RNS Number : 1383G
Aquila European Renewables PLC
25 April 2025

AQUILA EUROPEAN RENEWABLES PLC

(the "Company", the "Fund" or "AER")

LEI Number: 213800UKH1TZIC9ZRP41

Final Results

We are pleased to present the results for the year ended 31 December 2024.

STRATEGIC REPORT

INVESTMENT OBJECTIVE

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

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

The previous Investment Objective was:

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

HIGHLIGHTS FOR THE YEAR

FINANCIAL INFORMATION
as at 31 December 2024

Net assets (EUR million)
320.2
2023: 372.5

NAV per Ordinary Share (cents)[1]
84.7
2023: 98.5

Total NAV return per Ordinary Share[1,2]
(8.2%)
2023: (6.0%)

Dividends per Ordinary Share (cents)[3]
5.1
2023: 5.5

Ordinary Share price (cents)
66.0
2023: 78.5

Dividend yield
7.8%
2023: 7.4%

Ordinary Share price discount to NAV[1]
(22.1%)
2023: (20.3%)

Ongoing charges[1,4]
1.1%
2023: 1.1%

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

HIGHLIGHTS

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

The Investment Adviser announced a strategic partnership with Commerzbank AG ("Commerzbank") on 18 January 2024 aimed at significantly accelerating the Investment Adviser's growth into one of the leading asset managers for sustainable investment strategies in Europe. As part of this partnership, Commerzbank acquired a 74.9% stake in the Investment Adviser, whilst ensuring the continued managerial independence of the Investment Adviser, which will remain autonomous in terms of operations, investment decisions, product development and brand representation. The transaction was completed following the receipt of the required regulatory approvals on 3 June 2024.

On 27 Septem
the sale of its
for EUR 27.0 r
above the pre
NAV.

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

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

On 24 Octobe
N.M. Rothschil
to support the

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

CHAIRMAN'S STATEMENT

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

MANAGED WIND DOWN
On 30 September 2024, shareholders approved resolutions in relation to the discontinuation of Aquila European Renewables Plc (the "Company") and amendment of the Company's Investment Policy to enter a Managed Wind-Down. On 24October 2024, the Company announced that the Board has appointed Rothschild & Co as the financial advisor in relation to the Managed Wind-Down process. The process to sell unquoted assets, especially complicated energy infrastructure assets, requires extensive and careful preparation - including vendor commissioned technical due diligence reports - if it is to produce optimal results. Thereafter, discussions with possible buyers are of course commercially sensitive meaning that value for shareholders could be prejudiced if information about their progress leaks out beyond the small group of professional advisers and Board members who are involved. The Board is therefore reluctant to provide commentary as to the status of discussions. However, shareholders should be assured that the objective - very clearly and unambiguously - is to complete the sale process as quickly as possible providing liquidity to shareholders at a premium to the share price, through realising assets at prices as close as possible to their contribution to the reported Net Asset Value.

The Board will immediately update shareholders in the event that any incoming bid is accepted. The Board will communicate in due course how it proposes to distribute the capital sale proceeds which are received. In parallel, the Board and its advisers have also undertaken other initiatives in recognition of the Managed Wind-Down process, including reviewing the Company's cost structure and identifying potential opportunities for savings, reviewing and amending the Company's dividend policy and streamlining external reporting obligations.

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

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

DIVIDEND
As announced on 13 February 2025, the Board implemented a change in the Company's future dividend policy. Following the shareholder vote to approve the Managed Wind-Down of the Company, it is the Board's intention to continue paying dividends covered by earnings and taking into account the Company's liquidity position, in order to maintain the Company's investment trust status. However, the Board will no longer be able to provide forward guidance as to the level of dividend for the year ahead. Shareholders should also note that the Board will no longer seek to smooth the level of dividend over a financial year to reduce the impact of the seasonality of earnings and that, in addition the level of dividend payments are expected to decline as assets are realised (such as Tesla), gearing is reduced and capital is returned to shareholders.

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

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

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

ESG

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

OUTLOOK

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

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

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

IAN NOLAN
Chairman
24 April 2025

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

INVESTMENT ADVISER'S REPORT

Leader in Investment and Asset Management in European Renewables

Overall CO_2e emissions avoided[2]
3.4 million tonnes

Green energy produced[3]
11.8 TWh

Households supplied[3]
3.3 million

INVESTMENT ADVISER BACKGROUND[1]

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

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

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

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

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

CURRENT RENEWABLES PORTFOLIO OF AQUILA GROUP[1]:
Portfolio Capacity[2]

Wind energy
4,702 MW
1,010 WTGs

Solar PV
15,733 MWp
370 PV parks

Hydropower
1,050 MW
295 plants

Energy storage systems
4,190 MW
15 projects

19 Offices

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

INVESTMENT PORTFOLIO

Project	Technology	Country	Capacity[1]	Status	COD[2]	Asset Life from COD	Equipment Manufacturer	Energy Offtaker[3]	O
Sagres	Hydropower	Portugal	107.6 MW	Operational	1951-2006	n.a.[5]	Various	FiT	EDF
Holmen II	Wind energy	Denmark	18.0 MW	Operational	2018	25y	Vestas	FiP	Ene
Olhava	Wind energy	Finland	34.6 MW	Operational	2013-2015	30y	Vestas	FiT	E
Svindbaek	Wind energy	Denmark	32.0 MW	Operational	2018	29y	Siemens	FiP	Ene
The Rock	Wind energy	Norway	400.0 MW	Operational	2022	30y	Nordex	PPA	
Benfica III	Solar PV	Portugal	19.7 MW	Operational	2017, 2020	40y	AstroNova	PPA	
Albeniz	Solar PV	Spain	50.0 MW	Operational	2022	40y	Canadian Solar	PPA	St
Desfina	Wind energy	Greece	40.0 MW	Operational	2020	25y	Enercon	FiP	D
Ourique	Solar PV	Portugal	62.1 MW	Operational	2019	40y	Suntec	CfD	
Greco	Solar PV	Spain	100.0 MW	Operational	2013	40y	Jinko	PPA	St
Tiza	Solar PV	Spain	30.0 MW	Operational	2022	40y	Canadian Solar	PPA	

Total (AER Share)			424.9 MW						

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

PORTFOLIO UPDATES AS AT 31 DECEMBER 2024

The Rock
Country:
Technology:
Date acquired:
Status:
Capacity:
Interest:

The Rock, Norway

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

The Helgeland District Court announced its decision on the Sami appraisal case on 20 December 2024, ruling in favour of The Rock project company and confirming the validity of the license. AER's share of the NOK 4.3m compensation awarded

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

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

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

Tesla

Country:
Technology:
Date acquired:
Status:
Capacity:
Interest:

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

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

CONTRACTED REVENUE POSITION

Revenue Mix - Existing Contracts

Present Value of Revenues (Five Years)

FINANCIAL PERFORMANCE[1]

Performance[2]

Electricity Production (GWh)

Technology	Region	2024
Wind energy	Denmark, Finland, Norway, Greece	461.3
Solar PV	Portugal, Spain	384.8
Hydropower	Portugal	71.2
Total		**917.3**

Load Factors[4]

Technology	2024
Wind energy	32.4%
Solar PV	18.8%
Hydropower	42.0%
Total	**29.6%**

Technical Availability[5]

Technology	2024
Wind energy	93.6%
Solar PV	99.8%
Hydropower	97.5%
Total	**97.3%**

Revenues[6] (EUR million)

Technology	2024
Wind energy	28.7
Solar PV	19.4
Hydropower	6.5
Total	**54.6**

1. KPI's of the underlying SPVs of the Tesseract Holdings Limited ("HoldCo").
2. Desfina data based on economic share (FY24: 90.0%, FY23: 91.5%).
3. Financial model forecasts are based on P50 production (the estimated annual amount of electricity generation that has a 50% probability of being exceeded - both in any single year and over the long term - and a 50% probability of being underachieved).
4. The load factor of a renewable energy asset (such as wind or solar) is the ratio of its actual energy output over a given period to its maximum possible output if it operated at full capacity continuously during that period. It is typically expressed as a percentage and provides insight into the efficiency and utilization of the asset.
5. Technical availability refers to the proportion of time a system, service, or infrastructure is fully functional and accessible for use, with minimal downtime. Average technical availability based on weighted installed capacity (AER share).
6. Includes merchant revenue, contracted revenue and other revenue (e.g. Guarantees of Origin, Electricity Certificates).

