companies                                 | 20,653.15            | 0                 |
| 3. Payables to shareholders                                         | 0.00                 | 2.896             |
| 4. Other liabilities                                                | 7,546.46             | 0                 |
| <i>thereof from taxes EUR 5,938 (previous year: EUR 0)</i>          |                      |                   |
| <i>thereof for social security EUR 1,608 (previous year: EUR 0)</i> |                      |                   |
|                                                                     | <b>129,028.04</b>    | <b>3,003</b>      |
|                                                                     | <b>24,715,855.92</b> | <b>3,036</b>      |

8.1.4.2 Income statement for the period from January 1 through December 31, 2019 (audited)

|                                                                                                       | <b>2019</b>         | <b>2018</b>  |
|-------------------------------------------------------------------------------------------------------|---------------------|--------------|
|                                                                                                       | <b>EUR</b>          | <b>TEUR</b>  |
| 1. Personnel expenses                                                                                 |                     |              |
| a) Wages and salaries                                                                                 | (164,477.17)        | 0            |
| b) Social security, pensions and other benefits                                                       | (6,135.31)          | 0            |
|                                                                                                       | <u>(170,612.48)</u> | <u>0</u>     |
| 2. Depreciation of fixed intangible and tangible assets                                               | (8,278.31)          | 0            |
| 3. Other operating expenses                                                                           | (566,150.12)        | (141)        |
| 4. Income from participating interests                                                                | 579,356.88          | 0            |
| 5. Income from other securities and loans                                                             | 174,610.90          | 34           |
| <i>thereof to affiliated companies</i>                                                                |                     |              |
| <i>EUR 174,610 (previous year TEUR 34)</i>                                                            |                     |              |
| 6. Other interest and similar income                                                                  | 2,459.28            | 0            |
| <i>thereof interest income from the discounting of provisions EUR 2,459.28 (previous year TEUR 0)</i> |                     |              |
| 7. Interest and similar expenses                                                                      | (222,077.63)        | (1)          |
| <i>thereof to affiliated companies EUR (222,078)</i>                                                  |                     |              |
| <i>(previous year TEUR (1))</i>                                                                       |                     |              |
| <b>8. Annual net loss</b>                                                                             | <b>(210,693.48)</b> | <b>(108)</b> |
| 9. Loss carryforward                                                                                  | (107,773.18)        | 0            |
| <b>10. Accumulated losses</b>                                                                         | <b>(318,466.66)</b> | <b>(108)</b> |

### 8.1.4.3 Notes to the Annual Financial Statements

#### **General information**

##### ***Information on the Company's identification according to the registry court***

Pacifico Renewables Yield AG, registered office in Grünwald, is registered in the Commercial Register of the Munich Local Court under HRB 251232.

##### ***Information on the annual financial statements***

The annual financial statements are prepared in accordance with the provisions of the German Commercial Code. The balance sheet's and the income statement's structure is based upon the provisions of section 266 and section 275(2) HGB (total cost method).

#### **Accounting and valuation methods**

Acquired intangible assets are recognized at acquisition cost and, to the extent they are subject to wear and tear, reduced by scheduled depreciation.

Tangible fixed assets are recognized at acquisition or manufacturing cost and, to the extent they are subject to wear and tear, reduced by scheduled depreciation.

Scheduled depreciations are performed on a straight-line basis over the assets' expected useful life.

Financial assets are recognized and valued as follows:

- Shares in affiliated companies at acquisition costs plus incidental acquisition costs
- Loans at nominal value.

Permanent impairments in value are taken into account by depreciations.

Financial assets are recognized at acquisition cost plus incidental acquisition costs. Additional contributions increase the acquisition costs. Shares in losses from the investment are not to be recorded in the commercial balance sheet as long as there is no permanent impairment of the investment. Positive profit shares from the investment are to be shown as investment income, to the extent there are withdrawable profit shares.

Receivables and other assets and credit balances with banks are valued at nominal value.

Other provisions are recognized at the settlement amount required according to prudent commercial assessment by taking into account all identifiable risks and uncertain liabilities. Long-term provisions are discounted in accordance with Ordinance on the Discounting of Provisions and recognized at their present value by taking into account price increases. They are increased annually as accumulation provisions.

Liabilities are recognized at their settlement amount.

Prepaid expenses and deferred charges relate to expenses prior to the balance sheet date representing expenses for a specific period after that date.

The applied accounting and valuation methods are retained in unchanged form.

#### **Notes on the balance sheet**

##### ***Equity***

Pacifico Renewables Yield AG's share capital increased by TEUR 1,110 from TEUR 25 to TEUR 1,135,000 as of December 31, 2019. The share capital is divided into 1,135,000 bearer shares with a notional value of EUR 1.00 per share.

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 share 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).

Pacifico Renewables Yield AG's share capital and capital reserve increased by a total of TEUR 24,675 in the year under review as a result of two capital increases.

### ***Liabilities***

All liabilities have (as in the previous year) a remaining term of up to one year.

### **Notes on the income statement**

**Other operating expenses** in the amount of TEUR 566 in Pacifico Renewables Yield AG's financial statements largely comprise expenses for legal and consulting fees (TEUR 284) as well as expenses for the preparation and audit of the financial statements (TEUR 130). In addition to these costs, the costs for inclusion in the over-the-counter (OTC) market at the Düsseldorf Stock Exchange (TEUR 32) were also included under this item.

**Legal and consulting fees** mainly include expenses for legal advice in the course of the Group restructuring as of June 30, 2019 (TEUR 73) and the inclusion in the OTC market at the Düsseldorf Stock Exchange with a prior change of legal form (TEUR 174). The remaining expenses (TEUR 37) are costs for tax consulting services provided to the Company.

**Costs for the preparation and audit of financial statements** include expenses for the audit of the standalone and consolidated financial statements and the audit review of the half-year consolidated financial statements (TEUR 109) as well as costs for the preparation of PRY AG's standalone financial statements (TEUR 10).

**Stock exchange costs** (TEUR 32) in this context include costs of the listing of PRY AG's shares on the OTC market at the Düsseldorf stock exchange.

**Interest and similar expenses** include interest expenses from shareholder loans, which were fully repaid to the main shareholder in the 2019 financial year.

### **Other mandatory disclosures**

#### ***Number of employees***

As of 31 December 2019, the Company employed one full-time employee in addition to the two Management Board members.

#### ***Group affiliation***

Pacifico Renewables Yield AG prepares the consolidated financial statements for the smallest group of companies.

#### ***Notification obligations pursuant to section 20 AktG (German Stock Corporation Act)***

Pelion Capital GmbH, Schönefeld, has informed us in accordance with section 20(4) AktG that it no longer directly owns a majority interest but only a majority interest in our Company by taking into account the attribution in accordance with section 16(4) AktG. In addition, Pelion Capital GmbH, Schönefeld, has notified us pursuant to section 20(1) and (3) AktG that it continues to directly own more than one quarter of the shares in our Company. The notification has been published in the Federal Gazette pursuant to section 20(6) AktG.

#### ***Dependency report***

In accordance with section 312(1) AktG, the Company's Management Board has prepared a report by the Management Board on relations with affiliated companies which contains the following closing statement:

"We declare that Pacifico Renewables Yield AG (formerly Pacifico European Renewables Yieldco GmbH) received appropriate consideration for the transactions listed in this report on relationships with affiliated companies according to the circumstances known to the Management Board at the time the transactions were performed. The Company has neither taken nor refrained from taking any measures pursuant to section 312(1) sentence 2 AktG."

