



AQUILA EUROPEAN RENEWABLES PLC

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2025

The Rock, Norway



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Market Commentary and Outlook

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INVESTMENT OBJECTIVE

The Company's Investment Objective is to realise all existing assets in the Company's portfolio in an orderly manner.

Financial Information as at 31 December 2025

<p>Net assets (EUR million)</p> <p>214.3</p> <p>2024: 320.2</p>	<p>NAV per Ordinary Share (cents)¹</p> <p>56.7</p> <p>2024: 84.7</p>	<p>Total NAV return per Ordinary Share^{1,2}</p> <p>(29.5%)</p> <p>2024: (8.2%)</p>
<p>Dividends per Ordinary Share (cents)³</p> <p>2.2</p> <p>2024: 5.1</p>	<p>Ordinary Share price (cents)</p> <p>36.5</p> <p>2024: 66.0</p>	<p>Dividend yield</p> <p>6.1%</p> <p>2024: 7.8%</p>
<p>Ordinary Share price discount to NAV¹</p> <p>(35.6%)</p> <p>2024: (22.1%)</p>	<p>Ongoing charges^{1,4}</p> <p>1.2%</p> <p>2024: 1.1%</p>	

1. This disclosure is considered to represent the Company's alternative performance measures ("APMs"). Definitions of these APMs and other performance measures used, together with how these measures have been calculated, can be found on page 91. All references to cents are in Euros, unless stated otherwise.
2. Calculation based on NAV per Ordinary Share in Euros, includes dividends and assumes no reinvestment of dividends.
3. Dividends paid/payable and declared relating to the period.
4. Calculation based on average NAV over the period and regular recurring annual operating costs of the Company, further details can be found on page 91.

Chronology of Events

On 28 July 2025, the Company announced the completion of the sale of its 18% interest in the Portuguese hydropower asset referred to as Sagres for a cash consideration of EUR 14.7 million.

On 11 September 2025 the Company announced the cancellation of the amount standing to the credit of its share premium account (the "Share Premium Cancellation"), as approved by Shareholders at the Annual General Meeting of the Company held on 19 June 2025 (the "AGM"). Accordingly, the amount of EUR 255.6 million previously held in the share premium account of the Company was cancelled and the distributable reserves resulting from the Share Premium Cancellation have been treated as profits available for distribution by the Company.

On 28 November 2025, the Company announced the appointment of Robert Naylor as Non-Executive Chair with effect from 28 November 2025. Mr Ian Nolan resigned from Board on 27 November 2025.

On 15 December 2025, the Company announced that the sale of the Danish wind assets (Holmen II and Svindbaek) had completed and that the Company is in receipt of sales proceeds of EUR 36.6 million. The Board continues to progress the divestment of the remainder of the Company's portfolio in accordance with its investment policy to effect a managed wind-down of its assets.

On 15 December 2025, the Board proposed using the majority of the net cash proceeds to make a first capital distribution to Shareholders and recommended adoption of B share scheme amounting to EUR 34.0 million to allow for the return of capital to Shareholders. This amount represented approximately 15 per cent of the Company's Net Asset Value ("NAV") as at 30 September 2025. The Company completed the first capital distribution through B shares redemption on 29 January 2026.

On 24 December 2025, the Company announced that Dr Patricia Rodrigues would resign from the Board with effect from 31 December 2025. The resignation was part of the Company's planned reduction in size of the Board to reflect the Company's wind-down strategy.

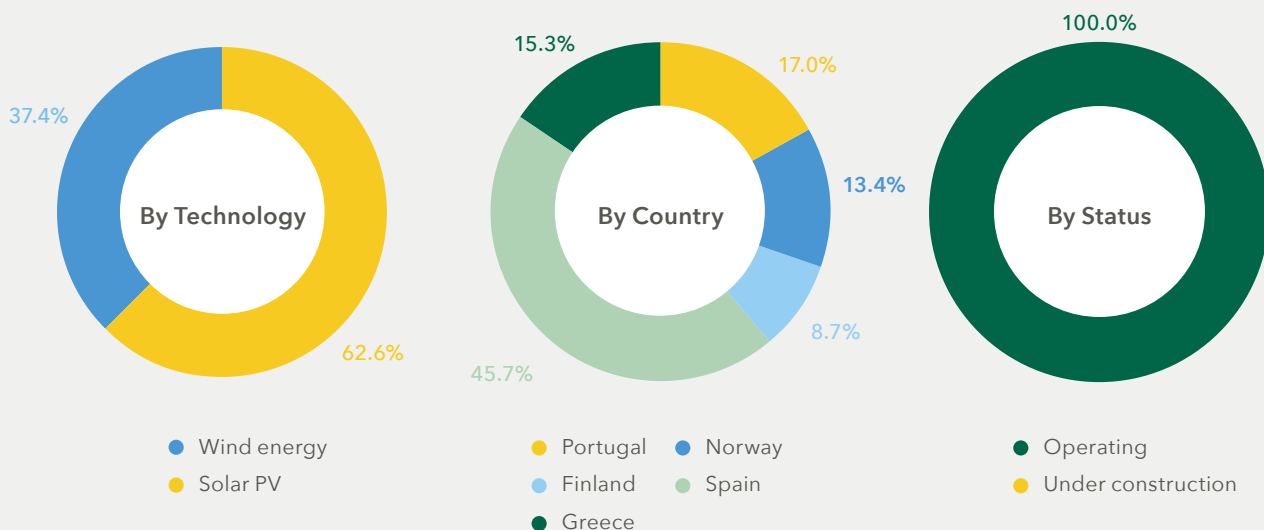
On 13 March 2026 the Company completed the sale of its 89% interest in Desfina, the Greek wind power investment, which resulted in the receipt of cash proceeds of EUR 26.0 million. On the same day the Company announced a second capital distribution to Shareholders under the approved B share scheme totaling approximately EUR 20.4 million, which was completed on 1 April 2026.



The Rock, Norway

AT A GLANCE

Portfolio Breakdown⁵



Wind energy | 125.0 MW

OLHAVA
34.6 MW
Ownership: 100.0%

THE ROCK
400.0 MW
Ownership: 13.7%

DEFINA
40.0 MW
Ownership: 89.0%⁶

Solar PV | 230.7 MWp

BENFICA III
19.7 MWp
Ownership: 100.0%

ALBENIZ
50.0 MWp
Ownership: 100.0%

OURIQUE
62.1 MWp
Ownership: 50.0%

GRECO
100.0 MWp
Ownership: 100.0%

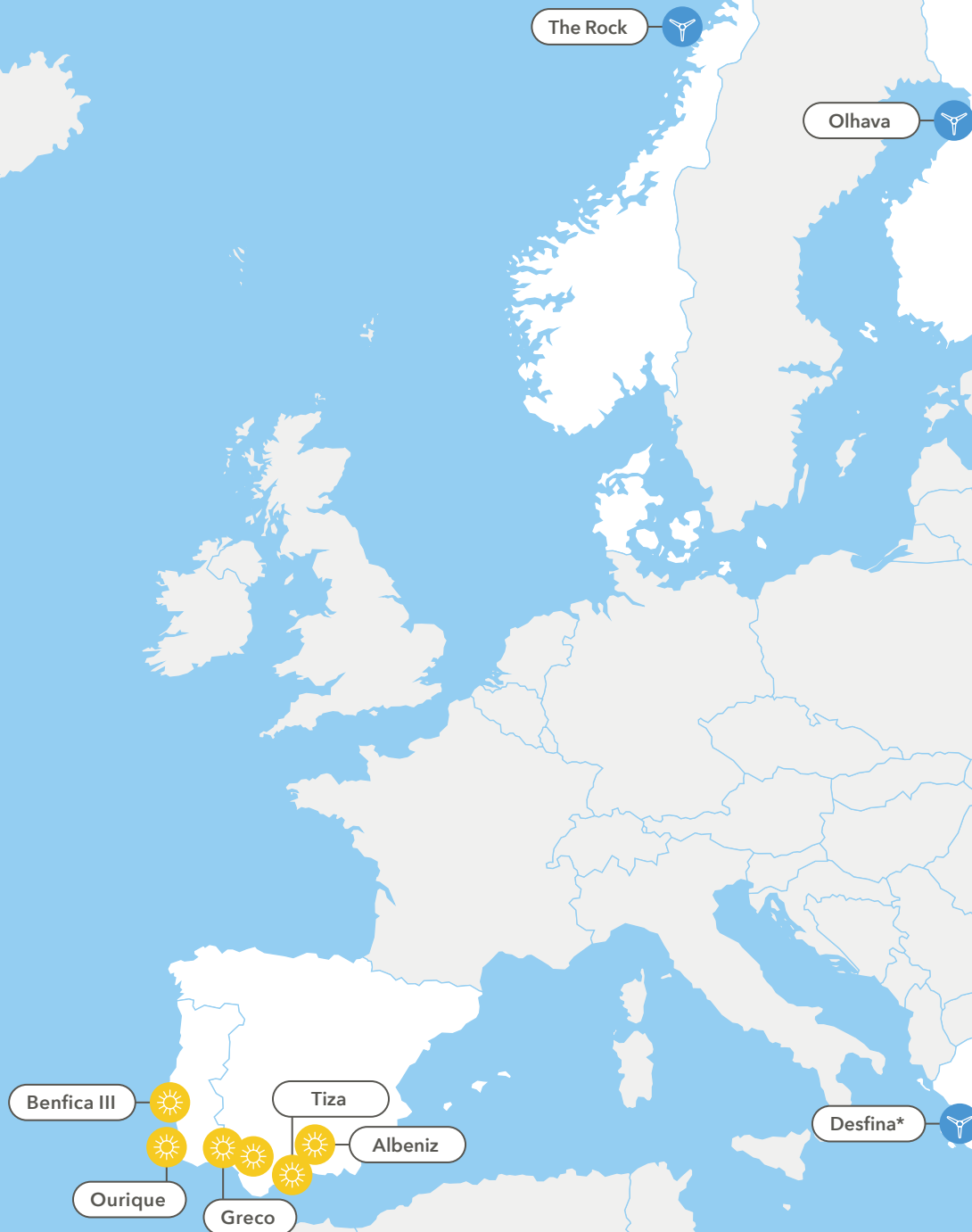
TIZA
30.0 MWp
Ownership: 100.0%

5. Based on fair values as at 31 December 2025. Totals may not add up to 100.0% due to rounding differences.

6. Voting interest. Economic interest: 92.6%. Sale completed on 13 March 2026

 Wind energy

 Solar PV



* This asset was sold on 13 March 2026.

CHAIRMAN'S STATEMENT



2025 has been a challenging year and profoundly disappointing for our shareholders. Even after applying a more aggressive discount rate as at 30 June 2025, some assets have subsequently been realised below net asset value. The secondary market in these assets has been limited, with the Investment Adviser being the only buyer. The Board's priority remains to complete the managed wind-down in a disciplined way and to return capital to shareholders as efficiently as possible.

Robert Naylor | Chairman

I was appointed non-executive chairman on 28 November 2025.

Managed wind-down

Aquila European Renewables plc was placed into a managed wind-down process following a shareholder vote and a change to its investment policy in late September 2024. Progress was made during 2025 in executing the managed wind-down, with the sale of the Company's Portuguese hydropower investment and its two Danish wind power investments. This followed the sale in 2024 of the Tesla wind power investment in Norway. In addition, on 13 March 2026, the Company completed the sale of its Greek wind power investment, following receipt of regulatory and other customary approvals.

These investments were sold to funds advised by Aquila Capital, the Company's investment adviser. As a result of these disposals, the Company now has two wind power investments, the 100% owned Olhava wind farm in Finland and a 13.7% shareholding in The Rock wind farm in Norway, and five solar PV investments in Iberia, comprising three 100% owned solar PV parks in Spain and two in Portugal, one 100% owned and the other 50% owned.

As referred to above, the factors impacting investment valuations in the year, including, amongst other things, the balancing mechanism in Finland and the outages on the Spanish grid, have reduced the 31 December 2025 NAV. The Company, together with its advisers, continues to explore the sale of its remaining investments. As discussed with shareholders through the year, the Board has undertaken an extensive sale process and, as a result of being in a managed wind-down, notes the disparity between indicative pricing received and the Company's NAV. Accordingly, the Board notes that there are a range of prices at which future sales could occur, and so disposals may not be achieved at NAV.

On 23 January 2026, the Company completed the first B share scheme distribution, returning EUR 34.0 million to Shareholders following receipt of proceeds from the sale of the Danish wind power investments. This represented approximately 15% of the Company's NAV as at 30 September 2025, being the latest published NAV at the time of the return of capital. An additional return of capital of EUR 20.4 million was completed on 26 March 2026 following receipt of proceeds from the sale of the Greek wind power investment.

Reflecting the managed wind down and the reducing scale of the Company, the Directors do not propose to prepare quarterly NAVs and fact sheets, but rather will prepare semi-annual NAVs which will be announced to the market with any accompanying relevant commentary.

Performance

NAV reduced from EUR 320.2 million as at 31 December 2024 to EUR 214.3 million as at 31 December 2025, or from EUR 0.85 per share to EUR 0.57 per share, a decline of 32.9%. Dividends of EUR 0.03 per share were paid in 2025.

The sale of the Portuguese hydropower investment was completed in June 2025 at a price equal to its NAV as at 31 December 2024 plus interest at 6.75% p.a. from that date until completion, as adjusted for distributions received from the investment. The subsequent agreements to sell the Danish wind power investments and the Greek wind power investment were at values approximately 17% below their respective NAVs as at 30 June 2025.

The share price reduced from EUR 0.66 as at 31 December 2024 to EUR 0.37 as at 31 December 2025, with the discount to NAV widening from 22.1% to 35.6%.

Post year end the Directors distributed, by the Company's B share mechanism, approximately €34 million, being 9 cents

CHAIRMAN'S STATEMENT CONTINUED

per Ordinary Share, on 23 January 2026 and approximately €26 million, 5.4 cents per Ordinary Share, on 26 March 2026.

The valuation of the remaining investments reduced from EUR 218.8 million as at 31 December 2024 to EUR 142.5 million as at 31 December 2025, driven by a combination of factors, including: (i) an increase in the overall portfolio discount rate from 7.3% per annum as at 31 December 2024 to 10.0% per annum as at 31 December 2025 reflecting the poor performance in 2025 against forecast; and (ii) significant reductions in forecast power prices.

Over the course of the year, forecast power prices were revised down significantly across most European markets. In the short term, this decline was driven by lower commodity prices in all relevant countries. In Iberia, solar PV price forecasts were revised down materially due to higher expected capture effects, particularly in the near term, resulting from increased solar build-out and generation.

Total portfolio production for the Company's remaining investments in the year ended 31 December 2025 was 23.0% below budget. Solar PV production was 28.5% below budget, attributable in particular to curtailment of the Iberian solar PV assets due to several hours of negative electricity market prices, which prompted solar PV parks such as Albeniz, Tiza and Greco to shut down, resulting in lower production. Wind power production was 16.9% below forecast in 2025. Olhava underperformed by 29.4% in 2025, mainly due to extensive commercial curtailments, while technical losses remained low and wind conditions were normal.

Dividends

Dividends were paid in respect of the first three quarters of 2025, totalling EUR 11.4 million, or EUR 0.03 per share. Cash generated by the Company's investments and available for upstreaming to the Company came under significant pressure in the second half of 2025 due to Olhava's lender prohibiting payments to Shareholders and challenging market conditions in Spain and Portugal, which are expected to continue. Capital is therefore being retained to cover foreseeable operating costs and potential calls on the Company's capital to support investments, including possible equity cures for the Olhava investment.

Costs

Additional costs have been incurred, particularly in relation to the Company's corporate finance and legal advisers, in order to execute the managed wind-down, both for the disposal of the Company's investments and for the B share scheme redemption. As the Company's asset base reduces, costs will increase as a percentage of NAV.

Outlook

2025 was a challenging year for the renewable energy industry in Europe and for the Company's investments. There has been a focus on discount rates which is an oversimplification of a complex, often esoteric, asset class. The value of these long-life assets depends on a wide range of assumptions, including power prices, curtailment, asset life, subsidy regimes, grid outages and balancing markets. In many cases those assumptions have proved aggressive, contributing to an over-distribution of capital. The consequences are now evident. Companies are struggling to sell assets, realised values are falling below historic NAVs, and dividends are being cut.

The war in the middle-east has led to increases in commodity prices and, in particular, to wholesale gas prices, which are themselves leading to higher wholesale market prices for electricity in Europe. The Company's investments are expected to benefit from these increases to the extent that revenues are exposed to market prices (see Investment Adviser's Report for details). However, the factors in the first paragraph above are expected to continue carrying more weight in the near future.

Against this backdrop, and as the managed wind-down progresses, the Board's priority is to complete the asset sale programme efficiently, while safeguarding value and returning capital to shareholders in a timely and cost-effective manner. This may involve realising assets at prices below their contribution to 31 December 2025 net asset value.

Robert Naylor Chairman

27 April 2026

INVESTMENT ADVISER'S REPORT

Leader in Investment and Asset Management in European Renewables

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Olhava, Finland

Investment Adviser Background¹

The Company's Alternative Investment Fund Manager ("AIFM"), FundRock Management Company (Guernsey) Limited, has appointed Aquila Capital Investmentgesellschaft mbH ("Aquila Capital") as its Investment Adviser for the Company. Aquila Capital's key responsibilities are to originate, analyse and assess suitable renewable energy infrastructure investments and advise the AIFM accordingly, as well as to provide Asset Management services.

Aquila Capital is an asset manager specialising in sustainable real asset investments. Since 2007, Aquila Capital has been providing compelling investment opportunities focused on driving the energy transition and sustainable infrastructure. The Investment Adviser's goal is to deliver resilient returns while supporting clean energy initiatives and contributing to the decarbonisation of global infrastructure.

The Investment Adviser announced a strategic partnership with Commerzbank AG ("Commerzbank") on 18 January 2024 aimed at significantly accelerating the Investment Adviser's growth into one of the leading asset managers for sustainable investment strategies in Europe. Commerzbank is a major listed European banking institution serving a diverse client base of around 26,000 corporate client groups and nearly 11 million private and corporate clients, with a global presence in more than 40 countries. As part of this partnership, Commerzbank acquired a 74.9% stake in the Investment Adviser, whilst ensuring the continued managerial independence of the Investment Adviser, which will remain autonomous in terms of operations, investment decisions, product development and brand representation. The transaction was completed following the receipt of the required regulatory approvals on 3 June 2024. On 24 April 2026 Commerzbank increased its shareholding in the Investment Adviser to 100%.

¹ Figures presented in this section refer to Aquila Group.

INVESTMENT ADVISER'S REPORT CONTINUED

Investment Portfolio

Project	Technology	Country	Capacity ⁷	Status	COD ⁸	Asset Life from COD	Equipment Manufacturer	Energy Offtaker ⁹	Offtaker	Ownership in Asset	Leverage ¹⁰	Acquisition Date
Olhava	Wind energy	Finland	34.6 MW	Operational	2013-2015	30y	Vestas	Market	Finnish Energy	100.0%	23.7%	September 2019
The Rock	Wind energy	Norway	400.0 MW	Operational	2022	30y	Nordex	PPA	Alcoa	13.7%	61.7%	June 2020
Benfica III	Solar PV	Portugal	19.7 MW	Operational	2017, 2020	40y	AstroNova	Market	Axpo	100.0%	0.0%	October 2020
Albeniz	Solar PV	Spain	50.0 MW	Operational	2022	40y	Canadian Solar	PPA	Statkraft	100.0%	34.9%	December 2020
Desfina	Wind energy	Greece	40.0 MW	Operational	2020	25y	Enercon	FiP	DAPEEP	89.0% ¹¹	45.2% ¹²	December 2020
Ourique	Solar PV	Portugal	62.1 MW	Operational	2019	40y	Suntec	Market	ENI	50.0%	0.0%	June 2021
Greco	Solar PV	Spain	100.0 MW	Operational	2023	40y	Jinko	PPA	Statkraft	100.0%	34.8%	March 2022
Tiza	Solar PV	Spain	30.0 MW	Operational	2022	40y	Canadian Solar	PPA	Axpo	100.0%	43.1%	June 2022
Total (AER Share)			355.7 MW									

7. Installed capacity at 100% ownership.

8. COD = Commissioning date.

9. PPA = Power Purchase Agreement, FiP = Feed-in premium. Further information on the contracted revenue position can be found on page 11.

10. Leverage level calculated as a percent of third party debt less cash versus enterprise value, i.e. equity value plus third party debt less cash as at 31 December 2025. Benfica III and Ourique have no third party debt.

11. Represents voting interest. Economic interest is approximately 92.6%. This investment was sold on 13 March 2026.

12. Calculation based on voting interest.



The Rock, Norway

INVESTMENT ADVISER'S REPORT CONTINUED

PORTFOLIO UPDATES as at 31 December 2025

As reported in the Chairman's statement, the Company disposed of its interests in the Sagres hydropower plant in Portugal and the two Danish wind power investments, Holmen II and Svindbaek during the year. In addition, the Company entered into an agreement to sell its interests in the Desfina wind power investment in Greece during the year. This transaction was completed on 13 March 2026.

Olhava

Olhava is in lock-up following debt covenant breaches driven by a combination of factors including lower than forecast realised power prices and production, elevated grid balancing costs and high debt repayment obligations, which are expected to ease during 2026. It has been necessary to make equity cure payments from the resources of the company which owns Olhava and agree that payments under the shareholder loan and dividends are suspended until the end of June 2026. In September 2025 an additional equity cure of EUR 508k was paid from the Company's resources. While asset liquidity remains stable although revenue and cost risks persist from the expiry of the feed-in tariff and elevated grid balancing reserves, constructive discussions with the bank continue in order to modify the terms of the loan, which are likely to result in the lock up period being extended. The Board and Investment Adviser continue to monitor the asset's performance closely against a background of difficult market trading conditions.

The Rock

The Rock has appointed the investment bank, that arranged the EUR 80.0 million Green Bond in 2021, to advise it further on the refinancing of this Green Bond, which matures in September 2026. Until this refinancing is resolved it is unlikely that the Company will receive cash flow from this investment.

Solar PV investments in Spain

The Company's three Solar PV investments in Spain underwent challenging market conditions in 2025. There were significant curtailments of power production at all sites, both enforced by the grid, which at times was unable to cope with peak electricity production, and voluntary due to the impact of negative wholesale power prices. These conditions are expected to continue until grid infrastructure, including investment in batteries, is improved and demand for power has increased, e.g. from data centre investments. These investments have bank debt facilities, which are non-recourse to the Company but are cross-collateralised by each of the three investments. The debt repayment obligations are a small percentage of the principal amount outstanding until the maturity date in December 2028. Nevertheless, the Albeniz/Argeo investment breached its DSCR covenant in the period ended 31 December 2025 as a result of which interest was not paid on shareholder loans provided by the Company in December 2025. The other investments achieved DSCR well in excess of the minimum level required of 1.05x and the Albeniz covenant breach is expected to be able to be rectified through an equity cure funded by the other two investments. However, the ability of the investments to make payments to the Company is less secure than in previous years.

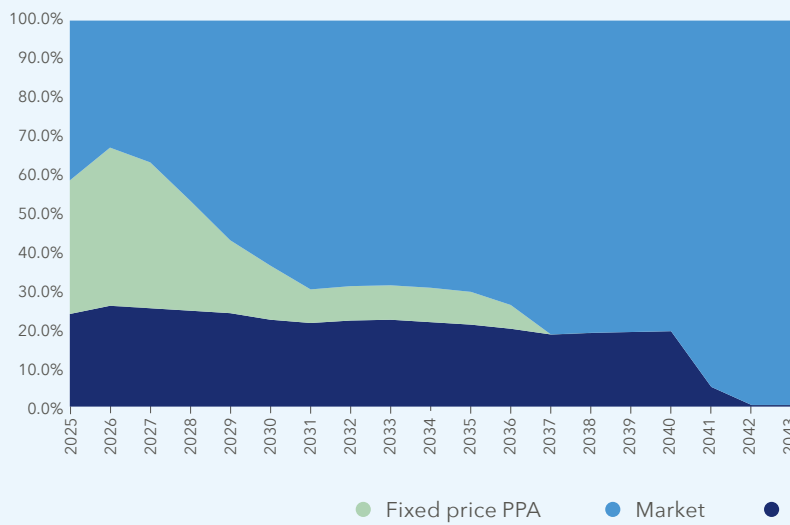
Solar PV investments in Portugal

The Company's two Solar PV investments in Portugal experienced similar, but less acute, market conditions as in Spain. These investments do not have bank indebtedness. However, their revenues from power purchase agreements expired in December 2025 and are currently exposed to wholesale market power prices, which reduced significantly over the last year. Accordingly, these investments are conserving cash in order to ensure security of operations and therefore the ability of the investments to make payments to the Company is less secure than in previous years.

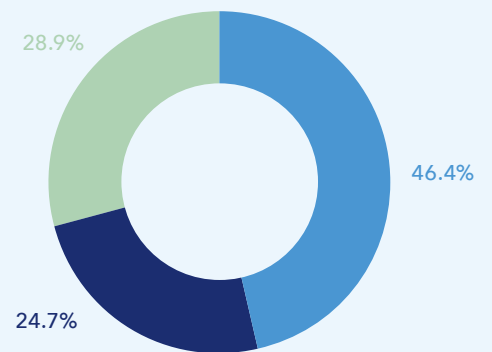
INVESTMENT ADVISER'S REPORT CONTINUED

Contracted Revenue Position

Revenue Mix - Existing Contracts



Present Value of Revenues (Five Years)



Contracted revenue net present value
EUR 113.44m¹³



Contracted revenue over the next five years
53.6%¹³



Contracted revenue (aggregate over asset life)
EUR 219.85m¹⁴



Weighted average contracted revenue life
5.77 years

13. Contracted revenue as at 31 December 2025, discounted by the weighted average portfolio discount rate.

14. Aggregate contracted revenue over entire asset life (not discounted).

INVESTMENT ADVISER'S REPORT CONTINUED

Financial Performance¹⁵

Performance

Electricity Production (GWh)

Technology	Region	2025	2024	Variance (%)	Variance 2025 against P50 ¹⁶ Budget
Wind energy	Finland, Norway, Greece	298.0	461.3	-11.8%	-16.9%
Solar PV	Portugal, Spain	307.1	385.1	-20.3%	-28.1%
Total		605.1	722.8	-16.3%	-23.0%

Load Factors¹⁷

Technology	2025	2024
Wind energy	27.2%	30.9%
Solar PV	15.2%	19.1%
Total	19.4%	23.2%

Technical Availability¹⁸

Technology	2025	2024
Wind energy	93.3%	93.6%
Solar PV	93.6%	99.8%
Total	93.5%	96.7%

Revenues¹⁹ (EUR million)

Technology	2025	2024	Variance (%)
Wind energy	11.5	18.1	-36.7%
Solar PV	13.8	19.5	-29.1%
Total	25.3	37.6	-32.8%

Note: 2025 and 2024 information is for the remaining investments as at 31 December 2025.

