AQUILA EUROPEAN RENEWABLES PLC

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Svindbaek, Denmark

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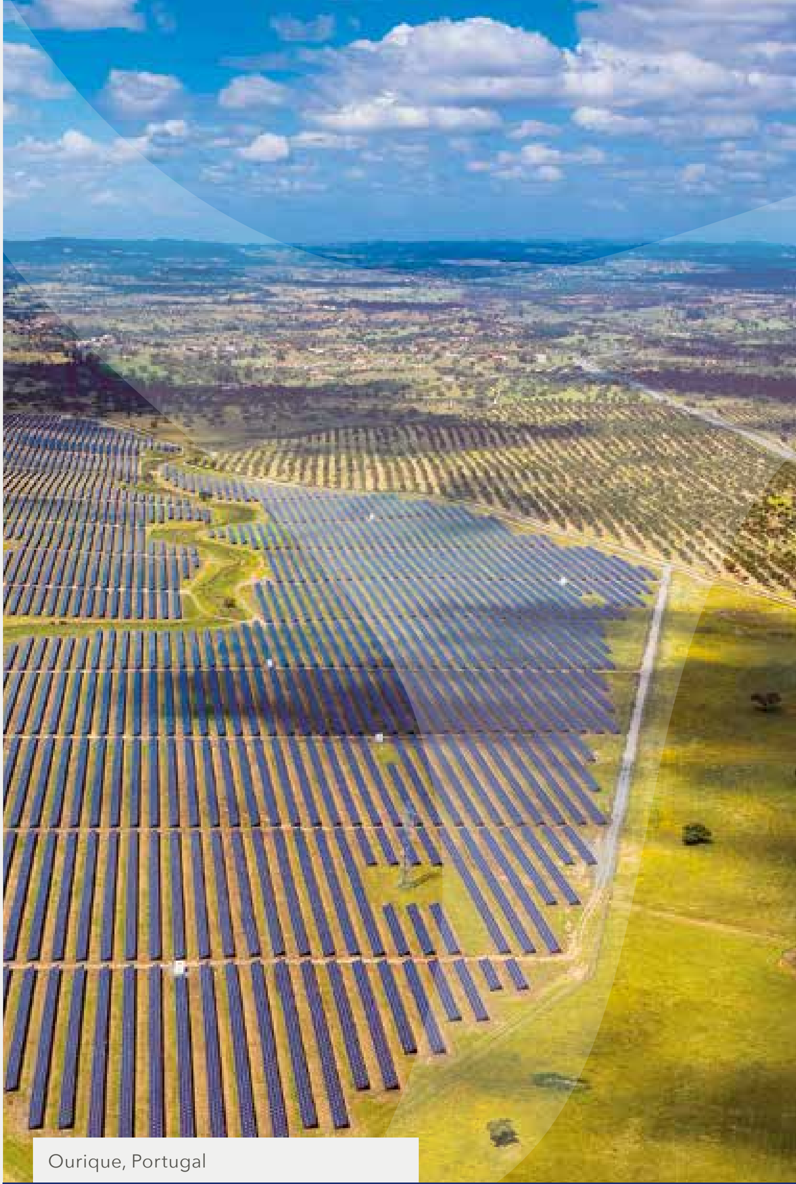

Ourique, Portugal

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For more information please visit our website

www.aquila-european-renewables.com

INVESTMENT OBJECTIVE

At a General Meeting held on 30 September 2024, Shareholders approved a change in Aquila European Renewables Plc's ("the Company" or "AER") Investment Objective and Investment Policy. The new Investment Objective is set out below:

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

The previous Investment Objective was:

The Company seeks to generate stable returns, principally in the form of income distributions, by investing in a diversified portfolio of renewable energy infrastructure investments.

Direct Asset Exposure to Wind Energy, Solar PV and Hydropower

Read more on pages 5 to 6

European Focused (Ex-UK)

Read more on page 7

Contracted Revenues

Read more on page 14

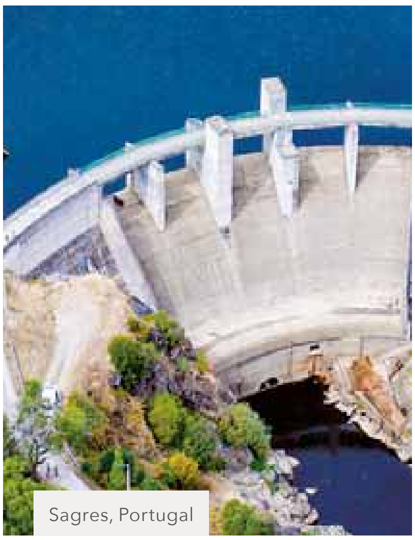
Wind energy

Desfina, Greece

Solar PV

Tiza, Spain

Hydropower



Sagres, Portugal

HIGHLIGHTS FOR THE YEAR

Financial Information
as at 31 December 2024

Net assets (EUR million)	NAV per Ordinary Share (cents)[1]	Total NAV return per Ordinary Share[1,2]
320.2	**84.7**	**(8.2%)**
2023: 372.5	2023: 98.5	2023: (6.0%)

Dividends per Ordinary Share (cents)[3]	Ordinary Share price (cents)	Dividend yield
5.1	**66.0**	**7.8%**
2023: 5.5	2023: 78.5	2023: 7.4%

Ordinary Share price discount to NAV[1]	Ongoing charges[1,4]
(22.1%)	**1.1%**
2023: (20.3%)	2023: 1.1%


Ourique, Portugal

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 97. 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 97.

Highlights

On 8 January 2024, the Company announced that it has entered into a five-year non-recourse EUR 50 million debt facility secured against its Spanish solar PV portfolio.

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. 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.

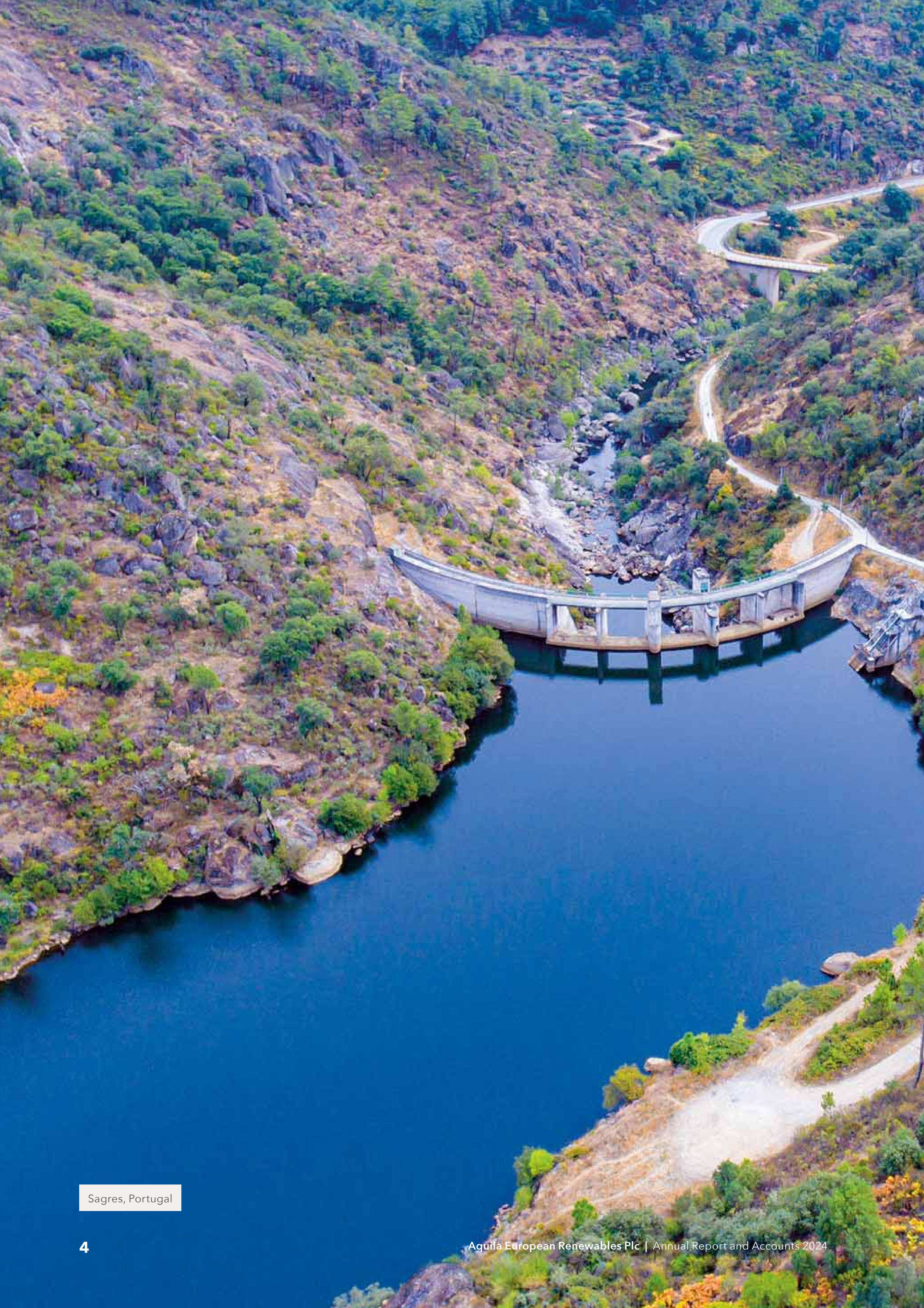
On 27 September 2024, the Company announced the completion of the sale of its 25.9% interest in Tesla to Sunnhordland Kraftlag AS for EUR 27.0 million, representing a premium of EUR 2.6 million above the prevailing valuation reflected in the Company's Q2 2024 NAV.

At a General Meeting held on 30 September 2024, shareholders approved the Managed Wind-Down of the Company and a new Investment Objective and Policy to facilitate the Managed Wind-Down process.

The Revolving Credit Facility ("RCF") of Tesseract Holdings Limited ("THL") was downsized from EUR 50 million to EUR 20 million in recognition that AER is in a Managed Wind Down process and has amended its investment policy accordingly in 2024. In September 2024 the RCF was repaid following the sale of the wind asset Tesla.

On 24 October 2024, the Company announced the appointment of N.M. Rothschild & Sons Limited ("Rothschild" or "Rothschild & Co") to support the Company's Managed Wind-Down process.

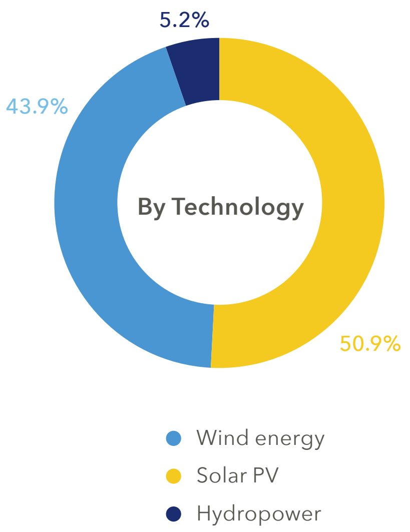
On 23 December 2024, the Company announced the outcome of the appraisal case regarding The Rock. The Court ruled that the Project company should pay compensation to the Sami reindeer herding district of approximately NOK 4.3 million, of which the Company's share amounted to NOK 590,000 (EUR 50,000). The developer of The Rock remains responsible for handling the economic impact on the Project company associated with the outcome of the appraisal case.

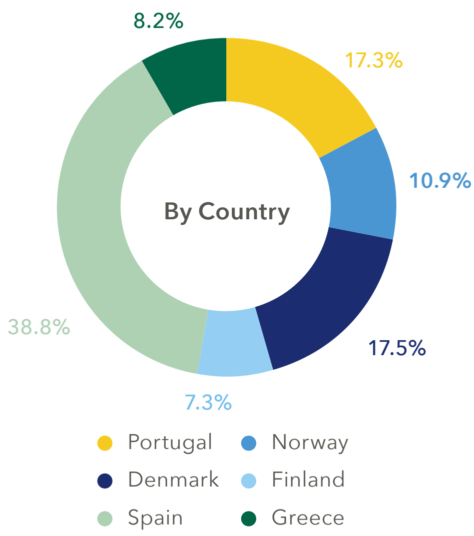


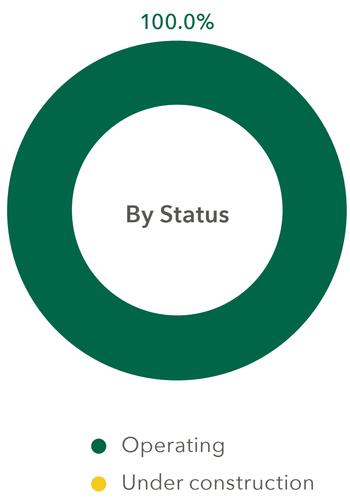
Sagres, Portugal

AT A GLANCE

Portfolio Breakdown[1]



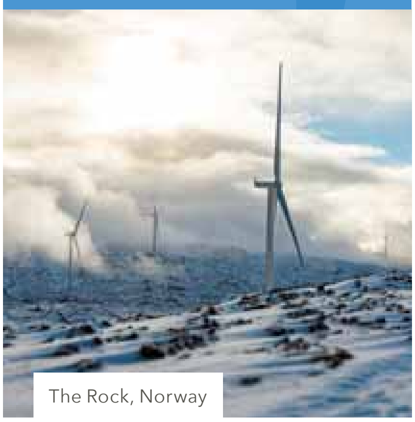




Diversified Technologies

Wind energy
174.8 MW

Four
countries



The Rock, Norway

Solar PV
230.7 MWp

Two
countries

Tiza, Spain

Hydropower
19.4 MW

One
country

Sagres, Portugal

1. Based on fair values as at 31 December 2024. Totals may not add up to 100.0% due to rounding differences.

AT A GLANCE CONTINUED

As a result of the diversification of energy generation technologies, the seasonal production patterns of these asset types complement each other, providing a balanced cash flow profile, while the geographic diversification serves to reduce exposure to any single energy market.

Wind energy | 174.8 MW

HOLMEN II
18.0 MW
Ownership: 100.0%

OLHAVA
34.6 MW
Ownership: 100.0%

SVINDBAEK
32.0 MW
Ownership: 99.9%

THE ROCK
400.0 MW
Ownership: 13.7%

DESFINA
40.0 MW
Ownership: 89.0%[1]

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%

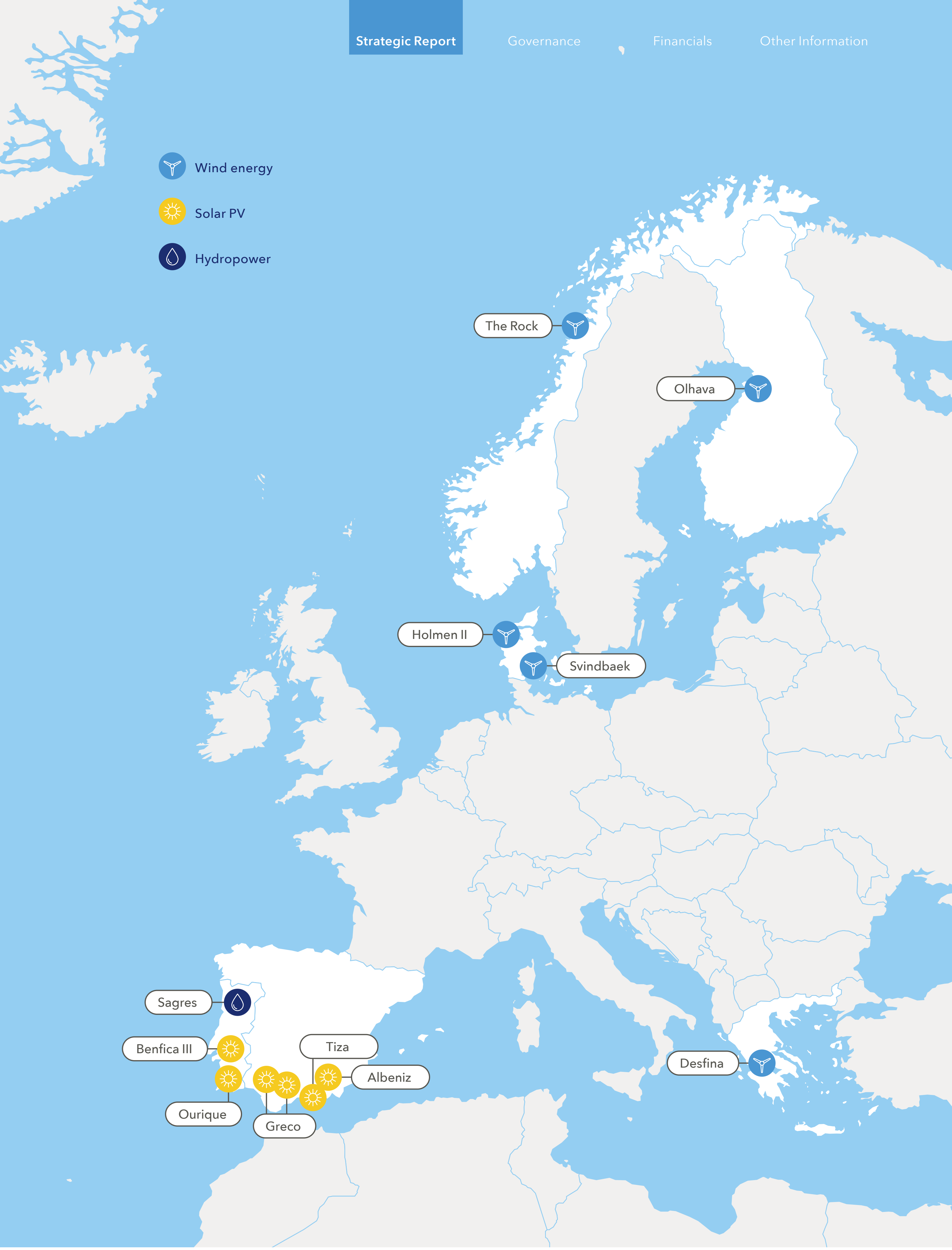
GRECO
100.0 MWp
Ownership: 100.0%

TIZA
30.0 MWp
Ownership: 100.0%

Hydropower | 19.4 MW

SAGRES
107.6 MW
Ownership: 18.0%

1. Voting interest. Economic interest: 90.0%.



Wind energy
Solar PV
Hydropower
The Rock
Olhava
Holmen II
Svindbaek
Sagres
Benfica III
Tiza
Albeniz
Ourique
Greco
Desfina

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Aquila European Renewables Plc, our fifth full set of accounts since listing.