**Development of fixed assets (audited)**

|                                               | <b>Acquisition and manufacturing costs</b> |                      |                       |                      |
|-----------------------------------------------|--------------------------------------------|----------------------|-----------------------|----------------------|
|                                               | <b>01/01/2019</b>                          | <b>Additions</b>     | <b>Disposals</b>      | <b>12/31/2019</b>    |
|                                               | <b>EUR</b>                                 | <b>EUR</b>           | <b>EUR</b>            | <b>EUR</b>           |
| <b>I. Intangible assets</b>                   |                                            |                      |                       |                      |
| IT software                                   | 0.00                                       | 65,169.80            | 0.00                  | 65,169.80            |
| <b>Total intangible assets</b>                | <b>0.00</b>                                | <b>65,169.80</b>     | <b>0.00</b>           | <b>65,169.80</b>     |
| <b>II. Tangible assets</b>                    |                                            |                      |                       |                      |
| Other equipment, factory and office equipment | 0.00                                       | 9,111.51             | 0.00                  | 9,111.51             |
| <b>Total tangible assets</b>                  | <b>0.00</b>                                | <b>9,111.51</b>      | <b>0.00</b>           | <b>9,111.51</b>      |
| <b>III. Financial assets</b>                  |                                            |                      |                       |                      |
| 1. Shares in affiliated companies             | 63,000.00                                  | 20,949,487.34        | (38,000.00)           | 20,974,487.34        |
| 2. Loans to affiliated companies              | 2,840,000.00                               | 4,305,000.00         | (7,105,000.00)        | 40,000.00            |
| <b>Total financial assets</b>                 | <b>2,840,000.00</b>                        | <b>25,254,487.34</b> | <b>(7,143,000.00)</b> | <b>21,014,487.34</b> |
| <b>Total fixed assets</b>                     | <b>2,903,000.00</b>                        | <b>25,328,768.65</b> | <b>(7,143,000.00)</b> | <b>21,088,768.65</b> |

| Accumulated depreciations |                                        |                 | Book values          |                     |
|---------------------------|----------------------------------------|-----------------|----------------------|---------------------|
| 01/01/2019                | Depreciation during the financial year | 12/31/2019      | 12/31/2019           | 12/31/2018          |
| EUR                       | EUR                                    | EUR             | EUR                  | EUR                 |
| 0.00                      | 7,241.80                               | 7,241.80        | 57,928.00            | 0.00                |
| <b>0.00</b>               | <b>7,241.80</b>                        | <b>7,241.80</b> | <b>57,928.00</b>     | <b>0.00</b>         |
| 0.00                      | 1,036.51                               | 1,036.51        | 8,075.00             | 0.00                |
| <b>0.00</b>               | <b>1,036.51</b>                        | <b>1,036.51</b> | <b>8,075.00</b>      | <b>0.00</b>         |
| 0.00                      | 0.00                                   | 0.00            | 20,974,487.34        | 63,000.00           |
| 0.00                      | 0.00                                   | 0.00            | 40,000.00            | 2,840,000.00        |
| <b>0.00</b>               | <b>0.00</b>                            | <b>0.00</b>     | <b>21,014,487.34</b> | <b>2,903,000.00</b> |
| <b>0.00</b>               | <b>8,279.31</b>                        | <b>8,278.31</b> | <b>21,080,490.34</b> | <b>2,903,000.00</b> |

Grünwald, June 9, 2020

Dr. Martin Siddiqui  
- Management Board -

Christoph Strasser  
- Management Board -

#### 8.1.4.4 Independent Auditor's Report

To Pacifico Renewables Yield AG, Grünwald

### **REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS**

#### **Audit opinion**

We have audited Pacifico Renewables Yield AG's annual financial statements comprising the balance sheet as of December 31, 2019 and the income statement for the fiscal year from January 1 through December 31, 2019 as well as the notes to the annual financial statements, including a presentation of the accounting and valuation methods.

According to our assessment based on the knowledge obtained during the audit the attached annual financial statements comply, in all material respects, with the requirements pursuant to German commercial law as applicable for corporations and provide, by taking into account German generally accepted accounting principles, a true and fair view of the Company's assets and financial position as of December 31, 2019 and of its profit situation for the fiscal year from January 1, 2019 through December 31, 2019.

Pursuant to section 322(3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the annual financial statements' legal compliance.

#### **Basis for our audit opinion**

We have conducted our audit of the annual financial statements in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*; "IDW"). Our responsibilities pursuant to these requirements and principles are further described in the section "Auditor's Responsibilities for the Audit of the Annual Financial Statements" in our audit certificate. We are independent from the Company in accordance with the requirements pursuant to German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinions expressed on the annual financial statements.

#### **Legal Representatives' and Supervisory Board's Responsibilities for the Annual Financial Statements**

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements pursuant German commercial law as applicable to corporations and that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Company's assets, liabilities, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have determined, in accordance with German generally accepted accounting principles, as being necessary in order to provide for the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the annual financial statements, the legal representatives are responsible to assess the Company's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the continuation as a going concern. Furthermore, they are responsible for financial reporting based on the going concern principle unless otherwise required due to actual or legal circumstances.

The supervisory board is responsible to monitor the Company's financial reporting process for the preparation of the annual financial statements.

## **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from any material misstatements, whether due to fraud or error, and to issue an audit certificate that includes our audit opinions on the annual financial statements.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the IDW will always detect any material misstatement. Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

- identify and assess the risks of material misstatements in the annual financial statements, whether due to fraud or error, plan 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 any material misstatements resulting from fraud is higher than for those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of the internal control system relevant for the audit of the annual financial statements in order to plan audit procedures being appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems;
- evaluate the appropriateness of accounting methods applied by the legal representatives and the justifiability of estimates made by the legal representatives as well as the related disclosures;
- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the audit certificate to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements provide, by taking into account German generally accepted accounting principles, a true and fair view of the Company's assets, liabilities, financial position and profit situation.

We discuss with the supervisors, inter alia, the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system we identify during our audit.

Munich, June 9, 2020

Baker Tilly GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
(Düsseldorf)

Abel  
German CPA

Merget  
German CPA

## 8.2 Key Performance Indicators

The Company considers the following operative and financial measures to be key performance indicators:

- Operative
  - *Megawatt Capacity*: Pacifico measures the electricity-generating production capacity of its power plants in megawatt capacity. Rated capacity is the expected maximum output that a power generation system can produce without exceeding its design limits. The size of Pacifico’s power generation assets varies among the assets comprising its portfolio. Despite the relevant capacity factor (*i.e.*, the hypothetical percentage of time a plant produces electricity at its maximum output), the Company believes that the aggregate megawatt capacity of its portfolio is indicative of its overall production capacity and that the period-to-period comparisons of its megawatt capacity are indicative of the growth rate of its business.
  - *Megawatt Hour Generation*: Megawatt hour generation refers to the actual amount of electricity a power generator produces over a specific period of time. Pacifico tracks the aggregate generation of its power generation assets as it is indicative of the periodic production of its business operations.
- Financial
  - *Sales revenues*: The total group revenues measure the proceeds achieved from the sale of electricity of Pacifico’s power plants.
  - *Adjusted operative EBITDA*: Adjusted Operative EBITDA measures the operating performance of Pacifico’s portfolio adjusted for non-operating items related to acquisitions/dispositions and other effects that the Company deems to be non-recurring calculated as shown in the reconciliation table in section “2.2.7.8 Operative Units”.
  - *Adjusted operative EBIT*: The Adjusted Operative EBIT measures the operating income of Pacifico’s portfolio adjusted for non-operating items related to acquisitions/dispositions and other effects that the Company deems to be non-recurring calculated as shown in the reconciliation table in section “2.2.7.8 Operative Units”.