15. KPI's of the underlying SPVs of the HoldCo

16. Financial model forecasts are based on P50 production (the estimated annual amount of electricity generation that has a 50% probability of being exceeded – both in any single year and over the long term – and a 50% probability of being underachieved).

17. The load factor of a renewable energy asset (such as wind or solar) is the ratio of its actual energy output over a given period to its maximum possible output if it operated at full capacity continuously during that period. It is typically expressed as a percentage and provides insight into the efficiency and utilization of the asset.

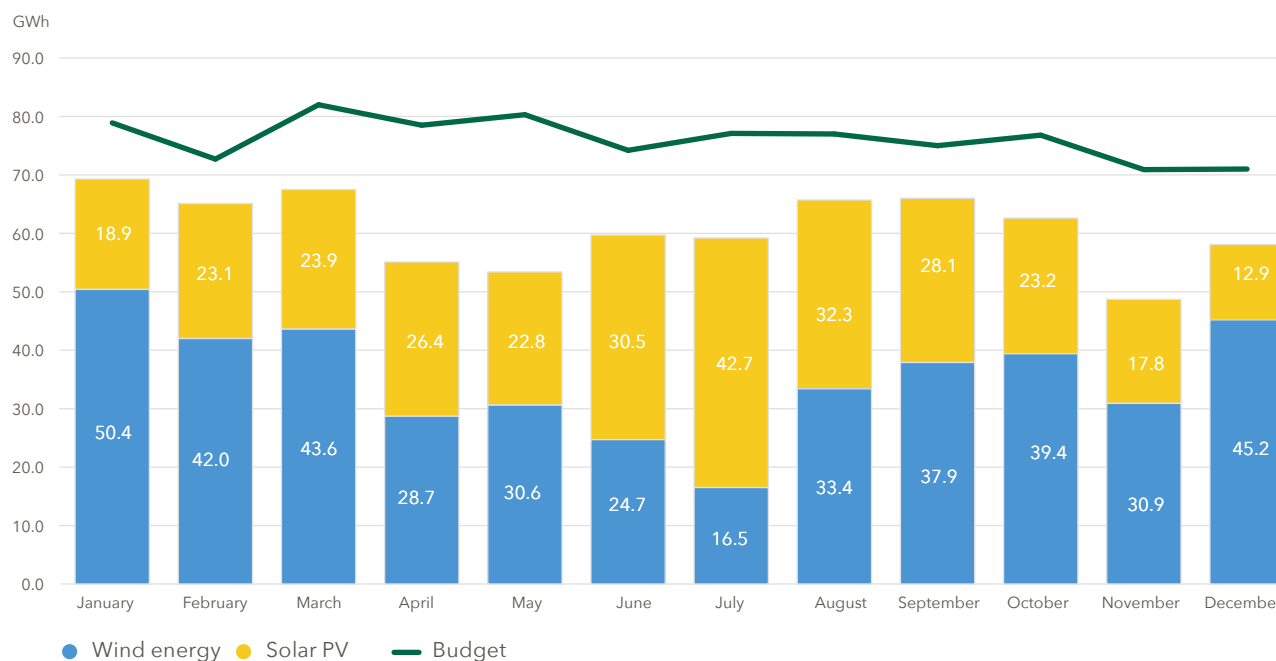
18. Technical availability refers to the proportion of time a system, service, or infrastructure is fully functional and accessible for use. Average technical availability based on weighted installed capacity (AER share).

19. Includes merchant revenue, contracted revenue and other revenue (e.g. Guarantees of Origin, Electricity Certificates).

INVESTMENT ADVISER'S REPORT CONTINUED

Financial Performance continued

2025 Monthly Production Performance vs. Budget (AER Share)



The portfolio's production was 23.0% below budget over the reporting period, primarily due to lower irradiation for the solar portfolio, curtailment of the Iberian solar PV assets due to periods of negative market prices (c. 33% below forecast) and a combination of low irradiation and a failure of a transformer in Portugal, which resulted in 2 months of reduced capacity (now resolved) at the Ourique plant (c. 25% below forecast). The production of the portfolio was also affected from poor wind conditions in Greece (17.5% below forecast) and technical availability issues such as icing in Norway & Finland (c. 14% below forecast). Due to these factors, the portfolio weighted average technical availability over the reporting period stood at 93.5% (2024: 96.7%).

If the technical availability of a plant falls below the guaranteed level, the compensation is contractually defined in the respective EPC or O&M agreement in the form of liquidated damages. However, for certain assets, this compensation is calculated based on the annual technical availability. As long as the year-end value remains above the guaranteed threshold, no liquidated damages are payable.

In Spain, technical curtailments may be compensated (real-time at spot price), while day-ahead curtailments are not. Commercial curtailments due to negative prices are not covered by PPAs and excluded from revenues. For wind assets with baseload PPAs, curtailed volumes must be bought back on the spot market, usually without compensation. By contrast, Iberian PV assets are generally contracted under pay-as-produce PPAs, which avoid market buy-back obligations in case of curtailments or low production.

INVESTMENT ADVISER'S REPORT CONTINUED

Leverage²⁰

EUR million	As at 31 December 2025	As at 31 December 2024	Variance (%)
NAV	214.3	320.2	-33.1%
Net Debt ²¹	101.5	130.5	-22.2%
GAV (NAV + Net Debt)	315.8	450.7	-29.9%
Net Debt (% of GAV) ²²	32.1	29.0	10.7%
Project debt weighted average maturity (years)	5.2	10.8	-51.9%
Project Debt weighted average interest rate (%) ²³	3.3	3.2	10bps

Debt Summary as at 31 December 2025

Project	AER share	Net Debt (EUR million)	Currency	Bullet/amortising	Maturity	Hedged proportion	Type
Olhava	100.0%	4.5	EUR	Fully amortising	Dec-30/Sep-31	100%	Bank Debt
The Rock: USPP Bond (net of cash)	13.7%	24.2	EUR	Fully amortising	Sep-45	100%	Debt Capital Markets
The Rock: Green Bond	13.7%	11.0	EUR	Bullet	Sep-26	100%	Debt Capital Markets
The Rock: Lease liabilities	13.7%	1.1	EUR	Fully amortising	Nov-45	100%	Leasing
Desfina	89.0%	21.2	EUR	Fully amortising	Dec-39	100%	Bank Debt
Albeniz	100.0%	9.9	EUR	Partly amortising	Dec-28	90%	Bank Debt
Jaén	100.0%	9.9	EUR	Partly amortising	Dec-28	90%	Bank Debt
Guillena	100.0%	14.5	EUR	Partly amortising	Dec-28	90%	Bank Debt
Tiza	100.0%	7.6	EUR	Partly amortising	Dec-28	90%	Bank Debt
Benfica III	100.0%	-1.1	N/A	N/A	N/A	N/A	N/A
Ourique	50.0%	-1.3	N/A	N/A	N/A	N/A	N/A
Total		101.5				95.8%	

20. Foreign currency values converted to EUR as at 31 December 2025. Data represents AER's share of debt. AER share of Desfina debt based on voting interest.

21. Debt corresponds to third party debt secured at project level less cash.

22. This disclosure is considered to represent the Company's alternative performance measures ("APMs"). Definitions of these APMs and other performance measures used, together with how these measures have been calculated, can be found on page 91. All references to cents are in Euros, unless stated otherwise.

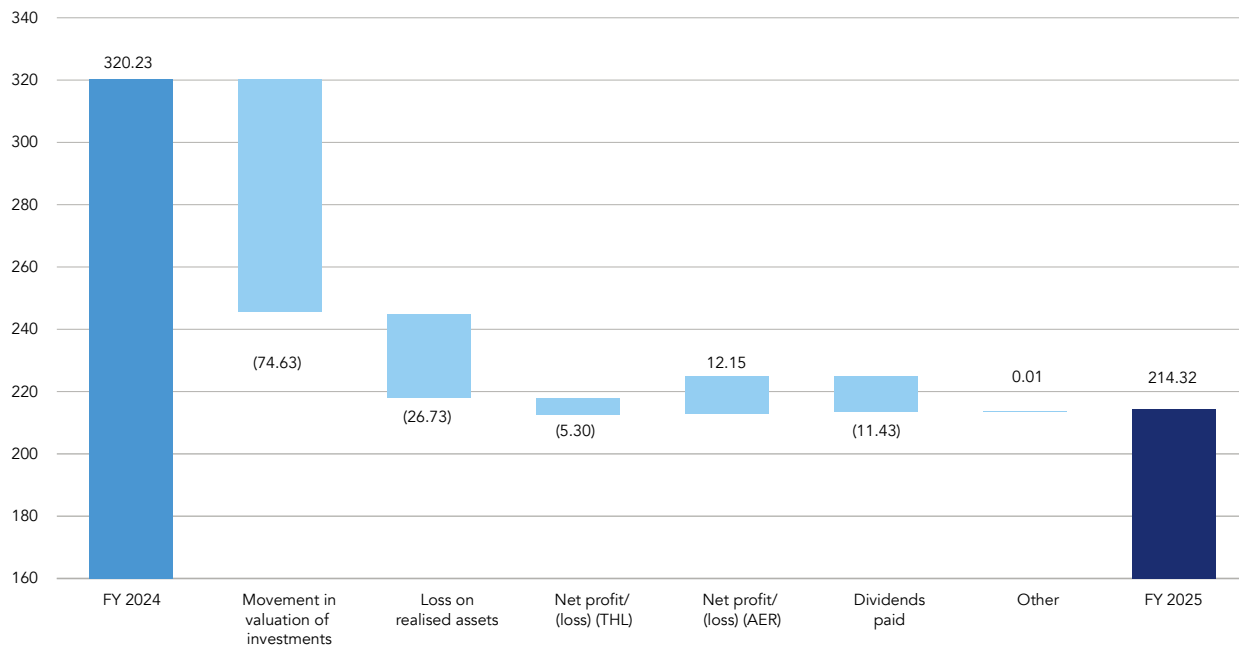
23. Weighted average all in interest rate for EUR denominated debt.

INVESTMENT ADVISER'S REPORT CONTINUED

Financial Performance continued

Valuation continued

NAV Bridge (EUR million)¹



1. Other: Non-recurring expenses and FX losses.

INVESTMENT ADVISER'S REPORT CONTINUED

Financial Performance continued

The Company's NAV as at 31 December 2025 was EUR 214.3 million or 56.7 cents per Ordinary Share (31 December 2024: EUR 320.2 million or 84.7 cents per Ordinary Share). This represents a NAV total return of -29.5% per Ordinary Share (2024:-8.2%) including dividends.

Dividends of EUR 11.4 million (3.0 cents per Ordinary Share) were paid during the reporting year.

The main drivers of NAV movement throughout the reporting year include:

- increase in discount rates such that average portfolio discount rate increased from 7.3% p.a. to 10.0% p.a.;
- significant reductions in forecast power prices across all relevant markets, particularly in the next five to ten years;
- actual performance in 2025 was substantially below the forecast; and
- agreements to sell Holmen II and Svindbaek investments in December 2025 at discounts to their NAV as at 31 December 2024.

Valuation Methodology

The Company owns 100.0% of its subsidiary Tesseract Holdings Limited ("HoldCo" or "THL"). The Company meets the definition of an investment entity as described by IFRS 10. As such, the Company's investment in the HoldCo is valued at fair value.

The Company has acquired underlying investments in SPVs through its investment in the HoldCo. The Investment Adviser has carried out fair market valuations of the SPV investments as at 31 December 2025 and the Directors are satisfied with the methodology, the discount rates and key assumptions applied, and the valuations.

All SPV investments are at fair value through profit or loss and are valued using the IFRS 13 framework for fair value measurement. The economic assumptions shown on page 17 were used in the valuation of the SPVs.



The Rock, Norway

INVESTMENT ADVISER'S REPORT CONTINUED

Financial Performance continued

Valuation Assumptions

As at 31 December 2025

Discount rates	The discount rate used in the valuations is calculated according to internationally recognised methods. Typical components of the discount rate are risk free rates, country-specific and asset-specific risk premia.
Power price	Power prices are based on power price forecasts from leading market analysts. The forecasts are independently sourced from providers with coverage in almost all European markets as well as providers with regional expertise. The approach applied to both asset classes (wind and solar PV) remains unchanged using a blend of two power price curve providers. One of the power price curve providers was replaced following a review by the Investment Adviser due to inconsistencies and differences in key long-term assumptions over the recent forecast periods.
Energy yield/load factors	Estimates are based on third party energy yield assessments, which consider historic production data (where applicable) and other relevant factors.
Inflation rates	Long-term inflation is based on the monetary policy of the European Central Bank.
Asset life	In general, an operating life of 25 to 30 years for onshore wind and 40 years for solar PV is assumed. In individual cases, a longer operating life is assumed where the contractual arrangement (i.e. O&M agreement with availability guarantee) supports such an assumption.
Operating expenses	Operating expenses are primarily based on respective contracts and, where not contracted, on the assessment of a technical adviser.
Taxation rates	Underlying country-specific tax rates are derived from due diligence reports from leading tax consulting firms.

Portfolio Valuation - Key Assumptions

Metric		As at 31 December 2025	As at 31 December 2024
Discount rate	Weighted average	10.0%	7.3%
Long-term inflation	Weighted average	2.0%	2.0%
Remaining asset life ²⁴	Wind energy (years)	22	23
	Solar PV (years)	33	35
Operating life assumption ²⁵	Wind energy (years)	28	28
	Solar PV (years)	40	40

There were significant changes in the discount rate and power price forecast assumptions compared to the previous reporting period.

- Significant reduction in power price forecasts across all relevant markets due to lower demand expectations, updated renewable deployment assumptions and downward revisions to commodity prices (-8.8 cents)
- Increase in discount rate due to higher interest rate level driven by high volatility and uncertainty in the markets as well as increased risk premia applied to renewables in general (-6.9 cents)
- Higher operating costs driven by increased balancing costs across all relevant markets and negative performance compared to budget throughout the year (-3.8 cents)
- Loss from the sale of four assets throughout the year (-3.3 cents)

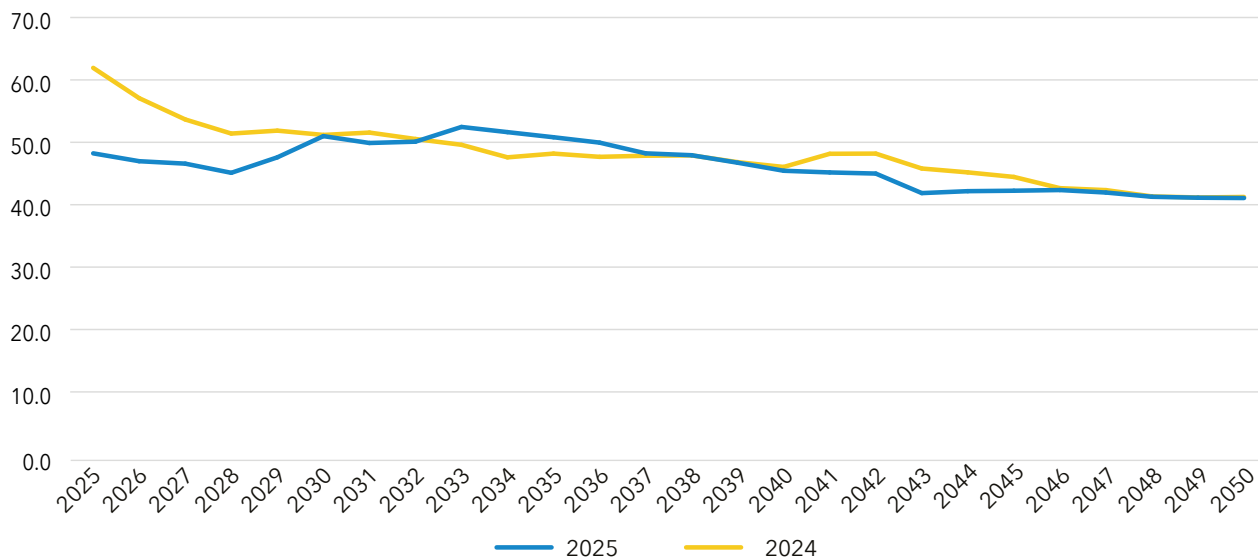
24. Remaining asset life based on net full load years. Does not consider any potential asset life extensions.

25. Asset life assumption from date of commissioning.

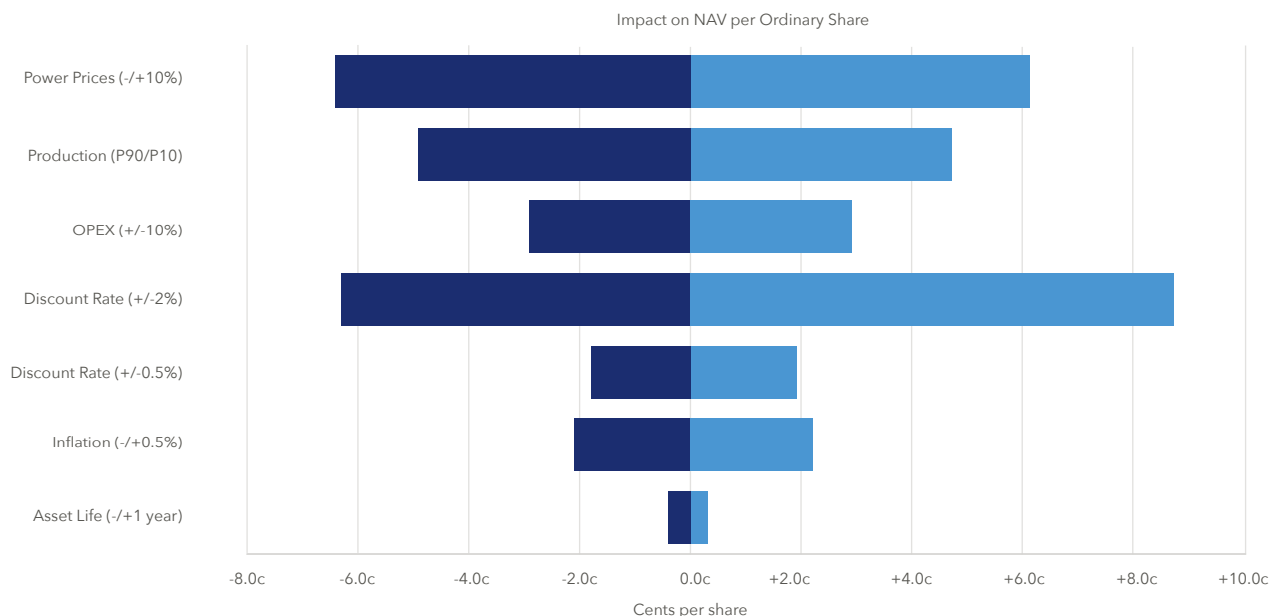
INVESTMENT ADVISER'S REPORT CONTINUED

Market Commentary and Outlook

Electricity Price Forecasts - All Assets (Weighted Average)²⁶



Valuation Sensitivities



26. Data reflects pricing forecasts as at 31 December 2025. All power prices are in real terms as at 31 December 2025 and reflect the weighted average captured price, weighting is based on production sold at the market price.

INVESTMENT ADVISER'S REPORT CONTINUED

Market Commentary and Outlook continued

Market Power Prices

Finland power price forecasts have declined significantly over the past year, driven by more optimistic assumptions on installed capacity particularly increased wind investments and slightly weaker demand expectations. As a result, wind capture prices have fallen by 16% over the next five years and 6% over the next ten years.

In Iberia, mid and long-term power price forecasts remain broadly stable; however, short-term solar capture prices have seen a sharp decline. Spain and Portugal are experiencing solar oversupply, while demand growth has underperformed prior expectations. Although additional demand from BESS, data centres, and hydrogen is expected later in the decade, these developments are being delayed. Consequently, solar capture prices have decreased by 12% over the next five years and 4% over the next ten years.

In Norway, with a particular focus on the NO4 bidding zone, power price forecasts are materially weaker than a year ago. This is driven by (i) slower-than-expected demand growth due to significant delays in power-to-X projects (including hydrogen, heat, and data centres), and (ii) above-average hydrological conditions relative to P50 levels, leading to increased hydro generation, particularly in northern regions of Norway and Sweden.

Over the past twelve months, European power markets have become increasingly bifurcated. Continued renewable build-out has structurally reduced average wholesale prices and weakened the marginal role of gas in many hours. However, this same dynamic is driving higher intraday volatility, more frequent negative pricing and growing pressure on capture prices, particularly in markets where flexibility, storage and demand growth have lagged capacity additions.

Spain illustrates these dynamics most clearly in solar PV. Rapid capacity expansion has led to a sharp increase in cannibalisation effects, with generation heavily concentrated in midday hours. As a result, capture prices have declined materially, and zero- or negative-price periods have become increasingly frequent. While Spain remains one of Europe's lowest-cost power markets from a system perspective, the revenue outlook for standalone solar assets has become more challenging. In this environment, value is shifting towards hybridisation, storage integration and more sophisticated offtake structures.

A similar trend is emerging in Finland's wind sector. Strong capacity growth has positioned wind as a core pillar of the generation mix but has also introduced greater revenue volatility. Increasing occurrences of negative pricing, combined with regional grid constraints and limited demand-side flexibility, are weighing on realized prices. At the same time, periods of low wind continue to highlight structural supply tightness, underscoring the need for a more balanced system with dispatchable capacity and storage solutions.

More recently, geopolitical developments in the Middle East have reintroduced an additional layer of uncertainty. Disruptions to LNG supply and logistics have driven a sharp increase in European gas prices, which continues to influence power pricing during non-renewable hours. While Europe's growing renewable base has reduced overall exposure to gas, these events demonstrate that power markets remain sensitive to external shocks, particularly through fuel-linked marginal pricing.

Overall, the investment case for renewable energy remains underpinned by strong structural drivers, including electrification, decarbonisation targets and energy security considerations. However, the revenue environment is becoming more complex. Markets such as Spain and Finland highlight the importance of flexibility, portfolio diversification and active commercial management. Assets that combine high-quality resources with storage, hybrid configurations and robust offtake strategies are increasingly well positioned to navigate this evolving landscape.

Aquila Capital Investmentgesellschaft mbH

27 April 2026

27. Source: European Network of Transmission System Operators for Electricity ("ENTSO-E"), 'Nordics' reflects the Nord Pool system price.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

1. Environmental

Aquila Capital, the Investment Adviser of the Company, focuses on the investment in, and development of, essential assets. This includes clean energy (wind energy, solar PV, hydropower and battery storage), sustainable infrastructure and specialty asset classes, such as carbon forestry and energy efficiency.

In 2022, Aquila Group formalised a mission to become one of the world's leading sustainable investment and development companies for essential assets by 2030. To show commitment to the mission, it set a Group-wide goal to avoid 1.5 billion tonnes of CO₂e by 2035 in its portfolio's lifetime.

Using the appropriate tools, due-diligence procedures and experts, Aquila Group ensures it identifies, assesses and mitigates all material ESG factors, to protect investors from potential financial downside, while considering their impact on society and the environment. In this context, Aquila Group, a regulated entity, manages all relevant ESG elements using dedicated subject-matter experts. Together, we are committed to the UN Sustainable Development Goals, particularly climate action (SDG #13), clean energy (SDG #7), industry innovation, and infrastructure (SDG #9).




AER aims to invest in a diversified portfolio of renewable energy infrastructure investments, such as hydropower plants, wind and solar parks, across continental Europe and Ireland. With the objective of providing investors with a diversified portfolio of renewable assets, AER is able to deliver on its investment objectives as well as contribute towards the green economy.



Albeniz, Spain

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

AER's Contribution to the UN Sustainable Development Goals

Goal	Overview	Contribution towards UN Sustainable Development Goals
<p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	<ul style="list-style-type: none"> – AER's portfolio produces renewable energy which contributes towards Europe's electricity mix. – Renewable energy is a cost-effective source of energy compared to other options. – AER's investments in renewable assets help support and encourage further investment in the industry. 	<p>7 AFFORDABLE AND CLEAN ENERGY</p> 
<p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</p>	<ul style="list-style-type: none"> – AER targets renewable investments that are supported by high quality components and infrastructure to optimise the energy yield and subsequent return to investors. – AER's investments help support the construction of shared infrastructure (e.g. substations) which enables the further expansion of renewable energy sources. – AER's Investment Adviser is responsible for monitoring and optimising the Company's day-to-day asset performance. This process also involves actively exploring how new technologies and other forms of innovation can be utilised to enhance asset performance and sustainability (energy yield, O&M, asset life). 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 
<p>Take urgent action to combat climate change and its impacts.</p>	<ul style="list-style-type: none"> – The Company's 355.7 MW remaining portfolio powered approximately 168 thousand households and avoided approximately 139 thousand tonnes of CO₂ emissions over the reporting year.²⁸ – As a signatory to the UN Principles for Responsible Investments ("UN PRI"), the Company's Investment Adviser has integrated ESG criteria all along its investment process for real assets, which includes considerations of climate change. 	<p>13 CLIMATE ACTION</p> 

28. Actual AER contributions as at 31 December 2025. The CO₂ equivalent avoidance, the average European households supplied and household emissions are approximations and do not necessarily reflect the exact impact of the renewable energy projects. The cited sources of information are believed to be reliable and accurate, however, the completeness, accuracy, validity and timeliness of the information provided cannot be guaranteed and Aquila Capital accepts no liability for any damages that may arise directly or indirectly from the use of this information.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

1. Environmental continued

Environmental Initiatives

The natural environment around some of the Company's solar PV parks is the Desierto de Tabernas National Park, situated to the south east of Spain and representing the only desert in the entire European continent. This constitutes a rich biodiversity of environmental resources that is of particular geological interest. Specialist advisers have been commissioned to implement environmental measures to mitigate the impact of the solar PV plants on the environment and create habitats for flora and fauna.

Several visits per month are made to implement the measures, monitor their evolution and make necessary adjustments. Below is a selection of closely monitored measures implemented across some of the Company's solar PV parks for local flora and fauna.

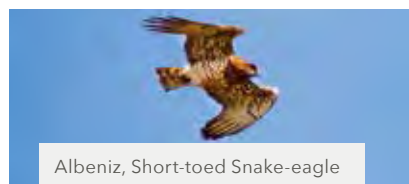
Flora

- Translocation of rain-fed olive trees.
- Planting of broom and palmetto trees to promote landscape integration and the creation of biotopes appropriate for local species.
- Clearing of vegetation through sheep grazing.
- Regular maintenance measures and monitoring.



Fauna

- Drinking troughs, feeding troughs and perches were installed in order to suit the local fauna.
- A hunting fence was installed to protect wildlife.
- Bird nest boxes were installed, specifically for the nesting of the lesser kestrel, common kestrel, barn owl and little owl species.
- A study commissioned to analyse the degree of adaptation of bird species to the presence of the solar PV parks, with special emphasis on the lesser kestrel and Montagu's harrier species.
- Stands for wild rabbits built to help the breeding and survival of this species.



