SUSTAINABILITY REPORT 2024

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CEO LETTER

Creating lasting value for a changing world

"Our efforts are focused on our goal of becoming one of Europe's leading investment managers for sustainable investment strategies by 2030. Performance remains strong across our businesses, with our clean energy portfolio having the potential to avoid tens of millions of tonnes of greenhouse gas emissions over its lifetime[1]. Looking ahead, we remain committed to delivering positive environmental impact while driving AuM growth in sustainable investments."[2]

Since our founding, Aquila Capital has focused on clean energy investments, driven by a deep-rooted commitment to sustainability. We have built a strong track record[3] that demonstrates our long-term commitment to shaping the future of clean energy.

This sustainability report – the first standalone review for Aquila Capital – outlines how we put this approach into practice during 2024. It shows how we delivered on our strategy despite macroeconomic headwinds, including rising interest rates, supply chain disruptions and shifting regulatory landscapes. It also demonstrates how our disciplined approach allowed us to identify resilient opportunities capable of delivering strong, stable returns even as higher capital costs made investment decisions more complex.

By year end, we registered €6.8 billion in assets under management (AuM) with 17.7 GW capacity installed or under development across wind, solar photovoltaic (PV), battery energy storage systems (BESS) and hydropower. This represents 32 wind assets, 70 solar PV assets, 21 BESS assets and 295 hydropower assets. In addition, we have a track record of 1.3 million rentable sqm of green logistics projects to date, 13,500 hectares in direct forest holdings, as well as investments in 1 operational data center and diverse energy efficiency projects.

We also continued to advance our growth efforts during 2024, including finalising our partnership with Commerzbank. This collaboration supports the expansion of our investor base and strengthens Aquila Capital's aim to become a leading asset manager for sustainable investment strategies in Europe.

A key milestone has been the launch of our AC One Planet ELTIF (One Planet ELTIF), which enhances accessibility for both private and wholesale investors seeking exposure to clean energy and sustainable infrastructure. The revised ELTIF 2.0 regulations have broadened the appeal of these products for wholesale and professional investors, such as pension funds, insurers and asset managers. The potential for private investors to participate in a diversified portfolio of renewable energy projects across different regions, technologies and development stages has expanded substantially.

We also launched our Aquila Capital Energy Transition Fund (AC-ETF), which focuses on behind the meter, energy storage and enabling infrastructure. At the same time, we introduced our Aquila Capital Data Center Fund (DC-FUND), which focuses on developing and investing in low-carbon data centers.

Our report provides transparency into the practical application of our ESG management approach across the value chain, which remains a process of continuous improvement.

1 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every three to five years.
2 The terms 'sustainable investment strategies', 'clean energy', 'environmental impact', 'ESG factors' and 'sustainable investments' are defined in the glossary. For clarity and readability, subsequent uses of these terms are not individually footnoted, but their meaning remains consistent throughout unless otherwise described.
3 See page 8 for details on our track record.

CEO LETTER

Additionally, the past year has seen us continue to explore how cyclical economic trends are shaping the trajectory of the energy transition. Our 'Clean energy – cyclical opportunity for long-term investments' white paper examined how 2024 was a significant year for investments in clean energy, based on recent developments in inflation, interest rates, electricity prices, CO_2 certificates and more. It also investigated how such developments – many of which are cyclical in nature – can provide a tailwind for the expansion of clean energy and how this, in turn, can offer cyclical opportunities for long-term investments in this area.

As we state in this white paper, we recognise that the energy transition is a long-term endeavour demanding patience, strategic foresight and significant financial commitment. Our focus on ESG factors remains central to our investment philosophy – not as a mere compliance exercise but as a proven driver of performance. Sustainable investments continue to demonstrate stable returns, lower capital expenditure requirements and greater resilience against market fluctuations.

We believe private capital – institutional as well as wholesale – is indispensable in this transformation. Public subsidies alone cannot meet the scale of investment required to decarbonise the global economy. As a trusted partner to investors, Aquila Capital remains focused on delivering stable yields and low-volatility investments that align financial performance with a positive environmental impact.

Embracing innovation remains core to our strategy as well. We believe BESS and other emerging technologies will be especially important in making clean energy more reliable and scalable, stabilising renewable energy markets.

Looking ahead, we remain optimistic. According to the International Energy Agency (IEA) World Energy Outlook 2024[4], the need for investments in clean energy has never been greater. Aquila Capital's focus on essential real asset investments helps to advance climate action and promote energy security. We also remain confident that our strong team and collaborative spirit have the power to drive stable and sustainable financial performance.

Throughout 2025 and beyond, we will strengthen our commitment to integrating sustainability into long-term value creation – for investors, markets and the planet.

DR. FLORIAN BECKER
CEO, Aquila Capital

4 IEA, 2024: "World Energy Investment 2024".

AT A GLANCE[1]

OUR COMPANY

Aquila Capital is an asset manager specialising in essential asset investments.[2] Since 2007, we have provided compelling investment opportunities focused on driving the energy transition and sustainable infrastructure. Our goal is to deliver resilient returns while supporting clean energy initiatives and contributing to the decarbonisation of global infrastructure. Aquila Capital is headquartered in Hamburg, Germany, and employs a dedicated team of over 200 professionals from 29 different nationalities, spread across seven European countries.

OUR CLIENTS

We provide tailored solutions designed to meet the needs of institutional and retail clients, dedicated to making essential real asset investments accessible and straightforward. We are licensed as an Alternative Investment Fund Manager (AIFM) in Germany, offering funds and securitisation undertakings.[2] By the end of 2024, our AuM stood at €6.8 billion.

Our client base is wide-ranging. We serve international insurance companies, pension funds, regional banks, asset managers, religious communities and family offices, spanning Germany, the Netherlands, the United Kingdom, France, Spain, Switzerland and Japan. This diverse client base provides exposure to varied regulatory environments, investment preferences and economic cycles.

OUR INVESTMENT FOCUS

Our core asset focus is on clean energy solutions such as BESS, wind, solar PV and hydropower. As private debt finances the development of most of our early-stage assets, we consider this asset class the birthplace of our assets. Such investments are typically transitioned into longer-term equity funds managed by Aquila Capital.

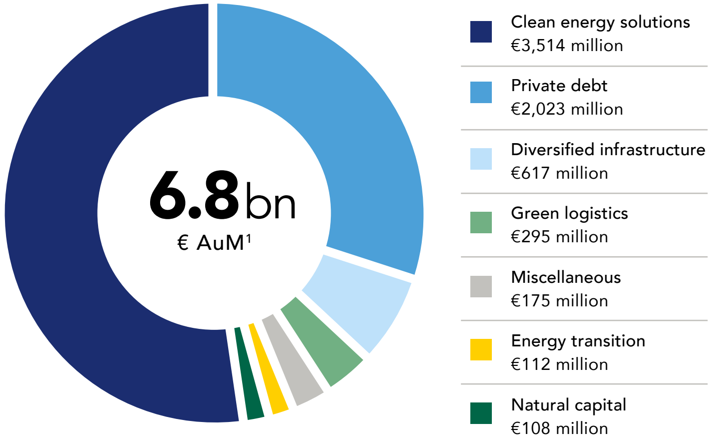
We also specialise in green logistics and data centers; energy transition such as enabling infrastructure, behind the meter and energy storage; diversified infrastructure; and natural capital (see pages 27–45 for more information on our asset classes). Our investments enable investors to fund future-proof assets that drive the energy transition and long-term infrastructure resilience.

200+ EMPLOYEES

29 NATIONALITIES

8 OFFICES

300+ GLOBAL INVESTORS



1 Figures included on this page are as of 31 December, 2024.
2 Defined in glossary.

OUR TRACK RECORD

Driving climate impact[1] for well over a decade

Aquila Capital has historically operated as an integral part of Aquila Group, which has driven innovation in clean energy and sustainable infrastructure since 2001. Aquila Capital has supported global decarbonisation since 2007[2] by offering tailored fund vehicles and investment solutions with a focus on sustainability.

Our longstanding commitment to promoting sustainability and managing assets responsibly is embedded in our business. Core to our approach is the belief that it is essential to manage ESG factors across an asset's entire value chain and lifecycle.

We are committed to launching new sustainable investment products that contribute to climate change mitigation[1] by avoiding emissions[3], while continuously enhancing our alignment with international frameworks and memberships.

1 Defined in glossary. For clarity and readability, subsequent uses of these terms are not individually footnoted, but their meaning remains consistent throughout unless otherwise described.
2 Alceda Fund Management SA was established in 2007 and was later merged with Aquila Capital Investmentgesellschaft mbH.
3 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every three to five years.

OUR TRACK RECORD

2001	Aquila Group founded
2006	Started managing our carbon footprint
2007	Launched first Natural Capital Fund; Launched first Clean Energy Fund
2008	Joined UNEP FI
2013	Launched first Debt Fund
2016	Started reporting with GRESB
2017	Launched first Diversified Infrastructure Fund
2018	Joined PRI
2021	Launched first Green Logistics Fund; Launched lifetime avoided emissions methodology
2022	Published Aquila Group Sustainability Commitment
2023	Introduced first ELTIF[2]; *Environmental Finance* Sustainability Reporting of the Year award
2024	Strategic partnership between Aquila Capital and Commerzbank; Joined UN Global Compact; Introduced first Data Center Fund; Launched first Energy Transition Fund

MEASURING OUR CONTRIBUTION

At Aquila Capital, we use a science-based framework for measuring our emissions, including Scope 4 emissions[1] – that is, lifetime avoided emissions resulting from innovations, policies or actions. We believe that by quantifying the emissions that our assets avoid, we can close information gaps and deepen our understanding of our progress towards driving climate change mitigation.

WIDENING OUR MEMBERSHIPS

We began benchmarking our infrastructure assets on their ESG performance in 2016, using the Global Real Estate Sustainability Benchmark (GRESB). In 2018, we became a signatory to the Principles for Responsible Investment (PRI) to reinforce our commitment to integrating ESG issues into our investment practices. In 2024, we became a member of the United Nations Global Compact (UNGC), which encourages businesses to adopt sustainable and socially responsible practices. By becoming a participant, we aim to deepen our focus on human rights and good governance.

GROWING OUR INVESTMENT UNIVERSE

In 2024, we expanded our investment universe by launching new asset classes: energy transition and data centers. The Aquila Capital Energy Transition Fund (AC-ETF), focuses on energy transition assets such as enabling infrastructure, behind the meter and energy storage. The Aquila Capital Data Center Fund (DC-FUND) targets investments that will offer investment opportunities in various data centers across Europe.

EXPANDING OUR DISTRIBUTION NETWORK

In June 2024, we finalised a strategic partnership with Commerzbank AG to expand our distribution network. Using Commerzbank's strong brand and global distribution network, we will be able to extend our access to private and corporate clients as well as a large number of institutional clients. Through this partnership, we aim to position Aquila Capital as a leading asset manager for sustainable investment strategies in Europe.

GAINING INDUSTRY RECOGNITION

We gained industry recognition with two awards for our sustainability reporting. First, reputable news agency *Environmental Finance* awarded us its Sustainability Reporting of the Year – EMEA title in its Sustainable Company Awards. This was based on a review of the Aquila Group Sustainability Report 2023, our sustainability commitment, our Lifetime Avoided Emissions white paper and selected fund-level reports. Local Hamburg publication *EXXECNEWS* also acknowledged our efforts with a similar award for sustainability reporting. These awards recognise our innovative reporting framework for measuring greenhouse gas (GHG) emissions avoidance and its role in climate change mitigation.

1 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every three to five years.
2 Defined in glossary.

DEFINING SUSTAINABILITY

- Our commitment
- Defining sustainable investments
- Our structure
- Research activities

OUR COMMITMENT

Aquila Capital's mission is to become one of Europe's leading investment managers for sustainable investment strategies by 2030

WE EXECUTE OUR MISSION THROUGH THREE CORE PRINCIPLES:

1

EXPANDING ACCESS
to sustainable investments while enhancing performance

2

MANAGING
real assets in a responsible way

3

LEADING BY EXAMPLE
in managing our environmental footprint and supporting our people to thrive and grow

In practice, we invest in clean energy solutions – wind, solar PV, hydropower and BESS – alongside diversified infrastructure, green logistics, data centers and natural capital. Through these activities, and by focusing on energy transition assets such as behind the meter and enabling infrastructure, we strive to harness long-term momentum towards a low-carbon future.

We identify scalable technologies, launch new products and expand into new markets. We aim to empower clients to invest across the full development lifecycle and a diverse range of sustainable investment strategies. With a steadfast commitment to long-term asset stewardship, we are focused on delivering resilient returns for all stakeholders.

To track our progress on climate change mitigation, we have developed a proprietary science-based methodology to measure lifetime avoided emissions[1] in our clean energy portfolio. This helps us quantify the contribution to climate change mitigation of our investments while enabling our clients to assess their decarbonisation efforts.

We have also reported under the Task Force on Climate-Related Financial Disclosures (TCFD) since 2023, which enables us to further enhance our climate risk transparency. For a summary of our climate-related risks and opportunities, see page 58.

1 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every three to five years.

2024 IN REVIEW

This year, we took further steps to enhance sustainability across our portfolio. We expanded our offering for sustainable investments and increased the share of Article 8 and 9 funds under the SFDR.[2] We also made progress in establishing alignment with the EU Taxonomy as the baseline sustainability standard for eligible assets.[3]

Furthermore, our operational clean energy portfolio contributed to 1.6 million tonnes of CO_2e actual emissions avoided[5] in 2024. Our operational portfolio and pipeline of clean energy assets have the potential to avoid 34–81 million tonnes of CO_2e over their lifetime.[5]

At the same time, we enhanced our approach to building and managing our assets responsibly. This included onboarding new climate risk software that allows us to evaluate physical risks and transition risks. We also enhanced our counterparty management and published our Code of Conduct on our website. Signing the Code is a prerequisite for any business partnership with us.

Within our operations, we launched a range of initiatives to help us build a more resilient, equitable and future-proof organisation – reinforcing sustainability beyond environmental concerns. This included developing our Aquila Capital Diversity, Equity & Inclusion (DEI) Policy.

We also expanded the global online learning platform we are using as part of our strategic goal of improving technical skills, deepening understanding and preparing our workforce for future challenges.

Additionally, we implemented the Partnership for Carbon Accounting Financials (PCAF) standard for financed emissions reporting. By standardising methodologies for different asset classes, this globally recognised framework for measuring and reporting financed emissions ensures consistency, transparency and comparability in the way emissions are reported.

In 2024, our approach to reporting financed emissions gained industry recognition. We were awarded *Environmental Finance*'s Sustainability Reporting of the Year – EMEA award for our GHG emissions avoidance framework.[5] Hamburg-based *Exxec News* recognised our sustainability reporting efforts with a similar Award.

We report our progress against the three principles set forth in our sustainability commitment in more detail in the following chapters (see 'Defining sustainable investments' on page 10, 'ESG management framework' on page 21 and 'Sustainability in our operations' on page 46).

PRINCIPLES AND MEASUREMENT

1 Expanding access to sustainable investments while enhancing performance

This principle is measured through, for example, our actual and lifetime avoided emissions, SFDR ratio and PRI ratings.

2 Managing real assets in a sustainable way

This principle is measured through, for example, having robust policies and procedures in place to manage ESG factors, in addition to improving our ESG integration approach.

3 Leading by example in managing our environmental footprint and supporting our talents to thrive and grow

This principle is measured through, for example, improving our calculation methodologies and initiatives to promote DEI and employee wellbeing.

2024 PROGRESS[4]

Principle 1:

- Unlocked 34–81 million tonnes CO_2e total lifetime avoided emissions potential and 1.6 million tonnes CO_2e actual avoided emissions in 2024[5]
- Achieved 17.7 GW capacity installed and under development across wind, solar PV, BESS and hydropower; 1.3 million square metre track record rentable area in green logistics; and 13.5 tsd hectares in direct forest holdings
- Launched three Article 9 SFDR funds: ETF, RED, and One Planet ELTIF
- Increased Article 8 and 9 SFDR ratio from 88% to 95%[2]
- Strengthened PRI scores, achieving 5/5 stars in 'Policy, Governance and Strategy', 'Direct – Real Estate' and 'Direct – Infrastructure', and 4/5 in 'Confidence-Building Measures'

Principle 2:

- Selected climate risk analytics software
- Conducted training on the Sustainable Procurement Standard aligned with ISO 20400
- Implemented an update on BESS supplier ESG due diligence

Principle 3:

- Implemented PCAF standard for financed emissions
- Offset our scope 1–3[6] corporate carbon footprint
- Developed our Aquila Capital DEI Policy
- Facilitated a Women Empowerment and Mentoring Programme

4 As of December 31, 2024.
5 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every three to five years.
6 Defined in glossary.

2 Pertains to all funds in scope of the regulation as of December 31, 2024. In 2023, 15 of 17 funds were classified as Article 8 and 9 (88%); in 2024, 18 of 19 funds were classified as Article 8 and 9 (95%).
3 The EU Taxonomy is a regulated standard that defines which assets and economic activities are environmentally sustainable. It sets criteria to help investors and companies align with the EU's climate goals. For more details, please refer to our sustainability-related disclosures.

DEFINING SUSTAINABLE INVESTMENTS

Expanding access to sustainable investments while enhancing performance

Aquila Capital is committed to expanding market access to sustainable investments. We aim to enable more clients to invest in solutions that contribute to climate change mitigation, a trend we regard as having enduring momentum.

Transparency is fundamental to our approach. We actively assess our progress against our ambitions, measure our impact[2] and report on our progress annually. This includes reporting on our AuM in sustainable investments and our new sustainable investment products.

We benchmark ourselves against regulatory and voluntary standards.[3] Most importantly, we measure how our investment activities contribute towards mitigating climate change with our proprietary avoided emissions methodology.[4]

EXPANDING OUR SUITE OF SUSTAINABLE INVESTMENT PRODUCTS

In 2024, we made first investments into recently launched funds and expanded into several new asset classes in others. This allowed us to advance our mission to expand the investment universe for our clients and become Europe's leading sustainable investment manager by 2030.

These new funds are all classified as Article 9 products under the EU SFDR criteria, reinforcing their role in financing the clean energy transition. These funds report their climate contribution through avoided emissions and other relevant key performance indicators.

CLEAN ENERGY

We successfully closed the first investments into our One Planet ELTIF in 2024 and reached the €100 million AuM milestone that same year – sooner than expected.[5] By establishing this product, we have expanded our investment offerings to allow retail clients – previously excluded from such opportunities – access to infrastructure investment opportunities in Europe's energy expansion, including wind, solar PV, hydropower, energy efficiency and BESS.