The following tables show the Company’s key performance indicators for the six-month periods ended June 30, 2020, December 31, 2019 and June 30, 2019 and the financial years ended December 31, 2019 and 2018 as well as as of June 30, 2020, December 31, 2019 and December 31, 2018:

|                                        | Six-month period ended |              | Financial year ended |                                       |                   |
|----------------------------------------|------------------------|--------------|----------------------|---------------------------------------|-------------------|
|                                        | June 30,               | December 31, | June 30,             | December 31,                          |                   |
|                                        | 2020                   | 2019         | 2019 <sup>1</sup>    | 2019                                  | 2018 <sup>1</sup> |
| (in EUR, unless indicated otherwise)   |                        |              |                      | (audited, unless indicated otherwise) |                   |
|                                        |                        | (unaudited)  |                      |                                       |                   |
| Sales revenues                         | 8,992,378              | 4,857,064    | 171,169              | 5,028,233                             | 0                 |
| Adjusted operative EBITDA <sup>2</sup> | 6,747,405              | -            | -                    | 3,650,244                             | -                 |
| Adjusted operative EBIT <sup>2</sup>   | 2,835,410              | -            | -                    | 861,423                               | -                 |
| Megawatt hour generation (in MWh)      | 46,488                 | 25,799       | -                    | 25,799*                               | -                 |

\* Unaudited.

1 In the six-month period ended June 30, 2019 and in the short financial year ended December 31, 2018, the Company did not hold any operating portfolio. Therefore, except for limited sales revenues related to the sale of a non-operational subsidiary, none of the above key performance indicators is available for these periods.

2 Adjusted operative EBITDA and adjusted operative EBIT are non-GAAP figures (alternative performance measures (APM)) which are presented because they are used by management in monitoring Pacifico’s business and management believes that they and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in the Company’s industry. They should not be considered as alternatives to relevant GAAP figures. The Company’s use of non-GAAP measures is further explained in section “1.6.3 Non-GAAP Financial Information (Alternative Performance Measures)”. A reconciliation of adjusted operative EBITDA and adjusted operative EBIT to GAAP figures can be found in section “2.2.7.8 Operative Units”.

|                                        | <b>June 30,<br/>2020</b> | <b>December 31,</b> |                         |
|----------------------------------------|--------------------------|---------------------|-------------------------|
|                                        |                          | <b>2019</b>         | <b>2018<sup>1</sup></b> |
|                                        |                          | <b>(unaudited)</b>  |                         |
| Megawatt Capacity (in MW) <sup>2</sup> | 81.0                     | 59.8                | -                       |

1 As of December 31, 2018, the Company did not hold any operating portfolio. Therefore, none of the above key performance indicators is available for this date.

2 Including photovoltaic assets in the Netherlands which are partially under construction.

### **8.3 Significant Change in the Company's Financial Position**

On November 5, 2020, the Company signed an agreement to acquire a 15.6 MW turn-key onshore wind farm in the vicinity of Reudelsterz, Rhineland-Palatinate, Germany from a subsidiary of New Energies Systems AG (Mayen, Rhineland-Palatinate, Germany), an unaffiliated project development company at an enterprise value of EUR 35 million, including senior project financing. Closing of the transaction is subject to certain conditions, including the commissioning of all turbines and successful completion of the trial period, and is expected to occur in early 2021. For further details, see section "9.7.3 Acquisition of Wind Farm Portfolio in Germany". The Company intends to fund the acquisition using a large part of its existing revolving credit facility with Triodos Bank N.V., which will be upsized as part of this acquisition (see "9.7.4 Revolving Credit Facility provided by Triodos Bank N.V.").

### **8.4 Dividend Policy and Dividends per Share**

The Company did not pay any dividends for the financial years 2018 and 2019 and currently does not expect to pay any dividend for the financial year 2020, either. Long-term, it targets a dividend payout ratio of 40% to 60% of any cash flow available for distribution, subject to market conditions, investments opportunities and the Company's financial position at the relevant time. Any future decision to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the results of operations, financial condition, contractual restrictions and capital requirements of the Company. The Company's future ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

## 9 SHAREHOLDER AND SECURITY HOLDER INFORMATION

### 9.1 Current Major Shareholders; Notifiable / Controlling Interest; Voting Rights

Based on the latest notifications received by the Company (most recently on October 21, 2020), Pelion Green Future Alpha GmbH, Schoenefeld, Germany, holding 71.7% of the Company's Shares, is the only shareholder directly holding a notifiable interest in the Company's share capital and voting rights within the meaning of section 20 AktG. Pelion Green Future Alpha GmbH also controls the Company. Pelion Green Future Alpha GmbH is a wholly-owned subsidiary and thus controlled by Pelion, which also controls Pacifico Partners, holding 4.7% of the Company's Shares, via a majority interest in the shares of Pacifico Partners. Pelion in turn is controlled by Felicis Holding GmbH, Munich, Germany, and by Alexander Samwer, Munich, Germany, who also controls Felicis Holding GmbH. These legal and natural persons directly or indirectly controlling Pelion Green Future Alpha GmbH also indirectly control the Company.

All Shares grant one vote in the shareholders' meeting of the Company. Accordingly, no major shareholder has different voting rights. However, according to section 10.2 of the articles of association, Pelion is entitled to appoint a member to the Supervisory Board, as long as Pelion directly or indirectly holds at least a 10% interest in the Company.

The Company's articles of association do not provide for specific measures to ensure that any control over the Company is not abused. However, minority protection rules under the German Stock Corporation Act apply. The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) does not apply to the Company as long as its Shares are not admitted to trading on an organized market. Currently, the Company's shares are listed on an open market (*Freiverkehr*).

### 9.2 Legal and Arbitration Proceedings

At the date of this Prospectus, Pacifico is not, and has not been in the period covering the previous twelve months involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Pacifico is aware) which may have, or have had in the recent past significant effects on its financial position or profitability.

### 9.3 Administrative, Management and Supervisory Bodies' and Senior Management's Conflicts of Interests

According to section 10.2 of the articles of association, Pelion is entitled to appoint a member to the Supervisory Board, as long as Pelion directly or indirectly holds at least a 10% interest in the Company. Pelion has exercised this right and appointed David Neuhoff to the Supervisory Board of the Company. Other than this, there are no actual or potential conflicts of interest between the obligations of the Management Board and Supervisory Board members in relation to the Company and their private interests or other obligations.

### 9.4 Certain Relationships and Related-Party Transactions

*In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as the Company or that are in control of or controlled by the Company must be disclosed unless they are already included as consolidated companies in the Company's audited consolidated financial statements. Control exists if a shareholder owns more than half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies, including joint ventures, as well as transactions with persons who have significant influence over the Company's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and the Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and the Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.*

*This section of the Prospectus sets out details of transactions with related parties that the Company has entered into during the financial years ended December 31, 2018 and December 31, 2019 and the subsequent period of time until the date of this Prospectus (the "Relevant Period"). Business relationships between consolidated companies of the Pacifico Group are not included.*

#### 9.4.1 Relationships and Transactions with Related Parties

Related parties are regarded as those persons and entities that control Pacifico or that are controlled or subject to significant influence by Pacifico (see section “9.1 Notifiable / Controlling Interest; Voting Rights”). Other related parties (entities) include any entities that Pacifico controls but that are not consolidated because there are no material business dealings with them and they are not material for Pacifico on aggregate.

