

*This announcement contains inside information*  
12 July 2021

**Coro Energy Plc**  
("Coro" or the "Company")

**Proposed Acquisition of Vietnamese Solar Portfolio**

Coro Energy Plc, the South East Asian energy company focused on leading the regional transition to a low carbon economy, is pleased to announce it has signed binding Heads of Terms to acquire rights over a portfolio of 150MW rooftop solar projects in Vietnam from Vinh Phuc Electrical Mechanical Installation Co Ltd, trading as Vinh Phuc Energy JSC ("VPE"), commencing with a 5MW pilot project.

**Highlights**

- Low cost entry for Coro into the fast growing Vietnamese energy sector as an independent power producer
- Coro to acquire 85% equity interest in a newly formed joint venture to be named Coro Renewables Vietnam (the "JV") in exchange for initial funding by Coro of US\$500,000 to immediately develop a 5MW pilot rooftop project through to 'Ready to Build' status
- VPE, a highly regarded local EPC contractor, to transfer their existing 150MW project portfolio into the JV and provide management services in exchange for a 15% carried interest in the JV
- Coro to fund the 5MW pilot project through construction once de-risked with the option to fund the broader portfolio of over 150MW solar projects
- All rooftop projects benefit from attractive economics and are underpinned by long term "take or pay" Power Purchase Agreements ("PPAs") with creditworthy industrial customers and US Dollar denominated pricing

Throughout the past two decades, Vietnam's GDP has grown in excess of 5% per annum fuelling significant power demand growth. To meet this demand, Vietnam is now planning 15-20% (approximately 35GW) of

additional renewables capacity by 2030.

Coro and VPE have entered into binding Heads of Terms to jointly develop VPE's existing 150MW portfolio of commercial and industrial rooftop solar PV installations. Any consequent definitive joint venture agreement will create a joint venture in Vietnam with Coro funding the JV for an 85% equity interest whilst VPE will transfer its existing 150MW project portfolio for a 15% carried interest. VPE will also provide EPC services to the JV at market benchmarked levels. The Heads of Terms includes an exclusivity period ending on 1 October 2021.

As a first step Coro will fund US\$500,000 (specifically for planning and permitting costs) to de-risk a 5MW pilot project which it expects to achieve 'Ready to Build' status during 2021. Coro will then have the right to fund the construction of the 5MW pilot project, estimated at US\$3.5M, with a view to securing near term cash flows (estimated at around US\$0.6m per annum unlevered, net to Coro). Furthermore, Coro will have the option to fund the entire 150MW portfolio held by the JV, likely through project finance.

VPE are a leading Vietnamese Solar asset owner and Engineering, Procurement and Construction contractor, with an experienced team of over 90 operations staff and extensive experience deploying solar PV systems in Vietnam.

The JV's portfolio will initially consist of 150MW of commercial and industrial rooftop solar PV projects with attractive economics that are underpinned by long term "take or pay" PPAs with creditworthy industrial customers and US Dollar denominated pricing.

Following signature of the binding Heads of Terms, Coro and VPE shall negotiate and agree a definitive joint venture agreement for the JV based on the principles of the Heads of Terms. Coro expects signature of the joint venture agreement by the end of August 2021.

Further announcements will be made, as appropriate.

Mark Hood, CEO, commented.

*"Vietnam remains one of the highest growth markets at the forefront of the regional transition to clean energy. We are delighted to continue rapidly building our clean energy portfolio alongside the progress we are making on our utility scale projects in the Philippines."*

*"This transaction enables Coro to secure access to a significant portfolio in Vietnam which should see cash generative projects with short development cycles, significant news flow and high returns. I am delighted that we are able to achieve this with minimal upfront development capital."*

*"This transaction also demonstrates our commitment to building a*

*development portfolio with projects at different stages of progression, creating a number of differently phased cash generative opportunities in the coming months and years."*

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Anonymous (not verified)

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