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If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this Notice and any accompanying documents at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. However, these documents should not be forwarded or sent in, into or from the United States, Canada, Australia, New Zealand, Japan, the Republic of Ireland or South Africa or any other state or jurisdiction in which release, publication or distribution would be unlawful and therefore persons into whose possession this Notice and/or any accompanying documents come should inform themselves about and observe any applicable requirements. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this Notice and any accompanying documents and contact the stockbroker, bank or other agent through or by whom the sale or transfer was effected immediately.

Aquila Energy Efficiency Trust PLC

(Incorporated in England and Wales, registered number 13324616)

Notice of General Meeting

Recommendation of the Board to VOTE FOR Resolution 1 and FOR

Resolution 2

Notice of a General Meeting of the Company to be held at 2:00 p.m. on 28 February 2023 at the offices of the Company Secretary, 6th Floor, 125 London Wall, London EC2Y 5AS is set out at the end of this Notice. Whether or not you intend to be present at the General Meeting you are urged to complete and return the Form of Proxy electronically, in accordance with the instructions set out in the notes to the Notice of General Meeting, as soon as possible and in any event by no later than 2:00 p.m. on 24 February 2023.

The distribution of this Notice and/or any accompanying documents in jurisdictions other than the United Kingdom may be restricted by law and therefore persons who come into possession of this Notice and/or any accompanying documents should inform themselves and observe such restrictions. Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in their relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction.

The Notice of General Meeting and the Form of Proxy will be submitted to the National Storage Mechanism and shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and on the Company's website at <https://www.aquila-energy-efficiency-trust.com>.

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EXPECTED TIMETABLE*

Notice posted to Shareholders	13 February 2023
Latest time and date for receipt of Forms of Proxy	2:00 p.m. on 24 February 2023
General Meeting	2:00 p.m. on 28 February 2023

**Each of the times and dates above are subject to change by the Company. Reference to time in this Notice and the Form of Proxy are to London time unless stated otherwise. If any of the above times and/or dates are changed, the revised time(s) and/or date(s) will be notified to Shareholders by announcement through a regulatory information service.*

PART ONE

LETTER FROM THE CHAIR

Aquila Energy Efficiency Trust PLC

(Incorporated in England and Wales, registered number 13324616)

Directors:

Miriam Greenwood OBE DL (Chair)
Nicholas Bliss
David Fletcher
Janine Freeman

Registered Office:

6th Floor
125 London Wall
London
EC2Y 5AS

13 February 2023

Dear Shareholder

NOTICE OF GENERAL MEETING PROPOSED CONTINUATION AND NEW ARTICLES OF ASSOCIATION

1. Introduction

I am writing to inform you that a General Meeting of the Company will be held at 2:00 p.m. on 28 February 2023 at the offices of the Company Secretary, 6th Floor, 125 London Wall, London EC2Y 5AS at which Shareholders will be asked to vote upon (i) Continuation; and (ii) the adoption of New Articles.

The Continuation of the Company and adoption of New Articles are both conditional upon the approval of the relevant Resolutions by Shareholders at the General Meeting, notice of which is set out at the end of this Notice. The purpose of this Notice is to provide Shareholders with details of the Continuation and New Articles and to explain why the Directors are recommending that Shareholders vote in favour of the Resolutions at the General Meeting.

2. Rationale for Proposed Continuation

The Board unanimously recommends that Shareholders vote for the Continuation of the Company.

The Board is of the view that the Company has reached an important inflection point. An increase in the origination resources deployed by the Investment Adviser to build pipeline relationships with ESCOs is now delivering results. The Company achieved its revised target to substantially commit the gross proceeds raised through its IPO by the end of 2022, with total commitments of £96.7 million and deployed capital of £61.2 million. Since 31 December 2022, a further £3.5 million of commitments have been made. The total commitment and deployment amounts as at 30 January 2023 were at £100.7 million and £60.4 million, respectively. The Company's portfolio of 31 investments is diversified across geographies (Italy, Spain, Germany and the UK), technologies, counterparties and ESCO partnerships. This portfolio of investments is forecast to achieve an unleveraged, average yield of 8 per cent per annum, which the Board believes is attractive given the credit quality of the portfolio.