ENERGY TRANSITION

Since the 2024 inception of our Aquila Capital Energy Transition Fund (AC-ETF), we have expanded into several new areas in the decarbonisation space, including behind the meter and enabling infrastructure. Additionally, 2024 saw the successful close of our first BESS investment.

PRIVATE DEBT

By launching the Aquila Capital Renewable Energy Debt Fund (AC-RED), we have expanded our private debt offering to focus on short- and medium-term bridge financing for construction projects across Europe, Asia Pacific (APAC), and other OECD[1] countries.

1 Defined in glossary.
2 See page 11 for how we measure and report our impact and progress. Additional ESG metrics are tracked depending on the fund and asset class.
3 This includes sustainability-related standards and benchmarks such as the SFDR, EU Taxonomy, GRESB, and PRI, which are defined in glossary.
4 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every three to five years.
5 "Aquila Capital's AC One Planet ELTIF surpasses EUR 100 million", Aquila Capital, November 6, 2024.

ENHANCING SUSTAINABILITY ACROSS OUR PORTFOLIO

Lifetime avoided emissions is our key metric for measuring the contribution to climate change mitigation of our assets. In 2024, we continued to raise awareness for this metric to help accelerate capital mobilisation towards decarbonisation.

Using the methodology[7] we have developed to measure lifetime avoided emissions in our portfolio, we found that our operational clean energy portfolio avoided 1.6 million tonnes of CO_2e in 2024 while supplying an equivalent of 1.6 million homes with clean electricity.[6] Our operational portfolio and pipeline of clean energy assets have the potential to avoid 34–81 million tonnes of CO_2e over their remaining lifetime.[7]

In 2024, we also concentrated on further strengthening disclosures across our product suite. This included upgrading two diversified private debt strategies – AC Balanced Real Return (BRR) and AC Balanced Real Return II (BRR II) – alongside new Article 9 SFDR fund launches.

As a result, we have enhanced our disclosures for funds under the SFDR, including increasing the share of Article 8 and 9 products to 95%.[8] Our asset base also provides flexibility for future upgrades, subject to alignment with investor priorities.

Beyond the regulatory requirements for our SFDR-regulated products, we made significant strides in aligning our assets with the EU Taxonomy.[9] We sought to systematically align our asset base with the taxonomy, establishing it as the baseline standard for all new eligible assets. By the end of 2024, we had completed the initial phase, focusing on our operational clean energy portfolio in Europe.

With our diverse asset base, we are uniquely positioned to meet growing client demand for taxonomy-aligned investments, particularly from large banks and insurers reporting under the Corporate Sustainability Reporting Directive (CSRD), as well as investors seeking Article 9 SFDR products.

Additionally, we further strengthened our PRI ratings in 2024 for the 2023 reporting period. We maintained our top performance in 'Policy, Governance and Strategy', 'Direct – Real Estate' and 'Direct – Infrastructure', gaining five out of five stars in each. We also improved our score in the 'Confidence-Building Measures' module, from three to four stars. A key insight from this progress is that we need to further enhance our ESG data assurance and audit processes.

PRI ASSESSMENT SCORES

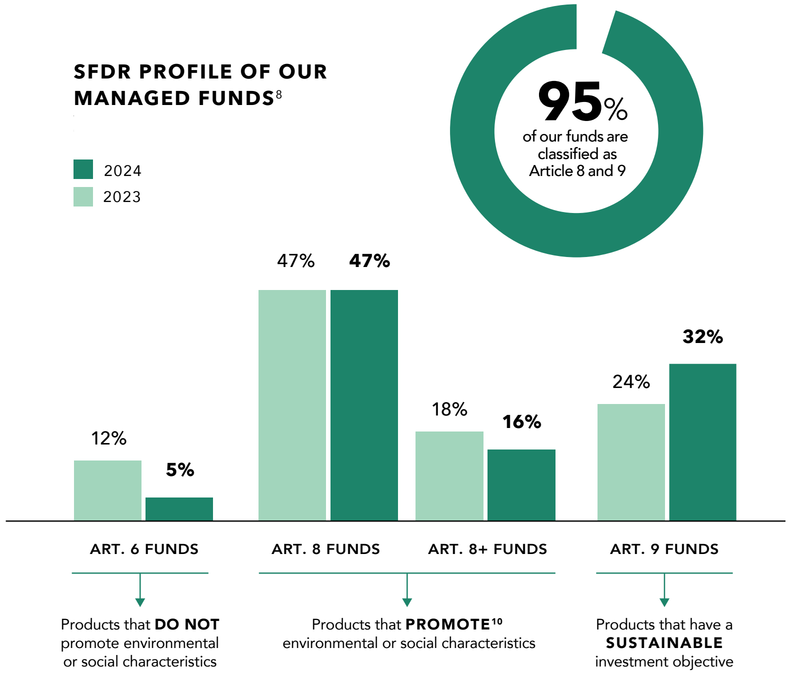
Policy, Governance and Strategy	★★★★★
Direct – Real Estate	★★★★★
Direct – Infrastructure	★★★★★
Confidence-Building Measures	★★★★

DEEPENING OUR SUPPORT TO CLIENTS

Looking ahead, we remain committed to supporting our clients in achieving their decarbonisation goals. We will continue investing in research and innovation to enhance our impact[11] and avoided emissions measurement while expanding our investment universe into areas such as behind the meter solutions and enabling infrastructure assets within the decarbonisation ecosystem.

However, we believe that as an industry, we still have significant ground to cover in fully recognising and incentivising the contributions of climate solutions to mitigating climate change. The way these contributions are valued and integrated into sustainability frameworks remains a work in progress.

SFDR PROFILE OF OUR MANAGED FUNDS[8]



6 Households supplied methodology is included in the glossary.
7 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every three to five years.
8 Pertains to all funds in scope of the regulation as of December 31, 2024. In 2023, 15 of 17 funds were classified as Article 8 and 9 (88%); in 2024, 18 of 19 funds were classified as Article 8 and 9 (95%).
9 In 2024, 39% of managed assets were aligned with the EU Taxonomy, which is an increase from 12% in 2023. Please note these figures contain funds which are either managed by Aquila Capital as the AIFM or advised by Aquila Capital.
10 Article 8+ funds promote environmental or social characteristics under the SFDR and also include sustainable investments as defined in Article 9, but they do not have sustainability as their primary objective.
11 Defined in glossary.

OUR STRUCTURE

Fostering responsible business practices through strong governance

Corporate governance is the legal and factual framework that regulates the management and oversight of an enterprise. In general, the framework contains principles and outlines legal requirements for responsible governance, ensuring the company is managed in its best interests.

It also provides the structure for making and implementing decisions about our sustainability commitments. These commitments are integral to our business so we address them at the highest levels of our organisational structure.

Aquila Capital is fully licensed under German law and subject to supervision by the Federal Financial Supervisory Authority (BaFin). In addition to operating in Germany, we manage and advise funds and other investment vehicles in key European jurisdictions, including Luxembourg, the Netherlands, the United Kingdom and Switzerland.

Commerzbank AG owns 74.9% of Aquila Capital, while Aquila Group owns 25.1%.

COMMERZBANK AG
74.9%

AQUILA GROUP
25.1%

AQUILA CAPITAL

GOVERNING BODIES

- **AQUILA CAPITAL SUPERVISORY BOARD**
- **AQUILA CAPITAL BOARD OF DIRECTORS**

SUSTAINABILITY COMMITMENT

- **SUSTAINABILITY OFFICE**

COMMITTEES

- **INVESTMENT COMMITTEE**
- **REMUNERATION COMMITTEE**
- **VALUATION COMMITTEE**

AQUILA CAPITAL

GOVERNING BODIES

AQUILA CAPITAL SUPERVISORY BOARD

The Aquila Capital Supervisory Board is the oversight body of Aquila Capital. It supervises and advises the Board of Directors (BoD) on managing the company and plays a crucial role in making fundamental business decisions. This oversight also applies, among other things, to all the key issues relating to sustainable business management and projects.

AQUILA CAPITAL BOARD OF DIRECTORS

The Aquila Capital BoD oversees the strategic steering, supervision and management of Aquila Capital. It determines our strategic direction, collaborates with the Aquila Capital Supervisory Board to agree on that direction and ensures its successful implementation. The BoD serves as the primary decision-making body regarding sustainability initiatives, and receives quarterly updates about the implementation of our sustainability commitments and related reporting requirements (see 'Our commitment' on page 10). The BoD may delegate some of its duties to corporate committees, which act as subsets of the full board.

COMMITTEES

INVESTMENT COMMITTEE

In its role as investment fund manager, Aquila Capital is responsible for making investment and portfolio management decisions about investment funds and other investment products we are legally or contractually responsible for.

The BoD has delegated its investment decision-making powers to the Investment Committee. The committee is responsible for making investment and portfolio management decisions.

ESG factors are formally incorporated in the Investment Committee's decisions. Investment proposals include findings from ESG due diligence, which the Investment Committee reviews before approving the investment.

REMUNERATION COMMITTEE

The Remuneration Committee supports and advises the BoD in developing and implementing a remuneration policy that establishes sound principles for remunerating management and other staff. The BoD formally established the committee through a board resolution to delegate tasks and execute the board's responsibilities in this area.

Aquila Capital's Remuneration Policy integrates the mitigation of ESG and sustainability risks[1] into the overall compensation strategy for employees by requiring compliance with the company's ESG Integration Policy.

VALUATION COMMITTEE

The Valuation Committee oversees the valuation process at Aquila Capital in accordance with the relevant valuation methodologies as defined by law, regulation and legal agreements. The BoD has delegated its authority to make valuation decisions to the Valuation Committee.

1 Defined in glossary.

AQUILA CAPITAL

SUSTAINABILITY IMPLEMENTATION

SUSTAINABILITY OFFICE

The Sustainability Office plays a key role in putting our sustainability commitment into action. It works with senior leadership to integrate sustainability throughout the business, focusing on areas such as defining and advancing our commitment, monitoring performance and progress, enhancing transparency and supporting client discussions on related topics. The office also develops ESG-related methodologies, tools and processes, and oversees the implementation of sustainability-related regulations. It reports directly to the CEO, the highest-ranking executive in the company, who is also represented on the BoD.

EXTENDED SUSTAINABILITY OFFICE

The extended Sustainability Office includes sustainability managers from the Aquila Group network. These managers are responsible for managing ESG impacts[2] in the development, construction and operation of essential assets.[2] This office aims to align top-down and bottom-up processes to effectively manage ESG risks[2] across the value chain. Aquila Capital will maintain an open line of communication with the extended sustainability office regarding ongoing initiatives.

Aquila Group network

AQUILA GROUP

Aquila Group is a privately owned and operated company that oversees a diverse portfolio of businesses. Its primary focus is investing in and developing innovative solutions across various sectors. Established in 2001, Aquila Group is committed to identifying emerging trends and promoting innovation, particularly in clean energy and sustainable infrastructure.

AQUILA CLEAN ENERGY EMEA

Aquila Clean Energy EMEA is an independent power producer and developer of integrated and hybrid clean energy solutions. It delivers affordable, clean energy to European markets through innovative, technology-enabled solutions. It manages an advanced development and construction pipeline of more than 13 GW in solar PV, onshore wind and BESS projects across 13 European countries.

AQUILA CLEAN ENERGY APAC

Aquila Clean Energy APAC is an energy platform focused on developing and managing solar PV, onshore wind and BESS assets in Asia Pacific. It has a strong local presence in the region, including offices in Singapore, Australia, Taiwan, Japan, South Korea and New Zealand.

AQUILA SUSTAINABLE INFRASTRUCTURE

Aquila Sustainable Infrastructure consists of independent companies, each operating under its own brand and focused on developing and managing assets in Germany, Italy, Norway, Portugal and Spain.

- **AQ Compute** is a pan-European platform for clients seeking data center capabilities with a low-carbon footprint. It is minority owned by the Aquila Group following a strategic partnership with Bain Capital, a leading private, multi-asset alternative investment firm.
- **Green Logistics** has invested in efficient and strategically located logistics assets, primarily across western and southern Europe, since 2012.

2 Defined in glossary.

RESEARCH ACTIVITIES

Advancing sustainability by sharing knowledge

Through research and knowledge sharing, Aquila Capital aims to foster discussions and collective action to contribute to a sustainable future. In 2024, we published three white papers that analyse market developments and investment trends for the global transition to net zero emissions. We also continued to build awareness of earlier pieces of research we produced.

ENCOURAGING INVESTOR-POLICYMAKER COLLABORATION TO EXPAND CLEAN ENERGY SOLUTIONS

Our awareness campaigns included a focus on our 2023 study, European power sovereignty through renewables by 2030. Commissioned by Aquila Group and led by the Potsdam Institute for Climate Impact Research, this study analyses the feasibility of a self-sufficient Europe powered by renewable energy. It concludes that by harnessing complementary energy resources across Europe – primarily solar power in the south and wind energy in the colder north – and integrating a robust power grid, the European energy system could eliminate its dependence on gas, oil and foreign energy sources.

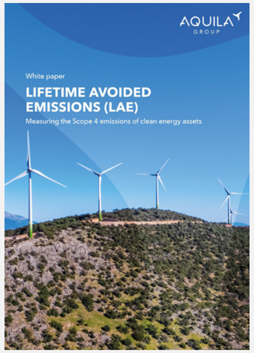
The paper also points out that governments have the financial capabilities to meet these ambitions. The researchers found that it would cost €140 billion a year until 2030 and €100 billion a year until 2040 to achieve energy independence in Europe. Additionally, it highlights that decisive political action is needed to ensure that future electricity market designs promote capital-intensive investment in renewables, with policies that prioritise renewable energy and grid expansion.

"Our report emphasises that urgent strategies are needed to rapidly and efficiently reduce the share of fossil fuels in Europe's energy mix. For example, we suggest that more capital must be directed toward renewable energy by making these asset classes even more attractive for investment. We need to be opening up clean energy assets for a wider range of investors and funds, so we should be encouraging politicians to team up with investment capital as a vital next step."

PROF. HANS JOACHIM SCHELLNHUBER

Director General, International Institute for Applied Systems Analysis; Founding Director, Potsdam Institute for Climate Impact Research; and co-author of this report

LIFETIME AVOIDED EMISSIONS[1] DEEPENING THE CONVERSATION

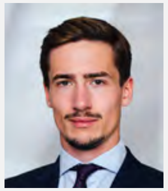


Following the publication of our 2023 white paper, 'Lifetime Avoided Emissions (LAE): Measuring the Scope 4 emissions of clean energy assets', 2024 saw us focus our efforts on expanding awareness of avoided emissions as a concept. Our goal was to better incentivise investment in climate solutions while also shining a light on ways to measure the positive contribution of these solutions.

As part of this effort, Benjamin Arndt, ESG Manager at Aquila Capital, participated in an interview with the German UmweltDialog podcast titled 'Do you know Scope 4?' Topics under discussion included what Scope 4 emissions are, why they are necessary, and the benefits and challenges they bring. The podcast listeners learned why we excel at identifying 'the bad things' – our carbon liabilities – yet pay far less attention to the solutions, including the technologies we need to decarbonise our energy system and wider economy.

The discussion also touched on more philosophical questions, such as whether reducing consumption is necessary for achieving net zero. As Arndt argued, we cannot expect people to voluntarily curb consumption or lower their living standards, especially as the global population and per capita GDP continue to rise. As he pointed out, this view closely aligns with the avoided emissions philosophy, which quantifies the benefits of cleaner alternatives rather than assuming people will forgo consumption and mobility needs.

Arndt also authored a guest article in the German trade medium *Energie & Management* titled 'Measuring positive climate impacts with Scope 4 emissions' , in which he highlights the 'invisible benefits' of clean energy in terms of GHG emissions, which the lifetime avoided emissions methodology provides. He also focuses more closely on the methodology and its advantages.



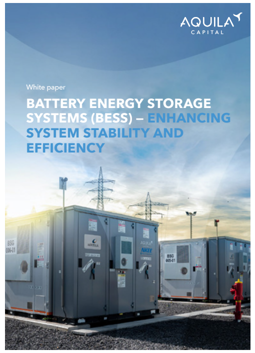
Benjamin Arndt
ESG Manager,
Aquila Capital

1 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions".
The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every three to five years.

WHITE PAPERS

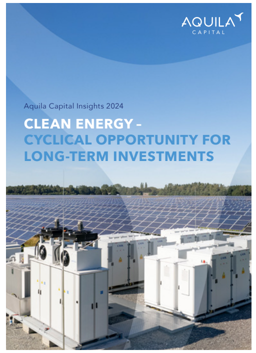
Why invest in infrastructure private debt?

Private debt is increasingly recognised as a valuable tool for financing energy generation and efficiency initiatives, and developing digital infrastructure. This 2024 paper analyses why private debt's flexibility makes it an attractive alternative or supplement to senior lending that offers tailored, value-enhancing solutions. For investors, a greater variety of transactions can broaden opportunities and strengthen portfolio diversification and structures. For more information on Aquila Capital's private debt offering, see page 28.



Battery Energy Storage Systems – Enhancing system stability and efficiency

As the energy landscape evolves, the fast-growing BESS market presents a compelling investment opportunity. This paper explores how BESS can drive revenue and provide short-term flexibility by enhancing grid efficiency and reducing congestion, while also ensuring supply meets peak demand by responding quickly and accurately to market signals. Since 2021, we have actively invested in dedicated BESS projects across Europe, positioning BESS as a key contributor to our growth strategy. For details of a recent project, see page 34.



Clean Energy – Cyclical opportunity for long-term investments

This paper explores how 2024 was a significant year for investments in clean energy, based on recent developments in inflation, interest rates, electricity prices, CO_2 certificates and more. It investigates how such developments – many of which are cyclical in nature – can provide a tailwind for the expansion of clean energy and how this, in turn, can offer cyclical opportunities for long-term investments in this area. It also analyses how accelerating climate change is exerting pressure on policymakers, and suggests ways to use electricity price volatility as part of a targeted investment strategy in BESS.

SPOTLIGHT

Why private markets are well suited to impact-generating investments

Anna Dißmann
ESG Manager,
Aquila Capital

In 2024, Aquila Capital co-authored a position paper on 'Impact Investing in Alternative Investments', published by BAI, Advanced Impact Research and Bundesinitiative Impact Investing. It explained how alternative investments offer the necessary tools and resources to fulfil the dual requirements of financial return and sustainable impact. As a result, these investments can significantly contribute to solving global sustainability challenges. We spoke with co-author Anna Dißmann, ESG Manager at Aquila Capital, to gain insights on this notable work.

2 In this instance, this term applies the definition under SFDR which is 'investments in an economic activity that contribute to an environmental or social objective, provided that such investments do not significantly harm any other environmental or social objectives and that the investee companies follow good governance practices.