The following table shows the Company’s and its legal predecessor’s transactions with parties with significant influence over the Company during the Relevant Period:

| <b>Date</b>       | <b>Related Party</b>      | <b>Transaction</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| October 4, 2018   | Pelion                    | Shareholder loan in the amount of EUR 25,000.00, with a term of five years and an interest rate of 0.2% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| October 5, 2018   | Pelion                    | Shareholder loan in the amount of EUR 30,000.00, with a term of five years and an interest rate of 0.2% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| November 1, 2018  | Pelion                    | Shareholder loan in the amount of EUR 2,500,000.00, with a term of five years and an interest rate of 0.2% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| December 7, 2018  | Pelion                    | Shareholder loan in the amount of EUR 40,000.00, with a term of five years and an interest rate of 0.2% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| December 19, 2018 | Pelion                    | Shareholder loan in the amount of EUR 300,000.00, with a term of five years and an interest rate of 0.2% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| January 1, 2019   | Pacifico Partners         | Consulting fee for market analyses in Italy, Poland and Czech Republic in the amount of EUR 35,700.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| February 26, 2019 | Pelion                    | Shareholder loan in the amount of EUR 3,600,000.00, with a term of five years and an interest rate of 0.2% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| April 2, 2019     | Pelion                    | Shareholder loan in the amount of EUR 300,000.00, with a term of five years and an interest rate of 8.0% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| June 19, 2019     | Pelion                    | Shareholder loan in the amount of EUR 7,000,000.00, with a term of five years and an interest rate of 8.0% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| June 30, 2019     | Pelion, Pacifico Partners | As part of a capital increase of the Company’s legal predecessor: <ul style="list-style-type: none"> <li>• Contribution in cash by Pelion in the amount of EUR 875,000.00 and</li> <li>• Contribution in kind by Pacifico Partners consisting of Dutch Durables Energy B.V. and Pacifico Management GmbH.</li> <li>• Contribution by Pelion consisting of Pacifico Holding 1 GmbH &amp; Co. KG into the Company’s free reserves in an aggregate amount of EUR 8,500,000.00</li> <li>• Contribution by Pacifico Partners into the Company’s free reserves in an aggregate amount of EUR 1,940,000.00</li> </ul> |
| July 1, 2019      | Pacifico Partners         | Broker fee for holding portfolio of Pacifico Holding 1 GmbH & Co. KG in the amount of EUR 625,000.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                         |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July 5, 2019            | Pelion                    | Shareholder loan in the amount of EUR 5,250,000.00, with a term of five years and an interest rate of 8.0% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| September 24, 2019      | Pelion, Pacifico Partners | Settlement of a contractual premium, agreed between Pelion and Pacifico Partners in the context of the capital increase on June 30, 2019 of the Company's legal predecessor: <ul style="list-style-type: none"> <li>• Contribution in cash by Pelion in the amount of EUR 10,400,000.00 into the company's free reserves and consequently repayment by the Company of the outstanding shareholder loans including interest in an aggregate amount of EUR 10,313,853.69</li> <li>• Contribution in cash by Pacifico Partners in the amount of EUR 160,000.00 into the company's free reserves</li> </ul> |
| October 29 and 30, 2019 | Pacifico Partners         | Conclusion of framework agreements to implement the Strategic Partnership, see section "9.7.1 Strategic Partnership with Pacifico Partners", as well as sections "2.2.4.2.1 Project Development and Acquisition" (ROFOA), "2.2.4.2.2 Commercial Asset Management" (CAMA) and "2.2.4.2.3 Master Services Agreement" (MSA) for further information                                                                                                                                                                                                                                                        |
| May 20, 2020            | Pacifico Partners         | Broker fee for the German PV-portfolio described in section "2.2.4.3.1 Current Portfolio" in the amount of EUR 200,898.30 due in accordance with the MSA                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| June 30, 2020           | Pacifico Partners         | Conclusion of the revised ROFOA to implement the Strategic Partnership, see section "9.7.1 Strategic Partnership with Pacifico Partners", as well as section "2.2.4.2.1 Project Development and Acquisition" (ROFOA)                                                                                                                                                                                                                                                                                                                                                                                    |
| September 1, 2020       | Pacifico Partners         | Conclusion of amendments to the MSA and the CAMA, see section "9.7.1 Strategic Partnership with Pacifico Partners"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| November 12, 2020       | PAC Poland 2 GmbH         | Term Sheet for the loan to PAC Poland 2 GmbH for which the net proceeds of this Offering are intended to be used. It sets forth that the loan shall have a term until the end of 2024 at an interest rate of 6.45%, provide for market standard covenants (including a prohibition to pay dividends prior to full repayment of the loan) and be secured through a first-ranking pledge over the shares in the borrower                                                                                                                                                                                  |

All outstanding shareholder loans were repaid on September 24, 2019, and no shareholder loan amounts are currently outstanding.

#### **9.4.2 Relationships with Members of the Management Board and Supervisory Board**

The benefits granted to the members of the Management Board and the members of the Supervisory Board are described in section "7.2.3 Remuneration and other Benefits" and in section "7.3.3 Supervisory Board Remuneration".

On April 15, 2020 the members of the Management Board, Dr. Martin Siddiqui and Christoph Strasser each undertook to purchase up to 910, and the member of the Supervisory Board, Verena Mohaupt, through her investment vehicle Fortuna 2.0 GmbH, undertook to purchase up to 4,545 of the new shares to be issued on the basis of the capital increase resolved on May 16, 2020 for a purchase price of EUR 22.00 per share. Both Dr. Martin

Siddiqui and Christoph Strasser were allocated, and thus purchased, 773 new shares; Verena Mohaupt, through her investment vehicle Fortuna 2.0 GmbH, was allocated, and thus purchased, 3,863 new shares. No other transactions have been executed between the members of the Management Board or the members of the Supervisory Board and the Company.

In the financial years ended December 31, 2018 and in the six-month period ended June 30, 2019, the Company existed in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung*) and the current members of the Management Board and the Supervisory Board had not yet taken office. The then managing director of the Company did not receive a remuneration from the Company.

## 9.5 Share Capital of the Company and Applicable Regulations

### 9.5.1 Current Share Capital; Shares

As of the date of this Prospectus, the share capital of the Company amounts to EUR 1,930,455.00 and is divided into 1,930,455 ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*), each such share with no par value and a notional value of EUR 1.00 in the Company's share capital. The share capital has been fully paid up. The Company's Shares were created pursuant to the laws of Germany.

All currently existing ordinary bearer shares with no-par value of the Company are held by the existing shareholders.

### 9.5.2 Development of the Share Capital

From its incorporation to the end of the short financial year 2018, Pacifico European Renewables Yieldco GmbH had 25,000 shares (*Geschäftsanteile*) outstanding. During the financial year 2019, the number of shares outstanding increased from 25,000 shares (*Geschäftsanteile*) to 1,135,000 shares (*Aktien*) as follows:

- Before the conversion into a stock company, the Company's share capital was increased from EUR 25,000.00 to EUR 1,000,000.00 through capital increases in cash and in kind. With this share capital, the company was registered in the Commercial Register as a stock corporation on September 3, 2019.
- As a result of the change in the Company's legal form on September 3, 2019, the share capital (*Stammkapital*) of the former Pacifico European Renewables Yieldco GmbH in the amount of EUR 1,000,000.00 was converted into the Company's new share capital (*Grundkapital*) of EUR 1,000,000.00, divided into one million bearer shares with a nominal value of EUR 1.00.
- On October 25, 2019, the Company's share capital was increased to EUR 1,135,00.00 through the issue of 135,000 new ordinary bearer shares with no-par value against contributions in cash.