2024 Monthly Production Performance vs. Budget (AER Share)

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

Gearing[1]

EUR million	31 D
NAV	
Debt[2]	
GAV	
Debt (% of GAV)[3]	
Project debt weighted average maturity (years)	
Project debt weighted average interest rate (%)[4]	
RCF interest rate (%)[5]	
	=

Debt Summary as at 31 December 2024[6]

Project	AER share	Drawn debt (EUR million)	Currency	Bullet/amortising	
Sagres	18.0%	5.0	EUR	Fully amortising	
Olhava	100.0%	9.6	EUR	Fully amortising	Dec-
Holmen II	100.0%	9.9	DKK	Fully amortising	
Svindbaek	99.9%	6.3	DKK	Fully amortising	
The Rock: USPP Bond	13.7%	30.7	EUR	Fully amortising	
The Rock: Green Bond	13.7%	11.0	EUR	Bullet	
Desfina	89.0%	30.6	EUR	Fully amortising	
Albeniz	100.0%	10.8	EUR	Partly amortising	
Jaén	100.0%	12.0	EUR	Partly amortising	
Guillena	100.0%	16.7	EUR	Partly amortising	
Tiza	100.0%	9.6	EUR	Partly amortising	
Subtotal		**152.0**			
RCF	100.0%	-	EUR	Bullet	
Total		**152.0**			

1. Foreign currency values converted to EUR as at 31 December 2024. Data represents AER's share of debt. AER's share of Desfina debt is based on voting interest.
2. Debt corresponds to senior debt secured at project level and RCF at HoldCo level.
3. This disclosure is considered to represent the Company's alternative performance measures ("APMs"). Definitions of these APMs and other performance measures used, together with how these measures have been calculated, can be found in the Annual Report.. All references to cents are in euros, unless stated otherwise.
4. Weighted average all in interest rate for EUR denominated debt (excl. RCF). DKK denominated debt has an average weighted interest rate of 2.7% (31 December 2023: 2.7%).
5. Consists of 1M EURIBOR plus a margin of 1.85%.
6. Foreign currency values converted to EUR as of 31 December 2024. Data represents AER's share of debt. AER share of Desfina's debt based on voting interest.

Valuation Methodology

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

The Company has acquired underlying investments in SPVs through its investment in the HoldCo. The Investment Adviser has carried out fair market valuations of the SPV investments as at 31 December 2024 and the Directors are satisfied with the methodology, the discount rates and key assumptions applied, and the valuations.

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

Valuation Assumptions
As at 31 December 2024

Discount rates	The discount rate used in the valuations is calculated according to internationally recognised methods. Typical components of specific and asset- specific risk premia.
Power price	Power prices are based on power price forecasts from leading market analysts. The forecasts are independently sourced fr markets as well as providers with regional expertise. The approach applied to all asset classes (wind, solar PV and hydropo 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) an
Inflation rates	Long-term inflation is based on the monetary policy of the European Central Bank.
Asset life	In general, an operating life of 25 to 30 years for onshore wind and 40 years for solar PV is assumed. The operating lives of with their expected concession terms.
Operating expenses	Operating expenses are primarily based on respective contracts and, where not contracted, on the assessment of a technic
Taxation rates	Underlying country-specific tax rates are derived from due diligence reports from leading tax consulting firms.

Portfolio Valuation - Key Assumptions

Metric	
Discount rate	Weighted average
Long-term inflation	Weighted average
Remaining asset life[1]	Wind energy (years)
	Solar PV (years)
	Hydropower (years)
Operating life assumption[2]	Wind energy (years)

Operating life assumption | Wind energy (years)
Solar PV (years)
Hydropower (years)

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

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

MARKET COMMENTARY AND OUTLOOK

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

Valuation Sensitivities

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

Market Power Prices

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

2024 Average Daily Power Price Chart[1]

Nordics

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

Iberia

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

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

Greece

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

Outlook

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

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

AQUILA CAPITAL INVESTMENTGESELLSCHAFT MBH
24 April 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

1. ENVIRONMENTAL

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

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

UN Sustainable Development Goals for Europe

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

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

32.5%
A 32.5% improvement in energy efficiency

Albeniz, Spain

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

AER's Contribution to the UN Sustainable Development Goals

Goal	Overview
Ensure access to affordable, reliable, sustainable and modern energy for all.	- AER's portfolio produces renewable energy which contributes towards Europe's electricity mix. - Renewable energy is a cost-effective source of energy compared to other options. - AER's investments in renewable assets help support and encourage further investment in the industry.
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	- AER targets renewable investments that are supported by high quality components and infrastructure to opti subsequent return to investors. - AER's investments help support the construction of shared infrastructure (e.g. substations) which enables tl renewable energy sources. - AER's Investment Adviser is responsible for monitoring and optimising the Company's day-to-day asset perfc involves actively exploring how new technologies and other forms of innovation can be utilised to enhance a sustainability (energy yield, O&M, asset life).
Take urgent action to combat climate change and its impacts.	- The Company's **424.9 MW** portfolio powered approximately **227.0 thousand** households and avoided appro tonnes of CO_2 emissions over the reporting year[1]. - As a signatory to the UN Principles for Responsible Investments ("UN PRI"), the Company's Investment Advise along its investment process for real assets, which includes considerations of climate change.

1. Actual AER contributions as at 31 December 2024. The CO2 equivalent avoidance, the average European households supplied and household emissions are approximations and do not necessarily reflect the exact impact of the renewable energy projects. The cited sources of information are believed to be reliable and accurate, however, the completeness, accuracy, validity and timeliness of the information provided cannot be guaranteed and Aquila Capital accepts no liability for any damages that may arise directly or indirectly from the use of this information.

Environmental Initiatives

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

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

Flora

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

Albeniz, Translocated olive trees

Fauna

- Drinking troughs, feeding troughs and perches were installed in order to suit the local fauna.
- A hunting fence was installed to protect wildlife.
- Bird nest boxes were installed, specifically for the nesting of the lesser kestrel, common kestrel, barn owl and little owl species.

- A study commissioned to analyse the degree of adaptation of bird species to the study commissioned to analyse the degree of adaptation of bird species to the presence of the solar PV parks, with special emphasis on the lesser kestrel and Montagu's harrier species.

- Stands for wild rabbits built to help the breeding and survival of this species.

Greco, European Owl

Albeniz, Short-toed Snake-eagle

Parnassos National Park, Greece

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

Jaén, Spain

The Rock, Norway

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

Board and Employee Diversity
The Board of Directors is appointed based on expertise and merit, being mindful of the benefits generated by diversity. The Board comprises members with different skills and experiences, while endeavouring to comply with the Listing Rules on diversity. The current Board comprises three men and two women, all non-executive Directors who have a significant number of years of experience in their relevant fields. Additionally, the Investment Adviser is also mindful of the benefits provided by diversification, both in culture (some 60 nationalities are represented among its employees), and in gender (its gender ratio is 62% male and 38% female).

AER Board:		**Investment Adviser:**		
Men	**Women**	**Men**	**Women**	**5 Gen**
3	**2**	**62%**	**38%**	
		60		
		Different nationalities		

INVESTMENT POLICY AND KEY PERFORMANCE INDICATORS

At a General meeting held on 30 September 2024 shareholders approved the following New Investment Policy:

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

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

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

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

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

HEDGING
The Company does not intend to use hedging or derivatives for investment purposes but may from time to time use derivative instruments such as futures, options, futures contracts and swaps (collectively 'Derivatives') to protect the Company from fluctuations of interest rates or electricity prices. The Derivatives must be traded on a regulated market or by private agreement entered into with financial institutions or reputable entities specialising in this type of transaction.

