AQUILA EUROPEAN RENEWABLES INCOME FUND PLC

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Desfina, Greece

INVESTING IN A BRIGHTER FUTURE
ANNUAL REPORT 2021

Contents

For more information please visit our website
www.aquila-european-renewables-income-fund.com

HIGHLIGHTS

Investment Objective

Aquila European Renewables Income Fund Plc (the "Company", the "Fund" or "AERIF") seeks to generate stable returns, principally in the form of income distributions, by investing in a diversified portfolio of renewable energy infrastructure investments in continental Europe and the Republic of Ireland.

Highlights for the year

- During the year under review, the Company deployed further capital to investments under construction and acquired one new solar PV investment:
  - On 10 June 2021, the Company increased its commitment to The Rock by a further EUR 35.6 million in order to provide bridge debt financing at the asset level
  - On 30 June 2021, the Company acquired a 50.0% interest in Ourique, a Portuguese solar photovoltaic ("PV") farm which commenced operations in December 2019, with a total capacity of 62.1 MW
- The Company paid dividends of 5.01[1,2] cents per Ordinary Share during the year, thereby successfully achieving its pay-out target for 2021. These dividends were approximately 1.1 times covered[3]
- The portfolio has been expanded and now includes ten separate investments, with a total generating capacity of 332.3 MW (301.3 MW as at 31 December 2020)[4]
- Portfolio production was 522.3 GWh[5] during the year (459.9 GWh for 2020) which was 8.2% below budget, largely owing to weaker than expected wind conditions in the Nordics and lower than expected irradiation levels in Portugal. However, as a result of higher than expected electricity prices and retroactive Desfina revenues, revenue was 10.2% higher than budget
- The Company's Net Asset Value ("NAV") as at 31 December 2021 was EUR 417.4 million or 102.6 cents per Ordinary Share, representing an increase of 2.6% (not including dividends) per Ordinary Share compared to 31 December 2020
- Dividend target for the 2022 year of not less than 5.25 cents per Ordinary Share, subject to the performance of the portfolio
- In 2021, the NAV total return was 7.6%[6] per Ordinary Share including dividends (2020: 0.7%). During 2021, the total shareholder return was 0.5%[6] including dividends (2020: 2.0%)
- The Company raised EUR 90.0 million of additional capital during the year
- The completion of the Company's first GRESB assessment, GRESB is the global ESG benchmark for financial markets, AERIF achieved a four out of a five-star rating. With an overall GRESB score of 84, the Fund scores above the GRESB average of 77 points
- The Company entered into new power purchase agreements ("PPAs") for Sagres, Holmen II, Svindbaek, Benfica III and Albeniz in order to take advantage of higher market prices, thereby increasing contracted revenue
- A successful refinancing of The Rock represented the first participation in debt capital markets for the Company. Construction of The Rock completed in December 2021. Energisation of the wind farm is currently in progress
- The current Investment Adviser fee arrangement with Aquila Capital Investmentgesellschaft mbH was extended, whereby the Investment Adviser fee is fully paid in AERIF Ordinary Shares for an additional two years until 30 June 2023
- On 19 April 2021, the Company reached a financial close in relation to a two-year revolving credit facility ("RCF"), with a facility limit of EUR 40.0 million

Financial Information[7]	As at 31 Dec 2021	As at 31 Dec 2020
Ordinary Share price (cents)	102.0	106.5
NAV per Ordinary Share (cents)	102.6	99.96
Ordinary Share price (discount)/premium to NAV	(0.6%)	6.5%
Net assets (EUR million)	417.4	316.9

Financial Information[7]	01 Jan 2021 - 31 Dec 2021	01 Jan 2020 - 31 Dec 2020
Dividends per Ordinary Share (cents)[8]	5.0	4.0
Ongoing charges[9]	1.1%	1.4%
NAV total return per Ordinary Share[6]	7.6%	0.7%
Total Shareholder return per Ordinary Share[6]	0.5%	2.0%

1 All references to cents are in euros, unless stated otherwise
2 Dividend paid corresponds to dividend declared in the fourth quarter of 2020 and the first three quarters of 2021, the dividend declared corresponding to the fourth quarter 2021 was paid in March 2022
3 The dividend cover ratio calculation is based on the operational result at special purpose vehicle ("SPV") level adjusted for fund level expenses during the period
4 Represents the Company's share of portfolio generating capacity (including any assets under construction, where applicable)
5 Proportional share
6 Total returns based on Ordinary Share price in euros plus dividends paid for the period. Opening share price at IPO: EUR 1.00; opening NAV at IPO after launch expenses: EUR 0.98 per Ordinary Share
7 This disclosure is considered to represent the Company's Alternative Performance Measures ("APM"). Definitions of these APMs and other performance measures used by the Company, together with how these measures have been calculated, can be found in page 98
8 Dividends paid and declared relating to the period
9 Calculation based on average NAV over the period and regular recurring annual operating costs of the Company, can be found in page 98

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the 2021 Annual Report and financial statements for the Aquila European Renewables Income Fund.

Introduction

2021 was a frustrating year for AERIF but good progress was made in overcoming some significant challenges. As a result, we are hopefully now close to achieving the goals of the Company for the initial stage of its development, namely to have an efficiently invested balance sheet, with a diversified and resilient portfolio offering strong cash flow cover for a progressively growing dividend.

2021 Performance

During the year, and as widely observed in the European renewable energy industry, wind speeds were below expected levels in the Nordics, whilst irradiation levels were below average in Iberia. This notwithstanding, and the rising price of electricity led to our revenues being 10.2% above budget for the year.

Operationally, the business has over the last two years been very resilient to the impact of the COVID-19 epidemic. The one significant impact which we have suffered has been some delay in The Rock, construction project in northern Norway, as a result of border closures. This had the knock-on effect of taking our construction period into the winter months. Despite these challenges, The Rock finished construction in December 2021, with all 72 wind turbines now erected and energisation currently in progress. Importantly, a number of the turbines are already energised and as a result are producing electricity and revenue.

Having committed additional financing in June to bridge the final construction costs, we were pleased to have this bridge re-paid out of the proceeds of a successful Junior Nordic Green Bond ("Green Bond") and US Private Placement Bond ("USPP") issue for the project, completed in September. This issue also represented a vote of confidence in the resilience of the project to the ongoing legal challenge from the Sami. To date, the project has won all of the legal determinations and judgments in this case, with an expected final hearing scheduled for May 2022.

Subject to this outcome of the Sami court case, the Board is confident that The Rock will prove a strong and resilient asset for the portfolio, with strong and reliable cash generation contributing to our ability to cover and pay a growing dividend over time.

Equity Raise and Balance Sheet

The Board was grateful for the support of shareholders for its EUR 90.0 million capital raise in September. We anticipated an early deployment of this capital in a number of well-advanced investment opportunities but, in the event, the price and risk terms available to us proved unattractive. The resulting inefficiency of our balance sheet has been a drag on returns, but a better option than relaxing our investment discipline.

I am pleased to report that, subsequent to our year end, we signed an investment commitment in relation to Greco, a 100.0 MW Spanish solar PV construction project which will substantially utilize our existing surplus liquidity when completed. This is anticipated to be in late 2022. Greco will also re-balance our portfolio away from its existing over-dependence on relatively volatile wind assets and move it substantially towards a more balanced portfolio across wind and solar technologies, in line with our target portfolio allocation.

We have assembled the initial portfolio on a careful basis, ensuring that we buy into well-located, well-built and well managed assets, with strong PPAs for the merchant element of revenue and we have chosen assets which share low-to-medium correlation factors, so as to reduce volatility at the portfolio level.

With the benefit of a full contribution from The Rock, Albeniz and Greco, as well as Ourique (our solar PV acquisition in Portugal, completed in June 2021), the Board is confident of the Company's ability to cover and pay a growing dividend. Accordingly, and subject to the portfolio continuing to perform in line with expectations, the Board expects to declare total dividends of not less than 5.25 cents per Ordinary Share in respect of the forthcoming year 2022.

Outlook

Despite uncertainty caused by the invasion of Ukraine, the recent increase in energy prices, along with renewed government policy focus on energy security, has redoubled the attractiveness of renewable energy as an asset class.

Your Board believes that our Investment Adviser, Aquila Capital, is well qualified to help us exploit this opportunity. As a large-scale manager of clean energy portfolios across Europe, managing over 12.0 GW in total, they bring specialist expertise and depth of knowledge to optimise asset development, construction and operation.

As new renewable energy assets increasingly depend on merchant rather than government funded revenue, Aquila Capital's specialist capability in securing and managing high quality corporate PPAs is of particular benefit. Furthermore they are beginning to use their expertise in energy trading to turn the increasing level of short term volatility in energy prices into a future incremental revenue opportunity for us.

The Board is conscious that greater scale would likely allow greater liquidity in the trading of our shares, and thereby a more attractive investment proposition.

Proving the resilience and attractiveness of our initial portfolio is therefore our key initial task for 2022. If we can achieve it, then we certainly will have a very significant opportunity to scale the portfolio, given the extensive pipeline of assets under development by our Investment Adviser, Aquila Capital. Our ambition is to use this growth opportunity to get into a virtuous circle of both growing capital value and increasing dividend payments for you, our investors.

Ian Nolan, Chairman
28 April 2022


Desfina, Greece

INVESTMENT ADVISER`S REPORT

Investment Adviser Background

The Company's Alternative Investment Fund Manager ("AIFM"), Sanne Fund Management (Guernsey) Limited [formerly International Fund Management Limited], has appointed Aquila Capital as its Investment Adviser in respect of the Company. Aquila Capital's key responsibilities are to originate, analyse and assess suitable renewable energy infrastructure investments, and advise the AIFM accordingly. Additionally, Aquila Capital performs asset management services in relation to the operational assets in the portfolio or, to the extent asset management is delegated to third parties, oversees and monitors such asset management.

Aquila Capital manages EUR 13.9 billion on behalf of institutional investors worldwide, making it one of the largest clean energy portfolios in Europe. As at 31 December 2021, Aquila Capital managed wind energy, solar PV, hydropower and battery storage assets with a combined capacity of more than 12.0 GW. Additionally, 1.8 million square metres of sustainable real estate and green logistics projects have been completed or are under development. Aquila Capital also invests in energy efficiency, carbon forestry and data centres.

The company's dedicated, expert investment teams draw on their sector networks and experience to screen, develop, finance, manage and operate investments along the entire value chain. As this business model requires local management teams, Aquila Capital is represented via 16 investment offices in 15 countries.

AERIF typically acquires its investments from Aquila Capital's interim vehicles. The Investment Adviser has identified a significant pipeline opportunity (over 8 GW capacity), composed of wind energy, solar PV and battery storage investments, spanning across Europe, with a special focus on Southern Europe (Iberia, Italy and Greece) and opportunities ranging from early development to those already in construction. These investments benefit from the local expertise of Aquila Capital's teams in each country. Since 2019 Aquila Capital has been building a robust pipeline of battery projects and successfully entered the storage market with the first transactions successfully closed during the year 2021.

Additionally, the in-house Markets Management Group team that is comprised of 15 experts that focus on PPA sourcing & structuring, market analysis, trading & origination and FX & interest rates, allows AERIF to maintain a proactive PPA strategy combined with operational excellence to further optimise assets and manage risk.

Current renewables portfolio of Aquila Capital in Europe[10]

Portfolio capacity[11]

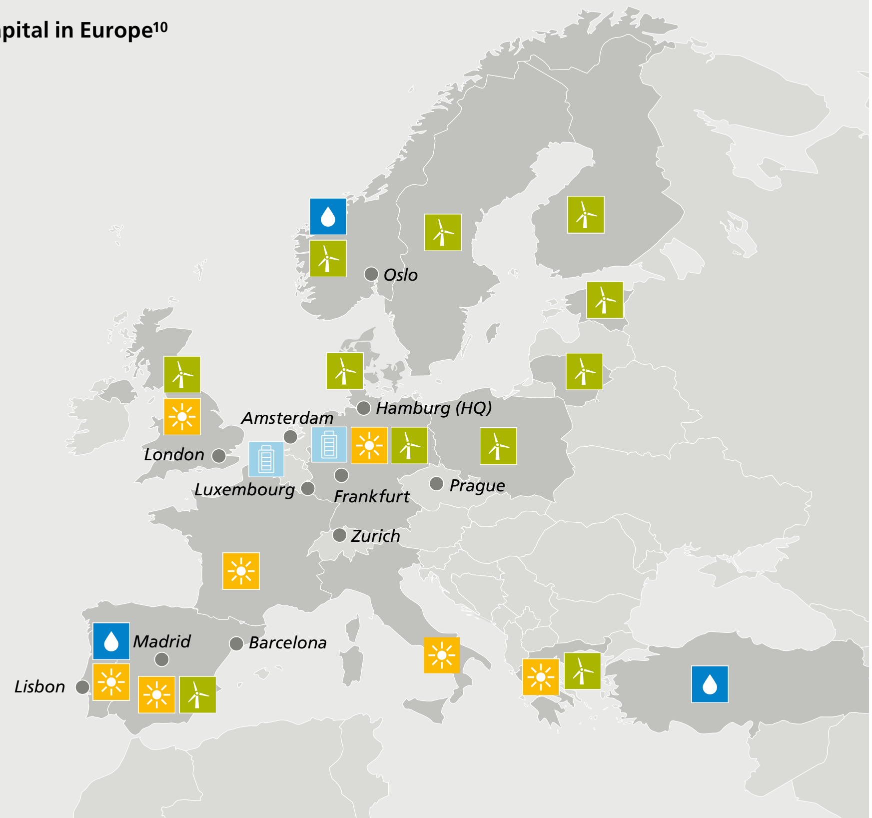
Wind energy
2,560 MW, 650 WTGs

Solar PV
7,111 MWp, 204 PV parks

Hydropower
887 MW, 213 plants

Energy Storage
75 MW

Offices



ESG as at 31 December 2021

Overall CO_2eq emissions avoided[12]
36.6 million tonnes

Green energy produced
431.9 TWh

Households supplied[12]
118.7 million

[10] 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. Data as at 31 December 2021. ESG data based on lifetime of the current portfolio

[11] Includes all asset acquisitions and sell-offs

[12] Methodology changes have been made from 2021 in order appreciate the development of the energy grid mix of the target regions as well as the effect of CO_2eq-emissions coming from the clean energy project itself. For further information please refer to page 26

INVESTMENT ADVISER`S REPORT

MANAGEMENT

Whilst the entire Aquila Group has over 600 employees worldwide, the Company benefits from a core team that is dedicated to the management and ongoing performance of the Company.

Christine Brockwell

Head Partnerships and Portfolio Advisory Energy & Infrastructure EMEA

Lars Meisinger

Head Client Advisory International and Corporate Development

Michael Anderson

Senior Manager Partnerships and Portfolio Advisory Energy & Infrastructure EMEA

Nicole Zimmerman

Manager Partnerships and Portfolio Advisory Energy & Infrastructure EMEA

Diego Escobar

Associate Partnerships and Portfolio Advisory Energy & Infrastructure EMEA

Daniel Metzger

Associate Partnerships and Portfolio Advisory Energy & Infrastructure EMEA

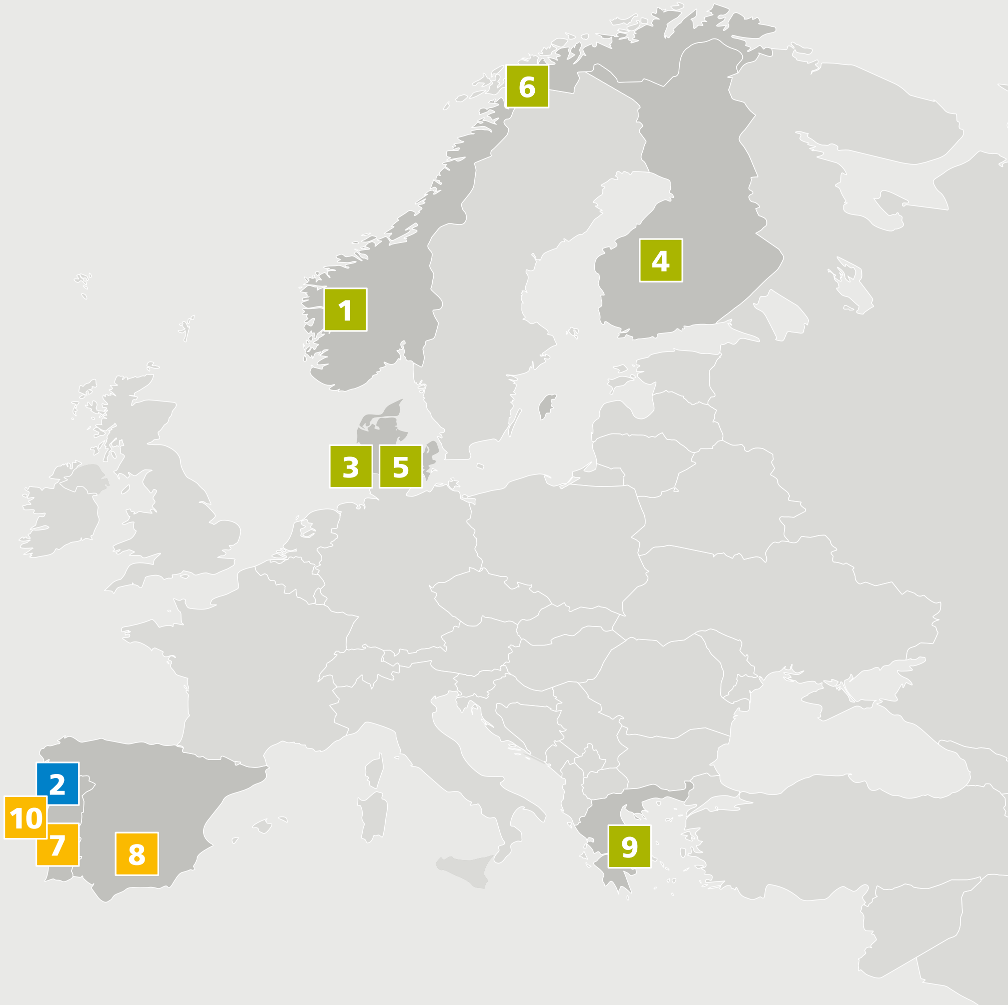
Pascal Hermann

Analyst Partnerships and Portfolio Advisory Energy & Infrastructure EMEA

INVESTMENT PORTFOLIO
AS AT 31 DECEMBER 2021

Wind energy   Hydropower   Solar PV

	1. Tesla	2. Sagres
Country	Norway	Portugal
Capacity[13]	150.0 MW	102.7 MW
Status	Operational	Operational
COD	2013-2018	1951-2006
Asset life from COD	25y	n.a.[16]
Equipment Manufacturer	N100, N90, N117 (Nordex)	Various
Energy offtaker[14]	PPA with utility / Spot	FiT / Spot
Ownership in asset	25.9%[17]	18.0%[17]
Leverage[15]	23.8%	42.2%
Acquisition date	Jul 2019	Jul 2019
Offtaker Counterparty	Statkraft	EDP / Renta



[13] Installed capacity at 100% ownership
[14] PPA = power purchase agreement; FiT = feed-in tariff; FiP = feed-in premium; CfD= contract for differences
[15] Leverage drawn (AERIF share) as a percentage of investment fair value as at 31 December 2021
[16] 21 individual assets; approximately 11.4 years remaining asset life when calculated using net full load years
[17] Majority of remaining shares are held by entities managed and/or advised by Aquila Capital

Wind energy | Hydropower | Solar PV

3. Holmen II

4. Olhava

	3. Holmen II	4. Olhava
Country	Denmark	Finland
Capacity[13]	18.0 MW	34.6 MW
Status	Operational	Operational
COD	2018	2013-2015
Asset life from COD	25y	27.5y
Equipment Manufacturer	V126-3.6 (Vestas)	V112-3.0, V126-3.3 (Vestas)
Energy offtaker[14]	FiP / Spot	FiT / Spot
Ownership in asset	100.0%	100.0%
Leverage[15]	38.4%	46.3%
Acquisition date	Jul 2019	Sep 2019
Offtaker Counterparty	Energie.dk	Finnish Energy

5. Svindbaek I + II

6. The Rock

	5. Svindbaek I + II	6. The Rock
Country	Denmark	Norway
Capacity[13]	32.0 MW	400.0 MW
Status	Operational	Under construction
COD	2018	2022
Asset life from COD	25y	30y
Equipment Manufacturer	SWT-3.2-101 (Siemens)	N149/5.X (Nordex)
Energy offtaker[14]	FiP / Spot	PPA / Spot
Ownership in asset	99.9%	13.7%[17]
Leverage[15]	17.2%	48.9%
Acquisition date	Dec 2019, Mar 2020	June 2020
Offtaker Counterparty	Energie.dk	Alcoa Norway

[13] *Installed capacity at 100% ownership*
[14] *PPA = power purchase agreement; FiT = feed-in tariff; FiP = feed-in premium; CfD= contract for differences*
[15] *Leverage drawn (AERIF share) as a percentage of investment fair value as at 31 December 2021*
[17] *Majority of remaining shares are held by entities managed and/or advised by Aquila Capital*

INVESTMENT PORTFOLIO
CONTINUED

Wind energy | Hydropower | Solar PV

7. Benfica III

8. Albeniz

	7. Benfica III	8. Albeniz
Country	Portugal	Spain
Capacity[13]	19.1 MW	50.0 MW
Status	Operational	Under construction
COD	2017/2020	2022
Asset life from COD	30y	30y
Equipment Manufacturer	AstroNova	Canadian Solar
Energy offtaker[14]	PPA / Spot	PPA / Spot
Ownership in asset	100.0%	100.0%
Leverage[15]	0.0%	0.0%
Acquisition date	October 2020	December 2020
Offtaker Counterparty	Axpo	Statkraft

9. Desfina

10. Ourique

	9. Desfina	10. Ourique
Country	Greece	Portugal
Capacity[13]	40.0 MW	62.1 MW
Status	Operational	Operational
COD	2020	2019
Asset life from COD	25y	30y
Equipment Manufacturer	E82-2.35 & E92-2.35 (Enercon)	Suntech
Energy offtaker[14]	FiP	CfD
Ownership in asset	89.0%[18]	50.0%[17]
Leverage[15]	44.5%[19]	0.0%
Acquisition date	December 2020	June 2021
Offtaker Counterparty	DAPEEP	ENI

[13] *Installed capacity at 100% ownership*
[14] *PPA = power purchase agreement; FiT = feed-in tariff; FiP = feed-in premium; CfD= contract for differences*
[15] *Leverage drawn (AERIF share) as a percentage of investment fair value as at 31 December 2021*
[17] *Majority of remaining shares are held by entities managed and/or advised by Aquila Capital*
[18] *Represents voting interest. Economic interest is approximately 94%*
[19] *Calculation based on voting interest*

INVESTMENT ADVISER`S REPORT

INVESTMENT PORTFOLIO
CONTINUED

INVESTMENTS 2021

During the year, the Company successfully completed the following investment activities.

The Rock:

In April 2021, the AERIF Board approved a further commitment of EUR 35.6 million to provide bridge debt financing for The Rock (AERIF owns a 13.7% stake in the project) given conditions in place which prevented the drawdown of existing debt facilities.

Ourique:

The Company acquired 50.0% of the Portuguese solar PV asset Ourique during June 2021, an investment located in Alentejo, Portugal. It is a 62.1 MW solar farm which has been in operation since December 2019. It benefits from having 100.0% of its production covered by a contract for differences ("CfD") until March 2026. The remaining 50.0% is owned by an investment fund managed by Aquila Capital. The project is expected to avoid 8,271 tonnes of CO_2eq emissions per annum, and an estimated 206,787 tonnes over its lifetime (on a 100% interest basis).

INVESTMENTS 2022

Greco

Country	Spain
Capacity[13]	100.0 MW
Status	Construction
COD	2022
Asset life from COD	30y
Equipment Manufacturer	Jinko
Energy offtaker	TBD
Ownership in asset	100.0%
Leverage	0.0%
Acquisition date	March 2022
Offtaker Counterparty	TBD

On 29 March 2022 the Company announced the acquisition of 100% interest in Greco, a 100.0 MWp solar PV portfolio. The Greco portfolio consists of two under construction assets located in Andalucía, south of Spain, which benefit from attractive solar irradiation yields. Construction is currently underway with fencing and earthworks activities, whilst procurement of all major equipment is now complete (including solar PV modules, trackers and inverters). Completion is contingent upon the Project receiving all of the requisite licenses and authorisations from local authorities (incl. the grid operator) and is expected by late 2022. The Project is expected to provide 184 GWh of renewable electricity annually over its lifetime, equivalent to approximately 58 kt of CO_2eq avoidance per annum.

[13] *Installed capacity at 100% ownership*

PORTFOLIO CONSTRUCTION
AS AT 31 DECEMBER 2021

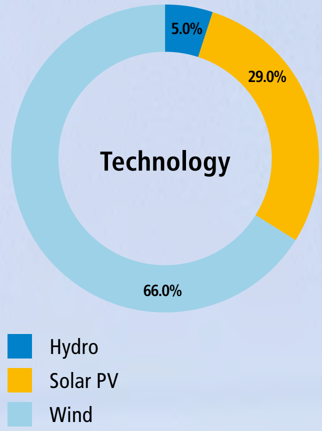
Capital Deployment Profile since IPO

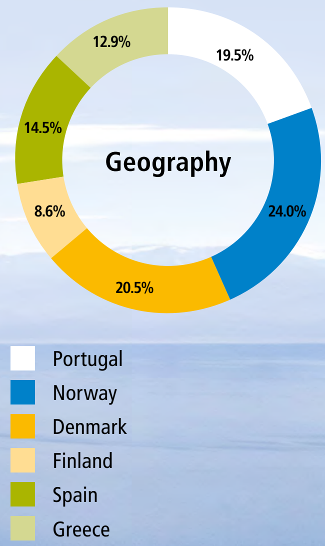
Since its IPO in June 2019, the Company has raised EUR 411.9 million and has deployed or committed EUR 290.4 million as at 31 December 2021. During 2021, the Company further expended its Iberian solar PV footprint by acquiring a 50.0% interest in Ourique, worth EUR 28.0 million[20]. Additionally, it deployed further capital at its two construction assets, The Rock and Albeniz, in the amounts EUR 27.3 million[21] and EUR 25.5 million respectively. As at 31 December 2021, the Company's only remaining project commitment is at Albeniz, for approximately EUR 6.1 million, which is expected to be drawn later in 2022. Following completion of construction of The Rock in 2021, the Company does not anticipate any further equity funding requirements.

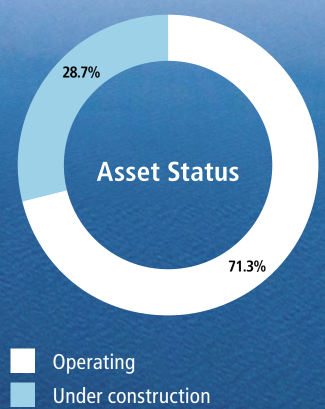
As at 31 December 2021, the Company and its subsidiary Tesseract Holdings Limited ("HoldCo") had an available cash balance of EUR 102.2 million (excluding surplus cash at the asset level) in addition to the RCF which was undrawn as at 31 December 2021.

The Company together with its Investment Adviser has identified an attractive pipeline, which should benefit the portfolio by further diversifying the technological and geographical exposure. In addition to the recently announced acquisition of Greco (100 MW), the Investment Adviser is also progressing two near-term transaction opportunities in wind and solar PV with a total production capacity of approximately 100 MW (100% interest). These investments are located in Southern Europe and Nordics, weighted towards operational investments, further supporting the dividend cover for 2022. The Company and its Investment Adviser will remain active in the market for additional opportunities that fulfil the investment policy of AERIF.