The majority of the Company's forecast project cash flows – approximately 69 per cent – are investment grade, as assessed by using both the Investment Adviser's credit analysis and external agencies. In projects which are non-investment grade, there are usually additional protections; these include the ability to export power to a grid and to extend the maturity of a contract with an ESCO and underlying counterparty to recover missed payments. The latter is possible because the Company's financing agreements are of a shorter duration than the useful life of equipment installed and, in many cases, of a shorter duration than the contract between the ESCO and the counterparty.

The Company's portfolio also benefits from a combination of fixed and variable return payments. While

approximately 67 per cent of the total investment value provides a fixed rate of return from contractual cash flows, approximately 33 per cent by investment value has variable cash flows linked to power production and power prices, or inflation indexation. In many cases, these variable return investments have downside protections, for example, minimum contractual returns, which reduce the risk of lower than forecast cash flows.

The Company targeted a dividend of 3.5 pence per Ordinary Share for the year to 31 December 2022 and is targeting 5.0 pence per Ordinary Share for the year to 31 December 2023. Following consultation with Shareholders in April 2022, it was decided that the Company's dividend payment in respect of the year to 31 December 2022 would be paid principally out of capital. It is anticipated that dividend payments for the year to 31 December 2023 will be substantially covered by net income.

A key priority for 2023 is to deploy all of the remaining capital raised at IPO. Given recent good progress, and as set out in the Company's investment update announcement published on 30 January 2023, the Investment Adviser now anticipates deployment by the end of the first quarter of 2023 to exceed the approximately 80 per cent of IPO proceeds referred to in the Trading Update published on 20 December 2022. The Company's "Superbonus" projects are forecast to be repaid during 2023, providing the ability to reinvest in further energy efficiency projects generating attractive returns. The Board believes that the Company's strong origination capability together with its partnerships with ESCOs and large global industrial companies are driving a significant pipeline of larger transactions, which, it is anticipated, will enable the timely redeployment of Superbonus returns and others too. It is this capacity to originate new energy efficiency projects through ESCO relationships and other origination partnerships that now stands the Company in particularly good stead.

The Company is in the process of arranging a revolving credit facility to enable further investment. The Board is encouraged by the progress seen in RCF discussions and the current expectations are that it will be able to put in place a facility in the first half of 2023.

The Board is further assured that opportunities for investment in European energy efficiency infrastructure have increased since the launch of the Company in June 2021. The impact on European energy prices of the war in Ukraine is leading to a much greater focus on reducing energy bills and energy usage. Through ESCO and other relationships, the Investment Adviser is witnessing a much higher demand from businesses across its main investment geographies of Italy, Spain, Germany and the UK, and other parts of the EEA, to finance the installation of energy efficiency infrastructure. As announced previously, in April 2022, the Board has appointed an independent external consultant, Complete Strategy Ltd, to conduct a monthly review and report to the Board on the Investment Adviser's performance in relation to the achievement of investment commitments and deployment. Complete Strategy Ltd has reconfirmed to the Board that, in its opinion, the market for energy efficiency projects remains positive and there is a strong origination capability within the team at the Investment Adviser. As at the date of this document, the Company has a pipeline of 78 potential deals originated by established ESCO partners with an aggregate value of £488.8 million, which provides a strong visibility of continuing investment opportunities.

I am also pleased to report that the Board is now at full strength, with the addition of David Fletcher, as Chair of the Audit and Risk Committee, and Janine Freeman, as a Non-Executive Director. David Fletcher is a highly experienced audit chair, a role that he performs for several other listed investment companies. David Fletcher was, for 17 years, Group Finance Director of Stonehage Fleming Family & Partners, a leading, independently owned, multi-family office. Janine Freeman is an experienced, senior energy industry executive and non-executive director with over 20 years of experience in the energy industry. Driving investment in clean energy infrastructure has been her primary focus for much of that time. I believe that these complementary additions have greatly strengthened the breadth of expertise of the Board.