On May 6, 2020, the Company's share capital was further increased from EUR 1,135,00.00 to EUR 1,930,455.00 through the issue of 795,455 new ordinary bearer shares with no-par value against contributions in cash.

### 9.5.3 Authorized Capital

Pursuant to section 6 of the articles of association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company in the period until October 15, 2024 in an amount of up to EUR 567,500.00, once or in several instances, by issuing up to 567,500 new no-par value bearer shares against contributions in cash and/or in kind (the "**Authorized Capital 2019**").

The shareholders are generally to be granted subscription rights. The shares may be subscribed for in accordance with section 186(5) AktG by one or more credit institution(s) or one or several enterprise(s) operating pursuant to section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the German Banking Act (*Gesetz über das Kreditwesen*) with the obligation to offer such shares to the shareholders of the Company (so-called "indirect subscription right (*mittelbares Bezugsrecht*)"). However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude the subscription rights of the shareholders for one or more capital increases from the Authorized Capital 2019:

- in order to exclude fractional amounts from subscription rights;

- to the extent necessary, to grant holders of conversion or option rights from or in connection with debt securities, profit participation rights and participating bonds or creditors of debt securities with conversion obligations (or a combination of these instruments) that were or will be issued by the Company or dependent companies or companies in which the Company holds a majority interest, to grant a subscription right to new no-par value bearer shares in the Company to the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling conversion obligations, or, insofar as the Company exercises an option right with regard to such bonds, profit participation rights and profit participating bonds, to grant shares in the Company in whole or in part instead of payment of the due cash amount;
- for the issuance of shares against cash contributions, if the issuing price of the new shares is not significantly below the market price of the shares already listed on a stock exchange within the meaning of section 203(1) and (2) and section 186(3) sentence 4 AktG and the calculated proportion of the share capital attributable to the new shares issued with an exclusion of subscription rights does not exceed a total of ten percent (10%) of the share capital, neither at the time when the authorization takes effect nor at the time when the authorized share capital is utilized. The amount of the share capital issued or to be issued to fulfil obligations under bonds with warrants or convertible bonds or profit-sharing rights with conversion rights or options shall be deducted from this figure to the extent these bonds have been issued with an exclusion of subscription rights during the term of this authorization in corresponding application of section 186(3) sentence 4 AktG. Further, own shares shall be deducted from this maximum threshold of ten percent (10%) that are sold during the term of this authorization with an exclusion of the subscription rights of the shareholders pursuant to section 71(1) no. 8 sentence 5, second part in connection with section 186(3) sentence 4 AktG;
- for the issuance of shares against contributions in kind, including for, but not limited to, the purpose of acquiring (also indirectly) businesses, parts of businesses or participations in businesses or other assets in connection with an acquisition project, real properties and real estate portfolios or for the fulfilment of convertible bonds or bonds with warrants as well as profit-sharing rights with conversion rights and options or a combination of these instruments that are issued against contribution in kind; or
- or to issue a share dividend under which shares of the Company are used (including partially or optionally) to satisfy shareholder dividend claims.

The Management Board is authorized, with the consent of the Supervisory Board, to determine further details of the share rights (including a deviation from section 60(2) no. 3 AktG with regard to dividend entitlement of the new shares) and the conditions for issuance of the shares. The Supervisory Board is authorized, after utilization of the Authorized Capital 2019 or after the expiry of the deadline for the utilization of the Authorized Capital 2019 to change the articles of association accordingly.

The Company's ordinary shareholders' meeting of August 26, 2020 resolved to replace the existing Authorized Capital 2019 with a new authorized capital 2020. Under the new authorized capital 2020 the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company in the period until August 25, 2025 in an amount of up to EUR 1,731,891.00, once or in several instances, by issuing up to 1,731,891 new no-par value bearer shares against contributions in cash and/or in kind. The resolution is subject to the Capital Increase resolution of the same shareholders' meeting, which forms the basis of the Shares, which are the subject of this Prospectus, being registered in the Commercial Register in an amount of at least EUR 1,533,327.00. The Company has not yet applied to the Commercial Register for registration of this resolution.

## **9.6 Articles of Association**

The following provisions of the Company's articles of association or material agreements could have an effect of delaying, deferring or preventing a change in control in the Company:

- According to section 10.2 of the articles of association, Pelion is entitled to appoint a member to the Supervisory Board as long as Pelion holds a 10% interest in the Company.
- In addition, the appointment and removal from office of the members of the Management Board and Supervisory Board is based on the AktG. The members of the Management Board are elected by the Supervisory Board and may be removed by the Supervisory Board only for cause. The members of the Supervisory Board are elected by the shareholders' meeting with a simple majority of 50% of votes cast and may be removed only with a qualified majority of 75% of the votes cast.

## 9.7 Material Contracts

The following is a brief summary of any material contracts, other than contracts entered into in the ordinary course of business, to which the Company or any member of the Pacifico Group is a party, for the last year immediately preceding the date of this Prospectus.

### 9.7.1 Strategic Partnership with Pacifico Partners

In order to implement their Strategic Partnership, the Company and Pacifico Partners have concluded certain framework agreements (*Rahmenverträge*) regarding project development, asset management services and other operative services:

- On June 30, 2020, the Company and Pacifico Partners concluded a new ROFOA, replacing the original ROFOA dated October 30, 2019 with effect of July 1, 2020. The ROFOA grants the Company priority access to Pacifico Partners' development projects and stipulates the specific conditions attached to this right. The ROFOA also entails a standardized purchase process for the presentation and implementation of a first offer and any following negotiations. There are no fees associated with the ROFOA itself. However, a breach of the agreement obliges Pacifico Partners to pay to the Company a contractual penalty in the amount of 0.5% of the asset's value that was disposed of in breach of the right of first offer under the ROFOA. The ROFOA has an indefinite term and may first be terminated after October 31, 2024, as of the end of each calendar quarter giving one year prior written notice. It will in any case be terminated if the MSA is terminated for any reason.
- On October 29, 2019, the Company and Pacifico Partners entered into the CAMA to ensure the management of the Company's assets. Pacifico Partners' core task as asset manager is to maintain the value of the Pacifico Group's plants in the Company's best interest by performing all tasks and services necessary and feasible, including, *inter alia*, asset optimization, reporting, supervision of other service providers as well as corporate and authority management. The fully variable remuneration amounts to 1.5% of the annual sales revenues of the project companies that Pacifico Partners provides services for. The CAMA has an indefinite term and may first be terminated after October 31, 2024, as of the end of each calendar quarter giving one year prior written notice.
- On October 29, 2019, the Company and Pacifico Partners entered into the MSA in order to regulate all other services, which the Company receives from Pacifico Partners. The MSA is divided into three areas: asset stewardship services, broker services and repowering services. The MSA comprises all asset management activities that go beyond day-to-day commercial operations, the identification of third-party investments that fit the Company's most recent investment charter and the identification and analysis of opportunities for the fundamental renewal of Pacifico's old plants. Pacifico Partners' compensation for asset management activities amounts to 0.5% p.a. of the Company's enterprise value up to EUR 1.0 billion and to 0.45% p.a. of the Company's enterprise value above EUR 1.0 billion, while brokering services earn Pacifico Partners a one-time amounting to 1% of the total asset value of the investments. In the case of repowering, the fee depends on the installed capacity. The MSA has an indefinite term and may first be terminated after October 31, 2024, as of the end of each calendar quarter giving one year prior written notice.
- On September 1, 2020, the Company and Pacifico Partners concluded amendments to the CAMA and MSA, under which the subsidiaries are no longer part of the CAMA or MSA by way of accession agreements. Instead, the Company determines the scope of services and the subsidiaries for which Pacifico Partners shall perform these services by entering into an accession agreement with Pacifico Partners. *Vis-à-vis* its subsidiaries, the Company is the contractual service provider and as such has entered into commercial asset management agreements or master services agreements with the relevant subsidiaries. The substance of these agreements corresponds to the CAMA and the MSA, specifically regarding fees.