Current Portfolio Allocation[22]







20 Invested capital including a retained part of the acquisition price amounting to EUR 1.5 million
21 Capital deployment taking into account bridge financing (EUR 19.0 million) that was repaid in Q3 2021 and thus is not considered in the invested capital amount as at 31 December 2021
22 Allocation is based on asset fair value (excluding cash and any other fund level items), unless stated otherwise

INVESTMENT ADVISER`S REPORT

PORTFOLIO CONSTRUCTION

Asset Status[23]

During 2021, the portfolio's exposure to wind technology was reduced to 66.0% (2020: 78.5%), while its solar PV exposure was increased significantly to 29.0% (2020: 14.9%). Hydropower continued to account for the smallest share of the portfolio by technology at 5.0% (2020: 6.6%). The Company continued to reduce its exposure to the Nordics to 53.1% (2020: 61.9%) while its Southern Europe exposure was increased to 46.9% (2020: 38.1%). Over the long-term, the goal is to achieve an asset allocation of 15.0%-25.0% hydropower, 30.0%-50.0% solar PV and 30.0%-50.0% wind.

Following further capital deployment in The Rock and Albeniz, AERIF´s construction exposure increased to 28.7% (31 December 2020: 21.7%), both construction interests are expected to achieve commissioning by the second quarter of 2022.

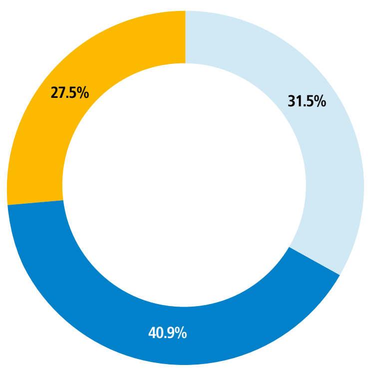
With the impending completion of both projects, the Company will continue to explore further construction opportunities which meet the Company's investment criteria.

As at 31 December 2021, 87.1% of the Company's investments were in countries rated at least 'BBB' by Standard and Poor's. The Company's largest country exposures are to Denmark and Norway (both over 20.0% based on fair value) and both of these countries possess the highest possible rating of 'AAA'. The portfolio benefits from little concentration risk, with the portfolio's largest single asset exposure as at 31 December 2021 was to Albeniz (14.5% based on fair value), a solar PV plant located in Spain.

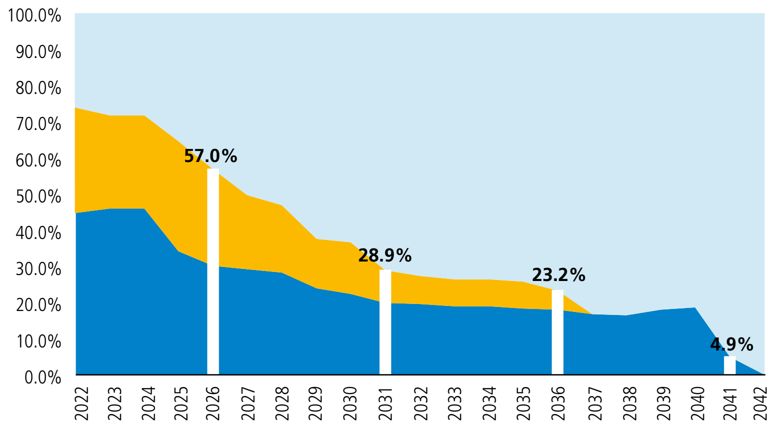
Portfolio allocation continues to follow the Company's defined investment parameters at the time of its IPO, which specify diversification by technology and geography in order to minimise risks.

Contracted Revenue Position

Present Value of Revenues[24] (Five Years)



Revenue Mix – Existing Contracts Only



Fixed price PPA   Government regulated tariffs   Market

The strategy of maintaining a high degree of contracted revenues remains unchanged. Revenues can be hedged via fixed price PPAs or government regulated tariffs, comprising feed-in tariffs ("FiT") or feed-in premiums ("FiP"). In the Nordic region and Greece (Olhava, Holmen II, Svindbaek I and II and Desfina) FiPs offer a premium above the spot price. FiTs offer fixed prices via tariffs or subsidies (Tesla, The Rock, Sagres, Benfica III, Albeniz, and Ourique).

The Company has great visibility with regard to future cash flows with over EUR 247.4 million[25] currently contracted on a present value as at 31 December 2021, representing more than 12 times its current annual dividend. Approximately 68.5% of the present value of the revenues produced by the Company's investments has been contracted over the following five years[26]. Approximately 74.0% of revenues are contracted for 2022. The portfolio's contracted revenues have a weighted average remaining life of 8.2 years (2020: 9.5 years) based on production hedged.

The Company aims to contract its revenues with counterparties that have attractive risk profiles, represented by a combination of investment grade corporates (PPAs) and highly rated sovereign entities (government regulated tariffs). The contracted position reflected in the graphs shown here represents a snapshot of the existing PPAs and government regulated tariffs as at 31 December 2021[27] and does not assume any replacement PPA or other forms of hedging after the expiry of these contracts. In accordance with the Company's investment strategy, AERIF intends to renew and implement replacement PPAs (or other forms of hedging as required) before any existing contracts expire, in order to maintain a high degree of contracted revenues.

23 percentages refer to the portfolio fair value

24 Asset revenues are discounted by the weighted average of all discount rates used for the asset valuations as at 31 December 2021

25 Total revenue of fixed PPA and Government regulated tariffs discounted by the weighted average of the discount rates as at 31 December 2021

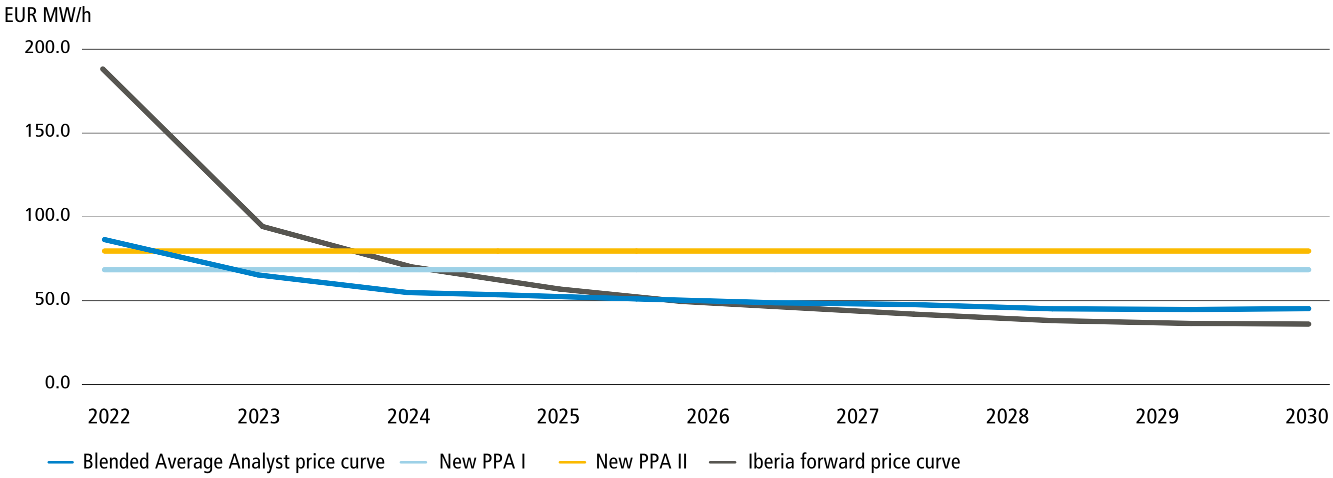
26 Calculation based on the present value of revenues as at 31 December 2021 and the Company's portfolio discount rate. Guarantees of Origin ("GoO") contracts are not included in these calculations

27 With the exception of Olhava, where a PPA replacement has been assumed, in accordance with the conditions of existing debt financing

PORTFOLIO CONSTRUCTION

During the year under review, the Company, together with its Investment Adviser secured a number of attractive PPAs. During the first and second quarters of 2021, two short term PPAs were secured for Sagres. These hedges cover approximately 10.0% of the total production over three months, at a price on average 30.0% higher than the then current contracted revenue. Additionally, for Holmen II and Svindbaek the Asset Management team together with the Markets Management Group secured short-term hedges with tenors of one quarter throughout the 2021 year for 50.0% and 25.0% of the production respectively. During December 2021, the Investment Adviser secured two additional long-term PPAs, the first being for Benfica III, which hedged an additional 33.0% of production approximately (previous production level hedged: 52.0%) at attractive prices some 93.0% to 122.0% above those of then existing PPAs. Secondly, at the project Albeniz, a PPA for an additional 20.0% of P50 production over five years was secured (previous production level hedged: 60.0%), these two new hedges provide the Fund with an attractive return and stable visibility of future cash flows.

New hedges comparison against market prices (Iberia)[28]



[28] *Blended Average Analyst price curve and Iberia forward price curves as at 31 December 2021*

INVESTMENT ADVISER`S REPORT

FINANCIAL PERFORMANCE

Production by Technology (AERIF share)

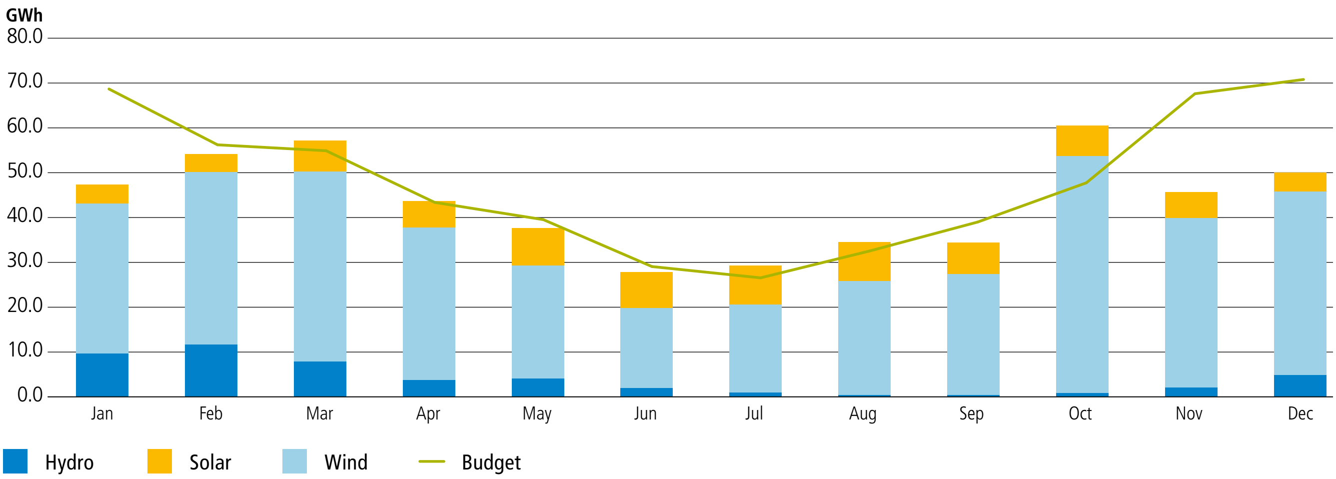
Technology	Region	Electricity Production (GWh) 2021[29]	2020	Variance
Wind	Denmark, Finland, Norway, Greece	395.0	382.6	3.2%
Hydropower	Portugal	48.4	62.0	(22.0)%
Solar	Portugal	79.0	15.3	417.4%
Total		**522.3**	**459.9**	**13.6%**

Technology	Load Factors 2021	2020
Wind	13.0%	34.4%
Hydropower	24.1%	38.2%
Solar	18.1%	16.8%
Total	**16.4%**	**34.9%**

Technical availability[30]

	2021	2020
Wind	98.6%	98.0%
Hydro	98.6%	99.9%
Solar PV	94.4%	98.1%
Total	**98.2%**	**98.2%**

Production vs. Budget (AERIF Share)



Electricity production in 2021 amounted to 522.3 GWh, a 13.6% increase compared to the previous year (2020: 459.9 GWh). The portfolio's solar PV production increased by 417.4% largely driven by the addition of Ourique, which was acquired in June 2021 with an economic transfer date of 1 January 2021, and the first full year contribution from Benfica III which was acquired in October 2020. These assets produced 49.5 GWh and 29.5 GWh respectively. Particularly dry weather in Portugal during the second and fourth quarters of the year led to production at Sagres (Hydro) being 37.9% and 45.3% below budget respectively for these quarters which, in turn, reduced the total electricity output of the hydropower part in the portfolio for 2021. However, owing to a significant increase in electricity prices during the year and the retroactive revenue received for Desfina corresponding to the 2020 year, revenues ended the year 10.2% above budget.

[29] *2021 solar production reflects Ourique whose production is shown as at the economic transfer date 1 January 2021*
[30] *Average technical availability based on weighted installed capacity (AERIF share)*

FINANCIAL PERFORMANCE

The portfolio's production total of 522.3 GWh in 2021 was 8.2% below budget, while technical availability has remained strong in all asset classes, at 98.2%. Lower than expected wind levels in the Nordic region largely accounted for the production ending below budget. Production levels in Norway and Denmark were 14.8% and 16.5% below budget respectively[31]. Finland performed as expected, with actual production in line with budget, mainly driven by a strong second quarter during which production was 10.7% above budget.

In Greece, higher than expected wind levels led to production surpassing budget by 3.6%, mainly driven by a strong fourth quarter where production exceeded budget by 33.4%. Irradiation levels in Portugal were lower than expected, with production on average for the solar PV investments in the country 5.0% below budget. The new acquisition for the year, Ourique, underperformed in terms of production by 7.1% compared to budget. Lastly, at Sagres, a dry fourth quarter, including the third driest November in the past 90 years, led to production being 45.3% below budget for the quarter and 13.9% below budget for the year. Overall, the portfolio produced 13.6% more electricity compared to 2020, which can be attributed to the acquisition of Ourique, as well as first full-year production at Desfina and Benfica III.

Despite lower than expected production levels, revenues ended 10.2% above budget, driven by strong electricity prices and the revenue received from the FiP of Desfina pending to be received from 2020. An increase in demand created by heatwaves across Europe and colder winter weather, a near tripling of CO_2 prices and low European gas storage reserves helped to drive prices higher.

Dividend Cover (AERIF Share, Unaudited)

Dividend cover is calculated on the basis of the aggregated majority audited financial statements of the Company's special purpose vehicles ("SPVs") and structure companies, adjusted for AERIF's share. The dividend cover calculation is not audited; however the calculation is reviewed by the Company's auditors, PricewaterhouseCoopers.

An additional calculation methodology for dividend cover, based on the revenue accounts of the Company can be found on page 99.

	FY21[32]	FY20
Production (GWh)	522.3	459.9
Average Revenue per MWh (EUR)	80.8	54.6
Asset income (EUR m)	**42.2**	**25.1**
Asset operating costs (EUR m)	(7.9)	(6.6)
Interest and tax (EUR m)	(4.5)	(2.1)
Asset underlying earnings (EUR m)	**29.9**	**16.4**
Asset debt amortisation (EUR m)	(12.2)	(8.2)
Company and HoldCo expenses, other (EUR m)[33]	1.9	(0.9)
Total underlying earnings (EUR m)	**19.6**	**7.3**
Dividends paid (EUR m)	17.0	6.5
Dividend cover (x)	1.1	1.1

The Company was able to maintain adequate dividend coverage for the year, reinforcing AERIF's investment strategy which is focused on diversification and a high degree of contracted revenues.

[31] *Measure calculated by the sum of the actual production for the 2021 year divided by the budget of the production expected during 2021 for the investments located in Norway and Denmark*

[32] *Calculation is based on AERIFs share of asset revenue and operating costs, sourced from asset level, majority audited accounts. Non-euro currencies converted to EUR as at 31 December 2021. Desfina is reflected in this calculation with the economic share (100% in 2021)*

[33] *Includes income accrued by AERIF in relation to shareholder loans provided to construction assets. Expenses reflect recurring ordinary costs and expenses at AERIF and HoldCo level; legal fees, investment expenses and Investment Adviser fee not included.*

Operational Highlights

The Investment Adviser has an in-house Asset Management team which diligently monitors the operations and performance of the assets. This team is also responsible for optimising earnings and enhancing the value of the existing asset portfolio. During the year, the assets benefitted from a number of important initiatives as a result of proactive asset management:

- **Sagres:** Electricity production was 13.9% below budget during 2021, driven by particularly dry second and fourth quarters. November 2021 was the third driest November in the last 90 years in Portugal. However, given an increase in spot electricity prices, revenues remained in-line compared to budget. During the first and second quarters of the year, Sagres entered into two short-term PPAs (tenors of three months) hedging 5.0 MWh and 6.0 MWh respectively and securing attractive prices on average 30.0% above budgeted prices for those periods.

- **Tesla:** Lower than expected wind levels during the first three quarters of the year led to production being 14.8% below budget. However, there was a strong recovery in the fourth quarter, with production surpassing expectations by 13.1%. Revenues finished the year 10.0% above budget thanks to higher electricity prices in the Nordics. Additionally, the project completed two new Guarantees of Origin ("GoO") purchase agreements for the 2023 and 2024 years respectively.

- **Holmen II:** The first quarter of 2021 started with poor wind conditions and ended with production 25.7% below budget. Over the rest of the year, production improved. Production for the year was 11.7% below budget. Due to high electricity spot prices, no premium from the Danish Energy Authority was received after August 2021. During the first and second quarters of the year, production was hedged for lower electricity prices, which led to revenues being 32.0% below budget in the fourth quarter. In order to maximise revenues, during the fourth quarter the 'Regulerkraft' bid price was increased to move full load hours with no payment of premium in the future with periods of lower spot prices. Revenues ended the year 28.7% below budget.

- **Olhava:** Wind production level in Finland was in line with expectations, finishing the year 0.5% above budget with revenues ending 2.2% above budget given the higher than expected electricity prices. For 17 days in December 2021 one turbine was down, due to cold weather conditions, gear box vibrations as well as lack of manpower due to the holiday season, repairs have been delayed until mid of January 2022. This resulted in an expected loss of approximately EUR 129.0 thousand. If the technical availability is below the operations and management ("O&M") agreement, the project will be compensated by the O&M provider.

- **Svindbaek:** Production ended the year 21.1% below budget, given the lower wind levels experienced across Denmark and Norway in the first three quarters of the year. Furthermore, as spot prices rose significantly (above EUR 68.0 MWh) no premium from the Danish Energy Authority was received since August 2021. During the first and second quarter of the year, production was hedged for lower electricity prices, which led to revenues being 24.6% below budget during the third and fourth quarter. Appeals by local residents in relation to the welfare of bats were dropped under the condition that turbine closures took place in the summer months from July to October 2021 during the hours of dawn and dusk. In March 2022 the vendor paid EUR 1.7 million as compensation due to yield differences found between revised P50 yield studies and the original yield assessment, with the latest studies showing a lower yield.

- **Benfica III:** Production performance was 1.3% below budget. However, the high spot prices experienced in Europe led to the revenue of 2021 to end 12.1% above budget during 2021. During mid-March an interconnection issue was detected at Montes Novos (one of the three assets forming Benfica III) which lasted until the beginning of May 2021, the estimated loss due to this situation is EUR 53.0 thousand, which has been claimed to the insurance company with no decision taken as at 31 December 2021. Additionally, the Investment Adviser has negotiated additional PPAs for Benfica III. The new PPAs have a term of three years starting from 2022, with a pay as-produced structure. The additional PPAs increase Benfica III total P50 production coverage from 52.0% to approximately 85.0%, AERIF was able to secure the new PPAs at very attractive prices, with the new PPA price representing an increase of 93.0% to 122.0% compared to the existing PPAs in place.

- **Desfina:** Wind levels in Greece were better than expected, with production surpassing budget by 3.6% over the year. Revenue was 51.8% above budget, due to higher than expected electricity prices. In addition, retroactive revenues were paid that were attributable to the FiP from the year 2020. These revenues couldn't be paid in 2020 as they were subject to the operating licence, which was granted in March 2021.

- **Ourique:** Given lower than expected irradiation levels in Portugal, production in 2021 was 7.1% below budget. However, revenues ended 8.5% above budget due to revenues received from GoO contracts. There were no major downtimes or issues reported during 2021 at the investment. Aquila Capital is currently evaluating the possibility of co-locating a Storage opportunity next to the solar PV. Furthermore, the asset management team implemented Health, Safety and Environmental ("HSE") contracts to guarantee that all external providers comply with all legal and environmental requirements.

FINANCIAL PERFORMANCE
CONTINUED

Construction Projects

- **The Rock**: All wind turbines were installed by the end of November 2021, 39 turbines completed first feed-in and 10 turbines completed the final commissioning by the end of December 2021. The Rock has received 50.0% of the revenues generated from the sale of electricity from these turbines since January 2022 and will continue to do so, plus any additional revenues from other turbines entering operation, until the date of COD. Despite tougher than expected winter weather, the engineering, procurement and construction ("EPC") takeover is expected for the second quarter of 2022. The delay of takeover will very likely result in additional costs and potential claims which remain subject to negotiation amongst the various stakeholders. The project has certain mitigation measures in place to offset some or all of these potential costs via the existing contracts in place (EPC, SPA, TSA, BoP Agreements), as well surplus cash on hand. The EPC has deployed additional snow-vehicles to facilitate transportation at site in order to finalise the commissioning activities.

  In Norway, there has been a tendency over recent years for local interest groups to take legal action by way of injunctions against wind turbines under construction, in order to achieve court orders to stop any construction activities. In the case of Øyfjellet Wind AS ("The Rock"), the local reindeer district also adopted this approach and appealed after having lost in the first instance to a competent court for issuance of such injunctive relief. At the end of February 2021, this appeal was also lost by the local reindeer district. The legal counsel of Øyfjellet Wind AS does not expect further appeals to the Norwegian Supreme Court or other courts. The local reindeer district will, however, bring the matter now to an appraisal case that is scheduled to be heard starting in May 2022. A decision is expected mid 2022. Even though the Norwegian Supreme Court ruled in similar appraisal case (however, factually different to The Rock case) of a wind farm located in the same geographical area on 11 October 2021 and therein deemed this wind farm's facility licence and its respective expropriation permit from 2013 invalid, it is expected that this ruling will have no direct consequences for Øyfjellet Wind AS and its own appraisal case, even though both cases concern reindeer husbandry interests. As such, the chances of Øyfjellet Wind AS losing its licence are deemed still to be low.

- **Albeniz:** Construction works at Albeniz started at the beginning of 2021. As at 31 December 2021, module and low voltage installations, overhead line works, substation works and functional testing had been completed. Equipment connections were ongoing (50.0% completed) and the grid connection process started in January 2022. The COD is expected to take place during the second quarter of 2022, as permits across the industry have experienced delays due to the high number of projects being permitted, therefore, the administration has not been able to fulfil the expected timelines. In order to expedite the processes, the relevant teams of the Investment Adviser work closely with the authorities. Following favourable market pricing dynamics observed in Iberian power markets, the Investment Adviser has negotiated an additional PPA, it has a term of five years, with a baseload structure and increases Albeniz total P50 production hedging from 60.0% to 80.0% (over five years), representing a notable increase compared to the existing PPA in place. The initial PPA has a starting date during May 2022, which is when the Albeniz is expected to start selling electricity, in case of any delay, penalties under the PPA contract could be incurred.

- **Other:** We are pleased to report that there were no major health or safety incidents during the year.

Gearing

EUR million	As at 31 December 2021	As at 31 December 2020	Variance[34] (%)
NAV	417.4	316.9	31.7
Debt	144.3	113.0	27.7
GAV	**561.8**	**429.9**	**30.7**
Debt (% of GAV)	25.7	26.3	(60.0) bps
Weighted Average Maturity (years)	13.9	12.8	8.6
Weighted Average Interest Rate Cost (%)[35]	2.5	2.6	(10.0) bps
RCF interest rate (%)	1.85	n.a.	n.a.

The portfolio's total debt increased to EUR 144.3 million in 2021 (31 December 2020: EUR 113.0 million), mainly driven by the refinancing of a USPP and a Green Bond for The Rock amounting to EUR 235.0 million and EUR 80.0 million on a 100% interest basis (AERIF's share in The Rock is 13.7%). With the exception of the RCF (which was undrawn as at 31 December 2021, further explained in the next paragraph), all of the Company's debt is at the asset level and comprises of non-recourse project financing. The majority of the Company's debt is denominated in Euro, with the exception of the Company's Danish assets.

The Company reached a contractual close in relation to a two-year revolving credit facility with a facility limit of EUR 40.0 million. The facility also possesses an accordion option which enables the Company to upsize the facility limit to EUR 100.0 million. In addition, it has the option for a tenor extension beyond the existing two-year term, subject to lender consent. The Company first utilised the RCF in August 2021, in order to fund EUR 10.0 million of its commitment under The Rock's Bridge.

The portfolio increased the weighted average maturity of its debt to 13.9 years (2020 weighted average maturity: 12.8 years) largely as a result of the bond refinancing in relation to The Rock.

The Company's prospectus allows it to operate with a maximum gearing level of 50.0% of GAV. Over the year, the Company continued to operate well below this limit. Gearing as a proportion of GAV as at 31 December 2021 was 25.7% (31 December 2020: 26.3%). The decrease in gearing reflected a combination of the recent EUR 90.0 million capital raising, combined with ongoing debt amortisation.