3 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every three to five years.

Q

What was the intention of the position paper – what did you set out to achieve?

A

We aimed to provide conceptual and terminological clarity in the current debate between sustainable investments[2] and impact investments. While market participants express interest in impact products, existing regulatory frameworks and their definitions of sustainable investments[2] do not explicitly capture this interest.

To foster meaningful debates that can inform current regulatory reviews, we began by establishing clear conceptual and terminological foundations. This enabled us to address pivotal questions such as whether Article 9 SFDR funds qualify as impact investments and vice versa.

Q

How does this position paper relate to Aquila Capital's business?

A

Impact investments target social or environmental outcomes alongside financial returns while typically using a pre-defined impact measurement and management framework.

At Aquila Capital, we aim to deliver resilient returns while driving the clean energy transition and contributing to the decarbonisation of global infrastructure. Our avoided emissions methodology[3] offers a basis for a measurement and management framework by enabling investment decisions based on the contribution to climate change mitigation of our assets.

By clarifying concepts and highlighting regulatory gaps, we hope to foster a more productive dialogue in the industry and be recognised as a trusted partner for investors seeking impact products.

Q

In the position paper, you mention upcoming case studies and examples of how to implement impact investments in alternative assets. Does this mean more is coming?

A

Yes, we are currently working on a follow-up paper that explores the practical application of impact investing in infrastructure. A key question we examine is whether infrastructure investments inherently qualify as impact investments, given their societal role.

Beyond addressing these broader conceptual questions, we will also present technology-specific case studies that illustrate how the core characteristics of impact investments can be implemented, along with potential challenges.

Q

Can you reveal what conclusion the position paper reaches? Are infrastructure investments impact investments?

A

For a complete answer, please refer to our position paper. However, I can share that a fundamental characteristic of impact investing is the clear establishment of intention from the outset, defined by a measurable and manageable goal. This criterion applies regardless of asset class and must be met for infrastructure investments to qualify as impact investments.


BAI
IMPACT INVESTING
Position Paper
Impact Investing in Alternative Investments
Why private market investments are particularly suited for impact-generating investments
November 2024
Lead Author:
Eric Prüßner (AIR)
Authors:
Michael Bommer (BAI) · Susanne Bregy (BIII) · Sebastian Brinkmann (MEAG)
Janna Brokmann (Prime Capital) · Young-Jin Choi (Vidia Equity) · Anna Dißmann (Aquila Capital)
Dr. Julian Frede (evolutiq Impact Advisory) · Dr. Julian Hochscherf (hep solar) · Jörg Rhode (swapwork)
Heike Schmitz (Herbert Smith Freehills) · Barbara Treusch (Palladio Partners)

MANAGING REAL ASSETS IN A RESPONSIBLE WAY

- ESG management framework
- Community engagement

ESG MANAGEMENT FRAMEWORK

Our approach to integrating ESG factors

At Aquila Capital, our commitment to sustainability goes beyond simply investing in clean energy assets. We believe genuinely sustainable assets must be built and managed in a way that integrates ESG principles[1] at every step.

Focusing on essential asset classes[1] – that is, the fundamental investment categories that support sustainability and long-term economic stability, such as clean energy and infrastructure – is just the beginning of taking responsibility. We believe it is crucial to ensure that our developments can have a lasting positive impact on both the environment and society. To achieve this, we have developed a comprehensive framework that maximises the positive environmental and social impact of our activities while simultaneously identifying, preventing and mitigating negative ESG impacts[1] across our value chain and the lifecycle of our assets.[2]

By deploying our ESG Management Framework, we put our core principle of 'managing assets responsibly' into practice. For more information on our principles, see 'Our commitment' on page 10.

1 SOURCING

ESG factors considered in the new product process (NPP)

2 DUE DILIGENCE

ESG risk[1] identification and analysis based on proprietary assessment tool

3 INVESTMENT DECISION

ESG due diligence findings included in the investment proposal

4 ASSET MANAGEMENT

Development | Construction | Operation | Decommissioning

Oversight of ESG impacts[1], including implementation and monitoring of mitigation measures

Stakeholder engagement and grievance processes

Counterparty risk identification, contractual obligations, and monitoring and reporting on service providers

Counterparty framework

- Selecting counterparties
- Establishing contractual obligations and reporting requirements
- Monitoring counterparties and reporting on their activities

1 Defined in glossary.
2 Our ESG Integration Policy provides a more detailed explanation of the tools, people and processes involved in managing 'ESG factors'.

1. 2. 3. 4.

FROM SOURCING TO INVESTMENT DECISION

Our ESG due diligence process involves analysing ESG risks[3] and additional fund-specific ESG investment criteria as defined in a fund's investment strategy. Our ESG risk analysis is based on a proprietary risk assessment tool that guides our evaluations. This tool is informed by industry frameworks such as the Sustainability Accounting Standards Board, International Finance Corporation Performance Standards and GRESB.

The risk assessment tool walks our investment managers through analysing, evaluating and managing project-specific ESG risks.[3] Our due diligence process also involves gathering input from third-party technical, legal and, where needed, specialist ESG advisors. Additionally, we consider factors specific to the project's location and the wider ecosystem of assets.

In 2024, we onboarded new climate risk software that allows us to evaluate physical risks – such as extreme temperatures, droughts, wildfires and flooding – and transition risks related to regulatory, legal, market and reputational changes. This software enables scenario analyses for various climate futures until 2100, in accordance with TCFD recommendations. Using this platform, along with analysis from our technical advisors, allows us to translate complex climate data into actionable financial metrics. This helps to facilitate informed decision-making and strategic planning designed to enhance resilience against climate impacts[3] for our portfolio.

In 2025, we are further integrating this tool into our acquisition and asset monitoring processes, and enhancing our understanding of the exposure to potential climate risks.

In addition to a robust ESG due diligence process, we believe that the best way to realise our ambition of ensuring responsible management is to engage in the value chain as early as possible. A key aspect of this approach is close collaboration with our project developers. For example, we work closely with Aquila Clean Energy[4] – our key project developer and affiliate company within Aquila Group – to integrate ESG principles[3] throughout the project lifecycle. If ESG due diligence findings reveal potential negative impacts,[3] we aim to prevent and reduce these as much as possible.

The results of our ESG due diligence are included in the investment proposal to Aquila Capital's Investment Committee. Various factors, including the level of ESG risk[3] and the feasibility of the proposed mitigation measures, influence the committee's decision to proceed with an investment opportunity.

1. 2. 3. 4.

ASSET MANAGEMENT
DURING DEVELOPMENT, CONSTRUCTION AND OPERATION

Once a project is acquired, Aquila Capital takes over responsibility for asset oversight. This includes monitoring ESG risks,[3] overseeing the implementation of outstanding mitigation measures and supervising our counterparties.

MONITORING ESG RISKS[3]

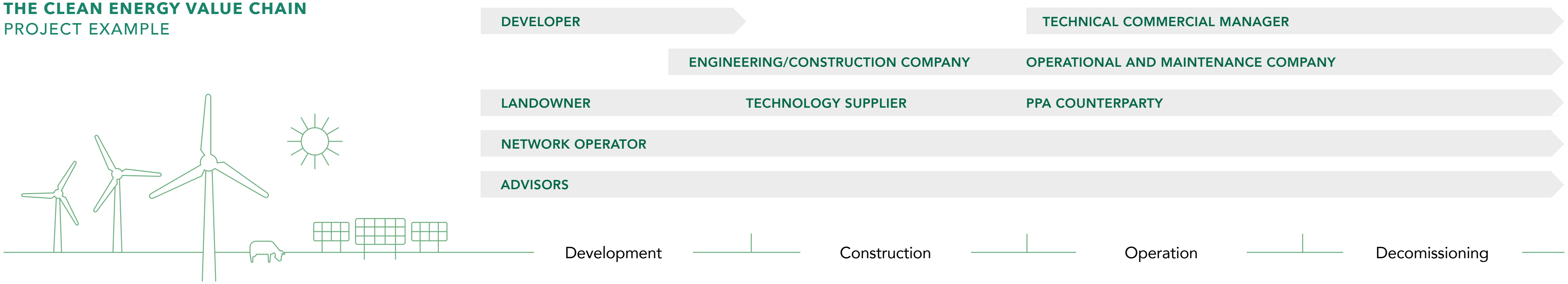
Aquila Capital has built a strong track record in monitoring and managing ESG risks[3] comprehensively over the full value chain of the assets we manage. Our project developers take the lead in development and construction management.

At Aquila Clean Energy, sustainability managers play a key role in overseeing project-specific ESG factors. A central pillar of this approach is fostering strong community relationships and implementing impactful stakeholder engagement initiatives. Maintaining an ongoing dialogue enables project developers to proactively mitigate challenges such as land use conflicts, economic disruptions or threats to cultural heritage (see the 'Driving community initiatives' section on page 25 for some examples).

Solar PV installation, Ammerland, Germany.

3 Defined in glossary.
4 Aquila Clean Energy refers to the entities Aquila Clean Energy EMEA and Aquila Clean Energy APAC.

KEY COUNTERPARTIES ALONG THE CLEAN ENERGY VALUE CHAIN
PROJECT EXAMPLE



COUNTERPARTY MANAGEMENT

Aquila Capital works with various counterparties during a project's lifecycle. Depending on the project, these may include suppliers of the technology to be deployed; BESS integrators; engineering, procurement and construction (EPC) firms; and operational and management (O&M) companies. Our partnerships with these counterparties expose us to varying ESG risks and impacts,[5] necessitating adjustments to our service requirements. As a result, a strong counterparty management framework is crucial to uphold our commitment to responsible asset management.

To ensure we work with trusted counterparties that align with our goal of managing essential assets sustainably, our framework consists of three key steps:

- selecting counterparties
- establishing contractual obligations and reporting requirements
- monitoring counterparties and reporting on their activities.

HOW WE SELECT OUR COUNTERPARTIES

Apart from standard 'know your customer' (KYC) processes, we screen for violations of human and labour rights, and of other rights, to ensure that our key project counterparties are not breaching good governance standards.

Our selection process may include further screenings depending on the risk level of the service provided by the counterparty. For PV and BESS suppliers, for instance, we have implemented an additional due diligence process to assess their supply chain management and raw material sourcing practices. This helps evaluate their maturity and resilience in managing ESG risks[5] within the technology supply chain. We also require a detailed mapping of the origins of all components used in batteries or PV panels.

By engaging with suppliers in this manner, we aim to enhance transparency regarding the sources of equipment and raw materials. This allows us to better identify potential risks involving high-risk suppliers or regions. However, we are aware there is a general lack of transparency in the market, and that continuous engagement and collaboration are important methods for encouraging it. While we have done a lot to better understand and manage potential supply chain risks specific to our business dealings, we acknowledge the challenges inherent in our industry and remain committed to continuously improving the effectiveness and scope of our ESG management approach.

WORKING WITH COUNTERPARTIES TO MANAGE SUSTAINABILITY FACTORS

In addition to legal requirements and our expectations for responsible business practices, our contracts require business partners to report on their ability to minimise potential negative impacts.[5] This allows us to better understand and monitor our direct and indirect effects on the environment and society, ensuring a more comprehensive approach to sustainability. Furthermore, signing our Code of Conduct is a key condition for entering into a business relationship with us. In 2024, we made this document publicly available on our website. Beyond compliance with regulatory requirements, monitoring the ESG performance data of our assets also enables us to identify opportunities for improving asset management.

MONITORING AND REPORTING

To monitor the performance of our assets and our counterparties, we require periodic reporting on key health and safety, social and environmental indicators. In case of incidents, onsite contractors inform our asset managers promptly so they can resolve and mitigate issues as fast as possible.

Managing assets is more than managing relationships with counterparties. It also involves building beneficial relationships with the wider community in which we operate. Our approach to engaging with stakeholders allows us to share valuable feedback with counterparties throughout our asset's lifetime. We aim to balance clean energy's benefits with local communities' needs for shared value creation and environmental protection. We also believe it's vital to establish appropriate grievance mechanisms to encourage feedback from all stakeholders and facilitate ongoing communication.

5 Defined in glossary.

COMMUNITY ENGAGEMENT

Building shared value on the ground

Aquila Capital is committed to engaging with communities responsibly to ensure that our projects create lasting benefits for local stakeholders. As an asset manager, we actively engage with communities to foster growth and shared benefits.

Aquila Clean Energy[1], our affiliate company within Aquila Group, is our key project developer and so is well placed to ensure early and meaningful dialogue with the communities and local stakeholders from the very start. By addressing concerns throughout project development, valuable feedback can be integrated into planning and decision-making.

Similarly, Aquila Capital's asset management team, responsible for our operational assets, works to ensure transparent stakeholder engagement. By collaborating with stakeholders, we align long-term goals, build trust, and maintain effective grievance mechanisms to support open community dialogue and the creation of shared value.

This approach balances the benefits of renewable energy with community needs, fostering shared value creation and environmental stewardship while adhering to regulatory requirements. Strong community engagement is central to our strategy, enabling collaborative relationships with local people who live near our assets.

1 Aquila Clean Energy refers to the entities Aquila Clean Energy EMEA and Aquila Clean Energy APAC.

DRIVING COMMUNITY INITIATIVES

As part of our financing activities, we are committed to leaving a positive, sustainable footprint by adopting a local approach to environmental protection, stakeholder engagement and community value creation. Our main project developers, Aquila Clean Energy EMEA and Aquila Clean Energy APAC, initiate and lead these efforts during project development[1], establishing community initiatives focused on key themes. Once projects are operational and managed by Aquila Capital, we assess and implement the initiatives.

These examples highlight how community engagement is initiated from the outset of projects and carried through into our long-term funds.

RENEWABLE ENERGY TRAINING

As part of the Pepino and El Cuco solar PV projects in Castilla-La Mancha and Andalucía, Spain, Aquila Clean Energy EMEA funded a training course on the installation and maintenance of solar PV systems. The course covered theoretical and practical aspects, including solar energy conversion, system components, workplace safety and electrical system maintenance. Additionally, in partnership with the Chambers of Commerce in Toledo and Albacete, Aquila Clean Energy EMEA ran a course on entrepreneurship in the renewable energy sector.

CULTURAL INITIATIVES

Aquila Clean Energy EMEA signed a collaboration agreement with the City Council of Muelas del Pan to restore the historic Cristo de San Esteban hermitage near solar PV plant Ricobayo in Castilla y León. This restoration project aims to preserve local cultural heritage.

ENVIRONMENTAL AWARENESS

To promote educational awareness, Aquila Clean Energy EMEA led educational activities in Spanish schools located near the solar PV plants El Cuco and Pepino in Spain. These programmes are designed to raise students' awareness of renewable energy, environmental protection and local ecosystems. Activities included site visits, lessons on solar PV operations, and research on surrounding natural and cultural heritage.

LOCAL COMMUNITY ENGAGEMENT

As part of the Edgecumbe solar farm project in New Zealand, along with its project partner, Far North Solar Farm, Aquila Clean Energy APAC engaged with Te Rūnanga o Ngāti Awa (a local iwi group) and was honoured to be gifted the name 'Omeheu' at a karakia, a traditional blessing ceremony, held onsite. The name Omeheu recognises the land's role in sustaining Te Rūnanga o Ngāti Awa's ancestors for generations. Aquila Clean Energy APAC is also committed to supporting local Māori youth through sponsoring an electrical apprenticeship programme. In addition to engaging traditional landowner groups, the team conducted door-to-door consultations and community drop-in sessions, with ongoing communication to ensure collaboration and transparency.

1 Aquila Clean Energy APAC will continue managing stakeholder initiatives when it holds an asset long term.

OUR ASSET CLASSES

- Overview
- Private debt
- Clean energy solutions
- Energy transition
- Diversified infrastructure
- Green logistics
- Data centers
- Natural capital

OVERVIEW OF OUR ASSET CLASSES AND SELECTED FUNDS[1]

Aquila Capital specialises in essential asset investments across seven distinct asset classes.

New fund[8]

PRIVATE DEBT

AQUILA CAPITAL RENEWABLE ENERGY DEBT (RED)
2024
ARTICLE 9 SFDR

AC DYNAMIC RENEWABLES RETURN (DRR)
2021
ARTICLE 8 SFDR
1.8–5.8 m
lifetime avoided emissions (t CO_2e)[2]

AC BALANCED REAL RETURN II (BRR II)
2021
ARTICLE 8 SFDR
8.0–20.8 m
lifetime avoided emissions (t CO_2e)[2]

AC BALANCED REAL RETURN (BRR)
2013
ARTICLE 8 SFDR
5.8–15.1 m
lifetime avoided emissions (t CO_2e)[2]

CLEAN ENERGY

AC ONE PLANET ELTIF (ONE PLANET ELTIF)
2024
ARTICLE 9 SFDR
0.8–2.0 m
lifetime avoided emissions (t CO_2e)[2]

AQUILA CAPITAL EUROPEAN BALANCED RENEWABLES FUND (EBRF)
2019
ARTICLE 8 SFDR
1.3–2.4 m
lifetime avoided emissions (t CO_2e)[2]
200 tsd
households supplied 2024[9]

PANGAEA LIFE UMBRELLA (Pangaea-Life)
2017
ARTICLE 8 SFDR
1.4–3.0 m
lifetime avoided emissions (t CO_2e)[2]
200 tsd
households supplied 2024[9]

ENERGY TRANSITION

AQUILA CAPITAL ENERGY TRANSITION FUND I (AC-ETF)
2024
ARTICLE 9 SFDR
56 MW/**112** MWh
BESS capacity under development

DIVERSIFIED INFRASTRUCTURE

AQUILA CAPITAL INFRASTRUCTURE FUND (ACIF)
2017
ARTICLE 8 SFDR
0.3–1.0 m
lifetime avoided emissions (t CO_2e)[2]

GREEN LOGISTICS

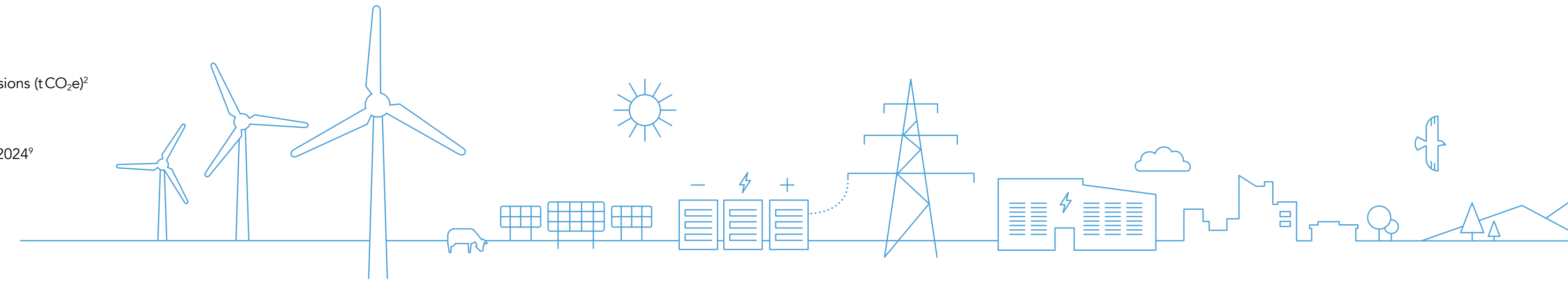
AQUILA CAPITAL SOUTHERN EUROPEAN LOGISTICS (ACSEL)
2021
ARTICLE 8 SFDR
1.3 m sqm
rentable area (track record)

DATA CENTERS

AQUILA CAPITAL DATA CENTER FUND (DC-FUND)[3]
2024
ARTICLE 6 SFDR
1 operational data center with
171 MW
expected capacity[4]

NATURAL CAPITAL

AQUILA CAPITAL TIMBER INVESTMENT FUND (ACTIF)[5]
2012
ARTICLE 9 SFDR
13.5 tsd ha
direct forest holdings
70.4 ha
afforested and ecologically restored area
90%
certification according to FSC[6] or PEFC[7]



1 Information on this page is as at December 31, 2024. This overview is a selection of funds managed or advised by Aquila Capital, primarily funds in active distribution. It does not constitute an exhaustive list. For more details, please refer to our sustainability disclosures, reports and sustainability-related publications or reach out to our sales representatives.
2 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set to the IEA World Energy Outlook 2022 and will be reviewed every three to five years.
BRR funds invest in entities already accounted for in the total lifetime avoided emission calculation, so their values are not distinct.
3 This fund co-invests in data centers with Aquila Group and AQ Compute.
4 Expected power capacity figures based on completion of all phases of the AQ OSL project. Currently, only the first phase (6 MW IT capacity) is operational. Figures are subject to change.
5 This fund is closed.
6 Forest Stewardship Council.
7 Programme for the Endorsement of Forest Certification.
8 New fund is defined as being introduced or launched in the reporting year.
9 Households supplied methodology is included in the glossary.

