

Aquila European Renewables Plc

Quarterly Fact Sheet Q4 2022

Investment Strategy and Objective

Aquila European Renewables Plc's (the Company) objective is to provide investors with an attractive long-term, income-based return in EUR through a diversified portfolio of wind, solar PV and hydropower investments across continental Europe and Ireland. Through diversification of generation technologies, the seasonal production patterns of these asset types complement each other to balance cash flow, while geographic diversification serves to reduce exposure to one single energy market. In addition, a balance is maintained between government supported revenues, fixed price power purchase agreements (PPAs) and market power price risk.

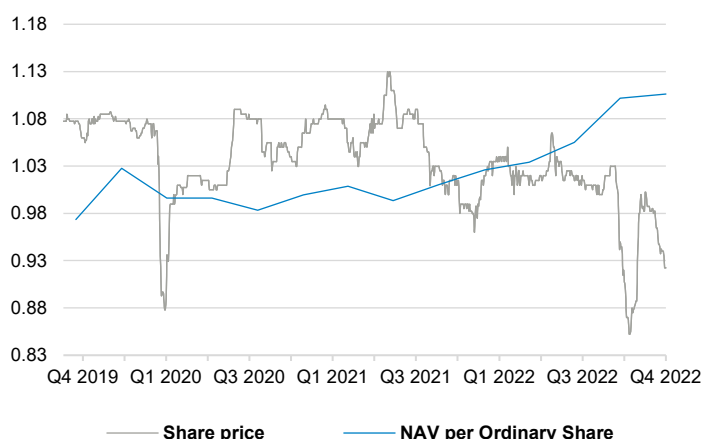
Key Statistics

Listing	London Stock Exchange
Ticker	AERI
ISIN/WKN	GB00BK6RLF66
Investment Advisor	Aquila Capital Investment-gesellschaft mbH
Target dividend with respect to 2023 in EUR cts/share	5.51

Key Performance Figures as at 31 December 2022

Share price in EUR	0.9225
NAV per share in EUR (unaudited)	1.1064
NAV in mEUR (unaudited)	451.7
GAV in mEUR (unaudited)	606.9
No. of shares on issue in millions	408.2
Market capitalisation in mEUR	376.6
Discount to NAV per share in %	-16.6
Total shareholder return over quarter in % ¹	-1.5
Total shareholder return since IPO in % ^{1,2}	6.7
NAV total return over quarter in % ¹	1.6
NAV total return since IPO in % ^{1,2}	27.6
Dividend (YTD) approved for 2022 in EUR cts/share ³	5.25
Dividend (Q4) approved in EUR cts/share	1.3125
Dividend (Q4) declaration date	03.02.2023
Dividend (Q4) record date	17.02.2023
Dividend (Q4) payment date	17.03.2023

NAV vs. Share Price in EUR



Dividends

- Target dividend guidance for 2023 of 5.51 cents per Ordinary Share (+5% vs. 2022).
- AER expects robust dividend cover of approximately 1.8x in 2023 and approximately 1.6x over the next five years (net of debt amortisation and excluding the share buyback programme).

Financial and Operational Highlights

- Portfolio has undergone a transformation in 2022, increasing capacity by 80% following completion of construction projects and acquisition of operating assets.
- The AER Board believes the current share price does not accurately reflect the inherent value in the portfolio. Accordingly and as part of a broader package of initiatives seeking to improve the marketability of the Company's shares, the Board is announcing a share buyback programme for up to 20m euros. Refer to the Company's recent RNS announcement for further details.
- The Company's NAV as at 31 December 2022 was 451.7m euros or 110.64 cents per Ordinary Share (30 September 2022: 449.8m euros or 110.18 cents per Ordinary Share). During Q4 2022, this represents a NAV total return of 1.6% per Ordinary Share (+0.5 cents per Ordinary Share plus a dividend of 1.3125 cents per Ordinary Share). For 2022, the Company has delivered a NAV total return of 12.9% per Ordinary Share and since Initial Public Offering an annualised NAV total return per Ordinary Share of 7.1%.
- Key drivers of the NAV movement in Q4 2022:
 - Increase in short-term CPI forecasts (+2.5 cents per Ordinary Share), Eurozone inflation assumption 6.2% in 2023.
 - Marginal decrease in power price forecasts due to mild winter expectations and gas storage levels and implementation of clawback taxes (-0.5 cents per Ordinary Share).
 - Sagres refinancing, updated tax assumptions for Tesla, completion of Jaén (+2.2 cents per Ordinary Share).
 - Increase in risk-free rates partially offset by a reduction in construction risk premia, which resulted in an increase in the discount rate by 30 bps to 7.2% (-3.5 cents per Ordinary Share).
- A sensitivity of NAV against discount rates, inflation and power prices can be found below.