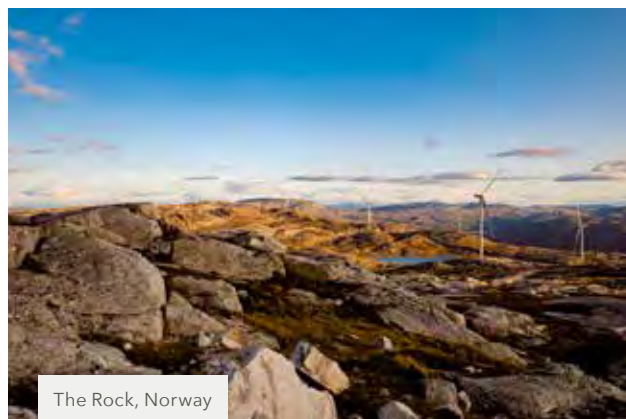
ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

2. Social

Renewable energy projects can have an inherent major positive impact on the environment with their ability to decarbonise the energy sector, aiding the Company in the transition to a low-carbon economy. In light of the European Green Deal boosting renewable energy projects, investment into clean-energy assets has accelerated over recent years. As renewable energy deployment increases, pressure on land is growing. The need to protect biodiversity may result in conflicts over agricultural and renewable energy land usage. Conflicts can arise when new renewable projects compete against other types of land usage, such as residential housing, recreational areas, agriculture and nature conservation, or when they cause landscape disruptions. Engagement with local communities is an integral part of the Company's investment philosophy. The assets continue to support communities by contracting local service providers, paying local taxes, and lease payments for use of the land.



Jaén, Spain



The Rock, Norway

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

3. Governance

Independent Board of Directors

The independent Board of Directors is responsible for AER's governance and sustainability policy and its implementation, with the daily operations being delegated to its independent AIFM, FundRock Management Company (Guernsey) Limited ("FundRock"). FundRock monitors environmental, social and governance risks, which are fully integrated across every single stage of its investment process. The Aquila Group publishes its own Sustainability Report, describing the Investment Adviser's approach to sustainability within the investment process. Aquila Capital regards integrity and diversity as key pillars in its governance and it has been vital for the growth and success of the Company. The Investment Adviser is fully regulated and supervised by the Federal Financial Supervisory Authority in Germany.

Board and Employee Diversity

The Board of Directors is appointed based on expertise and merit, being mindful of the benefits generated by diversity. The Board comprises members with different skills and experiences, while endeavouring to comply with the Listing Rules on diversity. The current Board comprises three men and one woman, all non-executive Directors who have a significant number of years of experience in their relevant fields. Additionally, the Investment Adviser is also mindful of the benefits provided by diversification, both in culture (some 29 nationalities are represented among its employees), and in gender (its gender ratio is 64% male and 36% female).

AER Board:



Investment Adviser:



 **29**
Different nationalities



*Contribution towards UN Sustainable Development Goals

INVESTMENT POLICY AND KEY PERFORMANCE INDICATORS

At a General meeting held on 30 September 2024, Aquila European Renewables PLC (“AER” or “Company”) adopted the following Investment Policy:

Investment Policy

The Company will pursue its investment objective by effecting an orderly realisation of its assets in a manner that seeks to achieve a balance for Shareholders between maximising the value received from those assets and making timely returns of capital to Shareholders.

This process might include a sale of all of the assets, groups of assets (such as specific geographic or technological portfolios), individual assets of the Company or a combination thereof.

The Company will cease to make any new Renewable Energy Infrastructure Investments. Capital expenditure will be permitted where it is deemed necessary or desirable by the Board in connection with the realisation, primarily where such expenditure is necessary to protect or enhance an investment’s realisable value.

Investment Restrictions

The net proceeds from realisations will be used to repay borrowings and make timely returns of capital to Shareholders (net of provisions for the Company’s costs and expenses) in such manner as the Board considers appropriate.

Changes to the Investment Policy

The Directors do not currently intend to propose any material changes to the Company’s Investment Policy. Any material changes to the Company’s Investment Policy set out above will only be made with the approval of the Financial Conduct Authority and the Shareholders by way of an ordinary resolution.

Hedging

The Company does not intend to use hedging or derivatives for investment purposes but may from time to time use derivative instruments such as futures, options, futures contracts and swaps (collectively “Derivatives”) to protect the Company from fluctuations of interest rates or electricity prices.

The Derivatives must be traded on a regulated market or by private agreement entered into with financial institutions or reputable entities specialising in this type of transaction.

Liquidity Management

The AIFM will ensure a liquidity management system is employed for monitoring the Company’s or its subsidiary, Tesseract Holdings Limited’s (the “Group”) liquidity risks. The AIFM will ensure, on behalf of the Group, that the Group’s liquidity position is consistent at all times with its investment policy, liquidity profile and distribution policy. Any cash received by the Group as part of the realisation process (net of any transaction costs and repayment of borrowings) will be held by the Group as cash on deposit and/or will be invested in cash equivalents, near cash instruments, bearer bonds and money market instruments pending its return to Shareholders.

Borrowing Limits

It is not anticipated that the Company will take on any new borrowings, but may do so for the efficient management of the Company where such borrowings are necessary to protect or enhance an investment’s realisable value as part of the orderly realisation of the Company’s assets.

At the time of entering into (or acquiring) any new long-term structural debt (including limited recourse debt), total long-term structural debt will not exceed 50% of the prevailing Gross Asset Value. For the avoidance of doubt, in calculating gearing, no account will be taken of any Renewable Energy Infrastructure Investments that are made by the Company by way of a debt or a mezzanine investment. In addition, total short-term debt will be subject to a separate gearing limit so as not to exceed 25% of the Gross Asset Value at the time of entering into (or acquiring) any such short-term debt.

In circumstances where these aforementioned limits are exceeded as a result of gearing of one or more Renewable Energy Infrastructure Investments the Company has a non-controlling interest in, the borrowing restrictions will not be deemed to be breached. However, in such circumstances, the matter will be brought to the attention of the Board who will determine the appropriate course of action.

Dividend Policy

As announced on 13 February 2025, the Board implemented a change in the Company’s future dividend policy.

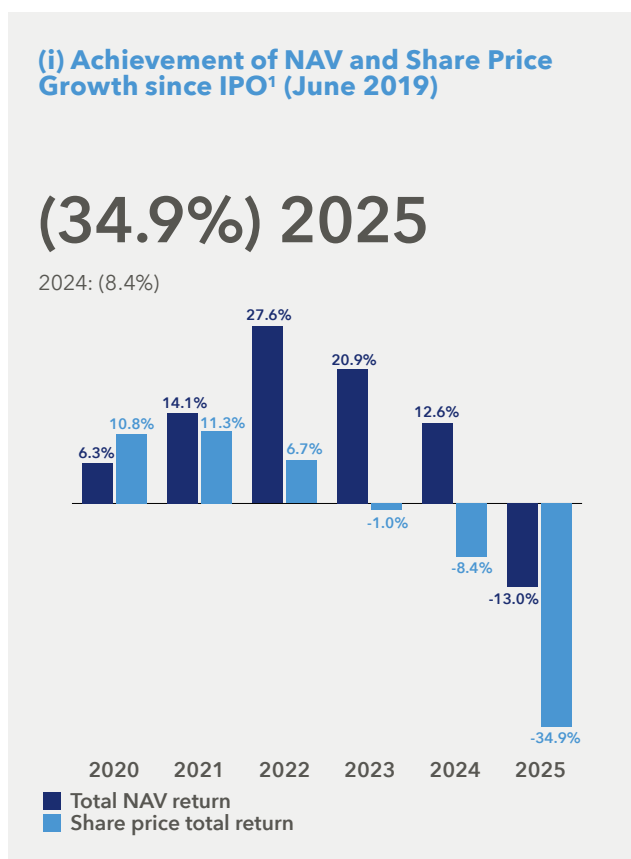
Following the shareholder vote to approve a Managed Wind-Down of the Company, it is the Board’s intention to continue paying dividends covered by earnings and taking into account the Company’s liquidity position, in order to maintain the Company’s investment trust status. As such, the Board will no longer be able to provide forward guidance as to the level of dividend for the year ahead. Shareholders should also note that the Board will no longer seek to smooth the level of dividend over a financial year to reduce the impact of the seasonality of earnings and that, in addition the level of dividend payments are expected to decline as assets are realised. In this context, the realisation of Holmen II, Svindbaek and Sagres had a significant impact on the cash generation from the Company’s investment, as gearing is reduced and capital is returned to Shareholders.

The Company will declare dividends in Euros and Shareholders will, by default, receive dividend payments in Euros. Shareholders may, by completing a dividend election form, elect to receive dividend payments in sterling (at their own exchange-rate risk). The date the exchange rate between Euro and sterling is set will be announced when the dividend is declared. A further announcement will be made once the exchange rate has been set. Dividend election forms will be available from the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or by telephone 0370 707 1346.

INVESTMENT POLICY AND KEY PERFORMANCE INDICATORS CONTINUED

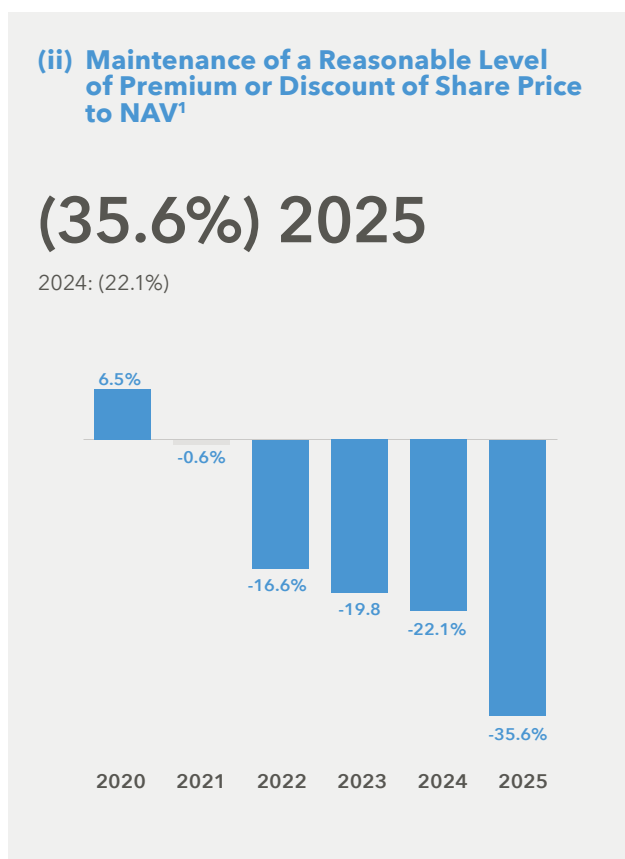
Key Performance Indicators ("KPIs")

The Board measures the Company's success in achieving its investment objective by reference to the following KPIs:



The Board monitors both the NAV and share price performance and compares with other similar investment trusts. A review of performance is undertaken at each quarterly Board meeting and the reasons for relative under and over-performance against various comparators is discussed. The Company's NAV total return¹ and total share price return since IPO¹ (June 2019) to 31 December 2025 was -13.0% and -34.9% (2024: +12.6% and -8.4%) respectively. The Company's NAV total return¹ and share price total return¹ for the year to 31 December 2025 was -29.5% and -40.1% (2024: -8.2% and -8.6%) respectively. On an annualised basis, the NAV total return¹ per Ordinary Share is -2.1% (2024: +2.2%) since IPO.

The Chairman's Statement on pages 6 and 7 incorporates a review of the highlights during the year. The Investment Adviser's Report on pages 8 to 19 highlights investments made and the Company's performance during the year.



The Company's Broker monitors the premium or discount on an ongoing basis and keeps the Board updated as and when appropriate. At quarterly Board meetings, the Board reviews the premium or discount in the year since the previous meeting, in comparison with other investment trusts with a similar mandate. The share price closed at a 35.6% discount to the NAV as at 31 December 2025 (2024: 22.1% discount).

Now that the Company has entered Managed Wind-Down, the Board has paused the buyback program as it is no longer considered appropriate and is continuing to explore options to return capital to Shareholders.

1. This disclosure is considered to represent the Company's alternative performance measures ("APMs"). Definitions of these APMs and other performance measures used, together with how these measures have been calculated, can be found on pages 91 and 92. All references to cents are in Euros, unless stated otherwise.

INVESTMENT POLICY AND KEY PERFORMANCE INDICATORS CONTINUED

(iii) Maintenance of a Reasonable Level of Ongoing Charges¹

The Board receives management accounts containing an analysis of expenditure which it reviews at its quarterly Board meetings. The Board reviews the ongoing charges¹ quarterly and considers these to be reasonable in comparison with its peers.

Based on the Company's average net assets during the year ended 2025, the Company's ongoing charges figure was 1.2% (2024: 1.1%) calculated in accordance with the Association of Investment Companies ("AIC") methodology.

(iv) To Meet its Target Total Dividend in each Financial Year (cents per share)

Following the shareholder vote to approve a Managed Wind-Down of the Company, it is the Board's intention to continue paying dividends covered by earnings and taking into account the Company's liquidity position, in order to maintain the Company's investment trust status.

1. This disclosure is considered to represent the Company's alternative performance measures (APMs). Definitions of these APMs and other performance measures used, together with how these measures have been calculated, can be found on pages 91 and 92.

SECTION 172

Section 172(1) of the Companies Act 2006 requires the Board to act in a way it considers would most likely promote the success of the Company for the benefit of all stakeholders, taking into account the interests of stakeholders and the environment in its decision-making, and to share how this duty has been discharged.

The Board's values - integrity, accountability and transparency - mean that the Board has always worked hard to communicate effectively with the Company's stakeholders.

This is a two-way process and the feedback received from the Company's stakeholders is highly valued and factored into the Board's decision-making process. The Company has a range of stakeholders, and this section maps out who they are, what the Board believes their key interests to be, how the Company enables engagement with stakeholders and highlights the key results that have consequently arisen during the year.

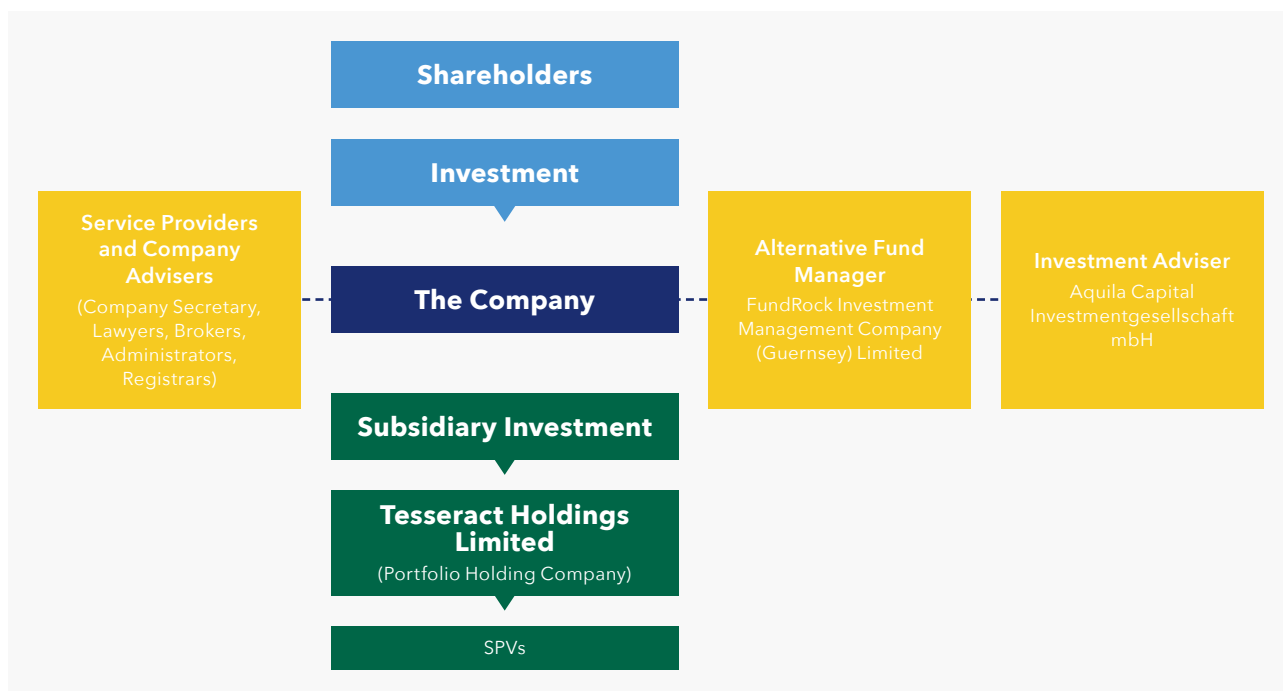
Company Sustainability and Stakeholders

As an externally managed investment company, the Company does not have any employees. Its main stakeholders are as set out in the diagram below, which explains the relationship between the Company and each of its stakeholders.

Company's Operating Model

The Company was listed on the Main Market of the London Stock Exchange on 5 June 2019 and listed on the EuronextGrowth Dublin Exchange on 2 October 2023. On 16 January 2026, the Company cancelled the listing of its ordinary shares on Euronext Growth Dublin. The delisting does not affect the Company's listing on the Official List of the Financial Conduct Authority trading on the Main Market of the London Stock Exchange.

At the General Meeting held on 30 September 2024 Shareholders voted in favour of a change in Investment policy in order to facilitate a managed wind-down. The Company's investments are held via its sole subsidiary, Tesseract Holdings Limited, which, in turn, holds the investment portfolio via a number of Special Purpose Vehicles ("SPVs").



SECTION 172 CONTINUED

Engagement with Stakeholders

The Board is aware of the need to foster the Company's business relationships with suppliers, customers and other key stakeholders through its stakeholder engagement activities. These activities include meetings, annual reviews, presentations and publications and enable the Board to ensure it fulfils its strategies and discharges its duties under section 172(1) of the Act.

The Board carried out an annual review of its key service providers, including the Investment Adviser, to understand the culture of its service providers, and to ensure that they and the Company can maintain high standards of business conduct. The annual review process involves assessing the service providers' policies and control environments to ensure their continued competitiveness and effectiveness.

Shareholder - Monitoring

As a public company listed on the London Stock Exchange, the Company is subject to the UK Listing Rules and the Disclosure Guidance and Transparency Rules. It is a regulatory requirement for the Board to act fairly between Shareholders. The Board ensures the Company complies with the UK Listing Rules at all times and seeks the advice of the Company Secretary, lawyers and corporate broker in its dealings.

At its quarterly Board meetings, the Board reviews and discusses detailed reports from the Company's broker and media PR consultants in relation to the Company's share performance, trading and liquidity as well as the composition of, and changes to, the register of Shareholders. Shareholders' views are also considered by the Board at those meetings to assist the Board's decision-making process.

Details of the decisions taken by the Board during the year can be found below under 'Key Decisions made During the Year'.

Shareholder - Communication

To help the Board in its aim to act fairly between the Company's members, it seeks to ensure effective communication is provided to all Shareholders. The Board encourages Shareholders to attend the Annual General Meeting or General Meetings, where Directors and representatives of the Investment Adviser are available to meet Shareholders in person and answer questions. The Annual Report and half-yearly financial statements are distributed to the Company's Shareholders and made available on the Company's website. The quarterly factsheet is also available on the Company's website.

The Company's website - **www.aquila-european-renewables.com** is considered an essential communication channel and information hub for Shareholders. As such, it includes full details of the investment objective, supporting philosophy and investment process and performance along with news, opinions, disclosures, results and key information documents. It also presents information about the Board, its committees and other governance matters. Shareholders are encouraged to view the website in order to better understand the Company.

With the support of the Company's brokers, the Chairman and key Board members met many of the Company's key investors to gauge their views on the Company's progress since IPO and since the Board announced that it was considering the broader options for the future of the Company.

Separately, the Investment Adviser participated in a roadshow to meet with the Company's key investors. The Board discussed the outcome of these meetings and, as a consequence of these meetings, and to better align the Company with its Shareholders, a number of initiatives were undertaken as detailed in the Key Decisions section on page 30.

Following extensive discussions with the Company's Shareholders and advisers and having explored options open to the Company, the Board proposed that the Company enter Managed Wind-Down and that the Company adopt revised Investment Object and Policy to facilitate this which was approved by Shareholders at a General Meeting held on 30 September 2024, together with the discontinuation of the Company.

Service Providers

As an externally managed investment trust, the Company conducts all its business through its key service providers. The Board believes that maintaining positive relationships with each of the Company's service providers is important to support the Company's long-term success.

In order to ensure strong working relationships, the Company's key service providers (the Investment Adviser, AIFM, Company Secretary, Administrator) are invited to attend quarterly Board meetings to present their respective reports. This enables the Board to exercise effective oversight of the Company's activities. During the year, the Board spent a considerable amount of time between Board meetings engaging with the Company's key service providers to continue to develop strong working relationships and to determine good working practices to ensure the smooth operational function of the Company. The Board and its advisers seek to maintain constructive relationships with the Company's key service providers on behalf of the Company through the annual review process, regular communications, meetings and the provision of relevant information.

Alternative Investment Fund Manager ("AIFM")

The AIFM (FundRock Investment Management Company (Guernsey) Limited) is an important service provider. The AIFM has engaged Aquila Capital Investmentgesellschaft mbH ("**Aquila Capital**") to act as the Company's Investment Adviser for the purpose of providing investment advisory services to the Company. The AIFM is responsible for reviewing each investment opportunity prior to it being presented to the Board. In addition to the reports the Board receives from the Investment Adviser, it also receives quarterly reports from the AIFM. The Board maintains regular contact with the AIFM in order to foster a constructive working relationship. Additionally, the AIFM is responsible for monitoring the risks faced by the Company and these are regularly discussed at meetings of the Audit and Risk Committee.

SECTION 172 CONTINUED

Investment Adviser

The Investment Adviser is the most significant service provider to the Company and a description of its role can be found on page 8. The performance of the Investment Adviser is determined by the quality of the Investment Adviser's management team and their ability to source high quality assets at attractive prices.

The Board closely monitors the Company's investment performance in relation to its objectives, investment policy and strategy. To assist the Board, the Investment Adviser provides monthly reports. Additionally, the Investment Adviser presents its quarterly production and operational update reports at each quarterly Board meeting. The Board maintains constructive dialogue with the Investment Adviser between meetings.

On a periodic basis, the Board visits the Investment Adviser at its Hamburg office, the site of one of the portfolio assets or one of its other offices, so it can gain a better understanding of the Investment Adviser, to meet key members of the team and gain further insight into the operation of each asset.

The Investment Adviser's remuneration is based on the NAV of the Company. From IPO until 30 June 2023 the Investment Adviser's fees were paid in shares, which aligned the Investment Adviser's interests with those of the Company's Shareholders. Since that date, the Investment Adviser's fees have been paid in cash.

Portfolio Investments

At its quarterly board meetings, the Board considers the performance of the Company's portfolio of assets. In its deliberations it considers:

- potential revenue generated by each asset for each quarter against the forecasted amount;
- any community and environmental issues associated with each asset;
- geopolitical risk;
- the length of tenure of each asset;
- hedging aspects to limit risk; and
- funding requirements, including the use of gearing, which has been limited now that the Company has entered Managed Wind-Down and the Company is reducing its debt.

Liquidity Considerations

Additionally at its quarterly meetings, the Board considers the liquidity of the Company and the HoldCo. As at 31 December 2025, the Company and the HoldCo had EUR 50.0 million of liquidity consisting of EUR 47.2 million in cash on hand. EUR 2.8 million of cash is held as collateral for guarantees issued to support dismantling obligations of the Spanish SPVs.

Portfolio Sale

Prior to being presented to the Board of HoldCo, the Company's wholly owned subsidiary, the Company's Board is presented with potential transactions that have been identified by Rothschild or the Investment Adviser and which have undergone a process of analysis and challenge by the AIFM.

The Board considers each proposal against the Company's investment objective, investment policy and strategy as disclosed on pages 25 to 27. In considering each potential transaction, the Board considers each offer to ensure it represents the best sales price achievable in the market.

Society and the Environment

The Company is an investor in renewable energy assets and is acutely aware of its impact on the environment. The Company has an ESG policy and climate risk strategy which ensure that society and the environment are considered when implementing its investment strategy. The ESG policy is available on request from the Company Secretary. Further details of matters relating to ESG can be found on pages 20 to 24 or on the Company's website at <https://www.aquila-european-renewables.com>.

Key Decisions made During the Year

Decisions Relating to the Company's Portfolio of Assets

On 28 July 2025, the Company announced the completion of the sale of its 18% interest in the Portuguese hydropower asset referred to as Sagres for a cash consideration of EUR 14.7 million.

On 15 December 2025, the Company announced the completion of the sale of its Danish assets (Holmen II and Svindbaek) and the Company is in receipt of sales proceeds of EUR 36.6 million.

On 13 March 2026, the Company completed the sale of Desfina, its Greek wind power investment, following receipt of regulatory and other customary approvals for a total consideration of approximately EUR 26 million.

The Board continues to progress the divestment of the remainder of the Company's portfolio in accordance with the Company's managed wind-down investment policy.

Decisions Relating to the Managed Wind-Down Process

On 11 September 2025 the Company announced the cancellation of the amount standing to the credit of its share premium account (the "Share Premium Cancellation"), approved by Shareholders at the AGM of the Company held on 19 June 2025. Accordingly, the amount of EUR 255,642,627.68 previously held in the share premium account of the Company has been cancelled and the distributable reserves resulting from the Share Premium Cancellation can be treated as profits available for distribution by the Company.

Following completion of the Sagres disposal in July 2025 for EUR 14.7 million and the Holmen II and Svindbaek disposals for EUR 36.6 million in December 2025, the Board announced a first capital distribution to Shareholders under the approved B Share Scheme totaling approximately EUR 34 million (the "Initial Return of Capital"). The Initial Return of Capital represented approximately 15% of the Company's Net Asset Value as at 30 September 2025.

Dividend

The cash generated by the Company's investments, available for upstreaming was under significant pressure in the second half of 2025. This was due to Olhava's lender prohibiting payments to Shareholders and challenging market conditions in Spain and Portugal.

Now that the Company has entered Managed Wind-Down, the Board has proposed that the dividends are paid in order to maintain investment trust status which require the Company to pay out 85% of qualifying revenue every year.

RISK AND RISK MANAGEMENT

Principal Risks and Uncertainties

During the year the Company has carried out a rigorous assessment of its principal and emerging risks, and the procedures in place to identify any emerging risks are described below.

Procedures to Identify Principal or Emerging Risks

The Board regularly reviews the Company's risk matrix, with a focus on ensuring that the appropriate controls are in place to mitigate each risk. The experience and knowledge of the Board is important, as is advice received from the Board's service providers, specifically the AIFM, who is responsible for the risk and portfolio management services and outsources the portfolio management to the Investment Adviser.

1. **Investment Adviser:** the Investment Adviser provides a report to the Board quarterly, or periodically as required, on industry trends, insight to future challenges in the renewable sector including the regulatory, political and economic changes likely to affect the renewables sector;
2. **Alternative Investment Fund Manager:** following advice from the Investment Adviser and other service providers, the AIFM maintains a register of identified risks including emerging risks likely to affect the Company;
3. **Broker:** provides advice periodically, specific to the Company, on the Company's sector, competitors and the investment company market, while working with the Board and Investment Adviser to communicate with Shareholders;
4. **Company Secretary:** briefs the Board on forthcoming governance changes that might affect the Company; and
5. **Financial Adviser:** Rothschild & Co provide advice on the Managed Wind-Down process and highlight any risks associated with the process in advance to provide the Board with an opportunity to take appropriate action.

