

8 January 2024

Aquila European Renewables plc

Spanish Solar PV Debt Financing

Aquila European Renewables plc ("AER" or "the Company"), the London-listed investment company advised by Aquila Capital Investmentgesellschaft mbH ("Investment Adviser"), today announces that it has entered into a EUR 50 million ^[1], five-year non-recourse debt facility ("Debt Facility") with ING Bank N.V. Sucursal en España. The Debt Facility is secured by AER's wholly owned Spanish solar PV portfolio, which consists of 180 MWp of unlevered operating assets supported by long-term contracted Power Purchase Agreements.

The Debt Facility implies a conservative gearing level of approximately 26% for the Spanish solar PV portfolio, based on fair values as at 30 September 2023. The Company has been able to secure the loan at attractive terms, with an all-in interest rate below the existing revolving credit facility ("RCF"). Pricing terms of the Debt Facility remain confidential. 90% of the Debt Facility is hedged via an interest rate swap over the life of the loan. The Debt Facility is also partially amortising, with a balloon repayment at maturity. The Debt Facility also benefits from an accordion option (EUR 18 million), as well as two twelve-month extension options, both of which are subject to lender consent.

The Company intends to use the net proceeds from the Debt Facility to repay the RCF, resulting in available capacity under the RCF of approximately EUR 70 million (current facility limit: EUR 100 million). As a result, the Company's overall gearing level remains unchanged at approximately 34% of its Gross Asset Value, as at 30 September 2023. The undrawn RCF capacity provides significant flexibility for the Company going forward when considering future capital allocation decisions, which may include the continuation of the share buyback programme.

As announced in May 2023, this debt financing is one of a number of initiatives identified by the Board to assist in securing recognition of the value inherent in the portfolio. Further, the Board will continue to consult with shareholders and, as announced on 22 December 2023, is considering broader options for the future of the Company.

Ian Nolan, Chairman of AER, commented: "We are pleased to have secured the debt financing at such attractive terms, fulfilling one of the key initiatives announced in May 2023 prior to the Company's inaugural continuation vote. We are working with our advisers to evaluate how the incremental capital can be most appropriately allocated for the benefit of shareholders."

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About AER

The objective of Aquila European Renewables plc is to provide investors with an attractive long-term, income-based return in EUR through a diversified portfolio of onshore wind, solar PV and hydropower investments across continental Europe and Ireland. As a result of the diversification of energy generation technologies, the seasonal production patterns of these asset types complement each other, providing a balanced cash flow profile, while the geographic diversification serves to reduce exposure to any one single energy market. In addition, a balance is maintained between government supported revenues, fixed price power purchase agreements and market power price risk. AER is targeting a dividend of 5.51 cents per share in relation to the financial year ending 31 December 2023, with the aim of increasing this dividend progressively over the medium term.

Further details can be found at: www.aquila-european-renewables.com.

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About ING

ING is a global financial institution with a strong European presence, offering banking services through ING Bank. ING Bank's purpose is to empower people to stay one step ahead in life and business. ING Bank's more than 52,000 employees provide retail and wholesale banking services to customers in more than 40 countries. ING Group shares are listed (in the form of certificates of deposit) on the stock exchanges in Amsterdam (INGA NA, ING.AS), Brussels and New York (ADRs: ING US, ING.N). Sustainability is an integral part of ING's corporate strategy, as evidenced by the inclusion of ING Group shares in the FTSE4Good and Dow Jones Sustainability indexes (European and global), where the company is among the leaders in the banking sector.

^[1] Excludes any ancillary debt facilities (debt service reserve and letter of credit facilities)

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