LIQUIDITY MANAGEMENT
The AIFM will ensure a liquidity management system is employed for monitoring the Company's or its subsidiary, Tesseract Holdings Limited's (the "Group") liquidity risks. The AIFM will ensure, on behalf of the Group, that the Group's liquidity position is consistent at all times with its investment policy, liquidity profile and distribution policy.

Any cash received by the Group as part of the realisation process (net of any transaction costs and repayment of borrowings) will be held by the Group as cash on deposit and/or will be invested in cash equivalents, near cash instruments, bearer bonds and money market instruments pending its return to Shareholders.

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

At the time of entering into (or acquiring) any new long-term structural debt (including limited recourse debt), total long- term structural debt will not exceed 50 per cent of the prevailing Gross Asset Value. For the avoidance of doubt, in calculating gearing, no account will be taken of any Renewable Energy Infrastructure Investments that are made by the Company by way of a debt or a mezzanine investment.

In addition, total short-term debt will be subject to a separate gearing limit so as not to exceed 25 per cent of the Gross Asset Value at the time of entering into (or acquiring) any such short-term debt.

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

DIVIDEND POLICY
As announced on 13 February 2025, the Board implemented a change in the Company's future dividend policy. Following the shareholder vote to approve a Managed Wind -Down of the Company, it is the Board's intention to continue paying dividends covered by earnings and taking into account the Company's liquidity position, in order to maintain the Company's investment trust status. As such, the Board will no longer be able to provide forward guidance as to the level of dividend for the year ahead. Shareholders should also note that the Board will no longer seek to smooth the level of dividend over a financial year to reduce the impact of the seasonality of earnings and that, in addition the level of dividend payments are expected to decline as assets are realised (such as Tesla), gearing is reduced and capital is returned to shareholders.

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

KEY PERFORMANCE INDICATORS ("KPIS")
The Board measures the Company's success in achieving its investment objective by reference to the following KPIs:

(i) Achievement of NAV and Share Price Growth since IPO[1] (June 2019)
(8.4%) 2024
2023: (20.8%)

(ii) Maintenance of a Reasonable Level of Premium or Discount of Share Price to NAV[1]
(22.1%) 2024
2023: (20.3%)

The Board monitors both the NAV and share price performance and compares with other similar investment trusts. A review of performance is undertaken at each quarterly Board meeting and the reasons for relative under and over-performance against various comparators is discussed. The Company's NAV total return[1] and total shareholder return since IPO[1] (June 2019) to 31 December 2024 was 12.5% and -8.4% (2023: 20.8% and -1.6%) respectively. The Company's NAV total return[1] and share price total return[1] for the year to 31 December 2024 was -8.2% and -8.6% (2023: -6.0% and -9.0%) respectively. On an annualised basis, the NAV total return[1] per Ordinary Share has achieved 2.2% since IPO.

The Chairman's Statement in the Annual Report incorporates a review of the highlights during the year. The Investment Adviser's Report in the Annual Report highlights investments made and the Company's performance during the year.

The Company's Broker monitors the premium or discount on an ongoing basis and keeps the Board updated as and when appropriate. At quarterly Board meetings, the Board reviews the premium or discount in the year since the previous meeting, in comparison with other investment trusts with a similar mandate. The share price closed at a 22.1% discount to the NAV as at 31 December 2024 (2023: 20.3% discount).

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

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

(iii) Maintenance of a Reasonable Level of Ongoing Charges[1]
1.1% 2024
2023: 1.1%

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

The Board receives management accounts containing an analysis of expenditure which it reviews at its quarterly Board

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

Based on the Company's average net assets during the year ended 2024, the Company's ongoing charges figure was 1.1% (2023: 1.1%) calculated in accordance with the Association of Investment Companies ("AIC") methodology.

The Board approved a target dividend of 5.79 cents per Ordinary Share ('2024 Target Dividend') in relation to the year ended 31 December 2024. Following the shareholder vote to approve a Managed Wind-Down of the Company, it is the Board's intention to continue paying dividends covered by earnings and taking into account the Company's liquidity position, in order to maintain the Company's investment trust status. The fourth quarterly dividend was therefore lower than anticipated in the 2024 Target Dividend amounting to 0.79 cents per share, as opposed to 1.4475 cents planned quarterly instalment. The actual total dividend declared for 2024 was 5.1325 cents.

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

SECTION 172

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

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

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

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

COMPANY'S OPERATING MODEL
The Company was listed on the main market of the London Stock Exchange on 5 June 2019 and listed on the Euronext Growth Dublin Exchange on 2 October 2023. The Company's investments are held via its sole subsidiary, Tesseract Holdings Limited, which, in turn, holds the investment portfolio via a number of Special Purpose Vehicles ("SPVs").

Shareholders

Investment

Service Providers and Company Advisers
(Company Secretary, Lawyers, Brokers, Administrators, Registrars)

The Company

Alternative Fund Manager
FundRock Investment Management Company (Guernsey) Limited

Subsidiary Investment

Tesseract Holdings Limited
(Portfolio Holding Company)

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. These activities include meetings, annual reviews, presentations and publications and enable the Board to ensure it fulfils its strategies and discharge its duties under section 172(1) of the Act.

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

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

At its quarterly Board meetings, the Board reviews and discusses detailed reports from the Company's broker and media PR consultants in relation to the Company's share performance, trading and liquidity as well as the composition of, and changes to, the register of shareholders. Shareholders' views are also considered by the Board at those meetings to assist the Board's decision-making process and to ensure expected returns are achieved and sufficient capital is available to invest in appropriate renewable energy infrastructure investments, and to grow the business in line with strategy and expectation.

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

SHAREHOLDER - COMMUNICATION
To help the Board in its aim to act fairly between the Company's members, it seeks to ensure effective communication is provided to all shareholders. The Board encourages shareholders to attend the Annual General Meeting or General Meetings, where Directors and representatives of the Investment Adviser are available to meet shareholders in person and

Meetings, where Directors and representatives of the Investment Adviser are available to meet shareholders in person and answer questions. The Annual Report and half-yearly financial statements are distributed to the Company's shareholders and made available on the Company's website. The quarterly factsheet is also available on the Company's website.

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

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

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

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

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

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

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

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

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

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

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

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

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

LIQUIDITY CONSIDERATIONS

Additionally at its quarterly board meetings, the Board considers liquidity considerations of the Company and the HoldCo. As at 31 December 2024, the Company and the HoldCo had EUR 21.91 million of liquidity consisting of EUR 4.75 million in cash on hand plus EUR 17.16 million in an undrawn revolving credit facility ("**RCF**"). The Board recently decided to let the RCF expire on 18 April 2025 given the Company's focus on the Managed Wind-Down process and subsequent change in investment policy, whilst also minimising fees and expenses.

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

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

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

KEY DECISIONS MADE DURING THE YEAR
Decisions Relating to the Company's Portfolio of Assets
On 27 September 2024, the Company announced the completion of the sale of its 25.9% interest in Tesla to Sunnhordland Kraftlag AS for EUR 27.0 million, representing a premium of EUR 2.6 million above the prevailing valuation reflected in the Company's Q2 2024 NAV.

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

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

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

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

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

Now that the Company has entered Managed Wind-Down, the Board have proposed that the dividends are paid in order to maintain investment trust status which require the Company to pay out 85% of qualifying revenue every year. The fourth quarterly dividend was therefore lower than anticipated in the 2024 Target Dividend amounting to 0.79 cents per share, as opposed to 1.4475 cents planned quarterly instalment. The actual total dividend declared for 2024 was 5.1325 cents.