Procedure for oversight

The Audit and Risk Committee undertakes a regular review of the Company's risk matrix, and a formal review of the risk procedures and controls in place at the AIFM and other key service providers, to ensure emerging (as well as known) risks are adequately identified and, so far as is practicable, mitigated.

RISK AND RISK MANAGEMENT CONTINUED

Principal Risks

The Board considers the following to be the principal risks faced by the Company along with the potential impact of these risks and the steps taken to mitigate them.

Economic, Political and Market

Risks	Potential Impact/Description	Mitigation
1. Electricity Prices	<p>The income and value of the Company's investments may be affected by future changes in the market price of electricity.</p> <p>While some of the revenues of the Company's investments benefit from fixed prices, they are also partly dependent on the wholesale market price of electricity, which is volatile and is affected by a variety of factors, including:</p> <ul style="list-style-type: none"> – market demand; – generation mix of power plants; – government support for various forms of power generation; – fluctuations in the market price of commodities; and – foreign exchange. <p>There is a risk that the actual prices received vary significantly from the model assumptions, leading to a shortfall in anticipated revenues by the Company.</p> <p>Increased EU goals to push green economies will lead to a ramp up of renewables and capacities, with potential to lead to grid oversupply issues resulting in pricing pressures.</p> <p>The current energy geopolitical situation globally is continuing to lead to uncertainty and potential volatility in energy prices, which in turn may have an impact on performance.</p>	<p>The Company holds a mix of investments that benefit from government subsidies as well as long-term fixed price PPAs. Following the sale of the Desfinas investment on 13 March 2026 the Company no longer benefits from revenues based on government subsidies.</p> <p>The Investment Adviser retains the services of market leading energy consultants to assist with determining future power pricing for the respective regions.</p> <p>The underlying SPV companies may use derivative instruments such as futures, options, futures contracts and swaps to protect from fluctuations in future electricity prices.</p> <p>The Investment Adviser models and monitors power price curves on an ongoing basis and will recommend appropriate action. In addition, the Investment Adviser has a dedicated team which is responsible for the originating, negotiating and executing of all PPAs.</p> <p>The Investment Adviser reviews the hedging strategy on an ongoing basis. Should changes be required to the hedging strategy, these will be recommended to the AIFM and Board.</p>
2. Equity Market Volatility and Shareholder Pressure	<p>Volatility can allow significant equity positions to be built and the risk that a sole shareholder increases its ownership to such an extent that they are able to exert significant influence over the Company and decisions made by the Board.</p>	<p>Shareholder analysis is obtained regularly enabling monitoring of the Company's largest Shareholders. The views of the larger Shareholders can be monitored by the Company and any concerns managed appropriately.</p>
3. Change in Political Sentiment	<p>A change in political direction or regulation in one of the countries in which the Company targets investment could lead to changes, reductions, caps or withdrawals of government support arrangements, a windfall tax or potentially the nationalisation of investments. This could have a material impact on the valuation of the investments and the Company's net asset value.</p> <p>Environmental groups may put pressure on the government in relation to its renewables ambitions and permits due to environmental concerns and impact on the projects.</p>	<p>The AIFM, advised by the Investment Adviser with its 9 offices in 8 countries, continuously monitors all jurisdictions the Company invests.</p> <p>The Investment Adviser has significant experience in these assets and performs ongoing monitoring of these risks. Regulatory changes at the SPV level are monitored by the Investment Adviser and reported to the Board/AIFM on an ongoing basis.</p>

RISK AND RISK MANAGEMENT CONTINUED

Operational

Risks	Potential Impact/Description	Mitigation
<p>4. Counterparty Risk</p>	<p>The majority of the operational risk in the Company's investments is retained by the counterparty or its subcontractors. Failure to properly operate and maintain assets may result in reduction of revenues and value of assets. However, some risks will remain within the investment.</p> <p>Poor performance by a subcontractor may lead to the need for a replacement, which could have cost implications, impacting the performance of the investment and potentially distributions to the Company until the issue is resolved.</p> <p>The value of the Company's investments and the income they generate may be affected by the failure of counterparties to comply with their obligations under a PPA.</p>	<p>Operation and maintenance ("O&M") of assets are subcontracted to a counterparty who is responsible for ensuring effective continuing operation and maintenance of that asset. The Investment Adviser ensures each such counterparty has the experience and resources to comply with its obligations and monitors compliance on an ongoing basis.</p> <p>Constant monitoring of the investments and the counterparties or service providers allows the Investment Adviser to identify and address risks early. Diversification of counterparties and service providers ensures any impact is limited.</p> <p>The Investment Adviser assesses the credit risk of companies by defined criteria before they become counterparties to PPAs, EPCs and TSA providers.</p>
<p>5. Performance of the Investment Adviser</p>	<p>Aquila Group manages over EUR 15.4 billion for clients worldwide. There is a risk that sufficient resources and personnel are not allocated to the Company.</p> <p>The Investment Adviser employs experienced executives to manage the Company's investments. There is a risk that a key person leaves the Investment Adviser.</p>	<p>The strength and depth of the Investment Adviser's resources mitigate the risk of a key person's departure. Service level reviews are carried out by the Board to ensure they are satisfied with the performance of Investment Adviser resources.</p>
<p>6. IT Security</p>	<p>A hacker or third party could obtain access to the Investment Adviser or any other service provider and destroy data or use it for malicious purposes. Data records could be destroyed, resulting in an inability to make investment decisions and monitor investments.</p> <p>Risk that the emergence of increasingly advanced AI will lead to new risks to the Company, including, but not limited to, decline in human autonomy, increased cybersecurity vulnerabilities, data loss, impersonation for the purposes of extracting information or money.</p> <p>The pandemic and, more recently the Russian/Ukraine conflict and wars in the Middle East, have increased IT security concerns and threats being posed to the Company and operating structure by hackers that may lead to loss of information or even a cash loss.</p>	<p>Service providers have been carefully selected for their expertise and reputation in the sector. Each service provider has provided assurances to the AIFM and the Company on their cyber policies and business-continuity plans, along with external audit reviews of their procedures where applicable.</p> <p>The Investment Adviser and key service providers have information-security policies in place, and have appointed IT security officers whose tasks are to provide support for emergency events and crises, the monitoring of the resumption, and repair of the IT security measures after completion of a disturbance or incident, and the ongoing development of improvements to the IT security concept.</p> <p>The Investment Adviser's in-house Asset Management team has reviewed the protective measures taken by the counterparties and has further increased the vigilance against cyber-attacks that could affect the performance and infrastructure of the investments. Insurance is in place to cover potential losses from direct attacks. For indirect attacks (e.g. against grid operation or transmission system) the various administrators, operation and maintenance providers are required to maintain sufficient insurance coverage to mitigate possible damages.</p>

RISK AND RISK MANAGEMENT CONTINUED

Risks	Potential Impact/Description	Mitigation
<p>7. Climate-related risks</p>	<p>Climate-related risks can be categorised as physical or transitional risks. Physical risks are those associated with the physical effects of climate change. They can be event-based (acute), such as cyclones, hurricanes, wildfires, heatwaves, pandemics, droughts and floods; or longer-term (chronic) shifts in climate patterns, such as sustained higher temperatures with melting of glaciers and ice sheets causing sea-level rise, permafrost melting, chronic heatwaves and desertification, extreme variability in precipitation, land degradation and changes in air quality.</p> <p>Transitional risks are those that arise as economies move towards less-polluting, greener solutions. These include externally imposed risks such as the effect of legal and regulatory requirements or policy changes, changes in societal demands, advances in technologies, market changes and the consequent business decisions taken to respond to such changes. Transitional risks have the potential to crystallise suddenly, for example as a result of policy changes. Physical or transitional climate-related risks could affect the operation of the Company's assets and hence the production or revenue generated by the portfolio assets.</p>	<p>The Company should be sufficiently protected through hedging of price risks in the event of unforeseen changes in regulatory requirements related to climate change.</p> <p>Insurance is usually in place in the event of acute climate risks such as physical damage due to floods, or wildfires resulting in production losses.</p> <p>Financial model forecasts are based on P50 production (the estimated annual amount of electricity generation that has a 50% probability of being exceeded - both in any single year and over the long term - and a 50% probability of being underachieved) data sourced from energy yield assessments provided by external service providers. The Company also mitigates the frequency of both physical and transitional risks through extensive geographical diversification of its portfolio.</p>
<p>8. Global Conflict</p>	<p>As evidenced with the ongoing war in Ukraine, the various restrictions imposed, as well as the conflict in Gaza and the conflicts in the Middle East, acts of war and resulting sanctions can lead to O&M supply delays, volatile energy markets and general uncertainty.</p> <p>This can also lead to short-term price increases and more focus on renewable energy infrastructure and increased competition for assets.</p> <p>In addition, there is the increased possibility of a trade war following the implementation of tariffs imposed by the US administration, and other implications of changes and, particularly the foreign policy of the US administration.</p>	<p>The Investment Adviser, using its extensive experience, constantly monitors geopolitical and macro-economic developments. Where required, it undertakes external geopolitical and risk analysis.</p> <p>The Company does not have any direct exposure to Ukraine, Russia, Israel, Gaza or the Middle East. There are also no direct business relations with counterparties from these countries.</p> <p>The Company has limited exposure to supply chain risk.</p> <p>The Broker, Administrator, AIFM and Company advisers monitor and inform the Board as soon as they are aware of any developments that may impact the Company or its business.</p>

RISK AND RISK MANAGEMENT CONTINUED

Financial

Risks	Potential Impact/Description	Mitigation
<p>9. Risks associated with the Managed Wind-down process</p>	<p>There are several risks associated with the Company's Managed Wind-down process as follows:</p> <ol style="list-style-type: none"> 1. The Board may not be able to achieve the best price for the Company's assets. 2. The Managed Wind-Down process may take longer than expected which could prove detrimental to the sales price achievable if the market were to take a downturn. 3. An orderly Wind-Down is reliant on a willingness to transact from potential buyers, confirmation that they have funding sources available and the completion of due diligence/relevant legal documentation. 	<p>The Board engaged Rothschild & Co as the Company's financial adviser to help with the sales process. Rothschild is one of the most experienced advisors in the sector, with deep credentials in selling renewables in the private markets.</p>
<p>10. Portfolio Valuation</p>	<p>There is a risk the Company's asset valuations and underlying assumptions, such as future electricity prices and discount rates, are not a fair reflection of the market, meaning the investment portfolio could be over or under-valued which could impact the Managed Wind-down process and the Company's need to achieve the best price possible for the Company's assets.</p>	<p>The principal component of the Company's balance sheet is its portfolio of renewable investments. Each quarter, the AIFM is responsible for preparing a fair market value of the investments, with input and guidance from the Investment Adviser. These valuations and the key underlying assumptions are reviewed and interrogated by the Board before being approved.</p> <p>The Investment Adviser has a strong track record of undertaking valuations of renewable assets built up over the years since it was founded in 2001.</p> <p>The Investment Adviser and broker monitor market competitors and provide feedback on valuation methodologies and assumptions to the valuation team.</p>
<p>11. Leverage Risk/ Interest Risk</p>	<p>The use of leverage creates risks including:</p> <ul style="list-style-type: none"> – exposure to interest rates, which can fluctuate; – covenant breaches; – liquidity risks; – enhanced loss on underperforming investments; and – the ability to refinance assets impacts asset returns and cash flows. <p>Fluctuations in interest rates may affect discount rates applied to the portfolio valuations, as well as affecting cost of debt in both the underlying SPVs and the Company.</p>	<p>Now that the Company is in Managed Wind-Down, it is not anticipated that the Company will take on any new borrowings, but may do so for the efficient management of the Company. The Company's investment policy restricts the use of leverage to:</p> <ul style="list-style-type: none"> – short-term debt: 25% of the prevailing GAV; and – long-term structural debt: 50% of the prevailing GAV. <p>As at 31 December 2025, the Company's subsidiary, Tesseract Holdings Limited, had 0% of short-term debt and at SPV level there was 32.1% of long-term structured debt as a percentage of GAV. The AIFM monitors all debt levels to these policy restrictions and reports them to the Board quarterly.</p> <p>The Investment Adviser provides updates on the covenant compliance to the AIFM and to the Board periodically and looks at refinancing as early as possible.</p> <p>Interest rate risk on bank debt at the asset level is mitigated by the use of hedging instruments.</p> <p>Liquidity and forward looking cash flow management is monitored by the Investment Adviser and AIFM. The majority of the Company's long-term structural debt is non-recourse, largely fixed interest rates and fully amortising.</p>

RISK AND RISK MANAGEMENT CONTINUED

Compliance, Tax and Legal

Risks	Potential Impact/Description	Mitigation
<p>12. Changes to Tax Legislation or Rates</p>	<p>Changes in tax legislation, base erosion and profit shifting rules, substance, withholding tax rules and rates, could result in tax increases, resulting in a decrease in income received from the Company's investments.</p> <p>A windfall tax on profits from an investment could be levied by government.</p>	<p>The corporate structure of the Company is reviewed periodically by the Company and its advisers. The Board has been kept informed on a timely basis of the recent introduction of the windfall (and other tax arrangements) taxes introduced across Europe to curb profits of energy providers, and has carefully considered the impact on the Company's portfolio, which is further discussed in the Investment Adviser's Report.</p> <p>The Investment Adviser works closely with tax and industry experts before providing structuring recommendations to the Company prior to investment and on an ongoing basis.</p>
<p>13. Regulatory and Compliance Changes</p>	<p>The Company fails to comply with section 1158 of the Corporation Tax Act to ensure maintenance of investment trust status, UK Listing Authority regulations including Listing Rules, Foreign Account Tax Compliance Act and Alternative Investment Fund Managers Directive ("AIFMD").</p> <p>The Company fails to comply with relevant ESG rules and regulations and fails to monitor those such as the SFDR, changing disclosure requirements and greenwashing risks.</p> <p>Failure to comply with the relevant rules and obligations may result in reputational damage to the Company or have a negative financial impact. Possible uncertainty remains with post-Brexit negotiations and eventual trade deals agreed.</p> <p>Additionally, the Company operates in multiple markets throughout Europe, and some have shown signs of changes or potential changes in regulation as a response to high power prices.</p>	<p>The Board has sought guidance from its advisors on the Board's obligation to ensure the Company complies with Section 1158 of the Corporate Tax Act, particularly during the Managed Wind-down process.</p> <p>All service providers, including the broker, Company Secretary, Administrator, Investment Adviser and AIFM, are experienced in these areas and provide comprehensive reporting to the Board and on compliance with these regulations.</p> <p>The AIFM is experienced in compliance with the AIFMD reporting obligations and reports at least quarterly to the Board.</p> <p>The Investment Adviser monitors changes in regulation across the markets the Company operates.</p> <p>The Company complies with article 8 of the SFDR and, as noted under "ESG", looks to comply with local requirements, to mitigate potential risks.</p>

OTHER INFORMATION

Streamlined energy and carbon reporting (SECR) statement: greenhouse gas (GHG) emissions and energy consumption disclosure

As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations, nor does it have any responsibility for any other emissions producing sources under the Companies Act (Strategic Report and Directors' Reports) Regulations 2013. For the same reason, the Company considers itself to be a low energy user under the SECR regulations and therefore, it is not required to disclose energy and carbon information. Investment trusts are currently exempt from Task Force on Climate-Related Financial Disclosures ("TCFD"), but the Board will continue to monitor the situation.

In relation to the Company's investments, the level of greenhouse gas emissions arising from the low volume of electricity imports and from operation and maintenance activity is not considered material for disclosure purposes. Furthermore, as the assets are renewable energy generators, they reduce carbon dioxide emissions on a net basis.

Anti-Bribery, Corruption and Tax Evasion

It is the Company's policy to conduct all businesses in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The Company does not tolerate the criminal facilitation of tax evasion.

The Company's AIFM, Investment Adviser, Company Secretary, Administrator and Depositary have confirmed that anti-bribery policies and procedures are in place and that they do not tolerate bribery. The Company's policy and the procedures that implement it are designed to support that commitment.

Conflicts of Interest

As required by law, a Director must avoid a situation where he or she has an interest that conflicts with the Company's interests. The Company's Articles of Association provide the Directors authority to authorise potential

conflicts of interest. The Directors can impose limits or conditions when giving authorisation if they deem appropriate. The procedure observed by the Board in considering dealing with conflicted matters is as follows:

- any Board member so conflicted must excuse themselves from the discussion involving the relevant conflict;
- only Directors who have no interest in the matter being considered can debate the matter and take the relevant decision; and
- in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success.

The Directors have declared any potential conflicts of interest to the Company. These are entered into the Company's register of potential conflicts, which is reviewed regularly by the Board. The Directors are obliged to advise the Company Secretary as soon as they become aware of any potential conflicts of interest.

The Company has established procedures to deal with any potential conflicts of interest in circumstances where the Aquila Group is advising both the AIFM (for the Company) and Aquila managed funds who are counterparties to the Company. These procedures may, on a case-by-case basis, include:

- separate teams at the Investment Adviser being established in relation to any proposed transaction to represent the Company and the relevant counterparty;
- a fairness opinion on the value of the Renewable Energy Infrastructure Investments to be obtained from an independent expert;
- a due diligence and reporting package from relevant professional advisers on which the Company (or other applicable vehicles) can place reliance;
- the AIFM operating its own risk management system and internal control system as well as monitoring approved systems operated by the Investment Adviser; and
- any conflict of interest arising during the transaction being resolved in accordance with procedures agreed between the Investment Adviser and the AIFM, subject to Board agreement.

Employees

As the Company is an investment trust it does not have any employees as all functions are carried out by third-party service providers. As at 31 December 2025, the Company had four Directors who are non-executive and receive a fixed fee remuneration, of whom three are male and one is female and is from an ethnic diverse background. The Board's policy on diversity is contained in the Corporate Governance Report (see page 42).

Viability Statement

In accordance with the UK Corporate Governance Code and the Listing Rules, the Directors are required to assess the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision.

Following the change in investment policy approved by Shareholders at the General Meeting held on 30 September 2024, the Company entered a managed wind-down, meaning that it is not making any new investments and its investing activity is solely in respect of funding legal commitments to existing investments (the "Managed Wind-Down"). The Board will continue to review strategic options in respect of the Company's assets to realise the maximum value for Shareholders in the shortest possible time, recognising the inherent difficulties in the construction of the portfolio, including the number of investments, multiple geographies and long tenors. While the Company is continuing to explore strategic options there remains no certainty that any of these options will materialise and be put to Shareholders for consideration. Accordingly, the Directors recognise that these conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's viability over the viability period (the 'Period').

Although the Company is in a Managed Wind-Down, the Board believes that the Period, being two years, is an appropriate time horizon over which to assess the viability of the Company. In considering the prospects of the Company, the Directors looked at the key risks facing the Company, HoldCo and the SPVs, focusing on the likelihood and impact of each risk as well as any key contracts, future events or timescales that may be assigned to each key risk outlined on pages 31 to 36.

OTHER INFORMATION CONTINUED

The Directors have a reasonable expectation that the Company has adequate resources to: continue in operation; realise the Company's assets in an orderly manner; and meet its liabilities as they fall due, over the Period.

The Company's subsidiary, Tesseract Holdings Limited, and its SPVs have a modest gearing level representing 32.1% as at 31 December 2025 of the Company's Gross Asset Value, comprised of non-recourse debt net of cash, at the asset level of EUR 101.5 million. The Board recently decided to allow Tesseract Holdings Limited's RCF to expire on 18 April 2025, given the Company's focus on the Managed Wind-Down process and subsequent change in investment policy, whilst also minimising fees and expenses. The revolving credit facility had a drawn balance of zero, whilst approximately EUR 2.8 million had been utilised to issue bank guarantees in relation to the Company's Spanish solar PV portfolio. To accommodate the expiry of the RCF and maintain compliance with the facility agreement, Tesseract Holdings Limited committed approximately EUR 2.8 million to cash cover the bank guarantees.

The Company (via its subsidiaries, where applicable) complies with its covenants related to the non-recourse debt. As part of their analysis, the Board was mindful that the Company's portfolio of assets, held via its subsidiary, Tesseract Holdings Limited, are predominantly fully constructed and operating renewable electricity generating facilities with asset lives significantly in excess of the period under consideration.

This assessment also included a detailed review of the issues arising following the war in Ukraine, the ongoing conflict involving Iran and broader geopolitical tensions across the Middle East, conflict between Israel and Hamas in Palestine, tariffs in USA, potential trade war, high volatility in commodity prices, the windfall revenue clawback on inframarginal technologies (e.g. solar PV, wind, nuclear, hydro) and other taxes that currently face the Company's assets as disclosed in the Principal Risk section on pages 31 to 36 and in the Investment Adviser's Report on pages 8 to 19.

The Board has also considered the impact of climate related events on the Company's assets and on its ability to

continue to produce electricity.

In considering the prospects of the Company, the Directors looked at the key risks facing the Company, HoldCo and the SPVs, focusing on the likelihood and impact of each risk as well as any key contracts, future events or timescales that may be assigned to each key risk. The Directors are satisfied that the Company will continue to remain viable under downside scenarios, including a decline in long-term production and power price forecasts, taking into account tax implications and regulatory changes imposed on renewables and on those in the electricity generation market in certain jurisdictions across Europe. These risks, together with the mitigating factors of each, are shown in the Principal Risk section on pages 32 to 36.

The internal control framework of the Company is subject to a formal review on at least an annual basis. On a regular basis, the Board reviews the risk report prepared by the AIFM.

The Directors do expect there will be a material increase in the expenses of the Company over the Period in relation to Company's corporate finance and legal advisers in order to execute the managed wind-down, both for the disposal of the Company's investments and for B share scheme redemption.

Outlook

The outlook for the Company, including the future development and performance of the Company, is discussed in the Chairman's Statement on pages 6 and 7 and the Investment Adviser's Report on pages 8 to 19.

Strategic Report

The Strategic Report set out on pages 1 to 38 of this Annual Report was approved by the Board of Directors on 27 April 2026.

For and on behalf of the Board,

Robert Naylor
Chairman of the Board

27 April 2026

GOVERNANCE

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Olhava, Finland

BOARD OF DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:



Robert Naylor

Non Executive Chairman

Appointed 28 November 2025

Robert is Lead Fund Manager at Achilles Investment Company Limited, focused on maximising portfolio value through constructive engagement. He is a Non-Executive Director of NIOX Group plc, dedicated to improving asthma diagnosis and management, Renalytix plc, developer of the only FDA-approved and Medicare-reimbursed prognostic test for early-stage chronic kidney disease risk assessment and Life Science REIT plc.

Previously, he served on the board of The PRS REIT plc, a FTSE 250 company managing around 5,400 family homes, whose assets were sold with the equity provided by four local authority pension schemes. He was also Chairman of Hipgnosis Songs Fund Limited, leading its sale to funds advised by Blackstone, and Chairman of Round Hill Music Royalty Fund Limited, overseeing its sale to Concord. Earlier, he was CEO and co-founder of Intuitive Investments Group plc, providing exposure to high-growth technology and life sciences businesses.

Robert began his career at Ernst & Young, qualifying as a Chartered Accountant.

Role

Chairman of the Board

Key



Remuneration and Nomination Committee



Audit and Risk Committee



Myrtle Dawes

Non-executive Director

Appointed on 1 September 2023

Myrtle Dawes has over 30 years' experience of the energy sector, both in the UK and overseas. She is CEO of the Net Zero Technology Centre, a non-executive Board member of FirstGroup, and an advisory Board member for the Association of Black and Minority Engineers and sits on the Technology Leadership Board.

Ms Dawes holds a Masters in Chemical Engineering and Chemical Technology from Imperial College. She is a Fellow of the Institute of Chemical Engineers, Fellow of the Energy Institute, Fellow of the Forward Institute and Honorary Fellow of the Association of Project Managers.

In 2017, Myrtle received recognition for her contribution to business, having featured in Breaking the Glass Ceiling and being selected as one of 100 Women to Watch in the Cranfield FTSE Board Report 2017. In 2021 she was recognised by TE:100 as one of the Women of the Energy Transition.

Role

Member of the Audit and Risk Committee, and Remuneration and Nomination Committee.

BOARD OF DIRECTORS CONTINUED



David MacLellan

Non-executive Director

Appointed on 8 April 2019

David MacLellan has over 40 years' experience in private equity first with Murray Johnstone which he joined in 1984 and then with RJD Partners which he founded in 2001. He was a director of Aberdeen Asset Managers plc following its acquisition in 2000 of Murray Johnstone where he was latterly chief executive. Mr MacLellan has served on the boards of a number of companies including as Chairman of John Laing Infrastructure Fund Limited. He is currently Chairman of Custodian Income REIT plc, and a director and Chairman of the audit committees of The Lindsell Train Investment Trust plc and J&J Denholm Limited. He is a past council member of the British Venture Capital Association and is a member of the Institute of Chartered Accountants of Scotland.

Role

Chair of the Audit and Risk Committee and member of the Remuneration and Nomination Committee.



Kenneth MacRitchie

Non-executive Director

Appointed on 8 April 2019

Kenneth MacRitchie has over 30 years' experience of advising on the financing, development and operation of independent power projects across Europe, the Middle East and Africa. He was a partner at the global law firm Clifford Chance and, thereafter, at Shearman & Sterling, where he served on their Management Board. Mr MacRitchie also has experience of advising the UK Government on renewable energy policy, and he led the establishment of Low Carbon Contracts Company Limited, the UK Government owned company that provides subsidies for the UK renewables industry. He is a graduate of the Universities of Glasgow, Aberdeen and Manchester.

Role

Chair of the Remuneration and Nomination Committee and member of the Audit and Risk Committee.



CORPORATE GOVERNANCE

Introduction

This Corporate Governance Statement forms part of the Directors' Report.

The Board of the Company has considered the principles and provisions of the UK Corporate Governance Code 2024 (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company. The UK Code can be found on the Financial Reporting Council's website (www.frc.org.uk).

Compliance

Throughout the year ended 31 December 2025, the Company complied with the recommendations of the UK Code except, as explained below, where the Company does not believe it appropriate to comply. The Board, being small in size and composed entirely of independent non-executive Directors, has not appointed a Management Engagement Committee.

The engagement of the Investment Adviser, the AIFM and other key service providers is considered by the Board as a whole. The Board has also decided not to appoint a Senior Independent Director ('SID') due to the size of the Board. The UK Code includes provisions relating to the role of the Chief Executive, executive Directors' remuneration and the need for an internal audit function. The Board considers these provisions are not relevant to the Company as it is an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive Directors, employees, or internal operations. The Company has therefore not reported further in respect of these provisions.

The Board

At the date of this report, the Board consists of four independent non-executive Directors, including the Chairman.