Ian Nolan | Chairman

2024 witnessed a convergence of challenging economic conditions, including higher inflation and interest rates, combined with lower electricity prices and particularly volatile weather which impacted our asset performance. Unsurprisingly, investor sentiment in the listed renewable energy investment trust sector continues to be subdued, as reflected in the Company's share price which traded at a discount of 22.1% to its Net Asset Value ("NAV") as at 31 December 2024 (discount of 20.3% as at 31 December 2023), a problem shared by our peer group.

Managed Wind Down

On 30 September 2024, shareholders approved resolutions in relation to the discontinuation of Aquila European Renewables Plc (the "Company") and amendment of the Company's Investment Policy to enter a 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. The process to sell unquoted assets, especially complicated energy infrastructure assets, requires extensive and careful preparation - including vendor commissioned technical due diligence reports - if it is to produce optimal results. Thereafter, discussions with possible buyers are of course commercially sensitive meaning that value for shareholders could be prejudiced if information about their progress leaks out beyond the small group of professional advisers and Board members who are involved. The Board is therefore reluctant to provide commentary as to the status of discussions. However, shareholders should be assured that 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 will immediately update shareholders in the event that any incoming bid is accepted. The Board will communicate in due course how it proposes to distribute the capital sale proceeds which are received. In parallel, the Board and its advisers have also undertaken other initiatives in recognition of the Managed Wind-Down process, including reviewing the Company's cost structure and identifying potential opportunities for savings, reviewing and amending the Company's dividend policy and streamlining external reporting obligations.

Portfolio Developments

In September 2024, the Company sold its 25.9% interest in Tesla to Sunnhordland Kraftlag AS ("SKL") for a consideration of approximately EUR 27.0 million, representing a 10.8% premium to the Company's fair value of Tesla as at 30 June 2024. Tesla is a 150 MW operating onshore wind farm located in Southern Norway, which was acquired by the Company in 2019. Proceeds were primarily used to fully repay the Revolving Credit Facility ("RCF").

We were also pleased to announce the long-awaited ruling with respect to the Sami appraisal case. On 20 December 2024, the Helgeland District Court announced its decision on the Sami appraisal case, ruling in favour of The Rock project company and affirming the validity of its license. The Company's share of the NOK 4.3m compensation payment awarded to the reindeer herding stakeholders is NOK 590k (EUR 50k). However, as anticipated, the Jillen-Njaarke Reindeer Herding District has appealed the judgement from the Helgeland District Court in the appraisal case. The Investment Adviser estimates that a decision in relation to the appeal will take place in 2026.

Dividend

As announced on 13 February 2025, the Board implemented a change in the Company's future dividend policy. Following the shareholder vote to approve the 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

CHAIRMAN'S STATEMENT CONTINUED

Company's investment trust status. However, 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 (such as Tesla), gearing is reduced and capital is returned to shareholders.

Performance

The Company's NAV per Ordinary Share was 84.7 cents as at 31 December 2024, resulting in a NAV total return per Ordinary Share of -8.2%, including dividends during the year. Movement in the NAV was primarily driven by a decrease in short-term power price forecasts across the majority of the portfolio, reflecting lower commodity prices (notably gas and coal) and a decrease in the price of Guarantees of Origin ("GoOs") as a result of lower demand due to lower than expected industrial activity.

In 2024, the Company has paid or declared dividends of 5.13 cents per Ordinary Share, slightly below our target set at the beginning of the year of 5.79 cents due to a reduction in the Q4 dividend, as a result of the sale of Tesla, combined with lower operating performance across the portfolio. Since the IPO in June 2019, the Company has returned EUR 116.5 million to shareholders in the form of dividends and share buybacks, equivalent to 27.9% of total raised capital.[1]

Over the reporting year, total revenue was 14.8% below budget due to persistently lower short-term electricity spot market prices across most portfolio markets. This reflects the continued decline in commodity prices compared to the previous year, subdued power demand from a mild winter across Europe, and further downward pressure on GoOs prices. Additionally, high gas storage levels throughout 2024 sustained lower power prices, particularly impacting merchant exposures. Production was 6.8% below budget during the 12-month period, primarily due to lower irradiation for the solar portfolio, curtailment of the Iberian solar PV assets during periods of negative power prices and lower than forecast average wind resource in the Nordics. This in turn was partially offset by continued strong performance from the hydropower portfolio due to higher-than-forecast water availability, sustaining a strong positive trend for the hydropower portfolio since June 2023.

ESG

The portfolio continues to contribute towards the UN Sustainable Development Goals to ensure access to affordable, reliable, sustainable and modern energy for all. Full details of the Company's approach to combatting climate change, enhancing biodiversity, boosting regional and local community engagement, ensuring sustainable supply chain management and best-practice labour standards, as well as other environmental and social topics, can be found in this report.

Outlook

The recent change in the US administration post-year end and the introduction of the "America first" policy risks heightening geopolitical tensions and increasing uncertainty and volatility. In particular it is thought likely to impact international supply chains, inflation, and interest rates which could impact the complex macroeconomic environment in the renewable assets sector. Management continues to closely monitor and evaluate the direct and indirect effects of global events, and proactively address any business disruptions or other risks arising from them.

The Board remains optimistic on the long-term outlook for the listed renewable energy sector, driven by the urgent need to decarbonise the world's energy supply and a favourable European regulatory environment. This positive outlook is further supported by expectations of increasing power demand from a recovery in European industrial activity, combined with the electrification of industry, heat and transport and the rising energy needs of data centres and artificial intelligence ("AI"). AI in particular is expected to be a key driver of future power demand, noting the European Commission recently announced a pledge of EUR 200 billion investment in AI in Europe.

However, as the Company has now entered the process of Managed Wind-Down, your Board remains committed to ensuring the sale process is completed as quickly as possible, without prejudicing value and to returning capital to shareholders in an expeditious and efficient manner.

Ian Nolan
Chairman

24 April 2025

1. Raised capital including shares issued to the Investment Adviser as payment of the management fee.

INVESTMENT ADVISER'S REPORT

Leader in Investment and Asset Management in European Renewables

What's in this Section

Overall CO_2e emissions avoided[2]

3.4 million tonnes

Green energy produced[3]

11.8 TWh

Households supplied[3]

3.3 million

Olhava, Finland

Investment Adviser Background[1]

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.

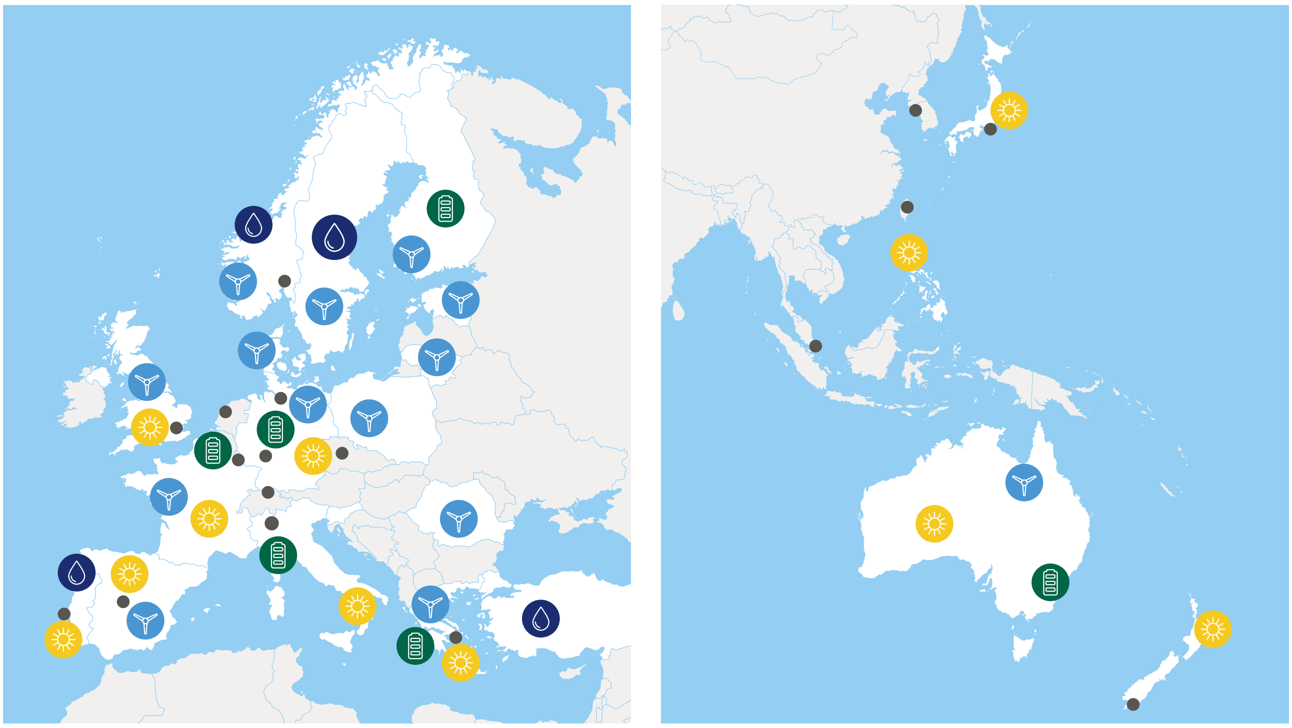
Aquila Capital provides tailored solutions designed to meet the needs of both institutional and retail clients. As a one-stop-shop for equity and private debt investments, Aquila Capital is dedicated to making sustainable real asset investments accessible and straightforward.

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.

1. Figures presented in this section refer to Aquila Group.
2. Data as at 31 December 2024, based on current portfolio of the Aquila Group. For details on the methodology for avoided emissions, refer to: https://www.aquila-capital.de/fileadmin/user_upload/PDF_Files_Whitepaper-Insights/20231121_LAE_White_paper_EN.pdf
3. Data as at 31 December 2024, including historical divestments.

INVESTMENT ADVISER'S REPORT CONTINUED

Current Renewables Portfolio of Aquila Group[1]:
Portfolio Capacity[2]



Wind energy	Solar PV	Hydropower	Energy storage systems	19 Offices
4,702 MW 1,010 WTGs	15,733 MWp 370 PV parks	1,050 MW 295 plants	4,190 MW 15 projects	

1. Map is shown for illustrative purposes only. Exact locations of offices and assets might deviate. Points indicate one or more assets and are not indicative of size.
2. Data as at 31 December 2024, including historical divestments.

INVESTMENT ADVISER'S REPORT CONTINUED

Investment Portfolio

Project	Technology	Country	Capacity[1]	Status	COD[2]	Asset Life from COD	Equipment Manufacturer	Energy Offtaker[3]	Offtaker	Ownership in Asset	Leverage[4]	Acquisition Date
Sagres	Hydropower	Portugal	107.6 MW	Operational	1951-2006	n.a.[5]	Various	FiT	EDP/Renta	18.0%[6]	23.3%	July 2019
Holmen II	Wind energy	Denmark	18.0 MW	Operational	2018	25y	Vestas	FiP	Energie.dk	100.0%	29.7%	July 2019
Olhava	Wind energy	Finland	34.6 MW	Operational	2013-2015	30y	Vestas	FiT	Finnish Energy	100.0%	29.4%	September 2019
Svindbaek	Wind energy	Denmark	32.0 MW	Operational	2018	29y	Siemens	FiP	Energie.dk	99.9%	16.3%	December 2019 & March 2020
The Rock	Wind energy	Norway	400.0 MW	Operational	2022	30y	Nordex	PPA	Alcoa	13.7%[6]	54.7%	June 2020
Benfica III	Solar PV	Portugal	19.7 MW	Operational	2017, 2020	40y	AstroNova	PPA	Axpo	100.0%	0.0%	October 2020
Albeniz	Solar PV	Spain	50.0 MW	Operational	2022	40y	Canadian Solar	PPA	Statkraft	100.0%	23.8%	December 2020
Desfina	Wind energy	Greece	40.0 MW	Operational	2020	25y	Enercon	FiP	DAPEEP	89.0%[6,7]	54.1%[8]	December 2020
Ourique	Solar PV	Portugal	62.1 MW	Operational	2019	40y	Suntec	CfD	ENI	50.0%[6]	0.0%	June 2021
Greco	Solar PV	Spain	100.0 MW	Operational	2013	40y	Jinko	PPA	Statkraft	100.0%	29.6%	March 2022
Tiza	Solar PV	Spain	30.0 MW	Operational	2022	40y	Canadian Solar	PPA	Axpo	100.0%	32.1%	June 2022
Total (AER Share)			**424.9 MW**									

1. Installed capacity at 100% ownership.
2. COD = Commissioning date.
3. PPA = Power Purchase Agreement, FiT = Feed-in tariff. FiP = Feed-in premium, CfD = Contract for Difference. Further information on the contracted revenue position can be found on page 14.
4. Leverage level calculated as a percent of debt plus fair value as at 31 December 2024.
5. 21 individual assets. Approximately 8 years remaining asset life when calculated using net full load years.
6. Majority of remaining shares are held by entities managed and/or advised by Aquila Capital.
7. Represents voting interest. Economic interest is approximately 90.0%.
8. Calculation based on voting interest.

Sagres, Portugal

INVESTMENT ADVISER'S REPORT CONTINUED

Portfolio Updates as at 31 December 2024

The Rock

Country:	Norway
Technology:	Onshore Wind
Date acquired:	June 2020
Status:	Operational
Capacity:	400.0 MW
Interest:	13.7%


The Rock, Norway

The Sami appraisal case was heard before the Helgeland District Court between 27 May and 13 June 2024.

The Helgeland District Court announced its decision on the Sami appraisal case on 20 December 2024, ruling in favour of The Rock project company and confirming the validity of the license. AER's share of the NOK 4.3m compensation awarded to reindeer herding stakeholders is NOK 590k (EUR 50k). The Sami have appealed the judgement from the Helgeland District Court in the appraisal case.

The Investment Adviser estimates that a decision in relation to the appeal will take place in 2026.

As communicated with shareholders previously, Eolus, the developer of The Rock, remains responsible for handling the appraisal case and for the economic impact on the project company associated with the outcome of that case, as well as the economic impact associated with the mitigation measures noted above. The Company will continue to keep shareholders updated regarding any key developments.

Tesla

Country:	Norway
Technology:	Onshore Wind
Date acquired:	July 2019
Status:	Operational
Capacity:	150.0 MW
Interest:	25.9%


Tesla, Norway

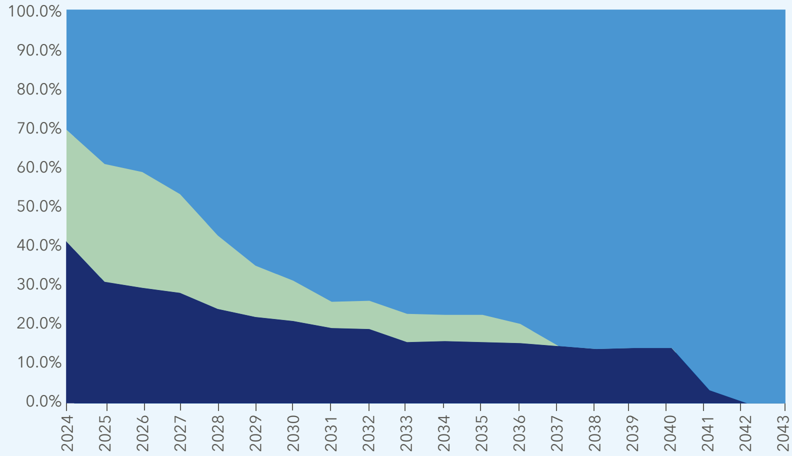
In September 2024, the Company entered into a sale and purchase agreement with Sunnhordland Kraftlag AS ("SKL") to sell its 25.9% interest in Tesla for a consideration of approximately EUR 27.0 million.

The sale price represents a 10.8% premium to the investment's fair value as at 30 June 2024. The sale proceeds were used to fully repay the RCF. As of 31 December 2024 the RCF remains undrawn (excluding bank guarantees of EUR 2.8 million, which will remain in place).