The Board has consulted widely with Shareholders on the Continuation of the Company. Shareholders have widely expressed their support for the Company's investment proposition and to date a significant proportion has expressed support for the Continuation of the Company. The Board, of course, remains open to discussions with Shareholders in the period running up to the General Meeting. Importantly, both the Board and the Investment Adviser are highly supportive of the Company's investment strategy and are committed to driving the growth of the Company.

The Board is very aware of the circumstances in which the Company finds itself. The Company is small in size and with a share price that is currently at a very significant discount to NAV, and the Board recognises the considerable challenges that these conditions present. Having now delivered on its initial investment commitments, the Board and the Investment Adviser are focused on continuing performance and on ensuring that the market understands both the important role of investing in energy efficiency to meet carbon reduction targets and the strong investment proposition being offered by the Company. The Board also remains committed to a continued, regular engagement with Shareholders. There are clearly factors outside the control of the Board which materially influence the Company's share price, but where we have the levers to improve the perception of the Company and narrow the Company's discount to NAV, we will strive to do so.

3. Proposed New Articles

The Board proposes that the Company adopts New Articles to amend article 167 of the Articles to reflect the revised timing of future continuation resolutions, as a result of the Continuation Resolution being tabled at the General Meeting, such that the next continuation resolution (following the Continuation Resolution) would be tabled at the annual general meeting of the Company in 2027 (and every fourth annual general meeting thereafter).

A copy of the Company's existing Articles and the proposed New Articles will be available for inspection (on request from Maria Matheou at aeetcosecmbx@apexfs.group) during normal business hours (excluding Saturdays, Sundays and bank holidays) at the Company's registered office from the date of this Notice until the close of the General Meeting, and will also be available for inspection at the General Meeting from at least 15 minutes prior to the start of the meeting up until the close of the meeting. A copy of the Company's existing Articles and the proposed New Articles are also available on the Company's website at <https://www.aquila-energy-efficiency-trust.com>.

4. General Meeting

You will find set out at the end of this Notice the Notice of General Meeting to be held at 2:00 p.m. on 28 February 2023 at the offices of the Company Secretary, 6th Floor, 125 London Wall, London EC2Y 5AS.

The Resolutions to be proposed at the General Meeting are as follows:

Resolution 1: Continuation

This resolution is to approve the Continuation of the Company. Resolution 1 is an ordinary resolution and requires a simple majority of the votes cast on the resolution to be in favour of such resolution.

Resolution 2: New Articles

The Company is proposing to adopt New Articles in substitution for the existing Articles. The proposed change introduced by the New Articles is set out in paragraph 3, above. Resolution 2 is a special resolution and requires approval by not less than 75 per cent of the votes cast on the resolution.

5. Action to be taken

It is important to the Company that Shareholders have the opportunity to vote even if they are unable to attend the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy and submit it electronically to the Company Secretary (aeetcosecmbx@apexfs.group), so that it arrives no later than 2:00 p.m. on 24 February 2023.

If you hold your shares in CREST, you may appoint a proxy or proxies by completing and transmitting a CREST Proxy Instruction using the procedures described in the CREST Manual as soon as possible and so that the instruction is received by no later than 2:00 p.m. on 24 February 2023.

The completion and submission of a Form of Proxy or the transmission of a CREST Proxy Instruction will not affect your right to attend and vote in person at the General Meeting if you wish.

Shareholders are reminded that, if their Ordinary Shares are held in the name of a nominee, only that nominee or its duly appointed proxy can be counted in the quorum at the General Meeting.

6. Recommendation

The Board considers the passing of the Continuation Resolution and the Articles Resolution to be in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of both the Continuation Resolution and the Articles Resolution at the General Meeting, as members of the Board intend to do in respect of their own beneficial holdings, amounting to 99,736 shares representing 0.10 per cent of the issued share capital of the Company as at the date of this Notice.