The Board believes that, during the year to 31 December 2025, its composition was appropriate for an investment company of the Company's nature and size. All Directors are independent of the Investment Adviser and are able to allocate sufficient time to the Company to discharge their responsibilities effectively.

The Directors have a broad range of relevant experience to meet the Company's requirements, and their biographies are shown on pages 40 and 41.

In line with the UK Code, the Board has decided that each Director should be subject to annual re-election by Shareholders, although this is not required by the Company's Articles of Association.

The Directors have appointment letters. Copies of the Directors' appointment letters are available on request from the Company Secretary. Upon joining the Board, any new Director will receive an induction, and relevant training is available to Directors on an ongoing basis.

The Company maintains a policy of insurance against Directors' and Officers' liabilities.

A procedure has been adopted for Directors, in furtherance of their duties, to take independent professional advice at the expense of the Company.

CORPORATE GOVERNANCE CONTINUED

Directors' Indemnities

Subject to the provisions of the Companies Act 2006 and certain provisions contained in the deed of indemnity issued by the Company, the Company has indemnified each of the Directors against all liabilities they may suffer or incur arising out of, or in connection with, any claim made or proceedings taken against them, or any application made under sections 661(3), 661(4) or 1157 of the Companies Act 2006 by them, on the grounds of their negligence, default, breach of duty or breach of trust, in relation to the Company or any Associated Company.

Board Committees

The Board decides upon the membership and chairmanship of its committees.

Audit and Risk Committee

The report on page 46 provides details of the role, composition and meetings of the Audit and Risk Committee together with a description of the work of the Audit and Risk Committee in discharging its responsibilities. David MacLellan is the Chair of the Audit and Risk Committee and the other members are Myrtle Dawes and Kenneth MacRitchie.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee will meet at least once a year or more often if required. Its principal duties include identifying and nominating to the Board new Directors, and undertaking an annual performance evaluation of the Board, led by the Committee Chair. Following the resignation of Dr Patricia Rodrigues from the Board on 31 December 2025, Mr Kenneth MacRitchie was appointed as Chair of the Remuneration and Nomination Committee with effect from 1 January 2026. The other members of the Remuneration and Nomination Committee are David MacLellan and Myrtle Dawes.

The Committee's other responsibilities are to: (i) consider the remuneration of the Directors; (ii) identify suitable candidates to fill vacancies on the Board; (iii) determine Director nominees for each committee of the Board; (iv) consider the appropriate composition of the Board and its committees; (v) consider succession planning; (vi) consider the annual Board evaluation process and results; and (vii) consider the Company's Remuneration Policy.

Each committee has adopted formal terms of reference, which are reviewed at least annually. Copies of which are available on the Company's website or on request from the Company Secretary.

The Board as a whole also fulfils the functions of a Management Engagement Committee. The Board will annually review and consider the actions and judgements of management in relation to the Interim and Annual Financial Statements, and the Company's compliance with the UK Code, the UK Listing Rules, and the Disclosure Guidance and Transparency Rules.

It will review the role of the Investment Adviser and the AIFM and examine the effectiveness of the internal control systems of the Company's key service providers.

Meeting Attendance

	Quarterly Board meetings	Audit and Risk Committee	Remuneration and Nomination Committee
Number of meetings held			
Robert Naylor ¹	1/4	1/6	1/2
David MacLellan	4/4	6/6	2/2
Kenneth MacRitchie	4/4	6/6	2/2
Dr Patricia Rodrigues ²	4/4	6/6	2/2
Myrtle Dawes	4/4	6/6	2/2
Ian Nolan ³	3/4	5/6	0/2

In addition to the scheduled meetings outlined above, a number of further Board and Committee meetings were held during the year to address administrative matters and to consider and approve documents and disposal proposals which were considered time critical.

1. Mr Robert Naylor was appointed on the 28 November 2025. Mr Naylor is not a member of the Audit and Risk Committee or the Remuneration and Nomination Committee, however he attended the committee meetings held during December 2025 via an invitation from the Chair as his contribution was considered valuable.
2. Dr Patricia Rodrigues resigned from the Board on 31 December 2025, having served as a Non-Executive director since the Company's IPO in 2019.
3. Mr Ian Nolan resigned from the Board on 27 November 2025 having served as a Non-Executive Chair, since the Company's IPO in 2019.

CORPORATE GOVERNANCE CONTINUED

Decision-Making

The Board is responsible for the overall stewardship of the Company's affairs and has adopted a schedule of matters specifically reserved for decision by the Board. Strategic issues, and all operational matters of a material nature, are considered at its meetings, including reviewing the Company's performance by reference to the Company's key performance indicators.

The Board has access to independent advice at the Company's expense, where it judges the advice necessary to discharge its responsibilities properly.

During the year, the Board considered and recommended for approval to the Board of the HoldCo each transaction prior to investment, including, where deemed appropriate, the need for gearing, hedging and the overall structure of each transaction. Prior to being presented to the Board, each transaction was considered by the AIFM, which reviewed it against an agreed set criteria of items to ensure it was suitable for the Company's long-term success and in Shareholders' best interests.

Division of Responsibilities

The following sets out the division of responsibilities between the Chair, the Board and the Committee Chairs.

Role of the Chair includes:

- leadership of the Board;
- ensuring the Board is provided with sufficient information in order to be able to discharge its duties;
- ensuring each Board member's views are considered and appropriate action taken;
- ensuring that each committee has the support required to fulfil its duties;
- engaging the Board in assessing and improving its performance;
- overseeing the induction and development of Directors;
- supporting the AIFM, Investment Adviser and other service providers;
- seeking regular engagement with major Shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy;
- ensuring that the Board as a whole has a clear understanding of the views of Shareholders;
- ensuring regular engagement with each service provider; and
- keeping up to date with key developments.

Role of the Board includes:

- reviewing the Board pack ahead of the meeting;
- providing appropriate opinion, advice and guidance to the Chairman and fellow Board members;
- supporting the Board, Chairman and service providers in fulfilling their roles; and

Role of Committee Chairs includes:

- ensuring appropriate papers are considered at the meeting;
- ensuring Committee members' views and opinions are appropriately considered;
- seeking engagement with Shareholders on significant matters related to their areas of responsibility;
- maintaining relationships with advisers; and
- obtaining independent professional advice where deemed appropriate.

Board Diversity

The Board recognises the benefits of diversity and supports the recommendations of the Davies Report. All Board appointments will be made on merit and have regard to diversity, including factors such as gender, skills, background and experience. As at 31 December 2025, the Company had four Directors, three of whom are male and one is female. The Board will take account of the targets set out in the FCA's Listing Rules, which are set out below. As an externally managed investment company, the Board employs no executive staff and therefore does not have a Chief Executive Officer ("CEO") or a Chief Financial Officer ("CFO") – both of which are deemed senior board positions by the FCA. In addition, the Board has resolved that the Company's year-end date be the most appropriate date for disclosure purposes. The following information has been provided by each Director. There have been no changes since 31 December 2025.

The following information has been provided by each Director. There have been no changes since 31 December 2025.

Board Composition as at 31 December 2025

Number of meetings held	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	3	75%	1
Women	1	25%	0
Prefer not to say	–	–	–

CORPORATE GOVERNANCE CONTINUED

Board Composition as at 31 December 2025 continued

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or Other White (including minority-white groups)	3	75%	1
Black/African/Caribbean/Black British	1	25%	0
Prefer not to say	–	–	–

Board Tenure

In accordance with the UK Code, a Director must stand for annual re-election. No Director of the Company has served for nine years or more and all Directors remain independent of the Company's Investment Adviser. The Directors have considered succession planning, however they believe it may be difficult to recruit additional Board members, given the likely short life of the Company now that it is in Managed Wind-Down. Each of the Directors has committed to serve the Company as Board members until it is placed into liquidation or until it is wound up.

Performance Evaluation

During the year, the Board undertook an internal Board evaluation process of its composition and that of its committees. The evaluation required the Directors to complete detailed questionnaires on the operation of the Board and its committees, the individual contribution of Directors, and the performance of the Chair. The Remuneration and Nomination Committee then met to discuss the results of the performance evaluation. The Board considered a list of actions resulting from the evaluation. The evaluations considered, amongst other criteria, the priorities for the year ahead, being mainly the Managed Wind-Down Process, the contribution of individual Directors and the overall effectiveness of the Board and its committees.

The results of the most recent performance evaluation were positive and demonstrated that the Directors showed the necessary commitment for the effective fulfilment of their duties.

Internal Control

The Code requires the Board to review the effectiveness of the Company's system of internal controls. The Board recognises its ultimate responsibility for the Company's system of internal controls and for monitoring its effectiveness. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable assurance against material misstatement or loss. The Board has undertaken a review of the aspects covered by the Code and has identified risk management controls in the key areas of business objectives, accounting, compliance, operations, and secretarial as being matters of particular importance upon which it requires reports from the relevant key service providers. The Board believes that the existing arrangements represent an appropriate framework to meet the internal control requirements. The Directors review the effectiveness of the internal control systems throughout the year.

Financial Aspects of Internal Control

These are detailed in the Audit and Risk Committee Report on pages 46 to 48.

Other Aspects of Internal Control

The Board holds at least four regular meetings each year, plus additional meetings as required. Between these meetings there is regular contact with the Investment Adviser, the AIFM and the Company Secretary and Administrator.

The Administrator, Apex Listed Companies Services (UK) Limited, reports separately in writing to the Board concerning risks and internal control matters within its remit, including internal financial control procedures and company secretarial matters. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The regular contact with the Investment Adviser, the AIFM and the Administrator enables the Board to monitor the Company's progress towards its objectives and encompass an analysis of the associated risks. The effectiveness of the Company's risk management and internal controls systems is monitored regularly and a formal review, utilising a detailed risk assessment programme, takes place at least annually. This includes a review of the internal controls reports of the Administrator, the AIFM and the Registrar.

Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency, or liquidity. The principal risks and how they are being managed are set out in the Strategic Report on pages 31 to 36.

AUDIT AND RISK COMMITTEE REPORT



David MacLellan

Audit and Risk Committee Chairman

Audit and Risk Committee (the 'Committee')

The Code recommends that the Board should establish an Audit Committee comprising at least three or, in the case of smaller companies, two independent non-executive Directors. The Board is required to satisfy itself that the Audit and Risk Committee has recent and relevant financial experience and has competence relevant to the sector in which the Company operates.

Composition

David MacLellan, Kenneth MacRitchie, and Myrtle Dawes are members of the Committee, which is chaired by Mr MacLellan. The Committee has formal written terms of reference, copies of which are available on the Company's website or on request from the Company Secretary. The Committee considers that at least one of its members has recent and relevant financial experience and competence relevant to the sector in which the Company operates.

Role and Responsibilities of the Committee

The Committee's authority and duties are set out in its terms of reference, which are available at <https://www.aquila-european-renewables.com>.

The Committee carried out the following activities during the year:

- completed a detailed analysis of the Company's quarterly NAVs, factsheets and underlying assumptions used in calculating the fair market valuation of each renewable energy asset;
- monitored and reviewed the Company's emerging and principal risks;
- considered the ongoing assessment of the Company as a going concern;
- considered the appointment, independence, objectivity and remuneration of the auditor;
- reviewed the audit plan, annual financial statements, and half-yearly financial report; and
- considered the financial and other implications on the independence of the auditor arising from the provision of non-audit services.

Internal Audit

The Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company as an externally managed investment company with external service providers. The Committee keeps the need for an internal audit function under periodic review.

Financial Aspects of Internal Control

The Directors are responsible for the internal financial control systems of the Company and for reviewing its effectiveness. The aim of the internal financial control system is to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication, and the safeguarding of the assets of the Company.

The Board has delegated to external third-parties the services the Company requires, but is fully informed of the internal control framework established by each relevant service provider, which provides reasonable assurance reports on the effectiveness of internal financial controls.

AUDIT AND RISK COMMITTEE REPORT

CONTINUED

Internal Audit continued

Financial Aspects of Internal Control continued

The Statement of Directors' Responsibilities in respect of the financial statements is on page 59 and a statement of going concern is on page 57. The Independent Auditors' Report is on pages 61 to 65.

Financial Statements and Significant Accounting Matters

The Committee reviewed the financial statements and considered the following material accounting issues in relation to the Company's financial statements for the year ended 31 December 2025.

Valuation and Existence of Investments

The Company's accounting policy is to designate investments at fair value through profit or loss. Therefore, the most significant risk in the Company's financial statements is whether its investments are fairly valued due to the uncertainty involved in determining the investment valuations. The Committee reviewed the procedures in place for ensuring the accurate valuation and existence of investments held by the Company's wholly owned subsidiary Tesseract Holdings Limited and approved the valuation of the Company's investments and their existence at the year end with the Investment Adviser, the AIFM and other service providers. The Board has approved a Valuation Policy, which sets out the valuation process. The process includes a valuation by the Investment Adviser using fair market valuations of the SPV companies that hold the Renewable Energy Infrastructure Investments on an annual basis as at 31 December each year. The valuations are updated as at 31 March, 30 June and 30 September each year. The valuation principles used to calculate the fair value of the assets are based on International Private Equity and Venture Capital Valuation Guidelines.

Fair value for each investment is derived from the present value of the investment's expected future cash flows, using reasonable assumptions and forecasts for revenues and operating costs, and an appropriate discount rate.

The Committee has satisfied itself that the key estimates and assumptions used in the valuation model are appropriate and that the investments have been fairly valued. The key estimates and assumptions include the useful life of the assets, the discount rates, the rate of inflation, the price at which the power and associated benefits can be sold, and the amount of electricity the assets are expected to produce.

Recognition of Income

Income may not be accrued in the correct period and/or incorrectly allocated to revenue or capital. The Committee reviewed the Administrator's procedures for recognition of income and reviewed the treatment of income receivable in the year under review.

Tax Status

The Company may suffer tax on gains on the realisation of investments if investment trust status is not maintained. The Committee reviewed the compliance of the Company during the period with the eligibility conditions in order for investment trust status to be maintained.

Going Concern

The Committee reviewed the Company's going concern assessment and concluded that it is appropriate for the Company's financial statements to be prepared on a going concern. However, due to the Company being placed in Managed Wind-Down, material uncertainty exists, the Directors recognise that this condition indicates the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Calculation of the Investment Adviser's Fees

The Committee reviewed the Investment Adviser's fees and concluded that they have been correctly calculated. Details of the Investment Adviser's fees can be found in notes 6 to the financial statements.

Conclusion with Respect to the Annual Report

The Committee has concluded that the Annual Report for the year to 31 December 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's business model, strategy and performance. The Committee has reported its conclusions to the Board. The Committee reached this conclusion through a process of review of the document and enquiries to the various parties involved in the production of the Annual Report.

Audit Arrangements

PricewaterhouseCoopers LLP ('PwC') was selected as the Company's auditor at the time of the Company's launch, following a competitive process and review of the auditors' credentials. The auditor was formally appointed in November 2019. Robert Hawkins has been appointed as the Company's audit partner, and the year ending 31 December 2025 will represent his second year in this role. Mr Hawkins was previously involved in the audit of the Company for the year ended 31 December 2024. The appointment of the auditor is reviewed annually by the Committee and the Board and is subject to approval by Shareholders. In accordance with the FRC's guidance, the audit will be put out to tender within ten years of the initial appointment of PwC.

The audit plan was presented to the Committee at its December 2025 Committee meeting, ahead of the commencement of the Company's year-end audit. The audit plan sets out the audit process, materiality scope and significant risks.

AUDIT AND RISK COMMITTEE REPORT

CONTINUED

Internal Control and Risk

During the year the Committee, together with the AIFM and other service providers, carefully considered the Company's matrix of risks and uncertainties (including emerging risks) and appropriate mitigating actions. The procedure for identifying emerging risks can be found on page 31 and the Company's principal risks can be found on pages 31 to 36.

The Committee also considered the internal control reports of its AIFM, Administrator and Registrar. The Committee reviewed these reports and concluded that there were no significant control weaknesses or other issues that needed to be brought to the Board's attention.

Auditors' Independence

The Committee considered the independence of the auditor and the objectivity of the audit process, and is satisfied that PwC has fulfilled its obligations to Shareholders and as independent auditor to the Company for the year. After due consideration, the Committee recommends the re-appointment of PwC and its re-appointment will be put forward to the Company's Shareholders at the 2026 AGM.

The Committee is satisfied that there are no issues in respect of the independence of the auditor.

Effectiveness of External Audit

The Committee is responsible for reviewing the effectiveness of the external audit process. The Committee received a presentation of the audit plan from the external auditor before the start of the audit, and a presentation of the results of the audit following completion of the main audit testing. Additionally, the Committee received feedback from the Company Secretary, Administrator and AIFM regarding the effectiveness of the external audit process. Following the above review, the Committee has agreed that the re-appointment of the auditor should be recommended to the Board and the Shareholders of the Company.

Provision of Non-Audit Services

The Committee has reviewed the FRC's Guidance on Audit Committees, which imposes a cap of 70% on non-audit fees to the average of the audit fees paid in the last three consecutive financial years for the statutory audit payable to the Company's auditor (the 'FRC Guidance'). In line with the FRC Guidance, the Committee has formulated a policy on the provision of non-audit services by the Company's auditor. The Committee has determined that the Company's appointed auditor will not be considered for the provision of certain non-audit services, such as accounting and preparation of the financial statements, internal audit and custody. The auditor may, if required, provide other non-audit services that are not restricted by the policy, and this will be judged on a case-by-case basis.

PwC was not engaged to undertake non-audit services for the year ended 31 December 2025.

Committee Evaluation

The Committee's activities were considered as part of the annual performance evaluation, which was completed during the year. The evaluation process concluded that the Committee was operating effectively and had the appropriate balance of skills and experience.

David MacLellan

Audit and Risk Committee Chair

27 April 2026

DIRECTORS' REMUNERATION REPORT



Kenneth MacRitchie

Remuneration and Nomination Committee Chair

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for reviewing the remuneration payable to the Directors, taking into account the relevant circumstances of the Company, the time commitment and relevant experience and skills of the Board, and the average fees paid to the Boards of the Company's competitors. Dr Patricia Rodrigues served as Chair throughout the year and resigned from the Board on 31 December 2025. Mr Kenneth MacRitchie was appointed as Chair of the Remuneration and Nomination Committee with effect from 1 January 2026. The other members are David MacLellan and Myrtle Dawes. The Remuneration and Nomination Committee has formal written terms of reference, copies of which are available on the Company's website or on request from the Company Secretary.

The Remuneration and Nomination Committee met twice during the year under review.

Annual Chair's Statement

I am pleased to present the Remuneration Report for the year to 31 December 2025, which has been prepared in accordance with sections 420-422 of the Companies Act 2006. The law requires the Company's auditor to audit certain sections of the Remuneration Report; where this is the case, the relevant section has been indicated as such.

Directors' Remuneration

During the year under review, each of the Directors were entitled to receive a fee of EUR 45,150 per annum, except for the Chairman of the Board who receives EUR 75,000 and the Chair of the Audit and Risk Committee who receives a fee of EUR 52,500 per annum. Each of the Directors' fees are in respect of their appointment as a non-executive Director of the Company and their appointment as a non-executive Director of Tesseract Holdings Limited and are split between the Company and Tesseract Holdings Limited on a 70%/30% basis.

During the year, the Remuneration and Nomination Committee reviewed the Directors' remuneration, and agreed it remained appropriate. In carrying out its review, the Committee considered the remuneration of each Board member, taking into consideration their individual role, expected time commitment, experience and skills, and the market expectation of the remuneration paid to the Company's Board and the remuneration paid to other comparable investment trusts.

No commissions or performance-related payments were awarded to the Directors by the Company. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting year ended 31 December 2025 will be payable out of the assets of the Company.

Directors receive fixed fees and do not receive bonuses or other performance-related remuneration, share options, pension contributions or other benefits apart from the reimbursement of allowable expenses.

No Director has waived or agreed to waive any emoluments from the Company or any subsidiary undertaking.

DIRECTORS' REMUNERATION REPORT

CONTINUED

Remuneration Consideration

The table below sets out the Directors' fees for the past years:

Role	Annual fee from 1 January 2025 EUR	Annual fee from 1 January 2024 EUR	Annual fee from 1 April 2021 EUR	Annual fee from 8 April 2019 to 31 March 2021 EUR
Chairman	75,000	75,000	75,000	75,000
Audit and Risk Committee Chair	52,500	52,500	50,000	46,000
Director	45,150	45,150	43,000	41,000

AGM Approval of the Remuneration Policy and Remuneration Implementation Report

The Company's Remuneration Policy was last approved by Shareholders at the 2023 AGM and became effective from that date. In accordance with the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended (the 'Regulations'), the Remuneration Policy is required to be put to Shareholders for approval every three years, unless a material variation to the Remuneration Policy is proposed and in which case shareholder approval will be sought to amend the policy. Consequently, the Remuneration Policy will next be put to Shareholders at the forthcoming AGM to be held on 17 June 2026. The Policy will be effective from the date of approval by Shareholders.

Remuneration Consultants

Remuneration consultants were not engaged by the Company during the year under review and in respect of the Remuneration Report.

Loss of Office

There are no agreements in place to compensate the Board for loss of office.

Remuneration Policy

All the Directors are non-executive Directors and the Company has no other employees. The components of the remuneration package for non-executive Directors, which are contained in the Remuneration Policy, are as detailed below:

Current and future Policy

In accordance with the Company's Articles of Association, Board fees in aggregate cannot exceed EUR 500,000 per annum, unless Shareholders approve via an Ordinary resolution at an AGM or General Meeting such other sum.

Component	Director	Purpose of Reward	Operation
Annual fee	Chairman of the Board	For services as Chairman of the Company and its subsidiary Tesseract Holdings Limited	Determined by the Remuneration and Nomination Committee
Annual fee	Other Directors	For services as non-executive Directors of the Company and its subsidiary Tesseract Holdings Limited	Determined by the Remuneration and Nomination Committee
Additional fee	Chair of each committee	For additional responsibility and time commitment, if deemed appropriate	Determined by the Remuneration and Nomination Committee
Expenses	All Directors	Reimbursement of expenses incurred in the performance of their duties	Submission of appropriate supporting documentation to the Chairman or a fellow Board member

DIRECTORS' REMUNERATION REPORT

CONTINUED

Directors' Service Contracts

The Directors do not have service contracts with the Company. The Directors have appointment letters which provide for an initial term of three years. In accordance with the Code, the Board will seek annual re-election.

Conflicts of Interest

In accordance with section 439A of the Companies Act 2006, details of the decision-making process for the Board's determination, review and implementation and measures to avoid or manage conflicts of interest, including in considering Board fees, is set out on page 37.

Statement of Consultations

The Company has no employees. Therefore, the process of consulting with employees on the setting of the Remuneration Policy is not applicable.

Fees Payable on Recruitment

The Board will not pay any incentive fees to any person to encourage them to become a Director of the Company. The Board may, however, pay fees to external agencies to assist the Board in the search and selection of Directors.

Effective Date

The Remuneration Policy was effective from 14 June 2023, when it was last approved by Shareholders at the Company's AGM. The Remuneration Policy is once again scheduled to be put to Shareholders at the forthcoming Annual General Meeting to be held on 17 June 2026. If approved, the Remuneration Policy will become effective from that date.

Remuneration Implementation Report (Audited)

The table below provides a single figure for the total remuneration of each Director for the year ended 31 December 2025, including percentage increase.

Director	Year ended 31 December 2025			Year ended 31 December 2024			Percentage increase ¹			
	Fees EUR	Taxable benefits EUR	Total EUR	Fees EUR	Taxable benefits EUR	Total EUR	2025	2024	2023	2022
Ian Nolan ²	69,480	–	69,480	75,000	–	75,000	0.00%	0.00%	0.00%	0.00%
David MacLellan	52,500	–	52,500	52,500	–	52,500	0.00%	0.00%	5.00%	2.00%
Kenneth MacRitchie	45,150	–	45,150	45,150	–	45,150	0.00%	0.00%	5.00%	1.20%
Patricia Rodrigues ³	45,150	–	45,150	45,150	–	45,150	0.00%	0.00%	5.00%	1.20%
Myrtle Dawes	45,150	–	45,150	45,150	–	45,150	0.00%	0.00%	–	–
Robert Naylor ⁴	6,540	–	6,540	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	263,970	–	263,970	262,950	–	262,950				

In addition to the above, the Company paid a total of EUR 5,197 in expenses to the Directors (2024: EUR 17,418). None of the above was paid to third parties. There were no taxable benefits claimed during the years ended 31 December 2025 or 31 December 2024.

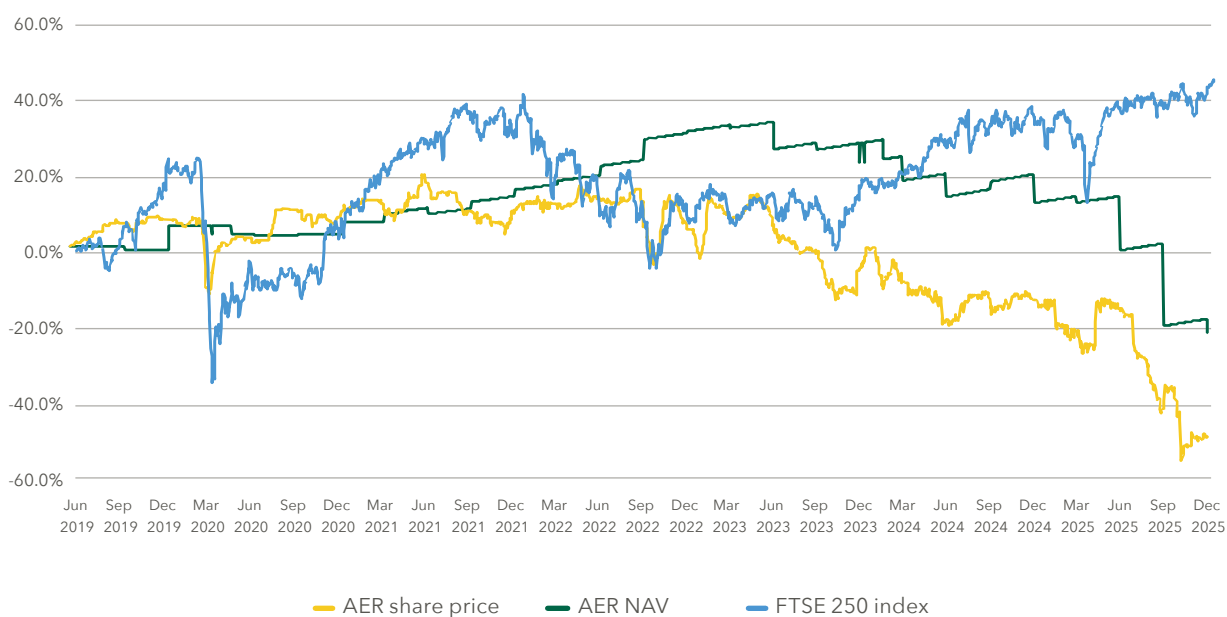
- In accordance with The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, these columns have been included to show the annual percentage change over the preceding financial years in respect of each Director. The Board will publish this annual percentage change cumulatively each year until there is an annual percentage change over five financial years preceding the relevant financial year, in accordance with the new regulation.
- Mr Ian Nolan resigned from the Board on 27 November 2025. Fees disclosed represent remuneration earned up to the date of retirement.
- Dr Patricia Rodrigues resigned from the Board on 31 December 2025. Remuneration reflects full year of service.
- Mr Robert Naylor was paid a pro rate salary for November 2025 and December 2025 as a result of the appointment date being 28 November 2025.