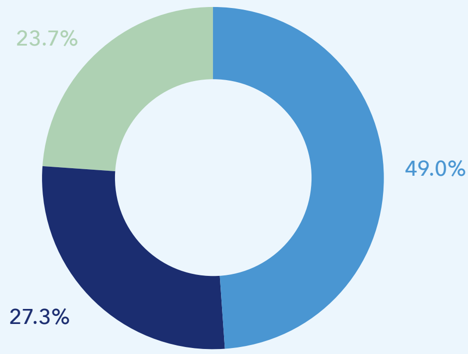
INVESTMENT ADVISER'S REPORT CONTINUED

Contracted Revenue Position

Revenue Mix – Existing Contracts



Present Value of Revenues (Five Years)



Fixed price PPA   Market   Government regulated tariff

INVESTMENT ADVISER'S REPORT CONTINUED

Financial Performance[1]

Performance[2]

Electricity Production (GWh)

Technology	Region	**2024**	2023	Variance (%)	Variance 2024 against P50[3] Budget
Wind energy	Denmark, Finland, Norway, Greece	**461.3**	508.5	-9.3%	-6.7%
Solar PV	Portugal, Spain	**384.8**	402.6	-4.4%	-11.1%
Hydropower	Portugal	**71.2**	60.8	17.1%	25.4%
Total		**917.3**	971.9	-5.6%	-6.8%

Load Factors[4]

Technology	**2024**	2023
Wind energy	**32.4%**	26.3%
Solar PV	**18.8%**	20.7%
Hydropower	**42.0%**	35.8%
Total	**29.6%**	25.9%

Technical Availability[5]

Technology	**2024**	2023
Wind energy	**93.6%**	94.0%
Solar PV	**99.8%**	99.8%
Hydropower	**97.5%**	98.3%
Total	**97.3%**	97.0%

Revenues[6] (EUR million)

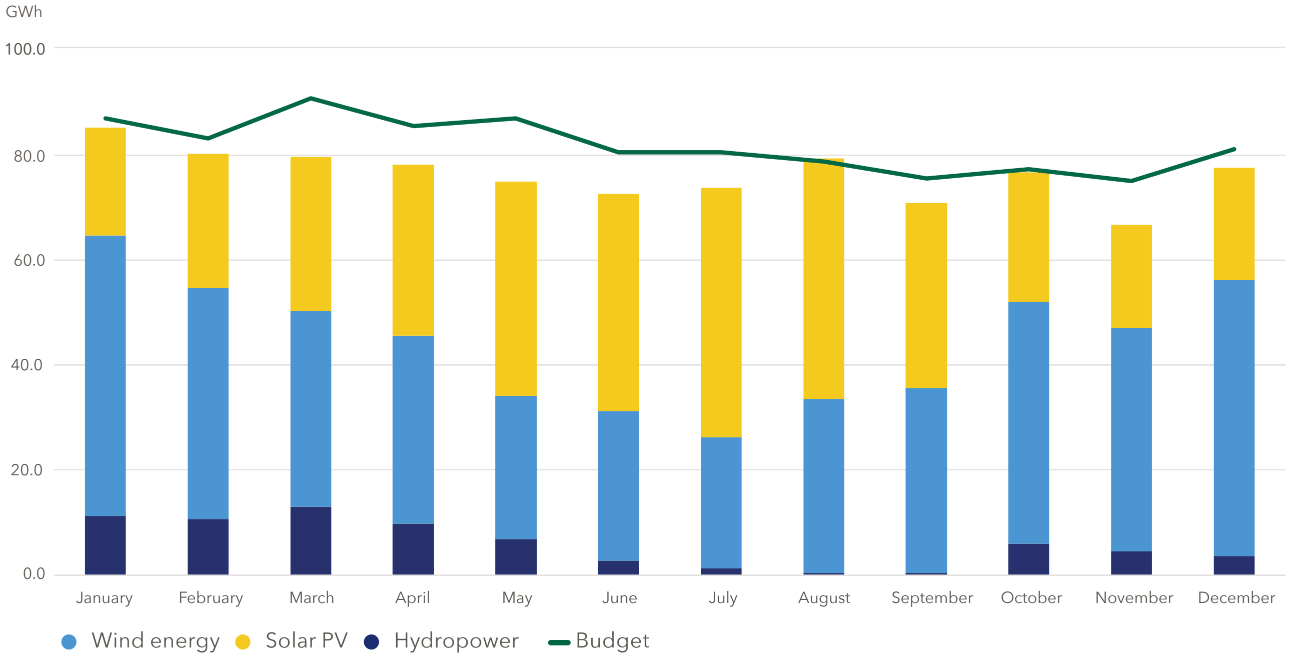
Technology	**2024**	2023	Variance (%)
Wind energy	**28.7**	32.0	-10.3%
Solar PV	**19.4**	23.7	-17.9%
Hydropower	**6.5**	6.1	5.3%
Total	**54.6**	61.8	-11.6%

1. KPI's of the underlying SPVs of the Tesseract Holdings Limited ("HoldCo").
2. Desfina data based on economic share (FY24: 90.0%, FY23: 91.5%).
3. 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).
4. 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.
5. Technical availability refers to the proportion of time a system, service, or infrastructure is fully functional and accessible for use, with minimal downtime. Average technical availability based on weighted installed capacity (AER share).
6. Includes merchant revenue, contracted revenue and other revenue (e.g. Guarantees of Origin, Electricity Certificates).

INVESTMENT ADVISER'S REPORT CONTINUED

Financial Performance continued

2024 Monthly Production Performance vs. Budget (AER Share)



The portfolio's production was 6.8% below budget over the reporting year, primarily due to lower irradiation for the solar portfolio, curtailment of the Iberian solar PV assets in times of negative power prices and lower than forecast average wind resource in the Nordics. Total weighted average technical availability over the reporting period remained stable at 97.3% (2023: 97.0%).

The Rock, Norway

INVESTMENT ADVISER'S REPORT CONTINUED

Gearing[1]

EUR million	As at 31 December 2024	As at 31 December 2023	Variance (%)
NAV	**320.2**	372.5	(14.0%)
Debt[2]	**152.0**	194.8	(22.0%)
GAV	**472.2**	567.4	(16.8%)
Debt (% of GAV)[3]	**32.2**	34.3	(215bps)
Project debt weighted average maturity (years)	**10.7**	13.9	(3.2) years
Project debt weighted average interest rate (%)[4]	**3.2**	2.6	55bps
RCF interest rate (%)[5]	**5.2**	5.7	(50bps)

Debt Summary as at 31 December 2024[1]

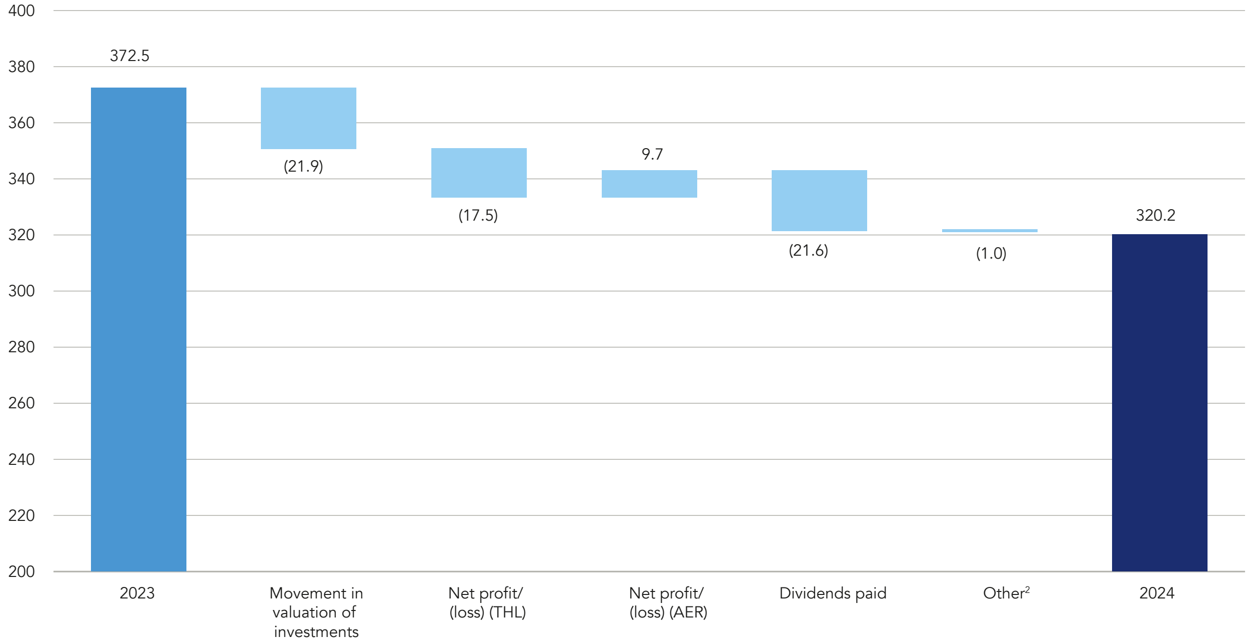
Project	AER share	Drawn debt (EUR million)	Currency	Bullet/amortising	Maturity	Hedged proportion	Type
Sagres	18.0%	5.0	EUR	Fully amortising	Jun-33	70.0%	Bank Debt
Olhava	100.0%	9.6	EUR	Fully amortising	Dec-30/Sep-31	100.0%	Bank Debt
Holmen II	100.0%	9.9	DKK	Fully amortising	Dec-37	100.0%	Bank Debt
Svindbaek	99.9%	6.3	DKK	Fully amortising	Dec-37	100.0%	Bank Debt
The Rock: USPP Bond	13.7%	30.7	EUR	Fully amortising	Sep-45	100.0%	Debt Capital Markets
The Rock: Green Bond	13.7%	11.0	EUR	Bullet	Sep-26	100.0%	Debt Capital Markets
Desfina	89.0%	30.6	EUR	Fully amortising	Dec-39	100.0%	Bank Debt
Albeniz	100.0%	10.8	EUR	Partly amortising	Dec-28	90.0%	Bank Debt
Jaén	100.0%	12.0	EUR	Partly amortising	Dec-28	90.0%	Bank Debt
Guillena	100.0%	16.7	EUR	Partly amortising	Dec-28	90.0%	Bank Debt
Tiza	100.0%	9.6	EUR	Partly amortising	Dec-28	90.0%	Bank Debt
Subtotal		**152.0**				**95.8%**	
RCF	100.0%	–	EUR	Bullet	Apr-25	0.0%	Bank Debt
Total		**152.0**				**95.8%**	

1. Foreign currency values converted to EUR as at 31 December 2024. Data represents AER's share of debt. AER's share of Desfina debt is based on voting interest.
2. Debt corresponds to senior debt secured at project level and RCF at HoldCo level.
3. 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 16. All references to cents are in euros, unless stated otherwise.
4. Weighted average all in interest rate for EUR denominated debt (excl. RCF). DKK denominated debt has an average weighted interest rate of 2.7% (31 December 2023: 2.7%).
5. Consists of 1M EURIBOR plus a margin of 1.85%.

Financial Performance continued

Valuation continued

NAV Bridge (EUR million)[1]



Sagres, Portugal

1. Movement in valuation of investments: excludes the impact of capital contributions.
2. Other: Non-recurring expenses and FX losses.

INVESTMENT ADVISER'S REPORT CONTINUED

Financial Performance continued

The Company's NAV as at 31 December 2024 was EUR 320.2 million or 84.7 cents per Ordinary Share (31 December 2023: EUR 372.5 million or 98.5 cents per Ordinary Share). This represents a NAV total return of -8.2% per Ordinary Share (2023: -6.0%) including dividends.

Dividends of EUR 21.6 million (5.7 cents per Ordinary Share) were paid during the reporting year.

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

– Negative effect from power price curves and GoOs. In the Nordics, the decrease is due to lower expectations for industrial demand, delayed and reduced hydrogen production, delayed battery developments and the renaissance of nuclear power. In Iberia, an increase in buildout for PV plants and a decrease in carbon EUA emissions have resulted in similar negative effects. The decrease in GoOs over the past year on the other hand has been due to lower demand as European countries approach a fully decarbonized grid.
– An increase in the portfolio discount rate to 7.3% (2023: 7.2%), driven by the introduction of bank financing for the three assets Albeniz, Tiza and Greco. Risk free rates were broadly in-line with 2023, despite fluctuations throughout the year.

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 2024 and the Directors are satisfied with the methodology, the discount rates and key assumptions applied, and the valuations.

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

Svindbaek, Denmark

INVESTMENT ADVISER'S REPORT CONTINUED

Financial Performance continued

Valuation Assumptions

As at 31 December 2024

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 all asset classes (wind, solar PV and hydropower) remains unchanged with the first two using a blend of two power price curve providers and the third using a blend of three power price curve providers.
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. The operating lives of hydropower assets are estimated in accordance with their expected concession terms.
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 2024**	As at 31 December 2023
Discount rate	Weighted average	**7.3%**	7.2%
Long-term inflation	Weighted average	**2.0%**	2.0%
Remaining asset life[1]	Wind energy (years)	**23**	22
	Solar PV (years)	**35**	36
	Hydropower (years)	**8**	9
Operating life assumption[2]	Wind energy (years)	**28**	28
	Solar PV (years)	**40**	40
	Hydropower (years)	**n/a**	n/a

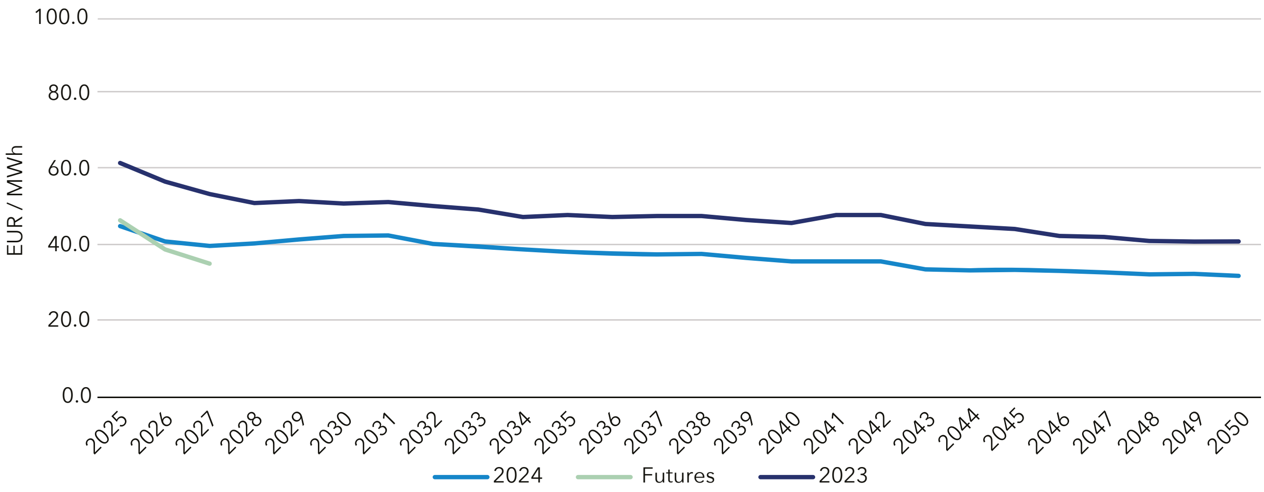
There were no significant changes in the key valuation assumptions compared to the previous reporting period.

1. Remaining asset life based on net full load years. Does not consider any potential asset life extensions.
2. Asset life assumption from date of commissioning.

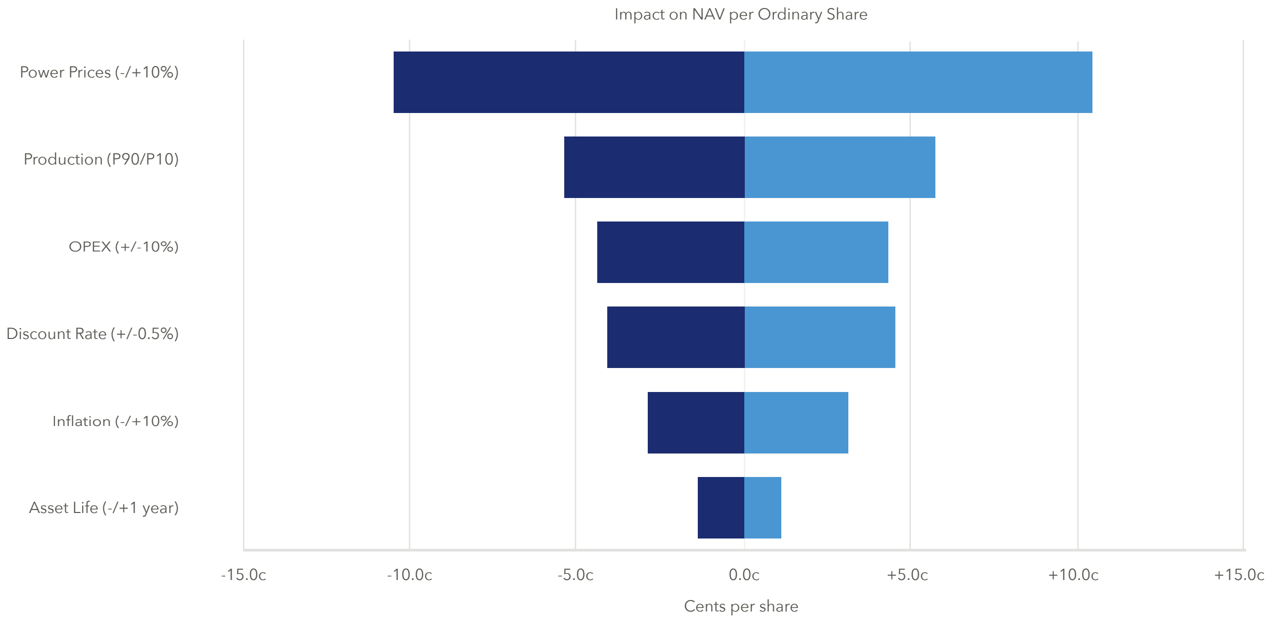
INVESTMENT ADVISER'S REPORT CONTINUED

Market Commentary and Outlook

Electricity Price Forecasts – All Assets (Weighted Average)[1]



Valuation Sensitivities



1. Data reflects pricing forecasts as at 31 December 2024. All power prices are in real terms as at 31 December 2024 and reflect the weighted average captured price. Weighting is based on P50 production sold at the market price.