Ourique solar farm, Portugal.

PRIVATE DEBT

Bridging the energy transition's financing gap with private debt

Private debt – loan capital provided by non-bank lenders – has surged in recent years, driven by continuing demand for capital from the global infrastructure market as well as higher interest rates. As banks scale back their role in infrastructure financing, private debt is increasingly being used to close the gap. Flexible and tailored, this form of financing is driving the development of critical projects while offering attractive opportunities for investors.

Policy frameworks such as the European Green Deal[1] are adding further momentum. To meet the deal's energy transition targets by 2030[2], EU member states must make investments in large-scale projects that often exceed the capacity of public budgets. These projects include expanding renewable energy sources, energy efficiency initiatives and grid infrastructure. All this is creating a critical need for private capital, positioning private debt as a vital pillar of Europe's future infrastructure and energy landscape.

At Aquila Capital, our private debt strategy concentrates on renewable energy and energy transition financing to support climate change mitigation. Aquila Capital has built a track record in this field for well over a decade, through four funds and several structured note products.

Investing in these areas appeals to clients as it offers the potential for attractive risk-adjusted returns, underpinned by higher interest rates and an illiquidity premium for providing loan capital not traded on public markets.

There are also structural advantages. Index-linked contracts help hedge against inflation, while infrastructure private debt has lower and more stable default rates compared to equity and publicly traded corporate bonds – particularly in volatile markets.

This breadth of opportunities enables investors to diversify across different risk profiles, time horizons and market conditions, enhancing portfolio resilience while capitalising on the long-term stability of infrastructure private debt.

1 Defined in glossary.
2 European Commission, 2019: "The European Green Deal".

20-54 m tonnes CO_2e

lifetime avoided emissions[1]

2024 IN REVIEW

In 2024, Aquila Capital's private debt funds and structured notes significantly expanded financing for greenfield BESS projects. BESS plays a vital role in maximising the effectiveness of clean energy systems, ensuring a reliable power supply while directly supporting climate change mitigation.

Our early-stage private debt financing for BESS projects reached approximately €100 million by the end of 2024, with total commitments standing at €300 million. Our investments span key markets, including Germany, Italy, Lithuania and Australia, reinforcing our commitment to advancing sustainable energy infrastructure worldwide.

During the year, we also remained committed to project development via our private debt funds and notes.

Currently fundraising, our construction-phase junior debt and unitranche-focused Aquila Capital Renewable Energy Debt (RED) fund reports in accordance with Article 9 requirements under the SFDR. This means the fund has sustainable investment as its core objective, reinforcing its role in financing the clean energy transition.

In private debt, our development- and construction-stage finance activities unlocked a lifetime avoided emissions potential of 20–54 million tonnes of CO_2e.[1]

In 2024, we upgraded our BRR funds – AC Balanced Real Return (BRR) and AC Balanced Real Return II (BRR II) – from Article 6 to Article 8 under SFDR to better align with the environmental and social characteristics of their underlying assets. This designation reflects our commitment to promoting sustainability-focused investments while maintaining a balanced return profile.

The AC Dynamic Renewables Return (DRR) fund, classified as Article 8 under SFDR, focuses on early development-stage clean energy generation and enabling technologies. It is now invested in 22 projects spanning eleven countries in EMEA and APAC, strengthening its position as a globally diversified renewable energy strategy. While the fund is mainly focused on the EU, it also has a footprint in the APAC region, where the high carbon intensity of many local grids creates significant potential for avoided emissions.

Our exchange-traded private debt structured notes continued to perform strongly, increasing liquidity and accessibility in early-stage private infrastructure finance. Traditionally reserved for institutional investors, these instruments are now opening up energy transition investment opportunities to a broader range of investors.

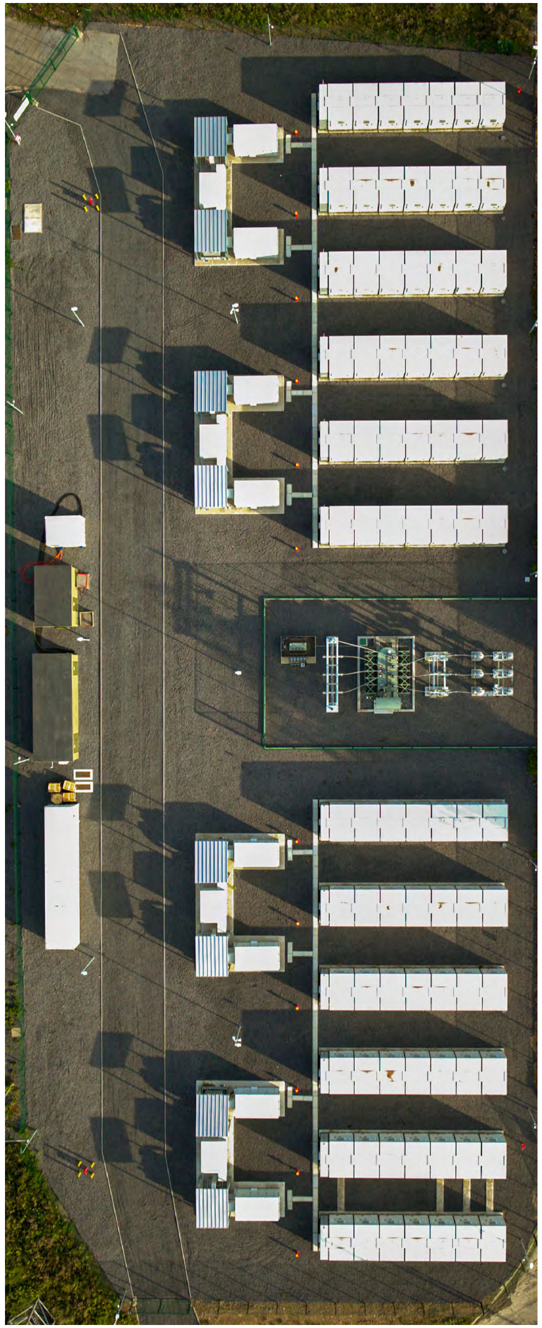
LOOKING AHEAD

Over the next twelve months, we will focus on further strengthening our private debt strategy and its ability to deliver risk-adjusted returns on renewable energy initiatives.

A key milestone is reaching first closing for our new RED fund. This will mean the fund has secured initial capital commitments, allowing us to begin financing renewable energy infrastructure projects heading into construction that support the energy transition.

We also look forward to launching fundraising activities for a new energy transition infrastructure-focused ELTIF[2] product. This marks our second venture into ELTIFs[2], an innovative investment vehicle created by the EU to foster long-term investments in the real economy, particularly in infrastructure. The new fund will offer exposure to direct debt investment opportunities and potentially infrastructure debt funds focused on energy transition, complementing our expanding suite of private debt funds.

Additionally, we will be enhancing our private debt platform with new fund offerings, including senior debt within our strategy. This will help us ensure we offer a diversified and evolving product range to meet our clients' growing demand for sustainable investment solutions.



BESS facility, Karios, Belgium.

1 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set to the IEA World Energy Outlook 2022 and will be reviewed every three to five years.
2 Defined in glossary.

SPOTLIGHT
BARCIENCE SOLAR PV PROJECT

Delivering clean, reliable energy to Central Spain

Sheep grazing to manage growth under solar modules.

Aquila Clean Energy EMEA is a developer of integrated and hybrid clean energy solutions and an independent power producer. It delivers affordable, clean energy to European markets through innovative, technology-enabled solutions. Since 2006, the company has developed and operated renewable energy projects, bringing over 2.5 GW to commercial operation. Aquila Clean Energy manages an advanced development and construction pipeline consisting of over 13 GW in solar PV, onshore wind and BESS across 13 European countries.

Barcience is an operational solar PV project with an installed capacity of 36 MW in Toledo, Central Spain. Developed by Aquila Clean Energy EMEA, it is now managed by Aquila Capital, which also provided the asset with early-stage debt financing.

Sustainability initiatives at Barcience focus on biodiversity and landscape integration. For example, the project's Asset Management division uses sheep grazing to manage the growth of vegetation under solar modules. This helps maintain optimal solar panel efficiency by preventing shading on the modules and also reduces fire risk by clearing dry vegetation. Additionally, this practice supports the local economy by providing shepherds with a sustainable grazing area for their flocks.

In another example, the project's land use is compensated for with cereal plantations on nearby plots, covering 40 hectares. These plantations offer refuge and food for wildlife, contributing to biodiversity preservation and responsible land use.

Barcience team members also actively participate in biodiversity research to understand how animals interact with solar assets. Projects have included tracking lesser kestrels, a type of bird, over a two-year period and running ecological impact studies. The data collected will help the team to refine biodiversity initiatives and further environmental stewardship efforts. Meanwhile, ongoing monitoring ensures compliance with environmental standards.

The team also participates in school outreach activities, including welcoming local students to the project for hands-on learning experiences. In 2024, these activities included joining forces with environmental surveillance subcontractor Ibersyd to host an educational session for 40 students from a local school.

The team introduced the students – all between ten and twelve years – to key features of the plant, emphasising its role in renewable energy production and sustainability. The team also worked to highlight environmental monitoring by showcasing the proactive measures it has implemented to minimise environmental impact and promote biodiversity.

Through these outreach initiatives, the team aims to inspire future career pathways in renewable energy and environmental science.

40
local students hosted for an educational session

CLEAN ENERGY SOLUTIONS

Investing in renewable energy technologies

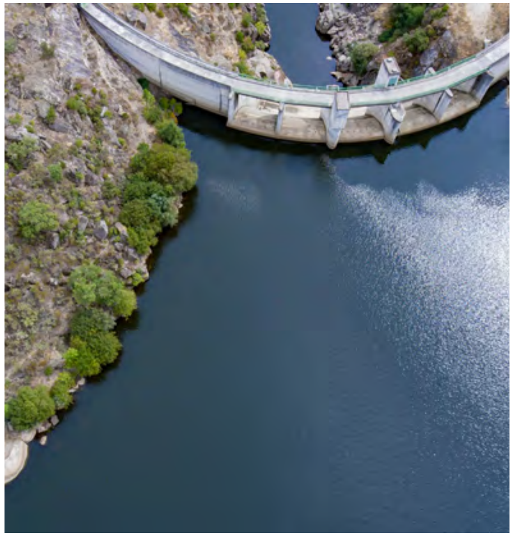
For many years, we have offered our clients attractive investment opportunities that allow them to actively promote climate change mitigation. Within Aquila Capital, we have dedicated investment management and asset management capabilities to responsibly manage and oversee our clean energy projects.

We believe that the current market environment, which is marked by political and economic disruptions, presents investors with a unique opportunity to invest in clean energy assets. Rising energy security concerns, strong government policies and incentives, and the long-term cost advantages of renewables over fossil fuels all position clean energy investments as a resilient and profitable long-term choice. Additionally, increasing investor demand for clean energy assets, the stable returns of renewable energy projects, and rapid technological advancements in storage and grid management further enhance the attractiveness of renewables.

In response to these market dynamics, our clean energy solutions are dedicated to investing in renewable energy and supporting technologies such as BESS. One Planet ELTIF, an Article 9 SFDR fund, offers access to Europe’s expanding clean energy infrastructure. Additionally, the Aquila Capital European Balanced Renewables Fund (EBRF) and Pangaea Life Umbrella S.A. (Pangaea-Life), both Article 8 SFDR funds, focus on clean energy assets such as wind, solar PV and hydropower. Moreover, our dedicated hydropower funds Aquila Capital European Hydropower Fund (EHF) and Aquila GAM Fund (GAM), further showcase our commitment to the energy transition.

Wind farm, Desfina, Greece.

Solar PV plant, Jaen, Spain.



Hydropower, Sagres, Portugal.

BESS, Kairos, Belgium.

WIND

Wind energy is a well-established and efficient energy source, playing a key role in the global energy transition.[1] As a natural and abundant resource, wind power emits little to no GHGs and is easily scalable. We have been investing in the wind energy sector since 2012 and have built a strong track record during this time. Our portfolio features some of the largest wind farms in Europe.[2]

SOLAR

Solar energy is environmentally friendly and offers stable and predictable cash flows with relatively low volatility.[3] This makes it an attractive asset class for investors. As a result, our global solar park portfolio has been growing steadily since 2011. Our specialised team has extensive investment experience and in-depth market knowledge, and takes an active approach to managing our investments.

HYDROPOWER

Hydropower is one of the main sources of clean energy production in Europe.[4] A vital component of our renewable asset portfolio since 2011, it has offered reliable electricity generation for decades, with minimal operational costs. Our hydropower team includes portfolio management and investment management professionals, and focuses on market transactions backed by a robust network of international investors.

BESS

Utility-scale BESS are necessary for integrating renewable energy assets into the electricity mix as they help manage the intermittent electricity generated by solar PV and wind.[5] We invest in BESS to support a stable grid and help build out the much-needed clean energy assets across Europe and APAC. We seek hybridisation potential by connecting our clean energy projects directly with BESS when possible.

1 IEA, 2024: "Wind".
2 Aquila Capital, 2019: "Aquila Capital acquires one of Europe's largest wind farms with 400 MW capacity in Norway".
3 EY, 2018: "How to capture the sun: the economics of solar investment".
4 IEA, 2024: "Hydroelectricity".
5 IEA, 2024: "Batteries and Secure Energy Transitions".

15-27 m tonnes CO_2e
lifetime avoided emissions[1,3]

1.6 m tonnes CO_2e
actual avoided emissions in 2024[1,3]

Småkraft hydropower, Holmen, Norway.

2024 IN REVIEW

Despite a challenging macroeconomic environment due to a lack of capital from banks and investors, constrained liquidity and high interest rates, 2024 proved to be a fruitful year.

We successfully onboarded new assets across diverse geographies and technologies, enhancing our market presence and optimising portfolio diversification, with a strong focus on BESS. We also focused on achieving operational excellence by integrating ESG in all phases of asset management and aligning our operations and maintenance agreements with our ESG Integration Policy and supply chain management. This set a benchmark for operational sustainability.

Prioritising transparency and trust enabled us to strengthen relationships with investors, lenders and partners, helping to ensure stakeholders' alignment with our long-term goals.

We included our Code of Conduct as a supplementary document in all major contracts, requiring subcontractors to accept and comply with the code. By improving ESG and health and safety reporting among our service providers, we are ensuring that asset managers receive timely and accurate updates on critical issues.

Notably, we demonstrated strong progress in establishing our leadership in sustainability. This included improving our GRESB[3] ratings, which reflects our commitment to implementing sustainable practices and achieving excellence in integrating ESG principles[3] into our operations.

We also took notable strides in aligning our assets with the EU Taxonomy.[3,4] This included completing initial steps centred on our operational clean energy portfolio in Europe while enhancing sustainability disclosures for our clean energy investment products. Additionally, we focused on enhancing our ESG data collection processes.

In 2024, our operational clean energy portfolio avoided 1.6 million tonnes of CO_2e emissions.[1] Looking ahead, the portfolio has the potential to contribute to 15–27 million tonnes of avoided emissions over its lifetime.[1]

Highlights this year included the sale of our 25.9% stake in the 150 MW Tesla onshore wind farm in southern Norway to Sunnhordland Kraftlag. Meanwhile, Project Dune, a 74.4 MW onshore wind energy project located near Akmenė in Lithuania, reached full operation.

In Italy, construction work started on the Catania solar PV project in Sicily. Catania is one of the sunniest and most productive locations in Europe. Due to layout optimisation, the project's potential capacity has been expanded to 52.3 MWp.

Seven run-of-river[2] hydropower plants were added to the Småkraft platform, with a combined annual production capacity of 63.4 GWh. Småkraft is a network of small-scale hydropower facilities that use a centralised platform to efficiently develop and operate its fleet, working with local landowners and construction and maintenance companies. Since 2015, its assets have been included in Aquila Capital's long-term investment fund portfolios and mandates. Following significant growth in recent years, Småkraft is now the largest operator of small-scale hydropower plants in Europe.[5]

Construction also began on two major BESS projects: Strübbel, near Hamburg, and Wetzen in Lower Saxony, both in Germany. Strübbel is expected to be operational by the third quarter in 2025 – see our 'Spotlight' feature on the following page for more details. The Wetzen facility is expected to be operational by early 2026.