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

RISK AND RISK MANAGEMENT

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

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

1. **Investment Adviser:** the Investment Adviser provides a report to the Board quarterly, or periodically as required, on industry trends, insight to future challenges in the renewable sector including the regulatory, political and economic changes likely to affect the renewables sector;

2. **Alternative Investment Fund Manager:** following advice from the Investment Adviser and other service providers, the AIFM maintains a register of identified risks including emerging risks likely to affect the Company;

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

4. **Company Secretary:** briefs the Board on forthcoming governance changes that might affect the Company; and

5. **Financial Adviser:** Rothschild & Co provide advice on the Managed Wind-Down process and highlight any risks

associated with the process in advance to provide the Board with an opportunity to take appropriate action.

PROCEDURE FOR OVERSIGHT

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

PRINCIPAL RISKS

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

Economic, Political and Market

Risks	Potential Impact/Description	Mitigation
1. **Electricity Prices**	The income and value of the Company's investments may be affected by future changes in the market price of electricity. While some of the revenues of the Company's investments benefit from fixed prices, they are also partly dependent on the wholesale market price of electricity, which is volatile and is affected by a variety of factors, including: • market demand; • generation mix of power plants; • government support for various forms of power generation; • fluctuations in the market price of commodities; and • foreign exchange. There is a risk that the actual prices received vary significantly from the model assumptions, leading to a shortfall in anticipated revenues by the Company. Increased EU goals to push green economies will lead to a ramp up of renewables and capacities, with potential to lead to grid oversupply issues resulting in pricing pressures. The current energy geopolitical situation in Europe is continuing to lead to uncertainty and potential volatility in energy prices, which in turn may have an impact on performance.	The Company holds a balanc subsidies as well as long-ter the next five years (on a pre generated via government ta revenue from volatile electric The Investment Adviser retai to assist with determining fut The underlying SPV compani options, futures contracts an electricity prices. The Investment Adviser mode basis and will recommend ap has a dedicated team which i executing of all PPAs. The Investment Adviser revie Should changes be required t to the AIFM and Board.
2. **Equity Market Volatility and Shareholder Pressure**	Volatility can allow significant equity positions to be built and the risk that a sole shareholder increases its ownership to such an extent that they are able to exert significant influence over the Company and decisions made by the Board.	Shareholder analysis is obtai largest shareholders. The vie the Company and any conce
3. **Change in Political Sentiment**	A change in political direction or regulation in one of the countries in which the Company targets investment could lead to changes, reductions, caps or withdrawals of government support arrangements, a windfall tax or potentially the nationalisation of investments. This could have a material impact on the valuation of the investments and the Company's net asset value. Environmental groups may put pressure on the government in relation to its renewables ambitions and permits due to environmental concerns and impact on the projects.	The AIFM, advised by the Inv continuously monitors all juris The Investment Adviser has ongoing monitoring of these r monitored by the Investment ongoing basis.

Operational

Risks	Potential Impact/Description	Mitigation
4. **Counterparty Risk**	The majority of the operational risk in the Company's investments is retained by the counterparty or its subcontractors. Failure to properly operate and maintain assets may result in reduction of revenues and value of assets. However, some risks will remain within the investment. Poor performance by a subcontractor may lead to the need for a replacement, which could have cost implications, impacting the performance of the investment and potentially distributions to the Company until the issue is resolved. The value of the Company's investments and the income they generate may be affected by the failure of counterparties to comply with their obligations under a PPA.	Operation and maintenance (counterparty who is respons maintenance of that asset. Th counterparty has the experie monitors compliance on an o Constant monitoring of the inv providers allows the Investm Diversification of counterpart limited. The Investment Adviser asse before they become counter
5. **Performance of the Investment Adviser**	Aquila Group manages over EUR 15.4 billion for clients worldwide. There is a risk that sufficient resources and personnel are not allocated to the Company. The Investment Adviser employs experienced executives to manage the Company's investments. There is a risk that a key person leaves the Investment Adviser.	The strength and depth of the a key person's departure. Se ensure they are satisfied wit
6. **IT Security**	A hacker or third party could obtain access to the Investment Adviser or any other service provider and destroy data or use it for malicious purposes. Data records could be destroyed, resulting in an inability to make investment decisions and monitor investments. Risk that the emergence of increasingly advanced AI will lead to new risks to the Company, including, but not limited to, decline in human autonomy, increased cybersecurity vulnerabilities, data loss, impersonation for the purposes of extracting information or money. The pandemic and, more recently the Russian and Ukraine war, has increased IT security concerns and threats being posed to the Company and operating structure by hackers that may lead to loss of information or even a cash loss.	Service providers have been in the sector. Each service p Company on their cyber polic external audit reviews of the The Investment Adviser and policies in place, and have a provide support for emergen resumption, and repair of the disturbance or incident, and t security concept. The Investment Adviser's in- protective measures taken b vigilance against cyber-attac infrastructure of the investme from direct attacks. For indire transmission system) the va providers are required to mai possible damages.

Financial

Risks	Potential Impact/Description	Mitigation
7. **Portfolio Valuation**	There is a risk the Company's asset valuations and underlying assumptions, such as future electricity prices and discount rates, are not a fair reflection of the market, meaning the investment portfolio could be over or under-valued which could impact the Managed Wind- down process and the Company's need to achieve the best price possible for the Company's assets.	The principal component of th renewable investments. Each market value of the investmer Adviser. These valuations ar by the Board before being ap The Investment Adviser has a renewable assets built up ov The Investment Adviser and I feedback on valuation metho
8. **Risks associated with the Managed Wind-down process**	There are several risks associated with the Company's Managed Wind-down process as follows: 1. The Board may not be able to achieve the best price for the Company's assets. 2. The Managed Wind-Down process may take longer than expected which could prove detrimental to the sales price achievable if the market were to take a downturn. 3. An orderly Wind-Down is reliant on a willingness to transact from potential buyers, confirmation that they have funding sources available and the completion of due diligence/relevant legal documentation.	The Board engaged Rothschi with the sales process. Roth the sector, with deep creden
9. **Leverage Risk/ Interest Risk**	The use of leverage creates risks including: - exposure to interest rates, which can fluctuate; - covenant breaches; - liquidity risks; - enhanced loss on underperforming investments; and - the ability to refinance assets impacts asset returns and cash flows. Fluctuations in interest rates may affect discount rates applied to the portfolio valuations, as well as affecting cost of debt in both the underlying SPVs and the Company.	Now that the Company is in M Company will take on any nev management of the Company of leverage to: - short-term debt: 25% o - long-term structural deb As at 31 December 2024, the had 0% of short-term debt ar structured debt as a percenta these policy restrictions and r The Investment Adviser provi and to the Board periodically, Interest rate risk on bank deb instruments. Liquidity and forward looking Investment Adviser and AIFM debt is non-recourse, largely

Compliance, Tax and Legal

Risks	Potential Impact/Description	Mitigation
10. **Changes to Tax Legislation or Rates**	Changes in tax legislation, base erosion and profit shifting rules, substance, withholding tax rules and rates, could result in tax increases, resulting in a decrease in income received from the Company's investments. A windfall tax on profits from an investment levied by government.	The corporate structure of th and its advisers. The Board h recent introduction of the wir across Europe to curb profits the impact on the Company's Investment Adviser's Report. The Investment Adviser work providing structuring recomm an ongoing basis.
11. **Regulatory and Compliance Changes**	The Company fails to comply with section 1158 of the Corporation Tax Act to ensure maintenance of investment trust status, UK Listing Authority regulations including Listing Rules, Foreign Account Tax Compliance Act and Alternative Investment Fund Managers Directive ("AIFMD"). The Company fails to comply with relevant ESG rules and regulations and fails to monitor those such as the SFDR, changing disclosure requirements and greenwashing risks. Failure to comply with the relevant rules and obligations may result in reputational damage to the Company or have a negative financial impact. Possible uncertainty remains with post-Brexit negotiations and eventual trade deals agreed. Additionally, the Company operates in multiple markets throughout Europe, and some have shown signs of changes or potential changes in regulation as a response to high power prices.	The Board has sought guidar ensure the Company complies particularly during the Manag All service providers, includir Investment Adviser and AIFM comprehensive reporting to th The AIFM is experienced in c reports at least quarterly to th The Investment Adviser moni Company operates. The Company complies with a looks to comply with local rec