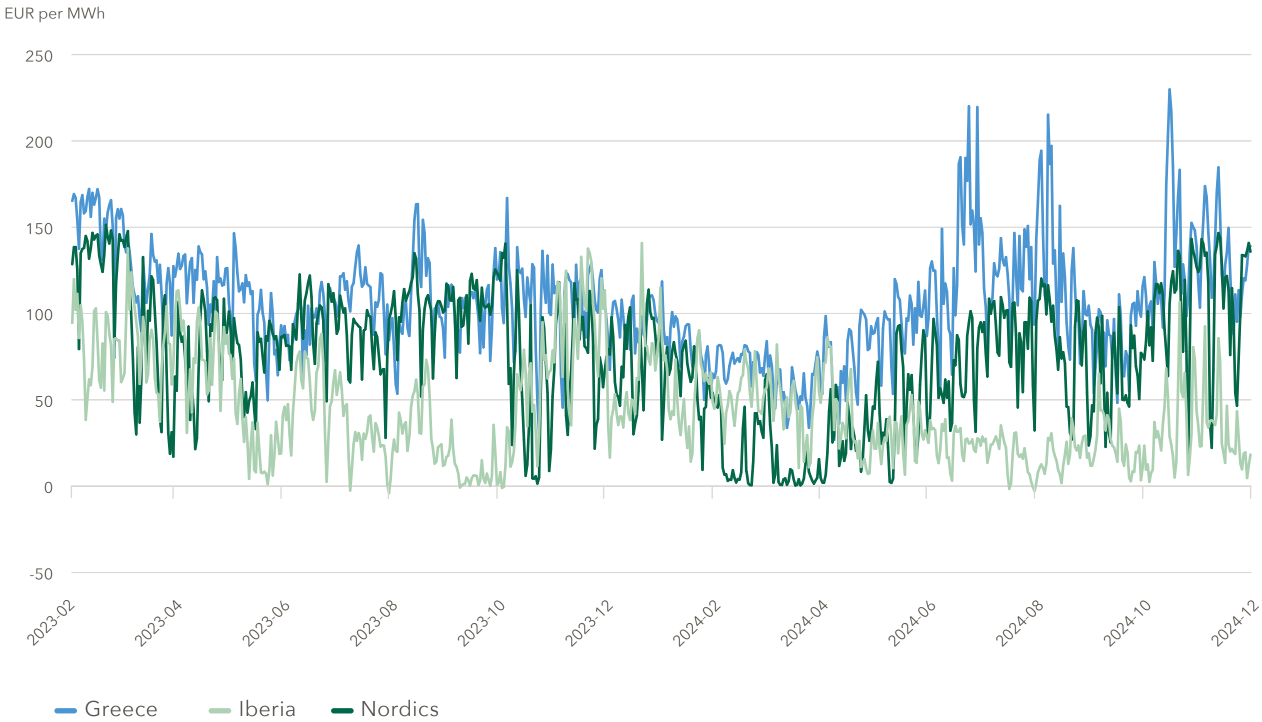
INVESTMENT ADVISER'S REPORT CONTINUED

Market Commentary and Outlook continued

Market Power Prices

2024 was marked by a decrease in short-term power price forecasts across the majority of the portfolio, reflecting lower commodity prices (notably gas and coal) relative to the same period last year, mainly caused by the elevated filling levels of gas storage reservoirs. Gas prices have seen a recent uptick in light of the volatile geo-political environment and increased competition with Asia for liquefied natural gas, despite still trading within a markedly lower range than the record highs experienced in the past few years. 2024 has seen some recovery in electricity demand at a transmission system level, with base demand up 1.5% across major markets relative to 2023, partially due to the introduction of demand reduction measures across several European jurisdictions in the first quarter of 2023. Elevated hydropower production has been a trend across the continent in 2024, particularly in Iberia and the Nordics during the first half of the year.

2024 Average Daily Power Price Chart[1]



Nordics

During 2024, power prices in the Nordics traded at an average of EUR 36.1 per MWh (2023: EUR 56.4 per MWh). The decrease in power prices was driven mainly by the continued fall and normalisation of commodity prices in 2024, together with stable hydropower output in the region. Power demand in the Nordics has shown signs of recovery in 2024. However, the greater interconnection levels of the region's southern price zones (SE4, NO1, NO2, DK1) with continental Europe meant that those zones were more affected by volatile price drops in the continent's commodity and power prices, as opposed to the less interconnected northern price zones (NO3 and NO4). As at 31 December 2024, AER has exposure to the NO4 price zone in Norway via its interests in The Rock.

Iberia

Power prices in Iberia traded at an average of EUR 63.0 per MWh in 2024 (2023: EUR 87.2 per MWh). The significant decrease in power prices was driven by i) lower commodity prices, ii) depressed demand, despite demand being above 2023 levels it was still below 2022 levels, iii) elevated hydropower output (up 32% year-on-year) due to heavy rainfall, and iv) higher solar output as a result of solar PV capacity growth. Both Spain and Portugal recorded their first negative prices, especially in the spring, due to a convergence of low demand and significant renewable output.

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

INVESTMENT ADVISER'S REPORT CONTINUED

Greece

Power prices in Greece were more elevated than other European countries due to the higher proportion of hours in which gas-fired generation sets the marginal price in the country's wholesale market. However, the downward trajectory in commodity prices still resulted in a substantial decrease in the average power price for 2024 to 100.1 per MWh (2023: EUR 119.2 per MWh).

Outlook

The current market environment presents a compelling opportunity for long-term investment in renewable energy assets, despite recent geopolitical uncertainty. While recent macroeconomic challenges, including inflation, rising interest rates and supply chain disruptions, have impacted asset valuations, these pressures are now easing. Inflation has moderated and interest rates are stabilizing, reducing financing costs and improving the profitability of renewable energy projects. Additionally, declining capital expenditure costs, particularly in photovoltaic modules and battery energy storage systems, enhance the economic case for further expansion. These cyclical tailwinds, combined with continued political support for decarbonization and energy security, reinforce the resilience and attractiveness of renewable energy investments.

Looking ahead, structural trends such as the growing electrification of industries, the increasing adoption of energy storage solutions and rising carbon pricing will continue to drive demand for clean energy. While electricity price volatility remains a factor, it also reinforces the merits of portfolio diversification and active energy management, both of which have been key elements of Aquila European Renewables' investment strategy since its formation in 2019. Notwithstanding the Managed Wind-Down process, as energy markets evolve, the Company's portfolio remains well-positioned to capitalize on these dynamics whilst contributing to the sustainable energy transition.

Aquila Capital Investmentgesellschaft mbH

24 April 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

1. Environmental

Aquila Group 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, Aquila Group set a goal to avoid **1.5 billion** tonnes of CO2e by 2035 during its portfolio's lifetime.

UN Sustainable Development Goals for Europe

40.0%
At least a 40.0% decline from 1990 levels in greenhouse gas emissions

32.0%
A 32.0% share for renewables in the energy system

32.5%
A 32.5% improvement in energy efficiency

Albeniz, Spain

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 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).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

AER's Contribution to the UN Sustainable Development Goals

Goal	Overview	Contribution towards UN Sustainable Development Goals
Ensure access to affordable, reliable, sustainable and modern energy for all.	– 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.	7 AFFORDABLE AND CLEAN ENERGY
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	– 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).	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Take urgent action to combat climate change and its impacts.	– The Company's **424.9 MW** portfolio powered approximately **227.0 thousand** households and avoided approximately **225.6 thousand** tonnes of CO_2 emissions over the reporting year[1]. – 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.	13 CLIMATE ACTION

1. Actual AER contributions as at 31 December 2024. 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.

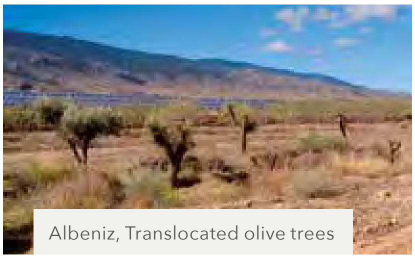
Several visits per month are made to implement the measures, monitor their evolution and make necessary adjustments. Below is a selection of closely monitored measures implemented across some of the Company's solar PV parks for local flora and fauna.

Flora

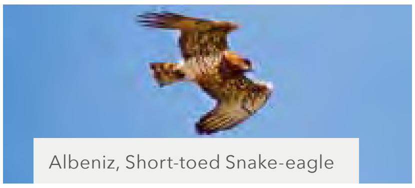
- Translocation of rain-fed olive trees.
- Planting of broom and palmetto trees to promote landscape integration and the creation of biotopes appropriate for local species.
- Clearing of vegetation through sheep grazing.
- Regular maintenance measures and monitoring.

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 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.


Albeniz, Translocated olive trees


Greco, European Owl


Albeniz, Short-toed Snake-eagle


Parnassos National Park, Greece

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 two women, 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 60 nationalities are represented among its employees), and in gender (its gender ratio is 62% male and 38% female).

AER Board:

Men	Women
3	2

Investment Adviser:

Men	Women
62%	38%

60
Different nationalities

5 GENDER EQUALITY

INVESTMENT POLICY AND KEY PERFORMANCE INDICATORS

At a General meeting held on 30 September 2024 shareholders approved the following New 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 realizable value as part of the orderly realization 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 per cent 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 per cent 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 (such as Tesla), 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

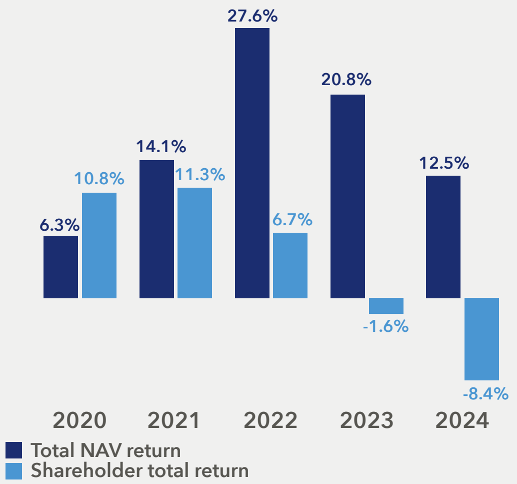
Key Performance Indicators ("KPIs")

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

(i) Achievement of NAV and Share Price Growth since IPO[1] (June 2019)

(8.4%) 2024

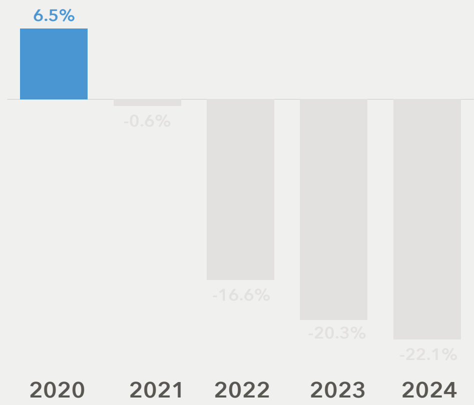
2023: (20.8%)



(ii) Maintenance of a Reasonable Level of Premium or Discount of Share Price to NAV[1]

(22.1%) 2024

2023: (20.3%)



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 return[1] and total shareholder return since IPO[1] (June 2019) to 31 December 2024 was 12.5% and -8.4% (2023: 20.8% and -1.6%) respectively. The Company's NAV total return[1] and share price total return[1] for the year to 31 December 2024 was -8.2% and -8.6% (2023: -6.0% and -9.0%) respectively. On an annualised basis, the NAV total return[1] per Ordinary Share has achieved 2.2% since IPO.

The Chairman's Statement on pages 8 to 9 incorporates a review of the highlights during the year. The Investment Adviser's Report on pages 10 to 23 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 22.1% discount to the NAV as at 31 December 2024 (2023: 20.3% 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 as and when necessary.

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 97 to 99. All references to cents are in euros, unless stated otherwise.

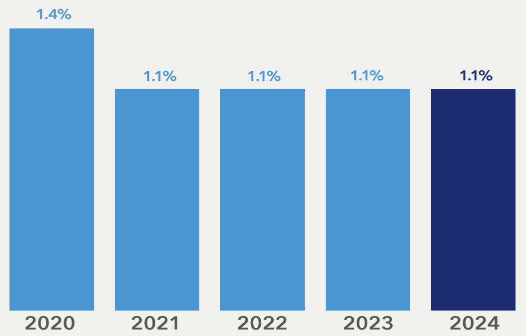
INVESTMENT POLICY AND KEY PERFORMANCE INDICATORS CONTINUED

Key Performance Indicators ("KPIs") continued

(iii) Maintenance of a Reasonable Level of Ongoing Charges[1]

1.1% 2024

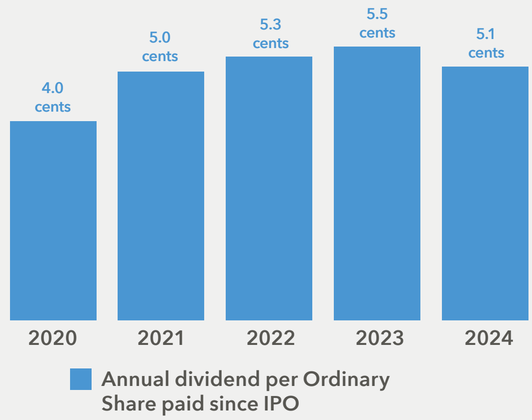
2023: 1.1%



The Board receives management accounts containing an analysis of expenditure which it reviews at its quarterly Board meetings. The Board reviews the ongoing charges[1] quarterly and considers these to be reasonable in comparison with its peers.

Based on the Company's average net assets during the year ended 2024, the Company's ongoing charges figure was 1.1% (2023: 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)



The Board approved a target dividend of 5.79 cents per Ordinary Share ('2024 Target Dividend') in relation to the year ended 31 December 2024. 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. The fourth quarterly dividend was therefore lower than anticipated in the 2024 Target Dividend amounting to 0.79 cents per share, as opposed to 1.4475 cents planned quarterly instalment. The actual total dividend declared for 2024 was 5.1325 cents.

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 97 to 99. All references to cents are in euros, unless stated otherwise.

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.

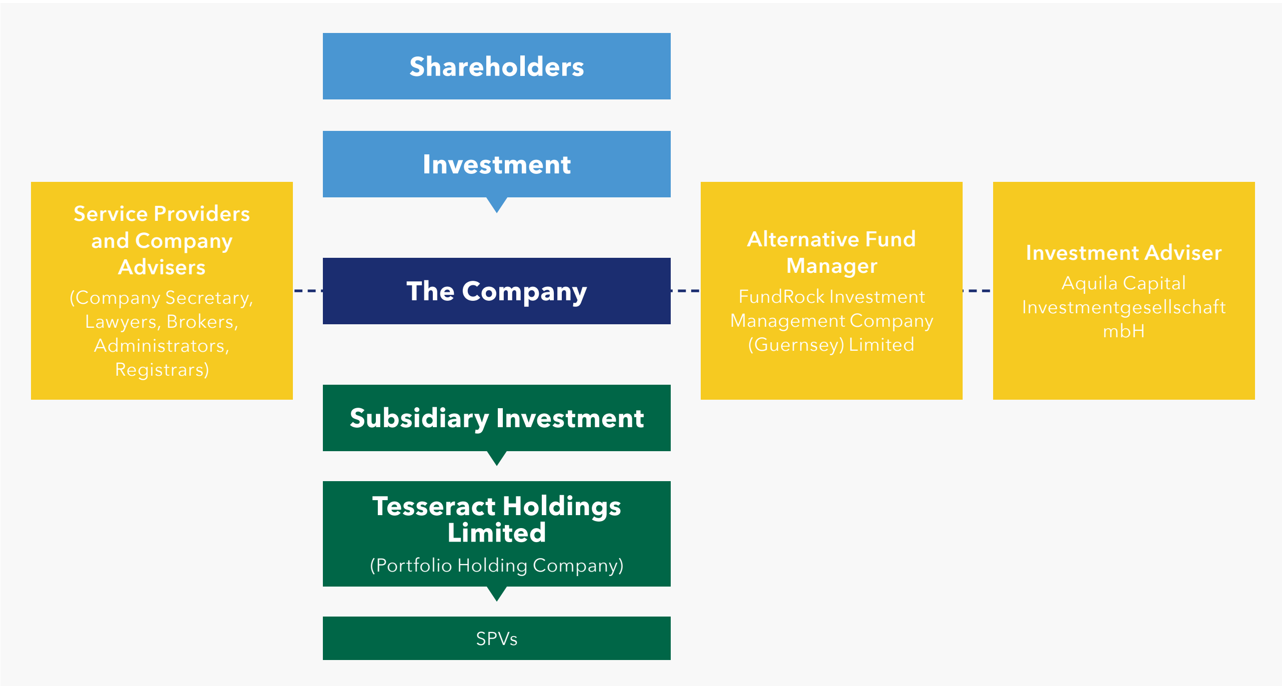
This is a two-way process and the feedback received from the Company's stakeholders is highly valued and factored into the Board's decision-making process. The Company has a range of stakeholders, and this section maps out who they are, what the Board believes their key interests to be, how the Company 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 Euronext Growth Dublin Exchange on 2 October 2023. 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 discharge 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 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 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 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 and to ensure expected returns are achieved and sufficient capital is available to invest in appropriate renewable energy infrastructure investments, and to grow the business in line with strategy and expectation.

