# AQUILA EUROPEAN RENEWABLES PLC

Quarterly Factsheet | Q2 2024

AQUILA CAPITAL

## Key Statistics

| | |
|---|---|
| Listing: | **London Stock Exchange** |
| Ticker: | **AERI** |
| ISIN/WKN: | **GB00BK6RLF66** |
| Investment Advisor: | **Aquila Capital Investment-gesellschaft mbH** |
| 2024 target dividend in EUR cts/share[1]: | **5.79** |

## Key Performance Figures[2]

as at 30 June 2024

| | | | |
|---|---|---|---|
| Share price in EUR<br>**0.6490** | NAV per share in EUR (unaudited)<br>**0.8873** | NAV in mEUR million (unaudited)<br>**335.5** | GAV in mEUR (unaudited)<br>**526.4** |
| No. of shares in issue in millions<br>**378.1** | Market capitalisation in mEUR<br>**245.4** | Discount to NAV per share in %<br>**(26.9%)** | Total shareholder return over quarter in %[3]<br>**(10.3%)** |
| Total shareholder return since IPO in %[3,4]<br>**(12.4%)** | NAV total return over quarter in %[3]<br>**(3.6%)** | NAV total return since IPO in %[3,4]<br>**13.7%** | Dividend (YTD) for 2024 in EUR cts/share[5]<br>**2.8950** |
| Dividend (Q2) approved in EUR cts/share<br>**1.4475** | Dividend yield (2024)[6]<br>**8.9%** | Dividend (Q2) record date<br>**16.08.2024** | Dividend (Q2) payment date<br>**06.09.2024** |

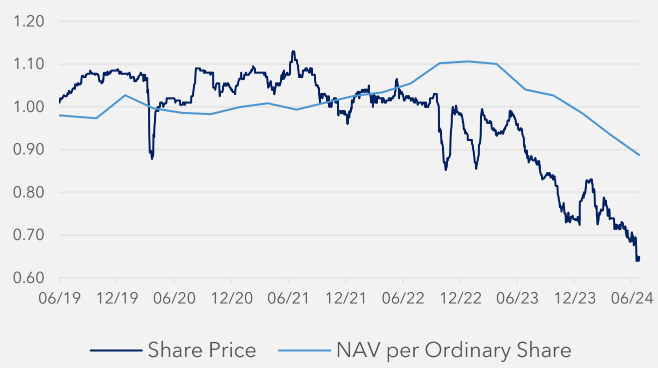
## Investment Strategy and Objective

Aquila European Renewables Plc's (the Company) objective is to provide investors with an attractive long-term, income-based return in EUR through a diversified portfolio of wind, solar PV and hydropower investments across continental Europe and Ireland.

Through diversification of generation technologies, the seasonal production patterns of these asset types complement each other to balance cash flow, while geographic diversification serves to reduce exposure to any one single energy market.

In addition, a balance is maintained between government supported revenues, fixed price power purchase agreements (PPAs) and market power price risk.

**NAV vs. Share Price in EUR**

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## Overview

The Company has completed a significant transformation of its portfolio, both in terms of growth in operating capacity, as well as achieving a more balanced mix between both wind and solar PV technologies. The result is a more efficient balance sheet and a diversified operating portfolio which offers strong cash flow to support a progressive dividend, which remains well covered. The Company also maintains a modest gearing level, currently at 36.3% of Gross Asset Value (GAV). As announced on 20 June 2024, the Board expects to provide an update on its review of broader strategic options before the vote on the Company's continuation at a shareholder meeting expected to be held in September 2024.

## Dividends

- Target dividend guidance for 2024 of 5.79 cents per Ordinary Share (+5.0% vs. 2023).[1]
- Dividend approved for Q2 2024 of 1.4475 cents per Ordinary Share.

## Financial and Operational Highlights[7]

- The Company's Net Asset Value (NAV) as at 30 June 2024 was EUR 335.5 million or 88.7 cents per Ordinary Share (31 March 2024: EUR 353.5 million or 93.5 cents per Ordinary Share). Over Q2 2024, this represents a NAV total return of -3.6% (-4.8 cents per Ordinary Share plus a dividend of 1.4475 cents per Ordinary Share).