The Company entered into commercial asset management agreements or master services agreements with its following direct or indirect subsidiaries and concluded corresponding accession agreements with Pacifico Partners:

- CCD Solar SRL;
- Mediterraneo Green Power SRL;
- Energia Fotovoltaica 12 SRL;
- Energia Fotovoltaica 22 SRL;
- PAC Rubin GmbH & Co. KG;

- PAC Opal GmbH & Co. KG;
- PAC Saphir GmbH & Co. KG;
- PAC Topas GmbH & Co. KG;
- FVE Hodonice s.r.o.;
- FVE Troskotovice s.r.o.;
- FVE Usilne s.r.o.;
- FVE Osecna s.r.o.;
- PV Neubukow GmbH & Co. KG;
- PV Rosefeld GmbH & Co. KG;
- PV Süpplingen GmbH & Co. KG;
- PV Köthen BF 5 GmbH & Co. KG;
- PV Staßfurt GmbH & Co. KG;
- PV Hohburg GmbH & Co. KG;
- PV Eisfeld GmbH & Co. KG;
- PV Auerbach GmbH & Co. KG;
- Dutch Durables Energy BV.

For further information see sections “2.2.4.2.1 *Project Development and Acquisition*” (ROFOA), “2.2.4.2.2 *Commercial Asset Management*” (CAMA) and “2.2.4.2.3 *Master Services Agreement*” (MSA).

### **9.7.2 Acquisition of Photovoltaic Portfolio in Germany**

On March 12, 2020, the Company concluded a purchase agreement for the acquisition of eight operative photovoltaic plants in Germany with a capacity of 21.2 MW (Auerbach, Hohburg, Eisfeld, Staßfurt, Rosefeld, Köthen, Neubukow, Süpplingen) from certain companies of the abakus group at an enterprise value of EUR 36.8 million (including indebtedness). The plants entered operation phase between 2008 and 2012 and had a remaining benefit from subsidized FiTs under the German EEG between EUR 211 and EUR 462 per MWh on average for another 11.8 years at the economic take-over date. The acquisition was closed on May 15, 2020 with economic effect as of January 1, 2020.

The plants were acquired indirectly through the acquisition of all limited partner shares in the following project companies: PV Rosefeld GmbH & Co. KG, PC Süpplingen GmbH & Co. KG, PV Köthen BF 5 GmbH & Co. KG, PV Eisfeld GmbH & Co. KG, PV Staßfurt GmbH & Co. KG, PV Hohburg GmbH & Co. KG, PV Neubukow GmbH & Co. KG and PV Auerbach GmbH & Co. KG (together the “**Target Companies**”). Also indirectly acquired were two properties owned by two of the Target Companies, as well as an interest in the infrastructure company Köthen UW GmbH owned by PV Köthen BF 5 GmbH & Co. KG.

Within the framework of the agreement, the sellers have given guarantees in line with market practice, *inter alia*, that no environmental damage or similar is known, that the Target Companies do not employ any employees, that the sellers are not aware of any threatened or pending court, arbitration or administrative proceedings, that the necessary permits exist and that business operations are being properly continued.

As a result of the purchase of the Target Companies, the Company had to pay a broker fee to Pacifico Partners in the amount of EUR 200,898.30 for its successful brokerage in accordance with the MSA, invoiced by Pacifico Partners on May 20, 2020. Another EUR 200,898.30 will become payable if the actual cash flows of the assets are not below the worst-case projection for the first twelve months from acquisition as presented to the Company.

### **9.7.3 Acquisition of Wind Farm Portfolio in Germany**

On November 5, 2020, the Company and its wholly-owned subsidiary Pacifico Management GmbH concluded a purchase agreement for the acquisition of a 15.6 MW turn-key onshore wind farm in the vicinity of Reudelsterz, Rhineland-Palatinate, Germany from a subsidiary of New Energies Systems AG (Mayen, Rhineland-

Palatinate, Germany), an unaffiliated project development company, at an enterprise value of EUR 35 million, including senior project financing. The wind farm will benefit from a 20-year statutorily determined remuneration of EUR 79.3 per MWh under the EEG 2017. This amount includes the current correction factor used to partially compensate for differences between locations with different wind intensities in order to enable nationwide competition between locations with different wind yields. Once fully operational, the total initial P50 electricity production is expected to be approximately 37 GWh p.a. which would result in annual revenues of approximately EUR 2.9 million and an annual reduction of more almost 30,000 tons of CO2 emissions.

The plants will be acquired indirectly through the acquisition of the only limited partner share in Windkraft 1. RES GmbH & Co. KG. Within the framework of the agreement, the seller has given guarantees in line with customary market standards for onshore wind park transactions. Closing of the transaction is subject to certain conditions, including the commissioning of all turbines and successful completion of the trial period, and is expected to occur in early 2021.

As a result of the purchase, the Company will be subject to a broker fee to Pacifico Partners in the amount of EUR 350,000 for its successful brokerage in accordance with the MSA.

#### **9.7.4 *Revolving Credit Facility provided by Triodos Bank N.V.***

On May 13, 2020, Pacifico Renewables Yield AG signed an agreement for a EUR 8.35 million revolving credit line with Triodos Bank N.V. Germany. Drawings bear interest at a maximum rate of 3.85% p.a. and must be repaid within 18 months. A commitment fee of 1.55% p.a. is charged for the undrawn portion of the credit line. The credit line is based on a subordinated collateral package of German and Dutch investments. The collateral base is revalued annually, which also provides the possibility to increase the credit line going forward by adding further collateral.

On November 5, 2020, Triodos Bank N.V. agreed to upsize the revolving credit line to EUR 16.3 million subject to the closing of the acquisition of a 15.6 MW turn-key onshore wind farm in Germany from a subsidiary of New Energies Systems AG (see “9.7.3 *Acquisition of Wind Farm Portfolio in Germany*”). A large part of the upsized facility will be drawn to finance this acquisition.

## 10 DOCUMENTS AVAILABLE FOR INSPECTION

For the period during which this Prospectus remains valid, the following documents will be available for inspection on the Company's website at [www.pacifico-renewables.com](http://www.pacifico-renewables.com) under the "Investor Relations" section:

- the Company's articles of association;
- the unaudited condensed consolidated interim financial information as of and for the six-month period ended June 30, 2020 of the Company prepared in accordance with German generally accepted accounting principles of the HGB;
- the audited consolidated financial statements of the Company prepared in accordance with German generally accepted accounting principles of the HGB as of and for the financial year ended December 31, 2019 as well as as of and for the short financial year ended December 31, 2018; and
- the audited unconsolidated financial statements of the Company prepared in accordance with German generally accepted accounting principles of the HGB as of and for the financial year ended December 31, 2019.