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 and 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 46.

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 for the Company's long-term success. 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 being presented to the Board. In addition to the reports the Board receive 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 10. 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 consider 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 the Company has entered Managed Wind-Down and the Company turned to reducing debt.

Liquidity Considerations

Additionally at its quarterly board meetings, the Board considers liquidity considerations of the Company and the HoldCo. As at 31 December 2024, the Company and the HoldCo had EUR 21.91 million of liquidity consisting of EUR 4.75 million in cash on hand plus EUR 17.16 million in an undrawn revolving credit facility ("**RCF**"). The Board recently decided to let the RCF 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.

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 29 to 31. 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 24 to 28 or on its website at **https://www.aquila-european-renewables.com**.

Key Decisions made During the Year

Decisions Relating to the Company's Portfolio of Assets

On 27 September 2024, the Company announced the completion of the sale of its 25.9% interest in Tesla to Sunnhordland Kraftlag AS for EUR 27.0 million, representing a premium of EUR 2.6 million above the prevailing valuation reflected in the Company's Q2 2024 NAV.

During the year the Company, via its wholly owned subsidiary, entered into a five-year non-recourse debt facility with ING Bank N.V. Sucursal en España on 8 January 2024. The debt facility was sought in order to secure financing at attractive terms, the proceeds of which were used to repay the RCF.

There had been no changes to PPA arrangements during the year.

Decisions Relating to the Managed Wind-Down Process

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.

On 24 October 2024 the Company announced the appointment of Rothschild & Co to support the Company's Managed Wind-Down process.

SECTION 172 CONTINUED

Dividend

The Company announced a target dividend of 5.79 cents per Ordinary Share ('2024 Target Dividend') in relation to the year ending 31 December 2024, subject to the portfolio performing in line with expectations.

Now that the Company has entered Managed Wind-Down, the Board have 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. The fourth quarterly dividend was therefore lower than anticipated in the 2024 Target Dividend amounting to 0.79 cents per share, as opposed to 1.4475 cents planned quarterly instalment. The actual total dividend declared for 2024 was 5.1325 cents.

The Board considered the interests of the Company's shareholders and other relevant stakeholders as part of its decision- making process prior to concluding on the above mentioned items of business. Where deemed appropriate and where not considered commercially sensitive the Board sought the views of the Company's key shareholders in advance of any decision.

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	The income and value of the Company's investments may be affected by future changes in the market price of electricity. 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: – 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. 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. 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. The current energy geopolitical situation in Europe is continuing to lead to uncertainty and potential volatility in energy prices, which in turn may have an impact on performance.	The Company holds a balanced mix of investments that benefit from government subsidies as well as long-term fixed price PPAs. Of AER's forecast revenue for the next five years (on a present value basis), approximately 51% will be generated via government tariffs or fixed price PPAs, protecting the Company's revenue from volatile electricity prices. The Investment Adviser retains the services of market leading energy consultants to assist with determining future power pricing for the respective regions. The underlying SPV companies may use derivative instruments such as futures, options, futures contracts and swaps to protect from fluctuations in future electricity prices. 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. 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.
2. Equity Market Volatility and Shareholder Pressure	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.	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.
3. Change in Political Sentiment	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. 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.	The AIFM, advised by the Investment Adviser with its 17 offices in 16 countries, continuously monitors all jurisdictions the Company invests. 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.

RISK AND RISK MANAGEMENT CONTINUED

Operational

Risks	Potential Impact/Description	Mitigation
4. Counterparty Risk	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. 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. 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.	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. 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. The Investment Adviser assesses the credit risk of companies by defined criteria before they become counterparties to PPAs, EPCs and TSA providers.
5. Performance of the Investment Adviser	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. The Investment Adviser employs experienced executives to manage the Company's investments. There is a risk that a key person leaves the Investment Adviser.	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.
6. IT Security	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. 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. The pandemic and, more recently the Russian and Ukraine war, has 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.	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. 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. 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.

RISK AND RISK MANAGEMENT CONTINUED

Financial

Risks	Potential Impact/Description	Mitigation
7. Portfolio Valuation	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.	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 interrogated by the Board before being approved. 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. The Investment Adviser and broker monitor market competitors and provide feedback on valuation methodologies and assumptions to the valuation team.
8. Risks associated with the Managed Wind-down process	There are several risks associated with the Company's Managed Wind-down process as follows: 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.	The Board engaged Rothschild & Co as the Company's financial adviser to help with the sales process. Rothschild are one of the most experienced advisors in the sector, with deep credentials in selling renewables in the private markets.
9. Leverage Risk/ Interest Risk	The use of leverage creates risks including: – 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. 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.	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: – short-term debt: 25% of the prevailing GAV; and – long-term structural debt: 50% of the prevailing GAV. As at 31 December 2024, the Company's subsidiary, Tesseract Holdings Limited, had 0% of short-term debt and at SPV level there was 32.2% 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. The Investment Adviser provides updates of the covenant compliance to the AIFM and to the Board periodically, and looks at refinancing as early as possible. Interest rate risk on bank debt at the asset level is mitigated by the use of hedging instruments. 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.

RISK AND RISK MANAGEMENT CONTINUED

Compliance, Tax and Legal

Risks	Potential Impact/Description	Mitigation
10. **Changes to Tax Legislation or Rates**	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. A windfall tax on profits from an investment levied by government.	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. 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.
11. **Regulatory and Compliance Changes**	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"). 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. 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. 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.	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. 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. The AIFM is experienced in compliance with the AIFMD reporting obligations and reports at least quarterly to the Board. The Investment Adviser monitors changes in regulation across the markets the Company operates. The Company complies with article 8 of the SFDR and, as noted under "ESG", looks to comply with local requirements, to mitigate potential risks.

RISK AND RISK MANAGEMENT CONTINUED

Emerging Risks

Risks	Potential Impact/Description	Mitigation
12. **Climate-related risks**	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. 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.	The Company should be sufficiently protected through hedging of price risks in the event of unforeseen changes in regulatory requirements related to climate change. 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. 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.
13. **Global Conflict**	As evidenced with the ongoing war in Ukraine and the various restrictions imposed, as well as the conflict in Gaza, acts of war and resulting sanctions can lead to O&M supply delays, volatile energy markets and general uncertainty. This can also lead to short-term price increases and more focus on renewable energy infrastructure and increased competition for assets. 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.	The Investment Adviser, using its extensive experience, is constantly monitoring geopolitical and macro-economic developments. Where required, it undertakes external geopolitical and risk analysis. The Company does not have any direct exposure to Ukraine, Russia, Israel or Gaza. There are also no direct business relations with counterparties from these countries. The Company has limited exposure to supply chain risk. The Broker, Administrator, AIFM and Company advisers all monitor and inform the Board as soon as they are aware of any developments that may impact the Company or its business.

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 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 business 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 think this is appropriate. The procedure observed by the Board in considering dealing with conflicted matters is as follows:

- any Board member so conflicted must excuse themself 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 2024, the Company had five Directors who are non-executive and receive a fixed fee remuneration, of whom three are male and two are female and one is from an ethnic diverse background. The Board's policy on diversity is contained in the Corporate Governance Report (see page 48).

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 Period.

Although the Company is in a Managed Wind-Down, the Board believes that the Period, being approximately 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 36 to 41.

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 32.2% as at 31 December 2024 of the Company's Gross Asset Value, comprised of non-recourse debt at the asset level of EUR 152.0 million. The Board recently decided to let Tesseract Holdings Limited's RCF 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. The Finnish wind asset Olhava continues to be in lock-up as a result of debt covenant breaches due to the combined impact of lower production, lower realized power prices and high debt repayment obligations. Tesseract Holdings Limited recently entered into a side letter with the lender to rectify the breach, which included certain conditions, including (but not limited to) a small equity cure of EUR 198k, funded from existing cash at the project company level, as well no dividends being payable from the project company before 30 December 2025. In January 2024, the Company, via its wholly owned subsidiaries, entered into a bank debt financing at its Spanish solar PV portfolio for EUR 50.0 million, the proceeds of which were primarily used to repay the RCF of Tesseract Holdings Limited.

As part of their analysis, the Board were 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 and 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 36 to 41 and in the Investment Adviser's Report on pages 10 to 23. The Board have 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 would 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 36 to 41.

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 not expect there to be any material increase in the expenses of the Company over the Period. The Company's income from investments provides substantial cover to the Company's operating expenses and any other costs likely to be faced by the Company over the Period of the assessment.

Outlook

The outlook for the Company, including the future development and performance of the Company, is discussed in the Chairman's Statement on pages 8 to 9 and the Investment Adviser's Report on pages 10 to 23.

Strategic Report

The Strategic Report set out on pages 1 to 42 of this Annual Report was approved by the Board of Directors on 24 April 2025.

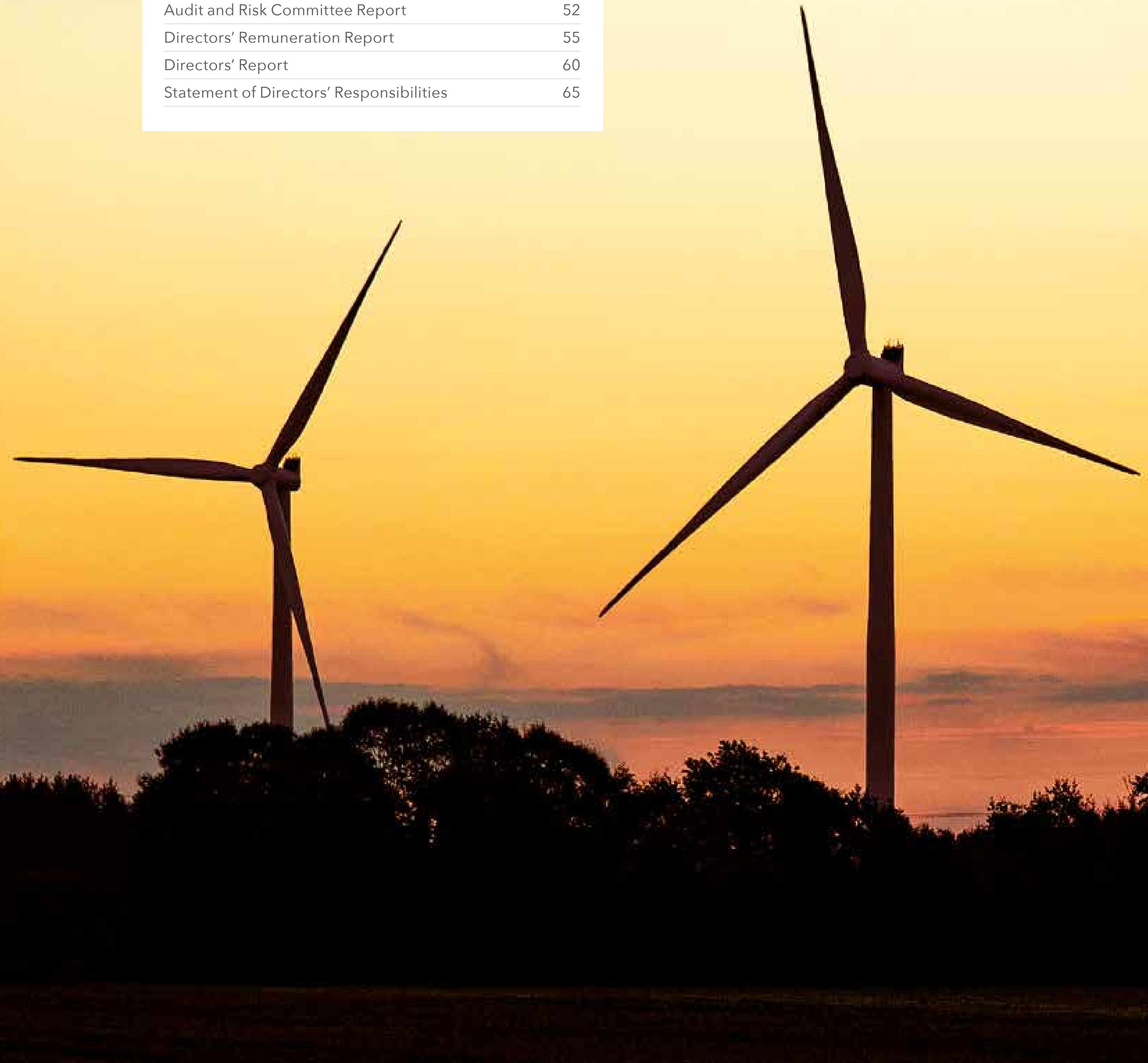
For and on behalf of the Board,

Ian Nolan
Chairman of the Board

24 April 2025

GOVERNANCE

What's in this Section



Svindbaek, Denmark

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:

Ian Nolan

Non-executive Chairman

Appointed on 8 April 2019

Ian Nolan led the team that was recruited by the UK Government in 2011 to establish the UK Green Investment Bank and was its Chief Investment Officer until 2014. Previously, Mr Nolan held the position of Chief Investment Officer at 3i Plc and was a Director of Telecity Group Plc. He is currently a Partner and Chairman of the Investment Committee of Circularity Capital LLP. Mr Nolan has three decades of experience in finance, private equity and investment management. He qualified as a chartered accountant with Arthur Andersen and graduated with a BA in Economics from Cambridge University.

Role

Chairman of the Board

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. Until recently, she served as a non-executive Board member of the Centre for Process Innovation.

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.

R A

David MacLellan

Non-executive Director

Appointed on 8 April 2019

David MacLellan has almost 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.

A R

Key

R Remuneration and Nomination Committee

A Audit and Risk Committee

BOARD OF DIRECTORS CONTINUED

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

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

R A

Patricia Rodrigues

Non-executive Director

Appointed on 17 April 2019

Dr Patricia Rodrigues has over two decades of leadership experience in infrastructure and real-asset investment and investment banking. She is a non-executive Director for several companies and funds investing in real assets globally with a focus on ESG, including Legal & General Assurance Society Ltd. Dr Rodrigues is an Investment Committee member of GLIL Infrastructure and AIIF4 (Africa Infrastructure). She began her finance career at Morgan Stanley and subsequently worked for Macquarie, including as a Managing Director, where she led new infrastructure and real-asset products globally. Dr Rodrigues was Head of Portfolio Management for UK Green Investment Bank, before leading the growth strategy of the non-real-estate Real Assets business for Townsend. She graduated with an M Eng-equivalent in Engineering from the University of Porto and a PhD in Engineering from Cambridge University.

Role

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

R A

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 2019 (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 2024, 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 due to the Board being small in size.

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 five independent non-executive Directors, including the Chairman.

The Board believes that, during the year to 31 December 2024, 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 46 to 47.

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 furthering 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 52 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, Kenneth MacRitchie and Patricia Rodrigues.

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. The Chair of the Remuneration and Nomination Committee is Dr Patricia Rodrigues. The other members of the Remuneration and Nomination Committee are Kenneth MacRitchie, 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 these 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 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

Number of meetings held	Quarterly Board meetings	Audit and Risk Committee	Remuneration and Nomination Committee
Ian Nolan[1]	4/4	–	–
David MacLellan	4/4	7/7	1/1
Kenneth MacRitchie	4/4	7/7	1/1
Patricia Rodrigues	4/4	7/7	1/1
Myrtle Dawes	4/4	7/7	1/1

In addition, a number of ad hoc Board and committee meetings were held during the year to deal with administrative matters and the formal approval of documents which were considered time critical. The Board also held a Strategy day at which each Board member was in attendance.

1. Ian Nolan is not a member of the Audit and Risk Committee or the Remuneration and Nomination Committee; however, he attended each committee meeting held during the year via invitation from the Chair of each as his contribution was considered valuable.

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. A separate Strategy Day is also held on at least an annual basis, at which key operational and marketing matters are discussed and views and opinions are considered. All Board members attend this meeting, together with key representatives of the Investment Adviser, Brokers, AIFM and Company Secretary.

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, who 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 ensure it is 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; and
- 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
- providing appropriate support at the AGM.

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 2024, the Company had five Directors, three of whom are male and two are 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. However, the Board considers the Chair of the Nomination and Remuneration Committee to be a senior board position and the following disclosure is made on this basis. Other senior board positions recognised by the FCA are Chair of the Board. 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 2024.