DIRECTORS' REMUNERATION REPORT CONTINUED

Performance

The following chart shows the performance of the Company's NAV and share price total return (with a starting NAV and share price of 84.7 cents and 66.0 cents respectively) by comparison to the FTSE 250 index over the period since the Company was listed to the current year end. The Company does not have a specific benchmark but has deemed the FTSE 250 index to be the most appropriate comparator for its performance.

Total Return (%)



Relative Importance of Spend on Pay

The following table sets out the total level of Directors' remuneration compared to the distributions to Shareholders by way of dividends and share buybacks, and the operating expenses and investment advisory fees incurred by the Company.

	Year to 31 December 2025 (EUR '000)	Year to 31 December 2024 (EUR '000)
Spend on Directors' fees	264	263
Company's operating expenses and advisory fees	3,197	3,946
Dividends paid and payable to Shareholders	11,439	21,640

The disclosure of the information in the table above is required under The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 with the exception of investment advisory fees and operating expenses which have been included to show the total expenses of the Company.

DIRECTORS' REMUNERATION REPORT

CONTINUED

Directors' Holdings (Audited)

At 31 December 2025 and at the date of this report, the Directors had the below holdings in the Company. There is no requirement for Directors to hold shares in the Company. All holdings were beneficially owned.

	Ordinary Shares as at 31 December 2025	Ordinary Shares as at 31 December 2024
Ian Nolan ¹ (resigned on 27 November 2025)	150,000	150,000
David MacLellan	125,000	125,000
Kenneth MacRitchie	50,000	50,000
Patricia Rodrigues ¹ (resigned on 31 December 2025)	50,000	50,000
Myrtle Dawes	Nil	Nil
Robert Naylor ²	5,110,000	n/a

1. The holdings are shown as at the date of resignation.

2. 5,110,000 Ordinary Shares held indirectly through Achilles Investment Company Limited.

Voting on Remuneration Matters at the 2025 AGM and in Respect of the Remuneration Policy

Shareholders have not expressed any views on the Company's Remuneration Policy or Remuneration Report.

Other Disclosures

At the last AGM held on 19 June 2025, the following resolutions, including Directors' remuneration, was approved: Ordinary Resolution 2: To approve the Directors' Remuneration Report included in the Annual Report.

	Shares voted	Percentage
In Favour	242,105,021	99.98%
Against	57,588	0.02%
Withheld	25,902	0.01%

Statement

On behalf of the Board, and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Remuneration Policy and Remuneration Implementation Report summarises, as applicable, for the year to 31 December 2025:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken.

Kenneth MacRitchie

Remuneration and Nomination Committee Chair

27 April 2026

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 December 2025.

Strategic Report

The Directors' Report should be read in conjunction with the Strategic Report on pages 1 to 39.

Corporate Governance

The Corporate Governance Statement on pages 40 to 60 forms part of this report.

Risk and Risk Management

The Risk and Risk Management section on pages 31 to 36 forms part of this report.

Viability Statement

The Viability Statement on pages 37 and 38 forms part of this report.

Legal and Taxation Status

The Company is an investment company within the meaning of section 833 of the Companies Act 2006. It conducts its affairs to meet the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. The Company received initial approval as an investment trust and must meet eligibility conditions and ongoing requirements for investment trust status to be maintained. In the opinion of the Directors, the Company has met the conditions and requirements for approval as an investment trust for the year ended 31 December 2025.

Market Information

The Company's Ordinary Shares are listed on the London Stock Exchange ("LSE"). The quarterly NAV per Ordinary Share is published through a regulatory information service.

Retail Distribution of Investment Company Shares via Financial Advisers and Other Third-Party Promoters

As a result of the Financial Conduct Authority ("FCA") rules determining which investment products can be promoted to retail investors, certain investment products are classified as "non-mainstream pooled investment products" and face restrictions on their promotion to retail investors.

The Company has concluded that the distribution of its shares, being shares in an investment trust, is not restricted as a result of the FCA rules described above.

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by financial advisers to retail investors and intends to continue to do so for the foreseeable future.

Articles of Association

Amendments to the Company's Articles of Association require a Special Resolution to be passed by the Company's Shareholders (requiring a majority of at least 75%) of the persons voting on the relevant resolution.

Management

The Board

The independent Board is responsible to Shareholders for the overall management of the Company. The Board has adopted a Schedule of Matters Reserved for the Board, which sets out the division of responsibilities between the Board and its various committees, the Chairman and the Chairs of the various committees, together with the duties of the Board. Further details can be found on page 44.

Through the committees and the use of external independent advisers, the Board manages risk and governance of the Company.

Appointment and Replacement of Board

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association. They require that a Director shall be subject to election at the first Annual General Meeting ("AGM") after appointment and re-election at least every three years thereafter. However, in accordance with the UK Code of Corporate Governance, the Board has resolved that all Directors shall stand for annual re-election at the AGM.

Alternative Investment Fund Manager

The Company is classified as an Alternative Investment Fund under The Alternative Investment Fund Managers' Directive and is therefore required to have an AIFM. FundRock Management Company (Guernsey) Limited is the AIFM of the Company.

DIRECTORS' REPORT CONTINUED

Management continued

Alternative Investment Fund Manager continued

The AIFM is responsible for portfolio management of the Company, including the following services:

- i. monitoring the Renewable Energy Infrastructure Investments in accordance with the investment policy;
- ii. acquiring or disposing of Renewable Energy Infrastructure Investments (subject to Board approval and as recommended by the Investment Adviser);
- iii. evaluating investment opportunities identified by the Investment Adviser and making relevant recommendations to the Board; and
- iv. acting upon instructions from the Board, and executing transactions on behalf of the Company.

Under the terms of the AIFM Agreement, the AIFM is required to provide risk management services to the Company.

Under the terms of the AIFM Agreement, the AIFM is required to provide risk-management services to the Company, including:

- a. assisting the Board with the establishment of a risk reporting framework;
- b. monitoring the Company's compliance with the investment policy and the investment restrictions in accordance with the AIFM risk management policies and procedures, and providing regular updates to the Board;
- c. carrying out a risk analysis of the Company's exposures, leverage, counterparty and concentration risk; and
- d. analysing market risk and liquidity risk. The AIFM will be required to record details of executed transactions, carry out reporting obligations to the FCA and prepare investor reports. In addition, the AIFM is required to assist the Board in establishing, maintaining and reviewing valuation policies for calculating the NAV.

The AIFM is entitled to:

- i. a management fee of EUR 100,000 per annum plus an additional amount which is equal to 0.015% per annum of the NAV of the Company that exceeds EUR 300 million;

- ii. an additional fee of EUR 3,000 per annum in respect of each jurisdiction in which a marketing notification has been made in accordance with the AIFM Directive; and
- iii. the reimbursement of the Investment Adviser fee payable by the AIFM to the Investment Adviser as set out below.

An additional fee will be agreed between the AIFM and Company in the event that the AIFM is requested by, or on behalf of, the Company to undertake additional risk and duties outside the scope of the AIFM Agreement.

The AIFM Agreement is terminable by either party on not less than six months' notice in writing. The AIFM Agreement may be terminated earlier by the AIFM with immediate effect in certain circumstances.

The AIFM has the benefit of an indemnity from the Company in relation to liabilities incurred by the AIFM in the discharge of its duties other than those arising by reason of gross negligence, wilful misconduct, or fraud by the AIFM.

Investment Adviser

The AIFM has appointed Aquila Capital Investmentgesellschaft mbH as the Investment Adviser to provide investment advisory services to the AIFM in respect of the Company, pursuant to the Investment Advisory Agreement.

The Investment Adviser is responsible for certain investment advisory services to the Company, including sourcing potential opportunities in which the Company may invest, as well as ongoing monitoring of the Renewable Energy Infrastructure Investments.

The Company will benefit from the advisory services provided to the AIFM in respect of the Company and its Renewable Energy Infrastructure Investments.

The Investment Advisory Agreement will continue in force for an initial period of four years from the date of admission. The Investment Advisory Agreement will continue thereafter on a rolling basis and may be terminated following the initial period of twelve months' notice in writing.

The AIFM has also agreed to indemnify the Investment Adviser for losses the Investment Adviser may incur in the performance of its duties pursuant to the Investment Advisory Agreement that are not attributable to the fraud,

gross negligence, or wilful default of the Investment Adviser, determined by a court of competent jurisdiction.

Under the Investment Advisory Agreement, the following fee is payable to the Investment Adviser:

- 0.75% per annum of NAV (plus VAT) of the Company up to EUR 300.0 million;
- 0.65% per annum of NAV (plus VAT) of the Company between EUR 300.0 million and EUR 500.0 million; and
- 0.55% per annum of NAV (plus VAT) of the Company above EUR 500.0 million.

The Investment Management Agreement is terminable by either the Investment Adviser or the Company giving to the other not less than six months' written notice.

DIRECTORS' REPORT CONTINUED

Management continued

Company Secretary and Administrator

Apex Listed Companies Services (UK) Limited has been appointed to provide company secretarial and administration services to the Company.

Alternative Investment Fund Managers Directive ("AIFMD")

In accordance with the AIFMD, the AIFM must ensure that an Annual Report containing certain information on the Company is made available to investors for each financial year. The investment funds sourcebook of the FCA details the requirements of the Annual Report. All the information required by those rules is included in this Annual Report or will be made available on the Company's website, which can be found at www.aquila-european-renewables.com.

Continuing Appointment of Service Providers

The Board has committed to undertake a review of the continued appointment of these service providers on an annual basis to ensure these are in the best long-term interests of the Company's Shareholders. It has undertaken a comprehensive service provider review during the year ended 31 December 2025. The Board considered the results of the service provider evaluation and concluded that each offered a satisfactory service and that their continued appointment was in the best long-term interests of the Company.

Share Capital

Voting rights

At the year end, the Company's issued share capital comprised 408,225,705 Ordinary Shares (2024: 408,225,705), of which 30,103,575 Ordinary Shares were held in Treasury and there were 378,122,130 Ordinary Shares in circulation.

Each Ordinary Share held entitles the holder to one vote. All Ordinary Shares carry equal voting rights and there are no restrictions on those voting rights. Voting deadlines are stated in the Notice of Meeting and Form of Proxy and are in accordance with the Companies Act 2006.

Restrictions

There are no restrictions on the transfer of Shares, nor are there any limitations or special rights associated with regard to control attached to the Ordinary Shares. There are no agreements between holders regarding their transfer known to the Company, no restrictions on the distribution of dividends and the repayment of capital, and no agreements to which the Company is a party that might affect its control following a successful takeover bid.

Power to Issue Shares and Share Premium Cancellation

The Directors had authority to issue up to 500 million Ordinary Shares on a non-pre-emptive basis pursuant to the Placing Programme which opened on 13 October 2020 and closed on 16 September 2021. Under this authority the Company issued 87,424,431 shares on 14 September 2021.

During the last annual general meeting held on the 19 June 2025 the Shareholders were asked to vote in favour of a Share Premium Cancellation so as to facilitate the creation of the proposed distributable reserves of the Company. The Share Premium Cancellation does not affect the voting or dividend rights of any Shareholder, or the rights of any Shareholder on a return of capital.

Results and Dividend

The Company's revenue profit after tax for the year amounted to EUR 12,051,000 (2024: EUR 9,731,000). The Company made a capital loss after tax of EUR 106,511,000 (2024: EUR 39,472,000). Therefore, the total loss after tax for the Company was EUR 94,460,000 (2024: EUR 29,741,000).

Date	In respect of the period to December 2025	Dividend amount per Ordinary Share in cents	Pay date	Record date	Ex-Dividend date
1st interim dividend	31 March 2025	0.79	13 June 2025	23 May 2025	22 May 2025
2nd interim dividend	30 June 2025	0.79	5 September 2025	15 August 2025	14 August 2025
3rd interim dividend	30 September 2025	0.65	12 December 2025	14 November 2025	13 November 2025
4th interim dividend	31 December 2025	Nil	Nil	Nil	Nil

DIRECTORS' REPORT CONTINUED

Notifiable Shareholders

As at 31 December 2025, the Directors have been formally notified of the following interests in the Company's Ordinary Shares, comprising 3% or more of the issued share capital of the Company:

Shareholder	Holding	Percentage held ¹	Date notified
Weiss Asset Management LP	90,522,246	23.94	11 November 2025
BlackRock Inc.	36,828,143	9.73	11 November 2025
Bank of America Corporation	24,477,841	6.47	25 September 2025
Barclays PLC	23,584,629	6.23	11 November 2025
Almitas Capital LLC	20,615,290	5.46	26 September 2025

¹ Based on shares in issue per TR1 disclosure on the date of notification.

Settlement of Ordinary Share Transactions

Ordinary Share transactions in the Company are settled by the CREST share settlement system.

Shareholder Engagement

The Board is mindful of the importance of engaging with the Company's Shareholders to gauge their views on topics affecting the Company.

The Board encourage Shareholders to attend the Company's AGM on 17 June 2026 and to exercise their voting rights. Full details of the AGM, the resolutions proposed and how to vote by proxy are described in the Notice of AGM, which will be sent to all shareholders entitled to receive such notice along with the Annual Report. The notice of the AGM will also be made available on the Company's website at <https://www.aquila-european-renewables.com>. Proxy voting figures will be made available shortly after the AGM on the Company's website at <https://www.aquila-european-renewables.com/>. Here Shareholders can also find the Company's annual and half-yearly accounts, quarterly factsheets, dividend information and other relevant information.

Appointment of Auditor

The Company's auditors, PricewaterhouseCoopers LLP ("PwC"), having expressed their willingness to continue in office as auditors, will be put forward for re-appointment at the Company's AGM and the Board will seek authority to determine their remuneration for the forthcoming year.

Going concern

As at the date of this report the Directors are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of twelve months from the date of the signing of these financial statements (the "going concern period").

The Board will seek to realise all of the Company's assets in a manner that achieves a balance between maximising the proceeds received by the Company from the sale of those and making timely returns to Shareholders.

The Directors are satisfied that the Company has adequate resources to continue in operation throughout the Managed Wind-Down period and to meet all liabilities as they fall due. As a result of the Managed Wind-Down there is a material uncertainty regarding the going concern status because there is a possibility, but no certainty that the Company may sell all of its investments within 12 months of the signing of these accounts. No material adjustments to accounting policies or the valuation methodology have arisen as a result of entering Managed Wind-Down.

Auditor Information

Each of the Directors, at the date of the approval of this report, confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all steps that he/she ought to have taken as Director to make himself/herself aware of any relevant information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Annual General Meeting

The Company's AGM will be held on 17 June 2026 at the offices of Harwood Capital Management Ltd 6 Stratton St, London W1J 8LD. Full details of the AGM, the resolutions proposed and how to vote by proxy are described in the Notice of AGM which will be sent to all Shareholders entitled to receive such notice along with the Annual Report. The notice of the AGM will also be made available on the Company's website at <https://www.aquila-european-renewables.com>.

Based on number of Ordinary Shares in circulation at the time of notification.

DIRECTORS' REPORT CONTINUED

UK Listing Rule 6.6.4R

UK Listing Rule 6.6.4R requires the Company to include certain information in the identifiable section of the Annual Report & Financial Statements or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this report.

Section 414C (11) Disclosure

In accordance with section 414C (11) of the Companies Act 2006, certain information required to be disclosed in the Directors' Report has instead been included within the Strategic Report, as it is considered to be of strategic importance.

By order of the Board,

Grace Goudar

For and on behalf of

Apex Listed Companies Services (UK) Limited

Company Secretary

27 April 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards and the requirements of the Company's Act 2006, as applicable to companies reporting under these standards. Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company. The accounting records should also enable them to ensure the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and Article 4 of the IAS Regulation.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Confirmations

Each of the Directors, whose names and functions are listed in the Corporate Governance section, confirm that, to the best of their knowledge:

- the Company financial statements, which have been properly prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties it faces.

For and on behalf of the Board

David MacLellan
Director

27 April 2026



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AQUILA EUROPEAN RENEWABLES PLC

Report on the audit of the financial statements

Opinion

In our opinion, Aquila European Renewables Plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise:

- the Statement of Financial Position as at 31 December 2025;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the Company's ability to continue as a going concern. Following the General Meeting held on 30 September 2024 at which shareholders unanimously voted in favour of the discontinuation of the Company and a change in the Company Objective and Investment Policy in order to facilitate the Managed Wind-Down of the Company, the process for an orderly realisation of the Company's assets and a return of capital to shareholders began in September 2024 and is expected to conclude over a number of years. There is, however, a material uncertainty over whether the Company will be in existence in its current form twelve-months from the date of approval of the financial statements, should the Managed Wind-Down process conclude during that time period. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the Directors' use

of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtained the Directors' going concern assessment and corroborated key assumptions to underlying documentation and ensured this was consistent with our audit work in these areas.
- Assessed the appropriateness of the key assumptions used in both the base case and downside scenarios, including assessing whether we considered the downside sensitivities to be appropriately severe.
- Tested the integrity of the underlying formulas and calculations within the going concern and cash flow models.
- Considered the appropriateness of any mitigating actions available to the Directors and whether these actions are within the Directors' control and are achievable.
- Held discussions with the Investment Adviser, and members of the Board to understand their strategy under the managed wind down and their communications with Shareholders of the Company, and reviewed the Company's Regulatory News Service announcements.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, other than the material uncertainty identified in note 2 to the financial statements, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting, or in respect of the Directors' identification in the financial statements of any other material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AQUILA EUROPEAN RENEWABLES PLC CONTINUED

Our audit approach

Overview

Audit scope

- The Company invests in renewable energy infrastructure investments through its investment in its wholly-owned subsidiary, Tesseract Holdings Limited. As the Company meets the definition of an Investment entity and holds its investment at fair value through profit and loss, it does not prepare consolidated accounts.
- The Company is an Investment Trust Company and has appointed Aquila Capital Investmentgesellschaft mbH (the "Investment Adviser") to manage its assets.
- The financial statements are prepared for the Company by Apex Listed Companies Services (UK) Limited (the "Administrator") to whom the Directors delegated the provision of certain administrative functions.

Key audit matters

- Material uncertainty related to going concern
- Valuation of investments at fair value through profit or loss

Materiality

- Overall materiality: EUR 4,286,000 (2024: EUR 6,404,000) based on 2% of net assets.
- Performance materiality: EUR 3,215,000 (2024: EUR 4,803,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements

as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter

How our audit addressed the key audit matter

Valuation of investments at fair value through profit or loss

Refer to the Report of the Audit and Risk Committee, the Accounting Policies and Note 4 to the Financial Statements. The Company has EUR 208.5 million of investments at fair value through profit or loss. The fair value of the Company's investments in Tesseract Holdings Limited ("the HoldCo") is determined based on the net assets of the HoldCo and, accordingly, the fair value of the underlying investments within the HoldCo, for which there is no liquid market. The fair value of the underlying investments has principally been valued on a discounted cash flow basis, which necessitates significant estimates in respect of the forecasted cash flows and discount rates applied. Determining the valuation methodology and determining the inputs and assumptions within the valuation is subjective and complex. This, combined with the significance of the investments balance in the statement of financial position, meant that this was a key audit matter for our current year audit.

- We planned our audit to critically assess management's assumptions and the investment valuation models in which they are applied.
- We have assessed whether the valuation methodology adopted for the underlying investments within the HoldCo was appropriate and in line with accounting standards and industry guidelines.
- We tested the mathematical accuracy of the valuation models. We engaged our internal valuation experts to support us in reviewing and concluding on the fair valuation of the underlying investment portfolio.
- Our experts reviewed the appropriateness of the valuation methodology and approach.
- Our experts developed an independent range to benchmark against management's discount rates for each individual asset taking into account areas such as country risk premia, gearing, and merchant risk exposure which vary depending on the asset.
- We agreed the key valuation drivers to relevant supporting documentation.
- Specifically, we have agreed the significant inputs driving the revenue and expenses in the underlying models to supporting documentation such as signed contracts. In assessing the fair value of investments as at 31 December 2025, we have considered information made available to us with respect to the ongoing Managed Wind-Down process. No material issues were identified in our testing.

No material issues were identified in our testing.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AQUILA EUROPEAN RENEWABLES PLC CONTINUED

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. As part of our valuation procedures, we obtained the third party technical advice used by management to forecast energy production. We have reviewed the appropriateness of disclosures included in the financial statements and have read the Annual Report and Accounts to consider whether other climate change disclosures are materially consistent with the financial statements and our knowledge obtained in the audit. Based on our procedures performed, no significant findings have been noted.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Company materiality	EUR 4,286,000 (2024: EUR 6,404,000).
How we determined it	2% of net assets
Rationale for benchmark applied	Net asset value is deemed the appropriate benchmark because Investment Trusts measure their performance on net asset value.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to EUR 3,215,000 (2024: EUR 4,803,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above EUR 214,000 (2024: EUR 320,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AQUILA EUROPEAN RENEWABLES PLC CONTINUED

Reporting on other information continued

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Directors' Report is materially consistent with the financial statements and our knowledge obtained during the audit, and, except for the matters reported in the section headed 'Material uncertainty related to going concern', we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and

- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AQUILA EUROPEAN RENEWABLES PLC CONTINUED

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK regulatory principles, such as those governed by the Financial Conduct Authority's Listing Rules and ongoing qualification as an Investment Trust under section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income or gains on investments, and management bias in accounting estimates, such as the valuation of investments at fair value through profit or loss. Audit procedures performed by the engagement team included:

- Enquiries of the Board of Directors, Investment Adviser and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging of assumptions and judgements made by the Board of Directors and the Investment Adviser in their significant accounting estimates, in particular in relation to the valuation of investments at fair value through profit or loss (see related key audit matter above);
- Identifying and testing of journal entries selected using risk-based criteria, in particular any journal entries posted with unusual account combinations;
- Reviewing relevant meeting minutes, including those of the Board of Directors and Audit and Risk Committee;
- Assessment of the Company's compliance with the requirements of Section 1158 of the Corporation Tax Act 2010;
- Reviewing and agreeing financial statement disclosures to underlying supporting documentation; and
- Designing audit procedures to incorporate unpredictability around

the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the Company for the financial year ended 31 December 2019. Our uninterrupted engagement covers 7 financial years.

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Robert Hawkins (Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory
Auditors
London

27 April 2026

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	For the year ended 31 December 2025			For the year ended 31 December 2024		
		Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Losses on investments	4	-	(101,224)	(101,224)	-	(39,443)	(39,443)
Net foreign exchange gains/(losses)		-	13	13	-	(29)	(29)
Income	5	15,250	-	15,250	13,679	-	13,679
Investment Advisory fees	6	(1,929)	-	(1,929)	(2,331)	-	(2,331)
Other expenses	7	(1,268)	(5,300)	(6,568)	(1,615)	-	(1,615)
Profit/(loss) on ordinary activities before finance costs and taxation		12,053	(106,511)	(94,458)	9,733	(39,472)	(29,739)
Finance costs	8	(2)	-	(2)	(2)	-	(2)
Profit/(loss) on ordinary activities before taxation		12,051	(106,511)	(94,460)	9,731	(39,472)	(29,741)
Taxation	9	-	-	-	-	-	-
Profit/(loss) on ordinary activities after taxation		12,051	(106,511)	(94,460)	9,731	(39,472)	(29,741)
Return per Ordinary Share - Diluted and Undiluted (cents)	10	3.19	(28.17)	(24.98)	2.57	(10.44)	(7.87)

The total column of the Statement of Comprehensive Income is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

Profit/(loss) on ordinary activities after taxation is also the "Total comprehensive income for the year".

The notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	As at 31 December 2025 (EUR '000)	As at 31 December 2024 (EUR '000)
Non-current assets			
Investments at fair value through profit or loss	4	208,676	320,432
Current assets			
Trade and other receivables	11	54	29
Cash and cash equivalents		9,721	1,168
Total current assets		9,775	1,197
Total Assets		218,451	321,629
Current liabilities			
Trade and other payables	12	(4,118)	(1,397)
Total Liabilities		(4,118)	(1,397)
Net assets		214,333	320,232
Capital and reserves: equity			
Share capital	13	4,082	4,082
Share premium account		-	255,643
Special reserve	14	327,749	75,087
Capital reserve		(122,064)	(15,553)
Revenue reserve		4,566	973
Total Shareholders' funds		214,333	320,232
Net assets per Ordinary Share (cents)	15	56.68	84.69

The financial statements on pages 66 to 90 were approved by the Board of Directors on 27 April 2026 and signed on its behalf by:

David MacLellan

Director

Company number 11932433

The notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Share capital (EUR '000)	Share premium account (EUR '000)	Special reserve (EUR '000)	Capital reserve (EUR '000)	Revenue reserve (EUR '000)	Total (EUR '000)
Opening equity as at 1 January 2025		4,082	255,643	75,087	(15,553)	973	320,232
Strategic review costs		-	-	-	-	-	-
Profit/(loss) for the year		-	-	-	(106,511)	12,051	(94,460)
Share premium cancellation		-	(255,643)	255,643	-	-	-
Dividends paid	16	-	-	(2,981)	-	(8,458)	(11,439)
Closing equity as at 31 December 2025		4,082	-	327,749	(122,064)	4,566	214,333

	Notes	Share capital (EUR '000)	Share premium account (EUR '000)	Special reserve (EUR '000)	Capital reserve (EUR '000)	Revenue reserve (EUR '000)	Total (EUR '000)
Opening equity as at 1 January 2024		4,082	255,643	87,717	23,919	1,180	372,334
Strategic review costs		-	-	(928)	-	-	(928)
Profit/(loss) for the year		-	-	-	(39,472)	9,731	(29,741)
Share premium cancellation		-	-	-	-	-	-
Dividends paid	16	-	-	(11,702)	-	(9,938)	(21,640)
Closing equity as at 31 December 2024		4,082	255,643	75,087	(15,553)	973	320,232

The notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31 December 2025 (EUR '000)	Year ended 31 December 2024 (EUR '000)
Operating activities			
Loss on ordinary activities before finance costs and taxation		(94,458)	(29,739)
Adjustment for:			
Unrealised losses on investments		98,160	39,443
Finance costs paid	8	(2)	(2)
Strategic review costs		-	(928)
(Increase)/decrease in trade and other receivables		(25)	67
Increase/(decrease) in trade and other payables		2,721	(93)
Net cash flow from operating activities		6,396	8,748
Investing activities			
Loan principal repayment received	4	13,596	12,528
Net cash flow from investing activities		13,596	12,528
Financing activities			
Dividends paid	16	(11,439)	(21,640)
Net cash flow used in financing activities		(11,439)	(21,640)
Increase/(decrease) in cash		8,553	(364)
Cash and cash equivalents at start of year		1,168	1,532
Cash and cash equivalents at end of year		9,721	1,168

The notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. General Information

Aquila European Renewables Plc ("AER", 'the Company') is a public company limited by shares, incorporated in England and Wales on 8 April 2019 with registered number 11932433. The Company is domiciled in England and Wales. The Company is a closed-ended investment company with an indefinite life. The Company commenced its operations on 5 June 2019 when the Company's Ordinary Shares were admitted to trading on the London Stock Exchange. The Directors intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

The registered office and principal place of business of the Company is 4th Floor, 140 Aldersgate St, London, EC1A 4HY.