[34] Variance calculated on basis points basis for figures shown in percentages
[35] Weighted average all in interest rate for EUR denominated debt. DKK denominated debt has an average weighted interest rate of 2.7%

Debt Summary as at 31 December 2021

Project		AERIF Share	Drawn Debt (EUR million)	Currency	Bullet/ amortising	Maturity	Hedged Proportion	Type
Tesla		25.9%	9.8	EUR	Partly amortising	Mar-29	100.0%	Bank Debt
Sagres		18.0%	11.5	EUR	Fully amortising	Dec-28 / Jun-30	70.0%	Bank Debt
Olhava		100.0%	23.5	EUR	Fully amortising	Dec-30 / Sep-31	100.0%	Bank Debt
Holmen II		100.0%	15.2	DKK	Fully amortising	Dec-37	93.2%	Bank Debt
Svindbaek I		100.0%	8.4	DKK	Fully amortising	Dec-37	100.0%	Bank Debt
The Rock	USPP Bond	13.7%	32.2	EUR	Fully amortising	Sep-45	100.0%	Debt Capital Markets
	Green Bond	13.7%	11.0	EUR	Bullet	Sep-26	100.0%	Debt Capital Markets
Desfina		89.0%	32.7	EUR	Fully amortising	Jun-35	100.0%	Bank Debt
Subtotal			**144.3**					
RCF		100.0%	0	EUR		Apr-23	0.0%	Bank Debt
Total			**144.3**				**96.9%**	

Valuation

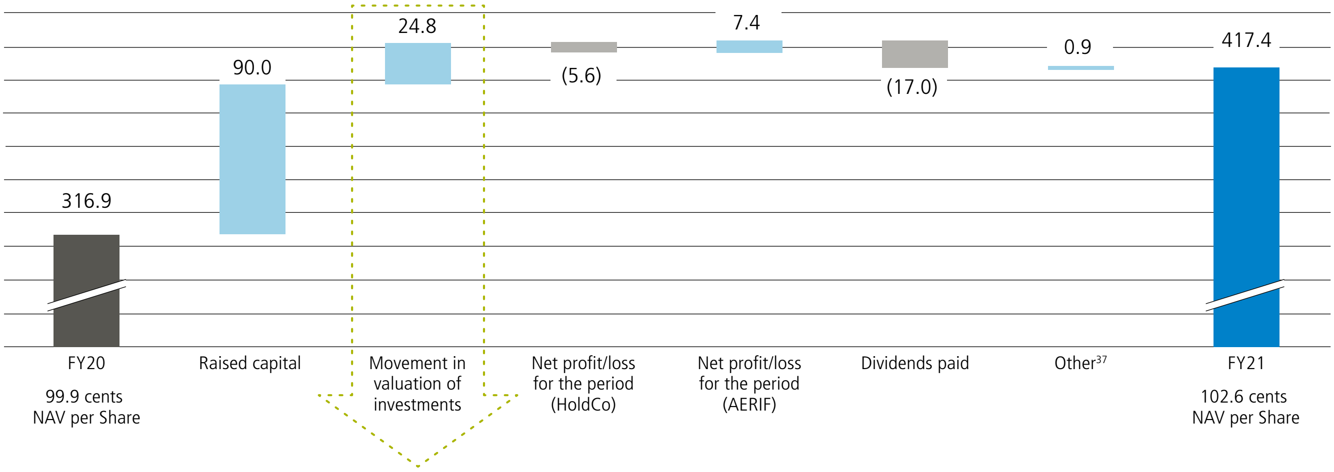
Asset Summary

EUR million	FY21	FY20	Variance (%)
Tesla	31.4	25.4	23.6
Sagres	15.8	15.2	4.1
Holmen II	24.5	21.5	13.6
Olhava	27.3	25.3	7.9
Svindbaek	40.6	37.0	9.7
The Rock[36]	45.0	32.2	39.6
Benfica III	16.7	16.7	0.2
Albeniz[36]	46.0	17.4	165.1
Desfina	40.9	37.9	7.9
Ourique	29.5	n.a.	n.a.
Total	**317.6**	**228.5**	**39.0**

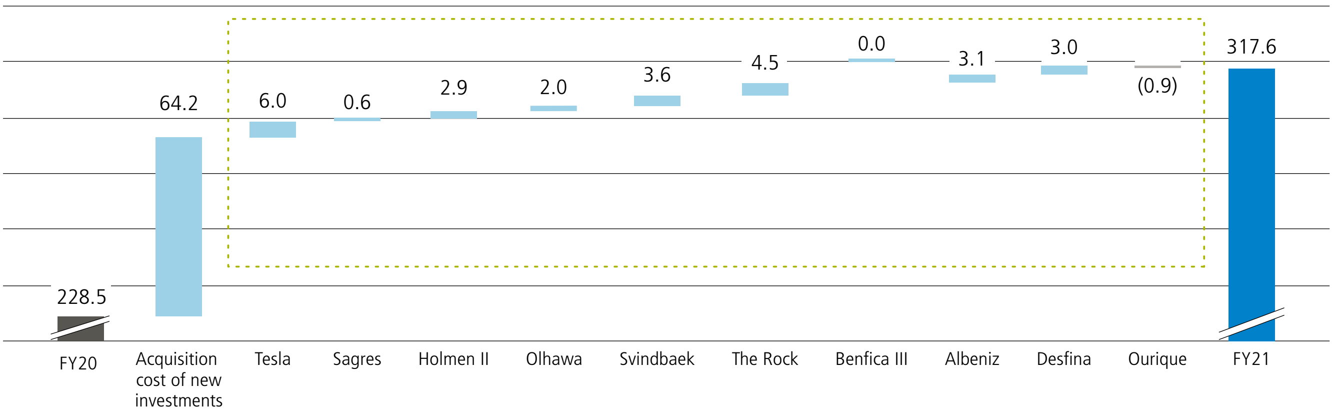
[36] *Includes capital contributions during the year: The Rock EUR 7.7 million (after repayment of the Bridge) and Albeniz EUR 25.5 million*

FINANCIAL PERFORMANCE
CONTINUED

NAV Bridge (EUR million)



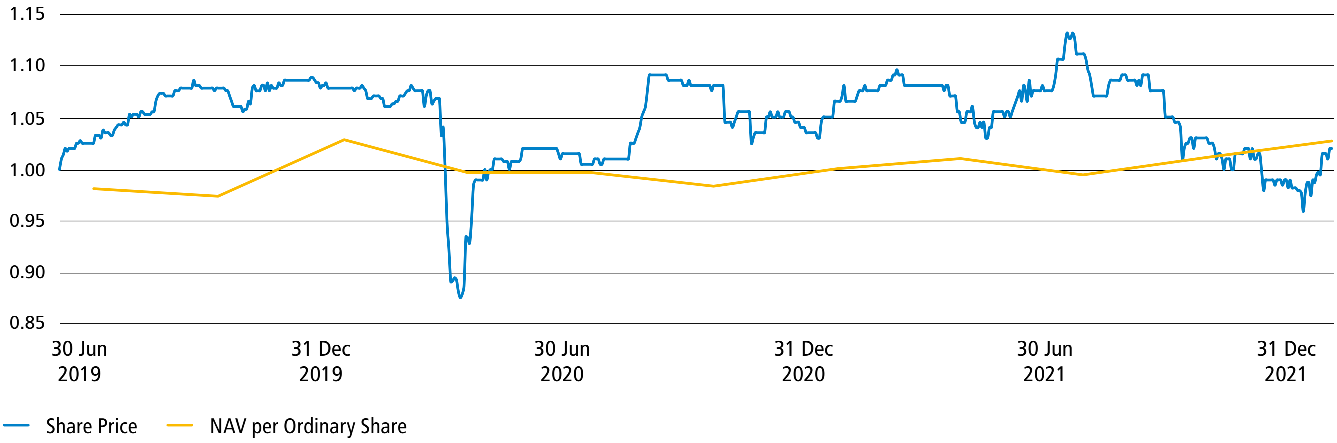
Portfolio Valuation Bridge



- The Company's NAV as at 31 December 2021 was EUR 417.4 million or 102.6 cents per Ordinary Share. Compared to 31 December 2020 (EUR 316.9 million or 99.96 cents per Ordinary Share) this represents a NAV total return of 7.6% per Ordinary Share (including dividends)
- During the month of September, a capital raising totalling EUR 90.0 million took place with the shares issued at a price of EUR 1.03 cents per Ordinary Share or a premium to NAV of 5.0% to the Company's ex-dividend NAV as at 30 June 2021
- Dividends of EUR 17.0 million (5.0 cents per Ordinary Share) were paid during the year with respect to the fourth quarter of 2020 to the third quarter of 2021
- The movement in the valuation of the investments compared to 31 December 2020 was mainly driven by positive power price curve effects. Besides, the increase in short-term inflation forecasts had a slightly positive impact[38]. Medium and long-term inflation assumptions remain unchanged
- In addition to the positive effects from power price curves and inflation, the following further events had an impact on the fair values of the assets:
  - **Sagres:** Slightly negative effects due to impairment of receivables against existing power trader who was replaced in Q3 2021
  - **The Rock:** Positive effect due to further decrease of construction risk in line with increase in construction progress
  - **Albeniz:** Positive effect due to further decreased construction risk and negative effect resulting from later than expected COD caused by delay in the permitting process
  - **Desfina:** Positive effects due to higher than expected production experienced during 2021 and the expected refinancing of the existing debt
- During the reporting period, EUR 6.3 million (2020: EUR 7.5 million) in cash have been distributed to the HoldCo in the form of interest and dividends
  - The lower amount compared to the previous year results from timing effects related to distributions from the assets Svindbaek and Desfina (see operational highlights).
- Other relates to the settlement of Investment Advisory expenses, share issuance costs and foreign exchange losses

[37] *Includes share issue costs (EUR 1.6 million), settlement of Investment Advisory fees (EUR 2.5 million) and FX losses (EUR 0.007 million)*
[38] *Short term Consumer Price Index ("CPI") forecast sourced from Bloomberg (2021) for the next five years*

The chart below shows the Company's share price performance since IPO against the Company's reported NAV in the reporting year.



Ratings across the renewables sector weakened during the fourth quarter of 2021, leading to a number of funds trading around par or at a small discount. This, coupled together with a general oversupply of equity issuance in the market had a negative impact on the AERI share price in relation to the NAV.

Valuation methodology

The Company owns 100.0% 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.

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 2021 and the Directors have satisfied themselves as to the methodology, the discount rates and key assumptions applied, and the valuations. All SPV investments are at fair value through profit or loss and are valued using the IFRS 13 framework for fair value measurement. The following economic assumptions were used in the valuation of the SPVs.

Valuation Assumptions

As at 31 December 2021	
Discount rates	The discount rate used in the valuations is derived according to internationally recognized methods. Typical components of the discount rate are risk free rates, country-specific and asset-specific risk premia. The latter comprise the risks inherent to the respective asset class as well as specific premia for other risks such as development and construction, such as is the case for The Rock, for example.
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 years for onshore wind and 30 years for solar PV is assumed. In individual cases, a longer operating life is assumed where the contractual arrangement (i.e. O&M agreement with availability guarantee) supports such an assumption. 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.
Capital expenditure	Based on the contractual position (e.g. EPC agreement), where applicable

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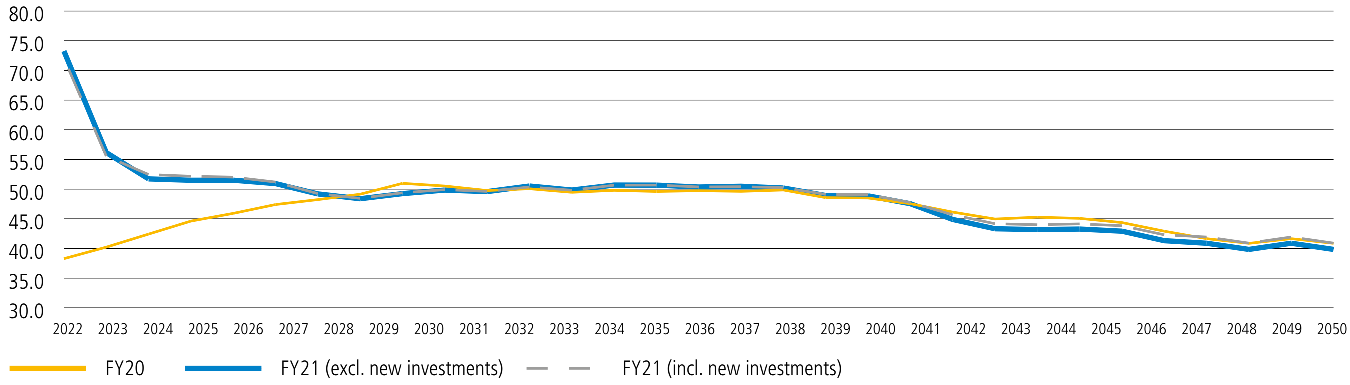
Portfolio Valuation – Key Assumptions

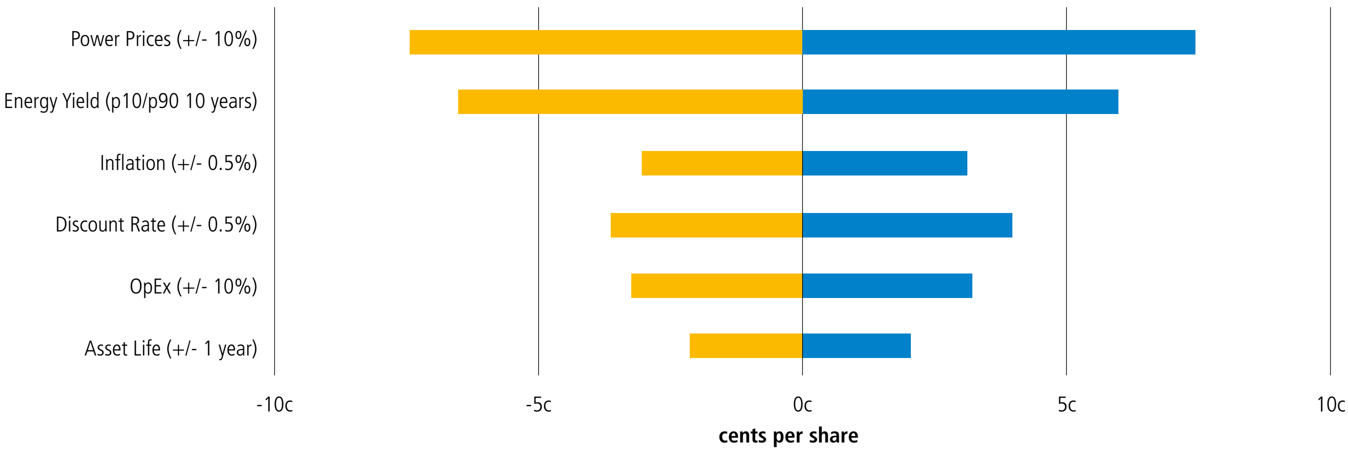
Metric		FY21	FY20
Discount rate	Weighted average	6.5%	6.6%
Long-term inflation	Weighted average	2.0%	2.0%
Remaining asset life[39]	Wind	23	24
	Hydropower	11	12
	Solar	27	27
Operating life assumption[40]	Wind	26	26
	Hydropower	n.a.	n.a.
	Solar	30	30

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

Real Electricity Price Forecasts – All Assets (Weighted Average)



Valuation Sensitivities



[39] *Remaining asset life based on net full load years. Does not consider any potential asset life extensions*
[40] *Operating life assumption weighted using the fair value of the investments as at 31 December 2021*

MARKET COMMENTARY AND OUTLOOK

Market Prices

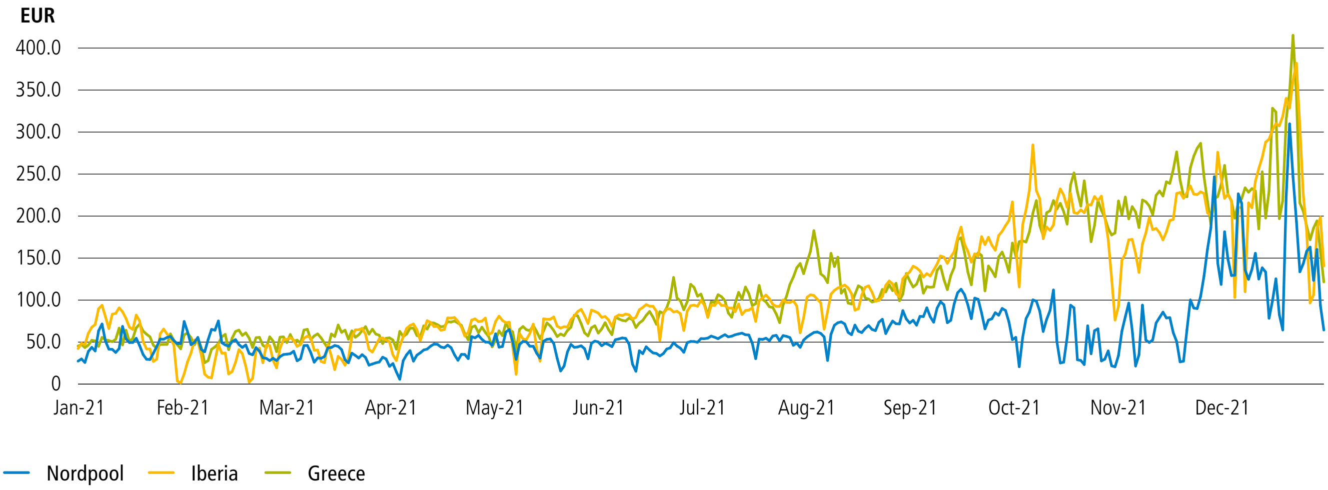
In 2021, movements in the prices of fuels and CO_2 were key drivers of a bullish trend in power price levels, including in the European markets in which the assets are located. This upward trend was supported by a general post-pandemic recovery in electricity demand across industry and commercial sectors, but also the market´s response to cold winter spells and summer heatwave peaks – both linked to the 'La Niña' global weather phenomenon.

Gas underwent a strong rally during 2021, driven principally by record-low European gas storage reserves, lower than expected imports, as well as a high level of uncertainty around the commissioning of the gas pipeline Nord Stream 2. In addition, CO_2 prices almost tripled, driven mostly by a 'vicious circle' of other commodity price rises, higher demand – due to speculative trading/the attention of new investors – and a generally more pronounced political momentum for decarbonisation. The last few months of 2021 were characterised by a 'perfect storm' of the above factors, leading to extreme power price levels across most European geographies.

The aforementioned factors led to a general bullish trend in power price levels across European geographies – including Spain and Greece – where thermal power units continue to set the price. Thus, power price levels reflected the underlying fuel and EUA costs borne by these units. This impact was much less pronounced in the Nordics, leading to relatively lower prices, given the dominance of hydroelectric power in the generation mix. Nevertheless, there was convergence between Nordic prices and generally more bullish Continental European markets in 2021 due to a shrinking hydrological balance and the impact of the NordLink and North Sea interconnection links with Germany and the UK respectively.

While energy crises such as these are rare and unpredictable, the resilient performance of the portfolio during the year demonstrated the efficacy of the Company's investment philosophy, which is focused on diversification by technology and geography, supported by a high degree of contracted revenues.

2021 Average Daily Power Price – AERIF`s Electricity Markets[41]



[41] *Source: European Network of Transmission System Operators for Electricity (ENTSO-E), Nordpool*

EU Green Energy demand

A significant increase in green energy is expected within the EU in the short term, with the focus increasingly shifting to sector coupling. Additionally, private companies are increasingly pursuing their own emissions targets (e.g., RE100), therefore, directly increasing the demand for green energy. Decarbonisation demands more electricity from a number of different sectors, such as transportation, building and industry, and it requires significant additional amounts of energy overall. For example, electrification in Northern Europe is expected to lead to an increase in electricity demand of about 65.0% by 2050[42]. At the heart of this development is the emission-free generation of renewable energy. According to forecasts by Bloomberg, average annual additions of renewable energy sources within the EU need to almost double in the next four years (2021-2024) compared to 2017-2020.

Furthermore, the phasing out of coal-fired power plants is gaining momentum, due to the economic superiority of renewable electricity production. As an example, Spain benefits from a high availability of natural resources (particularly solar PV) which has led to a reduction in costs in recent years. Combined with Spain's rising climate ambitions, the competitiveness of solar PV in the energy system has strengthened considerably over recent years. Thus, we have passed not only turning point one – renewable energies as the cheapest source of new generation capacity – but also of turning point two. The total costs of a solar PV plant are already below the operating costs of existing coal or gas-fired power plants[43].

In order to fulfil rising electricity demand, as well as the EU's goal of increasing its share of renewable electricity generation to 65.0% by 2030, a significant investment will be required. According to a study by Bloomberg New Energy Finance, the goal of increasing the share of renewable electricity generation to 65.0% alone requires investments in renewable generation capacities amounting to EUR 350.0 billion per year until 2030. Such an estimate suggests funding from the Next Generation EU programme covers only one year's worth of investment needs.

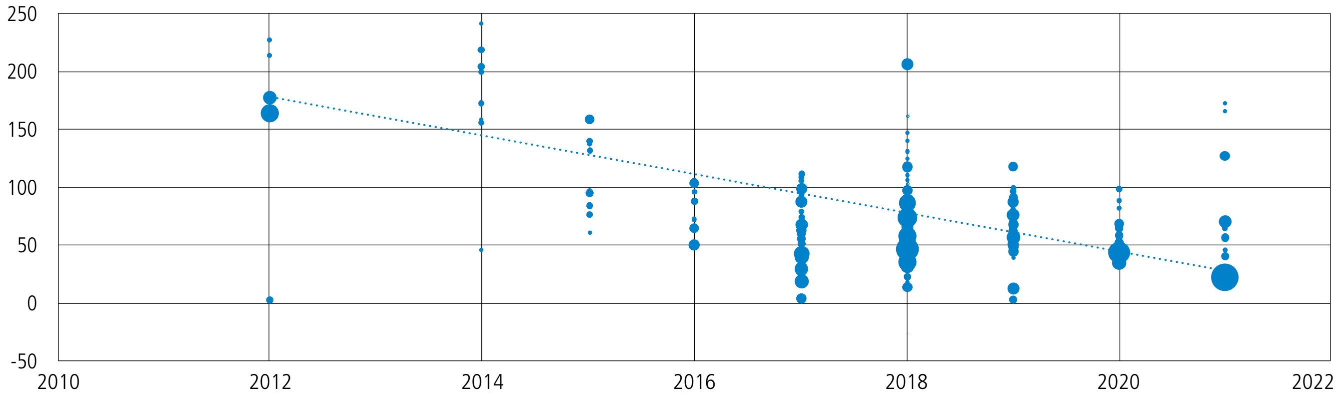
In order to ramp up private investment in the future, stable and predictable cash flow generation is critical. However, the prices of renewable energies are dependent on weather conditions, and this tends to create high volatility. In response to this, the EU has announced a further 15.0 GW tender for renewable energies, which should lead to more stable and reliable conditions in the future.

Additionally, regional integration of the European electricity system mitigates the need for flexibility and is at the centre of the EU's plans. Different weather patterns in Europe lead to geographical balancing effects. Wind and solar outputs are generally much less volatile on an aggregated level and extreme high and low values disappear. Cross-border exchange minimises surplus generation from renewable energy and significantly reduces the risk of curtailments. With market integration, cross-border generation peaks allow for exports to regions where loads are not being met. In contrast, a hypothetical national autarky case has storage or curtailment requirements that are ten times higher.

Power Purchase Agreements

The continuing decline in levelized costs of energy ("LCOE") for wind and solar PV is increasingly being felt in markets. Resulting high competitiveness is reflected in the decreasing need for subsidies in Europe, although these are still relevant to investors. The graph below illustrates this development. While subsidies paved the way for renewable energies, auctions are increasingly being recorded that completely dispense with state support. In particular, solar PV systems in combination with ideal weather conditions in Southern Europe show LCOEs significantly below the prevailing electricity price level.

European average auction price (USD/MWh)[44]



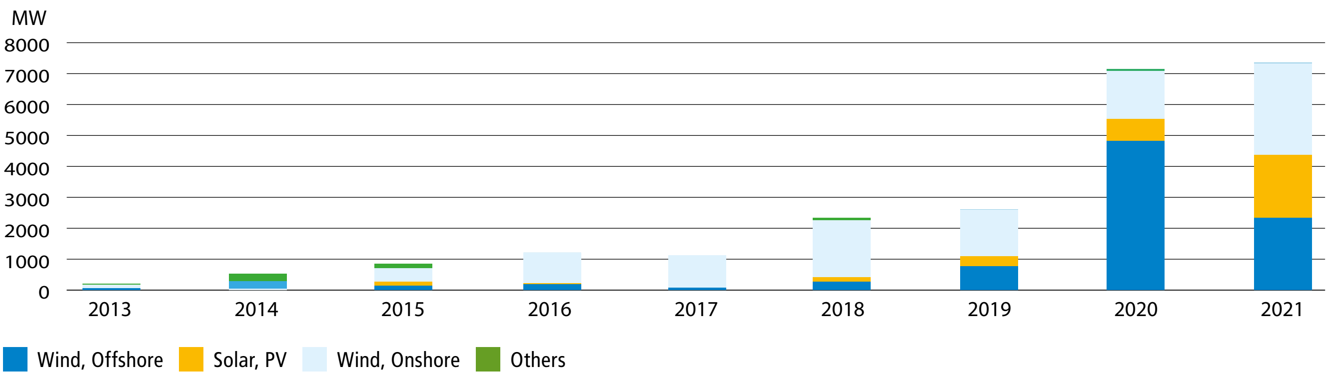
[42] *Source: Bloomberg 2021*

[43] *Source: Invesco: "Concerned about inflation? These real assets could help" (2021); MAN Institute: "How should investors reposition their portfolios in the face of heightened inflation risk?" (2021)*

[44] *Source: BNEF (2021)*

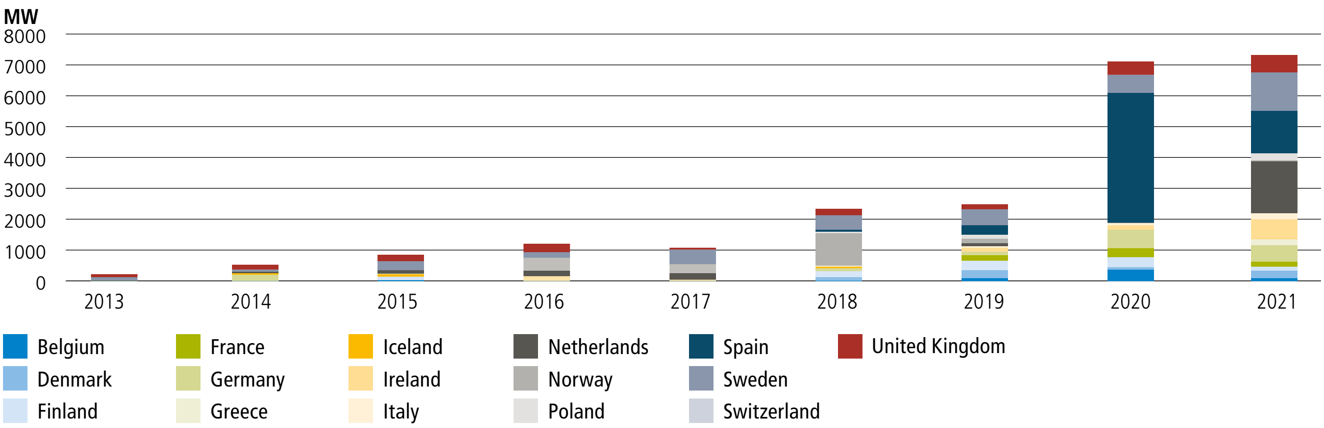
Private markets, on the other hand, are gaining in importance. PPAs have shown enormous growth across both 2020 and 2021, resulting in over 7.0 GW worth of PPAs per annum. This is nearly triple the 2.5 GW seen in 2019. The volume of PPA deals in 2021 stayed roughly aligned with 2020; however, wind contracts (both onshore and offshore) took the majority share across various geographies, leaving solar PV deals behind.

European PPA capacity (MW by estimated signing year, broken down by technology)[45]



The adaptation of private markets in this context is not primarily due to a change in environmental awareness, but rather provides obvious proof of the economic advantages of renewable energy. Investors and operators of renewable generation sources benefit from a reduction in regulatory risks and stable cash flows in the long term. In addition, there are positive influences on bankability and, thus, on the cost of debt capital. This, in turn, supports the further expansion of renewable energies.

European PPA capacity (MW by estimated signing year, broken down by country)[46]



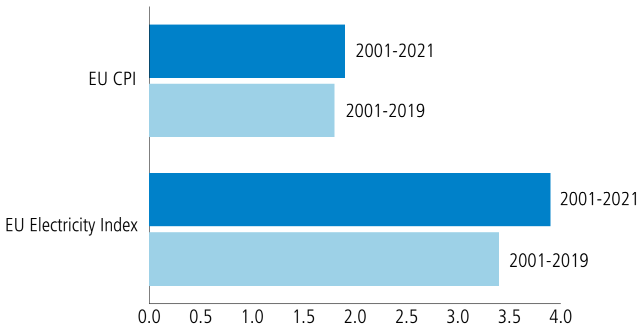
[45] *Source: BNEF (2021)*
[46] *Source: Bloomberg 2021*

MARKET COMMENTARY AND OUTLOOK
CONTINUED

Inflation

Investments in renewable energies represent an effective protection against inflation. In previous periods of high inflation, investments in real assets within the energy sector as well as the commodities sector demonstrated a positive correlation with the inflation rate[47]. Renewable energies benefit from rising electricity prices with no burden on the cost side in relation to the use of resources. The fact that electricity markets are marginal and power producers must send their offers at their recognised marginal cost as well as growth rates of energy inflation exceeding the consumer price index have a significant positive effect on the earnings potential of renewable electricity generation plants.