LOOKING AHEAD

We will continue to embrace sustainability, satisfy stakeholder expectations and comply with regulatory requirements by thoroughly embedding ESG principles[3,6] in our operations. We will also focus on scaling efficiently by streamlining processes to support portfolio growth while maintaining high standards of performance and compliance.

Our aim is to enhance asset performance by leveraging cutting-edge technology and data analytics to optimise operations and maximise returns. We will continue to strengthen collaboration with investors, operational partners and service providers to ensure alignment with our strategic objectives.

1 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set to the IEA World Energy Outlook 2022 and will be reviewed every three to five years.
2 Run-of-river hydropower generation harnesses a river's natural flow without needing a large reservoir or dam to store water.
3 Defined in glossary.
4 In 2024, 39% of managed assets were aligned with the EU Taxonomy, which is an increase from 12% in 2023. Please note these figures contain funds which are either managed by Aquila Capital as the AIFM or advised by Aquila Capital.
5 Smakraft, n.d.: "About Småkraft AS".
6 As outlined in our ESG Integration Policy.

SPOTLIGHT
STRÜBBEL PROJECT

Driving energy resilience with battery storage

Strübbel is a BESS project under construction near Hamburg, Germany. When fully operational, it will have a capacity of 50 MW/100 MWh, making it one of the country's largest and most advanced battery storage facilities.

Developed by Aquila Clean Energy and now managed by Aquila Capital, the project is optimised for both grid balancing and wholesale market trading. It is the first of 14 BESS projects Aquila Clean Energy EMEA plans to implement in Germany, contributing to a total capacity of more than 900 MW as part of its 4.5 GW BESS development portfolio.

50 MW/**100** MWh
full capacity under development

120,000
households supplied for two hours[1,2]

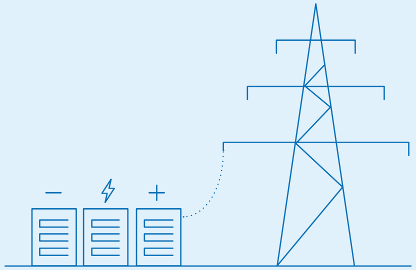
The technology deployed at Strübbel allows for electricity from renewable sources to be stored at a full capacity of 50 MW for two hours and then discharged back into the grid over the same period. This capability can supply 120,000 households[1,2] with power for two hours, providing a reliable solution for grid stability and the integration of renewable energy into the grid infrastructure. In an environment driven by renewables, grid-scale BESS is essential for balancing supply and demand.[3] It underpins energy security and cost-effective, clean electricity for all market participants.[3]

The project employs advanced lithium iron phosphate battery cells that are free of nickel and cobalt. These batteries are not only more sustainable but also safer and longer lasting. The facility is also strategically located in a high-yield onshore wind area, enhancing grid stability and optimising renewable energy integration.

BESS construction underway at Strübbel, Hamburg, Germany.

"Aquila Capital is deeply committed to BESS as a key enabler of the energy transition. BESS plays a crucial role in ensuring system stability in a grid with a high share of renewables, making it essential for achieving our goal of delivering affordable, clean electricity to European markets. Strübbel – our first battery storage project in Germany – forms the cornerstone of the Speicherland storage cluster. It marks a significant milestone in our strategy and underscores our commitment to delivering long-term value for our fund investors through future-proof energy solutions."

CHRISTIAN HEIDFELD
Head of Asset Management Energy Transition, Aquila Capital



1 Defined in glossary.
2 Aquila Clean Energy EMEA, 2024: "PRESS RELEASE".
3 IEA, 2024: "Batteries and Secure Energy Transitions".

ENERGY TRANSITION

Accelerating transformation through next-generation assets

The EU has set a goal of reducing net GHG emissions by at least 55% by 2030[1], significantly increasing the need for investment in renewable energy and related sectors. However, achieving a successful energy transition requires more than simply adopting clean energy. It also necessitates addressing decarbonisation challenges throughout the entire economy.

Aquila Capital's energy transition strategy focuses on three key investment opportunities.

1

BEHIND THE METER

Improving energy efficiency is essential for reaching net zero, as it reduces primary energy consumption and lowers GHG emissions. This means that decentralised systems for energy efficiency and energy generation, such as residential heat pumps, will play a crucial role in helping Europe meet its climate targets.

Since 2020, we have invested in projects across Europe aimed at improving energy efficiency. These projects include upgrading LED lighting, installing solar PV systems, retrofitting buildings and digitally enhancing our operations. Our initiatives use advanced technologies to help reduce energy consumption and costs for our customers.

2

ENERGY STORAGE

Growth in energy from renewable sources by 2030 will require additional investment in flexible energy storage solutions that guarantee a stable energy supply. This includes constructing and operating grid-scale BESS.

These investments deliver attractive returns immediately after commissioning and offer the potential for value appreciation through active trading and platform investments. Aquila Capital has access to the development pipeline of the Aquila Group.

3

ENABLING INFRASTRUCTURE

Investments in infrastructure to decarbonise transport and industry are essential for meeting Europe's energy transition targets. This includes building and operating public electric vehicle (EV) charging stations and industrial decarbonisation platforms.

1 European Commission, 2021: "European Climate Law".

BESS facility in Kairos, Belgium.

2024 IN REVIEW

In 2024, we introduced the Aquila Capital Energy Transition Fund (AC-ETF) to take advantage of the investment opportunities outlined in our Energy Transition strategy.

The fund provides market access to projects that can be realised in the short term as well as a substantial proprietary development pipeline, particularly in energy efficiency and storage infrastructure. The fund is classified as Article 9 under the SFDR, based on its sustainable investment objective of contributing to Europe's decarbonisation objectives. Additionally, the fund targets attractive returns through a diversified and uncorrelated investment portfolio.

Since its launch, we have completed our first investment in Project Ohlensehlen, a German grid-connected BESS. This project addresses the increasing demand for storage in the German energy market, which is being driven by renewable energy generation. Aquila Capital has a strong pipeline of projects, and has analysed more than 150 potential projects since 2023.

LOOKING AHEAD

Aquila Capital aims to be at the forefront of sustainable investment with AC-ETF. Our goal is to significantly contribute to the energy transition while achieving strong, risk-adjusted returns for investors. The aim is to raise €600 million in committed capital by 2026, to scale the fund's portfolio and engage a broader global base of institutional and professional investors.

We will also focus on finalising investments that complement the initial investment. This includes investments in enabling infrastructure such as EV charging networks and industrial decarbonisation platforms, and behind the meter energy solutions such as decentralised systems and residential energy storage.

SPOTLIGHT
PROJECT OHLENSEHLEN

Backing the future of grid-scale storage

AC-ETF has acquired 100% of the shares of Project Ohlensehlen, a German ready-to-build grid-connected BESS, from Aquila Clean Energy. The transaction was completed in December 2024, with a total investment of €50 million. The project is expected to be operational by Q2 2026.

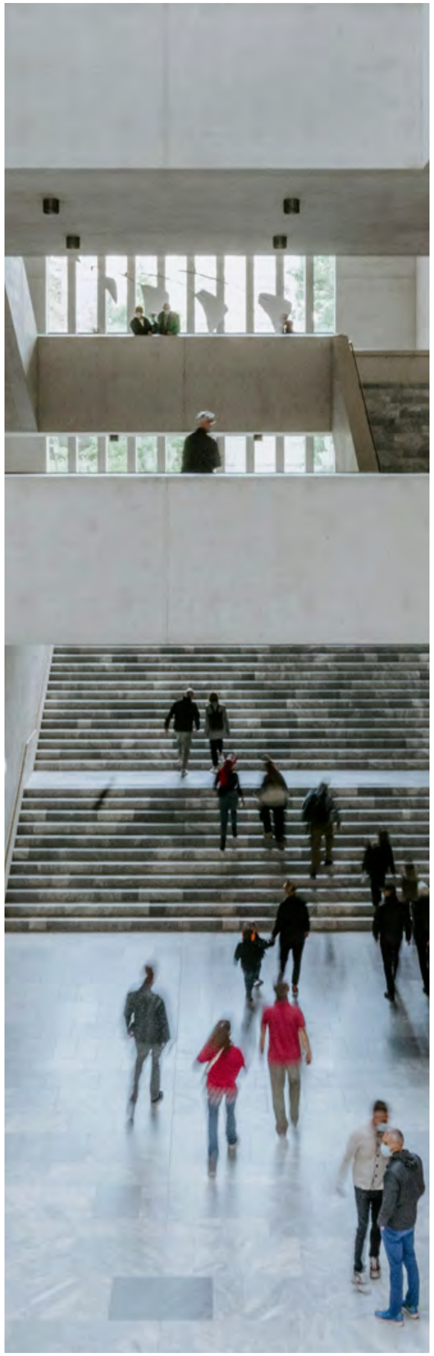
When operational, Project Ohlensehlen will have a 56 MW/112 MWh capacity and will generate income by providing frequency regulation to Germany's power grid and intra-day electricity trading. The investment is expected to deliver attractive, stable returns with regular income and long-term value growth. It may also deliver long-term financial and operational benefits beyond the asset's planned lifespan.

The acquisition of Project Ohlensehlen is a significant milestone for the fund, which has made grid-scale storage a key investment focus. This investment demonstrates the fund's commitment to capitalising on the rising demand for grid flexibility, driven by an increasing need for storage in Germany's expanding clean energy market.

The transaction also represents Aquila Capital's growing commitment to warehouse funding, which is a cornerstone of our partnership with Commerzbank.

Project Ohlensehlen BESS facility in Germany, currently under development.

BESS technology	EUR **50** m total investment	**56** MW/**112** MWh capacity under development	**Q2** 2026 expected operations



DIVERSIFIED INFRASTRUCTURE

Unlocking long-term value through diversified infrastructure

Aquila Capital invests in infrastructure assets that provide long-term social and environmental benefits for local communities. This includes essential facilities and services – transportation networks, energy systems, communication networks, and social services such as schools and hospitals – that power economic activity and improve people's quality of life.

Infrastructure investments can provide stable, long-term returns as they are tied to critical services that businesses and communities rely on. Cash flows are stable and not typically sensitive to competition or commodity price movements. Given the high cost and complexity of development, infrastructure assets also benefit from barriers to entry.

While infrastructure development has traditionally been a public sector responsibility, increasing fiscal constraints and the need for large-scale renewal investments have amplified the role of private capital.

Launched in 2017, our Aquila Capital Infrastructure Fund (ACIF) is an open-ended fund of funds with a volume of more than €500 million. Our investor base spans major institutional groups including insurance companies, pension funds, credit institutions, foundations and churches, reflecting confidence in our strategy.

ACIF is broadly diversified, with around 385 underlying assets across sectors, geographies and asset managers. These investments are made either through commitments to infrastructure funds managed by teams with strong track records, or through direct investments and co-investments, always with a strong focus on clean energy projects. The fund is currently classified as Article 8 under SFDR but has exposure to Article 9 SFDR target funds.

Our investment approach is shaped by robust structural trends favouring energy transition assets and infrastructure assets that provide services to society, including social infrastructure, public transport and rural digital connectivity. We actively invest in and finance efficient and affordable infrastructure[1], prioritising operational assets with built-in inflation protection through inflation-linked revenues or other pass-through mechanisms.

Despite market headwinds such as inflation, rising interest rates and supply chain disruptions, ACIF has consistently delivered a positive performance in each year since its inception. The fund's annual dividend has either increased or remained stable for seven consecutive years, with total distributions of almost €100 million since its inception.

1 This investment focus is outlined in the fund's pre-contractual disclosure under SFDR.

0.3-1.0 m tonnes CO_2e

lifetime avoided emissions[2]

2024 IN REVIEW

In 2024, ACIF delivered strong returns by completing several high-value exits from the fund's underlying funds. These included a portfolio of solar PV assets in Italy, a wind asset in Uruguay, and a power transmission asset in India that linked renewable energy to industrial hubs. Such successful divestments underscore the strong market demand for clean energy assets and related infrastructure.

ACIF's direct clean energy investments in 2024 have the potential to avoid 0.3–1.0 million tonnes CO_2e over their lifetime.[2]

LOOKING AHEAD

The diversified infrastructure team will continue deploying capital in line with ACIF's strategy, targeting key sectors and regions while prioritising co-investments with strong environmental and social attributes.

As the market sees the growing presence of diversified infrastructure funds classified under Article 9 SFDR, we will continue to add to our existing exposure, increasing ACIF's exposure to sustainable investments.

We will also collaborate closely with the underlying funds' asset managers to further standardise our ESG reporting and enhance data availability across the portfolio.

2 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set to the IEA World Energy Outlook 2022 and will be reviewed every three to five years.

SPOTLIGHT
NOVENTA PROJECT

Harnessing thermal energy from raw wastewater

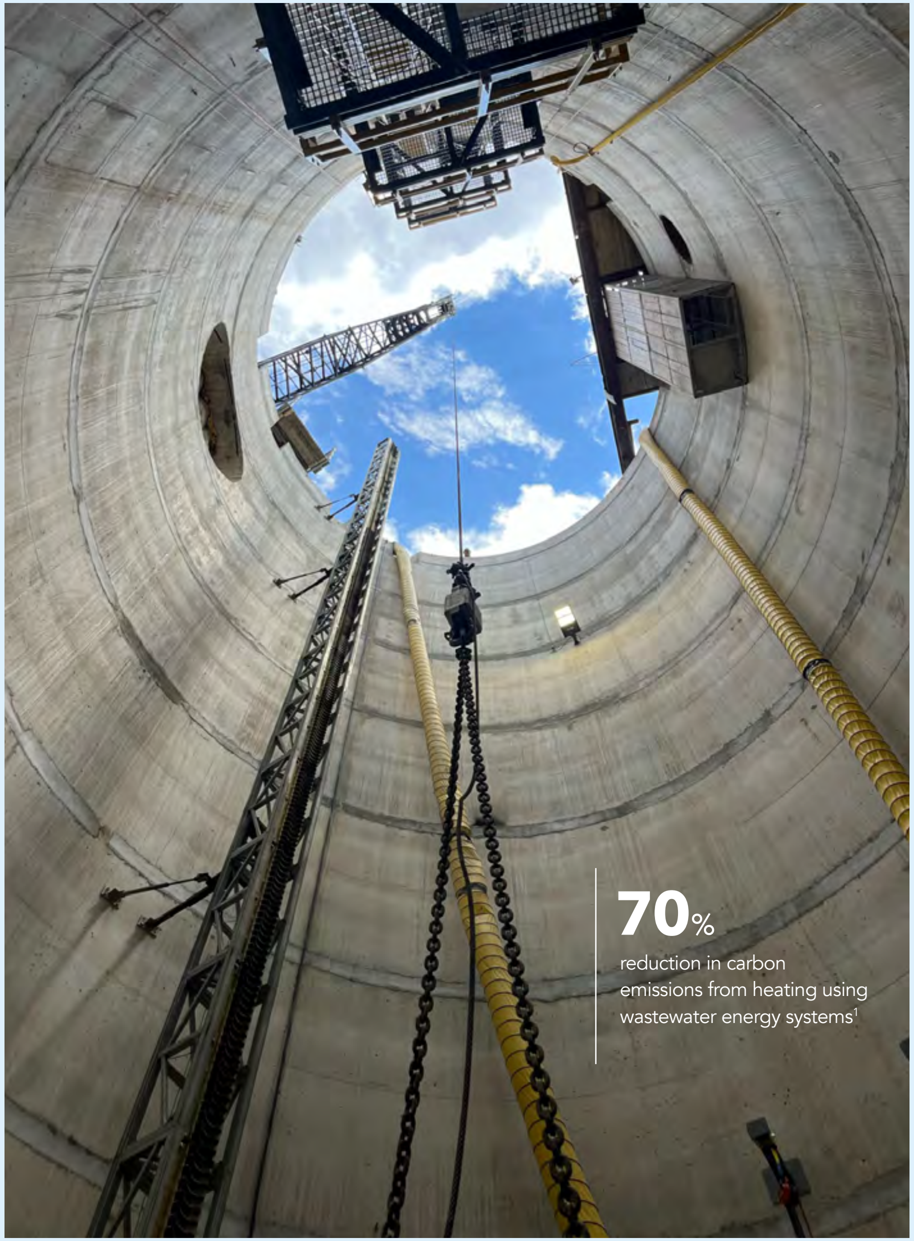
Through one of its underlying funds, ACIF has invested in Noventa, a developer of advanced heating and cooling solutions that harness thermal energy from wastewater.

Noventa's proprietary Wastewater Energy Transfer™ (WET™) Systems extract and repurpose thermal energy from wastewater flowing through sewers, providing a renewable and reliable source of heating and cooling for commercial, residential and institutional buildings. On average, these systems reduce operational carbon emissions from heating by at least 70%[1], significantly contributing to building-related decarbonisation.

The company's WET™ projects function as community-scale district energy systems, featuring underground distribution networks that transport thermally modified water and wastewater between system components.

The WET™ system installed at Toronto Western Hospital in downtown Toronto, Canada, is a good example of Noventa's approach in action. Given the hospital's dense urban setting, installation required innovative engineering solutions to minimise disruption to existing utilities, hospital operations and the surrounding community. Special considerations included managing roadways, overhead power lines, a bus route, and nearby public facilities such as a school, library and swimming pool.

The first phase of the project began in late 2024, with early performance results exceeding design expectations. Negotiations are underway for the second phase, which will further expand Noventa's impact in advancing sustainable urban energy solutions.



Installation of Noventa's WET™ system begins with deep underground engineering.

1 Ancala, 2024: "Noventa".

GREEN LOGISTICS

Delivering continuous growth through logistics investments

Since launching our logistics business in 2012, Aquila Capital's investment team has acquired significant assets totalling more than 1.3 million square metres of rentable space. Our ambition is to minimise the environmental impact of these traditionally carbon-intensive assets while delivering attractive financial returns for our clients.

1.3 m sqm
of green logistics space acquired since 2012

Logistics assets provide investors with compelling advantages, including sustained demand driven by e-commerce growth and resilient occupancy rates and rental income, even in economic downturns.[1] Including logistics assets in an investment portfolio also provides diversification benefits, which can help mitigate risk and enhance overall portfolio performance.

Our projects, primarily located in southern Europe, are developed with a strong focus on sustainability[2] and operational excellence.[2] This involves planning carefully and adopting the latest technologies, materials and practices.

We strive for high standards, including top Building Research Establishment Environmental Assessment Methodology (BREEAM) and Leadership in Energy and Environmental Design (LEED) certifications for all our projects. We also aim to maximise the positive societal impact[2] of our projects, including creating jobs, enhancing regional integration into global trade networks, and improving environmental characteristics by optimising routing and transportation methods.