The following information has been provided by each Director. There have been no changes since 31 December 2024.

Board Composition as at 31 December 2024

Number of meetings held	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	3	60%	1
Women	2	40%	1
Prefer not to say	–	–	–

CORPORATE GOVERNANCE CONTINUED

Board Composition as at 31 December 2024 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)	4	80%	2
Black/African/Caribbean/Black British	1	20%	–
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 and have each 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 and the Board also considered a list of actions resulting from the evaluation. The evaluation of the Chair was led by Patricia Rodrigues. 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 provide only 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 system throughout the year.

Financial Aspects of Internal Control

These are detailed in the Audit and Risk Committee Report on pages 52 to 54.

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 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 risks involved. 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 1 to 42.

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, Patricia Rodrigues and Myrtle Dawes are members of the Committee, which is chaired by Mr MacLellan. The Committee has formal written terms of reference and copies of these 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, who 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 65 and a statement of going concern is on page 63. The Independent Auditors' Report is on pages 67 to 71.

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 2024:

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 note 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 2024, 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. In accordance with auditor rotation best practice, Richard McGuire, who was appointed the Company's audit partner on 14 September 2020, was replaced by Robert Hawkins for the audit 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 January 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 36 and the Company's principal risks can be found on pages 36 to 41.

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 2025 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 2024.

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

24 April 2025

DIRECTORS' REMUNERATION REPORT

Dr Patricia Rodrigues
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. For the year to 31 December 2024, Patricia Rodrigues was the Chair of the Remuneration and Nomination Committee. The other members are David MacLellan, Kenneth MacRitchie and Myrtle Dawes. The Remuneration and Nomination Committee has formal written terms of reference; copies of these are available on the Company's website or on request from the Company Secretary.

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

Annual Chair's Statement

I am pleased to present the Remuneration Report for the year to 31 December 2024, 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 2024 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 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
Audit and Risk Committee Chair	52,500	50,000	46,000
Director	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 AGM to be held in 2026.

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

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

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.

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 42.

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.

Remuneration Implementation Report (Audited)

The table below provides a single figure for the total remuneration of each Director for the year ended 31 December 2024, including percentage increase.

	Year ended 31 December 2024			Year ended 31 December 2023			Percentage increase[1]			
Director	**Fees EUR**	**Taxable benefits EUR**	**Total EUR**	Fees EUR	Taxable benefits EUR	Total EUR	**2024**	2023	2022	2021
Ian Nolan	**75,000**	**–**	**75,000**	75,000	–	75,000	**0.0%**	0.0%	0.0%	0.0%
David MacLellan	**52,500**	**–**	**52,500**	52,500	–	52,500	**0.0%**	5.0%	2.0%	6.5%
Kenneth MacRitchie	**45,150**	**–**	**45,150**	45,150	–	45,150	**0.0%**	5.0%	1.2%	3.7%
Patricia Rodrigues	**45,150**	**–**	**45,150**	45,150	–	45,150	**0.0%**	5.0%	1.2%	3.7%
Myrtle Dawes[2]	**45,150**	**–**	**45,150**	15,040	–	15,040	**0.0%**	–	–	–
Total	**262,950**	**–**	**262,950**	232,840	–	232,840				

In addition to the above, the Company paid a total of EUR 17,418 in expenses to the Directors (2023: EUR 4,731). None of the above was paid to third parties. There were no taxable benefits claimed during the years ended 31 December 2024 or 31 December 2023.

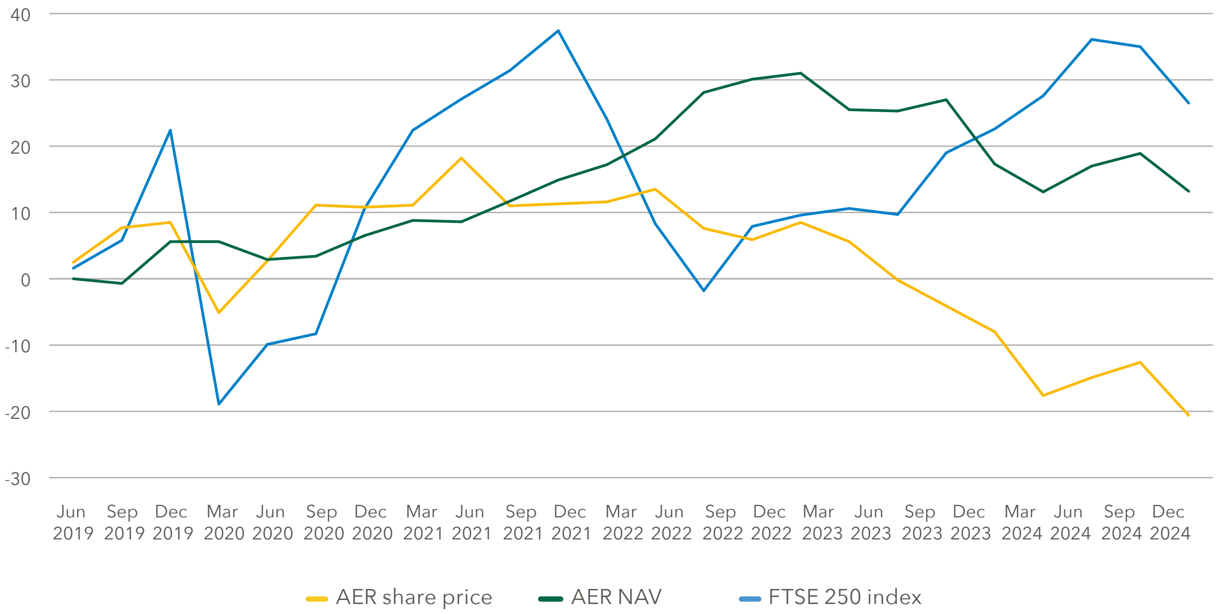
1. In accordance with The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, these columns have been included to show the annual percentage change over the preceding financial years in respect of each Director. The Board will publish this annual percentage 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.
2. Appointed to the Board on 1 September 2023.

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 98 cents and 100 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 2024 (EUR '000)	Year to 31 December 2023 (EUR '000)
Spend on Directors' fees	**263**	233
Company's operating expenses and advisory fees	**3,946**	4,710
Dividends paid and payable to shareholders	**21,640**	21,247
Share buybacks	**–**	27,964

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 2024 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 2024	Ordinary Shares as at 31 December 2023
Ian Nolan	**150,000**	150,000
David MacLellan	**125,000**	125,000
Kenneth MacRitchie	**50,000**	50,000
Patricia Rodrigues	**50,000**	50,000
Myrtle Dawes	**–**	–

There have been no changes to any of the Directors' holdings in the period from 1 January 2025 to the date of this report.

Voting on Remuneration Matters at the 2024 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 20 June 2024, the following resolutions, including Directors' remuneration, was approved:

Ordinary Resolution 2: To approve the Directors' Remuneration Policy Report included in the Annual Report.

	Shares voted	Percentage
In Favour	209,667,994	95.97%
Against	8,789,445	4.02%
Withheld	21,500	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 2024:

- 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.

Dr Patricia Rodrigues
Remuneration and Nomination Committee Chair

24 April 2025

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 December 2024.

Strategic Report

The Directors' Report should be read in conjunction with the Strategic Report on pages 1 to 45.

Corporate Governance

The Corporate Governance Statement on pages 48 to 51 forms part of this report.

Risk and Risk Management

The Risk and Risk Management section on pages 36 to 41 forms part of this report.

Viability Statement

The Viability Statement on pages 42 to 43 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 2024.

Market Information

The Company's Ordinary Shares are listed on the London and Euronext Growth Dublin Stock Exchanges ("LSE" and "Euronext", respectively). 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 46.

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 million;
– 0.65% per annum of NAV (plus VAT) of the Company between EUR 300 million and EUR 500 million; and
– 0.55% per annum of NAV (plus VAT) of the Company above EUR 500 million.

During the first two years of its appointment, the Investment Adviser has undertaken to apply its fee (net of any applicable tax) in subscribing for, or acquiring, Ordinary Shares and, as announced on 6 August 2021, this arrangement was extended by an additional two years to 30 June 2023.

If the Ordinary Shares are trading at a premium to the prevailing NAV, the Company will issue new Ordinary Shares to the Investment Adviser. If, however, the Ordinary Shares are trading at a discount to the prevailing NAV at the relevant time, no new Ordinary Shares will be issued by the Company and instead the Company will instruct its broker to acquire Ordinary Shares to the value of the fee due in the relevant period. 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. Such notice would not expire earlier than the third anniversary of first admission to the London Stock Exchange.

In accordance with the Investment Advisory Agreement, the Board agreed to purchase shares on behalf of the Investment Adviser in relation to fees payable, as detailed below in the section headed 'Share Capital'.

This arrangement has lapsed and the Investment Advisor has been paid its quarterly fees in cash from 30 June 2023.

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 2024. 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 (2023: 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

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.

At the 2024 AGM, the Company's Shareholders approved a renewal of the authority previously granted at the 2023 AGM to allot up to a maximum of 33.3% of the Company's issued shares equating to 130,511,365 Ordinary Shares and to disapply pre-emption rights when allotting up to 20% of those Ordinary Shares (equating to 78,314,650 Ordinary Shares). This authority will expire at the forthcoming AGM. As the Company has entered Managed Wind-Down, the Board will not be seeking to renew this authority.

Results and Dividend

The Company's revenue profit after tax for the year amounted to EUR 9,731,000 (2023: EUR 11,801,000). The Company made a capital loss after tax of EUR 39,472,000 (2023: EUR 41,699,000). Therefore, the total loss after tax for the Company was EUR 29,741,000 (2023: EUR 29,898,000).

Date	In respect of the period to	Dividend amount per Ordinary Share in cents	Pay date	Record date	Ex-Dividend date
1st interim dividend	31 March 2024	1.4475	14 June 2024	17 May 2024	16 May 2024
2nd interim dividend	30 June 2024	1.4475	6 September 2024	16 August 2024	15 August 2024
3rd interim dividend	30 September 2024	1.4475	9 December 2024	15 November 2024	14 November 2024
4th interim dividend	31 December 2024	0.7900	18 March 2025	21 February 2025	20 February 2025

DIRECTORS' REPORT CONTINUED

Notifiable Shareholders

As at 31 December 2024, 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	76,147,246	20.14	9 October 2024
BlackRock Inc.	52,502,481	13.88	23 April 2024
Barclays PLC	22,156,618	5.86	27 February 2024
CCLA Investment Management Limited	20,459,182	5.03	14 December 2021
Brewin Dolphin Wealth Management Limited	18,832,297	4.98	11 April 2024
Baillie Gifford & Co	18,239,525	4.82	28 March 2024

Since year end, the Directors have been formally notified of the following interests in the Company's Ordinary Shares:

Shareholder	Holding	Percentage held[1]	Date notified
Weiss Asset Management	79,522,246	21.03	4 February 2025
BlackRock Inc.	53,399,849	14.12	21 January 2025

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 19 June 2025 and to exercise their voting rights. Further details on how to do this can be found in the Notes to the Notice of AGM which can be found on pages 102 to 105. 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"). 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.

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

DIRECTORS' REPORT CONTINUED

Auditor Information

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

i. so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
ii. 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 19 June 2025 at the offices of the Company's lawyers, CMS Cameron McKenna Nabarro Olswang LLP. 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**.

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.

By order of the Board,

Jenny Thompson
For and on behalf of
Apex Listed Companies Services (UK) Limited

Company Secretary

24 April 2025

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
24 April 2025


Vestas

INDEPENDENT AUDITOR'S 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 2024 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 Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2024; the Statement of Comprehensive Income, the Statement of Changes in Equity and 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'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. 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 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 both in the base case and downside scenarios, including assessing whether we considered the downside sensitivities to be appropriately severe;
- Tested the integrity of the underlying formulae and calculations within the going concern and cash flow models;
- Considered the appropriateness of the mitigating actions available to the Directors in the event of the downside scenario materialising. Specifically, we focused on whether these actions are within the Directors' control and are achievable; and
- Held discussions with the Investment Adviser, and members of the Board to understand 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.

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 held at fair value through profit or loss

Materiality

- Overall materiality: EUR 6,404,000 (2023: EUR 7,451,0000) based on 2% of net assets.
- Performance materiality: EUR 4,803,000 (2023: EUR 5,588,000).

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 held 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 320 million of investments held 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 provide audit support in reviewing and concluding on the fair valuation of a sample of the underlying investment portfolio. Our experts reviewed the appropriateness of the valuation methodology and approach. – Our internal valuations 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 a sample of 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 2024, we have considered information up to the date of approval of the financial statements in respect to the ongoing Managed Wind-Down process. No material issues were identified in our testing.

INDEPENDENT AUDITOR'S 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 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 6,404,000 (2023: EUR 7,451,0000).
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% (2023: 75%) of overall materiality, amounting to EUR 4,803,000 (2023: EUR 5,588,000) 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 320,200 (2023: EUR 372,500) 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 2024 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.

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 AUDITOR'S 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 revenue (interest income) or to increase total shareholders' funds, and management bias in accounting estimates, such as the valuation of investments held 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 held 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

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 5 November 2019 to audit the financial statements for the year ended 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement is 6 years, covering the years ended 31 December 2019 to 31 December 2024.

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

24 April 2025

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	For the year ended 31 December 2024 Revenue (EUR '000)	For the year ended 31 December 2024 Capital (EUR '000)	For the year ended 31 December 2024 Total (EUR '000)	For the year ended 31 December 2023 Revenue (EUR '000)	For the year ended 31 December 2023 Capital (EUR '000)	For the year ended 31 December 2023 Total (EUR '000)
Unrealised losses on investments	4	–	**(39,443)**	**(39,443)**	–	(41,675)	(41,675)
Net foreign exchange losses		–	**(29)**	**(29)**	–	(24)	(24)
Interest income	5	**13,665**	–	**13,665**	15,312	–	15,312
Dividend income	5	–	–	–	1,200	–	1,200
Other income	5	**14**	–	**14**	–	–	–
Investment advisory fees	6	**(2,331)**	–	**(2,331)**	(2,896)	–	(2,896)
Other operating expenses	7	**(1,615)**	–	**(1,615)**	(1,814)	–	(1,814)
Profit/(Loss) on ordinary activities before finance costs and taxation		**9,733**	**(39,472)**	**(29,739)**	11,802	(41,699)	(29,897)
Finance costs	8	**(2)**	**–**	**(2)**	(1)	–	(1)
Profit/(Loss) on ordinary activities before taxation		**9,731**	**(39,472)**	**(29,741)**	11,801	(41,699)	(29,898)
Taxation	9	**–**	**–**	**–**	–	–	–
Profit/(Loss) on ordinary activities after taxation		**9,731**	**(39,472)**	**(29,741)**	11,801	(41,699)	(29,898)
Return per Ordinary Share – Diluted and Undiluted (cents)	10	**2.57**	**(10.44)**	**(7.87)**	3.03	(10.72)	(7.69)

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.

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

The notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	As at 31 December 2024 (EUR '000)	As at 31 December 2023 (EUR '000)
Non-current assets			
Investments at fair value through profit or loss	4	**320,432**	372,403
Total non-current assets		**320,432**	372,403
Current assets			
Trade and other receivables	11	**29**	96
Cash and cash equivalents		**1,168**	1,532
Total current assets		**1,197**	1,628
Total Assets		**321,629**	374,031
Current liabilities			
Trade and other payables	12	**(1,397)**	(1,490)
Total current liabilities		**(1,397)**	(1,490)
Total Liabilities		**(1,397)**	(1,490)
Net assets		**320,232**	372,541
Capital and reserves: equity			
Share capital	13	**4,082**	4,082
Share premium account		**255,643**	255,643
Special reserve	14	**75,087**	87,717
Capital reserve		**(15,553)**	23,919
Revenue reserve		**973**	1,180
Total Shareholders' funds		**320,232**	372,541
Net assets per Ordinary Share (cents)	15	**84.69c**	98.52c

The financial statements on pages 72 to 96 were approved by the Board of Directors on 24 April 2025 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 2024

	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**	**372,541**
Strategic review costs		**–**	**–**	**(928)**	**–**	**–**	**(928)**
Profit/(loss) for the year		**–**	**–**	**–**	**(39,472)**	**9,731**	**(29,741)**
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**

	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 2023		4,082	255,643	125,082	65,618	1,225	451,650
Share buybacks	13	–	–	(27,964)	–	–	(27,964)
Profit/(loss) for the year		–	–	–	(41,699)	11,801	(29,898)
Dividends paid	16	–	–	(9,401)	–	(11,846)	(21,247)
Closing equity as at 31 December 2023		4,082	255,643	87,717	23,919	1,180	372,541

The notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December 2024 (EUR '000)	Year ended 31 December 2023 (EUR '000)
Operating activities			
Loss on ordinary activities before finance costs and taxation		**(29,739)**	(29,897)
Adjustment for:			
Unrealised losses on investments		**39,443**	41,675
Finance costs paid	8	**(2)**	(1)
Strategic review cost		**(928)**	–
Decrease in trade and other receivables		**67**	5,534
Decrease in trade and other payables		**(93)**	(1,024)
Net cash flow from operating activities		**8,748**	16,288
Investing activities			
Loan principal repayment received	4	**12,528**	14,563
Net cash flow from investing activities		**12,528**	14,563
Financing activities			
Share buybacks		**–**	(27,964)
Dividends paid	16	**(21,640)**	(21,247)
Net cash flow used in financing activities		**(21,640)**	(49,212)
Decrease in cash		**(364)**	(18,361)
Cash and cash equivalents at start of year		**1,532**	19,893
Cash and cash equivalents at end of year		**1,168**	1,532

The notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 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 2024 was 0.8267 (2023: 0.8669).