	Assumption	Impact on NAV per Ordinary Share
Discount rate	+0.5%	-5 cents
	-0.5%	+5 cents
Inflation	+0.5%	+5 cents
	-0.5%	-4 cents
Power price	+10.0%	+11 cents
	-10.0%	-11 cents
Discount rate	+0.5%	+12 cents
Inflation	+0.5%	
Power price	+10.0%	

Financial and Operational Highlights continued

- In 2022, revenue was 19.4% above plan as a result of favourable power prices. Production performance was 6.9% below budget, mainly due to lower than expected wind levels in Greece as well as lower precipitation levels in Portugal in the first three months of the year.⁴
- In Q4 2022, revenue was 22.2% above budget as a result of high-power prices in the Nordics. Production in Q4 2022 was 8.0% below budget due to lower than expected wind levels in the Nordics and lower irradiation levels in Portugal.
- Hydropower production in Portugal in Q4 2022 reached a new high due to heavy rainfall and increased water flow, which combined with increased power prices, resulted in revenue performance of Sagres being above budget in 2022.
- Jaén, one of the two assets of the Greco portfolio, has been operational since end of November 2022. Production performance has been significantly above budget since the asset has been in operation. Completion of Guillena is expected during Q2 2023. A seven year pay-as-produced PPA for Guillena was signed with Statkraft Markets at an attractive price, whilst hedging 60% of P50 production.
- In November 2022, The Rock achieved takeover under the Turbine Supply Agreement and has been in operation since then. Final completion will be achieved upon the parties concluding remaining items under the Engineering, Procurement, Construction and Management Agreement in respect of which discussions are ongoing. During the first two months of the operational phase, The Rock has recorded revenue 3.0% above budget.
- Remaining commitments amount to 47.5m euros for the funding of Guillena. The commitment for Project Greco is funded through the existing revolving credit facility (facility limit: 100m euros, of which 65.1m euros remain undrawn). Cash on hand⁵ as at 31 December 2022 amounted to 24.7m euros.
- 51.9% of total revenue is contracted over the next five years (calculated on a net present value basis, existing hedges only).
- AER achieved an overall GRESB score of 88 out of 100 (2020: 84 out of 100), which was higher than the GRESB average of 82 points in its peer group.

CO₂eq-avoidance

- A total of 60.2k tonnes of CO₂eq⁶ avoided in Q4 2022, corresponds to avoided CO₂ emissions of approximately 3.9k households.
- In 2022, a total of 191.8k tonnes of CO₂eq were avoided, which corresponds to avoided CO₂ emissions of approximately 12.4k households.
- The portfolio supplied an average of approximately 183.2k households with electricity in 2022.

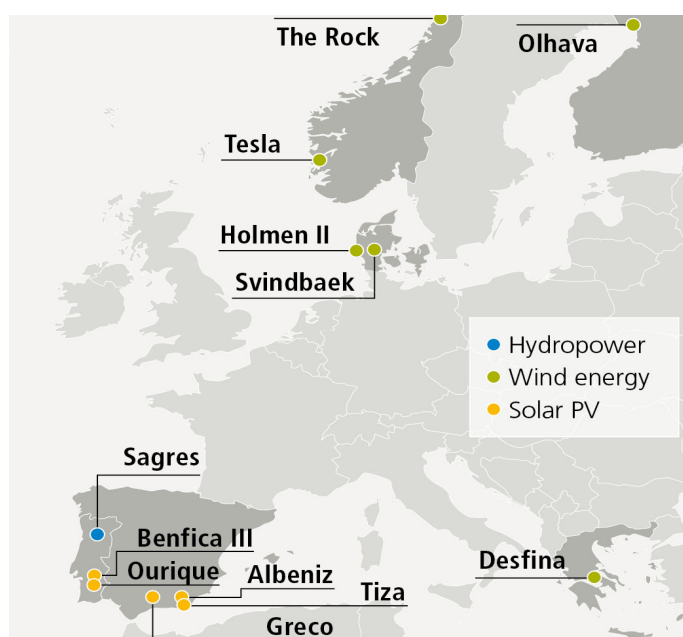
Market Development

In the fourth quarter of 2022, the upward trend in power prices that began in mid-2021 was discontinued, with power prices in all European geographies trading below power prices in the previous quarter. The decreasing trend in power prices was driven by the decline in commodity prices in Q4 2022 (notably gas and coal) reflecting the lower demand caused by (a) mild temperatures in Europe and (b) high gas storage levels. The Nordic power system spot price averaged 136.69 EUR/MWh in Q4 2022, a 21% decrease compared to the previous quarter. In Iberia, spot prices decreased 22% in Q4 2022 compared to the previous quarter, averaging 113.21 EUR/MWh, compared to 146.26 EUR/MWh in Q3 2022. In Greece, prices decreased approximately 40%, averaging 238.83 EUR/MWh in Q4 2022 compared to 403.52 EUR/MWh in Q3 2022.