Emerging Risks

Risks	Potential Impact/Description	Mitigation
12. **Climate-related risks**	Climate-related risks can be categorised as physical or transitional risks. Physical risks are those associated with the physical effects of climate change. They can be event-based (acute), such as cyclones, hurricanes, wildfires, heatwaves, pandemics, droughts and floods; or longer-term (chronic) shifts in climate patterns, such as sustained higher temperatures with melting of glaciers and ice sheets causing sea-level rise, permafrost melting, chronic heatwaves and desertification, extreme variability in precipitation, land degradation and changes in air quality. Transitional risks are those that arise as economies move towards less-polluting, greener solutions. These include externally imposed risks such as the effect of legal and regulatory requirements or policy changes, changes in societal demands, advances in technologies, market changes and the consequent business decisions taken to respond to such changes. Transitional risks have the potential to crystallise suddenly, for example as a result of policy changes. Physical or transitional climate-related risks could affect the operation of the Company's assets and hence the production or revenue generated by the portfolio assets.	The Company should be suffi the event of unforeseen char change. Insurance is usually physical damage due to flood Financial model forecasts are amount of electricity generati both in any single year and o underachieved) data sourced external service providers. T physical and transitional risks portfolio.
13. **Global Conflict**	As evidenced with the ongoing war in Ukraine and the various restrictions imposed, as well as the conflict in Gaza, acts of war and resulting sanctions can	The Investment Adviser, usin geopolitical and macro -econ

lead to O&M supply delays, volatile energy markets and general uncertainty. This can also lead to short-term price increases and more focus on renewable energy infrastructure and increased competition for assets. In addition, there is the increased possibility of a trade war following the implementation of tariffs imposed by the US administration, and other implications of changes and, particularly the foreign policy of the US administration.	external geopolitical and risk a The Company does not have Gaza. There are also no direc countries. The Company has limited exp The Broker, Administrator, AI Board as soon as they are av Company or its business.

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

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

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

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

The Company's subsidiary, Tesseract Holdings Limited, and its SPVs have a modest gearing level representing 32.2% as at 31 December 2024 of the Company's Gross Asset Value, comprised of non -recourse debt at the asset level of EUR 152.0 million. The Board recently decided to let Tesseract Holdings Limited's RCF expire on 18 April 2025, given the Company's focus on the Managed Wind-Down process and subsequent change in investment policy, whilst also minimising fees and expenses. The revolving credit facility had a drawn balance of zero, whilst approximately EUR 2.8 million had been utilised to issue bank guarantees in relation to the Company's Spanish solar PV portfolio. To accommodate the expiry of the RCF and maintain compliance with the facility agreement, Tesseract Holdings Limited committed approximately EUR 2.8 million to cash cover the bank guarantees.

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

As part of their analysis, the Board were mindful that the Company's portfolio of assets, held via its subsidiary, Tesseract Holdings Limited, are predominantly fully constructed and operating renewable electricity generating facilities with asset lives significantly in excess of the period under consideration.

This assessment also included a detailed review of the issues arising following the war in Ukraine and conflict between Israel and Hamas in Palestine, tariffs in USA, potential trade war, high volatility in commodity prices, the windfall revenue clawback on inframarginal technologies (e.g. solar PV, wind, nuclear, hydro) and other taxes that currently face the Company's assets as disclosed in the Principal Risk section in the Annual Report and in the Investment Adviser's Report in the Annual Report •. The Board have also considered the impact of climate related events on the Company's assets and on its ability to continue to produce electricity.

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

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

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

OUTLOOK
The outlook for the Company, including the future development and performance of the Company, is discussed in the Chairman's Statement in the Annual Report and the Investment Adviser's Report in the Annual Report.

STRATEGIC REPORT
The Strategic Report of this Annual Report was approved by the Board of Directors on 24 April 2025.

FOR AND ON BEHALF OF THE BOARD,

IAN NOLAN
Chairman of the Board
24 April 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

- select suitable accounting policies and then apply them consistently;

- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;

- make judgements and accounting estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

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

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

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

- the Company financial statements, which have been properly prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company; and

- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties it faces.

FOR AND ON BEHALF OF THE BOARD
DAVID MACLELLAN
Director
24 April 2025

FINANCIALS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

		For the year ended 31 December 2024		
	Notes	Revenue (EUR '000)	Capital (EUR '000)	Total (EUR '000)
Unrealised losses on investments	4	**-**	**(39,443)**	**(39,443)**
Net foreign exchange losses		**-**	**(29)**	**(29)**
Interest income	5	**13,665**	**-**	**13,665**
Dividend income	5	**-**	**-**	**-**
Other income	5	**14**	**-**	**14**
Investment advisory fees	6	**(2,331)**	**-**	**(2,331)**
Other operating expenses	7	**(1,615)**	**-**	**(1,615)**
Profit/(Loss) on ordinary activities before finance costs and taxation		**9,733**	**(39,472)**	**(29,739)**
Finance costs	8	**(2)**	**-**	**(2)**
Profit/(Loss) on ordinary activities before taxation		**9,731**	**(39,472)**	**(29,741)**
Taxation	9	**-**	**-**	**-**
Profit/(Loss) on ordinary activities after taxation		**9,731**	**(39,472)**	**(29,741)**
Return per Ordinary Share - Diluted and Undiluted (cents)	10	**2.57**	**(10.44)**	**(7.87)**

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

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

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

The notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

Non-current assets
Investments at fair value through profit or loss

Total non-current assets

Current assets
Trade and other receivables
Cash and cash equivalents

Total current assets

Total Assets

Current liabilities
Trade and other payables

Total current liabilities

Total Liabilities

Net assets

Capital and reserves: equity
Share capital
Share premium account
Special reserve
Capital reserve
Revenue reserve

Total Shareholders' funds

Net assets per Ordinary Share (cents)

The financial statements were approved by the Board of Directors on 24 April 2025 and signed on its behalf by:

DAVID MACLELLAN
Director
Company number 11932433

The notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital (EUR'000)	Share premium account (EUR'000)	Special reserve (EUR'000)
Opening equity as at 1 January 2024		**4,082**	**255,643**	**87,717**
Strategic review costs		**-**	**-**	**(928)**
Profit/(loss) for the year		**-**	**-**	**-**
Dividends paid	**16**	**-**	**-**	**(11,702)**
Closing equity as at 31 December 2024		**4,082**	**255,643**	**75,087**

	Notes	Share capital (EUR'000)	Share premium account (EUR'000)	Special reserve (EUR'000)
Opening equity as at 1 January 2023		4,082	255,643	125,082
Strategic review costs	13	-	-	(27,964)
Profit/(loss) for the year		-	-	-
Dividends paid	16	-	-	(9,401)
Closing equity as at 31 December 2023		4,082	255,643	87,717

The notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

Operating activities
Loss on ordinary activities before finance costs and taxation
Adjustment for:
Unrealised losses on investments
Finance costs paid
Strategic review cost
Decrease in trade and other receivables
Decrease in trade and other payables

Net cash flow from operating activities

Investing activities
Loan principal repayment received

Net cash flow from investing activities

Financing activities
Share buybacks
Dividends paid

Net cash flow used in financing activities

Decrease in cash
Cash and cash equivalents at start of year
Cash and cash equivalents at end of year

The notes are an integral part of these financial statements.

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

1. GENERAL INFORMATION

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

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

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

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

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

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

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006, as applicable to companies reporting under those standards. The financial statements are prepared on the historical cost basis, except for the revaluation of certain financial instruments at fair value through profit or loss. The principal accounting policies adopted are set out below. These policies are consistently applied.

The functional currency of the Company is euros as this is the currency of the primary economic environment in which the Company operates. Accordingly, the financial statements are presented in euros, rounded to the nearest thousand euros, unless otherwise stated. The EUR/GBP exchange rate as of 31 December 2024 was 0.8267 (2023: 0.8669).