- Key drivers of the NAV movement in Q2 2024 were:
  - A sharp decrease in Guarantees of Origin (GoOs) as a result of lower demand due to lower industrial activity in the short term. Long-term GoO price forecasts have also declined reflecting expectations of lower demand as European countries approach a fully decarbonised grid (-5.8 cents per Ordinary Share);
  - In Iberia, short to medium term power price forecasts have increased in response to higher commodity prices. Nordic power price forecasts have also increased in the short-term, whilst longer-term power price forecasts have slightly declined as a result of the higher build-out of renewables and decreasing power exports (+2.2 cents per Ordinary Share)

- The Company is actively progressing the potential sale of one of its assets following receipt of a number of offers. The transaction is subject to the completion of due diligence and negotiation of sale documentation, accordingly there is no guarantee that a transaction will materialise. Offers received for the asset represent a premium to the Company's carrying value which, if materialized, could lead to a small uplift in the NAV. The asset's Q2 valuation has been held broadly in-line with the Q1 valuation pending completion of the transaction which is expected to take place in Q3 2024.
- Total portfolio production was 9.8%[7] below budget, primarily due to the curtailment of the Iberian solar PV assets in times of negative power prices and weak wind conditions in the Nordics, partially offset by continued strong performance from the hydropower portfolio.
- Total weighted average technical availability for the quarter increased to 97.2% (Q1 2024: 96.4%).
- As at 30 June 2024, AER had surplus liquidity of EUR 27.8 million (cash plus Revolving Credit Facility (RCF)).[8]
- The Company has reduced its RCF limit from EUR 100.0 million to EUR 50.0 million in recognition of the fact that it is not pursuing investment opportunities in the current market environment and to save on commitment fee expenses.
- As at 30 June 2024, the Company had total debt of EUR 190.9 million (including RCF, drawn to EUR 26.1 million).
- The Company's euro-denominated debt, including the RCF, had a total weighted average interest rate of 3.5%.
- On 10 May, the Company announced that, following shareholder feedback and in light of the then current sector trading conditions, it had decided to terminate the review of a possible combination with another listed investment company by way of a section 110 scheme of reconstruction under the insolvency Act 1986. Further, on 20 June the Company announced that it had received enquiries from a number of parties relating to a sale of all of the assets, geographic portfolios of the assets or individual assets of the Company and that several of these discussions have progressed. While these discussions are at an early stage, they remain ongoing alongside consideration of both a wind-down of the Company with an orderly realisation of its assets over a period of time, and the potential continuation of the Company in its present form in accordance with its current investment policy.
- Following regulatory approvals, Commerzbank AG completed its acquisition of a 74.9% interest in Aquila Capital Investmentgesellschaft on 3 June 2024. The strategic partnership aims to significantly accelerate the Investment Adviser's growth into one of the leading asset managers for sustainable investment strategies in Europe, whilst ensuring the continued managerial independence of the Investment Adviser.

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- A sensitivity of NAV against discount rates, inflation and power prices is shown below:

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

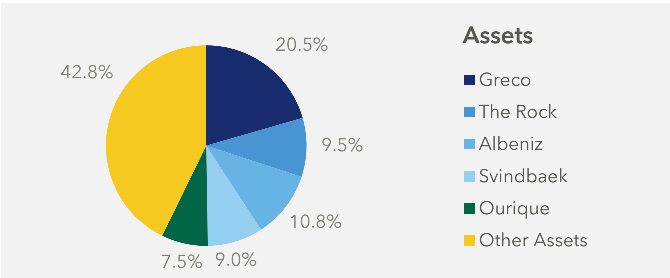
## $CO_2$ Equivalent Avoidance

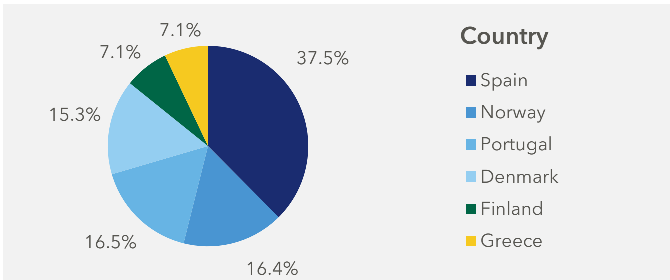
- A total of 67.2k tonnes of $CO_2$eq was avoided in the second quarter of 2024.[9]
- The renewable energy produced in the first quarter of 2024 would be equivalent to the average energy consumption of approximately 67.7k households in the EU.