Regulatory Update

- The Q4 NAV reflects the Investment Adviser's assessment of actual plus proposed regulatory changes, impact on the portfolio is minimal.
- The European Commission is currently working through a draft proposal to reform the electricity market design, which is currently in public consultation. One of the aims of the reform is to make electricity bills less dependent on fossil fuel prices and boosting the deployment of renewables. The Investment Adviser is engaging with industry and other stakeholders as part of the consultation process.

Portfolio Map

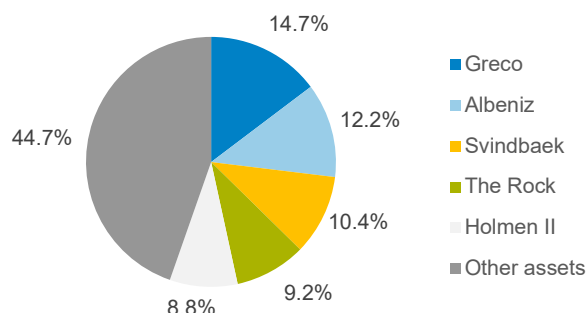


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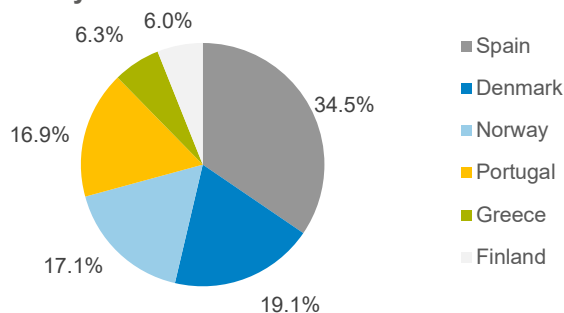
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Portfolio Breakdown Based on Fair Value⁷ as at 31 December 2022

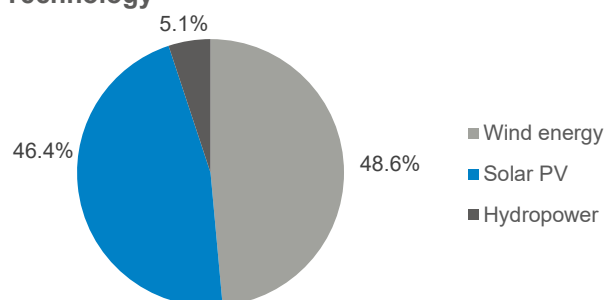
Assets



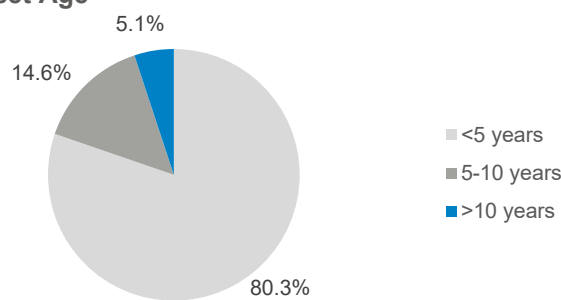
Country



Technology



Asset Age



AIFM

FundRock Management Company (Guernsey) Limited

Administrator

Apex Listed Companies Services (UK) Limited

Contact

AER-Contact@aquila-capital.com

Investment Advisor

Aquila Capital Investmentgesellschaft mbH (ACI) is the investment advisor and asset manager for the Company and is authorised and regulated by BaFin.

1 Calculation includes dividends paid during the period.

2 Total shareholder return is based on an opening share price of EUR 1.00 and NAV total return is based on an opening NAV after launch expenses of EUR 0.98 per Ordinary Share.

3 Cumulative with respect to Q1 2022 - Q4 2022 in EUR cts/share.

4 Production and revenue performance subject to further change. The Rock data only included as of start of operation.

5 Cash on hand includes cash positions of Aquila European Renewables Plc and its wholly owned subsidiary, Tesseract Holdings Limited.

6 The CO₂ equivalent avoidance is an approximation and does not necessarily reflect the exact impact of the renewable energy projects. The cited sources of information are believed to be reliable and accurate, however, the completeness, accuracy, validity and timeliness of the information provided cannot be guaranteed and Aquila Capital accepts no liability for any damages that may arise directly or indirectly from the use of this information.

7 Allocation is based on fair value of the assets, equal to 451.5m euros (excluding cash and any other fund level items), unless stated otherwise.

8 The name of the Company's Administrator and Company Secretary as well as of the AIFM has changed from Sanne Fund Services (UK) to Limited Apex Listed Companies Services (UK) Limited and Sanne Fund Management (Guernsey) Limited to FundRock Management Company (Guernsey) Limited respectively.

Disclaimer

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