EU electricity prices vs EU CPI from 2001[48]



In the EU over the last 20 years electricity prices have risen significantly more than the CPI with the electricity prices index having increased on average by 3.9% and inflation by 1.9%.

Additionally, PPAs represent a protection against fluctuations in electricity prices for both producers and suppliers. To counterbalance high inflation effects, indexed PPAs would be the best solution. However, in the market the majority of PPAs are not indexed and do not benefit directly from rising inflation in terms of electricity prices: However, merchant revenues are directly enhanced, and as shown in the previous paragraph the electricity prices index have outperformed the CPI in the EU; therefore, an appropriate balance between merchant and hedge prices provides the portfolio with a natural hedge against inflation, while maintaining a stable payment profile.

Conclusion

The Company targets investment in a mixture of wind, solar PV and hydropower technologies with the ability to invest up to 20.0% of GAV in storage. Additionally, the Company expects electricity prices to remain competitive throughout 2022, therefore it will remain active in the market to secure attractive hedges for its investments with the help of the Investment Adviser and its in-house Markets Management Group.

The Investment Adviser has identified an attractive pipeline for AERIF to invest during the 2022 period. In addition to the recently announced acquisition of Greco (100 MWp), the Investment Adviser is also progressing two near-term transaction opportunities in wind and solar PV with a total production capacity of approximately 100 MW (100% interest). Aquila Capital as at 31 December 2021 has a significant pipeline in development and under construction investments, spread across various European countries, with the majority of it allocated to Southern Europe (Iberia, Greece and Italy), countries in which the Investment Adviser has continued to grow its local presence.

Russia's invasion of Ukraine brings uncertainty to the commodities market and how price levels of modules and other hardware will be impacted directly or indirectly. The Company does not have any direct exposure to Ukraine or Russia, there are also no direct business relations with counterparties from these countries.

This invasion had led to higher volatility in electricity prices, driven by the increased energy and non-energy commodity related costs, inflation is expected to continue to rise. In this regard, energy and power markets will receive higher levels of scrutiny and future interventions in markets. Energy independence will become an important driver and local support for renewables and non-fossil fuel energy sources will most likely increase.

Political momentum with the objective of turning the European Union carbon neutral by 2050 and continue decarbonization across different industries to reach their own targets places the Company in a unique position to benefit from the energy transition, given its European focus and established portfolio of assets, which contribute towards the green economy. Going forward, the Investment Adviser will continue to work with the Board to target appropriate investment opportunities.

Aquila Capital Investmentgesellschaft mbH

28 April 2022

[47] *Source: Invesco: "Concerned about inflation? These real assets could help" (2021); MAN Institute: "How should investors reposition their portfolios in the face of heightened inflation risk?" (2021)*
[48] *Source: Eurostats from 2001 to the 2021 period for the EU region*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Environmental

In 2015, the UN launched 17 Sustainable Development Goals, with the purpose of putting an end to poverty, improving health and education, reducing inequality, spurring economic growth and tackling climate change around the world. These goals are set to stimulate action for people, the planet and prosperity, and aim to transform the world by 2030.

UN Sustainability Development Goals

In 2018, the EU agreed to a climate and energy framework and set ambitious goals for 2030. The aim is to have a clean, affordable and reliable energy system in Europe, targeting:

40.0%

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

32.0%

A 32.0% renewables share of the energy system

32.5%

A 32.5% improvement in energy efficiency

While the world has now faced two years of global pandemic, the pressure to replace fossil fuels with renewable energy has not abated. According to the International Renewable Energy Agency the share of renewable energy electricity generation has to increase to 65% by 2030. This means that additional 8.000 GW of renewable capacity is needed in this decade[49]. In parallel, the EU's efforts to drive the energy transition through important regulatory frameworks such as the Sustainable Finance Disclosure Regulation ("SFDR") or the EU Taxonomy pose challenges for the financial industry. Aquila Capital has always taken care to ensure that the construction and operation of renewable energy projects does not come at the expense of the environment and the community. Therefore, we are convinced that we are well positioned to benefit from the developments. We are actively contributing to the energy transition and enable investors to participate through reducing complexity.

Taoufik Saoudi
Director of ESG at Aquila Capital

[49] *IRENA (2022), World Energy Transitions Outlook 2022: 1.5°C Pathway, International Renewable Energy Agency, Abu Dhabi*

UN Sustainable Development Goals

The Company aims to invest in a diversified portfolio of renewable energy infrastructure investments, such as hydropower plants, onshore wind and solar parks, across continental Europe and Ireland. With the objective of providing investors with a truly diversified portfolio of renewable assets, AERIF is able to deliver on its investment objectives as well as contribute towards the green economy. AERIF contributes to the following three UN Sustainable Development Goals:

AERIF's Contribution to the UN Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all.

- AERIF'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
- AERIF's investments in renewable assets help to support and encourage further investment in the industry

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

- AERIF targets renewable investments which are supported by high quality components and infrastructure in order to optimise the energy yield and subsequent return to investors
- AERIF's investments help to support the construction of shared infrastructure (e.g. substations) which enables the further expansion of renewable energy sources
- AERIF's Investment Adviser, Aquila Capital, 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)

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

- The Company's 332.3 MW portfolio has the potential to power approximately 223.3[50] thousand households and offset approximately 236.5[50] thousand tonnes of CO_2 emissions. AERIF has ambitious goals to expand its portfolio, which will be accretive to further CO_2 reduction over time
- 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

Methodology changes have been made from 2021 in order appreciate the development of the energy grid mix of the target regions as well as the effect of CO_2eq-emissions coming from the clean energy project itself.

The calculation of the avoided CO_2eq emissions is based on the assumption that electricity generated by the portfolio fed into the electricity mix displaces the same amount of current grid mix electricity generated (e.g., coal, gas, nuclear etc.) – and therefore also displaces the corresponding CO_2eq emissions of the displaced mix. The regional electricity grid mix composition (in %) for the lifetime is based on the Integrated Model to Assess the Global Environment, the shared socioeconomic pathway SPP2 and multiplied with the respective technology-based emission factor (in gCO_2eq/KWh) from renowned sources (IEA, EcoInvent and the German Environmental agency) as well as with the yearly production actuals and/or forecast (in KWh) fed into the grid. From this, the assets' lifetime CO_2eq-emissions are subtracted, considering that a renewable energy asset generates CO_2eq emissions over its whole life cycle (e.g. raw material sourcing, construction, operations, decommissioning) resulting in the final value displayed.

The calculation of average households supplied is based on 2018 Eurostat data ("https://ec.europa.eu/eurostat/databrowser/view/t2020_rd300/default/table?lang=en" Statistics | Eurostat (europa.eu)). The average EU-27 household electricity consumption (in MWh/capital) is multiplied by the average EU-27 household size resulting in the average consumption of electricity of the average household size (in MWh/household). The electricity generated by the portfolio is divided by the EU-27 average consumption of electricity and household size (in MWh/household) resulting in the final value displayed.

[50] *Expected contribution for the year 2022, not including Greco nor any potential new investments*

Social

The assets are typically located in remote regions of Europe, where the resource factor is high. In some cases, the assets are closely linked to a local community within proximity. Active engagement with local communities is an integral part of the investment philosophy. The assets continue to support communities through the contracting of local service providers, payment of local taxes, as well as making lease payments for the land the assets utilise.

Engagement with the local community in Montes Novos

More than 30 sheep are present at the solar PV station in Montes Novos. Grazing sheep have been supplied by local shepherds to prevent grass and other plants from damaging the solar panels. This initiative demonstrates the opportunity for a harmonious co-existence of agriculture and photovoltaics (agrivoltaics) on the same land.

This method causes less damage to the solar panels and entails lower operating costs. In Montes Novos, the solar plants are located in zones where the vegetation grows continuously and previously had to be managed by O&M technicians. This initiative also provides more grazing for their flock. Additionally, this method avoids the use of pesticides that contaminate the soil, air and water.

The sheep help to minimise the risk of potential hazards caused by the continuous growth of vegetation, such as electrical faults leading to a fire. Furthermore, they create a pleasant environment for the O&M teams. The permanent presence of supervision personnel prevents non-electrical incidents.

The goal is to be a responsible investor, ensuring that environmental, social and governance criteria are incorporated into the day-to-day investment decisions and that we generate a positive impact on society. This is reflected across the investment philosophy and approach, and these values are shared by the Investment Adviser, Aquila Capital, which is dedicated to the green energy transition. Aquila Capital is committed to environmental protection through various sponsorships and partnerships, which are highlighted below.

Corporate responsibility: Aquila Capital

Transformation Award

The Aquila Capital Transformation Award recognises outstanding scientific work that focuses on applicable and unconventional solutions to combat climate change in Europe. In addition to providing financial support for research, this award focuses on cooperation in the practical implementation of solutions. This year's award was themed 'Solving the Climate Crisis through Innovation' and was endowed with EUR 20,000.

The winner: Dr Ning Yan, an assistant professor at the Van't Hoff Institute for Molecular Sciences at the University of Amsterdam, for his paper 'A membrane-free flow electrolyser operating at high current density using earth abundant catalysts for water splitting'. Dr Ning Yan and his team presented a very exciting, innovative way of how green hydrogen can be produced more cost-efficiently and at larger scale by combining the advantages of different electrolyser concepts. Using a membrane-less solution coupled with a novel cyclic operation, he introduced a new low-energy water-splitting process to produce pure hydrogen, which will be an important element of our future energy system.

Montes Novos, Benfica III

WWF Germany

Aquila means "eagle" in latin. Accordingly, Aquila Capital partnered with WWF Germany in order to become sponsors of an eagle couple: Eddie and Carmen.

WWF has been committed to the protection and conservation of eagles in Germany since 1972. The foundation has the overarching goal of stopping the destruction of nature and the environment and building a future in which people live in harmony with nature.

With our donation, WWF Germany was able to acquire an ideal piece of forest and land in Schleswig-Holstein, Germany last year and convert it into a protected area. In addition to Eddie and Carmen, this territory also provides a natural habitat for numerous other animals and thus contributes directly to the preservation of biodiversity in our region.

Aquila Charity

With our initiative 'Aquila Charity', Aquila Capital employees and the company itself support self-selected charitable organisations.

Not only does Aquila Capital support various causes around Christmas time but is also committed to charity throughout the year. In recent years, Aquila Capital has donated over half a million euros to charitable organisations, and it plans to continue with this commitment.

The following institutions were supported during 2021:

- Hamburger Tafel
- Naturschutzbund Hamburg
- Deutsche Seemannsmission Hamburg
- Naturschutzbund Hamburg
- The Ocean Cleanup
- Kinderarmut in Deutschland e.V.
- Kinderhospiz Sternenbrücke
- Rettet den Regenwald e.V.
- Niederländische Armen-Casse
- Soldatenhilfswerk der Bundeswehr

Governance

AERIF and its Investment Adviser operate a structured screening, due diligence and investment process. This process is designed to ensure that investments are reviewed and compared on a consistent basis. Typically, due diligence for new investment opportunities is led by Aquila Capital's in-house functions (including Investment Management, Structuring & Tax, Risk Management, Legal, Valuation and Compliance) in conjunction with external advisers. Typically, due diligence for new investment opportunities is led by Investment Adviser's in-house functions (including Investment Management, Structuring & Tax, Risk Management, Legal, Valuation and Compliance), combined with external advisers.

The Board composition is unchanged since the Company's IPO and consists of four, non-executive members. The Board continues to uphold a stringent level of corporate governance. AERIF benefits from having an independent board of directors as well as an AIFM – Sanne Fund Management (Guernsey) Limited. During December 2021, Sanne Group plc completed its acquisition of PraxisIFM Funds Business. Thus, the name of the Company's Administrator and Company Secretary has changed from PraxisIFM Fund Services (UK) Limited to Sanne Fund Services (UK) Limited. The Board supervises the AIFM, which is responsible for making recommendations in relation to any investment proposals put forward by the Investment Adviser. The Investment Adviser is fully regulated and supervised by the Federal Financial Supervisory Authority ("BaFin") in Germany.

Governance and Investment Process[51]

Board of Directors

Investment Proposal ↓ ↑ Investment Decision

AIFM: Sanne Fund Management (Guernsey) Limited

Investment Advice ↓ ↑ Confirmation

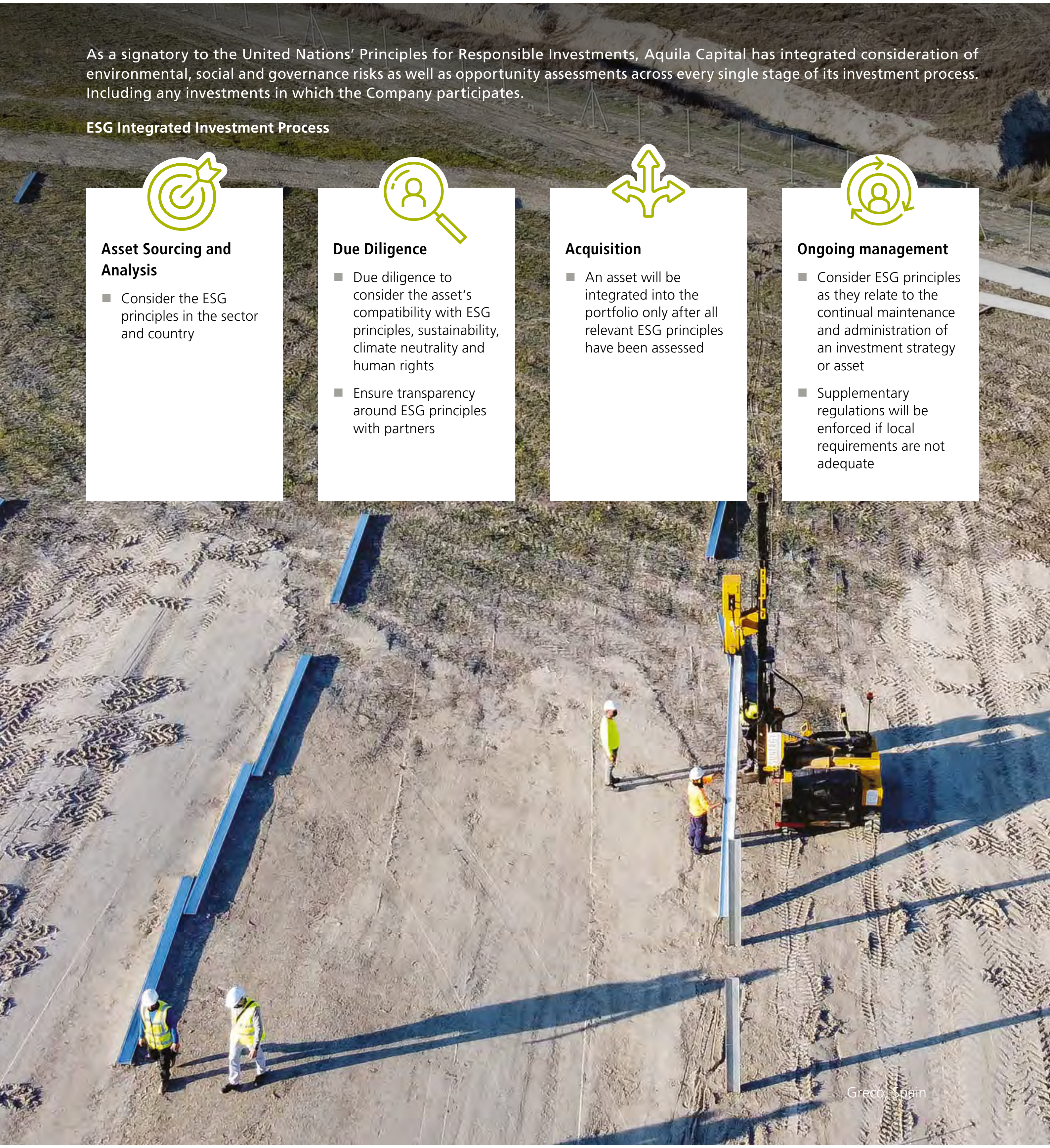
Investment Adviser: Aquila Capital Investmentgesellschaft mbH

	Investment Committee (IC) = (Board of the AIFM - ACI) Approval of internal due diligence	IC status update and approval of external due diligence based on decision from IFM Weekly deal team meetings	IC status update Weekly deal team meetings	IC advice recommendation	IC advice of sales process PeriodicIC meetings	IC advice of sale
Aquila Capital in-house functions	Screening & Pre-due diligence	Internal due diligence	External due diligence & structuring	Investment review & decision	Investment monitoring	Divestment
Investment Management (transactions, asset & fund management)	Asset identification Preliminary analysis of opportunity	Internal due diligence	Due diligence with external advisers Structuring and contract negotiations	Filing of investment proposal Statements and approvals	Continuous asset and fund management	Contract negotiations
Structuring & Tax	Preliminary analysis of structure and NPP	Specification of investment structure, in control of tax due diligence		V Statement and approval	Periodic review of investment structure	V Statement and approval
Risk Management	Preliminary analysis of risks	Risk analysis		Statement and approval	Continuous risk management	Statement and approval
Legal	LOI, NDA	In control of legal due diligence	Contract negotiations	Approval of all contracts	Continuous support	Approval of all contracts
Valuation	Preliminary analysis	Independent valuation of asset		Statement and approval	Periodic valuation	Statement and approval
Compliance	Pre-KYC[52] check	KYC and conflict-of-interest review		Statement and approval	Continuous surveillance	Statement and approval

V Right of veto

Environmental, Social and Governance aspects are taken into account during the whole lifetime of the asset.

[51] *Aquila Capital Investmentgesellschaft mbH*
[52] *KYC – know your client*



As a signatory to the United Nations' Principles for Responsible Investments, Aquila Capital has integrated consideration of environmental, social and governance risks as well as opportunity assessments across every single stage of its investment process. Including any investments in which the Company participates.

ESG Integrated Investment Process

Asset Sourcing and Analysis

- Consider the ESG principles in the sector and country

Due Diligence

- Due diligence to consider the asset's compatibility with ESG principles, sustainability, climate neutrality and human rights
- Ensure transparency around ESG principles with partners

Acquisition

- An asset will be integrated into the portfolio only after all relevant ESG principles have been assessed

Ongoing management

- Consider ESG principles as they relate to the continual maintenance and administration of an investment strategy or asset
- Supplementary regulations will be enforced if local requirements are not adequate

Greco, Spain

ESG Portfolio Initiatives

The Company underwent its first GRESB assessment in 2021 and will undergo others in future years. A GRESB assessment is an objective, investor driven global ESG benchmark and reporting framework, which assesses the performance of real estate and infrastructure funds, companies and assets. The results provide investors with standardised data to help evaluate complex sustainability issues. The GRESB assessment is an important industry benchmark, as it can help to protect shareholder value by evaluating and improving the sustainability performances of real assets, at both asset level (operating assets only) and portfolio level.

In its first year of participating in a GRESB assessment, AERIF achieved a four out of a five-star rating. With an overall GRESB score of 84, the Company scored above the GRESB average of 77 points. At portfolio level, the rating demonstrates a particularly strong performance in stakeholder engagement and leadership compared to the peer group. At asset level, meanwhile, the rating recognizes AERIF's strong policy frameworks as well as its performance in resource and emission management, including in respect of water, greenhouse gas emissions and energy.

During the September 2021 refinancing of The Rock, the first Green Bond was issued. This bond was rated by the independent consultant CICERO Shades of Green and granted the 'Dark Green' rating and an 'Excellent' rating for governance, both of which are the highest possible ratings under CICERO's framework. These favourable ratings reflect the project's focus on best practice in areas such as environmental impact assessments and transparent engagement with local stakeholders.

In March 2022 Midtfjellet Wind Farm (Tesla) was awarded the Norwea's membership award, this prize is given to a member who has excelled with a particularly positive community involvement, for example through social or environmental sustainability. Norwea writes: *"The prize goes to Midtfjellet Wind Farm for its many years of work for outdoor life and activities in and around the facility. At Midtfjellet, past and future meet in a spectacular way. The landscape is wild and beautiful, at the same time as it houses the production of clean and renewable energy. The wind farm is a popular destination: cycling, downhill skiing, skiing, fishing and family trips. The surroundings with the fantastic turbines make the whole experience unique and special. Since the start in 2011, about 17,000 have been on a guided tour of the area. There have been people from nursing homes, kindergartens, schools, universities and other institutions, as well as companies and politicians. Congratulations to Midtfjellet Vindpark, all employees in the company and partners who have contributed to the success".*

INVESTMENT POLICY AND KEY PERFORMANCE INDICATORS

Investment Policy

The Company will seek to achieve its investment objective set out above, predominantly through investment in Renewable Energy Infrastructure Investments in continental Europe and the Republic of Ireland comprising (i) wind, photovoltaic and hydropower plants that generate electricity through the transformation of the energy of the wind, the sunlight and running water as naturally replenished resources, and (ii) non-generation renewable energy related infrastructure associated with the storage (such as batteries) and transmission (such as distribution grids and transmission lines) of renewable energy, in each case either already operating or in construction/development ("Renewable Energy Infrastructure Investments").

The Company will acquire a mix of controlling and non-controlling interests in Renewable Energy Infrastructure Investments and may use a range of investment instruments in the pursuit of its investment objective, including but not limited to equity, mezzanine or debt investments.

In circumstances where the Company does not hold a controlling interest in the relevant investment, the Company will seek, through contractual and other arrangements, to, inter alia, ensure that the Renewable Energy Infrastructure Investment is operated and managed in a manner that is consistent with the Company's Investment Policy, including any borrowing restrictions.

Investment Restrictions

The Company aims to achieve diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of wind, solar PV and hydro technologies involved in renewable energy generation. The Company will observe the following investment restrictions when making investments:

- no more than 25 per cent. of its Gross Asset Value (including cash) will be invested in any single asset;
- the Company's portfolio will comprise no fewer than six Renewable Energy Infrastructure Investments;
- no more than 20 per cent. of its Gross Asset Value (including cash) will be invested in non-generation renewable energy related infrastructure associated with the storage (such as batteries) and transmission (such as distribution grids and transmission lines) of renewable energy;
- no more than 30 per cent. of its Gross Asset Value (including cash) shall be invested in assets under development and/or construction;
- no more than 50 per cent. of the Gross Asset Value (including cash) will be invested in assets located in any one country;
- no investments will be made in assets located in the UK; and
- no investments will be made in fossil fuel assets.

Compliance with the above restrictions will be measured at the time of investment and non-compliance resulting from changes in the price or value of assets following investment will not be considered as a breach of the investment restrictions.

The Company will hold its investments through one or more SPVs and the investment restrictions will be applied on a look-through basis.

Although not forming part of the investment restrictions or the Investment Policy, where Renewable Energy Infrastructure Investments benefit from a power purchase agreement, the Company will take reasonable steps to avoid concentration with a single counterparty and intends that no more than 25 per cent. of income revenue received by Renewable Energy Infrastructure Investments will be derived from a single off-taker.

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 Shareholders.

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 specialised in this type of transaction.

Liquidity Management

The AIFM will ensure that a liquidity management system is employed for monitoring the Company's liquidity risks. The AIFM will ensure, on behalf of the Company, that the Company's liquidity position is consistent at all times with its Investment Policy, liquidity profile and distribution policy. Cash held pending investment in Renewable Energy Infrastructure Investments or for working capital purposes will be invested in cash equivalents, near cash instruments, bearer bonds and money market instruments.

Borrowing Limits

The Company may make use of long-term limited recourse debt for Renewable Energy Infrastructure Investments to provide leverage for those specific investments. The Company may also take on long-term structural debt provided that 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, the Company may make use of short-term debt, such as a revolving credit facility, to assist with the acquisition of suitable opportunities as and when they become available. Such 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 in which the Company has a non-controlling interest, 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

Subject to the portfolio continuing to perform in line with expectations, the Board expects to declare total dividends for the year 2022 of not less than 5.25 cents per Ordinary Share.

Dividends are expected to be paid quarterly, normally in respect of the three months to 31 March, 30 June, 30 September and 31 December, and are expected to be made by way of interim dividends to be declared in May, August, November and February.

The Company will declare dividends in Euro and Shareholders will, by default, receive dividend payments in Euros. Shareholders may, on completion of a dividend election form, elect to receive dividend payments in Sterling (at their own exchange rate risk). The date on which the exchange rate between Euro and Sterling is set will be announced at the time 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 on request.

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 over the Long Term

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 and share price returns since IPO (June 2019) to 31 December 2021 was 14.1% and 11.3% (2020: 6.3% and 10.8%) respectively.

The Chairman's statement on pages 2 and 3 incorporates a review of the highlights during the year. The Investment Adviser's Report on pages 4 to 24 highlights investments made and the Company's performance during the year.

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

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 0.6% discount to the NAV as at 31 December 2021 (2020: 6.5% premium).

(iii) Maintenance of a Reasonable Level of Ongoing Charges

The Board receive management accounts which contain an analysis of expenditure which are reviewed at their quarterly Board meetings. The Board reviews the ongoing charges on a quarterly basis and considers these to be reasonable in comparison to peers.

Based on the Company's average net assets during the year ended 31 December 2021, the Company's ongoing charges figure calculated in accordance with the Association of Investment Companies ("AIC") methodology was 1.1% (2020: 1.4%).

(iv) To meet its Target Total Dividend in each Financial Year

The Company's IPO Prospectus and the Prospectus dated 17 September 2020 set out a target minimum dividend of 5.0 cents per Ordinary Share in relation to the year ended 31 December 2021. In line with both of the Prospectuses, the Company announced and paid during the year four interim dividends which totalled 5.0 cents per Ordinary Share as detailed on page 50. The Company aims to pay 5.25 cents per Ordinary Share for the year 2022.

RISK AND RISK MANAGEMENT

Principal Risks and Uncertainties

During the year the Company has carried out a robust 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 on a quarterly basis or periodically as required on industry trends, insight to future challenges in the renewable sector including the regulatory, political and economic changes likely to impact 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 impact the Company;

3. Broker: provides advice periodically specific to the Company on the Company's sector, competitors and the investment company market whilst working with the Board and Investment Adviser to communicate with shareholders;

4. Company secretary: briefs the Board on forthcoming legislation/ regulatory change that might impact on the Company; and

5. AIC: The Company is a member of the Association of Investment Companies, which provides regular technical updates as well as drawing members' attention to forthcoming industry and regulatory issues.

Procedure for oversight
Audit and Risk Committee: Undertakes a review at least twice a year 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 that emerging (as well as known) risks are adequately identified and, so far as practicable, mitigated.