At a General Meeting held on 30 September 2024, shareholders approved a change in the Company's Investment Objective and Investment Policy. The new Investment Objective is to realise all existing assets in the Company's Portfolio in an orderly manner. The previous Investment Objective was to generate stable returns, principally in the form of income distributions, by investing in a diversified portfolio of renewable energy infrastructure investments.

The Company's Investment Adviser is Aquila Capital Investmentgesellschaft mbH, authorised and regulated by the German Federal Financial Supervisory Authority.

FundRock Management Company (Guernsey) Limited acts as the Company's Alternative Investment Fund Manager for the purposes of Directive 2011/61/EU of the Alternative Investment Fund Managers Directive.

Apex Listed Companies Services (UK) Limited provides administrative and company secretarial services to the Company under the terms of an administration agreement between the Company and the Administrator.

2. Basis of Preparation

The financial statements have been prepared in accordance with UK-adopted international accounting

standards and the requirements of the Companies Act 2006, as applicable to companies reporting under those standards. The financial statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice with the latest applicable version for the financial year in question issued by the AIC in July 2022. The financial statements are prepared on the historical cost basis, except for the revaluation of certain financial instruments at fair value through profit or loss. The principal accounting policies adopted are set out below. These policies are consistently applied.

The functional currency of the Company is euros as this is the currency of the primary economic environment in which the Company operates. Accordingly, the financial statements are presented in euros, rounded to the nearest thousand euros, unless otherwise stated. The EUR/GBP exchange rate as of 31 December 2025 was 0.8724 (2024: 0.8267).

Accounting for Subsidiary

The Company owns 100.0% of its subsidiary Tesseract Holdings Limited ("THL" or "HoldCo"), whose registered office and principal place of business is Leaf B, 20th Floor, Tower 42, Old Broad Street, London, England, EC2N 1HQ. The Company has acquired Renewable Energy Infrastructure Investments (the SPVs) through its investment in the HoldCo. The Company finances the HoldCo through a mix of loan investments and equity. The loan investment finance represents Shareholder loans (the "Shareholder loans" or "SHL") provided by the Company to HoldCo. The Company meets the definition of an investment entity as described by IFRS 10. Under IFRS 10, an investment entity is required to hold subsidiaries at fair value through profit or loss and therefore does not consolidate the subsidiary. The HoldCo is an investment entity, and as described under IFRS 10, values its SPV investments at fair value through profit or loss. SPV investments are investments held at HoldCo. Further details of the HoldCo and SPV structure and investment can be found in note 20.

Characteristics of an Investment Entity

Under the definition of an investment entity, the Company should satisfy all three of the following tests:

- I. Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- II. Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- III. Company measures and evaluates the performance of substantially all its investments on a fair value basis.

In assessing whether the Company meets the definition of an investment entity set out in IFRS 10 the Directors note that:

- I. the Company has multiple investors and obtains funds from a diverse group of Shareholders who would otherwise not have access individually to investing in renewable energy infrastructure investments due to high barriers to entry and capital requirements;
- II. the Company amended its investment policy to realise all existing assets in the Company's portfolio in an orderly manner, thus continues to be committed to generating returns from capital appreciation and in the meantime, investment income with the renewable energy infrastructure investments expected to generate renewable energy output over their life. The Directors believe the Company is able to generate returns to the investors during the Company's managed run off period; and
- III. the Company measures and evaluates the performance of all its investments, held via HoldCo, on a fair value basis which is the most relevant for investors in the Company. Management use fair value information as a primary measurement to evaluate the performance of all the investments and in decision-making.

The Directors are of the opinion that the Company meets all the typical characteristics of an investment entity

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

and therefore meets the definition set out in IFRS 10. The Directors are satisfied that investment entity accounting treatment appropriately reflects the Company's activities as an investment trust.

The Directors have also satisfied themselves that Tesseract Holdings Limited meets the characteristic of an investment entity. Tesseract Holdings Limited has one investor, Aquila European Renewables Plc; however, in substance Tesseract Holdings Limited is investing the funds of the investors of Aquila European Renewables Plc on its behalf and is effectively performing investment management services on behalf of many unrelated beneficiary investors.

The Directors believe the treatment outlined above provides the most relevant information to investors.

Going Concern

As at the date of this report the Directors are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of twelve months from the date of the signing of these financial statements (the "going concern period"). Following the General Meeting held on 30 September 2024 at which shareholders unanimously voted in favour of the discontinuation of the Company and a change in the Company's Objective and Investment Policy in order to facilitate the Managed Wind-Down of the Company, the process for an orderly realisation of the Company's assets and a return of capital to shareholders has begun and is expected to conclude over a number of years. The Company is preparing its financial statements on a going concern basis, although it is recognised that there is material uncertainty over whether the Company will be in existence in its current form twelve months from the date of signing of these financial statements, based on whether the Managed Wind-Down process were to conclude during the going concern period. These events therefore indicate "the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that

would result if the Company were unable to continue as a going concern.

The Board will seek to realise all of the Company's assets in a manner that achieves a balance between maximising the proceeds received by the Company from the sale of those and making timely returns to Shareholders.

The Directors are satisfied that the Company has adequate resources to continue in operation throughout the Managed Wind-Down period and to meet all liabilities as they fall due. No material adjustments to accounting policies or the valuation methodology have arisen as a result of entering Managed Wind-Down.

Critical Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in accordance with UK adopted international accounting standards requires management to make judgements, estimates and assumptions in certain circumstances that affect reported amounts. These are judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Key Judgements

As disclosed above, the Directors have concluded that the Company and HoldCo meet the definition of an investment entity as defined in IFRS 10. This conclusion involved a degree of judgement and assessment as to whether the Company and HoldCo met the criteria outlined in IFRS 10.

The Company classifies its investments (held via the HoldCo) based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of assets is managed, and performance is evaluated on a fair value basis.

The HoldCo is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The contractual cash flows of the HoldCo's Shareholder loans are solely principal and interest, however, these securities are not held for the purpose of collecting contractual cash flows.

The collection of contractual cash flows is only incidental to achieving the HoldCo's business models objective. Consequently, all investments are measured at fair value through profit or loss. The HoldCo considers the equity and Shareholder loan investments to share the same investment characteristics and risks and they are therefore treated as a single unit of account for fair value purposes (IFRS 13) and a single class for financial instrument disclosure purposes (IFRS 9).

As a result, the evaluation of the performance of the HoldCo's investments is done for the entire portfolio on a fair value basis, as is the reporting to the key management personnel and to the investors. In this case, all equity and Shareholder loan investments form part of the same portfolio for which the performance is evaluated on a fair value basis together "and reported to the key management personnel in its entirety.

Estimates: Investments at Fair Value Through Profit or Loss

The key assumptions that have a significant impact on the carrying value of the Company's underlying investments in SPVs through HoldCo are the discount rates, useful lives of the assets, the rate of inflation, the price at which the power and associated benefits can be sold, the amount of electricity the assets are expected to produce and operating costs of the SPVs. The discount rates are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value. The discount rates applied to the cash flows are reviewed annually by the Investment Adviser to ensure they are at the appropriate level. The Investment Adviser will take into consideration market transactions, which are of similar nature, when considering changes to the discount rates used. The weighted average discount rate applied in the December 2025 valuation was 10.0% (2024: 7.3%). The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of the investments as disclosed in note 4 to the financial statements under sensitivities.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Basis of Preparation continued

Useful lives are based on the Investment Adviser's estimates of the period over which the assets will generate revenue, which are periodically reviewed for continued appropriateness. The assumption used for the useful life of the wind assets is 25 to 30 years and solar PV is 40 years. The actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by the asset.

Climate risks can also impact the carrying value of the Company's underlying investments. The Company relies (via the HoldCo or relevant SPVs) on third party technical advisers to consider the impact of climate risks when assessing P50 production forecasts. The price at which the output from the generating assets is sold is a factor of both wholesale electricity prices and the revenue received from the government support regime. Future power prices are estimated using external third-party forecasts which take the form of specialist consultancy reports. The future power price assumptions are reviewed as and when these forecasts are updated. There is an inherent uncertainty in future wholesale electricity price projection. Long-term power price forecasts are provided by a leading market consultant, updated quarterly, and may be adjusted by the Investment Adviser where more conservative assumptions are considered appropriate.

Specifically commissioned external reports are used to estimate the expected electrical output from the wind and hydropower farm and solar PV assets, taking into account the expected average wind speed at each location and generation data from historical operation. The actual electrical output may differ considerably from that estimated in such a report mainly due to the variability of actual wind to that modelled in any one period. Assumptions around electrical output will be reviewed only if there is good reason to suggest there has been a material change in this expectation.

The P50 level of output is the estimated annual amount of electricity generation (in MW) that has a 50.0% probability of being exceeded both in any single year and over the long term and a 50.0% probability of being under achieved.

The operating costs of the SPV companies are frequently partly or wholly subject to inflation and an assumption is made that inflation will increase at a long-term rate. The SPV's valuation assumes long-term inflation "of 2.0% (2024: 2.0%). The impact of physical and transition risks associated with climate change is assessed on a project by project basis and factored into the underlying cash flows as appropriate.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of the investments as disclosed in note 4 to the financial statements under sensitivities.

New Standards, Interpretations and Amendments Adopted from 1 January 2025

A number of new standards and amendments to standards are effective for the annual periods beginning after 1 January 2025. None of these have a significant effect on the measurement of the amounts recognised in the financial statements of the Company.

New Standards and Amendments Issued but not yet Effective

The relevant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed as follows.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income ('FVOCI').

The Company does not expect these amendments to have a material impact on its operations or financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of comprehensive income and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statement of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the following might potentially impact operating profit:
- Foreign exchange differences currently aggregated in the line item 'Net foreign exchange gains/(losses)' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - o management-defined performance measures;
 - o a break-down of the nature of expenses for line items presented by function in the operating category of the statement of comprehensive income – this break-down is only required for certain nature expenses; and
 - o for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of comprehensive income between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows.

The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material Accounting Policies

Financial Instruments

Financial Assets

The Company's financial assets principally comprise of investments held at fair value through profit (Shareholder loan and equity investments) and trade and other receivables.

The Company's Shareholder loan and equity investments in HoldCo are held at fair value through profit or loss. Gains or losses resulting from the movements in fair value are recognised in the Company's Statement of Comprehensive Income at each measurement point. Where there is sufficient value within HoldCo, the Company's Shareholder loans are fair valued at their redeemable amounts and the residual fair value reflected within the Company's equity investments.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Financial Liabilities

The Company's financial liabilities include trade and other payables, and other short-term monetary liabilities which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Recognition, Derecognition and Measurement

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Gains and losses resulting from the movement in fair value are recognised in the Statement of Comprehensive Income. Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Taxation

Investment trusts which have approval under section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains. Shortly after listing, the Company received an approval as an investment trust by HMRC. Current tax is the expected tax payable on the taxable income for the year, using tax rates that have been enacted or substantively enacted at the date of the Statement of Financial Position.

Deferred Taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited to the Statement of Comprehensive Income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

Segmental Reporting

The Chief Operating Decision Maker ("CODM"), which is the Board, is of the opinion that the Company is engaged in a single segment of business, being investment in renewable energy infrastructure assets to generate investment returns whilst preserving capital. The financial information used by the CODM to manage the Company presents the business as a single segment.

Income

Income includes investment income from financial assets at fair value through profit or loss and bank interest income.

Investment income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within investment income when the Company's right to receive income is established.

Interest earned on shareholder loans is recognised on an accruals basis. Dividend income is recognised when the right to receive it is established.

Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses are presented as revenue as it is directly attributable to the operations of the Company.

Foreign Currency

Transactions denominated in foreign currencies are translated into euros at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Statement of Comprehensive Income as appropriate. Foreign exchange movements on investments are included in the Statement of Comprehensive Income within gains on investments.

Cash and Cash Equivalents

Cash and cash equivalents includes deposits held at call with banks and other short-term deposits with original maturities of three months or less.

Share Capital, Special Reserve and Share Premium Account

Ordinary Shares are classified as equity. Costs directly attributable to the issue of new shares (that would have been avoided if there had not been a new issue of new shares) are recognised against the value of the Ordinary Share premium account.

Repurchases of the Company's own shares are recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any expenses in relation to these repurchases are recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Investments Held at Fair Value Through Profit or Loss

	As at 31 December 2025 (EUR '000)	As at 31 December 2024 (EUR '000)
(a) Summary of valuation		
Analysis of closing balance:		
Investments held at fair value through profit or loss	208,676	320,432
Total investments	208,676	320,432
(b) Movements during the year		
Opening balance of investments, at cost	335,887	348,415
Repayments during the year	(13,596)	(12,528)
Cost of investments	322,291	335,887
Revaluation of investments to fair value:		
Unrealised movements in fair value of investments	(113,615)	(15,455)
Balance of capital reserve - investments held	(113,615)	(15,455)
Fair value of investments	208,676	320,432
(c) Losses on investments in year (per Statement of Comprehensive Income)		
Movement in unrealised revaluation of investments held	(98,160)	(39,443)
Losses on disposals	(3,064)	(39,443)
Losses on investments	(101,224)	-

The fair value of the Company's equity and the Shareholder loans investment in HoldCo are determined by the underlying fair values of the SPV investments, which are not traded and contain unobservable inputs. As explained in Note 2, the Company has made a judgement to fair value both the equity and shareholder loan investments together. As such, the Company's equity and the Shareholder loans investments in HoldCo have been classified as Level 3 in the fair value hierarchy.

Fair Value Measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following 3 levels:

Level 1

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The classification of the Company's investments held at fair value is detailed in the table below:

	As at 31 December 2025				As at 31 December 2024			
	Level 1 (EUR '000)	Level 2 (EUR '000)	Level 3 (EUR '000)	Total (EUR '000)	Level 1 (EUR '000)	Level 2 (EUR '000)	Level 3 (EUR '000)	Total (EUR '000)
Investments at fair value through profit and loss	-	-	208,676	208,676	-	-	320,432	320,432
	-	-	208,676	208,676	-	-	320,432	320,432

Due to the nature of the investments, they are always expected to be classified as level 3. There have been no transfers between levels during the period ended 31 December 2025 (31 December 2024: none).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

The movement on the Level 3 unquoted investments during the year is shown below:

	Year ended 31 December 2025 (EUR '000)	Year ended 31 December 2024 (EUR '000)
Opening balance	320,432	372,403
Repayments during the year	(13,596)	(12,528)
Unrealised losses on investments adjustments	(98,160)	(39,443)
Closing balance	208,676	320,432

Valuation Methodology

The Company owns 100.0% of its subsidiary Tesseract Holdings Limited ("HoldCo" or "THL"). The Company meets the definition of an investment entity as described by IFRS 10. As such, the Company's investment in the HoldCo is valued at fair value.

The Company has acquired underlying investments in SPVs through its investment in the HoldCo. The Investment Adviser has carried out fair market valuations of the SPV investments as at 31 December 2025 and the Directors are satisfied with the methodology, the discount rates and key assumptions applied, and the valuations.

All SPV investments are at fair value through profit or loss and are valued using the IFRS 13 framework for fair value measurement. The following economic assumptions were used in the valuation of the SPVs.

Valuation Assumptions

As at 31 December 2025

Discount rates	The discount rate used in the valuations is calculated according to internationally recognised methods. Typical components of the discount rate are risk free rates, country-specific and asset-specific risk premia.
Power price	Power prices are based on power price forecasts from leading market analysts. The forecasts are independently sourced from providers with coverage in almost all European markets as well as providers with regional expertise. The approach applied to both asset classes (wind and solar PV) remains unchanged using a blend of two power price curve providers. One of the power price curve providers was replaced following a review by the Investment Adviser due to inconsistencies and differences in key long-term assumptions over the recent forecast periods.
Energy yield/load factors	Estimates are based on third party energy yield assessments, which consider historic production data (where applicable) and other relevant factors.
Inflation rates	Long-term inflation is based on the monetary policy of the European Central Bank.
Asset life	In general, an operating life of 25 to 30 years for onshore wind and 40 years for solar PV is assumed. In individual cases, a longer operating life is assumed where the contractual arrangement (i.e. O&M agreement with availability guarantee) supports such an assumption.
Operating expenses	Operating expenses are primarily based on respective contracts and, where not contracted, on the assessment of a technical adviser.
Taxation rates	Underlying country-specific tax rates are derived from due diligence reports from leading tax consulting firms.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Investments Held at Fair Value Through Profit or Loss continued

Valuation Sensitivities

The fair value of the Company's investment in HoldCo is ultimately determined by the underlying fair values of the SPV investments. As such sensitivity analysis is produced to show the impact of changes in key assumptions adopted to arrive at the SPV valuation.

In light of the uncertainty over the direction of power prices as a result of continue global unrest and disruption in commodity markets, and the impact on ongoing curtailments driven by factors such as changing subsidy regimes (as referenced in the notes to the accounts under Post Balance Sheet Events), the spread of values for the key assumptions below indicate that there is a wider range of reasonable inputs that could be used in generating a fair value of the investment at 31 December 2025.

For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the SPVs remains static throughout the modelled life.

The NAV per share impacts from each sensitivity is shown below.

(i) Discount Rates

The weighted average valuation discount rate applied to calculate the SPV valuation is 10.0% at 31 December 2025 (31 December 2024: 7.3%). Discount rates are inherently judgemental, and as seen in the movement within the year, there is a wide range of discount rates that could reflect a reasonable estimate of fair value at 31 December 2025. An increase or decrease in this rate by 2.0% at project level has the following effect on valuation.

Discount rate	Negative impact		Total NAV value (EUR '000)	Positive impact	
	NAV per share impact in (EUR cents)	NAV Impact (EUR '000)		NAV Impact (EUR '000)	NAV per share impact in (EUR cents)
Valuation as of 31 December 2025 (+/-2%)	(6.3)	190,549	214,334	247,209	8.7

(ii) Power Price

Long-term power price forecasts are provided by leading market consultants and are updated quarterly. The sensitivity below assumes a 10% increase or decrease in merchant power prices relative to the base case for every year of the asset life. The sensitivity considers a flat 10% movement in power prices for all years, i.e. the effect of adjusting the forecast electricity price assumptions in each of the jurisdictions applicable to the SPV down by 10% and up by 10% from the base case assumptions for each year throughout the operating life of the SPV.

Note the Company intends to renew power price hedges (e.g. in the form of PPAs or other mechanisms) before the existing contracts (PPAs and government regulated tariffs) expire.

A change in the forecast electricity price assumptions by plus or minus 10% has the following effect on valuation, as shown below:

Power price	-10% Change		Total NAV value (EUR '000)	+10% Change	
	NAV per share impact (EUR cents)	NAV Impact (EUR '000)		NAV Impact (EUR '000)	NAV per share impact in (EUR cents)
Valuation as of 31 December 2025	(6.4)	190,241	214,334	237,370	6.1

(iii) Energy Yield

The base case assumes a "P50" level of output. The P50 output is the estimated annual amount of electricity generation (in MWh) that has a 50% probability of being exceeded both in any single year and over the long term and a 50% probability of being under achieved. Hence the P50 is the expected level of generation over the long term. The sensitivity illustrates the effect of assuming "P90 10 years" (a downside case) and 'P10 10 years' (an upside case) energy production scenarios. A P90 10 years downside case assumes the average annual level of electricity generation that has a 90% probability of being exceeded over a 10 year period. A P10 10 years upside case assumes the average annual level of electricity generation that has a 10% probability of being exceeded over a 10 year period. This means that the SPV aggregate production outcome for any given 10 year period would be expected to fall somewhere between these P90 and P10 levels with an 80% confidence level, with a 10% probability of it falling below that range of outcomes and a 10% probability of it exceeding that range. The sensitivity does not include the portfolio effect which would reduce the variability because of the geographical diversification. The sensitivity is applied throughout the next 10 years.

Technical curtailment assumptions have been incorporated into the valuation process on a project-specific basis. For the available nodes, forecasts have been sourced from third-party advisors; for uncovered nodes, assumptions have been developed by the internal power markets team. Curtailments driven by low or negative prices (market or economic curtailment) are excluded, as their impact is already reflected in the forecast power prices provided by market advisors.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

The table below shows the sensitivity of the SPV value to changes in the energy yield applied to cash flows from project companies in the SPV as per the terms P90, P50 and P10 explained above.

Energy yield	NAV per share impact (EUR cents)	P90 10 years (EUR '000)	Total NAV value (EUR '000)	P10 10 years (EUR '000)	NAV per share impact in (EUR cents)
Valuation as of 31 December 2025	(4.9)	195,958	214,334	231,971	4.7

(iv) Inflation Rates

The projects' income streams are principally a mix of government regulated tariffs, fixed-price PPAs and merchant revenues. Government regulated tariffs and fixed-price PPAs tend not to be inflation linked, whilst merchant revenues are generally subject to inflation. The current contractual life of government regulated tariffs and fixed-price PPAs are shorter than their respective asset lives, meaning from a valuation perspective, the assets are more exposed to merchant revenues in the late asset life. As described earlier, the Company intends to renew power price hedges (e.g. in the form of PPAs or other mechanisms) before the existing contracts (PPAs and government regulated tariffs) expire. This rolling hedge strategy is not reflected in the sensitivities illustrated above. The projects' management and maintenance expenses typically move with inflation, however debt payments are fixed. This results in the SPV returns and valuation being positively correlated to inflation. The SPVs valuation assumes long-term inflation of 2.0% p.a.

The sensitivity illustrates the effect of a 0.5% decrease and a 0.5% increase from the assumed annual inflation rates in the financial model for each year throughout the operating life of the SPV.

Inflation rates	NAV per share impact (EUR cents)	-0.5% (EUR '000)	Total NAV value (EUR '000)	+0.5% (EUR '000)	NAV per share impact in (EUR cents)
Valuation as of 31 December 2025	(2.1)	206,469	214,334	222,427	2.1

(v) Asset Life

In general, an operating life of 25 years for onshore wind and 40 years for Solar PV is assumed. In individual cases a longer operating life is assumed where the contractual set-up (i.e. O&M agreement with availability guarantee) supports such an assumption.

The sensitivity below shows the valuation impact from a one year adjustment to the asset life across the portfolio.

Asset life	NAV per share impact (EUR cents)	-1 year (EUR '000)	Total NAV value (EUR '000)	+1 year (EUR '000)	NAV per share impact in (EUR cents)
Valuation as of 31 December 2025	(0.4)	212,959	214,334	215,633	0.3

(vi) Operating Expenses

The sensitivity shows the effect of a 10.0% decrease and a 10.0% increase to the base case for annual operating costs for the SPV. An increase or decrease in operating expenses by 10% at SPV level has the following effect on valuation, as shown below.

Operating expenses	NAV per share impact (EUR cents)	-10.0% (EUR '000)	Total NAV value (EUR '000)	+10.0% (EUR '000)	NAV per share impact in (EUR cents)
Valuation as of 31 December 2025	(2.9)	203,359	214,334	225,113	2.9

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

5. Income

	For the year ended 31 December 2025 (EUR '000)	For the year ended 31 December 2024 (EUR '000)
Income from investments		
Interest income from Shareholder loans	15,186	13,647
Bank and deposit interest income	45	18
Other income	19	14
Total Income	15,250	13,679

6. Investment Advisory Fees

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Investment advisory fees	1,929	-	1,929	2,331	-	2,331

Under the Investment Advisory Agreement, the following fee is payable to the Investment Adviser:

- a) 0.75% per annum of NAV (plus VAT) of the Company up to €300 million;
- b) 0.65% per annum of NAV (plus VAT) of the Company between €300 million and €500 million; and
- c) 0.55% per annum of NAV (plus VAT) of the Company above €500 million.

The Investment Adviser is also entitled to be reimbursed for certain expenses under the Investment Advisory Agreement. These include out-of-pocket expenses properly incurred by the Investment Adviser in providing services, including transactional, organisational, operating and/or travel expenses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

7. Other Expenses

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Expenses charged to revenue:						
AIC fees and other regulatory fees	25	-	25	33	-	33
AIFM fees	135	-	135	149	-	149
Auditor's fees:						
- statutory audit of the Company ^{1,2}	475	-	475	341	-	341
- statutory audit of Holdco ²	29	-	29	27	-	27
Broker retainer	85	-	85	57	-	57
Directors' fees	185	-	185	192	-	192
Directors' other employment costs	55	-	55	66	-	66
FCA and listing fees	40	-	40	115	-	115
Legal fees	1	-	1	190	-	190
Marketing fees	67	-	67	116	-	116
Registrar's fees	19	-	19	29	-	29
Secretary and administrator fees	181	-	181	198	-	198
Tax compliance	25	-	25	21	-	21
Sundry expenses ³	(54)	-	(54)	81	-	81
Total revenue expenses	1,268	-	1,268	1,615	-	1,615
Expenses charged to capital:						
Managed Wind-Down costs	-	5,300	5,300	-	-	-
Total Other expenses	1,268	5,300	6,568	1,615	-	1,615

1. There are no non-audit services in relation to the current year or prior year.

2. Fees payable for the audit of Holdco are borne by the Company. The GBP equivalent of the statutory audit fees was GBP 402,120 (2024: GBP 304,025) including VAT of GBP 67,020 (2024: GBP 50,671). For the year to 31 December 2025, the statutory audit fees payable to the Company's auditors for the audit of the Company and Holdco were £285,500 (2024: £326,600) excluding VAT. Included in the above audit fees are overruns relating to the previous year's audit.

3. Sundry expenses include printing fee, publication fee, subscription costs, website fee, other miscellaneous expenses and prior year over accrual of intercompany payable written off.

Other operating expenses have been analysed and presented by nature.

8. Finance Costs

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Bank charges	2	-	2	2	-	2
Total	2	-	2	2	-	2

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

9. Taxation

(a) Analysis of Tax Charge in the Year

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Corporation tax	-	-	-	-	-	-
Total tax charge for the year (see note 9(b))	-	-	-	-	-	-

(b) Factors Affecting Total Tax Charge for the Year

The effective UK corporation tax rate applicable to the Company for the year is 25.0% (2024: 25.0%). The tax charge differs from the charge resulting from applying the standard rate of UK corporation tax for an investment trust company.