The Company's future consolidated financial statements, unconsolidated financial statements and any condensed consolidated interim financial information will be available from the Company on its website and the paying agent designated in this Prospectus (see "6.10 Paying Agent").

Information on the Company's website [www.pacifico-renewables.com](http://www.pacifico-renewables.com) and information accessible via this website is neither part of, nor incorporated by reference into, this Prospectus.

## 11 GLOSSARY

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Acts</b> .....                    | The Dutch Electricity Act 1998, the Gas Act and the Heat Act.                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>AktG</b> .....                    | The German Stock Corporation Act ( <i>Aktiengesetz</i> ).                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>ARERA</b> .....                   | Italian Regulatory Authority for Energy, Networks and the Environment.                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>AU</b> .....                      | <i>Autorizzazione Unica</i> (single authorization issued by the Italian Regional Authority)                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Authorized Capital 2019</b> ..... | Pursuant to section 6 of the Company's articles of association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company in the period until October 15, 2024 in an amount of up to EUR 567,500.00, once or in several instances, by issuing up to 567,500 new no-par value bearer shares against contributions in cash and/or in kind.                                                                                    |
| <b>BaFin</b> .....                   | The German Federal Financial Supervisory Authority ( <i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> ).                                                                                                                                                                                                                                                                                                                                                                                |
| <b>BauGB</b> .....                   | The German Building Code ( <i>Baugesetzbuch</i> ).                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>BGB</b> .....                     | The German Civil Code ( <i>Bürgerliches Gesetzbuch</i> ).                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>BImSchG</b> .....                 | The German Federal Immission Protection Act ( <i>Bundes-Immissionsschutzgesetz</i> ).                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>BNatSchG</b> .....                | The German Federal Nature Conservation Act ( <i>Bundesnaturschutzgesetz</i> ).                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>CAMA</b> .....                    | A commercial asset management agreement between the Company and Pacifico Partners.                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Capital Increase</b> .....        | A capital increase against contribution in cash through which the Company's registered share capital will be increased from EUR 1,930,455.00 to up to EUR 3,516,662.00 through the issue of up to 1,586,207 new ordinary bearer shares with no-par value, resolved upon by the Company's ordinary shareholders' meeting ( <i>Hauptversammlung</i> ) of August 26, 2020.                                                                                                                       |
| <b>Clearstream</b> .....             | Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Coal Phase-Out Act</b> .....      | The German Act on the Reduction and Termination of Coal-fired Power Generation and on the Amendment of Other Laws ( <i>Kohleausstiegs-gesetz</i> ).                                                                                                                                                                                                                                                                                                                                           |
| <b>COD</b> .....                     | Commercial Operation Date (COD).                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Commercial Register</b> .....     | The commercial register at the local court ( <i>Amtsgericht</i> ) of Munich, Germany.                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Company</b> .....                 | Pacifico Renewables Yield AG, registered office and business address is Bavariafilmplatz 7, Gebäude 49, 82031 Grünwald, Federal Republic of Germany, telephone +49 89 6498 1161, website: <a href="https://www.pacifico-renewables.com/">https://www.pacifico-renewables.com/</a> , LEI 529900Y3K1U2XX4HGM05. The Company is registered with the commercial register ( <i>Handelsregister</i> ) of the local court ( <i>Amtsgericht</i> ) of Munich, Germany, under docket number HRB 251232. |
| <b>CZK</b> .....                     | Czech koruna, the currency of the Czech Republic.                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                  |                                                                                                                                                                                                                                                       |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Draft RES Amendment</b> ..... | Amendment to the Czech Act no. 165/2012 Coll., on the Subsidy of Renewable Sources of Energy dated April 27, 2020.                                                                                                                                    |
| <b>EC</b> .....                  | The European Commission.                                                                                                                                                                                                                              |
| <b>EEA</b> .....                 | The European Economic Area.                                                                                                                                                                                                                           |
| <b>EEG</b> .....                 | The German Renewable Energy Sources Act ( <i>Erneuerbare-Energien-Gesetz</i> ).                                                                                                                                                                       |
| <b>EEG 2014</b> .....            | The German Renewable Energy Sources Act 2014 ( <i>Erneuerbare-Energien-Gesetz</i> ).                                                                                                                                                                  |
| <b>EEG 2017</b> .....            | The German Renewable Energy Sources Act 2017 ( <i>Erneuerbare-Energien-Gesetz</i> ).                                                                                                                                                                  |
| <b>EEG 2021</b> .....            | The German Renewable Energy Sources Act 2021 ( <i>Erneuerbare-Energien-Gesetz</i> ).                                                                                                                                                                  |
| <b>EIA</b> .....                 | Environmental Impact Assessment.                                                                                                                                                                                                                      |
| <b>EIAS</b> .....                | Energy Investment Allowance Scheme.                                                                                                                                                                                                                   |
| <b>Energy Law</b> .....          | The Polish general energy law ( <i>Prawo energetyczne</i> ).                                                                                                                                                                                          |
| <b>EU</b> .....                  | The European Union.                                                                                                                                                                                                                                   |
| <b>EUR</b> .....                 | Euro, the single European currency adopted by certain participating member states of the European Union, including Germany.                                                                                                                           |
| <b>FiTs</b> .....                | Feed-in tariffs.                                                                                                                                                                                                                                      |
| <b>FSMA</b> .....                | United Kingdom Financial Services and Markets Act 2000.                                                                                                                                                                                               |
| <b>GB</b> .....                  | Green Bonuses.                                                                                                                                                                                                                                        |
| <b>German GAAP</b> .....         | The generally accepted accounting principles of the German Commercial Code ( <i>Handelsgesetzbuch</i> ).                                                                                                                                              |
| <b>Golden End</b> .....          | The continuation of operations post expiration of government subsidies for the promotion of renewable energy when project companies have typically repaid their senior debt and the plants have been fully depreciated on an individual entity basis. |
| <b>GoO</b> .....                 | Guarantees of origin ( <i>garanties van oorsprong</i> ).                                                                                                                                                                                              |
| <b>GSE</b> .....                 | Gestore dei Servizi Energetici S.p.A.                                                                                                                                                                                                                 |
| <b>GVO</b> .....                 | Guarantees of origin ( <i>garanties van oorsprong</i> ).                                                                                                                                                                                              |
| <b>GW</b> .....                  | Gigawatts.                                                                                                                                                                                                                                            |
| <b>HGB</b> .....                 | The German Commercial Code ( <i>Handelsgesetzbuch</i> ).                                                                                                                                                                                              |
| <b>IFRS</b> .....                | International Financial Reporting Standards, as adopted by the European Union.                                                                                                                                                                        |
| <b>IPPs</b> .....                | Independent power producers.                                                                                                                                                                                                                          |
| <b>IRR</b> .....                 | Internal rate of return.                                                                                                                                                                                                                              |
| <b>ISIN</b> .....                | International Securities Identification Number.                                                                                                                                                                                                       |