Our Aquila Capital Southern European Logistics (ACSEL) fund, launched in 2021, generates stable returns through a diversified portfolio of newly built logistics assets that incorporate ESG principles throughout southern Europe, including in Italy, Spain and Portugal.

Properties are strategically located, built and operated to high energy efficiency and environmental protection standards. Selection criteria include proximity to transportation hubs to minimise transport-related carbon emissions, adherence to building standards such as BREEAM and the ability to accommodate rooftop photovoltaic panels.

All ACSEL acquisitions follow a comprehensive investment process and decision-making framework that aligns with the fund's ESG objectives. ACSEL also adopts a proactive approach to ESG due diligence, post-acquisition ESG implementation, and monitoring and reporting processes.

Gandra North Green Logistics Park, Porto, Portugal.

1 Prologis, 2025: "The E-commerce Boom Isn't Over: Implications for Logistics Real Estate".
2 Defined in glossary.

SPOTLIGHT
GANDRA NORTH

Green Logistics Park

Gandra North Green Logistics Park, Porto, Portugal.

In September, the ACSEL fund officially acquired our Gandra North Green Logistics Park. Located near Porto, Portugal's second-largest port, this prime location offers direct access to key logistics routes. The newly built facility, developed by Green Logistics, has a total leasable area of 16,570 sqm.

The project is expected to achieve BREEAM Very Good certification in 2025. Features include a water retention basin and permeable pavement to promote the natural drainage of rainwater, EV chargers, bicycle parking and solar PV rooftop panels.

16,570 sqm
of total leasable area in the newly built facility

3 In accordance with the fund's pre-contractual disclosure under SFDR.
4 Defined in glossary.

2024 IN REVIEW

Green Logistics remained committed to project acquisition in 2024. A major achievement was the aforementioned acquisition of Gandra North Green Logistics Park in Portugal. A modern logistics complex located near Porto, the park has been built with sustainability at its core, reinforcing ACSEL's focus on investments which promote environmental characteristics.[3] See the spotlight opposite for more information.

LOOKING AHEAD

We will continue to deploy capital in accordance with ACSEL's strategy, acquiring ESG-integrated[4] assets in Spain, Portugal and Italy.

Enhancing our BREEAM and LEED certifications across multiple assets is a focus for 2025. We are currently working towards achieving a BREEAM Very Good certification for our Magellan asset in Portugal.

We are also focused on enhancing our ESG performance through GRESB assessments.

DATA CENTERS

Building AI-ready data centers for a high-performance future

AQ-OSL data center, Norway.

Digital transformation, advances in cloud technology and the growth of artificial intelligence (AI) applications have seen demand for data centers surge.

Founded in 2020, AQ Compute aims to meet Europe's rapidly increasing demand for data centers while maintaining an emphasis on sustainability. Its focus is on building AI-ready, facilities powered by renewable energy. AQ Compute is minority owned by Aquila Group and is Aquila Capital's preferred partner for asset sourcing in the data center field.

The strategy builds and invests in data center assets and offers services to its clients, including some of the biggest cloud providers and most innovative global technology companies. Solutions include co-location services, built-to-suit capabilities, AI and high-performance computing solutions, and remote technical support and connectivity services.

AQ Compute is guided in decision-making through an ESG strategy, which consists of five main pillars.

1

CLEAN ENERGY

Prioritise procuring green electricity[1], promoting onsite energy generation, and supporting the grid by using excess heat and onsite generation to offset energy requirements.

2

LOW-CARBON FOOTPRINT DESIGN AND OPERATION

Minimise environmental impact by selecting low-impact equipment, materials and processes. This involves designing for greater energy and water efficiency while encouraging innovation that delivers ESG benefits and embraces minimalist design principles.

3

CIRCULAR VALUE CHAIN

Consider the entire value chain, including suppliers and clients, in environmental assessments. Evaluate and minimise the collective environmental footprint to reduce waste, enhance recycling practices and promote a circular economy.

4

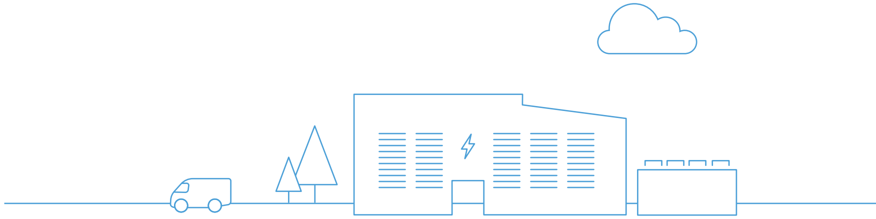
SOCIAL AND ENVIRONMENTAL CARE

Commit to benefiting the communities and ecosystems in which AQ Compute operates.

5

TRANSPARENCY AND LEADERSHIP

Demonstrate progress and inspire others through accurate measurement, reporting, and participation in awards and industry forums.



1 Defined in glossary.

80%
acquired by Bain Capital in 2024

171 MW
gross power planned for the AQ-OSL facility in Norway

2024 IN REVIEW

In 2024, Aquila Group formed a partnership with Bain Capital, one of the world's leading private investment firms. As a result, Bain Capital acquired an 80% stake of AQ Compute, while Aquila Group holds the remaining 20% minority stake.

Aquila Capital introduced a new data center fund in 2024. The Aquila Capital Data Center Fund (DC-FUND) offers attractive investment opportunities in various data centers across Europe and in our pipeline.

LOOKING AHEAD

AQ Compute will continue to execute its ESG strategy[2] by reducing the environmental impact of the asset portfolio throughout its lifetime, giving back to the communities AQ Compute works in and demonstrating transparent reporting. AQ Compute will also continue to build its asset portfolio.

AQ Compute's first facility, AQ-OSL, is now operational in Norway, and will continue to expand its capabilities. When fully developed, it is expected to provide 171 MW of gross power.

Work on a second facility, AQ-BCN1 in Barcelona, Spain, is expected to be completed in 2025. When operational, this facility will support hyperscale customers and high-density workloads. See the spotlight opposite for more information. AQ Compute is currently securing permits for a third project, which will be located in Milan, Italy.

60 MW
co-location data center in Barcelona, Spain

SPOTLIGHT

AQ-BCN1

3D render of AQ-BCN1 facility, Barcelona, Spain.

In July 2024, construction began on AQ Compute's second facility, AQ-BCN1, a new 60 MW co-location data center and research campus in Barcelona, Spain.

The 43,000 sqm AI-ready campus, being built in the Parc de l'Alba area, will feature independent buildings for greater privacy and security, and a polyvalent building that could host an innovation centre.

Other features will include liquid cooling for high-density racks, Tier III design principles, and round-the-clock technical support and security. AQ Compute will offer 100% renewable energy supply to its clients.

The center is expected to satisfy the needs of hyperscalers, large enterprises and other organisations that require extensive computing capacity.

2 For details on the strategy, please see page 43.

NATURAL CAPITAL

Creating financial and environmental returns with natural capital

Forests play an important role in carbon sequestration, aligning with the rising demand for credible decarbonisation solutions. This is because timber is currently one of the few viable, scalable methods of capturing carbon directly from the atmosphere.[1]

Timber has also become a key asset class for institutional investors, recognised for its stable investment returns and potential to meet rising global demand with minimal volatility.[1]

Our team of forestry experts has deep sector knowledge and works closely with local forest managers. Since we entered this market in 2007, our direct forest holdings have grown to approximately 13,500 ha. We also have an indirect stake in more than 8,500 ha through a fund of funds portfolio.

2024 IN REVIEW

Low timber prices and increased harvesting costs continued to pose challenges this year due to an inflationary and volatile economic environment.

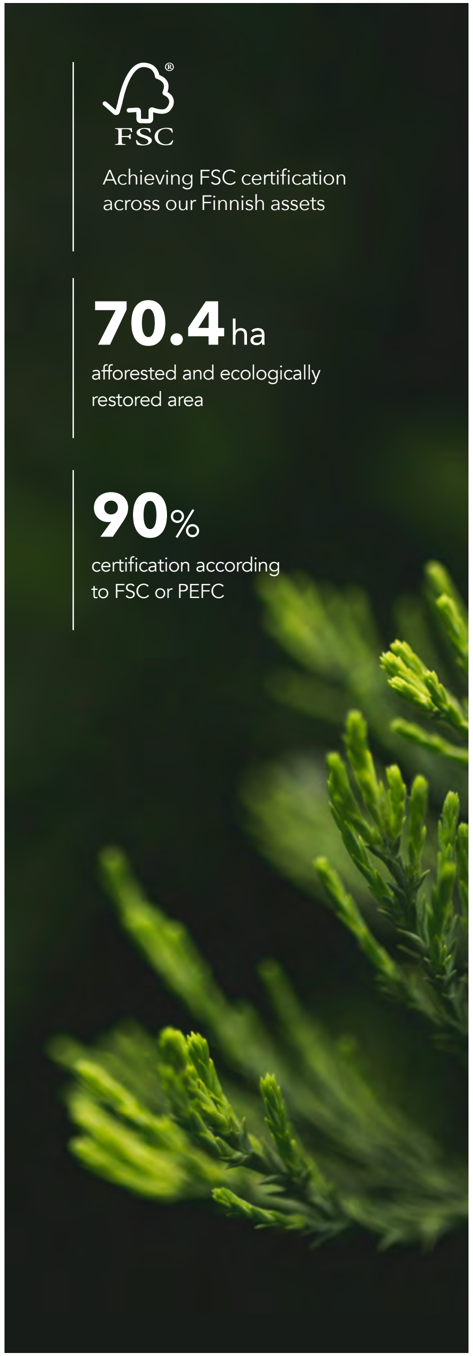
Despite the challenges, our global timber portfolio in Aquila Capital Timber Investment Fund (ACTIF) has demonstrated resilience, benefiting from strong timber prices in Finland and a stabilised carbon market in New Zealand.

A significant achievement this year was the successful FSC audit of our properties in Finland. The FSC certification scheme is the world's most respected forest certification system.

LOOKING AHEAD

Despite the challenging fundraising environment, we anticipate there will continue to be a strong interest in timber investments from various market sectors as investors seek stable, risk-adjusted returns amid an unpredictable economic and political environment.

We will continue marketing our new fund, the Global Timber and Climate Investment Fund, which is focused on timber investments and designed to support decarbonisation via natural capital investments. It will be classified as an Article 9 SFDR fund – with a sustainable investment objective[2] – under the EU's SFDR, and will focus on investments in Europe, North America and Oceania.



FSC

Achieving FSC certification across our Finnish assets

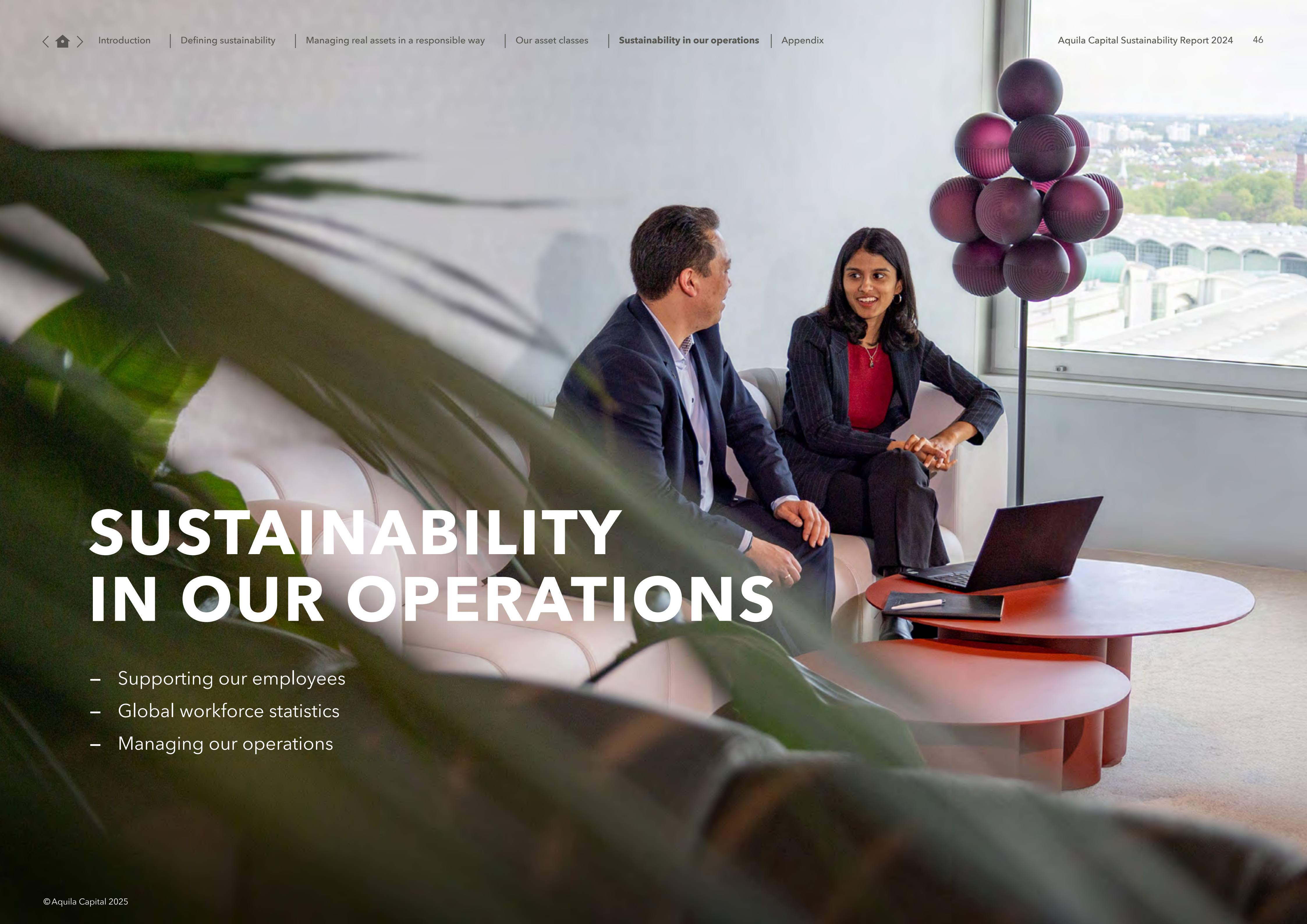
70.4 ha

afforested and ecologically restored area

90%

certification according to FSC or PEFC

1 Aquila Capital, 2022: "Timber and Carbon – A New Paradigm?"
2 For more details, please refer to our sustainability-related publications.



SUSTAINABILITY IN OUR OPERATIONS

- Supporting our employees
- Global workforce statistics
- Managing our operations

SUPPORTING OUR EMPLOYEES

Promoting learning, growth and inclusivity

Throughout 2024, we have remained dedicated to supporting our employees. We strive to attract, support and develop talented and committed individuals within our organisation. Our diverse[1] team is empowered to contribute meaningfully, and we provide tailored training and development programmes to help keep our employees motivated and healthy, and ensure they have the tools and resources needed to reach their full potential.

Our Women Empowerment and Mentoring Programme (WEMP) is one of several initiatives designed to foster an inclusive and supportive work environment. The programme promotes gender equality and gives female employees the support they need to thrive professionally.

In 2024, we also introduced new health-related activities and services to prioritise employee wellbeing and promote a healthier work–life balance.

Overall, it was a year of significant milestones and unwavering commitment to our employees. Together, we have navigated change, embraced growth, and made progress in creating a supportive, inclusive and forward-thinking work environment.

"At Aquila Capital, our longstanding commitment to our employees and their behaviours drives our organisation forward and delivers results. We are focused on hiring, retaining and developing the most talented and innovative minds."

MELANIE DÖHLER
HR Head, Aquila Capital

1 Defined in glossary.

2024 IN REVIEW

TALENT AND DEVELOPMENT

Global online learning platform

Our commitment to ongoing learning supports our strategic goal of improving technical skills, deepening understanding and preparing our workforce for future challenges.

Since 2021, we have collaborated with Coursera to provide our leaders, managers and other employees with access to high-quality online courses from prestigious universities and other organisations. Embracing digital learning minimises the need to travel and reduces the consumption of physical resources, enabling us to foster professional development while supporting our environmental objectives.

In 2024, employees had the opportunity to use Coursera to deepen their understanding of AI, particularly ChatGPT and Microsoft 365 Copilot, to boost productivity and innovation. Some used learning opportunities to develop skills in data modelling, financial markets, portfolio management and risk management. This reflects our focus on building decision-making skills, financial acumen and resilience while addressing potential risks.

Language courses

Strong language skills are vital for effective communication and collaboration, particularly in our diverse, multicultural environment. We offer business-relevant language courses to support employees to strengthen their language skills.

Targeted development opportunities

Our development programme is designed to address diverse needs, placing equal emphasis on technical expertise and personal growth.

- **Program for emerging talent**
  Our Alternative Asset Analyst Programme (AAAP) is designed to develop the next generation of skilled professionals. Introduced in 2023, this 24-month programme provides participants with a comprehensive understanding of our business model and organisational structure. Throughout the programme, seven participants rotate through our departments and office locations in Germany, Luxemburg and Spain, gaining hands-on experience while completing tailored training modules.

  The programme has consistently proven its value in strengthening our talent pipeline, and many past participants have gone on to establish rewarding careers within the organisation. We plan to continue the programme in 2025.

- **One-on-one leadership coaching**
  We provide personalised coaching sessions for our line managers and leaders with a diverse group of experienced coaches. These sessions are designed to deliver tailored guidance, actionable feedback and focused skill development. Through this approach, we empower our managers to face challenges confidently, improve their decision-making abilities and make meaningful contributions to the organisation. Our investment in tailored coaching improves managerial effectiveness and fosters a resilient, agile organisational culture.

DIVERSITY, EQUITY AND INCLUSION

Our goal is to create an inclusive workplace where everyone feels valued and able to succeed. To help us reach this goal, our DEI programmes focus on advancing gender diversity, opportunity and equity across the organisation. Aquila Capital reinforced its commitment to this topic by launching its Aquila Capital DEI policy in 2024.

WOMEN EMPOWERMENT AND MENTORING PROGRAMME

A highlight in 2024 was the September launch of the WEMP, which is designed to provide women at all levels of the organisation with the tools, knowledge and support necessary for success. The programme is divided into two complementary components: Women Empowerment Learning Nuggets, and the Mentoring Programme.

Women Empowerment Learning Nuggets

These interactive sessions are open to all women at Aquila Capital and offer an engaging platform for building essential skills and sharing knowledge. They cover topics such as communication, resilience, self-confidence and networking, taking a holistic approach to personal and professional growth. The sessions also create opportunities for participants to connect with their peers and develop a strong support network.