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 and Political

Principal 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 prices of commodities ▪ 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 ramp up of renewables and capacities with potential to lead to grid oversupply issues resulting in pricing pressures. The current energy geopolitical crisis in Europe is driving increasing energy prices and volatility which is likely to 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. Greater than 68% of the present value of AERIF's forecast revenue over the next five years is contracted in the form of government tariffs or fixed price PPA. 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 such as the use of derivatives. In addition, the advisor has a dedicated team which is responsible for the origination, negotiation and execution of all PPAs. The advisor reviews the hedging strategy on a deal by deal basis, both at time of investment and on and ongoing basis. Should changes be required to the hedging strategy, these will be recommended to the AIFM and Board.
2 **Interest Rates/ Inflation**	Changes to interest rates may impact discount rates applied to the portfolio valuations and costs of debt both in the underlying SPVs and the Company. Risks from changes in interest rates also include debt refinancing risk and the possibility of bank covenant breaches with a resulting valuation impact and potential loss on underperforming investments. Future revenue and expenditure of the Company's investments include assumptions about inflation. Any variation from these inflation assumptions could impact, positively or negatively, the valuations and the asset value performance of the Company.	Interest rate risk on bank debt at the asset level is mitigated by the use of hedging instruments. Most of the Company's non-contracted revenues and costs of the Company's investments are either indexed or correlated to inflation. Investment Adviser provides updates of the hedging strategy and positions to the AIFM and to the Board periodically. Aside from the above, Renewable energies represent an effective protection against inflation, as renewable energies benefit from rising electricity prices with no burden on the cost side in relation to the use of resources.
3 **Exchange Rates**	The Company holds investments in non-Eurozone jurisdictions. Changes in foreign currency rates may therefore impact the value of investments and of the income received.	The Company maintains all uninvested cash in base currency (Euro) other than for small amounts of operational cash in sterling and therefore does not expect a need to hedge currency. SPVs may have natural hedges to non-Euro revenue through structuring of operating expenses and debt service in the respective currency to hedge some currency exposure. The AIFM monitors and reports regularly to the Board on currency exposure.

Economic and Political continued

Principal Risks	Potential Impact/Description	Mitigation
4 **Equity Market Volatility**	The Company's ability to raise equity from investors to repay debt or to support further investments could be impacted by stock market volatility and pricing. Market sentiment could go against renewable energy funds and the Company's share price could move to a significant discount.	The Company's adviser, Numis, monitors market conditions and reports regularly to the Board. In the event that the Company is unable to raise new capital to repay debt, the Company could defer making any new investments until the stock market recovered and in extreme circumstances, existing investments could be sold to reduce debt and raise liquidity. In the event of the share price moving to a significant discount, the Board could implement its share buy-back policy as described in the prospectus.
5 **Global Recession**	Global recession may lead to electricity pricing volatility as a result of demand and inflationary pressures. Other impacts of a global recession include increased inflation and possible resulting windfall taxes (taxing of renewable and/or energy assets), potential lack of debt availability, lack of access to capital markets for fund raising and increased counterparty risks as balance sheets become stressed.	Greater than 68% of the present value of the Company forecast revenue over the next five years is contracted in the form of governmental subsidies or fixed price PPA. The Investment Adviser has a dedicated Markets Management Group team which is responsible for the origination, negotiation and execution of PPAs. The Board, along with the Company's advisers, focus on risk identification and oversight will help to ensure key risks resulting from a global recession are identified and addressed in advance.
6 **Change in Political Sentiment**	A change in political direction in one of the countries in which the Company targets investment, could lead to changes, reductions, caps or withdrawals of government support arrangements or potentially the nationalisation of investments. This would have a material impact on the valuation of the investments and the Company's NAV. Environmental groups may put pressure on 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, continuously monitors all jurisdictions in which the Company invests. Additional due diligence on development and construction assets is undertaken for new investment opportunities (where applicable) in order to avoid or mitigate any potential issues. Tax, legal and ESG due diligence is undertaken on each investment and reviewed prior to signing off any investment proposal.

Operational

Principal Risks	Potential Impact/Description	Mitigation
7 **Investment Performance**	There is a risk that the portfolio underperforms and, as a result, the target returns are not met over the longer term. This could lead to the dividend not being covered and an inability to pay the target dividend. Adverse weather conditions may impact investment performance through lower than expected production levels. Investments under development or construction have higher risk of performance due to permit and leases potential challenges, construction budget slippage and development performance.	Each quarter the Board reviews a report prepared by the Investment Adviser on the portfolio performance. A monthly production update for each of the investments is also provided to the Board. In addition, a report on key risks is provided by the AIFM along with how these risks are being actively mitigated. The Investment Adviser has a substantial team of executives employed across various disciplines within the renewables sector in 16 investment offices in 15 countries who oversee and monitor all of the investments. New investments are proposed to the Board by the AIFM having received recommendations from the Investment Adviser. These are reviewed and approved by the Board in line with the Company's investment policy. In the case of development/construction assets, the Investment Adviser puts in place legal agreements with the developer to align all parties for a successful outcome and mitigating the risks associated with the initial phase of the investment.

Operational continued

Principal Risks	Potential Impact/Description	Mitigation
8 **Pipeline and Investment Deployment**	An important part of the Investment Adviser's role is its ability to source high quality potential investment opportunities in line with the Company's investment strategy. Should suitable opportunities not be forthcoming and cash remains uninvested this could result in 'cash drag' with a potential impact on the Company's dividend target and investment objectives.	The Investment Adviser is a market leader in this sector and has a good track record in originating potential investments. The AIFM monitors the investment pipeline received from the Investment Adviser and reports to the Board on progress in meeting the Company's investment targets. It is unlikely that the Board would agree to raise new capital in the absence of a strong investment pipeline hence mitigating any impact of 'cash drag'.
9 **Competition for Assets**	With increasing numbers of investors seeking exposure to renewable assets, it is possible that new competitors will enter the market in which the Company operates. This could lead to increased pricing for the Company's target investments with corresponding lower returns and slower deployment of uninvested cash.	The track record of the Investment Adviser and its market position and penetration allow it to access potential investments that newer entrants may not have access to. The Board is mindful of pricing when it reviews new investment proposals and the need to deliver on the Company's target objective and strategy.
10 **Counterparty Risk**	The majority of the operational risk in the Company's investments is retained by the counterparty or its subcontractors. 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.	Constant monitoring of the investments and the counterparties/service providers allows the Investment Adviser to identify and address risks early. Diversification of counterparties and service providers ensures any impact is limited. In addition, a diversified portfolio provides further mitigation. The Investment Adviser assesses the credit risk of companies against defined criteria prior to them becoming counterparties to PPAs.
11 **Operation and Maintenance of Assets**	Failure to properly operate and maintain assets may result in reduction of revenues and value of assets. Sub-contractors and operation managers may underperform or have financial difficulty.	Operation and maintenance of assets are subcontracted to a counterparty who is liable to ensure effective operation and maintenance. The Investment Adviser ensures that each such counterparty has the experience and resources to comply with their obligations and monitors compliance on an ongoing basis. Replacements are generally available in the market and the Investment Advisor sits on boards of the project companies where possible.
12 **Construction of Assets**	For investments which are not in operation, delays in completion or in the receipt of operating permits may result in delays of commencement of operation and therefore delays in expected revenue streams. Inability to source construction goods and materials due to supply chain issues. Additional risks such as construction delays on completion, cost overruns, defects in construction, permit related issues/claims etc may result in additional costs and/or delays in expected asset completion, impact revenue and ultimately impact on the value of the asset (increase discount rate). Construction delays on completion when a PPA is already in place with a fixed starting date, exposes the investment to merchant price risk and additional compensation costs. Supply chain issues, delays and increases in costs of construction inputs will lead to delays and cost overruns.	The Investment Adviser, part of Aquila Group is an experienced manager of development and construction projects in various jurisdictions throughout Europe utilising local experts. Construction and post-completion risks are generally mitigated by appropriate contractual mechanisms and policies. The Investment Adviser assesses acceptable counterparties and monitors compliance on an ongoing basis. The Company is restricted to a maximum of 30% of GAV to be invested in construction assets. The Investment Adviser Markets Management Group structures the PPAs with sufficient time to mitigate any potential completion delay. EPC contracts are also structured to include delay protection mechanisms to mitigate any additional costs arising from the PPAs. The Investment Adviser is experienced in due diligence and negotiating value adjustments against developers and the Board relies on the Investment Adviser's experience in relation to the best governance and alignment of interests of such investments performance, development and compliance.

Operational continued

Principal Risks	Potential Impact/Description	Mitigation
13 **Performance of the Investment Adviser**	The Investment Adviser manages over EUR 13.9 billion for clients worldwide, there is a risk that it allocates resources to activities in which the Company is not engaged which could have a negative effect on the Company's investment performance. Conflicts with other private Aquila clients and private investing vehicles of which Aquila cannot disclose to Board or AIFM. The Investment Adviser is dependent on key people to identify, acquire and manage the Company's investments. There is a risk that a key person leaves the Investment Adviser.	The Company and AIFM are made aware of and review potential conflicts of interest at the time of each investment being made. The Investment Adviser procures and provides the Board with an independent fairness valuation opinion, which mitigates the risk where valuation conflict exists. When assets are bought along with other funds managed by the Investment Adviser, the price is externally validated. In addition, an investment allocation policy has been implemented by the Investment Adviser and has been agreed by the Board. The strength and depth of the Investment Adviser's resources mitigate the risk of a key person departure.
14 **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. 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 which 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 Company on their cyber policies and business continuity plans along with external audit reviews of their procedures where applicable. The Investment Adviser has an information security policy in place and has appointed an IT security officer 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 service providers and has further increased the vigilance against cyber-attacks that could affect the performance and infrastructure of the investments. Insurance is in place in order 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.

Operational continued

Principal Risks	Potential Impact/Description	Mitigation
15 Environmental / Social / Governance	Significant ESG risks may arise such as health and safety, biodiversity reduction, unfair advantage, bribery, environmental impairment and lower life quality to local communities. Failure to adhere to its ESG Policy and Impact Strategy could result in the Company being liable for damages or compensation to the extent that such losses are not covered by insurance policies. In addition, adverse publicity or reputational damage could follow.	The Investment Adviser performs detailed due diligence on ESG for each asset prior to Acquisition. General standards including IFS Performance Standards, IFC Environmental Health and Safety Guidelines ("EHS") and Equator Principles as well as local health and safety and social laws are reviewed on a regular basis for all assets depending on the location and development status of each asset. As part of this ESG due diligence various risks are assessed and documented including risk of climate change, risk of harm to local biodiversity and other environmental risks. These risks are all evaluated as part of the technical, legal and insurance due diligence as applicable. In assessing each asset for acquisition, the Investment Adviser takes into account its ability to contribute to the UN Sustainable Development Goals and whether if its within the Principles for Responsible Investment ("PRI"). Local community issues, noise concerns, access considerations and the provision of a mechanism for local communities to voice concerns are all considered as part of the Investment Adviser's due diligence and of the project licensing for each asset. In addition, the Investment Adviser continuously engages with local communities to discuss the provision of financial support for activities such as school orchestras, sports clubs, churches, kindergartens, theatre groups and centres for senior members of the local community. The Board relies on the Investment Adviser to put in place legal agreements which includes best asset management compliance and governance. An independent fairness opinion on the valuation is obtained for any asset purchased by the Company where a conflict might arise, such as an asset being acquired from another client advised by the Investment Adviser. As part of the due diligence undertaken by the Investment Adviser on each asset prior to acquisition by the Company, procedures for anti-bribery, Know Your Client and anti-corruption are all reviewed and assessed in line with the policy and framework adopted by the Company. Compliance with local laws and requirements are also assessed prior to a recommendation being made to the Board. Full tax advice is received on the group structure as well as in relation to each asset prior to acquisition.

Financial

Principal Risks	Potential Impact/Description	Mitigation
16 **Portfolio Valuation**	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 approved by the Board. There is a risk that these valuations and underlying assumptions such as future electricity prices and discount rates being applied are not a fair reflection of the market meaning that the investment portfolio could be over or under valued.	The Investment Adviser has a strong track record in undertaking valuations of renewable assets built up over the years since it was founded in 2001. The AIFM and the Board review and interrogate the valuations and underlying assumptions provided by the Investment Adviser on a quarterly basis prior to approving them. In addition, when there is a conflicted investment proposed by the Investment Adviser, the Investment Adviser procures and provides the Board and AIFM with a fairness valuation opinion on that investment from an Independent Adviser.
17 **Leverage Risk**	The use of leverage creates risks including: ■ exposure to interest rate risks due to fluctuations in prevailing market rates ■ covenant breaches ■ enhanced loss on underperforming investments ■ refinancing risk can impact asset returns and company cashflow. As a result, the investment risk may be enhanced through the use of leverage.	The Company's investment policy restricts the use of leverage to: ■ Short-term debt: 25% of the prevailing GAV ■ Long-term structural debt: 50% of the prevailing GAV 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. The AIFM monitors all debt levels against these policy restrictions and reports them to the Board on a quarterly basis. The Company may use derivative instruments to protect itself from fluctuations in interest rates.

Compliance, Tax and Legal

Principal Risks	Potential Impact/Description	Mitigation
18 **Changes to tax legislation or rates**	Changes in tax legislation, such as base erosion and profit shifting rules, withholding tax rules and rates, could result in tax increases resulting in a decrease in income received from the Company investments. A possible 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 Investment Adviser works closely with tax and industry experts prior to providing structuring recommendations to the Company prior to investment and on an ongoing basis.
19 **Regulatory and Compliance changes**	The Company is required 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 looks to comply with relevant ESG rules and regulations and continue to monitor those such as the SFDR. 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 Brexit negotiations and eventual trade deals agreed. Unfavourable terms can impact withholding taxes, double tax treaty limitations and various other trading concerns. Additionally, the Company operates in multiple markets throughout Europe and some have shown signs of changes or potential in regulation as a response to high power prices.	All service providers including the broker, Administrator, Investment Adviser and AIFM are experienced in these areas and provide comprehensive reporting to the Board and on the compliance of these regulations. The AIFM is experienced in compliance with the AIFMD reporting obligations and reports at least quarterly to the Board. The Investment Adviser actively monitors changes in regulation across the markets in which the Company operates. The Company complies with article 8 of the SFDR and as noted under "ESG" looks to comply with local requirements in order to mitigate potential risks.

Compliance, Tax and Legal continued

Principal Risks	Potential Impact/Description	Mitigation
20 **Pandemic-(COVID-19)**	COVID-19 has had a significant impact on economies across the globe over the last two years resulting in market volatility and uncertainty.	The Company's response is focused on dealing with the practical impact of COVID-19. All parties to the Company operate effective work from home policies and are assessed annually. The Investment Adviser is in close contact with each asset's O&M service providers and project constructors and continues to work with the counterparties to identify and mitigate any risks.

Emerging Risk

Principal Risks	Potential Impact/Description	Mitigation
21 **Act of War/Sanctions**	As evidenced with the ensuing war in Ukraine and the various sanctions and restrictions imposed, there is a possibility there could be supply delays for O&M, sanction considerations, volatile markets and general uncertainty. More difficult energy markets expected along with inflationary pressures in various construction and operational areas. It has also led to short term price increases and more focus on renewable energy infrastructure.	The invasion of Ukraine by Russia brings uncertainty to the commodities market and how price levels of modules and other hardware will be impacted directly or indirectly. The Company does not have any direct exposure in Ukraine or Russia, there are also no direct business relations with counterparties from these countries. Aquila is constantly monitoring various macro-economic developments, among others energy prices, commodity prices, freight prices and several component prices. Based on this, different options with regards to timing of construction, price fixing where possible etc. are assessed on a continuous basis. Furthermore, EPC and O&M contracts have been structured in such a way, that delay and price risks are borne by the counterparty wherever possible.

SECTION 172 REPORT

During the year under review, the Board discharged its duty under section 172 of the Companies Act 2006 (the "Act"), to promote the success of the Company for the benefit of its members as a whole and having regard to the interests of stakeholders. The Board has a duty to promote the long-term success of the Company for the benefit of its Shareholders as a whole and, in doing so, the Board is required to consider the likely consequences of its actions over the long-term and on other stakeholders and the environment.

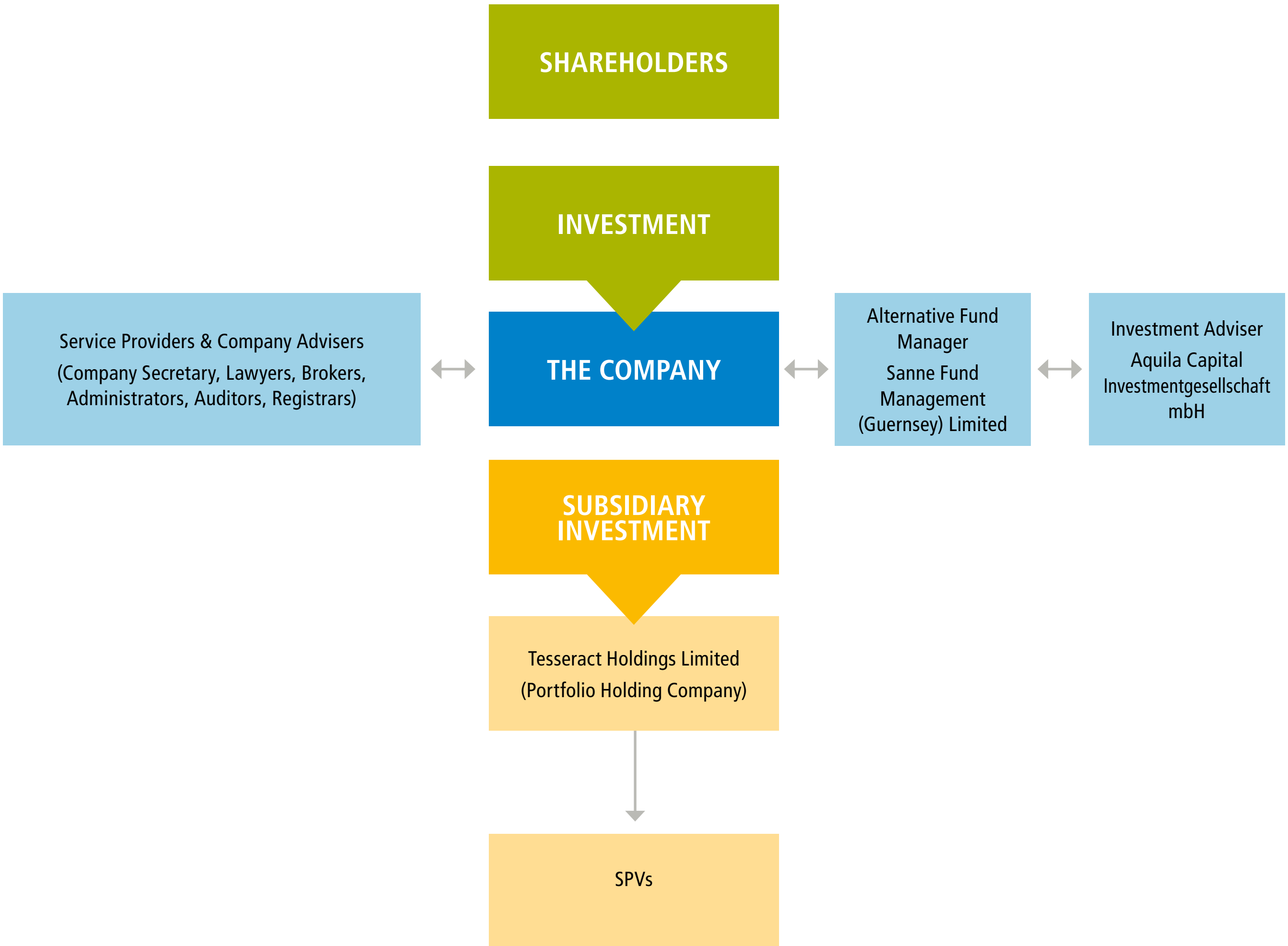
The Directors are required to describe how they have had regard to matters set out in section 172 of the Act.

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. The Company's investments are held via its sole subsidiary, Tesseract Holdings Limited, which in turn holds the investment portfolio via a number of SPVs.



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 as described below. The Board's stakeholder engagement activities include direct meetings, annual reviews, presentations and publications and enable the Board to ensure it fulfils its strategies and discharge its duties under section 172 of the Act.

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

Shareholders

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. The Listing Rules include a principle that a listed company must ensure that all Shareholders of the same class of shares should be treated equally in respect of the rights attaching to the shares. The Board ensures that the Company complies with the Listing Rules at all times and seeks the advice of the Company Secretary, lawyers and corporate broker.

The Investment Adviser and Board believe that it is important to the Company's continued success to have the potential to access equity capital in order to expand the Company's portfolio over time in order to further diversify the investment portfolio, to create economies of scale and to help manage the premium at which the Company's shares trade against its NAV. Additionally, the Board is looking to attract long-term investors in the Company and, in doing so, it has sought out opportunities to meet with Shareholders to gauge the opinion of investors on the Company's activities.

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. Under normal circumstances, the Board encourages Shareholders to attend the Annual General Meeting at which Directors and representatives of the Investment Adviser would be available to meet Shareholders in person and answer questions. The Annual Report and Half-yearly accounts issued to Shareholders and made available on the Company's website. The quarterly factsheet is also available on the Company's website. The Board and Investment Adviser with the help of the Company's brokers, have met with a number of the Company's larger Shareholders during the year, which included a 'roadshow'. Shareholders' views are considered by the Board at their quarterly board meetings and assist the Board's decision making process. During the year the Board reviewed and approved the Company's funding strategy, including the future dividend policy and approval of interim dividends. The Board has also considered the views of Shareholders to ensure expected returns are achieved and sufficient capital is available to invest in appropriate renewable energy infrastructure investments and grow the business in line with strategy. During 2022 the Company, together with its Investment Adviser, held its first Capital Markets Day in order to provide shareholders and analysts with further background and information about AERIF and its investments.

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 and update meetings.

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 4. 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 receives regular reports from the Investment Adviser, discusses the portfolio at each Board meeting and maintains a constructive dialogue between meetings. A representative of the Investment Adviser additionally attends Board meetings. The Investment Adviser's remuneration is based on the NAV of the Company which aligns the Investment Adviser's interests with those of Shareholders.

AIFM

The AIFM is a critical service provider for the Company's long-term success and engages the Investment Adviser for the purpose of providing investment advisory services to the Company. The Board regularly monitors the Company's investment performance in relation to its objectives, investment policy and strategy. The Board receives and reviews quarterly reports and presentations from both the AIFM and Investment Adviser and seeks to maintain regular contact in order to maintain a constructive working relationship. 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.

Portfolio Investments

Prior to being presented to the Board of HoldCo, the Company's wholly owned subsidiary, the Company's Board is presented with potential investment opportunities that have been identified by the Investment Adviser and which have undergone a process of analysis and challenge by the AIFM, including considerations relating to environmental, social and governance issues. The Board considers each proposal against the Company's investment objective, investment policy and strategy as disclosed on page 28 and with consideration for the wider group of stakeholders. In considering each investment opportunity, the Board considers the Company's long-term success by having particular regard to the following aspects of each proposal:

- potential revenue forecast to be generated by each asset;
- the diversity of the Company's portfolio;
- any community and environmental issues associated with each asset;
- the length of tenure of each asset;
- hedging aspects to limit risk;
- gearing aspects; and
- the structure of the asset and whether the asset is to be held directly or via an SPV.

As at 31 December 2021, over 69.0% of the capital raised was invested and a further 1.5% of the proceeds committed.

Society and the Environment

The Company is an investor in renewable energy assets and is acutely aware of their impact on the environment. The Company has an ESG policy and climate risk strategy which ensure that society and the environment are considered in implementing its investment strategy. The ESG policy is available on request from the Company Secretary. Further details of the Company's ESG responsibilities, reporting and the investment process can be found at https://www.aquila-european-renewables-income-fund.com/responsibility/esg-investment-process

Key Decisions made During the Year

The Board, in consultation with the Investment Adviser, sponsor and broker, raised EUR 90.0 million by way of a placing, before costs and expenses, through an issue of 87,424,431 ordinary shares pursuant to the Placing Programme which expired on 17 September 2021. The Board considered the benefits of issuing new equity to finance further acquisitions and this was discussed with the Investment Adviser specifically with regard to the availability of potential assets. The Board also carefully considered at what price the shares should be issued before proceeding with the placing.

Section 172 Statement

The Board considers that it has acted in good faith and in a manner which it believes is likely to promote the continued success of the Company, for the benefit of its Shareholders as a whole. In doing so it has regard to the likely long-term consequences of its decisions, and the impact these may have on the Company's key stakeholders.

OTHER INFORMATION

Greenhouse Gas Emissions

As the Company has outsourced operations to third parties, there are no significant greenhouse gas emissions to report in relation to the operation of the Company. The Company qualifies as a low energy user and is therefore exempt from disclosures on greenhouse gas emissions and energy consumption. Investment trusts are currently exempt from TCFD disclosure, 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 of its 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 are able to 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 are able to 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 in the course of 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 2021 the Company had four Directors who are non-executive and receive a fixed fee remuneration, of whom three are male and one is female. The Board's policy on diversity is contained in the corporate governance report (see page 57).

Viability Statement

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

In reviewing the Company's viability, the Directors have assessed the viability of the Company for the period to 31 December 2026 (the "Period"). The Board believes that the period, being approximately five years, is an appropriate time horizon over which to assess the viability of the Company, particularly when taking into account the long-term nature of the Company's investment strategy, which are modelled over five years and the principal risks outlined above. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue to operate and to meet its liabilities as they fall due over the period to 31 December 2026.

The Company's fourth Annual General Meeting will be held in 2023 where the Company's Shareholders will have an opportunity to realise the value of their shares at or near the prevailing NAV per Share. In spite of this opportunity the Directors have no reason to believe that the Company will not be viable over the Period.

In considering the prospects of the Company, the Directors looked at the key risks facing both the Company 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 decreasing government regulated tariffs and decline in long term power price forecasts. As a sector-focused renewable energy investment company, the Company aims to produce stable dividends while preserving the capital value of its investment portfolio on a real basis. The Directors believe that the Company is well placed to manage its business risks successfully over both the short and long term and accordingly, the Board has a reasonable expectation that the Company will be able to continue in operation and to meet its liabilities as they fall due for a Period of at least 5 years.

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

The Directors do not expect there to be any material increase in the annual ongoing charges of the Company over the Period and as the Company grows the annual ongoing charges ratio is expected to decrease. The Company's income from investments provide 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.

This assessment has included a detailed review of the issues arising from the COVID-19 pandemic as discussed in the Chairman's Statement and Investment Adviser's Report on pages 2 to 24.

Outlook

The outlook for the Company, including the future development and performance of the Company, is discussed in the Chairman's Statement on page 2 and the Investment Adviser's Report on pages 4 and 24.

Strategic Report

The Strategic Report set out on pages 2 to 46 of this Annual Report was approved by the Board of Directors on 28 April 2022.

For and on behalf of the Board

Ian Nolan
Chairman of the Board
28 April 2022

Governance

The Directors present their report and audited financial statements for the year ended 31 December 2021.

Strategic Report

The Directors' Report should be read in conjunction with the Strategic Report on page 2 to 46.

Corporate Governance

The Corporate Governance Statement on pages 54 to 58 forms part of this report.

Risk and Risk Management

The Risk and risk management on pages 34 to 41 forms part of this report.

Viability Statement

The viability statement is on page 45.

Legal and Taxation Status

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company conducts its affairs in order to meet the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. The Company has received initial approval as an investment trust and the Company must meet eligibility conditions and ongoing requirements in order 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 2021.

Market Information

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

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

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

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

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

Articles of Association

Amendments to the Company's Articles of Association require an Ordinary Resolution to be passed by Shareholders.

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 Chairman of the various committees, together with the duties of the Board, further details can be found on pages 56 to 57.

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 which 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. Further details of the Board's process for the appointment and replacement of Board members can be found on page 56.

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. Sanne Fund Management (Guernsey) Limited is the AIFM of the Company.

During the year, Sanne Group plc acquired the PraxisIFM Funds Business and subsequently the name of the AIFM changed from International Fund Management Limited to Sanne Fund Management (Guernsey) Limited.