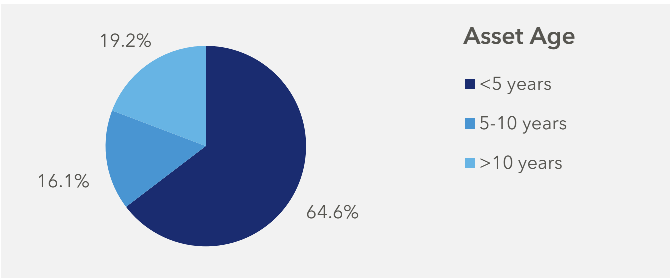
## Market Development

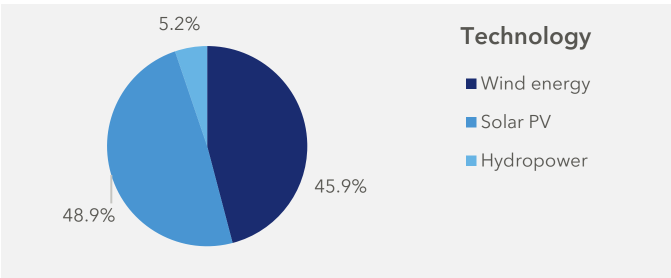
- The Nordics electricity system spot price traded at an average of 35.3 EUR / MWh in Q2 2024 against 58.3 EUR / MWh in Q1 2024, a drop of 39.5%.
- Spot prices in Iberia on average traded at 33.4 EUR / MWh in Q2 2024, when compared to an average of 44.8 EUR / MWh in Q1 2024, a decrease of 25.5%.
- As at 30 June 2024, power price forecasts for 2024 were revised up in the Nordics by 12.4% and by 18.3% in Iberia from the levels forecasted in the first quarter of 2024.
- Power price forecasts over the next 5 years were revised up in the Nordics by 3.6% and by 6.7% in Iberia, relative to the first quarter of 2024.
- The valuation methodology continues to assume an average of at least two power price curves from independent market analysts over the lifetime of each asset.

## Portfolio Breakdown Based on Fair Value[10] as at 30 June 2024



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## AIFM

FundRock Management Company (Guernsey) Limited

## Administrator

Apex Listed Companies Services (UK) Limited

## Contact

AER-Contact@aquila-capital.com

## Investment Advisor

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

## Portfolio Map


## Notes

1. Subject to the portfolio performing in line with expectations.
2. All calculations which use Ordinary Shares exclude shares held in treasury.
3. Calculation includes dividends paid during the period.
4. Total shareholder return is based on an opening share price of EUR 1.00 and NAV total return is based on an opening NAV after launch expenses of EUR 0.98 per Ordinary Share, as at the Initial Public Offering (IPO) date of 5 June 2019.
5. Cumulative with respect to Q2 2024 in EUR cents per share.
6. Dividend yield is calculated by dividing the target annual dividend per share of EUR 5.79 cents per share for 2024 by the market share price as at 30 June 2024.
7. Production and revenue performance as well as technical availability are subject to further change.
8. Cash includes cash positions of Aquila European Renewables Plc and its wholly owned subsidiary, Tesseract Holdings Limited.
9. The $CO_2$ equivalent avoidance is an approximation and does not necessarily reflect the exact impact of the renewable energy projects. The cited sources of information are believed to be reliable and accurate, however, the completeness, accuracy, validity and timeliness of the information provided cannot be guaranteed and Aquila Capital accepts no liability for any damages that may arise directly or indirectly from the use of this information.
10. Allocation is based on fair value of the assets, equal to EUR 355.7 million (excluding cash and any other fund level items), unless stated otherwise.

## Disclaimer

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