Accounting for Subsidiary

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

Characteristics of an Investment Entity

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

I. Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;

management services;

II. Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

III. Company measures and evaluates the performance of substantially all its investments on a fair value basis.

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

I. the Company has multiple investors and obtains funds from a diverse group of Shareholders who would otherwise not have access individually to investing in renewable energy infrastructure investments due to high barriers to entry and capital requirements;

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

III. the Company measures and evaluates the performance of all its investments, held via HoldCo, on a fair value basis which is the most relevant for investors in the Company. Management use fair value information as a primary measurement to evaluate the performance of all the investments and in decision-making.

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

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

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

Going Concern

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

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

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

Critical Accounting Judgements, Estimates and Assumptions

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

Key Judgements

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

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

The Holdco is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Holdco's Shareholder loans are solely principal and interest, however, these securities are not held for the purpose of collecting contractual cash flows. The collection of contractual cash flows is only incidental to achieving the Holdco's business models objective. Consequently, all investments are measured at fair value through profit or loss. The Holdco considers the equity and Shareholder loan investments to share the same investment characteristics and risks and they are therefore treated as a single unit of account for fair value purposes (IFRS 13) and a single class for financial instrument disclosure purposes (IFRS 9).

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

Estimates: Investments at Fair Value Through Profit or Loss

Estimated Investments at Fair Value Through Profit or Loss
The key assumptions that have a significant impact on the carrying value of the Company's underlying investments in SPVs through Holdco are the discount rates, useful lives of the assets, the rate of inflation, the price at which the power and associated benefits can be sold, the amount of electricity the assets are expected to produce and operating costs of the SPVs.

The discount rates are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value. The discount rates applied to the cash flows are reviewed annually by the Investment Adviser to ensure they are at the appropriate level. The Investment Adviser will take into consideration market transactions, which are of similar nature, when considering changes to the discount rates used. The weighted average discount rate applied in the December 2024 valuation was 7.3% (2023: 7.2%).

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

Climate risks can also impact the carrying value of the Company's underlying investments. The Company relies (via the HoldCo or relevant SPVs) on third party technical advisers to consider the impact of climate risks when assessing P50 production forecasts. For example, the impact of increasing temperatures on precipitation, evapotranspiration and its subsequent impact on P50 production was recently considered by a third party technical adviser as part of due diligence related to a refinancing for the Company's hydropower asset, Sagres.

The price at which the output from the generating assets is sold is a factor of both wholesale electricity prices and the revenue received from the government support regime. Future power prices are estimated using external third -party forecasts which take the form of specialist consultancy reports. The future power price assumptions are reviewed as and when these forecasts are updated. There is an inherent uncertainty in future wholesale electricity price projection. Long-term power price forecasts are provided by a leading market consultant, updated quarterly, and may be adjusted by the Investment Adviser where more conservative assumptions are considered appropriate.

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

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

The operating costs of the SPV companies are frequently partly or wholly subject to inflation and an assumption is made that inflation will increase at a long- term rate. The SPVs valuation assumes long-term inflation of 2.0% (2023: 2.0%). The impact of physical and transition risks associated with climate change is assessed on a project by project basis and factored into the underlying cash flows as appropriate.

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

New Standards, Interpretations and Amendments Adopted from 1 January 2024
A number of new standards and amendments to standards are effective for the annual periods beginning after 1 January 2024. None of these have a significant effect on the measurement of the amounts recognised in the financial statements of the Company.

New Standards and Amendments Issued but not yet Effective
The relevant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Company does not expect these amendments to have a material impact on its operations or financial statements.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

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

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

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)
IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of comprehensive income and providing management-defined performance measures within the financial statements.

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

- Although the adoption of IFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statement of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the following might potentially impact operating profit:

    - Foreign exchange differences currently aggregated in the line item 'Net foreign exchange loss/gain' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

- The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

    - management-defined performance measures;

    - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of comprehensive income - this break-down is only required for certain nature expenses; and

    - for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of comprehensive income between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

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

3. MATERIAL ACCOUNTING POLICIES

Financial Instruments

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

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

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

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

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

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

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

Taxation

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

Deferred Taxation

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

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

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

Segmental Reporting

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

Income

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

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

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

Expenses

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

Payment of Investment Advisory Fees in Shares

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

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

Foreign Currency

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

Cash and Cash Equivalents

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

Share Capital, Special Reserve and Share Premium Account

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

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

4. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Summary of valuation

Analysis of closing balance:

Investments held at fair value through profit or loss

Total investments

(b) Movements during the year

Opening balance of investments, at cost

Repayments during the year
Cost of investments
Revaluation of investments to fair value:
Unrealised movement in fair value of investments
Balance of capital reserve - investments held
Fair value of investments

c) Losses on investments in year (per Statement of Comprehensive Income)
Movement in unrealised revaluation of investments held

Losses on investments

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

Fair Value Measurements

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

Level 1
The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3
Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

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

Due to the nature of the investments, they are always expected to be classified as level 3. There have been no transfers between levels during the year ended 31 December 2024 (2023: none).

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

Opening balance
Additions during the year
Repayments during the year
Unrealised losses on investments adjustments

Closing balance

Valuation Methodology

The Company owns 100% of its subsidiary Tesseract Holdings Limited. The Company meets the definition of an investment entity as described by IFRS 10; as such, the Company's investment in the HoldCo is valued at fair value. HoldCo's cash, working capital balances and fair value of investments are included in calculating fair value of the HoldCo.

The Company acquired underlying investments in SPVs through its investment in the HoldCo.

The Investment Adviser has carried out fair market valuations of the SPV investments as at 31 December 2024 and the Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation.

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

Valuation Assumptions

As at 31 December 2024

Discount rates	The discount rate used in the valuations is calculated according to internationally recognised method
	Typical components of the discount rate are risk-free rates, country-specific and asset-specific risk pr
Power price	Power prices are based on captured power price forecasts from leading market analysts. The foreca with coverage in almost all European markets as well as providers with regional expertise. The appro solar PV and hydropower) remains unchanged with the first two using a blend of two power price curv power price curve providers.
Energy yield/load factors	Estimates are based on third-party energy yield assessments, which consider historic production dat

Inflation rates	Long-term inflation is based on the monetary policy of the European Central Bank.
Asset life	In general, an operating life of 25 to 30 years for onshore wind energy and 40 years for solar PV is ass 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 as
Taxation rates	Underlying country-specific tax rates are derived from due diligence reports from leading tax consultin

Valuation Sensitivities

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

For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the SPVs remains static throughout the modelled life. The determination of what qualifies as 'observable' data requires significant judgement. Observable data is defined as market information that is readily available, regularly updated, reliable, verifiable, non-proprietary, and sourced from independent entities actively participating in the relevant market.

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

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

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

(i) Discount Rates

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

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

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

	-0.5% Change		
Discount rate	**NAV per share impact in (EUR cents)**	**NAV Impact (EUR '000)**	**1 (**
Valuation as of 31 December 2024	**4.5**	**337,338**	

(ii) Power Price

Long-term power price forecasts are provided by leading market consultants and are updated quarterly. The sensitivity below assumes a 10% increase or decrease in merchant power prices relative to the base case for every year of the asset life.

The sensitivity considers a flat 10% movement in power prices for all years, i.e. the effect of adjusting the forecast electricity price assumptions in each of the jurisdictions applicable to the SPV down by 10% and up by 10% from the base case assumptions for each year throughout the operating life of the SPV.

Note the Company intends to renew power price hedges (e.g. in the form of PPAs or other mechanisms) before the existing contracts (PPAs and government regulated tariffs) expire. This rolling hedge strategy is not reflected in the sensitivities illustrated above. When renewing the existing hedges, the Company's power price exposure and, therefore, its sensitivity towards power prices, decreases.

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

	-0.5% Change		
Power price	**NAV per share impact in (EUR cents)**	**NAV Impact (EUR '000)**	**1 (**
Valuation as of 31 December 2024	**(10.5)**	**280,529**	

(iii) Energy Yield

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

The sensitivity is applied throughout the next ten years.