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);

(iii) evaluating investment opportunities identified by the Investment Adviser and making relevant recommendations to the Board; and

(iv) acting upon instructions from the Board, 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, 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;

DIRECTORS' REPORT
CONTINUED

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 cent. 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 for an initial term of two years from admission and 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 on-going 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 the admission. The Investment Advisory Agreement will continue thereafter on a rolling basis and may be terminated following the Initial Period on 12 months' notice in writing.

The AIFM has also agreed to indemnify the Investment Adviser for losses that 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 cent. per annum of NAV (plus VAT) of the Company up to EUR 300 million;
- 0.65 per cent. per annum of NAV (plus VAT) of the Company between EUR 300 million and EUR 500 million; and
- 0.55 per cent. 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 for 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 to expire earlier than the third anniversary of first admission to the London Stock Exchange.

Company Secretary and Administrator

Sanne Fund Services (UK) Limited has been appointed to provide company secretarial and administration services to the Company. During the year, Sanne Group plc acquired the PraxisIFM Funds Business and subsequently the name of the Company's Administrator and Company Secretary changed from PraxisIFM Fund Services (UK) Limited to Sanne Fund Services (UK) Limited.

Alternative Investment Fund Managers' Directive

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 are included in this Annual Report or will be made available on the Company's website.

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 and will undertake a comprehensive service provider review during the year ending 31 December 2022.

Share Capital

Shares issued during the year

Event	Date Shares Issued	Shares Issued	Price paid per share
Issue of Ordinary Shares to the Investment adviser pursuant to the Investment Advisory Agreement	5 February 2021	587,704	EUR 0.9996
Issue of Ordinary Shares to the Investment adviser pursuant to the Investment Advisory Agreement	11 May 2021	575,271	EUR 1.0213
Issue of Ordinary Shares to the Investment adviser pursuant to the Investment Advisory Agreement	6 August 2021	583,596	EUR 1.0061
Issue of Ordinary Shares pursuant to a placing	14 September 2021	87,424,431	EUR 1.0300
Issue of Ordinary Shares to the Investment adviser pursuant to the Investment Advisory Agreement	5 November 2021	731,301	EUR 1.0228

At the year end the Company's issued share capital comprised 406,939,412 Ordinary Shares (2020: 317,037,109).

Since the year end, the Company issued a further 731,520 Ordinary Shares at an issue price of EUR 1.0383 per Ordinary Share on 7 February 2022 to the Investment Adviser pursuant to the Investment Advisory Agreement.

Voting rights

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 2021 AGM the Company's Shareholders approved a renewal of the authority previously granted at the 2020 AGM to allot up to a maximum of 33% of the Company's issued shares equating to 105,864,350 ordinary shares and to disapply pre-emption rights when allotting up to 20% of those Ordinary Shares (equating to 63,524,962 Ordinary Shares). This authority will expire at the forthcoming Annual General Meeting. Authority will be sought to renew this authority up to a maximum of 20% of the Ordinary Shares in issue as at the date of this report.

The authority granted by Shareholders to issue Ordinary Shares will provide flexibility to grow the Company and further expand the Company's list of assets. No Ordinary Shares will be issued at a price less than the (cum-income) Net Asset Value per existing Ordinary Share at the time of their issue. Ordinary share issues are at the discretion of the Board.

The Board raised EUR 90.0 million by way of a placing, before costs and expenses, through an issue of 87,424,431 ordinary shares pursuant to the Placing Programme which expired on 17 September 2021.

Results and Dividend

The Company's revenue profit after tax for the year amounted to EUR 7,395,000 (2020: EUR 2,784,000). The Company made a capital profit after tax of EUR 19,229,000 (2020: loss of EUR 3,971,000). Therefore, the total profit after tax for the Company was EUR 26,624,000 (2020: loss of EUR 1,187,000).

	In respect of the period to	Dividend amount per Ordinary Shares in cents	Pay Date	Record Date	Ex-Dividend Date
1st Interim Dividend	31 March 2021	1.25	18 June 2021	21 May 2021	20 May 2021
2nd Interim Dividend	30 June 2021	1.25	3 September 2021	20 August 2021	19 August 2021
3rd Interim Dividend	30 September 2021	1.25	3 December 2021	12 November 2021	11 November 2021
4th Interim Dividend	31 December 2021	1.25	11 March 2022	18 February 2022	17 February 2022

DIRECTORS' REPORT
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Substantial Shareholders

As at 31 December 2021, 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[53]	Date Notified
BlackRock Inc.	53,933,484	13.28%	10/12/2021
Baillie Gifford & Co	31,635,414	7.79%	12/10/2020
Insight Investment Management (Global) Limited	23,616,958	5.81%	15/09/2021
CCLA Investment Management Limited	20,459,182	5.04%	14/12/2021
Liontrust Asset Management plc	16,834,058	4.14%	13/09/2021
Schroders plc	16,810,336	4.14%	16/09/2021
Stichting Jurisdisch Eigendom Privium Sustainable Impact Fund	14,628,800	3.60%	10/09/2020

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.

Under normal circumstances the Board would encourage Shareholders to attend the Company's Annual General Meeting on 9 June 2022. Whilst the restrictions on large gatherings introduced during the COVID-19 pandemic have been lifted shareholders may not feel confident to attend shareholder meetings. Shareholders are encouraged to exercise their voting rights using the enclosed Form of Proxy or electronically using the instructions contained in the notes to the Notice of AGM and notes to the Form of Proxy. Proxy voting figures will be made available shortly after the AGM on the Company's website at www.aquila-european-renewables-income-fund.com where Shareholders can also find the Company's 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 Annual General Meeting and the Board will seek authority to determine their remuneration for the forthcoming year.

Going concern

The Directors have adopted the going concern basis in preparing the financial statements. The following is a summary of the Directors' assessment of the going concern status of the Company.

The Company continues to meet day-to-day liquidity needs through its cash resources. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. The Company's net assets at 31 December 2021 were EUR 417.4 million (2020: EUR 316.9 million). As at 31 December 2021, the Company held EUR 94.3 million (2020: EUR 121.0 million) in cash. The total expenses for the year ended 31 December 2021 was EUR 4.1 million (2020: EUR 3.0 million), which represented approximately 1.1% (2020: 1.4%) of average net assets during the year. At the date of approval of this document, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

The major cash outflows of the Company are the payment of dividends and costs relating to the acquisition of new investments. The Directors are confident that the Company has sufficient cash balances and access to equity markets in order to fund commitments to acquisitions detailed in note 21 to the financial statements, should they become payable.

In light of the COVID-19 pandemic and the Russia-Ukraine war the Directors have fully considered each of the Company's investments. The Directors do not foresee any immediate material risk to the Company's investment portfolio and income from underlying SPVs. A prolonged and deep market decline could lead to falling values to the underlying business or interruptions to cashflow, however, the Company currently has more than sufficient liquidity available to meet any future obligations. The Directors are also satisfied and are comfortable that the Company would continue to remain viable under downside scenarios, including decreasing government regulated tariffs and a decline in long term power price forecasts.

[53] *Based on number of Ordinary Shares in issue at the time of notification*

The underlying SPV revenues are derived from the sale of electricity through power purchase agreements in place with large and reputable providers of electricity to the market.

These providers have been contacted by the Investment Adviser to discuss their response to COVID-19 and business continuity plans. During the year and up to the date of this report, there has been no significant impact on revenue and cash flows of the SPVs. The SPVs have contractual operating and maintenance agreements in place with large service providers. Therefore the Directors and the Investment Adviser do not anticipate a threat to the SPVs revenue.

The market and operational risks and the financial impact as a result of the COVID-19 pandemic, and measures introduced to combat its spread, were discussed by the Board, with updates on operational resilience received from the Investment Adviser, Administrator and other key service providers. The Board was satisfied that the key service providers have the ability to continue to operate.

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 Annual General Meeting will be held on 9 June 2022 at the offices of the Company's lawyers CMS Cameron McKenna Nabarro Olswang LLP. Despite the lifting of restrictions on large gatherings many shareholders will not feel confident to attend shareholder meetings , given the ongoing risk of contracting COVID-19. We would therefore strongly encourage shareholders to vote instead by proxy. Full details of the AGM, the resolutions proposed and how to vote by proxy are described in the Notice of Meeting on pages 103 to 104 of this Annual Report and the explanatory notes on pages 105 to 106. Shareholders are welcome at any time to submit questions they may have to AquilaCosec@PraxisIFM.com.

The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM to be held on 9 June 2022.

Resolutions 10, 11 and 12 Authority to Issue Ordinary Shares and to Dis-apply Pre-emption Rights

The Directors were granted authority to issue up to 500 million Ordinary Shares on a non-pre-emptive basis pursuant to the Placing Programme and a further 200 million on a non-pre-emptive basis pursuant to an offer and placing programme. These authorities opened on 13 October 2020 and closed on 17 September 2021 and 87,424,431 Ordinary Shares were issued pursuant to the Placing on 14 September 2021.

Shareholders' pre-emption rights over the Placing Programme had been dis-applied so that the Directors were not obliged to offer any new Ordinary Shares to Shareholders on a pro rata basis. No Ordinary Shares will be issued at a price less than the (cum-income) Net Asset Value per existing Ordinary Share at the time of their issue.

At the forthcoming AGM the Board are seeking to renew the authority granted to them at the AGM held on 9 June 2021 to allot up to a maximum of 33.3% of the Company's shares in issue as at the date of the Notice of AGM (equating to 135,876,722 Ordinary Shares) and to dis-apply pre-emption rights when allotting up to 20.0% of those Ordinary Shares (equating to 81,534,186 Ordinary Shares). Authority granted under these resolutions will expire at the conclusion of the AGM to be held in 2023 unless renewed prior to this date via a General Meeting. The full text of resolutions 10, 11 and 12 is set out in the Notice of Meeting on pages 103 and 104.

The authority granted by Shareholders to issue Ordinary Shares will provide flexibility to grow the Company and further expand the Company's list of assets. Ordinary Shares will only be issued at a premium to the (cum income) NAV after the costs of issue. Ordinary Shares issues are at the discretion of the Board.

Resolution Renewal of Authority to Purchase own Shares

The Directors were granted authority at Annual General Meeting held on 9 June 2021 to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue on 19 April 2021, equating to a maximum of 47,611,959 Ordinary Shares. During the year ended 31 December 2021, the Company did not utilise its authority to purchase its own shares.

The authority to make market purchases will expire at the conclusion of the AGM of the Company. The Directors recommend that a new authority to purchase up to 61,109,873 Ordinary Shares (subject to the condition that not more than 14.99% of the Ordinary Shares in issue, excluding treasury Shares, at the date of the AGM are purchased) be granted and a resolution to that effect will be put to the AGM. Any Ordinary Shares purchased will either be cancelled or, if the Directors so determine, held in treasury.

DIRECTORS' REPORT
CONTINUED

The Companies Act 2006 permits companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This provides the Company with the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the (cum-income) NAV per existing Ordinary Share at the time of their sale unless they are first offered pro rata to existing Shareholders. At the year end the Company did not hold any shares in treasury.

Unless otherwise authorised by Shareholders, Ordinary Shares will not be issued at less than NAV and Ordinary Shares held in treasury will not be sold at less than NAV.

Resolution 14 Notice of General Meetings

The Board believes that it is in the best interests of Shareholders of the Company to have the ability to call meetings on 14 days' clear notice should a matter require urgency. The Board will therefore propose resolution 14 at the AGM to approve the reduction in the minimum notice period from 21 to 14 clear days for all general meetings other than annual general meetings.

Once approval is granted, the approval would be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. In accordance with the Shareholders' Rights Directive, the Company will offer the Shareholders the ability to vote by electronic means. This facility will be accessible to all Shareholders, should the Board call a General Meeting at 14 clear days' notice. Short notice will only be used by the Board under appropriate circumstances.

Regulatory Disclosures – Information to be Disclosed in Accordance with Listing Rule 9.8.4.

The Listing Rules requires listed companies to report certain information in a single identifiable section of their annual financial reports. The Company confirms that only LR 9.8.4(7) (issue of shares) is applicable during the year under review.

By order of the Board

Brian Smith
For and on behalf of
Sanne Fund Services (UK) Limited
Company Secretary
28 April 2022

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 AIC Code of Corporate Governance (the "AIC Code") issued in February 2019. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant information to Shareholders.

The AIC Code is available on the AIC website (www.theaic.co.uk) and the UK Code can be found on the Financial Reporting Council's website (www.frc.org.uk). It includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Compliance

Throughout the year ended 31 December 2021 the Company complied with the recommendations of the AIC 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 service providers is considered by the Board as a whole. The Board has also decided not to nominate a Deputy Chairman or a Senior Independent Director.

The UK Code includes provisions relating to the role of the chief executive, executive Directors' remuneration and the need for an internal audit function. For reasons set out in the AIC Code, 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

Composition

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

The Board believes that during the year to 31 December 2021 its composition was appropriate for an investment company of the Company's nature and size. All of the 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 below.

In line with the AIC 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 which provide for an initial term of three years. 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.

A policy of insurance against Directors' and Officers' liabilities is maintained by the Company.

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

CORPORATE GOVERNANCE
CONTINUED

Ian Nolan
(Role: non-executive Chairman)
appointed on 8 April 2019

Ian Nolan led the team which was recruited by the UK Government in 2011 to establish the UK Green Investment Bank and was its Chief Investment Officer until 2014. Previously, Ian 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. Ian 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.

Kenneth MacRitchie
(Role: Chair of the Remuneration and Nomination Committee and member of the Audit and Risk Committee)
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, 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. He also has experience of advising the UK Government on renewable energy policy and led the establishment of Low Carbon Contracts Company Limited, the UK Government owned company which provides subsidies for the UK renewables industry. He is a graduate of the Universities of Glasgow, Aberdeen and Manchester.

David MacLellan
(Role: Chair of the Audit and Risk Committee and member of the Remuneration and Nomination Committee)
appointed on 8 April 2019

David MacLellan is the founder and currently Chairman of RJD Partners, a private-equity business focused on the services and leisure sectors. Previously, David was the Chairman of John Laing Infrastructure Fund and an executive Director of Aberdeen Asset Managers Plc following its acquisition in 2000 of Murray Johnstone where he was latterly Chief Executive having joined the company in 1984. David has served on the boards of a number of companies and is currently a non-executive Director of J&J Denholm Limited and Chairman of Stone Technologies Group 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.

Patricia Rodrigues
(Member of the Remuneration and Nomination Committee and member of the Audit and Risk Committee)
appointed on 17 April 2019

Dr Patricia Rodrigues has over 19 years of leadership experience in infrastructure and real asset investment and investment banking. She is a Non Executive Director across companies and funds investing in real assets globally, with a focus on ESG. She began her finance career at Morgan Stanley. Subsequently, she worked for Macquarie, including as a Managing Director where she led new infrastructure and real asset products globally. She 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 (part of AON). Patricia graduated with an M Eng-equivalent in Engineering from the University of Porto and a PhD in Engineering from Cambridge University.

The Board recognises the benefits to the Company of having longer serving Directors together with progressive refreshment of the Board. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the requirements of the AIC Code. The Board has adopted corporate governance best practice and has a succession plan in place. All Directors remain independent of the Company's Investment Adviser.

In line with corporate governance best practice, all of the Directors will retire and offer themselves for re-election at the Annual General Meeting of the Company to be held on 9 June 2022. The Board recommends all the Directors stand for re-election for the reasons highlighted above.

Board Committees

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

Audit and Risk Committee
A report on page 63 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 Chairman of the Audit and Risk Committee and the other members are 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 undertaking an annual performance evaluation of the Board, led by the Committee Chairman. Kenneth MacRitchie is the Chairman of the Remuneration and Nomination Committee. The other members of the Remuneration and Nomination Committee are David MacLellan and Patricia Rodrigues. The Committee is responsible for (i) considering the remuneration of the Directors, (ii) identifying individuals qualified to become Board members and selecting the Director nominees for election at general meetings of the Shareholders or for appointment to fill vacancies; (iii) determining Director nominees for each committee of the Board; and (iv) considering the appropriate composition of the Board and its committees.

Each committee has adopted formal terms of reference, which are reviewed at least annually, and 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, the Disclosure and Transparency Rules and the AIC Code. It will review the role of the Investment Adviser and the AIFM and examine the effectiveness of the Company's internal control systems.

Meeting Attendance

Number of meetings held	Quarterly Board Meetings	Audit and Risk Committee	Remuneration and Nomination Committee
Ian Nolan[54]	**4/4**	**7/7**	**1/1**
David MacLellan	**4/4**	**7/7**	**1/1**
Kenneth MacRitchie	**4/4**	**7/7**	**1/1**
Patricia Rodrigues	**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 and investment proposals which were considered time critical.

Decision Making

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

The Board has access to independent advice at the Company's expense where it judges it 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 reviews 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 Chair.

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 members 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;

[54] 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 Chairman of each as his contribution was considered valuable

CORPORATE GOVERNANCE
CONTINUED

- Seeking regular engagement with major Shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy;
- Ensuring that the Board as a whole has a clear understanding of the views of Shareholders;
- Ensuring regular engagement with each service provider and keeping up to date with key developments.

Role of the Board includes:

- Reviewing the Board pack ahead of the meeting;
- Providing appropriate opinion, advice and guidance to the Chairman and fellow Board members;
- Supporting the Board, Chairman and service providers in fulfilling their roles; and
- Providing appropriate support at the Annual General Meeting.

Role of Committee Chair 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. Whilst recognising the importance of diversity in the boardroom, the Board does not consider it to be in the interest of the Company and its Shareholders to set prescriptive diversity criteria or targets. As at 31 December 2021 the Company had four Directors, three of whom are male and one is female.

Board Tenure

The Directors recognise that independence is not a function of service or age and that experience is an important attribute within the Board. The Directors are mindful that they will reach their ninth anniversary simultaneously in April 2028. In order to ensure continuity, the Board has adopted a succession plan that allows for a gradual refreshment. Accordingly, the Board may decide to recommend a Director with more than nine years' service for re-election at the Company's Annual General Meeting.

Performance Evaluation

During the year the Board carried out its first performance evaluation of the Board, its committees and the individual Directors. The evaluation required the Directors to complete detailed questionnaires on the operation of the Board and its committees and 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 Kenneth MacRitchie. The evaluations considered, amongst other criteria, the balance of skills of the board, training and development requirements, the contribution of individual Directors and the overall effectiveness of the board and its committees.

Internal Control

The AIC 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 guidance 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, set out below, 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 Report of the Audit and Risk Committee on page 64.

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 and the Company Secretary and Administrator.

The Administrator, Sanne Fund 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, which 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 enable 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 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 34 to 41.

DIRECTORS' REMUNERATION REPORT

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible reviewing 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 Board of the Company's competitors. The Remuneration and Nomination Committee is chaired by Kenneth MacRitchie and the other members are Patricia Rodrigues and David MacLellan. The Remuneration and Nomination 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 Remuneration and Nomination Committee met once during the year under review.

Annual Chairman's Statement

I am pleased to present the Remuneration Report for the year to 31 December 2021 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

Each of the Directors is entitled to receive a fee of Euro 43,000 per annum, except for the Chairman who receives Euro 75,000 and the Chair of the Audit and Risk Committee who is entitled to receive a fee of Euro 50,000 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 non-executive Director of Tesseract Holdings Limited. The Board also considered the split of fees between such appointments and decided that a split between the Company and Tesseract Holdings Limited of 70%/30% respectively was appropriate.

During the year, the Remuneration and Nomination Committee reviewed the Directors' remuneration, and it was agreed that the remuneration levels would remain as the same levels as the previous year. 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 will be made to the Directors by the Company. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 December 2021 which 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.

Remuneration Consideration

During 2020 the Committee reviewed the Directors' remuneration and agreed the following increases.

Role	Current Fee from 1 April 2021 EUR	Previous year fee from 8 April 2019 to 31 March 2021 EUR	Percentage increase
Chairman	75,000	75,000	0.0%
Audit and Risk Committee Chair	50,000	46,000	8.7%
Director	43,000	41,000	4.9%

AGM approval of the Remuneration Policy and Remuneration Implementation Report

The Company's Remuneration Policy was approved by Shareholders at the 2020 AGM. 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.

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 a Plc and Director of HoldCo, a subsidiary of Aquila European Renewables Income Fund	Determined by the Remuneration and Nomination Committee
Annual fee	Other Directors	For services as non-executive Directors of a Plc and a Director of HoldCo, a subsidiary of Aquila European Renewables Income Fund	Determined by the Remuneration and Nomination Committee
Additional fee	Chairman of the Audit and Risk Committee and Chair-man of the Remuneration and Nomination Committee	For additional responsibility and time commitment	Determined by the Remuneration and Nomination Committee
Expenses	All Directors	Reimbursement of expenses incurred in the performance of duties	Submission of appropriate supporting documentation

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 a General Meeting such other sum.

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 AIC Code the Board will seek annual re-election.

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. No such external agency was engaged during year under review.

Effective Date

The Remuneration Policy is effective from the 8 June 2020, when it was 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 31 December 2021.

	Year ended 31 December 2021			Year ended 31 December 2020			
	Fees	Taxable expenses	Total	Fees	Taxable expenses	Total	Percentage increase[55]
Director	**EUR '000**	**EUR '000**	**EUR '000**	**EUR '000**	**EUR '000**	**EUR '000**	
Ian Nolan	75,000	–	75,000	75,000	–	75,000	Nil
David MacLellan	49,000	–	49,000	46,000	–	46,000	6.5%
Kenneth MacRitchie	42,500	–	42,500	41,000	–	41,000	3.7%
Patricia Rodrigues	42,500	–	42,500	41,000	–	41,000	3.7%
Total	**209,000**	**–**	**209,000**	**203,000**	**–**	**203,000**	**3.0%**

[55] *In accordance with The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, this column has been included to show the annual percentage change over the preceding financial year by comparison to the current financial year in respect of each Director. The Board will publish this annual percentage change cumulatively each year until there is an annual percentage change over the five financial years preceding the relevant financial year in accordance with the new regulation*

DIRECTORS' REMUNERATION REPORT
CONTINUED

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.

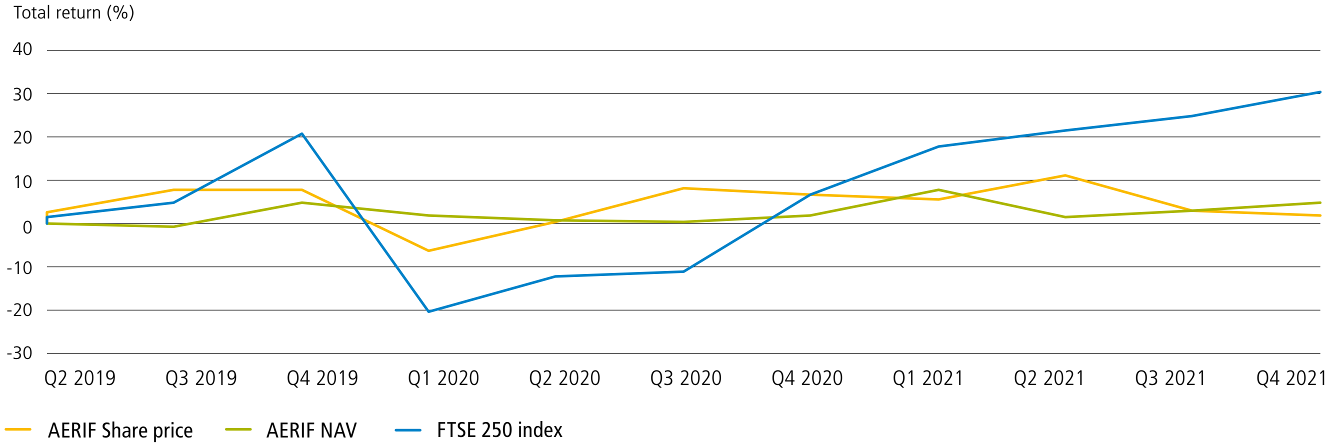
No Director has waived or agreed to waive any emoluments from the Company or any subsidiary undertaking.

Directors' Indemnities

Subject to the provisions of the Companies Act 2006, the Company has agreed to indemnify each Director against all liabilities which any Director may suffer or incur arising out of or in connection with any claim made or proceedings taken against him, or any application made by him, on the grounds of his negligence, default, breach of duty or breach of trust in relation to the Company or any Associated Company.

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.



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 and operating expenses incurred by the Company.

	Year to 31 December 2021 EUR '000	Year to 31 December 2020 EUR '000
Interest Income	11,783	6,194
Spend on Directors' fees	146	203
Company's operating expenses and advisory fees	4,070	3,011
Dividends paid and payable to Shareholders	18,146	9,296

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' Holdings (Audited)

At 31 December 2021 and at the date of this report the Directors had the following 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 2021	Ordinary Shares As at 31 December 2020
Ian Nolan	100,000	100,000
David MacLellan	75,000	75,000
Kenneth MacRitchie	50,000	50,000
Patricia Rodrigues	50,000	50,000

There have been no changes to any of the Directors' holdings in the period from 1 January 2022 to the date of this report.

Voting on remuneration matters at the 2020 AGM and in respect of 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 9 June 2021, 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	220,169,209	100
Against	0	0
Withheld	517	N/A

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 2021:

(a) the major decisions on Directors' remuneration;

(b) any substantial changes relating to Directors' remuneration made during the year; and

(c) the context in which the changes occurred and decisions have been taken.

Kenneth MacRitchie
Chairman of the Remuneration and Nomination Committee
28 April 2022

REPORT OF THE AUDIT AND RISK COMMITTEE

Audit and Risk Committee (the "Committee")

The AIC 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 Committee has recent and relevant financial experience and has competence relevant to the sector in which the Company operates.

Composition

David MacLellan, Kenneth MacRitchie and Patricia Rodrigues are members of the Committee which is chaired by David 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-income-fund.com. The Committee carried out the following activities during the year:

- 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 and internal controls;
- considering 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 needs 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 that the assets of the Company are safeguarded.

The Board has contractually delegated to external agencies the services the Company requires, but they are fully informed of the internal control framework established by each relevant service provider who provide reasonable assurance on the effectiveness of internal financial controls.

The Statement of Directors' Responsibilities in respect of the financial statements is on page 65 and a Statement of Going Concern is on page 51.

The Report of the Independent Auditor is on pages 66 to 72.

Financial statements and significant accounting matters

The Committee reviewed the financial statements and considered the following significant accounting issues in relation to the Company's financial statements for the year ended 31 December 2021:

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 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 basis as described in the Directors' Report on page 51.

Calculation of the Investment Adviser's fees
The Committee reviewed the Investment Advisers fees and concluded that they have been correctly calculated, details of investment adviser's fees can be found on note 6 to the financial statements.

COVID-19
The COVID-19 pandemic which has engulfed the global economy and financial markets commenced in the prior year and the Committee gave in-depth consideration to the potential effects on the Company, specifically the market and operational risks associated with the pandemic. The long term effect of the pandemic on the global economy will become clearer in time and the Committee will continue to monitor how COVID-19 (which is captured in our risk assessment programme) develops.

Conclusion with Respect to the Annual Report

The Committee has concluded that the Annual Report for the year to 31 December 2021, 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 was selected as the Company's auditor at the time of the Company's launch following a competitive process and review of the auditor's credentials. The auditor was formally appointed in November 2019. The current audit partner, Richard McGuire, was appointed on 14 September 2020. 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. Additionally, the audit partner must be rotated every five years and is next eligible for rotation in 2025.

The audit plan was presented to the Committee at its November 2021 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.

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 34 and the Company's principal risks can be found on pages 35 to 41.

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

Auditor's 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 their re-appointment will be put forward to the Company's Shareholders at the 2022 AGM.