Mentoring Programme

The Mentoring Programme offers tailored one-on-one support for selected participants. In 2024, we invited seven women to join the programme and partner with mentors from Aquila Capital. The diverse mix of mentors represents the great wealth of expertise found within our organisation. Participants work towards defined development goals to help them confidently navigate their professional paths. To ensure the programme's success, mentors receive guidance and resources to help them provide practical support to participants. The mentoring journey will continue in 2025.

Women's Day Trivia Challenge

This year, we launched the Women's Day Trivia Challenge on 8 March, to coincide with International Women's Day. This initiative aimed to raise awareness of the need for gender equality and set the stage for a broader commitment to equity and inclusion.

Kids Day 2024

In November 2024, we hosted our fourth annual Kids Day at our offices in Hamburg and Madrid. This popular event encourages employees to bring their children into the workplace, providing families with a fun-filled opportunity to experience our organisational culture. Our teams filled their offices with festive decorations, and offered creative activities and opportunities for families to explore our work environment together.

LOOKING AHEAD

We intend to implement a series of targeted initiatives to further enhance support, development and inclusivity for our employees. These measures will be thoughtfully designed to address the specific needs of our workforce, promoting a culture where everyone can thrive personally and professionally.

By prioritising actions that address employee needs and anticipate emerging trends in workplace culture, we are strengthening our commitment to creating supportive, inclusive and forward-thinking work environments that will attract top talent and empower our team as we evolve and grow.

SPOTLIGHT

Supporting a healthy workforce in 2024

33
employees from six offices collectively achieved ...

24,356,523
steps, which is equivalent to walking ...

15,588
km

The health and wellbeing of our employees remains a top priority. We believe a healthy workforce is essential for personal fulfilment, professional performance and long-term organisational success. In 2024, we continued to build on this commitment by offering initiatives aimed at promoting physical activity, mental resilience and a balanced lifestyle.

To provide employees with year-round access to fitness opportunities, we maintained our partnership with Fitness First.[1] This collaboration allows employees to enjoy discounted membership rates, encouraging them to prioritise their fitness and integrate regular exercise into their routines.

We also introduced several targeted initiatives in 2024.

CORPORATE RUNS

Employees from three locations participated in high-profile corporate running events, including the J.P. Morgan Corporate Challenge in Frankfurt, the Luxembourg Times BusinessRun and the La Carrera de las Empresas in Madrid.

HEALTH DAY IN HAMBURG

At our Hamburg office, we organised a dedicated Health Day. This event featured activities promoting physical and mental health, including business yoga, pilates and AquaFit. Employees also took part in workshops on mental fitness and healthy habits, including BrainFit and Relaxation & Resilience sessions. They also had access to innovative treatments such as cryo dry floating, offering unique ways to support recovery and wellbeing.

COMPANY SPORTS

As part of our ongoing efforts to promote health and team spirit, we are excited to support company sports activities, including our dedicated football division. This initiative encourages employees to connect outside work, and fosters camaraderie, collaboration and a shared passion for physical activity.

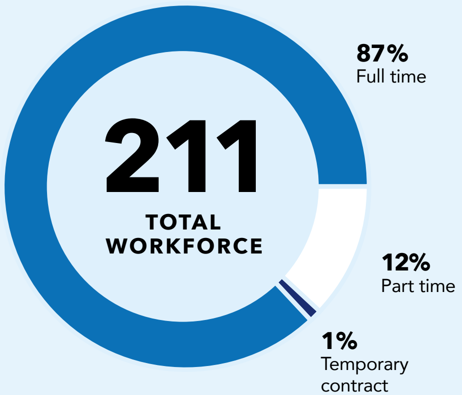
VIRGIN PULSE GLOBAL CHALLENGE

For the seventh year, employees participated in the Virgin Pulse Global Challenge, a popular competition that promotes regular physical activity, stress management and healthy habits. In the 2024 challenge, 33 employees from six offices collectively achieved 24,356,523 steps, equivalent to 15,588 km. This accomplishment highlights their commitment to leading a more active lifestyle.

Through year-round fitness opportunities and targeted programmes such as these, we aim to encourage our workforce to achieve a healthy work–life balance while fostering team spirit and mental resilience. This remains an integral part of our approach and contributes to the sustained success of our business.

1 This initiative is for employees based in Germany.

GLOBAL WORKFORCE STATISTICS[1]



WORKFORCE BY GENDER

	2022	2023	2024
Women	35%	37%	37%
Men	65%	63%	63%

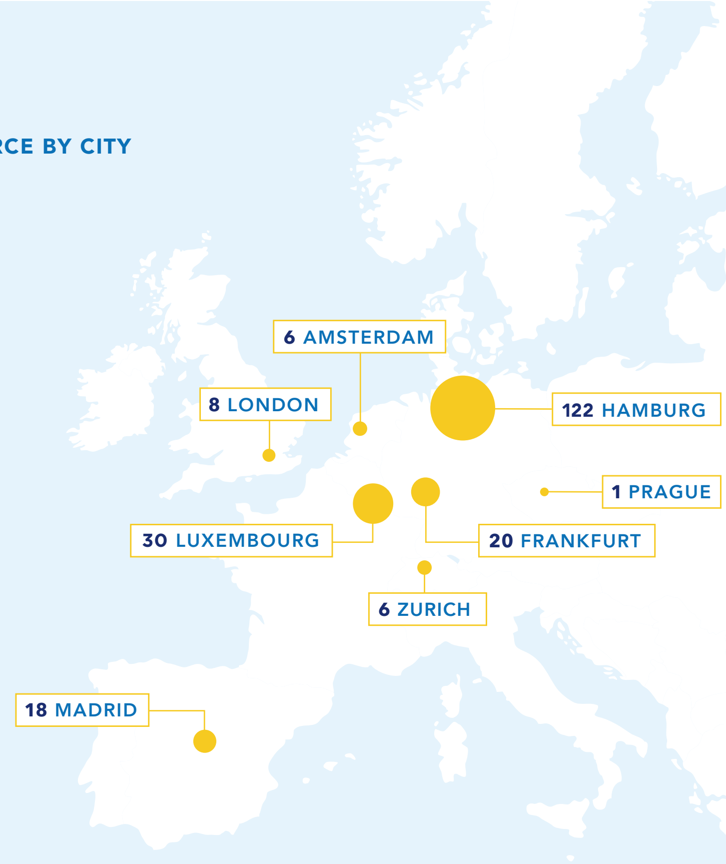
LEADERSHIP BY GENDER

	2022	2023	2024
Women	25%	19%	20%
Men	75%	81%	80%

WORKFORCE BY AGE

	2022	2023	2024
<30	14%	10%	15%
30-40	40%	42%	42%
40-50	30%	28%	26%
>50	16%	19%	17%

WORKFORCE BY CITY



AVERAGE AGE

	2022	2023	2024
Women	39	39	**40**
Men	40	40	**40**

NUMBER OF NATIONALITIES

2022	2023	2024
25	29	**29**

1 Figures are calculated on a headcount basis. Figures include full time, part time, and temporary contracts and exclude interns and working students.

SUSTAINABILITY IN OUR OPERATIONS

Managing our operations

We understand that reducing our carbon footprint plays a role in mitigating climate change. This includes managing emissions associated with our core activities, such as business travel, employee commuting and office operations.

While some travel is necessary for us to manage our funds and investments effectively, we strive to set an example by minimising the impact of our actions. To demonstrate this, we have been actively managing our corporate carbon emissions since our launch.

We also take measures to reduce the environmental impact of our offices. These include achieving LEED certification in our Hamburg and Frankfurt offices. LEED certification is a globally recognised rating system for sustainable buildings, developed by the US Green Building Council. It evaluates buildings based on energy efficiency, water use, indoor air quality, material selection and overall environmental impact.

Our Madrid office has also achieved the BREEAM certification. BREEAM, developed by the Building Research Establishment in the UK, is a leading sustainability assessment method for buildings and infrastructure. It evaluates projects based on energy efficiency, water use, health and wellbeing, materials, pollution and ecological impact.

ENHANCING TRANSPARENCY IN EMISSIONS REPORTING

In 2024, we implemented the PCAF framework to calculate our financed emissions.

PCAF is a global initiative that provides a standardised methodology for financial institutions to measure and disclose the GHG emissions linked to their lending and investment portfolios. This framework helps banks, asset managers and other financial entities align with climate goals such as the Paris Agreement and EU sustainability regulations. It also provides transparent carbon accounting to support compliance with SFDR and the Corporate Sustainability Reporting Directive.

In 2025, we will focus on enhancing data quality. We also intend to report our financed emissions publicly going forward.

2024 CORPORATE CARBON FOOTPRINT

We are reporting Aquila Capital's standalone carbon footprint for the first time and have started using a standard developed by the VfU.[1] This standard is aligned with global environmental and climate reporting frameworks, including the Global Reporting Initiative and the Greenhouse Gas Protocol.

As in previous years, the majority of our carbon emissions stem from the Scope 3 category, representing 81% of our total footprint. Business travel accounted for 45% of these emissions, as our employees travelled to engage with colleagues, clients, suppliers and other important stakeholders – an integral part of our business. By the end of 2024, our global workforce included over 200 employees across eight offices.

As outlined in the 2023 Aquila Group Report, we introduced initiatives to reduce our environmental impact, for example in the area of employee commuting. We recognise that further action is necessary to manage our corporate carbon footprint. Since this is the first standalone reporting of Aquila Capital's carbon footprint, we have not defined specific targets due to the lack of historical data. We are actively working to implement further measures in 2025 to enhance our emissions reduction strategy and target setting.

1 VfU is the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten.

OVERVIEW OF AQUILA CAPITAL GHG EMISSIONS[2]

	2024 value (t CO_2e)	Share of total (%)
SUM SCOPE 1 Direct emissions from owned or controlled sources, such as company vehicles	**113**	12%
SUM SCOPE 2 Indirect emissions from the consumption of purchased electricity, heating and cooling	**62**	7%
SUM SCOPE 3[3] Other indirect emissions from the value chain, including upstream and downstream activities	**770**	81%
Business travel	424	45%
Employee commuting	224	24%
Heating	100	11%
Electricity	16	2%
Paper	4	<1%
Waste	1	<1%
Water	<1	<1%
SUM TOTAL	**945**	

2 GHG emissions have been calculated in accordance with the VfU standard. Underlying data comprises actual measurements and assumptions.
3 Our offices purchase green electricity, so most related electricity emissions stem from the pre-stages of energy provision, and distribution and conversion losses, which are allocated to Scope 3 in accordance with the VfU standard.

WITH THE SUPPORT OF OUR PARTNERS AT AQ GREEN TEC, WE OFFSET:

CO_2

945 CO_2e tonnes

which was our total 2024 corporate carbon footprint

LEED-certified workspace, Hamburg, Germany.

2024 IN REVIEW

In 2024, we started using a new methodology to calculate Aquila Capital's Scope 1, Scope 2 and Scope 3 GHG emissions in line with international reporting standards such as the GHG Protocol and the Global Reporting Initiative.

The tool was developed by VfU, a German association that promotes environmental management and sustainability in financial institutions. VfU assists banks, asset managers and insurers to integrate climate risks, ESG criteria and GHG accounting into their business strategies using tools, best practices and frameworks. Other initiatives throughout the year included offsetting our Scope 1–3 emissions to help reduce our impact on climate change.

In line with our sustainability commitment, we have taken action to measure and offset our carbon footprint. We offset our total 2024 carbon footprint – approximately 945 t of CO_2e emissions – by acquiring Gold Standard carbon credits with the support of our partners at AQ Green TeC. This initiative contributes to a 49.5 MW wind energy project in Maharashtra, India, which generates 222,000 MWh of clean electricity annually and contributes to emission reductions of approximately 73,000 tonnes CO_2e per year. By reducing fossil fuel reliance, the project supports SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action), while also promoting local economic growth and job creation, aligning with SDG 8 (Decent Work and Economic Growth), and enhancing energy access and sustainability in the region.

Once again, we have subsidised the Deutschlandticket for employees based in Germany. This travel pass gives users unlimited travel on regional and local public transport across Germany, making it an affordable and environmentally friendly way for employees to get to work. At the end of 2024, approximately 60% of employees based in Germany were using a Deutschlandticket.

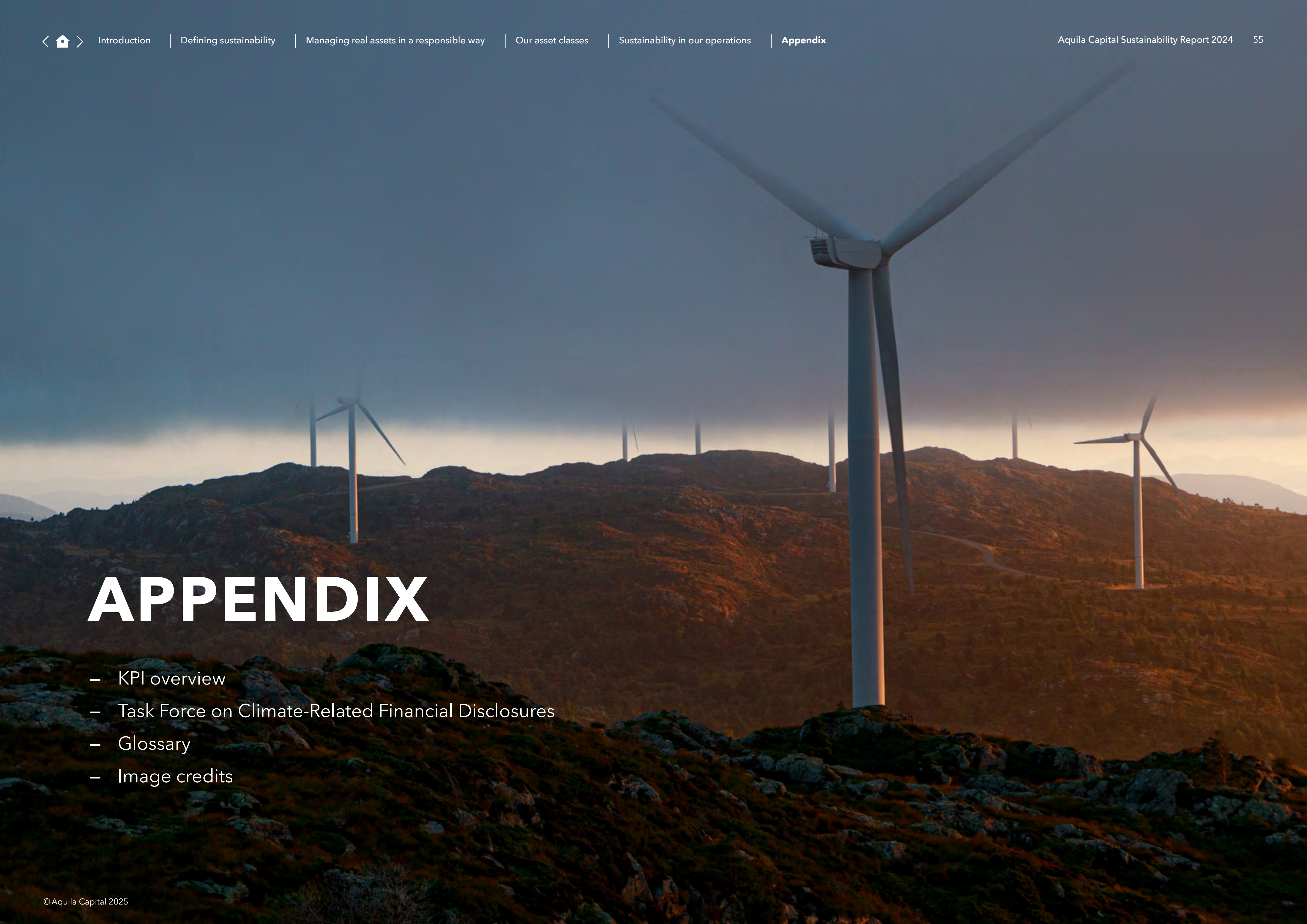
LOOKING AHEAD

We will also continue to prioritise using office buildings with international sustainability certifications such as LEED,[4] BREEAM[4] or DNGB.[5] These buildings often prioritise features like green electricity EV charging stations and strategic locations to reduce employee travel.

When refurbishing our existing offices, we aim to use up to 80% recycled materials in furnishings such as desks, chairs and acoustic panels. Where possible, these items are sourced from recycling programmes that repurpose ocean plastics. We also seek to use local suppliers for all office needs and to prioritise sustainable options, such as using recycled paper and avoiding single-use items like coffee capsules.

Through such initiatives, we will continue to explore ways to reduce our environmental footprint and enhance sustainability.

4 Defined in glossary.
5 Deutsche Gesellschaft für Nachhaltiges Bauen.



APPENDIX

KPI OVERVIEW

COMPANY OVERVIEW

Key figures	Unit	2024
Assets under management (AuM)	bn €	**6.8**
Asset classes	number	**7**
Global investors	number	**300+**

ESG FIGURES

PRI Transparency assessment	Unit	Value
Policy, Governance and Strategy	number	**5/5**
Direct – Real Estate	number	**5/5**
Direct – Infrastructure	number	**5/5**
Confidence-Building Measures	number	**4/5**
Corporate carbon footprint		
Scope 1	t CO_2e	**113**
Scope 2	t CO_2e	**62**
Scope 3	t CO_2e	**770**

GLOBAL WORKFORCE[1]

	Unit	2022	2023	2024
Employees				
Total employees	number	196	216	**211**
Number of nationalities	number	25	29	**29**
Employees with part-time employment	%	12	13	**12**
Employees with temporary employment	%	n/a	n/a	**1**
Gender distribution				
Women	%	35	37	**37**
Men	%	65	63	**63**
Share of women in leadership	%	25	18	**20**
Share of men in leadership	%	75	81	**80**
Age distribution				
>50	%	16	19	**17**
40–50	%	30	28	**26**
30–40	%	40	42	**42**
<30		14	10	**15**
Average age by gender				
Total	years	40	40	**40**
Women	years	39	39	**40**
Men	years	40	40	**40**

1 Figures are calculated on a headcount basis. Figures include full time, part time, and temporary contracts and exclude interns and working students.