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

Energy yield	NAV per share impact (EUR cents)	P90 10 years (EUR '000)
Valuation as of 31 December 2024	**(5.4)**	**299,629**

(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)
Valuation as of 31 December 2024	**(2.9)**	**309,168**

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

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

Asset life	NAV per share impact (EUR cents)	-1 year (EUR '000)
Valuation as of 31 December 2024	**(1.4)**	**315,074**

(vi) Operating Expenses
The sensitivity shows the effect of a 10.0% decrease and a 10.0% increase to the base case for annual operating costs for the SPV, in each case assuming that the change to the base case for operating costs occurs with effect from 1 January 2025 and that change is applied for the remaining life of the assets.

An increase or decrease in operating expenses by 10% at SPV level has the following effect on valuation, as shown below.

Operating expenses	NAV per share impact (EUR cents)	-10.0% (EUR '000)
Valuation as of 31 December 2024	**4.3**	**336,464**

5. INCOME

Income from investments

Interest income from shareholder loans
Dividend income
Bank interest income
Other income

Total Income

6. INVESTMENT ADVISORY FEES

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

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

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

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

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

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

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

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

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

In respect of the year ended 31 December 2023	Investment advisory fees (EUR)	Fair value of issue/ purchase price (cents)
31 March 2023	767,841	98.86
30 June 2023	728,290	87.00

7. OTHER EXPENSES

	For the year ended 31 December 2024		
	Revenue (EUR'000)	**Capital (EUR'000)**	**Total (EUR'000)**
Secretary and administrator fees	**198**	**-**	**198**
Tax compliance	**21**	**-**	**21**
Directors' fees	**192**	**-**	**192**
Directors' other employment costs	**66**	**-**	**66**
Broker retainer	**57**	**-**	**57**
Audit fees - statutory[1, 2]	**368**	**-**	**368**
AIFM fees	**149**	**-**	**149**
Registrar's fees	**29**	**-**	**29**
Marketing fees	**116**	**-**	**116**
FCA and listing fees	**115**	**-**	**115**
Legal fees	**190**	**-**	**190**
ESG rating fees	**-**	**-**	**-**
AIC and other regulatory fees	**33**	**-**	**33**
Other expenses[3]	**81**	**-**	**81**
Total expenses	**1,615**	**-**	**1,615**

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

Other operating expenses have been analysed and presented by nature.

8. FINANCE COSTS

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

9. TAXATION

(a) Analysis of Tax Charge in the Year

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

(b) Factors Affecting Total Tax Charge for the Year

The effective UK corporation tax rate applicable to the Company for the year is 25.0% (2023:23.5%). The tax charge differs from the charge resulting from applying the standard rate of UK corporation tax for an investment trust company.

The differences are explained below:

	For the year ended 31 December 2024		
	Revenue (EUR'000)	**Capital (EUR'000)**	**Total (EUR'000)**
Profit/(loss) on ordinary activities before taxation	**9,731**	**(39,472)**	**(29,741)**
Corporation tax at 25.0% (2023: 23.52%)	**2,433**	**(9,868)**	**(7,435)**
Effects of:			
Loss on investments held at fair value not allowable	**-**	**9,861**	**9,861**
Foreign exchange loss not allowable	**-**	**7**	**7**

Foreign exchange loss not allowable	-	7	7
Dividend income not taxable	-	-	-
Expenditure not deductible for tax purposes	**48**	-	**48**
Movement in management expenses not utilised/deferred tax not recognised	**18**	-	**18**
Impact of tax-deductible interest distributions	**(2,499)**	-	**(2,499)**
Total tax charge for the year	-	-	-

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

The Company has unrelieved excess management expenses of EUR 1,345,619 (2023: EUR 1,157,548). It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised. The unrecognised deferred tax asset calculated using a tax rate of 25.0% (2023: 25.0%) amounts to EUR 336,405 (2023: EUR 289,387).

10. RETURN PER ORDINARY SHARE

Revenue return after taxation (EUR '000)
Capital return after taxation (EUR '000)
Total return (EUR '000)
Weighted average number of Ordinary Shares

Weighted average number of shares used as the denominator
Weighted average number of Ordinary Shares used as the denominator in calculating earnings per share

11. TRADE AND OTHER RECEIVABLES

Prepaid expenses

Total

12. TRADE AND OTHER PAYABLES

Accrued expenses
Deferred consideration payable

Total

13. SHARE CAPITAL

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

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

There were no shares issued during the year to 31 December 2024 (2023: none).

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

14. SPECIAL RESERVE

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

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

15. NET ASSETS PER ORDINARY SHARE

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

16. DIVIDENDS PAID

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

Total dividends paid in the year	For the year ende 31 December 202 Cents per Ordinary Share	(
31 December 2023 interim - Paid 18 Mar 2024 (2023: 17 March 2023)	**1.3775c**	
31 March 2024 interim - Paid 14 June 2024 (2023: 26 May 2023)	**1.4475c**	
30 June 2024 interim - Paid 6 September 2024 (2023: 18 August 2023)	**1.4475c**	
30 September 2024 interim - Paid 9 December 2024 (2023: 17 November 2023)	**1.4475c**	
	---------------	---
Total	**5.7200c**	
	═══════	=

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

Total dividends declared in the year	For the year ende 31 December 202 Cents per Ordinary Share	(
31 March 2024 interim - Paid 14 June 2024 (2023: 26 May 2023)	**1.4475c**	
30 June 2024 interim - Paid 6 September 2024 (2023: 18 August 2023)	**1.4475c**	
30 September 2024 interim - Paid 9 December 2024 (2023: 17 November 2023)	**1.4475c**	
31 December 2024 interim - Paid 18 Mar 2025 (2023: 18 March 2024)[1]	**0.7900c**	
	---------------	---
Total	**5.1325c**	
	═══════	=

17. FINANCIAL RISK MANAGEMENT

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

Market Risk

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

(i) Currency Risk

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

(ii) Interest Rate Risk

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

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

Assets	(
Cash and cash equivalents	
Trade and other receivables	
Investments at fair value through profit or loss	

Total assets	
	=
Liabilities	
Creditors	

Total liabilities	
	=

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

The Company's interest and non-interest-bearing assets and liabilities as at 31 December 2023 are summarised below:

Assets	(
Cash and cash equivalents	
Trade and other receivables	
Investments at fair value through profit or loss	

Total assets	
	=
Liabilities	
Creditors	

Total liabilities	
	=

(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

Price risk is defined as the risk that the fair value of a financial instrument held by the Company will fluctuate. Investments are measured at fair value through profit or loss. As of 31 December 2024, the Company held investments with an aggregate fair value of EUR 320,432,000 (2023: EUR 372,403,000). All other things being equal, the effect of a 10% increase or decrease in the share prices of the investments held at the year end would have been an increase or decrease of EUR 32,043,200 (2023: EUR 37,240,000) in the loss after taxation for the year ended 31 December 2024 and the Company's net assets at 31 December 2024. The sensitivity of the investment valuation due to price risk is shown further in note 4.

(iv) Credit Risk

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

Trade and other receivables
Cash and cash equivalents
Total

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

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

Royal Bank of Scotland	A-
EFG International AG-Daily liquid fund	A (F
Royal Bank of Scotland International	A-
Total	

(v) Liquidity Risk

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

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

	Less than 1 year (EUR '000)	
Trade and other payables	**(1,397)**	
Total	**(1,397)**	

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

	Less than 1 year (EUR '000)	
Trade and other payables	(1,490)	
Total	(1,490)	

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

(vi) Capital and Risk Management

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

The Company considers its capital to comprise Ordinary Share capital, distributable reserves and retained earnings. The Company is not subject to any externally imposed capital requirements. The Company's share capital and reserves that are shown in the Statement of Financial Position total EUR 320,232,000 (2023: EUR 372,541,000).