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

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 prior to the commencement 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 auditors 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 and 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 which are not restricted by the policy, and this will be judged on a case-by-case basis.

During the year, the Company also engaged with PwC to perform reporting accountant services in relation to admission of new shares to trading on the LSE. PwC received fee of GBP 18,000 (including VAT of GBP 3,000) for non-audit services (2020: new shares listing fees GBP 101,000).

The Committee has assessed that this non-audit service is a permissible service in accordance with FRC Ethical Standard.

Committee Evaluation

The Committee's activities were considered as part of the annual performance evaluation which was completed during the year. Further details can be found on page 57. 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 Chairman
28 April 2022

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 international accounting standards in conformity with UK adopted international accounting 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 the profit or loss of the company 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 for the prevention and detection of 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 and enable them to ensure that 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 United Kingdom 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 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 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 that it faces.

For and on behalf of the Board

Ian Nolan

Chairman
28 April 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUILA EUROPEAN RENEWABLES INCOME FUND PLC

Report on the audit of the financial statements

Opinion

In our opinion, Aquila European Renewables Income Fund plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit 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, which comprise: the Statement of Financial Position as at 31 December 2021; 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, which include a description of the significant accounting policies.

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.

Other than those disclosed in the Report of the Audit and Risk Committee and Note 7, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

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.
- 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 Sanne Fund Services (UK) Limited (the "Administrator") to whom the Directors delegated the provision of certain administrative functions.

Key audit matters

- Valuation of investments held at fair value through profit or loss

Materiality

- Overall materiality: EUR 8,349,000 (2020: EUR 6,338,000) based on 2% of net assets.
- Performance materiality: EUR 6,262,000 (2020: EUR 4,753,000).

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUILA EUROPEAN RENEWABLES INCOME FUND PLC

CONTINUED

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.

This is not a complete list of all risks identified by our audit.

Consideration of impact of COVID-19 which was a key audit matter last year, is no longer included because of reduced uncertainty of the impact of COVID-19 in the current year as markets and economies continue to recover. Otherwise, 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 and Notes 2, 3 and 4 to the financial statements. The Company has EUR 317 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 the underlying investment portfolio. Our experts reviewed the appropriateness of the valuation methodology and approach and reviewed the computation of the discounted cash flow valuation models, including comparing the discount rate against those used by comparable market participants and other macroeconomic data, where appropriate. Our internal valuations experts developed an independent range to benchmark against management's discount rates for each individual asset taking into account country risk premia, gearing, merchant risk exposure and construction risk which vary depending on the asset. Where underlying investments were purchased during the year we have tested the acquisition amounts to supporting documentation. 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. No material issues were identified in our testing.

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.

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 8,349,000 (2020: EUR 6,338,000).
How we determined it	2% of net assets
Rationale for benchmark applied	Net assets is deemed the appropriate benchmark because Investment Trusts measure their performance on their net assets.

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% (2020: 75%) of overall materiality, amounting to EUR 6,262,000 (2020: EUR 4,753,000) 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.

In addition, based on our judgement, we applied a specific materiality of EUR 851,000 to the Revenue column of the Statement of Comprehensive Income. In arriving at this judgement we considered the fact that Revenue return is a secondary financial indicator of the Company.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above EUR 417,000 (2020: EUR 324,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- evaluating the Directors' updated risk assessment and considering whether it addressed the relevant threats presented by the macroeconomic environment
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements; and
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third party service providers.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUILA EUROPEAN RENEWABLES INCOME FUND PLC

CONTINUED

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, 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.

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

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 2021 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.

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 is materially consistent with the financial statements and our knowledge obtained during the audit, and 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 group 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, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUILA EUROPEAN RENEWABLES INCOME FUND PLC

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Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to ongoing qualification as an Investment Trust under 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 and unrealised gains on investments) 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 selected journal entries;
- 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, including recalculation of numerical aspects of the eligibility conditions;
- Reviewing of 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 3 years, covering the years ended 31 December 2019 to 31 December 2021.

Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 April 2022

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		For the year ended 31 December 2021			For the year ended 31 December 2020		
	Notes	**Revenue (EUR '000)**	**Capital (EUR '000)**	**Total (EUR '000)**	**Revenue (EUR '000)**	**Capital (EUR '000)**	**Total (EUR '000)**
Unrealised gains/(losses) on investments	4	–	19,236	19,236	–	(3,959)	(3,959)
Net foreign exchange losses		–	(7)	(7)	–	(12)	(12)
Interest Income	5	11,783	–	11,783	6,194	–	6,194
Investment Advisory fees	6	(2,682)	–	(2,682)	(1,671)	–	(1,671)
Other expenses	7	(1,388)	–	(1,388)	(1,340)	–	(1,340)
Profit/(loss) on ordinary activities before finance costs and taxation		7,713	19,229	26,942	3,183	(3,971)	(788)
Finance costs	8	(318)	–	(318)	(399)	–	(399)
Profit/(loss) on ordinary activities before taxation		7,395	19,229	26,624	2,784	(3,971)	(1,187)
Taxation	9	–	–	–	–	–	–
Profit/(loss) on ordinary activities after taxation		7,395	19,229	26,624	2,784	(3,971)	(1,187)
Return per Ordinary Share-undiluted (cents)	10	2.15c	5.59c	7.74c	1.31c	(1.87c)	(0.56c)
Return per Ordinary Share-diluted (cents)	10	2.14c	5.58c	7.72c	1.30c	(1.86c)	(0.56c)

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 for the year".

The notes on pages 78 to 96 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	As at 31 December 2021 (EUR '000)	As at 31 December 2020 (EUR '000)
Fixed assets			
Investments at fair value through profit or loss	4	316,953	229,982
Current assets			
Trade and other receivables	11	9,298	5,763
Cash and cash equivalents		94,275	121,014
		103,573	126,777
Current liabilities			
Trade and other payables	12	(3,083)	(39,856)
		(3,083)	(39,856)
Net current assets		100,490	86,921
Net assets		417,443	316,903
Capital and reserves: equity			
Share capital	13	4,069	3,170
Share premium		254,388	164,351
Special reserve	14	134,393	144,450
Capital reserve		23,853	4,624
Revenue reserve		740	308
Total Shareholders' funds		417,443	316,903
Net assets per Ordinary Share (cents)	15	102.58c	99.96c

The financial statements were approved by the Board of Directors on 28 April 2022 and signed on its behalf by

Ian Nolan
(Chairman)

Company number 11932433

The notes on pages 78 to 96 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	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 2021		3,170	164,351	144,450	4,624	308	316,903
Shares issued during the year[56]	13	899	91,664	–	–	–	92,563
Share issue costs		–	(1,627)	–	–	–	(1,627)
Profit for the year		–	–		19,229	7,395	26,624
Dividend paid	16			(10,057)		(6,963)	(17,020)
Closing equity as at 31 December 2021		4,069	254,388	134,393	23,853	740	417,443

	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 2020		1,547	313	148,516	8,595	(54)	158,917
Shares issued during the year[56]	13	1,623	167,266	–	–	–	168,889
Share issue costs		–	(3,228)	–	–	–	(3,228)
(Loss)/profit for the year		–	–		(3,971)	2,784	(1,187)
Dividend paid	16			(4,066)		(2,422)	(6,488)
Closing equity as at 31 December 2020		3,170	164,351	144,450	4,624	308	316,903

[56] *During the year, the Company issued new Ordinary Shares of 87,424,431 (2020: 160,998,007) with gross aggregate proceeds of EUR 90.0 million (2020: EUR 167.5 million). The Company also issued 2,477,872 (2020: 1,371,018) Ordinary Shares in relation to settlement of Investment Adviser fees of EUR 2.5 million (2020: EUR 1.3 million)*

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 (EUR '000)	Year ended 31 December 2020 (EUR '000)
Operating activities			
Profit/(loss) on ordinary activities before finance costs and taxation		26,942	(788)
Adjustment for unrealised (gains)/losses on investments		(19,236)	3,959
Increase in trade and other receivables		(3,535)	(3,836)
Increase in trade and other payables		1,113	1,438
Net cash flow from operating activities		5,285	773
Investing activities			
Purchase of investments		(125,127)	(77,395)
Repayments during the year		19,506	–
Net cash flow used in investing		(105,621)	(77,395)
Financing activities			
Proceeds of share issues	13	92,563	168,889
Share issue costs		(1,627)	(3,228)
Dividend paid		(17,020)	(6,488)
Finance costs	8	(318)	(399)
Net cash flow from financing		73,597	158,774
(Decrease)/increase in cash		(26,739)	82,152
Cash and cash equivalents at start of year		121,014	38,862
Cash and Cash equivalents at end of year		94,275	121,014

1. GENERAL INFORMATION

Aquila European Renewables Income Fund Plc 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 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 of business of the Company is 6th Floor, 125 London Wall, London, EC2Y 5AS.

The Company's investment objective is 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.

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

Sanne Fund 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 in conformity with the requirements of the Companies Act 2006.

The financial statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice issued by the AIC in April 2021.

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. EUR/GBP exchange rate as of 31 December 2021 was 0.8408 (2020: 0.8941).

Accounting for Subsidiary

The Company owns 100% of its subsidiary Tesseract Holdings Limited ("HoldCo"). The Company has acquired renewable energy infrastructure investments 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 SPVs investments at fair value through profit or loss.

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 of 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 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 of its investments 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 of the investments and in decision making.

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 Income Fund Plc, however, in substance Tesseract Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

is investing the funds of the investors of Aquila European Renewables Income Fund 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

The Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements. In forming this opinion, the Directors have considered any potential impact of the COVID-19 pandemic on the going concern and viability of the Company. In making their assessment, the Directors have reviewed income and expense projections and the liquidity of the investment portfolio, and considered the mitigation measures which key service providers, including the Investment Adviser, have in place to maintain operational resilience particularly in light of COVID-19 and the Russia-Ukraine war. The Directors are satisfied and are comfortable that the Company would continue to remain viable under downside scenarios, including decreasing government regulated tariffs and decline in long term power price forecasts.

The Company continues to meet day-to-day liquidity needs through its cash resources. The Company had cash and cash equivalents of EUR 94.3 million (2020: EUR 121.0 million) as at 31 December 2021. The Company's net assets as at 31 December 2021 were EUR 417.4 million (2020: EUR 316.9 million) and total expenses for the year ended 31 December 2021 were EUR 4.1 million (2020: EUR 3.0 million), which represented approximately 1.1% (2020: 1.4%) of average net assets during the year. At the date of approval of this document, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

The major cash outflows of the Company are the payment of dividends and costs relating to the acquisition of new investments. The Directors are confident that the Company has sufficient cash balances and access to equity markets in order to fund commitments to acquisitions detailed in note 20 to the financial statements, should they become payable.

A majority of the underlying SPV revenues are derived from the sale of electricity through power purchase agreements in place with large and reputable providers of electricity to the market.

These providers have been contacted by the Investment Adviser to discuss their response to COVID-19 and business continuity plans. During the year and up to the date of this report, there has been no significant impact on revenue and cash flows of the SPVs. The SPVs have contractual operating and maintenance agreements in place with large service providers. Therefore the Directors and the Investment Adviser do not anticipate a threat to the SPVs revenue.

The Directors are satisfied that the Company has sufficient resources to continue to operate for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Critical Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in certain circumstances that affect reported amounts. The 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 meets 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 met the criteria outlined in IFRS 10.

The Company's shareholder loans and equity investments in HoldCo are held at fair value through profit or loss. As shareholder loan investments form part of a managed portfolio of assets whose performance is evaluated on a fair value basis, shareholder loan investments are designated at fair value in line with equity investments. The Directors consider that the carrying fair value amounts of shareholder loans and equity investment in the financial statement are equal to their fair values.

Key Estimation and Uncertainty: 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 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 cashflows are reviewed annually by the Investment Adviser to ensure they are at the appropriate level. The Investment Adviser will take into consideration market transactions, where of similar nature, when considering changes to the discount rates used. The weighted average discount rate applied in the December 2021 valuation was 6.5% (2020: 6.6%).

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 and hydropower farms is 25 years and solar PV is 30 years. The actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by the asset.

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. In the prior year, the Company has moved from a rolling average of a single power price curve forecast and adopted a blend of two curve provider's forecasts.

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. 'P50' level of output. The P50 output is the estimated annual amount of electricity generation (in MWh) 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 SPVs valuation assumes long term inflation of 2.0% (2020: 2.0%).

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 2022

A number of new standards, amendments to standards are effective for the annual periods beginning after 1 January 2022. None of these are expected to 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. These standards are not expected to have a material impact on the entity in future reporting periods and on foreseeable future transactions.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023.

3. SIGNIFICANT 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 valuation 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 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 recognized in the statement of

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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 period, 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.

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 finance 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 are recognised on an accruals basis.

Dividend income is recognised when the right to receive it is established and is reflected in the Statement of Comprehensive Income as Investment Income.

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 its directly attributable to the operations of the Company.

Payment of Investment Advisory fees in shares

The Company issues shares to the Investment Adviser in exchange for receiving investment advisory services. 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.

Further details on Company's share issues to the Investment Adviser is 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 Income Statement 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

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.

Repurchase 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.

4. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2021			As at 31 December 2020		
	Shareholder Loans (EUR '000)	Equity Investments (EUR '000)	Total (EUR '000)	Shareholder Loans (EUR '000)	Equity Investments (EUR '000)	Total (EUR '000)
(a) Summary of valuation						
Analysis of closing balance:						
Investments held at fair value through profit or loss	193,078	123,875	316,953	174,046	55,936	229,982
Total investments	193,078	123,875	316,953	174,046	55,936	229,982
(b) Movements during the year:						
Opening balance of investments, at cost	174,046	51,287	225,333	67,581	42,471	110,052
Purchases at cost	87,241	–	87,241	106,465	8,816	115,281
Repayments during the year	(19,506)	–	(19,506)	–	–	–
Conversion of SHL to Equity Instrument[57]	(48,703)	48,703	–	–	–	–
Cost of investments	193,078	99,990	293,068	174,046	51,287	225,333
Revaluation of investments to fair value:						
Unrealised movement in fair value of investments	–	23,885	23,885	–	4,649	4,649
Balance of capital reserve – investments held	–	23,885	23,885	–	4,649	4,649
Fair value of investments	193,078	123,875	316,953	174,046	55,936	229,982
(c) Gains/(losses) on investments in year (per Statement of Comprehensive Income)						
Movement in unrealised revaluation of investments held	–	19,236	19,236	–	(3,959)	(3,959)
Gains/(losses) on investments	–	19,236	19,236	–	(3,959)	(3,959)

The fair value of the Company's equity and the shareholder loans investments in HoldCo are determined by the underlying fair values of the SPV investments, which are not traded and contain unobservable inputs. As such, the Company's equity and the shareholder loans investments in HoldCo have been classified as level 3 in the fair value hierarchy.

Fair Value Measurements

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

Level 1

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

Level 2

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

Level 3

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

[57] *The financing of the acquisitions of the assets Benfica III, Desfina and Albeniz in 2020 and Ourique in 2021 was carried out in a first step through the implementation of SHLs. Part of these SHLs was replaced by equity instruments in a second step in 2021.*

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

	As at 31 December 2021				As at 31 December 2020			
	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								
Equity investments in HoldCo	–	–	123,875	123,875	–	–	55,936	55,936
Shareholder loan investments in HoldCo	–	–	193,078	193,078	–	–	174,046	174,046
	–	**–**	**316,953**	**316,953**	**–**	**–**	**229,982**	**229,982**

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 2021.

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

	Year ended 31 December 2021 (EUR '000)	Year ended 31 December 2020 (EUR '000)
Opening balance	229,982	118,660
Additions during the year	87,241	115,281
Repayments during the year	(19,506)	–
Unrealised gains/(losses) on investments adjustments	19,236	(3,959)
Closing balance	**316,953**	**229,982**

Valuation Methodology
The Company owns 100% of its subsidiary Tesseract Holdings Limited ("HoldCo"). 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 2021 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 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

Discount rates	The discount rate used in the valuations is derived according to internationally recognized methods. Typical components of the discount rate are risk free rates, country-specific and asset-specific risk premia. The latter comprise the risks inherent to the respective asset class as well as specific premia for other risks such as development and construction, such as is the case for the Rock, for example.
Power price	Power prices are based on power price forecasts from leading market analysts. The forecasts are independently sourced from a provider with coverage in almost all European markets as well as providers with regional expertise.
Energy yield	Estimated based on third party energy yield assessments campaigns as well as operational performance data (where applicable) by taking into account regional expertise of a second analyst.
Inflation rates	Long-term inflation is based on central bank targets for the respective jurisdiction.
Asset life	In general, an operating life of 25 years for onshore wind and hydropower and 30 years for Solar PV is assumed. In individual cases a longer operating life is assumed where the contractual set-up (i.e. O&M agreement with availability guarantee) supports such assumption. The operating life of hydropower assets are estimated in accordance with their expected concession term.
Operating expenses	The operating expenses are primarily based on the respective contracts and, where not contracted, on the assessment from a technical adviser.
Taxation rates	The underlying country-specific tax rates are derived from due diligence reports from leading tax consulting firms.
Capital expenditure	Based on the contractual position (e.g. engineering, procurement and construction agreement), where applicable.

Valuation Sensitivities

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

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

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

(i) Discount rates

The DCF valuation of the SPV investments represents the largest component of the net asset value of the Company and the key sensitivities are considered to be the discount rate used in the DCF valuation and assumptions.

The weighted average valuation discount rate applied to calculate the SPV valuation is 6.5% at 31 December 2021.

An increase or decrease in this rate by 0.5% at project level has the following effect on valuation.

Discount rate	NAV per Share Impact in (EUR cents)	-0.5% Change (EUR '000)	Total NAV Value in EUR thousand	+0.5% Change (EUR '000)	NAV per Share Impact in (EUR cents)
Valuation as of 31 December 2021	4.06	433,950	417,443	402,401	(3.70)

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(ii) Power price
Long term power price forecasts are provided by leading market consultants and are updated quarterly. The sensitivity below assumes a 10% per cent 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.

Power price	NAV per Share Impact (EUR cents)	-10.0% (EUR '000)	Total NAV Value (EUR '000)	+10.0% (EUR '000)	NAV per Share Impact (EUR cents)
Valuation as of 31 December 2021	(7.57)	386,631	417,443	448,166	7.55

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

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 (EUR cents)
Valuation as of 31 December 2021	(6.55)	390,769	417,443	441,868	6.00

(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 (EUR cents)
Valuation as of 31 December 2021	(3.09)	404,850	417,443	430,413	3.19

(v) Asset life
In general, an operating life of 25 years for onshore wind and hydropower and 30 years for Solar PV is assumed. In individual cases a longer operating life is assumed where the contractual set-up (i.e. O&M agreement with availability guarantee) supports such an assumption. The operating life 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 (EUR cents)
Valuation as of 31 December 2021	(2.15)	408,695	417,443	425,770	2.05

(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 2021 and that change to the base case remains reflected consistently thereafter during the life of the projects.

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 (EUR cents)
Valuation as of 31 December 2021	3.23	430,601	417,443	404,092	(3.28)

5. INTEREST INCOME

Income from investments	For the year ended 31 December 2021 (EUR '000)	For the year ended 31 December 2020 (EUR '000)
Interest income from shareholder loans	11,783	6,194
Total Income	**11,783**	**6,194**

6. INVESTMENT ADVISORY FEES

	For the year ended 31 December 2021			For the year ended 31 December 2020		
	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Investment Advisory fees	2,682	–	2,682	1,671	–	1,671

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

a) 0.75 per cent. per annum of NAV (plus VAT) of the Company up to EUR 300 million;

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

c) 0.55 per cent. 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. 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 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.

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Share Based Payments
The Company settled investment advisory fees by issuing Ordinary Shares. The Company has issued following shares to settle investment advisory fees in respect of the year under review:

In respect of the year ended 31 December 2021	Investment advisory fees (EUR)	Fair value of issue price (cents)	Number of shares	Date of issue
31 March 2021	587,524	102.13	575,271	17 May 2021
30 June 2021	587,156	100.61	583,596	11 August 2021
30 September 2021	747,975	102.28	731,301	10 November 2021
31 December 2021	759,537	103.83	731,520	09 February 2022

In respect of the year ended 31 December 2020	Investment advisory fees (EUR)	Fair value of issue price (cents)	Number of shares	Date of issue
31 March 2020	359,625	100.37	358,299	18 May 2020
30 June 2020	356,714	99.38	358,939	11 August 2020
30 September 2020	360,178	99.08	363,522	10 November 2020
31 December 2020	587,469	101.21	587,704	09 February 2021

7. OTHER EXPENSES

	For the year ended 31 December 2021			For the year ended 31 December 2020		
	Revenue (EUR`000)	Capital (EUR`000)	Total (EUR`000)	Revenue (EUR`000)	Capital (EUR`000)	Total (EUR`000)
Secretary and administrator fees	227	–	227	219	–	219
Tax compliance	32	–	32	17	–	17
Directors' fees	146	–	146	203	–	203
Directors' other employment costs	16	–	16	25	–	25
Broker retainer	53	–	53	40	–	40
Audit fees – statutory[58]	237	–	237	235	–	235
Audit fees – interim review[59]	–	–	–	45	–	45
AIFM fees	112	–	112	103	–	103
Registrar's fees	18	–	18	4	–	4
Marketing fees	70	–	70	119	–	119
FCA and listing fees	57	–	57	87	–	87
Legal fees	157	–	157	199	–	199
ESG Rating fees	107	–	107	–	–	–
Other expenses	156	–	156	44	–	44
Total expenses	**1,388**	**–**	**1,388**	**1,340**	**–**	**1,340**

During the year auditors received GBP 18,000 (VAT of GBP 3,000) for non-audit services in relation to reporting accountant services for admission of new shares to trading on the London Stock Exchange, which have been treated as a capital expense and included in 'share issue costs' disclosed in the Statement of Changes in Equity on page 76

8. FINANCE COSTS

	For the year ended 31 December 2021			For the year ended 31 December 2020		
	Revenue (EUR`000)	Capital (EUR`000)	Total (EUR`000)	Revenue (EUR`000)	Capital (EUR`000)	Total (EUR`000)
Interest charges	317	–	317	398	–	398
Bank charges	1	–	1	1	–	1
Total	**318**	–	**318**	**399**	–	**399**

[58] *The GBP equivalent of the statutory audit fees was GBP 201,300 (2020: GBP 174,000) including VAT of GBP 33,550 (2020: GBP 29,000)*
[59] *Prior year interim review fees disclosed above, includes VAT of EUR 7,500*

9. TAXATION

(a) Analysis of tax charge in the year

	For the year ended 31 December 2021			For the year ended 31 December 2020		
	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 period is 19.00%. 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:

	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	7,395	19,229	26,624	2,784	(3,971)	(1,187)
Corporation tax at 19%	1,405	3,654	5,059	529	(754)	(225)
Effects of:						
(Gain) / loss on investments held at fair value not (taxable) / allowable	–	(3,655)	(3,655)	–	752	752
Foreign exchange loss not allowable	–	1	1	–	2	2
Expenditure not deductible for tax purposes	10	–	10	38	–	38
Movement in management expenses not utilised / deferred tax not recognised	20	–	20	186	–	186
Impact of tax-deductible interest distributions	(1,435)	–	(1,435)	(753)	–	(753)
Total tax charge for the year	–	–	–	–	–	–

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

The Company has unrelieved excess management expenses of EUR 1,121,391 (2020: EUR 1,015,656). 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% (2020: 19%) amounts to EUR 280,348 (2020: EUR 192,975). The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from 1 April 2023. This increase in the standard rate of corporation tax was substantively enacted on 24 May 2021 and became effective from 2 June 2021.

10. RETURN PER ORDINARY SHARE

	For the year ended 31 December 2021	For the year ended 31 December 2020
Revenue return after taxation (EUR '000)	7,395	2,784
Capital profit/(loss) return after taxation (EUR '000)	19,229	(3,971)
Total net return (EUR '000)	26,624	(1,187)
Weighted average number of Ordinary Shares-undiluted	344,137,679	212,833,759
Weighted average number of Ordinary Shares-diluted	344,869,199	213,428,575

NOTES TO THE FINANCIAL STATEMENTS

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Weighted average number of shares used as the denominator	Number of shares For the year ended 31 December 2021	Number of shares For the year ended 31 December 2020
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	344,137,679	212,833,759
Ordinary Shares issued after the year end in settlement of investment advisory fees earned during the year	731,520	594,816
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	344,869,199	213,428,575

11. TRADE AND OTHER RECEIVABLES

	As at 31 December 2021 (EUR`000)	As at 31 December 2020 (EUR`000)
Interest due from shareholder loans	7,811	5,365
Intercompany receivables	1,384	371
Prepaid expenses	103	27
Total	**9,298**	**5,763**

12. TRADE AND OTHER PAYABLES

	As at 31 December 2021 (EUR`000)	As at 31 December 2020 (EUR`000)
Accrued expenses	1,078	806
Investment in Desfina awaiting settlement	–	37,886
Deferred consideration payable	2,005	1,164
Total	**3,083**	**39,856**

13. SHARE CAPITAL

	As at 31 December 2021		As at 31 December 2020	
	No. of shares	(EUR '000)	No. of shares	(EUR '000)
Allotted, issued and fully paid:				
Ordinary Shares of 1 cent each ("Ordinary Shares")	406,939,412	4,069	317,037,109	3,170
Total	**406,939,412**	**4,069**	**317,037,109**	**3,170**

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.

During the year to 31 December 2021, 89,902,303 Ordinary Shares (2020: 162,369,025) were issued with gross aggregate value of EUR 92,563,000 (2020: EUR 168,889,000).

For the year ended 31 December 2021	Shares in issue at the beginning of the year	Shares subscribed	Shares redeemed	Shares in issue at the end of the year
Ordinary Shares	317,037,109	89,902,303	–	406,939,412

For the year ended 31 December 2020	Shares in issue at the beginning of the year	Shares subscribed	Shares redeemed	Shares in issue at the end of the year
Ordinary Shares	154,668,084	162,369,025	–	317,037,109

Since the year end, the Company issued a further 731,520 (2020: 594,816) Ordinary Shares to the Company's Investment Adviser, in relation to advisory fees payable for the quarter ended 31 December 2021.

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 a special reserve was EUR 149,675,608.

15. NET ASSETS PER ORDINARY SHARE

Net assets per Ordinary Share as at 31 December 2021 is based on EUR 417,443,000 (2020: EUR 316,902,809) of net assets of the Company attributable to the 406,939,412 (2020: 317,037,109) Ordinary Shares in issue as at 31 December 2021.

16. DIVIDEND PAID

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

	For the year ended 31 December 2021		For the year ended 31 December 2020	
Total dividends paid in the year	**Cents per Ordinary Share**	**Total (EUR '000)**	**Cents per Ordinary Share**	**Total (EUR '000)**
31 December 2020 interim – Paid 12 Mar 2021 (2020: 20 Mar 2020)	1.25c	3,970	0.75c	1,162
31 March 2021 interim – Paid 18 Jun 2021 (2020: 22 Jun 2020)	1.25c	3,978	0.75c	1,451
30 June 2021 interim – Paid 3 Sep 2021 (2020: 14 Sep 2020)	1.25c	3,985	0.75c	1,453
30 September 2021 interim – Paid 3 Dec 2021 (2020: 29 Oct 2020)	1.25c	5,087	1.25c	2,422
Total	**5.00c**	**17,020**	**3.50c**	**6,488**

The dividend relating to the year ended 31 December 2021, 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 2021		For the year ended 31 December 2020	
Total dividends declared in the year	**Cents per Ordinary Share**	**Total (EUR '000)**	**Cents per Ordinary Share**	**Total (EUR '000)**
31 March 2021 interim – Paid 18 Jun 2021 (2020: 22 Jun 2020)	1.25c	3,978	0.75c	1,451
30 June 2021 interim – Paid 3 Sep 2021 (2020: 14 Sep 2020)	1.25c	3,985	0.75c	1,453
30 September 2021 interim – Paid 3 Dec 2021 (2020: 29 Oct 2020)	1.25c	5,087	1.25c	2,422
31 December 2021 interim – Paid 11 Mar 2022 (2020: 12 March 2021)[60]	1.25c	5,096	1.25c	3,970
Total	**5.00c**	**18,146**	**4.00c**	**9,296**

[60] *Not included as a liability in the year ended 31 December 2021 financial statements*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 takes into account market risks. The sensitivity of the investment valuation due to market risk is shown further on in note 4.