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 intends to hold these renewable energy infrastructure investments, via the HoldCo, for the remainder of their useful life for the purpose of capital appreciation and investment income. The renewable energy infrastructure investments are expected to generate renewable energy output for 25 to 30 years from their relevant commercial operation date; the Directors believe the Company is able to generate returns to the investors during that 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors are of the opinion that the Company meets all the typical characteristics of an investment entity 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 2024 valuation was 7.3% (2023: 7.2%).

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. The operating lives of hydropower assets are estimated in accordance with their expected concession terms.

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. For example, the impact of increasing temperatures on precipitation, evapotranspiration and its subsequent impact on P50 production was recently considered by a third party technical adviser as part of due diligence related to a refinancing for the Company's hydropower asset, Sagres.

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% (2023: 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 2024

A number of new standards and amendments to standards are effective for the annual periods beginning after 1 January 2024. 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 below.

Amendments to IAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. 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 2024

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.

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 loss/gain' 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.

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 2024

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.

Payment of Investment Advisory Fees in Shares
The Company issued its shares to the Investment Adviser in exchange for receiving investment advisory services during the first two years of its appointment following the initial public offering of the Company, which was subsequently extended to 30 June 2023. The fair value of the investment advisory services received in exchange for shares is recognised as an expense at the time at which the investment advisory fees are earned, with a corresponding increase in equity. The fair value of the investment advisory services is calculated by reference to the definition of investment advisory fees in the Investment Advisory Agreement. The Board has decided not to extend this agreement further. Thus, no share-based payments occurred for the year to 31 December 2024.

Further details on the Company's share issues to the Investment Adviser are disclosed in note 6 to the financial statements.

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.

4. Investments Held at Fair Value Through Profit or Loss

	As at 31 December 2024 (EUR '000)	As at 31 December 2023 (EUR '000)
(a) Summary of valuation		
Analysis of closing balance:		
Investments held at fair value through profit or loss	**320,432**	372,403
Total investments	**320,432**	372,403
(b) Movements during the year		
Opening balance of investments, at cost	**348,415**	362,978
Repayments during the year	**(12,528)**	(14,563)
Cost of investments	**335,887**	348,415
Revaluation of investments to fair value:		
Unrealised movement in fair value of investments	**(15,455)**	23,988
Balance of capital reserve – investments held	**(15,455)**	23,988
Fair value of investments	**320,432**	372,403
c) Losses on investments in year (per Statement of Comprehensive Income)		
Movement in unrealised revaluation of investments held	**(39,443)**	(41,675)
Losses on investments	**(39,443)**	(41,675)

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 of 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 significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following three 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 2024				As at 31 December 2023			
	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	**–**	**–**	**320,432**	**320,432**	–	–	372,403	372,403
	–	**–**	**320,432**	**320,432**	–	–	372,403	372,403

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 year ended 31 December 2024 (2023: none).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Year ended 31 December 2024 (EUR '000)	Year ended 31 December 2023 (EUR '000)
Opening balance	**372,403**	428,641
Repayments during the year	**(12,528)**	(14,563)
Unrealised losses on investments adjustments	**(39,443)**	(41,675)
Closing balance	**320,432**	372,403

Valuation Methodology

The Company owns 100% of its subsidiary Tesseract Holdings Limited. 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. HoldCo's cash, working capital balances and fair value of investments are included in calculating fair value of the HoldCo.

The Company 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 2024 and the Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation.

All SPV investments are held 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 2024

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 captured 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 all asset classes (wind energy, solar PV and hydropower) remains unchanged with the first two using a blend of two power price curve providers and the third using a blend of three power price curve providers.
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 energy and 40 years for solar PV is assumed. The operating lives of hydropower assets are estimated in accordance with their expected concession terms.
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.

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 reasonable changes in key assumptions adopted to arrive at the SPV valuation.

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 determination of what qualifies as 'observable' data requires significant judgement. Observable data is defined as market information that is readily available, regularly updated, reliable, verifiable, non-proprietary, and sourced from independent entities actively participating in the relevant market.

The investments fall under Level 3 classification, as they are not publicly traded and rely on inputs that cannot be directly observed. The discount rate, power price curve, inflation, and economic lifetime of assets are the key unobservable inputs that significantly influence the fair value of investments. Any increase or decrease in these factors would have a material impact on valuation.

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

Note the sensitivity ranges presented below have been applied consistently with prior audited accounts prepared by the Company. In light of the uncertainty surrounding inflation and the trajectory of global interest rates (as referenced in the notes to the accounts under Post Balance Sheet Events), a wider range of +1% or -1% could be considered appropriate for the Discount rate and Inflation sensitivities.

(i) Discount Rates

The discount rate is considered the most significant unobservable input through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss.

The DCF valuation of the SPV investments represents the largest component of the NAV of the Company and the key sensitivity are considered to be the discount rate used in the DCF valuation assumptions.

The weighted average valuation discount rate applied to calculate the SPV valuation is 7.3% at 31 December 2024 (2023: 7.2%). An increase or decrease in this rate by 0.5% at project level has the following effect on valuation:

	-0.5% Change			+0.5% Change	
Discount rate	**NAV per share impact in (EUR cents)**	**NAV Impact (EUR '000)**	**Total NAV value (EUR '000)**	**NAV Impact (EUR '000)**	**NAV per share impact in (EUR cents)**
Valuation as of 31 December 2024	**4.5**	**337,388**	**320,232**	**304,752**	**(4.1)**

(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. This rolling hedge strategy is not reflected in the sensitivities illustrated above. When renewing the existing hedges, the Company's power price exposure and, therefore, its sensitivity towards power prices, decreases.

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

	-10% Change			+10% Change	
Power price	**NAV per share impact (EUR cents)**	**NAV Impact (EUR '000)**	**Total NAV value (EUR '000)**	**NAV Impact (EUR '000)**	**NAV per share impact in (EUR cents)**
Valuation as of 31 December 2024	**(10.5)**	**280,529**	**320,232**	**359,563**	**10.4**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

(iii) Energy Yield

The base case assumes a "P50" level of output. The P50 output is the estimated annual amount of electricity generation (in MW) 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 ten-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 ten-year period. This means that the SPV aggregate production outcome for any given ten-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 ten years.

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 2024	**(5.4)**	**299,629**	**320,232**	**341,664**	**5.7**

(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 2024	**(2.9)**	**309,168**	**320,232**	**331,811**	**3.1**

(v) Asset Life

In general, an operating life of 25 to 30 years for onshore wind energy and 40 years for solar PV is assumed. In individual cases, a longer operating life is assumed where the contractual set-up supports such an assumption. The operating lives of hydropower assets are estimated in accordance with their concession term.

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 2024	**(1.4)**	**315,074**	**320,232**	**324,403**	**1.1**

(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, in each case assuming that the change to the base case for operating costs occurs with effect from 1 January 2025 and that change is applied for the remaining life of the assets.

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 2024	**4.3**	**336,464**	**320,232**	**303,657**	**(4.4)**

5. Income

Income from investments	For the year ended 31 December 2024 (EUR '000)	For the year ended 31 December 2023 (EUR '000)
Interest income from shareholder loans	**13,647**	15,257
Dividend income	**–**	1,200
Bank interest income	**18**	55
Other income	**14**	–
Total Income	**13,679**	16,512

6. Investment Advisory Fees

	For the year ended 31 December 2024			For the year ended 31 December 2023		
	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Investment advisory fees	**2,331**	**–**	**2,331**	2,896	–	2,896

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 EUR 300 million;

b) 0.65% per annum of NAV (plus VAT) of the Company between EUR 300 million and EUR 500 million; and

c) 0.55% per annum of NAV (plus VAT) of the Company above EUR 500 million.

Share-Based Payments

During the first two years of its appointment, the Investment Adviser has undertaken to apply its fee (net of any applicable tax) in subscribing for, or acquiring, the Company's Ordinary Shares. If the Ordinary Shares are trading at a premium to the prevailing NAV, the Company will issue new Ordinary Shares to the Investment Adviser. If, however, the Ordinary Shares are trading at a discount to the prevailing NAV at the relevant time, no new Ordinary Shares will be issued by the Company and instead the Company will instruct its broker to acquire Ordinary Shares to the value of fee due in the relevant period. The current Investment Adviser fee arrangement with Aquila Capital Investmentgesellschaft mbH was extended whereby the Investment Adviser fee is fully paid in the shares of the Company for an additional two years until 30 June 2023.

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.

The Company settled investment advisory fees by issuing Ordinary Shares and purchasing Ordinary Shares in the market during the period to 30 June 2023. No share-based payments occurred during the year to 31 December 2024. The Company has issued and purchased the following shares to settle investment advisory fees for the period under review:

In respect of the year ended 31 December 2024	Investment advisory fees (EUR)	Fair value of issue/ purchase price (cents)	Number of shares	Date of transaction	Issued/ Purchased
1 January to 31 December 2024	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

In respect of the year ended 31 December 2023	Investment advisory fees (EUR)	Fair value of issue/ purchase price (cents)	Number of shares	Date of transaction	Issued/ Purchased
31 March 2023	767,841	98.86	771,695	18 May 2023	Purchased
30 June 2023	728,290	87.00	831,701	07 August 2023	Purchased

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FOR THE YEAR ENDED 31 DECEMBER 2024

7. Other Expenses

	For the year ended 31 December 2024			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)
Secretary and administrator fees	**198**	**–**	**198**	218	–	218
Tax compliance	**21**	**–**	**21**	10	–	10
Directors' fees	**192**	**–**	**192**	181	–	181
Directors' other employment costs	**66**	**–**	**66**	35	–	35
Broker retainer	**57**	**–**	**57**	68	–	68
Audit fees – statutory[1, 2]	**368**	**–**	**368**	385	–	385
AIFM fees	**149**	**–**	**149**	122	–	122
Registrar's fees	**29**	**–**	**29**	16	–	16
Marketing fees	**116**	**–**	**116**	106	–	106
FCA and listing fees	**115**	**–**	**115**	215	–	215
Legal fees	**190**	**–**	**190**	202	–	202
ESG rating fees	**–**	**–**	**–**	38	–	38
AIC and other regulatory fees	**33**	**–**	**33**	44	–	44
Other expenses[3]	**81**	**–**	**81**	174	–	174
Total expenses	**1,615**	**–**	**1,615**	1,814	–	1,814

1. There are no non-audit services in relation to the current year or prior year.
2. The GBP equivalent of the statutory audit fees was GBP 304,025 (2023: GBP 333,700) including VAT of GBP 50,671 (2023: GBP 55,600).
3. Other expenses include printing fee, publication fee, subscription costs, website fee and other miscellaneous expenses.

Other operating expenses have been analysed and presented by nature.

8. Finance Costs

	For the year ended 31 December 2024			For the year ended 31 December 2023		
	Revenue (EUR '000)	**Capital (EUR '000)**	**Total (EUR '000)**	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Bank charges	**2**	**–**	**2**	1	–	1
Total	**2**	**–**	**2**	1	–	1

9. Taxation

(a) Analysis of Tax Charge in the Year

	For the year ended 31 December 2024			For the year ended 31 December 2023		
	Revenue (EUR '000)	**Capital (EUR '000)**	**Total (EUR '000)**	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
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% (2023:23.5%). 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 2024			For the year ended 31 December 2023		
	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	**9,731**	**(39,472)**	**(29,741)**	11,801	(41,699)	(29,898)
Corporation tax at 25.0% (2023: 23.52%)	**2,433**	**(9,868)**	**(7,435)**			
Effects of:				2,776	(9,808)	(7,032)
Loss on investments held at fair value not allowable	**–**	**9,861**	**9,861**	–	9,802	9,802
Foreign exchange loss not allowable	**–**	**7**	**7**	–	6	6
Dividend income not taxable	**–**	**–**	**–**	(282)	–	(282)
Expenditure not deductible for tax purposes	**48**	**–**	**48**	66	–	66
Movement in management expenses not utilised/deferred tax not recognised	**18**	**–**	**18**	(28)	–	(28)
Impact of tax-deductible interest distributions	**(2,499)**	**–**	**(2,499)**	(2,532)	–	(2,532)
Total tax charge for the year	**–**	**–**	**–**	–	–	–

Investment companies that have been approved by 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 unrelieved excess management expenses of EUR 1,345,619 (2023: EUR 1,157,548). 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 25.0% (2023: 25.0%) amounts to EUR 336,405 (2023: EUR 289,387).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

10. Return per Ordinary Share

	For the year ended 31 December 2024	For the year ended 31 December 2023
Revenue return after taxation (EUR '000)	**9,731**	11,801
Capital return after taxation (EUR '000)	**(39,472)**	(41,699)
Total return (EUR '000)	**(29,741)**	(29,898)
Weighted average number of Ordinary Shares	**378,122,130**	388,998,468

	Number of shares	
Weighted average number of shares used as the denominator	**For the year ended 31 December 2024**	For the year ended 31 December 2023
Weighted average number of Ordinary Shares used as the denominator in calculating earnings per share	**378,122,130**	388,998,468

11. Trade and Other Receivables

	As at 31 December 2024 (EUR '000)	As at 31 December 2023 (EUR '000)
Prepaid expenses	**29**	96
Total	**29**	96

12. Trade and Other Payables

	As at 31 December 2024 (EUR '000)	As at 31 December 2023 (EUR '000)
Accrued expenses	**1,290**	1,383
Deferred consideration payable	**107**	107
Total	**1,397**	1,490

13. Share Capital

	As at 31 December 2024				As at 31 December 2023			
	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 1p 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 shares issued during the year to 31 December 2024 (2023: none).

There were no shares purchased for treasury during the year to 31 December 2024 (2023: purchased for treasury a total of 30,103,575 Ordinary Shares at an aggregate cost of EUR 27,964,000, including stamp duty and other fees).

14. Special 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 the special reserve was EUR 149,675,608.

As at 31 December 2024, the Special Reserve was EUR 75,087,000 (2023: EUR 87,717,000).

15. Net Assets per Ordinary Share

Net assets per Ordinary Share as at 31 December 2024 is based on EUR 320,231,508 (2023: EUR 372,541,000) of net assets of the Company attributable to the 378,122,130 (2023: 378,122,130) Ordinary Shares in issue as at 31 December 2024.

16. Dividends Paid

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

	For the year ended 31 December 2024		For the year ended 31 December 2023	
Total dividends paid in the year	**Cents per Ordinary Share**	**Total (EUR '000)**	Cents per Ordinary Share	Total (EUR '000)
31 December 2023 interim – Paid 18 Mar 2024 (2023: 17 March 2023)	**1.3775c**	**5,211**	1.3125c	5,334
31 March 2024 interim – Paid 14 June 2024 (2023: 26 May 2023)	**1.4475c**	**5,479**	1.3775c	5,376
30 June 2024 interim – Paid 6 September 2024 (2023: 18 August 2023)	**1.4475c**	**5,475**	1.3775c	5,310
30 September 2024 interim – Paid 9 December 2024 (2023: 17 November 2023)	**1.4475c**	**5,475**	1.3775c	5,227
Total	**5.7200c**	**21,640**	5.4450c	21,247

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

The dividend relating to the year ended 31 December 2024, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered is detailed below:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
Total dividends declared in the year	**Cents per Ordinary Share**	**Total (EUR '000)**	Cents per Ordinary Share	Total (EUR '000)
31 March 2024 interim – Paid 14 June 2024 (2023: 26 May 2023)	**1.4475c**	**5,479**	1.3775c	5,376
30 June 2024 interim – Paid 6 September 2024 (2023: 18 August 2023)	**1.4475c**	**5,475**	1.3775c	5,310
30 September 2024 interim – Paid 9 December 2024 (2023: 17 November 2023)	**1.4475c**	**5,475**	1.3775c	5,227
31 December 2024 interim – Paid 18 Mar 2025 (2023: 18 March 2024)[1]	**0.7900c**	**2,987**	1.3775c	5,211
Total	**5.1325c**	**19,416**	5.5100c	21,124

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 price risk, interest rate risk and foreign currency 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 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			
Creditors	–	**(1,397)**	**(1,397)**
Total liabilities	–	**(1,397)**	**(1,397)**

1. Not included as a liability in the year ended 31 December 2024 financial statements.

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 2023 are summarised below:

Assets	Interest bearing (EUR '000)	Non-interest bearing (EUR '000)	Total (EUR '000)
Cash and cash equivalents	–	1,532	1,532
Trade and other receivables	–	96	96
Investments at fair value through profit or loss	233,888	138,515	372,403
Total assets	233,888	140,143	374,031
Liabilities			
Creditors	–	(1,490)	(1,490)
Total liabilities	–	(1,490)	(1,490)

(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 2024, the Company held investments with an aggregate fair value of EUR 320,432,000 (2023: EUR 372,403,000). All other things being equal, the effect of a 10% increase or decrease in the share prices of the investments held at the year end would have been an increase or decrease of EUR 32,043,200 (2023: EUR 37,240,000) in the loss after taxation for the year ended 31 December 2024 and the Company's net assets at 31 December 2024. 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 2024 (EUR '000)	As at 31 December 2023 (EUR '000)
Trade and other receivables	**29**	96
Cash and cash equivalents	**1,168**	1,532
Total	**1,196**	1,628

In the table above, the value for investments at fair value through profit or loss relates to the face value of the shareholder loan investments.