KPI OVERVIEW

PORTFOLIO OVERVIEW – CLEAN ENERGY AND PRIVATE DEBT

Key figures	Unit	Value
Total capacity under development, construction and operations	GW	**17.7**
Wind assets	number	**32**
Solar PV assets	number	**70**
Hydropower assets	number	**295**
BESS assets	number	**21**

PORTFOLIO – GREEN LOGISITCS

Key figures	Unit	Value
Rentable area track record	million square metres	**1.3**

PORTFOLIO – NATURAL CAPITAL

Key figures	Unit	Value
Direct forest holdings	hectares	**13,500**
Afforested and ecologically restored area	hectares	**70**
Certification according to FSC or PEFC	%	**90%**

ESG FIGURES

SFDR profile of funds[2]	Unit	Value
Article 9 fund distribution	%	**32**
Article 8 fund distribution	%	**63**
Article 6 fund distribution	%	**5**

Lifetime avoided emissions[1]	Unit	Value
Lifetime avoided emissions – clean energy	million tonnes CO_2e	**15-27**
Lifetime avoided emissions – private debt	million tonnes CO_2e	**20-54**

Actual avoided GHG emissions 2024[1]	Unit	Value
Actual avoided emissions in 2024 – clean energy	million tonnes CO_2e	**1.6**

Households supplied by clean energy[3]	Unit	Value
Equivalent households supplied in 2024 – clean energy	million households	**1.6**

1 Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every 3-5 years.
2 Pertains to all funds in scope of the regulation as of December 31, 2024. In 2023, 15 of 17 funds were classified as Article 8 and 9 (88%); in 2024, 18 of 19 funds were classified as Article 8 and 9 (95%).
3 Households supplied methodology is included in the glossary.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES[1]

	RECOMMENDED DISCLOSURE	IMPLEMENTATION
GOVERNANCE	Describe the board's oversight of climate-related risks and opportunities.	Our most senior governing bodies oversee all decisions related to climate-related risks and opportunities. We have established structures to ensure that these risks and opportunities are integrated into board-level decision-making and performance evaluations. The BoD plays a key role in setting the strategic direction for climate-related initiatives and ensuring alignment with our ESG Integration Policy. See 'Our structure' on page 14.
	Describe management's role in assessing and managing climate-related risks and opportunities.	Management is highly involved in assessing and managing climate-related risks and opportunities. Governing bodies provide oversight to ensure that climate considerations are embedded in decision-making processes. Our ESG Integration Policy outlines the approach we take to identify and manage these risks and opportunities, ensuring they are incorporated into our overall business strategy and operations. See 'Our structure' on page 14.
STRATEGY	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Climate-related risks identified include GHG emissions and regulatory changes. In relation to climate-related opportunities, our business model and investment focus actively concentrate on leveraging opportunities presented by climate change. See 'Our commitment' on page 10.
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Climate-related risks and opportunities shape Aquila Capital's business, strategy and financial planning by driving our focus on clean energy solutions and sustainable infrastructure. Strategically, we seek to expand access to sustainable investments for our clients, managing essential real assets responsibly, and leading by example – minimising our environmental footprint and empowering our people. Financially, this approach supports long-term value creation. See 'Our commitment' on page 10.
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our ESG Management Framework, formalised in our ESG Integration Policy, ensures that climate risks are proactively identified, analysed and managed across our operations, further strengthening our strategic resilience. See 'Our ESG Management Framework' on page 21.
RISK MANAGEMENT	Describe the organisation's processes for identifying and assessing climate-related risks.	The identification and assessment of climate risks is incorporated in our ESG Management Framework, which is formalised in our ESG Integration Policy. Key decisions made across our investment process require the evaluation of climate risks. To enhance the analysis of such risks, we adopted climate risk software allowing us to evaluate physical risks, transition risks and scenario analysis. See 'Our ESG Management Framework' on page 21.
	Describe the organisation's processes for managing climate-related risks.	The management of climate risks is incorporated into our ESG Management Framework, which is formalised in our ESG Integration Policy. Key decisions made across our investment process require the management of climate risks. See 'Our ESG Management Framework' on page 21.
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	The assessment of climate risks is fully integrated into our risk management framework and processes. As defined in our ESG Integration Policy, the assessment, management and mitigation of ESG and climate risks is part of our investment and asset management processes. The risk department is responsible for the overall risk management, reviews and oversight of the investment and asset management processes. See 'Our ESG Management Framework' on page 21.
METRICS AND TARGETS	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	We assess climate-related risks and opportunities using metrics such as lifetime avoided emissions at the asset and fund levels, alongside technology-specific KPIs. We have recently implemented the PCAF framework for calculating our financed emissions, and publicly report our own Scope 1–3 emissions. See 'Our corporate carbon footprint' on page 53 and 'Defining sustainable investments' on page 12.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	See 'Our corporate carbon footprint' on page 53.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Our business model centres on harnessing climate-related opportunities.[2] We are in the process of setting specific climate-related targets. See 'Our commitment' on page 10.

1 In 2023, the TCFD disbanded, and this responsibility is now overseen by the ISSB.
2 Defined in glossary.

GLOSSARY

Actual avoided emissions[1]
Ex-post observations within a specified reporting period that is based on the clean energy produced and the grid emission intensity of the specific region in question. Figures are approximate and subject to change. For further information, please refer to Aquila Capital's website, see footnote.

Battery Energy Storage System (BESS)[2]
Technology that stores electrical energy in batteries for later use, enhancing grid stability and enabling renewable energy integration.

Board of Directors (BoD)[3]
The governing body of an organisation responsible for overseeing the strategic direction, governance and overall operations.

Building Research Establishment Environmental Assessment Methodology (BREEAM)[4]
An organisation which provides a sustainability assessment framework for buildings and infrastructure.

Capacity[5]
The amount of energy output or input that can be sustained by a piece of energy-related equipment over a given period of time.

Carbon footprint[6]
A carbon footprint is the total GHG emissions caused directly and indirectly by an individual, organisation, event, or product.

1 Wiebeck, A., Arndt, B., 2023:"Lifetime avoided emissions".
2 Greenvolt, n.d.: "Battery Energy Storage Systems".
3 Investopedia, n.d.: "Board of Directors: Definition and Role".
4 BREEAM, n.d.: "About BREEAM".
5 IEA, n.d.: "Glossary".
6 Science Direct, 2023: "Carbon Footprint".

Carbon intensity[7]
A measure of the amount of CO_2 (or other greenhouse gases) emitted during the supply of one unit of an energy product or economic activity.

Clean energy[8]
An umbrella term that encompasses energy sources, infrastructure, technologies, and related assets compatible with a net zero emissions energy system.

Climate-related opportunities[9]
Refers to the potential positive impacts related to climate change on an organization. Efforts to mitigate and adapt to climate change can produce opportunities for organizations, such as through resource efficiency and cost savings, the adoption and utilization of low-emission energy sources, the development of new products and services, and building resilience along the supply chain.

Climate change mitigation[10]
Actions that limit or reduce GHG emissions, such as cutting emissions from energy and land use or enhancing carbon removal through natural or artificial sinks, in order to curb global warming.

Climate impact[11]
Effects of climate risks on human life, livelihoods, health, wellbeing, ecosystems and biodiversity, as well as economic, social, and cultural values, services, and infrastructure. These effects, which may be positive or negative, are often described as consequences or outcomes.

7 IEA, n.d.: "Glossary".
8 IEA, n.d.: "Glossary".
9 TCFD, 2017 "Recommendations of the Task Force on Climate-related Financial Disclosures".
10 IPCC, 2023: "IPCC Sixth Assessment Report Chapter 1".
11 Umweltbundesamt, n.d.: "Klimawirkung".

CO_2 equivalent (CO_2e)[12]
A standardised metric for the contribution to climate change exerted by different greenhouse gases, expressed in terms of the contribution that is made by one unit of CO_2.

Corporate Sustainability Reporting Directive (CSRD)[13]
An EU law which requires companies above a certain size to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment.

Diversity[14]
Differences in the values, attitudes, cultural perspective, beliefs, ethnic background, sexual orientation, gender identity, skills, knowledge and life experiences of each individual in any group of people. the presence of difference within a given context, such as an organisation.

Electricity generation[15]
The amount of electricity generated by a generation facility in a specified period of time.

Embodied emissions[16]
Emissions incurred to produce, use and decommission an asset during its entire lifecycle.

Energy mix[17]
The variety of energy sources used to satisfy demand for energy services in a country or region. Expressed in terms of the share of total energy supply or final consumption represented by each source.

12 IEA, n.d.: "Glossary".
13 EU Commission, n.d.: "Corporate sustainability reporting".
14 European Institute for Gender Equality, n.d.: "Diversity".
15 EIA, n.d.: "FAQ".
16 Wiebeck, A., Arndt, B., 2023:"Lifetime avoided emissions".
17 IEA, n.d.: "Glossary".

Environmental impact
See 'Impacts'.

ESG factors[18]
Environmental, social or governance matters that may have a positive or negative impact on the financial performance or solvency of an entity, sovereign or individual.

ESG integration[19]
The systematic inclusion of ESG risks and opportunities in investment analysis, portfolio construction and risk management.

ESG principles
Fundamental propositions and values with regards to ESG integration, that serve as the foundation for a system of belief, behaviour, or reasoning. They guide decision-making and actions, and are often seen as universally applicable or enduring standards. For further information, please see our ESG Integration Policy.

ESG risk[20,21]
An ESG event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment. ESG risks are the risks of any negative financial impact on the institution stemming from the current or prospective impacts of ESG factors on its counterparties or invested assets.

Essential assets
Includes assets related to expanding or renovating the world's low-carbon infrastructure. In the context of Aquila Capital, this includes clean energy solutions (wind, solar PV, hydropower, and BESS), diversified infrastructure, logistics, data centers, and natural capital.

18 EBA, 2021: "EBA/REP/2021/18".
19 World Bank, 2018.: "Incorporating ESG Factors into fixed income investment".
20 European Union, 2019: "Regulation (EU) 2019/2088".
21 EBA, 2021: "EBA/REP/2021/18".

GLOSSARY continued

EU Taxonomy[22]
A classification system which allows financial and non-financial companies to share a common definition of economic activities that can be considered environmentally sustainable.

European Green Deal[23]
European Union's comprehensive roadmap aimed at transforming its economy for a sustainable future. Launched in December 2019, its primary objective is to achieve climate neutrality by 2050, ensuring that the EU emits no more greenhouse gases than it removes.

European Long-Term Investment Fund (ELTIF)[24]
A type of collective investment framework allowing investors to put money into companies and projects that need long-term capital.

European Union (EU)[25]
The European Union is a political and economic union of 27 European countries that work together on shared policies, trade, and governance.

Forest Stewardship Council (FSC)[26]
A non-profit organization, providing trusted solutions to help protect the world's forests and tackle deforestation, climate, and biodiversity challenges.

Greenhouse Gases (GHG)[27]
Gases that trap heat in the atmosphere are called greenhouse gases including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and other gases.

22 European Commission, n.d.: "EU taxonomy for sustainable activities".
23 European Commission, 2019: "The European Green Deal".
24 European Commission, 2015: "European Long-term Investment Funds".
25 European Commission, 2022: "The European Union".
26 FSC, n.d.: "About us".
27 EPA, 2025: "Overview of Greenhouse Gases".

Gigawatt (GW)[28]
A unit of power equal to 1 billion watts.

Global Real Estate Sustainability Benchmark (GRESB)[29]
An organisation which provides ESG assessments and benchmarks across real assets including real estate and infrastructure, for assets and funds.

Green electricity[30]
Electricity produced from resources such as solar, wind, geothermal, biomass, and low-impact hydropower facilities.

Households supplied
Number of equivalent households supplied by clean energy. The calculation of the average European household consumption is based on 2018 Eurostat data. The average EU-27 household electricity consumption per person (in MWh/capita) is multiplied by the average EU-27 household size resulting in the average consumption of electricity of the average household size (in MWh/household). The electricity generated by the assets is divided by the EU-27 average consumption of electricity and household size (in MWh/household) resulting in the final value.

For BESS assets, the power capacity of the system is divided by the average household electricity consumption. This calculation indicates how many households could be supplied with electricity for a set duration. Figures are approximate and subject to change.

28 Merriam-webster, n.d.: "Gigawatt".
29 GRESB, n.d.: "About GRESB".
30 European Environment Agency, n.d.: "Green Electricity".

Impacts[31,32]
The effect the undertaking has or could have on the environment and people, including effects on their human rights, connected with its own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. The impacts can be actual or potential, negative or positive, intended or unintended, and reversible or irreversible. They can arise over the short-, medium-, or long-term.

Institutions can be impacted by or have an impact on ESG factors. As companies, institutions can be impacted by ESG factors (outside-in perspective), for example through the physical effects of climate change on their premises or have an impact on ESG factors (inside-out perspective), for example through their Scope 1 and Scope 2 CO_2 emissions.

International Energy Agency (IEA)[33]
An intergovernmental organisation that provides policy advice, data and analysis to ensure energy security and help the world transition to clean energy.

ISO 20400[34]
An international standard that provides guidance to organisations, independent of their activity or size, on integrating sustainability within procurement practices.

Leadership in Energy and Environmental Design (LEED)[35]
A globally recognised green building rating system. LEED certification provides a framework for healthy, efficient, and cost-effective green buildings, providing environmental and social benefits.

31 European Commission, 2023: "5303 final - ANNEX 2".
32 EBA, 2021: "EBA/REP/2021/18".
33 IEA, n.d.: "About".
34 ISO, 2017: "ISO 20400:2017(en)".
35 LEED, n.d.: "LEED rating system".

Lifetime avoided emissions[36]
The sum of all avoided emissions over the course of the lifetime of a given asset or portfolio of assets, typically including both actual (ex-post) and projected (ex-ante) avoided emissions. Embodied emissions that were incurred to produce, use and decommission an asset during its entire lifecycle are subtracted.

This metric is designed to measure the contribution of clean energy assets to climate change mitigation over their lifetime on a forward-looking basis, specifically for assets under development and construction. Its calculation inputs are estimated based on expected production figures, grid emissions intensities. etc. Figures are approximate and subject to change. For further information, please refer to Aquila Capital's website, see footnote.

Net Zero emissions[37]
Cutting carbon emissions to a small amount of residual emissions that can be absorbed and durably stored by nature and other carbon dioxide removal measures, leaving zero in the atmosphere.

Operational excellence[38]
Management approach that fosters a culture of continuous improvement and employee empowerment, enabling team members to deliver customer value and address issues proactively to avoid disruptions.

Principles of Responsible Investment (PRI)[39]
An independent initiative which works to promote responsible investment. It offers six principles which help incorporate ESG issues into investment practice.

36 Wiebeck, A., Arndt, B., 2023:"Lifetime avoided emissions".
37 United Nations, n.d.: "Explaining net zero".
38 IBM, 2022: "What is operational excellence?"
39 PRI, n.d.: "About the PRI".

Programme for the Endorsement of Forest Certification (PEFC)[40]
An international non-profit organisation which is a leading global alliance of national forest certification systems. It is dedicated to promoting sustainable forest management through independent third-party certification.

Scope 1 emissions[41]
Direct emissions from owned or controlled sources.

Scope 2 emissions[41]
Indirect emissions from the generation of purchased energy.

Scope 3 emissions[41]
All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Securitisation undertakings[42]
Within the meaning of the Luxembourg Securitisation Law, are undertakings which carry out the securitisation in full, and undertakings which participate in such a transaction by assuming all or part of the securitised risks - the acquisition vehicles - , or by issuing "financial instruments or contracting, for all or part of it, any type of loans" to ensure the financing thereof the issuing vehicles and whose articles of incorporation, management regulations orissue documents provide that they are subject to the provisions of this law.

40 PEFC, n.d.: "What is PEFC?"
41 Greenhouse Gas Protocol, 2022: "FAQ".
42 CSSF, 2004: "Law of 22 March 2004 on securitisation".

Societal impact
See 'Impacts'.

Sustainability[43]
Using resources in a way that fulfils current needs without limiting the ability of future generations to meet theirs.

Sustainability Accounting standards Board (SASB)[44]
An organisation that sets standards to guide companies in disclosing relevant sustainability information to their investors. Available for 77 industries, the SASB standards identify the sustainability-related risks and opportunities most likely to affect an entity's cash flows, access to finance and cost of capital over the short, medium or long term.

Sustainable Development Goals (SDGs)[45]
A set of 17 global goals adopted in 2015, aimed at ending poverty, improving health and education, reducing inequality, promoting economic growth, tackling climate change, and protecting oceans and forests.

Sustainable Financial Disclosure Regulation (SFDR)[46]
EU regulation which requires financial market participants and financial advisers to communicate sustainability information to investors. Generally, Article 6 products that do not promote environmental or social characteristics; Article 8 products promote environmental or social characteristics; Article 9 products must have a sustainable investment objective.

43 United Nations, 1987: "Report of the World Commission on Environment and Development: Our Common Future".
44 SASB, n.d.: "About us".
45 United Nations, n.d.: "The 17 goals".
46 European Union, 2019: "Regulation (EU) 2019/2088".

Sustainable Investment Strategies
Within the context of Aquila Capital, this term refers to the specific strategies i.e., funds and/or securitised undertakings which focus on our definition of 'Sustainable Investment'. See 'Sustainable Investment'.

Sustainable Investments
Investments in e.g. clean energy or energy transition-related assets such as battery storage, charging stations for electric vehicles, energy efficiency, behind the meter, as well as forestry, environmentally-friendly and/or energy-efficient residential and/or commercial real estate, etc.

This definition includes but is not limited to sustainable investments in terms of the Sustainable Finance Disclosure Regulation (SFDR) for financial products. For more information please refer to the 'Defining sustainable investments' section of this report.

Sustainable investment objective
Refers to financial products according to Article 9 SFDR, which are required to specify a sustainable investment objective, e.g. climate change mitigation, which a given financial product contributes to through its investment activities.

Task Force on Climate-related Financial Disclosures (TCFD)[47]
The TCFD has developed a framework to help organisations more effectively disclose climate-related risks and opportunities. The IFRS Foundation has taken over the monitoring of the progress of companies' climate-related disclosures since the TCFD has been disbanded.

47 TCFD, n.d.: "Task Force on Climate-related Financial Disclosures".

United Nations Global Compact (UNGC)[48]
A voluntary initiative based on CEO commitments to implement universal sustainability principles. It promotes alignment of strategies and operations with universal principles on human rights, labour, environment, and anti-corruption.

Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten (VfU)[49]
A network of sustainable finance professionals from over 60 financial companies which focuses on promoting sustainable finance. It provides information and resources, webinars and trainings, tools, experts for the network.

48 United Nations Global Compact, n.d.: "Who we are".
49 VfU, n.d.: "Wer wir sind".

IMAGE CREDITS

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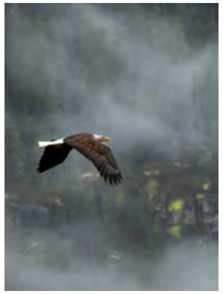

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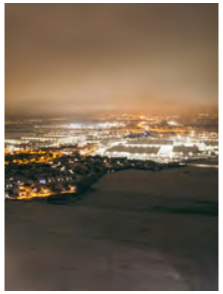

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