(i) Currency Risk
Foreign currency risk is defined as the risk that the fair values of future cashflows 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 2021 are summarised below:

Assets	Interest bearing (EUR`000)	Non-interest bearing (EUR`000)	Total (EUR`000)
Cash and cash equivalents	–	94,275	94,275
Trade and other receivables	–	9,298	9,298
Investments at fair value through profit or loss	193,078	123,875	316,953
Total assets	**193,078**	**227,448**	**420,526**
Liabilities			
Creditors	–	(3,083)	(3,083)
Total liabilities	**–**	**(3,083)**	**(3,083)**

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2020 are summarised below:

Assets	Interest bearing (EUR`000)	Non-interest bearing (EUR`000)	Total (EUR`000)
Cash and cash equivalents	–	121,014	121,014
Trade and other receivables	–	5,763	5,763
Investments at fair value through profit or loss	174,046	55,936	229,982
Total assets	**174,046**	**182,713**	**356,759**
Liabilities			
Creditors	–	(39,856)	(39,856)
Total liabilities	**–**	**(39,856)**	**(39,856)**

(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 2021 the Company held investments with an aggregate fair value of EUR 316,953,000 (2020: EUR 229,982,000). 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 31,695,000 (2020: EUR 22,998,200) in the profit after taxation for the year ended 31 December 2021 and the Company's net assets at 31 December 2021. The sensitivity of the investment valuation due to price risk is shown further on in note 4.

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, cash at bank and shareholder loan investments. 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 2021 (EUR`000)	As at 31 December 2020 (EUR`000)
Investments at fair value through profit or loss- shareholder loan investments	193,078	174,046
Trade and other receivables	9,298	5,763
Cash and cash equivalents	94,275	121,014
Total	**296,651**	**300,823**

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

	Rating	As at 31 December 2021 (EUR`000)	As at 31 December 2020 (EUR`000)
Royal Bank of Scotland	A-2 / BBB-S&P Rating	4,074	47,611
Goldman Sachs-Liquid reserve fund	AAA-S&P Rating	–	37,934
EFG International AG-Daily liquid fund	A / F1-Fitch Rating	45,203	35,469
Royal Bank of Scotland International	A–2 / BBB-S&P Rating	44,998	–
		94,275	**121,014**

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 cashflows from operating, financing and investing activities to consider payment of dividends, repayment of the Company's shareholder loans or further investing activities.

Financial assets and liabilities by maturity as at 31 December 2021 are shown below:

	Less than 1 year (EUR`000)	1-5 years (EUR`000)	5+ years (EUR`000)	Total (EUR`000)
Assets				
Investments at fair value through profit or loss-shareholder loan investments	–	–	193,078	193,078
Trade and other receivables	9,298	–	–	9,298
Cash and cash equivalents	94,275	–	–	94,275
Liabilities				
Creditors	(3,083)	–	–	(3,083)
	100,490	**–**	**193,078**	**293,568**

Financial assets and liabilities by maturity as at 31 December 2020 are shown below:

NOTES TO THE FINANCIAL STATEMENTS
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	Less than 1 year (EUR`000)	1-5 years (EUR`000)	5+ years (EUR`000)	Total (EUR`000)
Assets				
Investments at fair value through profit or loss–shareholder loan investments	11,427	–	162,619	174,046
Trade and other receivables	5,763	–	–	5,763
Cash and cash equivalents	121,014	–	–	121,014
Liabilities				
Creditors	(39,856)	–	–	(39,856)
	98,348	**–**	**162,619**	**260,967**

The shareholder loan investments are repayable upon realisation of renewable investments.

As at 31 December 2021, across the Company's investment portfolio there is approximately EUR 144.3 million (2020: EUR 112.9 million) of non-recourse, project debt (on a proportional basis) at the SPV level.

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.

In accordance with the Company's investment policy, the Company's principal use of cash (including the proceeds of the IPO and placings) is investing in a diversified portfolio of Renewable Energy Infrastructure Investments, as well as expenses related to the share issue when they occur, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy.

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 at a total EUR 417,443,000 (2020: EUR 316,903,000).

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 income statement.

18. TRANSACTIONS WITH THE INVESTMENT ADVISER AND RELATED PARTY TRANSACTIONS

AIFM fees for the year ended 31 December 2021 amounts to EUR 112,000 (2020: EUR 103,000). As at 31 December 2021, the fee outstanding to the AIFM was EUR 8,700 (2020: EUR 8,500). The AIFM, Company Secretary and Administrator are part of same PraxisIFM Group which was acquired by the Sanne Group with effect from 3 December 2021. The Company Secretary and Administrator fees for the year ended 31 December 2021 amounts to EUR 227,000 (2020: EUR 219,000) and the total fees paid to PraxisIFM Group amounts to EUR 339,000 (2020: EUR 322,000).

Fees payable to the Investment Adviser are shown in the Income Statement. As at 31 December 2021, the fee outstanding to the Investment Adviser was EUR 759,537 (2020: EUR 594,816).

Fees are payable to the Directors, effective from 1 April 2021, at an annual rate of EUR 75,000 to the Chairman, EUR 50,000 to the Chairman of the Audit Committee and EUR 43,000 to the other Directors.

During the year, the Company advanced shareholder loans to HoldCo EUR 193,078,000 (2020: EUR 174,046,000). The accrued interest and the shareholder loans outstanding at the period end was EUR 200,889,000 (2020: EUR 179,411,000).

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

	Ordinary shares At 31 December 2021	Ordinary shares At 31 December 2020
Ian Nolan	100,000	100,000
David MacLellan	75,000	75,000
Kenneth MacRitchie	50,000	50,000
Patricia Rodrigues	50,000	50,000

19. DISTRIBUTABLE RESERVES

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

The revenue reserve is distributable. The amount of the revenue reserve that is distributable is not necessarily the full amount of the reserve as disclosed within these financial statements of EUR 740,000 as at 31 December 2021 (2020: EUR 308,000).

20. COMMITMENTS AND CONTINGENCIES

As at 31 December 2021 the Company has below future investment obligations relating to the Spanish construction project.

Project Albeniz: Albeniz is part of a cluster of four separate solar parks in various stages of development and construction. The portfolio is located in the south of Spain and is expected to be commissioned in the second quarter of 2022. As of the balance sheet date, the Company provided construction finance of EUR 42.8 million with a total expected investment of EUR 49.0 million.

Project The Rock: The commitments relating to the financing of the construction of the second construction asset, The Rock, were settled by the USPP and the Green Bond as part of the refinancing. COD is expected to take place in the second quarter of 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

21. UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATES

The following table shows subsidiaries of the Company. As the Company is regarded as an Investment Entity as referred Note 2, these subsidiaries have not been consolidated in the preparation of the financial statements.

Subsidiary entity name	Effective ownership %	Investment	Country of incorporation	Profit/(loss) for the year ended 31 December 2021 (EUR million)	Profit/(loss) for the period ended 31 December 2020 (EUR million)	Total assets balances as at 31 December 2021 (EUR million)	Total assets balances as at 31 December 2020 (EUR million)	Registered address
Tesseract Holdings Limited	100.0	HoldCo Subsidiary entity, owns underlying SPV investments	United Kingdom	19.2	(4.0)	123.9	55.9	Leaf B, 20th Floor, Tower 42, Old Broad Street, London EC2N 1HQ
Holmen II Wind Park ApS	100.0	Subsidiary entity, owns investment in Holmen II	Denmark	0.5	0.6	24.0	25.4	Københavnsvej 81 4000 Roskilde, Denmark
Aalto Wind No 2 Ltd. Oy	100.0	Subsidiary entity, owns investment in Olhava	Finland	0.0007	0.3	52.3	54.5	c/o Intertrust (Finland) Oy, Bulevardi 1, 6th floor, FI-00100 Helsinki, Finland
Svindbaek Vindkraft HoldCo ApS	100.0	Subsidiary entity, owns investment in Svindbaek	Denmark	(2.1)	(2.3)	33.8	34.9	Gyngemose Parkvej 50, 2860 Søborg, Denmark
Svindbaek Vindkraft GP ApS	100.0	Subsidiary entity, General partner to Svindbaek Vindkraft HoldCo ApS	Denmark	0.0004	(0.001)	0.005	0.006	Gyngemose Parkvej 50, 2860 Søborg, Denmark
Prettysource Lda	100.0	Subsidiary entity, owns investment in Benfica III	Portugal	(0.1)	(0.1)	4.5	4.8	Avenida Fontes Pereira de Melo, n.º 14, 11.º floor, 1050 121 Lisbon
Astros Irreverentes Unipessoal Lda	100.0	Subsidiary entity, owns investment in Benfica III	Portugal	(0.1)	(0.1)	4.5	4.8	Avenida Fontes Pereira de Melo, n.º 14, 11.º floor, 1050 121 Lisbon
Contrate o Sol Unipessoal Lda	100.0	Subsidiary entity, owns investment in Benfica III	Portugal	0.1	(0.1)	2.1	2.4	Rua Filipe Folque, no. 10J, 2 Dto, 1050-113 Lisbon
Argeo Solar S.L.	100.0	Subsidiary entity, owns investment in Albeniz	Spain	(0.2)	(0.4)	34.3	5.8	Paseo de la Castellana 259D, 14S-15, Madrid, Spain
Vector Aioliki Desfinas S.A.	89.0	Subsidiary entity, owns equity investment in Desfina	Greece	8.5	(1.2)	69.4	60.5	Salaminos Str. 20, 15124 Maroussi, Attica, Greece

The Company's investments in subsidiaries are held through HoldCo.

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

Associate entity name	Effective ownership %	Investment	Country of incorporation	Profit/(loss) for the year ended 31 December 2021 (EUR million)	Profit/(loss) for the period ended 31 December 2020 (EUR million)	Total assets balances as at 31 December 2021 (EUR million)	Total assets balances as at 31 December 2020 (EUR million)	Registered address
Aquia Enlica, Lda	18.0	Associate entity, owns equity investment in Sagres	Portugal	3.3	6.2	88.9	88.4	Av. Fontes Pereira de Melo 14-11 1050-121 Lisboa Portugal
Midtfjellet Vindkraft AS	25.9	Associate entity, owns equity investment in Tesla	Norway	24.0 NOK	(32.6) NOK	1,094.1 NOK	(1,082.2) NOK	Sandvikvågvegen 45, N-5419 Fitjar, Norway
Oyfjellet Wind HoldCo Sarl	13.7	Associate entity, owns equity investment in The Rock	Norway	(0.2)	(0.003)	274.4	201.1	23, Am Scheerleck, L-6868 Wecker, Luxembourg
Palea Solar Farm Ourique S.A.	50.0	Associate entity, owns equity investment in Ourique	Portugal	(1.3)	n.a.	48.7	n.a.	Avenida Fontes Pereira de Melo, no. 14, 11. andar, 1050-121 Lisbon, Portugal

As disclosed in Note 4, the Company finances the HoldCo through a mix of shareholder loans and equity. The shareholder loans accrue at an interest rate range of 2.0% to 10.375%.

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.

22. POST BALANCE SHEET EVENTS

In March 2022, the Company`s wholly owned subsidiary, Tesseract Holdings Limited has successfully completed the acquisition of a 100.0% interest in Greco, a Spanish solar PV construction project.

Payment of the deferred consideration amount (EUR 90.0 million) plus any potential earn-out will be due at or after project completion which is expected to take place in late 2022.

Other Information

ALTERNATIVE PERFORMANCE MEASURES

In reporting financial information the Company presents 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)/Premium
The amount, expressed as a percentage, by which the share price is more than the Net Asset Value per Ordinary Share.

As at 31 December 2021		Page	As at 31 December 2021	As at 31 December 2020
NAV per Ordinary Share (cents)	a	75	102.58	99.96
Share price (cents)	b	1	102.00	106.50
(Discount)/premium	**(b÷a)-1**		**(0.6%)**	**6.5%**

Ongoing charges

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

As at 31 December 2021		Page	Year ended 31 December 2021	Year ended 31 December 2020
Average NAV (EUR '000)	a	n/a	366,101	222,632
Annualised expenses (EUR '000)[61]	b	n/a	4,070	3,011
Ongoing charges	**(b÷a)**		**1.11%**	**1.35%**

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 2021		Page	Share price	NAV
Opening at 1 January 2021 (cents)	a	n/a	106.50	99.96
Dividend adjustment (cents)	b		5.00	5.00
Closing at 31 December 2021 (cents)	c	1	102.00	102.58
Total return	**((c+b)÷a)-1**		**0.5%**	**7.6%**

As at 31 December 2020		Page	Share price	NAV
Opening at 1 January 2020 (cents)	a	n/a	107.80	102.75
Dividend adjustment (cents)	b		3.50	3.50
Closing at 31 December 2020 (cents)	c	1	106.50	99.96
Total return	**((c+b)÷a)-1**		**2.0%**	**0.7%**

[61] *Expenses consist of investment advisory fees of EUR 2,682,000 (2020: EUR 1,671,000) and other recurring expenses of EUR 1,388,000 (2020: EUR 1,340,000) in accordance with the AIC methodology.*

ALTERNATIVE PERFORMANCE MEASURES
CONTINUED

Dividend Cover

Dividend cover ratio calculation is based on net result generated at the SPVs adjusted for the Company level expenses during the year.

		Page	Year ended 31 December 2021	Year ended 31 December 2020
Net result generated at the SPVs (EUR ’000)	a	n/a	19,554	7,254
Dividend paid (EUR ’000)	b		17,020	6,488
Dividend cover ratio	**a÷b**		**1.1**	**1.1**

Dividend cover ratio calculation is based on the revenue account of the Company.

		Page	Year ended 31 December 2021	Year ended 31 December 2020
Profit/(loss) on ordinary activities	a	74	7,395	2,784
Dividend paid	b	76	17,020	6,488
Dividend cover ratio	**a÷b**		**0.4**	**0.4**

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	31 December 2021	31 December 2020
Ordinary Shares – NAV (EUR ’000)	a	75	417,443	316,900
Debt at the SPV level (EUR ’000)	b	n/a	144,327	113,000
Gross asset value (EUR ’000)	**a+b**		**561,770**	**429,000**

Gearing

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

		Page	31 December 2021	31 December 2020
Gross asset value (EUR ’000)	a	n/a	561,770	429,900
Debt at the SPV level (EUR ’000)	b	n/a	144,327	113,000
Gearing ratio	**b÷a**		**25.7%**	**26.3%**

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 from which you are not entitled to receive a dividend which has been declared and is due to be paid to Shareholders.
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	Tessseract 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.

GLOSSARY
CONTINUED

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).
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
PV	Photovoltaic
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.
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

Directors (all non-executive)	Ian Nolan (Chairman) David MacLellan Kenneth MacRitchie Patricia Rodrigues
Registered office[62]	6th Floor, 125 London Wall, London EC2Y 5AS
AIFM	Sanne Fund Management (Guernsey) Limited (formerly International Fund Management Limited) Sarnia House Le Truchot St Peter Port Guernsey GY1 4NA
Investment Adviser	Aquila Capital Investmentgesellschaft mbH Valentinskamp 70 D-20335 Hamburg Germany
Broker	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Administrator and Company Secretary	Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited) 6th Floor, 125 London Wall London EC2Y 5AS
Registrar	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

[62] *Registered in England and Wales No. 11932433*

NOTICE OF ANNUAL GENERAL MEETING

In line with the requirements of the Companies Act 2006, the Company will hold an Annual General Meeting of Shareholders to consider the resolutions laid out in the Notice of Meeting below. There will be no presentation from the Investment Manager and the sole business of the meeting will be to propose the resolutions set out.

Despite the lifting of restrictions on large gatherings many shareholders may not feel confident to attend shareholder meetings. Shareholders are therefore encouraged to appoint the "Chairman of the Meeting" as their proxy. Details of how to vote, either electronically, by proxy form or through CREST, can be found in the Notes to the Notice of AGM on pages 105 to 106

The outcome of the resolutions will as usual be determined by Shareholder vote based on the proxy votes received. All valid proxy appointments (whether submitted electronically or in hard copy form) will be included in the poll to be taken at the AGM. The results of the poll will be announced to the London Stock Exchange and placed on the Company's website, in the usual way, as soon as practicable after the conclusion of the AGM.

Should a Shareholder have a question that they would have raised at the AGM, either of the Board or the Investment Manager, the Board would ask that they send it by email to aquilacosec@PraxisIFM.com by the 7 June 2022. Answers to questions will be published on the Company's website in advance of the AGM.

Shareholders should monitor the Company's website at www.aquila-european-renewables-income-fund.com and London Stock Exchange announcements for any updates regarding the AGM. Alternatively, Shareholders can contact the Registrar, Computershare Investor Services PLC, for updated information (please see Notes to the Notice of AGM for the Registrar's contact details).

Notice is hereby given that the Annual General Meeting of Aquila European Renewables Income Fund Plc will be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF on 9 June 2022 at 1 p.m. for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 14 will be proposed as special resolutions.

Ordinary Resolutions

1. To receive the Company's Annual Report and Accounts for the year ended 31 December 2021, with the reports of the Directors and auditors thereon.

2. To approve the Directors' remuneration report for the year ended 31 December 2021.

3. To re-elect Ian Nolan as a Director of the Company.

4. To re-elect Patricia Rodrigues as a Director of the Company.

5. To re-elect David MacLellan as a Director of the Company.

6. To re-elect Kenneth MacRitchie as a Director of the Company.

7. To re-appoint PricewaterhouseCoopers as auditors to the Company.

8. To authorise the Directors to fix the remuneration of the auditors until the conclusion of the next Annual General Meeting of the Company.

9. To authorise the Directors to declare and pay all dividends of the Company as interim dividends.

10. That the Directors be and are hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused) to exercise all powers of the Company to allot relevant securities (as defined in section 551 of the Companies Act 2006) up to an aggregate nominal amount equal to EUR 1,358,767 (representing 33.33 per cent. of the Company' issued share capital at the date of the notice of this meeting) PROVIDED THAT the Directors may not allot relevant securities of an aggregate nominal amount more than 33.33 per cent. of the nominal value of the issued share capital (excluding Treasury Shares) at the date of the Annual General Meeting and that this authority shall expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2023 or, if earlier, on the expiry of 15 months from the passing of this resolution (the "section 551 period") but so that the Directors may, at any time prior to the expiry of the section 551 period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of the section 551 period and the Directors may allot relevant securities in the pursuance of such an offer or agreement as if the authority granted by this resolution had not expired.

Special Resolutions

11. That, subject to the passing of resolution 10 in the notice convening the meeting at which this resolution is to be proposed (the ''notice of meeting'') and in substitution for all existing powers, the Directors be and are hereby generally empowered pursuant to section 570 of the Companies Act 2006 (the ''Act'') to allot equity securities (as defined in section 560 (1) of the Act) for cash pursuant to the authority under section 551 of the Act conferred by resolution 10 in the notice of meeting as if section 561 of the Act did not apply to any such allotment, provided that this power:

    (i) expires at the conclusion of the next annual general meeting of the Company or, if earlier, 15 months from the date this resolution is passed, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if that power had not expired; and

    (ii) shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of EUR 407,670 (representing 10 per cent. of the Company's issued share capital at the date of this notice of meeting).

This power applies in relation to the sale of shares which is an allotment of equity securities that immediately before the allotment are held by the Company as treasury shares as if in the opening paragraph of this resolution the words ''subject to the passing of resolution 10 in the notice convening the meeting at which this resolution is to be proposed (''the notice of meeting")'' and ''pursuant to the authority under section 551 of the Act conferred by resolution 10 in the notice of meeting'' were omitted.

12. That, in addition to the authority granted in resolution 11 and subject to the passing of resolution 10 in the notice convening the meeting at which this resolution is to be proposed (the ''notice of meeting'') and in substitution for all existing powers, the Directors be and are hereby generally empowered pursuant to section 570 of the Companies Act 2006 (the ''Act'') to allot equity securities (as defined in section 560 (1) of the Act) for cash pursuant to the authority under section 551 of the Act conferred by resolution 10 in the notice of meeting as if section 561 of the Act did not apply to any such allotment, provided that this power:

    (i) expires at the conclusion of the next annual general meeting of the Company or, if earlier, 15 months from the date this resolution is passed, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if that power had not expired; and

    (ii) shall be limited to the allotment of equity securities for cash in connection with the Company's discount control mechanism up to an aggregate nominal amount of EUR 407,670 representing 10 per cent of the issued share capital at the date of the notice of this meeting).

This power applies in relation to the sale of shares which is an allotment of equity securities that immediately before the allotment are held by the Company as treasury shares as if in the opening paragraph of this resolution the words ''subject to the passing of resolution 10 in the notice convening the meeting at which this resolution is to be proposed (''the notice of meeting")'' and ''pursuant to the authority under section 551 of the Act conferred by resolution 10 in the notice of meeting'' were omitted.

13. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares of 1p each, provided that:

    (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 61,109,873 (representing 14.99 per cent of the Company's issued Ordinary Share capital at the date of the notice of this meeting);

    (b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1 cent;

    (c) the maximum price (excluding expenses) which may be paid for an Ordinary Share is not more than the higher of (i) 5 per cent above the average of the middle market quotations for the Ordinary Shares for the five business days immediately before the day on which it purchases that share and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares; (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2023 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and (e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

14. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 days' notice, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting after the date of the passing of this resolution.

Registered Office:
For and on behalf of
6th Floor
125 London Wall
London
EC2Y 5AS

By order of the Board
Company Secretary
Sanne Fund Services (UK) Limited
6th Floor
125 London Wall
London
EC2Y 5AS

28 April 2022

NOTICE OF ANNUAL GENERAL MEETING
CONTINUED

Notes to the Notice of Meeting

1. Holders of ordinary shares of one cent each in the capital of the Company ("**Shares**") are entitled to attend, speak and vote at the Annual General Meeting. A Shareholder entitled to attend, speak and vote at the Annual General Meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the Annual General Meeting. A proxy need not be a Shareholder of the Company. However, in order for their vote to count, Shareholders should appoint the Chair of the meeting as their proxy. Shareholders are advised to return the form of proxy irrespective of whether they are expecting to attend the AGM. If multiple proxies are appointed, they must not be appointed in respect of the same Shares. To be effective, the enclosed form of proxy ("**Form of Proxy**"), together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 1 p.m. on 7 June 2022.

2. If you return more than one proxy appointment, either by paper or electronic communication, that validly received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.

3. As an alternative to completing the Form of Proxy, Shareholders can appoint a proxy electronically via the Registrar's online voting portal www.investorcentre.co.uk/eproxy. For an electronic proxy appointment to be valid, your appointment must be received by the Registrar no later than 1 p.m. on 7 June 2022. Shareholders are strongly encouraged to appoint the Chair of the Annual General Meeting as their proxy to vote on their behalf.

4. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 1 p.m. on 7 June 2022 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

5. The appointment of a proxy will not normally prevent a Shareholder from attending the Annual General Meeting, speaking and voting in person if he/she so wishes. The Articles provide that (subject to certain exceptions) at the Annual General Meeting each Shareholder present in person or by proxy shall have one vote on a show of hands and on a poll every Shareholder present in person or by proxy shall have one vote for every Share of which he/she is the holder. The termination of the authority of a person to act as proxy must be notified to the Company in writing by no later than 1 p.m. on 7 June 2022. Amended instructions must be received by the Registrar by the deadline for receipt of proxies. Where you have appointed a proxy using the Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact the Registrar's helpline on 0370 707 1346 (or +44 370 707 1346 from outside the UK). Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales).

6. To appoint more than one proxy, Shareholders will need to complete a separate Form of Proxy in relation to each appointment, stating clearly on each Form of Proxy the number of Shares in relation to which the proxy is appointed. A failure to specify the number of Shares to which each proxy appointment relates or specifying an aggregate number of Shares in excess of those held by the Shareholder will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. If you require additional Forms of Proxy, please contact the Registrar's helpline on 0370 707 1346 (or +44 370 707 1346 from outside the UK). Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales). All Forms of Proxy must be signed and should be returned together in the same envelope if possible.

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holders (the first named being the most senior).

8. Only those Shareholders registered in the register of members of the Company as at 1 p.m. on 7 June 2022 (the "specified time") shall be entitled to vote at the Annual General Meeting in respect of the number of Shares registered in their name at that time. Changes to entries on the relevant register of securities after 1 p.m. on 7 June 2022 shall be disregarded in determining the rights of any person to vote at the Annual General Meeting. If the Annual General Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of Shareholders to vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the Annual General Meeting is adjourned for a longer period then, to be so entitled, Shareholders must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting, or if the Company gives notice of the adjourned meeting, at the time specified in that notice.

9. Shareholders who hold their Shares electronically may submit their votes through CREST. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com.

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by following the procedures described in the CREST manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual (available via www.euroclear.com). The message, in order to be valid, must be transmitted so as to be received by them the Company's agent ID, 3RA50 by the latest time for receipt of proxy appointments specified in note 1 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

13. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

15. A person to whom this Notice of Annual General Meeting is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in note 1 above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered Shareholders of the Company. Shareholders and Nominated Persons are reminded that there are restrictions on attendance at the Annual General Meeting, as set out in section 3 of the Letter from the Chair contained in the Circular, and are directed to the guidance on voting by proxy in that section, section 4 of the Letter from the Chair and in these Notes.

16. As at 28 April 2022, the Company's issued share capital amounted to 407,670,932 Shares carrying one vote each. No Shares were held in treasury. Therefore, the total voting rights of the Company as at the date of this Notice of Annual General Meeting were 407,670,932.

17. Any corporation which is a Shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that they do not do so in relation to the same Shares. However, before deciding to elect to appoint a corporate representatives. Corporate Shareholders may also appoint one or more proxies in accordance with note 1.

18. Any question relevant to the business of the Annual General Meeting may normally be asked at the meeting by anyone permitted to speak at the meeting or please submit your questions in advance by email to AquilaCosec@PraxisIFM.com by the close of business on 7 June 2022. The Company must answer any questions any question asked by a Shareholder relating to the business being dealt with at the meeting unless:

    (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

    (b) the answer has already been given on a website in the form of an answer to a question; or

    (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

19. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the meeting as his/her proxy is to ensure that both he/she and his/her proxy comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules. Shareholders are directed to the guidance on voting by proxy set out in the Annual Report and in these Notes.

20. This Notice of Annual General Meeting, the information required by section 311A of the Companies Act 2006 and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of Annual General Meeting, will be available on the Company's website at https://www.aquila-european-renewables-income-fund.com.

21. Shareholders may not use any electronic address provided either in the Notice of Annual General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

DESIGNED AND PRINTED BY PERIVAN

Read more about our commitment to sustainability
www.aquila-capital.de/esg/

For more information please contact:

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Valentinskamp 70
20355 Hamburg
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Tel.: +49 (0)40 87 50 50-100
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