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

	Rating	**As at 31 December 2024 (EUR '000)**	As at 31 December 2023 (EUR '000)
Royal Bank of Scotland	A-1 /A+ (S&P Rating)	**132**	1,414
EFG International AG-Daily liquid fund	A (Fitch Rating)	**1,032**	115
Royal Bank of Scotland International	A-1 /A+ (S&P Rating)	**4**	3
Total		**1,168**	1,532

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

(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 2024 are shown below. The amounts disclosed in the table are the contractual undiscounted cash flows.

	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)**

Financial liabilities by maturity as at 31 December 2023 are shown below:

	Less than 1 year (EUR '000)	1-5 years (EUR '000)	5+ years (EUR '000)	Total (EUR '000)
Trade and other payables	(1,490)	–	–	(1,490)
Total	(1,490)	–	–	(1,490)

As at 31 December 2024, across the Company's investment portfolio there is approximately EUR 152 million (2023: EUR 120.1 million) of non-recourse, project debt (on a proportional basis) at the SPV level.

(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 320,232,000 (2023: EUR 372,541,000).

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 2024 amount to EUR 149,000 (2023: EUR 122,000). As at 31 December 2024, the fee outstanding to the AIFM was EUR 26,000 (2023: EUR 8,794).

The Company Secretary and Administrator fees for the year ended 31 December 2024 amount to EUR 198,000 (2023: EUR 218,000) and the total fees paid to Apex Group amount to EUR 347,000 (2023: EUR 340,000).

Fees payable to the Investment Adviser are shown in the Statement of Comprehensive Income. As at 31 December 2024, the fee outstanding to the Investment Adviser was EUR 600,269 (2023: EUR 685,971).

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 45,150 to the other Directors. Directors' fees paid during the year were EUR 192,000 (2023: EUR 181,000).

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

	For the year ended 31 December 2024 (EUR)	For the year ended 31 December 2023 (EUR)
Ian Nolan	**75,000**	75,000
David MacLellan	**52,500**	52,500
Kenneth MacRitchie	**45,150**	45,150
Patricia Rodrigues	**45,150**	45,150
Myrtle Dawes	**45,150**	15,040*

During the year, the Company received repayments of its Shareholder loans to HoldCo of EUR 12,527,000 (2023: EUR 14,562,000). The Shareholder loans, including accrued interest outstanding at year end were EUR 221,360,000 (2023: EUR 233,888,000).

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

	Ordinary Shares At 31 December 2024	Ordinary Shares At 31 December 2023
Ian Nolan	**150,000**	150,000
David MacLellan	**125,000**	125,000
Kenneth MacRitchie	**50,000**	50,000
Patricia Rodrigues	**50,000**	50,000
Myrtle Dawes	**–**	–

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 973,000 as at 31 December 2024 (2023: EUR 1,180,000).

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 2024 (EUR million)**	Profit/(loss) for the year ended 31 December 2023 (EUR million)	**Total assets balances as at 31 December 2024 (EUR million)**	Total assets balances as at 31 December 2023 (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	**(39.4)**	(40.5)	**320.8**	425.9

*appointed on the 1st of September 2023.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024 (EUR million)**	Profit/(loss) for the year ended 31 December 2023 (EUR million)	**Total assets balances as at 31 December 2024 (EUR million)**	Total assets balances as at 31 December 2023 (EUR million)
Holmen II Wind Park ApS Københavnsvej 81 4000 Roskilde Denmark	100.0	Subsidiary entity, owns investmen in Holmen II	Denmark	**1.6**	1.5	**22.1**	23.6
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**	(0.0)	**41.6**	45.4
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	**(0.1)**	0.0	**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	**(0.1)**	0.0	**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**	0.0	**1.9**	2.1
Argeo Solar S.L. Paseo de la Castellana 259D, 14S-15, Madrid Spain	100.0	Subsidiary entity, owns investment in Albeniz	Spain	**(2.7)**	(2.2)	**36.1**	37.2
Vector Aioliki Desfinas S.A. Salaminos Str. 20 15124 Maroussi Attica, Greece	89.0	Subsidiary entity, owns equity investment in Desfina	Greece	**3.1**	2.5	**50.6**	53.3
Ega Suria S.L. Paseo de la Castellana 259D Floors 14 and 15 28046 Madrid	100.0	Subsidiary entity, owns investment in Tiza	Spain	**(0.2)**	(0.6)	**31.0**	33.0
Azalent Investment SL Paseo de la Castellana 259D Floors 14 and 15 28046 Madrid	100.0	Subsidiary entity, owns investment in Greco	Spain	**(0.4)**	0.6	**77.9**	97.4
Svindbaek Vindkraft HoldCo ApS Gyngemose Parkvej 50 2860 Søborg Denmark	100.0	Subsidiary entity, owns investment in Svindbaek	Denmark	**(1.3)**	(1.4)	**30.4**	35.9
Svindbaek Vindkraft GP ApS Gyngemose Parkvej 50 2860 Søborg Denmark	100.0	Subsidiary entity, General partner to Svindbaek Vindkraft HoldCo ApS	Denmark	**(0.0)**	(0.0)	**0.0**	0.0

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 2024 (EUR million)**	Profit/(loss) for the year ended 31 December 2023 (EUR million)	**Total assets balances as at 31 December 2024 (EUR million)**	Total assets balances as at 31 December 2023 (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	**(0.9)**	(0.0)	**42.1**	42.8

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

Revolving Credit Facility

The Board recently decided to let Tesseract Holdings Limited's revolving credit facility 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 revolving credit facility and maintain compliance with the facility agreement, Tesseract Holdings Limited committed approximately EUR 2.8 million to cash cover the bank guarantees.

Geopolitical events

Uncertainty surrounding inflation rates and the trajectory of global interest rates continues to influence corporate strategies and financial markets. These challenges are further compounded by growing geopolitical tensions, particularly the ongoing war in Ukraine and the escalation of the Israel-Hamas conflict in the Middle East. While the disruptions caused by the COVID-19 pandemic have largely subsided, the potential impacts of these geopolitical events on global trade and supply chains remain uncertain.

In addition, the policies of the new administration in the United States, particularly regarding tariffs and trade relations, introduce additional layers of uncertainty. Changes in tariff structures, trade agreements, or regulatory frameworks could significantly alter market dynamics, impacting both international supply chains, inflation, and interest rates. The direction of these policies remains fluid, creating further unpredictability for businesses and investors.

Geopolitical risks, inflation, trade policy shifts, and fluctuations in interest rates are all factors whose long-term effects on financial markets and companies are unpredictable. The scale and scope of potential impacts on the Company's activities, as well as its investment valuations, remain uncertain. 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 judgments about the economic and financial market conditions that may evolve over time. Management continues to closely monitor and evaluate the direct and indirect effects of global events, and proactively address any business disruptions or other risks arising from them.

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.

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 more than the NAV per Ordinary Share.

		Page	**As at 31 December 2024**	As at 31 December 2023
NAV per Ordinary Share (cents)	a	4	**84.7**	98.5
Share price (cents)	b	4	**66.0**	78.5
Discount	(b÷a)-1		**(22.1%)**	(20.3%)

Ongoing Charges

A measure, expressed as a percentage of average net assets (quarterly net assets averaged over the year), of the regular, recurring annual costs of running an investment company.

		Page	**Year ended 31 December 2024**	Year ended 31 December 2023
Average NAV (EUR '000)	a	n/a	**337,705**	399,571
Annualised expenses (EUR '000)	b	n/a	**3,548**	4,220
Ongoing charges	(b÷a)		**1.1%**	1.1%

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.

As at 31 December 2024		**Page**	**Share price**	**NAV**
Opening at 1 January 2024 (cents)	**a**	**2**	**78.5**	**98.5**
Dividend adjustment (cents)	**b**		**5.7**	**5.7**
Closing at 31 December 2024 (cents)	**c**	**2**	**66.0**	**84.7**
Total return	**((c+b)÷a)-1**		**(8.6%)**	**(8.2%)**

As at 31 December 2023		Page	Share price	NAV
Opening at 1 January 2023 (cents)	a	n/a	92.3	110.6
Dividend adjustment (cents)	b		5.4	5.4
Closing at 31 December 2023 (cents)	c	1	78.5	98.5
Total return	((c+b)÷a)-1		(9.0%)	(6.0%)

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

As at 31 December 2024		Page	Share price	NAV
Opening at IPO	a	n/a	100.0	98.0
Dividend adjustment (cents)	b	2	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		(8.4%)	12.6%

As at 31 December 2023		Page	Share price	NAV
Opening at IPO	a	n/a	100.0	98.0
Dividend adjustment (cents)	b	2	19.9	19.9
Closing at 31 December 2023 (cents)	c	n/a	78.5	98.5
Total return since IPO	((c+b)÷a)-1	3	(1.6%)	20.8%

As at 31 December 2024		Page	Share price	NAV
Opening at IPO	a	n/a	100.0	98.0
Closing at 31 December 2024	b	2	66.0	84.7
Dividend adjustment (cents)	c	n/a	25.6	25.6
Annualised total return since IPO	(((b+c)/a)^(1/years since IPO))-1[1]	3	(1.6%)	2.2%

As at 31 December 2023		Page	Share price	NAV
Opening at IPO	a	n/a	100.0	98.0
Closing at 31 December 2023	b	2	78.5	98.5
Dividend adjustment (cents)	c	n/a	19.9	19.9
Annualised total return since IPO	(((b+c)/a)^(1/years since IPO))-1[1]	3	(0.4%)	4.3%

1. Years since IPO: 5.5 in 2024 and 4.5 in 2023.

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Gross Asset Value

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

		Page	**Year ended 31 December 2024**	Year ended 31 December 2023
Net Asset Value (EUR '000)	a	2	**320,232**	372,541
Debt at the SPV level (EUR '000)	b	n/a	**151,988**	120,126
RCF drawn (EUR '000)[1]	c	n/a	**–**	74,716
Gross Asset Value (EUR '000)	a+b+c		**472,219**	567,383

Gearing

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

		Page	**Year ended 31 December 2024**	Year ended 31 December 2023
Gross Asset Value (EUR '000)	a	n/a	**472,219**	567,383
Debt at the SPV level (EUR '000)	b	n/a	**151,988**	120,126
RCF drawn (EUR '000)	c	n/a	**–**	74,716
Gearing ratio	(b+c)÷a		**32.2%**	34.3%

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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David MacLellan

Kenneth MacRitchie

Patricia Rodrigues

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1. Registered in England and Wales No. 11932433.

APPENDIX

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Aquila European Renewables plc

Legal entity identifier: 213800UKH1TZIC9ZRP41

Environmental and/or Social Characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes	X No
☐ **It made sustainable investments with an environmental objective: ___%** ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ **It promoted Environmental/ Social (E/S) characteristics and, while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments** ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ **It made sustainable investments with a social objective: ___%**	X **It promoted E/S characteristics, but did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

During the reference period, the Fund has invested in multiple wind energy and solar PV projects, thereby promoting the environmental characteristics of the Fund - climate change mitigation. The Fund has used derivatives for hedging purposes only and the promoted environmental characteristics were not affected by the use of derivatives. PAI indicators have been considered over the course of the reference period with the aim to identify potential mitigation and reduction measures.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The sustainability indicators that were defined to measure the attainment of environmental characteristics are a) generation of electrical energy from renewable sources in MWh and b) the avoidance of GHG emissions in t of CO_2eq. Over the course of the reference period, the Fund's assets:

a) generated 825,649 MWh electricity from renewable sources and

b) avoided 225,596 t CO_2 eq GHG emissions.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

...and compared to previous periods?

a) generated electricity was 146,267 MWh below the production of 2024

b) 42,005 t Co2 eq GHG emissions less than 2024.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Since the Fund did not commit to sustainable investments, there are no contributions to objectives of any partial sustainable investments to report on for this reference period.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Since the fund did not make any sustainable investments, a Do No Significant Harm assessment does not apply.

How were the indicators for adverse impacts on sustainability factors taken into account?

Since the fund did not make any sustainable investments, an adverse impact assessment as part of the Do No Significant Harm assessment does not apply.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Since the fund did not make any sustainable investments, OECD guideline alignment as part of the Do No Significant Harm assessment does not apply.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

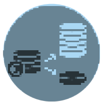
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts on sustainability factors were considered as part of the investment activities that occurred during the reference period. All investment activities are subject to measurement and reporting requirements according to several pre-defined principal adverse impact indicators such as GHG emissions, non-renewable energy consumption and others. The Fund aims to identify potential reduction measures in order to mitigate principle adverse impacts on the environment and society.

What were the top investments of this financial product?



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period, which is 2022.

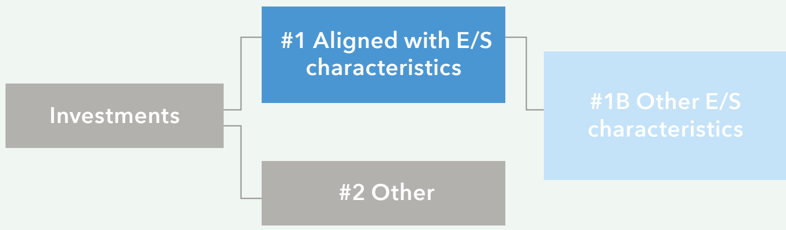
Largest investments	Sector	% assets	Country
Greco	NACE 35.11 – Production of electricity (PV)	21.3%	Spain
Albeniz	NACE 35.11 – Production of electricity (PV)	10.8%	Spain
The Rock	NACE 35.11 - Production of electricity (Wind)	10.8%	Norway
Svindbaek	NACE 35.11 - Production of electricity (Wind)	10.1%	Denmark
Desfina	NACE 35.11 - Production of electricity (Wind)	8.1%	Greece

Asset allocation: describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

- **What was the asset allocation?**

  At least 90% of the investments made during the reporting period have been made in the category #1B. The investments under the category #2 Other included only instruments used for liquidity and/or risk-management purposes.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics**:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**

  No investments were made in 2024.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

No investments were made in 2024.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

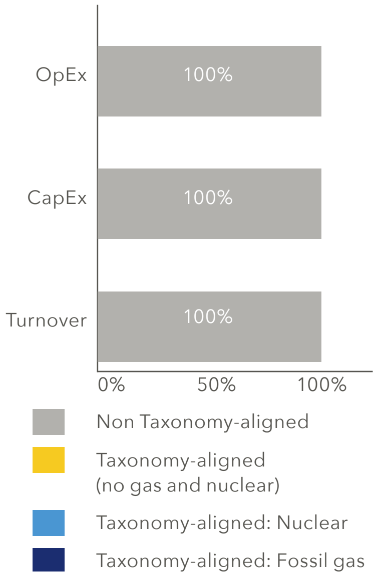
- **turnover reflecting the** share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

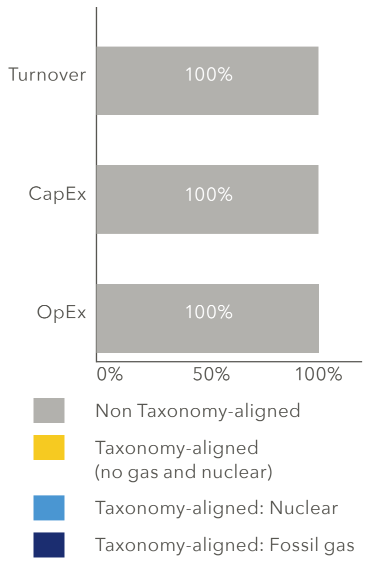
☐ Yes	
☐ In fossil gas	☐ In nuclear energy
X No	

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds[1], the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds[1]**



2. Taxonomy-alignment of investments **excluding sovereign bonds[1]**



1. For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

Since the fund did not make any sustainable investments, the minimum share of investments in transitional activities is 0% and the minimum share of investments in enabling activities is 0% as well.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The Fund again did not invest in EU Taxonomy aligned projects (unchanged at 0%).

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Fund has promoted environmental or social characteristics but did not make sustainable investments.

What was the share of socially sustainable investments?

The fund did not make any socially sustainable investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Investments that fall under the category "Other" only included instruments used for liquidity and/or risk management purposes and did not affect the promotion of environmental characteristics of the Fund.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Since the Fund has invested in renewable energy projects during the reference period, thereby promoting the environmental characteristics of the Fund, no further actions were required to meet the environmental characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

The fund has not defined a reference benchmark.

How does the reference benchmark differ from a broad market index?

The fund has not defined a reference benchmark.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

The fund has not defined a reference benchmark.

How did this financial product perform compared with the reference benchmark?

The fund has not defined a reference benchmark.

How did this financial product perform compared with the broad market index?

The fund has not defined a reference benchmark/ market index for comparison.

Read more about out commitment to sustainability

www.aquila-capital.de/en/sustainability

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