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

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

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

18. TRANSACTIONS WITH THE INVESTMENT ADVISER AND RELATED PARTY TRANSACTIONS

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

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

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

Fees are payable to the Directors at an annual rate of EUR 75,000 to the Chairman, EUR 52,500 to the Chair of the Audit and Risk Committee and EUR 45,150 to the other Directors. Directors' fees paid during the year were EUR 192,000 (2023: EUR 181,000).

Ian Nolan
David MacLellan
Kenneth MacRitchie
Patricia Rodrigues
Myrtle Dawes

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

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

Ian Nolan
David MacLellan
Kenneth MacRitchie
Patricia Rodrigues
Myrtle Dawes

19. DISTRIBUTABLE RESERVES

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

The revenue reserve is distributable. The amount of the revenue reserve that is distributable may not necessarily be the full amount of the reserve as disclosed within these financial statements of EUR 973,000 as at 31 December 2024 (2023: EUR 1,180,000).

20. UNCONSOLIDATED SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE

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

Subsidiary entity Name and registered address	Effective ownership %	**Investment**	Country of incorporation	**Profit/(loss) for the year ended 31 December 2024 (EUR million)**
Tesseract Holdings Limited Leaf B, 20th Floor Tower 42 Old Broad Street London EC2N 1HQ	100.0	HoldCo subsidiary entity, owns underlying SPV investments	United Kingdom	**(39.4)**

* appointed on the 1st of September 2023.

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

Subsidiary entity Name and registered address	Effective ownership %	Investment	Country of incorporation	**Profit/(loss) for the year ended 31 December 2024 (EUR million)**
Holmen II Wind Park ApS Københavnsvej 81 4000 Roskilde Denmark	100.0	Subsidiary entity, owns investment in Holmen II	Denmark	**1.6**
Aalto Wind No 2 Ltd. Oy c/o Intertrust (Finland) Oy Bulevardi 1, 6th floor FI-00100 Helsinki, Finland	100.0	Subsidiary entity, owns investment in Olhava	Finland	**0.9**
Prettysource Lda	100.0	Subsidiary	Portugal	**(0.1)**

Avenida Fontes Pereira de Melo, n.º 14 11.º floor, 1050 121 Lisbon		entity, owns investment in Benfica III		
Astros Irreverentes Unipessoal Lda Avenida Fontes Pereira de Melo, n.º 14 11.º floor, 1050 121 Lisbon	100.0	Subsidiary entity, owns investment in Benfica III	Portugal	**(0.1)**
Contrate o Sol Unipessoal Lda Rua Filipe Folque no. 10J, 2 Dto, 1050-113 Lisbon	100.0	Subsidiary entity, owns investment in Benfica III	Portugal	**0.1**
Argeo Solar S.L. Paseo de la Castellana 259D, 14S-15, Madrid Spain	100.0	Subsidiary entity, owns investment in Albeniz	Spain	**(2.7)**
Vector Aioliki Desfinas S.A. Salaminos Str. 20 15124 Maroussi Attica, Greece	89.0	Subsidiary entity, owns equity investment in Desfina	Greece	**3.1**
Ega Suria S.L. Paseo de la Castellana 259D Floors 14 and 15 28046 Madrid	100.0	Subsidiary entity, owns investment in Tiza	Spain	**(0.2)**
Azalent Investment SL Paseo de la Castellana 259D Floors 14 and 15 28046 Madrid	100.0	Subsidiary entity, owns investment in Greco	Spain	**(0.4)**
Svindbaek Vindkraft HoldCo ApS Gyngemose Parkvej 50 2860 Søborg Denmark	100.0	Subsidiary entity, owns investment in Svindbaek	Denmark	**(1.3)**
Svindbaek Vindkraft GP ApS Gyngemose Parkvej 50 2860 Søborg Denmark	100.0	Subsidiary entity, General partner to Svindbaek Vindkraft HoldCo ApS	Denmark	(0.0)

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

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

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

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

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

21. POST BALANCE SHEET EVENTS

Revolving Credit Facility

The Board recently decided to let Tesseract Holdings Limited's revolving credit facility expire on 18 April 2025, given the Company's focus on the Managed Wind-Down process and subsequent change in investment policy, whilst also minimising fees and expenses. The revolving credit facility had a drawn balance of zero, whilst approximately EUR 2.8 million had been utilised to issue bank guarantees in relation to the Company's Spanish solar PV portfolio. To accommodate the expiry of the revolving credit facility and maintain compliance with the facility agreement, Tesseract Holdings Limited committed approximately EUR 2.8 million to cash cover the bank guarantees.

Geopolitical events

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

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

Geopolitical risks, inflation, trade policy shifts, and fluctuations in interest rates are all factors whose long-term effects on

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

Managed Wind-Down

On 24 October 2024, the Company announced that the Board has appointed Rothschild & Co as the financial advisor in relation to the Managed Wind-Down process. This process to identify buyers has continued post year end. The objective - very clearly and unambiguously - is to complete the sale process as quickly as possible, providing liquidity to shareholders at a premium to the share price, through realising assets at prices as close as possible to their contribution to the reported Net Asset Value.

OTHER INFORMATION

ALTERNATIVE PERFORMANCE MEASURES

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

DISCOUNT

The amount, expressed as a percentage, by which the share price is more than the NAV per Ordinary Share.

NAV per Ordinary Share (cents)	a
Share price (cents)	b
Discount	(b÷a)-1

ONGOING CHARGES

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

Average NAV (EUR '000)	a
Annualised expenses (EUR '000)	b
Ongoing charges	(b÷a)

TOTAL RETURN

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

As at 31 December 2024	
Opening at 1 January 2024 (cents)	**a**
Dividend adjustment (cents)	**b**
Closing at 31 December 2024 (cents)	**c**
Total return	**((c+b)÷a)-1**

As at 31 December 2023	
Opening at 1 January 2023 (cents)	a
Dividend adjustment (cents)	b
Closing at 31 December 2023 (cents)	c
Total return	((c+b)÷a)-1

As at 31 December 2024	
Opening at IPO	**a**
Dividend adjustment (cents)	**b**
Closing at 31 December 2024 (cents)	**c**
Total return since IPO	**((c+b)÷a)-1**

As at 31 December 2023	
Opening at IPO	a
Dividend adjustment (cents)	b
Closing at 31 December 2023 (cents)	c
Total return since IPO	((c+b)÷a)-1

As at 31 December 2024	
Opening at IPO	**a**
Closing at 31 December 2024	**b**
Dividend adjustment (cents)	**c**
Annualised total return since IPO	**(((b+c)/a) (1/years since IPO))-1[1]**

As at 31 December 2023	
Opening at IPO	a
Closing at 31 December 2023	b
Dividend adjustment (cents)	c
Annualised total return since IPO	(((b+c)/a) (1/years since IPO))-1[1]

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

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.

Net Asset Value (EUR '000)	a
Debt at the SPV level (EUR '000)	b
RCF drawn (EUR '000)[1]	c
Gross Asset Value (EUR '000)	a+b+c

GEARING

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

Gross Asset Value (EUR '000)	a
Debt at the SPV level (EUR '000)	b
RCF drawn (EUR '000)	c
Gearing ratio	(b+c)÷a

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. Notice is hereby given that the Annual General Meeting of Aquila European Renewables Plc will be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF on 19 June 2025.

PUBLICATION OF ANNUAL REPORT AND FINANCIAL STATEMENTS

This announcement does not constitute the Company's statutory accounts as defined in the Companies Act 2006. The financial information for the year to 31 December 2024 will be filed with the Registrar of Companies.

The figures shown above for the year to 31 December 2023 was derived from the 2023 statutory accounts which was approved on 24 April 2024 and delivered to the Registrar of Companies. The auditors reported on the 2023 statutory accounts; their reports were unqualified and did not include a statement under Section 498(2) or (3) of the Companies Act 2006.

The Annual Report for the year ended 31 December 2024 was approved on 24 April 2025. It will be made available on the Company's website at https://www.aquila-european-renewables.com/.

The Annual Report will be submitted to the National Storage Mechanism and will shortly be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

This announcement contains regulated information under the Disclosure Guidance and Transparency Rules of the FCA.