Press Release

PAUL Tech enters project financing agreement with Solas Capital

PAUL Net Zero to provide first 5,000 emission-free apartments in existing buildings by mid-2025

Mannheim/Munich, 3 March- PAUL Tech AG has concluded a project financing arrangement with Solas Capital to equip approximately 5,000 residential units with PAUL Net Zero technology. The installations in the buildings will be completed in the first half of 2025. Agreements for a total of 26,000 units were already secured with customers last year, with a further 30,000 units planned for 2025.

Following the financing of the "Paul Performance" product through the Solas Sustainable Energy Fund (SSEF) advised by Solas Capital, the Net Zero financing continues the successful financing partnership between Solas Capital and PAUL Tech AG.

PAUL Net Zero combines AI-powered energy management systems in the boiler room with heat pumps and photovoltaic systems. The technology significantly improves the energy efficiency of residential buildings to Class A and makes them future-proof for both owners and tenants on the path to the heat transition. The equipping of properties with heat pumps is subsidised by the Federal Office for Economic Affairs and Export Control under the Federal Funding for Efficient Buildings (BEG) scheme.

Sascha Müller, CEO of PAUL Tech AG: "We are very pleased about the successful completion of the project financing and the innovative collaboration with Solas Capital and all partners involved. This financing is an important step on our journey to implement sustainable and emission-free solutions for existing properties. Now we will implement PAUL Net Zero on a large scale and thus make our contribution to a successful heat transition. Both owners and tenants will benefit equally."

The positive results from the systems already installed in recent months confirm the success of PAUL Net Zero: The heat supply for the buildings, predominantly built between 1950 and 1980, continues to run smoothly even under severe winter conditions. The excellent efficiency values - which lead to a reduction of primary energy demand by two-thirds - have been further improved through the use of artificial intelligence and deep integration with the control of heat pump cascades.

With the installation of PAUL Net Zero, the direct CO_2 emissions of buildings are reduced to nearly zero. The decarbonisation level improves significantly in the CREMM (Carbon Risk Real Estate Monitor) assessment, as the use of heat pumps eliminates dependence on fossil fuels and significantly reduces specific emissions per kWh of heat provided.

For the development of this forward-looking technology, PAUL Tech AG has invested double-digit millions over the past year alone.

Sven Degens, Partner and Managing Director of Solas Capital: "We are very pleased to support PAUL Tech AG in their next step towards becoming a supplier of decarbonised heat. The financing of Net Zero technology perfectly aligns with our corporate goal of saving CO_2 and energy with every investment."

The investor advised by Solas Capital - a large German insurance company - benefits from long-term stable cash flows and receives a fundamentally green investment with an attractive return that leads to measurable CO_2 savings. This pioneering project demonstrates an economically viable solution for capital-intensive energy renovation in the building sector and will lead to further projects.

Further information on the project financing:

PAUL Net Zero 1 GmbH, a subsidiary of PAUL Tech AG, secured a subordinated loan of €2.3 million from a family office at the end of December 2024. This loan serves as mezzanine financing for a credit volume of €13.2 million. This credit was issued on 14 February 2025 to a fund advised by Solas Capital from a large German insurance company.

Sebastian Carneiro, Co-Founder and CEO of Solas Capital, concludes:"This partnership with PAUL Tech AG on their Net Zero technology addresses emissions in the building sector, which accounts for 40% of Europe's energy consumption, while enhancing energy security by reducing dependency on fossil fuels. Our investors gain stable returns while making a measurable impact on critical climate and societal challenges."

About PAUL Tech AG

PAUL Tech AG, based in Mannheim, makes existing properties green and valuable. With our AI-supported PAUL Net Zero technology, we transform buildings into energy-efficient, climate-friendly investments - while increasing their returns. Through the intelligent combination of heat pumps, photovoltaics and digital control, our customers achieve the highest energy efficiency classes and meet future ESG requirements. As a partner to leading real estate companies, we already support 160,000 residential units on their way to a sustainable future.

PAUL Tech AG - Pioneering Energy Transition
www.paul.tech

About Solas Capital

Solas Capital is a specialist investment advisor focusing on energy efficiency projects, shaping the transformation to a carbon-neutral economy through innovative financing

solutions. Solas Capital offers institutional investors access to the rapidly growing asset class of energy efficiency infrastructure while enabling technology partners and project initiators to complete and scale their energy efficiency service business models through customised financing. Founded and managed by investment experts with years of experience, Solas Capital works with clients across Europe, particularly in the sectors of energy efficiency in buildings and industry as well as solar power for self-consumption. Solas Capital advises the Solas Sustainable Energy Fund, which is supported by the European Investment Bank and the LIFE programme of the European Union.

www.solas.capital

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