The differences are explained below:

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Profit/(loss) on ordinary activities before taxation	12,051	(106,511)	(94,460)	9,731	(39,472)	(29,741)
Corporation tax at 25.0% (2024: 25.0%)	3,013	(26,628)	(23,615)	2,433	(9,868)	(7,435)
Effects of:						
(Gains)/losses on investments held at fair value not (taxable)/allowable	-	25,306	25,306	-	9,861	9,861
Foreign exchange (gains)/losses not (taxable)/allowable	-	(3)	(3)	-	7	7
Expenditure not deductible for tax purposes	-	1,325	1,325	48	-	48
Movement in management expenses that no deferred tax asset is recognised on	(336)	-	(336)	18	-	18
Impact of tax deductible interest distributions	(2,677)	-	(2,677)	(2,499)	-	(2,499)
Total tax charge for the year	-	-	-	-	-	-

Investment companies which have been approved by the HM Revenue & Customs under section 1158 of the Corporation Tax Act 2010 are exempt from tax on capital gains. Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains or losses arising on the revaluation of investments.

The Company has no unrelieved excess management expenses for the year ended 31 December 2025 (2024: EUR 1,345,619). It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised. The unrecognised deferred tax asset calculated using a tax rate of 25% (2024: 25%) amounts to EUR Nil (2024: EUR 336,405).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

10. Return per Ordinary Share

	For the year ended 31 December 2025	For the year ended 31 December 2024
Revenue return after taxation (EUR '000)	12,051	9,731
Capital return after taxation (EUR '000)	(106,511)	(39,472)
Total net return (EUR '000)	(94,460)	(29,741)
Weighted average number of Ordinary Shares	378,122,130	378,122,130

11. Trade and Other Receivables

	As at 31 December 2025 (EUR '000)	As at 31 December 2024 (EUR '000)
Interest due from deposits	3	-
Prepaid expenses	51	29
Total	54	29

12. Trade and Other Payables

	As at 31 December 2025 (EUR '000)	As at 31 December 2024 (EUR '000)
Accrued expenses	4,118	1,290
Deferred consideration payable	-	107
Total	4,118	1,397

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

13. Share Capital

	As at 31 December 2025				As at 31 December 2024			
	No. of Ordinary Shares	No. of Treasury Shares	Total no. of Shares in issue	(EUR '000)	No. of Ordinary Shares	No. of Treasury Shares	Total no. of Shares in issue	(EUR '000)
Allotted, issued and fully paid:								
Redeemable Ordinary Shares of 1 cent each ('Ordinary Shares')	378,122,130	30,103,575	408,225,705	4,082	378,122,130	30,103,575	408,225,705	4,082
Total	378,122,130	30,103,575	408,225,705	4,082	378,122,130	30,103,575	408,225,705	4,082

The Ordinary Shares shall carry the right to receive the profits of the Company available for distribution and determined to be distributed by way of interim or final dividends at such times as the Directors may determine in accordance with the Articles of the Company. The holders of Ordinary Shares have the right to receive notice of, and to attend and vote at, General Meetings of the Company.

There were no Ordinary Shares issued or buybacks during the year to 31 December 2025 (2024: none).

At the year end, the Company's issued share capital comprised 408,225,705 Ordinary Shares (2024: 408,225,705), of which 30,103,575 Ordinary Shares were held in Treasury and there were 378,122,130 Ordinary Shares in circulation.

Each Ordinary Share held entitles the holder to one vote. All Ordinary Shares carry equal voting rights and there are no restrictions on those voting rights. Voting deadlines are stated in the Notice of Meeting and Form of Proxy and are in accordance with the Companies Act 2006.

14. Special Distributable Reserve

As indicated in the Company's prospectus dated 10 May 2019, following admission of the Company's Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court and obtained a judgement on 30 July 2019 to cancel the amount standing to the credit of the share premium account of the Company. The amount of the share premium account cancelled and credited to a special distributable reserve was EUR 149,675,608.

On 11 September 2025, the Company announced the cancellation of the amount standing to the credit of its share premium account (the "Share Premium Cancellation"), approved by shareholders at the AGM of the Company held on 19 June 2025. Accordingly, the amount of EUR 255,642,627.68 previously held in the share premium account of the Company was cancelled and the distributable reserves resulting from the Share Premium Cancellation have been treated as profits available for distribution by the Company.

As at 31 December 2025, the balance of Special Distributable Reserve was EUR 327,749,000 (2024: EUR 75,087,000).

15. Net Assets per Ordinary Share

Net assets per Ordinary Share as at 31 December 2025, is based on EUR 214,333,000 (31 December 2024: EUR 320,231,508) of net assets of the Company attributable to the 378,122,130 (31 December 2024: 378,122,130) Ordinary Shares in issue as at 31 December 2025.

16. Dividend

The Company has paid the following interim dividends in respect of the year under review:

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	Cents per Ordinary Share	Total (EUR '000)	Cents per Ordinary Share	Total (EUR '000)
Total dividends paid in the year				
31 December 2024 interim - Paid 18 March 2025 (2024: 18 March 2024)	0.7900c	2,981	1.3775c	5,211
31 March 2025 interim - Paid 13 June 2025 (2024: 14 June 2024)	0.7900c	2,988	1.4475c	5,479
30 June 2025 interim - Paid 5 September 2025 (2024: 6 September 2024)	0.7934c	3,007	1.4475c	5,475
30 September 2025 interim - Paid 12 December 2025 (2024: 9 December 2024)	0.6500c	2,463	1.4475c	5,475
Total	3.0234c	11,439	5.7200c	21,640

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

The dividend relating to the year ended 31 December 2025, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered is detailed below.

Total dividends declared in the year	For the year ended 31 December 2025		For the year ended 31 December 2024	
	Cents per Ordinary Share	Total (EUR '000)	Cents per Ordinary Share	Total (EUR '000)
31 March 2025 interim - Paid 13 June 2025 (2024: 14 June 2024)	0.7900c	2,988	1.4475c	5,479
30 June 2025 interim - Paid 5 September 2025 (2024: 6 September 2024)	0.7934c	3,007	1.4475c	5,475
30 September 2025 interim - Paid 12 December 2025 (2024: 9 December 2024)	0.6500c	2,463	1.4475c	5,475
31 December 2025 interim ¹ (2024: 18 March 2025)	-1	-1	0.7900c	2,987
Total	2.2334c	8,458	5.1325c	19,416

1. In order to retain Investment Trust status it may be necessary to declare and pay an additional dividend in respect of 2025 earnings of approximately EUR 1.3 million. The Company as at the date of signing these accounts has sufficient cash to make such a payment.

17. Financial Risk Management

The Investment Adviser, AIFM and the Administrator report to the Board on a quarterly basis and provide information to the Board which allows it to monitor and manage financial risks relating to its operations. The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are monitored by the AIFM. Each risk and its management is summarised below.

Market Risk

The value of the investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets. The Investment Adviser carries out a full valuation on a quarterly basis, which takes into account market risks. The sensitivity of the investment valuation due to market risk is shown in note 4.

(i) Currency Risk

Foreign currency risk is defined as the risk that the fair values of future cash flows will fluctuate because of changes in foreign exchange rates. The Company's financial assets and liabilities are denominated in Euro and substantially all of its revenues and expenses are in Euro. The Company is not considered to be materially exposed to foreign currency risk.

(ii) Interest Rate Risk

The Company's interest rate risk on interest bearing financial assets is limited to interest earned on shareholder loans. The Board considers that, as shareholder loans investments bear interest at a fixed rate, they do not carry any interest rate risk.

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2025 are summarised below:

Assets	Interest bearing (EUR '000)	Non-interest bearing (EUR '000)	Total (EUR '000)
Cash and cash equivalents	18	9,703	9,721
Trade and other receivables	-	54	54
Investments at fair value through profit or loss	207,764	912	208,676
Total assets	207,782	10,669	218,451
Liabilities			
Trade and other payables	-	(4,118)	(4,118)
Total liabilities	-	(4,118)	(4,118)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

17. Financial Risk Management continued

Market Risk continued

(ii) Interest Rate Risk continued

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2024 are summarised below:

Assets	Interest bearing (EUR '000)	Non-interest bearing (EUR '000)	Total (EUR '000)
Cash and cash equivalents	4	1,164	1,168
Trade and other receivables	-	29	29
Investments at fair value through profit or loss	221,360	99,072	320,432
Total assets	221,364	100,264	321,629
Liabilities			
Trade and other payables	-	(1,397)	(1,397)
Total liabilities	-	(1,397)	(1,397)

(iii) Price Risk

Price risk is defined as the risk that the fair value of a financial instrument held by the Company will fluctuate. Investments are measured at fair value through profit or loss. As of 31 December 2025, the Company held investments with an aggregate fair value of EUR 208,500,000 (2024: EUR 320,432,000). All other things being equal, the effect of a 10% increase or decrease in the valuation of the investments held at the year end would have been an increase or decrease of EUR 20,850,000 (2024: EUR 32,043,200) in the loss after taxation for the year ended 31 December 2025 and the Company's net assets at 31 December 2025. The sensitivity of the investment valuation due to price risk is shown further in note 4.

(iv) Credit Risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfil its contractual obligations. The Company is exposed to credit risk in respect of trade and other receivables and cash at bank. The Company's credit risk exposure is minimised by dealing with financial institutions with investment grade credit ratings and making Shareholder loan investments which are equity in nature. The Company's Shareholder loan investments in HoldCo are secured by underlying renewal investments and as such these Shareholder loans are not exposed to credit risk. No balances are past due or impaired.

	As at 31 December 2025 (EUR '000)	As at 31 December 2024 (EUR '000)
Trade and other receivables	54	29
Cash and cash equivalents	9,721	1,168
Total	9,775	1,196

The table below shows the cash balances of the Company and the credit rating for each counterparty:

	S&P Rating	Fitch Rating	As at 31 December 2025 (EUR '000)	As at 31 December 2024 (EUR '000)
Royal Bank of Scotland	BBB/A-2	AA-/F1+	425	132
EFG International AG - Daily liquidity fund	N/a	A	9,278	1,032
Royal Bank of Scotland International	BBB/A-2	AA-/F1+	18	4
Total			9,721	1,168

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

(v) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet a demand for cash or fund an obligation when due. The Investment Adviser, AIFM and the Board continuously monitor forecast and actual cash flows from operating, financing and investing activities to consider payment of dividends, repayment of the Company's shareholder loans or further investing activities.

Financial liabilities by maturity as at 31 December 2025 are shown below. The amounts disclosed in the table are the contractual undiscounted cash flows.

Liabilities	Less than 1 year (EUR '000)	1-5 years (EUR '000)	5+ years (EUR '000)	Total (EUR '000)
Trade and other payables	(4,118)	-	-	(4,118)
Total	(4,118)	-	-	(4,118)

Financial liabilities by maturity as at 31 December 2024 are shown below. The amounts disclosed in the table are the contractual undiscounted cash flows.

Liabilities	Less than 1 year (EUR '000)	1-5 years (EUR '000)	5+ years (EUR '000)	Total (EUR '000)
Trade and other payables	(1,397)	-	-	(1,397)
Total	(1,397)	-	-	(1,397)

(vi) Capital and Risk Management

The Company's capital management objectives are to ensure that the Company will be able to continue as a going concern while maximising the return to equity Shareholders.

The Company considers its capital to comprise Ordinary Share capital, distributable reserves and retained earnings. The Company is not subject to any externally imposed capital requirements. The Company's share capital and reserves that are shown in the Statement of Financial Position total EUR 214,333,000 (2024: EUR 320,232,000).

The Board, with the assistance of the Investment Adviser, monitors and reviews the Company's capital on an ongoing basis. Use of distributable reserves is disclosed in note 19.

Share capital represents the 1 cent nominal value of the issued share capital. The share premium account arose from the net proceeds of new shares.

The capital reserve reflects any increases and decreases in the fair value of investments which have been recognised in the capital column of the Statement of Comprehensive Income.

18. Transactions with the Investment Adviser and Related Party Transactions

AIFM fees for the year ended 31 December 2025 amount to EUR 135,000 (2024: EUR 149,000). As at 31 December 2025, the fee outstanding to the AIFM was EUR nil (2024: EUR 26,000). The AIFM, Company Secretary and Administrator are part of Apex Group.

The Company Secretary and Administrator fees for the year ended 31 December 2025 amount to EUR 181,000 (2024: EUR 198,000) and the total fees paid to Apex Group amount to EUR 316,000 (2024: EUR 347,000).

Fees payable to the Investment Adviser are shown in the Statement of Comprehensive Income. As at 31 December 2025, the fee outstanding to the Investment Adviser was EUR 405,000 (2024: EUR 600,269).

During the year, the Company received repayments of its Shareholder loans to HoldCo of EUR 13,596,000 (2024: EUR 12,528,000). The Shareholder loans, including accrued interest outstanding at year end were EUR 207,764,000 (2024: EUR 221,360,000).

Fees are payable to the Directors at an annual rate of EUR 75,000 to the Chairman, EUR 52,500 to the Chair of the Audit and Risk Committee and EUR 135,450 to the other Directors. Directors' fees paid during the year were EUR 263,970 (2024: EUR 262,950).

On 28 July 2025, the Company announced the completion of the sale of its 18% interest in the Portuguese hydropower asset referred to as Sagres for a cash consideration of EUR 14.7 million. On 15 December 2025, the Company announced that the sale of the Danish wind assets (Holmen II and Svindbaek) had completed and that the Company is in receipt of sales proceeds of EUR 36.6 million. These sales were made to funds managed and/or advised by the Investment Adviser.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

18. Transactions with the Investment Adviser and Related Party Transactions *continued*

	For the year ended 31 December 2025 (EUR)	For the year ended 31 December 2024 (EUR)
Ian Nolan ¹	69,480	75,000
Robert Naylor ²	6,540	n/a
David MacLellan	52,500	52,500
Kenneth MacRitchie	45,150	45,150
Patricia Rodrigues ³	45,150	45,150
Myrtle Dawes	45,150	45,150

1. Resigned on 27 November 2025.

2. Appointed on 28 November 2025.

3. Resigned on 31 December 2025.

The Directors had the following shareholdings in the Company, all of which were beneficially owned.

	Ordinary Shares At 31 December 2025	Ordinary Shares At 31 December 2024
Ian Nolan ¹	150,000	150,000
Robert Naylor ²	5,110,000	n/a
David MacLellan	125,000	125,000
Kenneth MacRitchie	50,000	50,000
Patricia Rodrigues	50,000	50,000
Myrtle Dawes	Nil	Nil

1. The holdings are shown as at the date of resignation on 27 November 2025.

2. Ordinary Shares held indirectly through Achilles Investment Company Limited.

19. Distributable Reserves

The Company's distributable reserves consists of the special reserve and revenue reserve. Capital reserve represents unrealised investments and as such is not distributable.

The revenue reserve is distributable. The amount of the revenue reserve that is distributable may not necessarily be the full amount of the reserve as disclosed within these financial statements of EUR 4,566,000 as at 31 December 2025 (2024: EUR 973,000).

20. Unconsolidated Subsidiaries, Joint Venture and Associate

The following tables show subsidiaries, the joint venture and the associate of the Company. As the Company is regarded as an investment entity, as referred to in note 2, these subsidiaries have not been consolidated in the preparation of the financial statements.

Subsidiary entity Name and registered address	Effective ownership %	Investment	Country of incorporation	Profit/(loss) for the year ended 31 December 2025 (EUR million)	Profit/(loss) for the year ended 31 December 2024 (EUR million)	Total assets balances as at 31 December 2025 (EUR million)	Total assets balances as at 31 December 2024 (EUR million)
				Tesseract Holdings Limited Leaf B, 20th Floor Tower 42 Old Broad Street London EC2N 1HQ	100.0	HoldCo subsidiary entity, owns underlying SPV investments	United Kingdom

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2025

The following table shows the investments held via SPVs which are held by Tesseract Holdings Limited, the Company's wholly owned subsidiary.

Subsidiary entity Name and registered address	Effective ownership %	Investment	Country of incorporation	Profit/(loss) for the year ended 31 December 2025 (EUR million)	Profit/(loss) for the year ended 31 December 2024 (EUR million)	Total assets balances as at 31 December 2025 (EUR million)	Total assets balances as at 31 December 2024 (EUR million)
Aalto Wind No 2 Ltd. Oy c/o Intertrust (Finland) Oy Bulevardi 1, 6th floor FI-00100 Helsinki, Finland	100.0	Subsidiary entity, owns investment in Olhava	Finland	0.9	0.9	36.7	41.6
Prettysource Lda Avenida Fontes Pereira de Melo, n.º 14 11.º floor, 1050 121 Lisbon	100.0	Subsidiary entity, owns investment in Benfica III	Portugal	(0.2)	(0.1)	4.1	4.1
Astros Irreverentes Unipessoal Lda Avenida Fontes Pereira de Melo, n.º 14 11.º floor, 1050 121 Lisbon	100.0	Subsidiary entity, owns investment in Benfica III	Portugal	(0.2)	(0.1)	4.1	4.1
Contrate o Sol Unipessoal Lda Rua Filipe Folque no. 10J, 2 Dto, 1050-113 Lisbon	100.0	Subsidiary entity, owns investment in Benfica III	Portugal	(0.1)	0.1	2.0	1.9
Argeo Solar S.L. Paseo de la Castellana 259D, 14S-15, Madrid Spain	100.0	Subsidiary entity, owns investment in Albeniz	Spain	(4.0)	(2.7)	34.5	36.1
Vector Aioliki Desfinas S.A. Salaminos Str. 20 15124 Maroussi Attica, Greece	89.0	Subsidiary entity, owns equity investment in Desfina	Greece	1.4	3.1	48.3	50.6
Ega Suria S.L. Paseo de la Castellana 259D Floors 14 and 15 28046 Madrid	100.0	Subsidiary entity, owns investment in Tiza	Spain	(0.1)	(0.2)	28.9	31.0
Azalent Investment SL Paseo de la Castellana 259D Floors 14 and 15 28046 Madrid	100.0	Subsidiary entity, owns investment in Greco	Spain	0.1	(0.4)	72.5	77.9

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

20. Unconsolidated Subsidiaries, Joint Venture and Associate continued

The following table shows the joint venture and the associate of the Company. The Company's investments in associates are held through HoldCo.

Subsidiary entity Name and registered address	Effective ownership %	Investment	Country of incorporation	Profit/(loss) for the year ended 31 December 2025 (EUR million)	Profit/(loss) for the year ended 31 December 2024 (EUR million)	Total assets balances as at 31 December 2025 (EUR million)	Total assets balances as at 31 December 2024 (EUR million)
Palea Solar Farm Ourique S.A. Avenida Fontes Pereira de Melo, no. 14, 11. Andar 1050-121 Lisbon Portugal	50.0	Joint venture entity, owns equity investment in Ourique	Portugal	(3.0)	(0.9)	39.9	42.1

As disclosed in note 4, the Company finances the HoldCo through a mix of Shareholder loans and equity. In 2023 a new Master Shareholder Loan was agreed between the Company and its subsidiary with the interest rate of 7.0%.

HoldCo finances its SPV investments through a mix of shareholder loans and equity. The shareholder loans accrue at an interest rate range of 2.5% to 9.75%.

There are no restrictions on the ability of the Company's subsidiaries and associate's entities to transfer funds in the form of interest and dividends.

21. Post Balance Sheet Events

B Share Scheme First Distribution

On 13 January 2026, the Company announced its B Share Scheme First Distribution. The B Shares of one cent each has been paid up from the Company's special distributable reserve and issued to all Shareholders by way of a bonus issue on the basis of 9 B Shares for every one Ordinary Share held at the Record Date of 21 January 2026. The Ex-Date was 20 January 2026. The B Shares was issued on 23 January 2026 and immediately redeemed at one cent per B Share.

B Share Scheme Second Distribution

On 13 March 2026, the Company announced its B Share Scheme Second Distribution. The B Shares of one cent each has been paid up from the Company's special distributable reserve and issued to all Shareholders by way of a bonus issue on the basis of 54 B Shares for every 10 Ordinary Share held at the Record Date of 24 March 2026. The Ex-Date was 23 March 2026. The B Shares was issued on 26 March 2026 immediately redeemed at one cent per B Share.

Update on disposal of Greek wind asset

On 13 March 2026, the Company completed the sale of its Greek asset, Desfina, for a total consideration of approximately €26 million, following receipt of regulatory and other customary approvals in February 2026.

Geopolitical events

Uncertainty over the direction of power prices as a result of continue global unrest, disruption in commodity markets, and the impact on ongoing curtailments driven by factors such as changing subsidy regimes continues to influence corporate strategies and financial markets. These challenges are further compounded by growing geopolitical tensions, particularly the ongoing war in Ukraine, the Israel-Hamas conflict in the Middle East and the conflict in Iran.

The estimates and assumptions underlying these financial statements are based on data available as of the date of signing of the financial statements, as relevant to conditions that existed at the balance sheet date, including judgements about the economic and financial market conditions that may evolve over time.

Update on Managed Wind-Down

On 24 October 2024, the Company announced that the Board has appointed Rothschild & Co as the financial advisor in relation to the Managed Wind-Down process. This process to identify buyers has continued post year end. The objective - very clearly and unambiguously - is to complete the sale process as quickly as possible, providing liquidity to shareholders at a premium to the share price, through realising assets at prices as close as possible to their contribution to the reported Net Asset Value. The Board has undertaken an extensive sale process and, as a result of being in a managed wind-down, notes the disparity between indicative pricing received and the Company's NAV. Accordingly, the Board notes that there are a range of prices at which future sales could occur, and so disposals may not be achieved at NAV.

ALTERNATIVE PERFORMANCE MEASURES

In reporting financial information, the Company presents alternative performance measures ("APMs"), which are not defined or specified under the requirements of IFRS. The Company believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the Company. The APMs presented in this report are shown below:

Discount

The amount, expressed as a percentage, by which the share price is less than the Net Asset Value per Ordinary Share.

		Page	As at 31 December 2025	As at 31 December 2024
NAV per Ordinary Share (cents)	a	1	56.7	84.7
Share price (cents)	b	1	36.5	66.0
Discount	(b÷a)-1		35.6%	22.1%

Gearing

The Company's gearing is calculated as total debt as a percentage of the gross asset value.

		Page	As at 31 December 2025	As at 31 December 2024
Gross asset value (EUR '000)	a	n/a	315,850	472,219
Net Debt at the SPV level (EUR '000)	b	n/a	101,517	151,988
Gearing ratio	(b÷a)		32.1%	32.2%

Gross Asset Value

The Company's gross assets comprise the net asset values of the Company's Ordinary Shares, the Net Debt and net of cash at the underlying SPV level, with the breakdown as follows.

		Page	As at 31 December 2025	As at 31 December 2024
Net Asset Value (EUR '000)	a	n/a	214,333	320,232
Debt at the SPV level (EUR '000)	b	n/a	101,517	151,988
Gross asset value (EUR '000)	a+b		315,850	472,219

Ongoing Charges

A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.

		Page	Year ended 31 December 2025	Year ended 31 December 2024
Average NAV (EUR '000)	a	n/a	258,162	337,705
Annualised expenses (EUR '000)	b	n/a	3,103	3,548
Ongoing charges	(b÷a)		1.2%	1.1%

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Total Return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

Year ended 31 December 2025		Page	Share price	NAV
Opening at 1 January 2025 (cents)	a	n/a	66.0	84.7
Dividend adjustment (cents)	b		3.0234	3.0234
Closing at 31 December 2025 (cents)	c	1	36.5	56.7
Total return	((c+b)÷a)-1		-40.1%	-29.5%

Year ended 31 December 2024		Page	Share price	NAV
Opening at 1 January 2024 (cents)	a	n/a	78.5	98.5
Dividend adjustment (cents)	b		5.7	5.7
Closing at 31 December 2024 (cents)	c	1	66.0	84.7
Total return	((c+b)÷a)-1		-8.6%	-8.2%

Year ended 31 December 2025		Page	Share price	NAV
Opening at IPO	a	n/a	100.0	98.0
Dividend adjustments (cents)	b	n/a	28.6	28.6
Closing at 31 December 2025 (cents)	c	n/a	36.5	56.7
Total return since IPO	((c+b)÷a)-1		-34.9%	-13.0%

Year ended 31 December 2024		Page	Share price	NAV
Opening at IPO	a	n/a	100.0	98.0
Dividend adjustment (cents)	b	n/a	25.6	25.6
Closing at 31 December 2024 (cents)	c	n/a	66.0	84.7
Total return since IPO	((c+b)÷a)-1	3	-8.4%	12.6%

n/a = not applicable.

GLOSSARY

AIC

Association of Investment Companies

Alternative Investment Fund or "AIF"

An investment vehicle under AIFMD. Under AIFMD (see below) Aquila European Renewables Income Fund Plc is classified as an AIF.

Alternative Investment Fund Managers Directive or "AIFMD"

A European Union directive which came into force on 22 July 2013 and has been implemented in the UK

Annual General Meeting or "AGM"

A meeting held once a year which Shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask Directors questions about the company in which they are invested.

the Company

Aquila European Renewables Income Fund Plc

the CREST

The central securities depository for markets in the United Kingdom

Dividend

Income receivable from an investment in shares.

Ex-dividend date

The date on or after which a security is traded excluding a recently declared dividend, set one business day prior to the relevant record date. If you purchased shares on or after this date you will not receive the dividend to which the ex-dividend date relates.

EPC

Engineering, procurement and construction ("EPC") is an agreement that provides end-to-end services for designing the system, procuring the components and installing the project.

EU

European Union

Financial Conduct Authority or "FCA"

The independent body that regulates the financial services industry in the UK.

Gearing

See 'leverage' below.

GWh

Gigawatt hour

The HoldCo

Tesseract Holdings Limited, the wholly owned Subsidiary of the Company.

Index

A basket of stocks which is considered to replicate a particular stock market or sector.

Investment company

A company formed to invest in a diversified portfolio of assets.

IPO

Initial Public Offering

Investment trust

An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.

Leverage

An alternative word for 'Gearing'.

Under AIFMD, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions.

Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of a company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

MWh

Megawatt hour

Net assets or net asset value ("NAV")

An investment company's assets less its liabilities.

NAV per Ordinary Share

Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury).

O&M

Operation and Maintenance.

Ongoing charges

A measure of the regular, recurring annual costs of running an investment company, expressed as a percentage of average net assets.

Ordinary Shares

The Company's Ordinary Shares in issue.

Portfolio

A collection of different investments held in order to deliver returns to Shareholders and to spread risk.

Premium

The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

PPAs

Power Purchase Agreements

Premium

The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

PV

Photovoltaic

Record date

The cut-off date established by a company in order to determine which Shareholders are eligible to receive a dividend or distribution. If you owned shares in the Company up to an including this date you will receive the dividend through which the record date relates. If you owned shares after this date you will not receive the dividend.

Share buyback

A purchase of a company's own shares. Shares can either be bought back for cancellation or held in treasury.

Share price

The price of a share as determined by a relevant stock market.

SPV

A Special Purpose Vehicle.

Total return

A measure of performance that takes into account both income and capital returns. This may take into account capital gains, dividends, interests and other realised variables over a given period of time.

COMPANY INFORMATION

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Myrtle Dawes

David MacLellan

Kenneth MacRitchie

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Read more about our
commitment to sustainability

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A publication of Aquila Capital Investmentgesellschaft mbH. As at 31.12.2025.



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