|                                        |                                                                                                                                                                                                                                                            |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Joint Bookrunners</b> .....         | Stifel and M.M. Warburg.                                                                                                                                                                                                                                   |
| <b>Joint Global Coordinators</b> ..... | Stifel and M.M. Warburg.                                                                                                                                                                                                                                   |
| <b>kWp</b> .....                       | Kilowatt peak.                                                                                                                                                                                                                                             |
| <b>LCOE</b> .....                      | Levelized cost of electricity.                                                                                                                                                                                                                             |
| <b>LEI</b> .....                       | Legal Entity Identifier.                                                                                                                                                                                                                                   |
| <b>Majority Shareholder</b> .....      | Pelion Green Future GmbH, formerly Pelion Capital GmbH.                                                                                                                                                                                                    |
| <b>M.M. Warburg</b> .....              | M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Ferdinandstraße 75, 20095 Hamburg, Germany (telephone +49 40 3282-0, website: www.mmwarburg.com), LEI MZI1VDH2BQLFZGLQDO60.                                                                  |
| <b>MiFID II</b> .....                  | Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments, as amended.                                                                                                                        |
| <b>MiFID II Requirements</b> .....     | The product governance requirements contained within MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of April 7, 2016 supplementing MiFID II and local implementing measures.                                                  |
| <b>MISE</b> .....                      | The Italian Ministry of Economic Development.                                                                                                                                                                                                              |
| <b>MSA</b> .....                       | Master services agreement between the Company and Pacifico Partners.                                                                                                                                                                                       |
| <b>MW</b> .....                        | Megawatt.                                                                                                                                                                                                                                                  |
| <b>MWh</b> .....                       | Megawatt-hour.                                                                                                                                                                                                                                             |
| <b>MWp</b> .....                       | Megawatt peak                                                                                                                                                                                                                                              |
| <b>New Shares</b> .....                | Up to 1,579,455 new ordinary bearer shares with no-par value ( <i>auf den Inhaber lautende Stückaktien</i> ), originating from a capital increase against contributions in cash resolved by the ordinary general shareholders' meeting of August 26, 2020. |
| <b>O&amp;M</b> .....                   | Operations and Management.                                                                                                                                                                                                                                 |
| <b>OEM</b> .....                       | Original Equipment Manufacturer.                                                                                                                                                                                                                           |
| <b>Offering</b> .....                  | The Subscription Offer together with the Rump Placement.                                                                                                                                                                                                   |
| <b>P50</b> .....                       | A P50 level of production indicates that according to the underlying analysis a 50% probability exists that the electricity generated from a project will exceed a specified aggregate amount of electricity generation during a given period.             |
| <b>Pacifico</b> .....                  | Pacifico Renewables Yield AG together with its consolidated subsidiaries.                                                                                                                                                                                  |
| <b>Pacifico Development</b> .....      | Pacifico Development GmbH, a wholly-owned subsidiary of Pelion.                                                                                                                                                                                            |
| <b>Pacifico Group</b> .....            | Pacifico Renewables Yield AG together with its consolidated subsidiaries.                                                                                                                                                                                  |
| <b>Pacifico Partners</b> .....         | Pacifico Energy Partners GmbH, a privately-held development, brokerage and asset management company and the Company's strategic partner.                                                                                                                   |
| <b>PAUR</b> .....                      | Procedimento autorizzativo unico regionale.                                                                                                                                                                                                                |
| <b>Pelion</b> .....                    | Pelion Green Future GmbH, formerly Pelion Capital GmbH.                                                                                                                                                                                                    |

|                                    |                                                                                                                                                                                                                                                 |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PLN</b> .....                   | Polish zloty, the currency of Poland.                                                                                                                                                                                                           |
| <b>PPAs</b> .....                  | Power purchase agreements.                                                                                                                                                                                                                      |
| <b>Principal Shareholder</b> ..... | A shareholder holding 95% of the share capital.                                                                                                                                                                                                 |
| <b>Project Pipeline</b> .....      | Pacifico Partners' investment pipeline of currently more than 600 MW until 2023 to which the Company has priority access through contractual arrangements.                                                                                      |
| <b>Prospectus Regulation</b> ..... | Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.                              |
| <b>PV</b> .....                    | Photovoltaic.                                                                                                                                                                                                                                   |
| <b>Relevant State</b> .....        | An EEA member state which is subject to the Prospectus Regulation and the United Kingdom.                                                                                                                                                       |
| <b>Repowering</b> .....            | Fundamental renewal of old plants within the Pacifico Group.                                                                                                                                                                                    |
| <b>RES</b> .....                   | Renewable energy sources.                                                                                                                                                                                                                       |
| <b>RES 1</b> .....                 | The new Italian financial support scheme adopted through Ministry Decree of the Ministry of Economic Development.                                                                                                                               |
| <b>RES Act</b> .....               | The Polish Renewable Energy Sources Act ( <i>Ustawa o odnawialnych źródłach energii</i> )                                                                                                                                                       |
| <b>ROFOA</b> .....                 | A right of first offer agreement between the Company and Pacifico Partners.                                                                                                                                                                     |
| <b>Rump Shares</b> .....           | Any New Shares that are not subscribed for in the Subscription Offer.                                                                                                                                                                           |
| <b>Rump Placement</b> .....        | Rump Shares offered for sale to eligible investors in Germany and other selected jurisdictions at a price at least as high as the Subscription Price by way of private placements.                                                              |
| <b>RVO</b> .....                   | Dutch Enterprise Agency ( <i>Rijksdienst voor ondernemend</i> ).                                                                                                                                                                                |
| <b>SDGs</b> .....                  | Sustainable Development Goals, as agreed by 193 countries in 2015 following the Global Climate Conference by the United Nations Framework Convention on Climate Change (UNFCCC) in Paris.                                                       |
| <b>SDE+ scheme</b> .....           | Dutch financial scheme for the stimulation of sustainable energy production ( <i>Stimuleringsregeling duurzame energieproductie</i> ).                                                                                                          |
| <b>Securities Act</b> .....        | The United States Securities Act of 1933, as amended.                                                                                                                                                                                           |
| <b>SEU</b> .....                   | Sistema Efficiente di Utenza.                                                                                                                                                                                                                   |
| <b>Stifel</b> .....                | Stifel Europe Bank AG, Kennedyallee 76, 60596 Frankfurt am Main, Germany (telephone +49 69 78808-0, website: <a href="http://www.stifel.com">www.stifel.com</a> ), LEI 529900MC68RTGHKI4F05.                                                    |
| <b>Strategic Partnership</b> ..... | The strategic partnership between the Company and Pacifico Partners as implemented through certain framework agreements regarding project development, asset management and other operative services between the Company and Pacifico Partners. |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Subscription Offer</b> .....       | 1,579,455 New Shares of the Company, each such Share representing a notional value of EUR 1.00 and with full dividend rights from January 1, 2020, which will be offered to the Company's shareholders for subscription by means of indirect subscription rights ( <i>mittelbares Bezugsrecht</i> ) at a ratio of 11:9 (11 existing Shares entitle to subscribe for 9 New Shares at the Subscription Price). |
| <b>Subscription Period</b> .....      | November 17, 2020 through November 30, 2020.                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Subscription Price</b> .....       | The Subscription Price per New Share will be EUR 29.00.                                                                                                                                                                                                                                                                                                                                                      |
| <b>Target Market Assessment</b> ..... | The target market assessment with respect to the New Shares as required by the MiFID II Requirements.                                                                                                                                                                                                                                                                                                        |
| <b>Technical Advisor</b> .....        | DNV GL Poland Sp. z o.o.                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>TWh</b> .....                      | Terawatt-hours.                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Underwriting Agreement</b> .....   | The underwriting agreement, entered into between the Company and the Joint Bookrunners on November 13, 2020.                                                                                                                                                                                                                                                                                                 |
| <b>UVPG</b> .....                     | The German Environmental Impact Assessment Act ( <i>Gesetz über die Umweltverträglichkeitsprüfung</i> ).                                                                                                                                                                                                                                                                                                     |