Yours faithfully

Miriam Greenwood OBE DL
Chair

PART TWO

DEFINITIONS

In this document and the Form of Proxy, the following words and expressions shall, except where the context requires otherwise, have the following meanings:

“ Articles ”	the articles of association of the Company as at the date of this Notice;
“ Articles Resolution ”	Resolution 2, as set out in the Notice of General Meeting;
“ Board ” or “ Directors ”	the board of directors of the Company;
“ Company ”	Aquila Energy Efficiency Trust PLC;
“ Company Secretary ”	Apex Listed Companies Services (UK) Limited;
“ Continuation ”	the proposed continuation of the Company as a closed-ended investment company pursuant to the Continuation Resolution;
“ Continuation Resolution ”	Resolution 1, as set out in the Notice of General Meeting;
“ CREST ”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form operated by Euroclear;
“ CREST Manual ”	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof;
“ CREST Proxy Instruction ”	a proxy appointment or instruction made via CREST, authenticated in accordance with Euroclear’s specifications and containing the information set out in the CREST Manual;
“ CREST Regulations ”	the Uncertificated Securities Regulation 2001 (SI 2001/3755), as amended;
“ ESCOs ”	European Energy Services Companies;
“ Euroclear ”	Euroclear UK & International Limited;
“ Form of Proxy ”	the form of proxy for use by Shareholders in connection with the General Meeting;
“ General Meeting ”	the general meeting of the Company to be held at 2:00 p.m. on 28 February 2023 at 6 th Floor, 125 London Wall, London EC2Y 5AS or any adjournment thereof;
“ Investment Adviser ”	Aquila Capital Investmentgesellschaft mbH;
“ IPO ”	the initial public offering of the Company in June 2021;
“ New Articles ”	the new articles of association of the Company as proposed to be adopted under the Articles Resolution;
“ Notice of General Meeting ”	the notice convening the General Meeting which is set out at the end of this Notice;
“ Ordinary Shares ”	ordinary shares of one penny each in the capital of the Company;
“ Registrar ”	Computershare Investor Services PLC;

“Resolutions”	the Continuation Resolution and the Articles Resolution;
“Shareholder”	a holder of Ordinary Shares in the capital of the Company; and
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.

- all references to “pounds”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom;
- words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender;
- all references to legislation are to English legislation unless the contrary is indicated, and any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension thereof; and
- all times referred to are London time unless otherwise stated

NOTICE OF GENERAL MEETING

Aquila Energy Efficiency Trust PLC

(Incorporated in England and Wales, registered number 13324616)

Notice is hereby given that a General Meeting of Aquila Energy Efficiency Trust PLC (the “**Company**”) will be held at 2:00 p.m. on 28 February 2023 at the offices of the Company Secretary, 6th Floor, 125 London Wall, London EC2Y 5AS to consider and, if thought fit, pass the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. THAT the Company should continue as a closed-ended investment company until the conclusion of the annual general meeting of the Company to be held in 2027.

SPECIAL RESOLUTION

2. THAT the new articles of association produced to the meeting and, for the purposes of identification, initialled by the Chair, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association including, but not limited to, the relevant provisions of the memorandum of association that would otherwise be treated as provisions of the articles of association under section 28 of the Companies Act 2006, with immediate effect.

By Order of the Board

Maria Matheou
for Apex Listed Companies Services (UK) Limited
Company Secretary

13 February 2023

Registered Office
6th Floor
125 London Wall
London
EC2Y 5AS

SHAREHOLDER NOTES

1. **Shareholders entitled to vote at General Meeting may appoint one or more proxies to vote in their place. A proxy need not be a Shareholder.**
2. To be effective, the Form of Proxy must be submitted electronically, so as to have been received by the Company Secretary (aeetcosecmbx@apexfs.group) by 2:00 p.m. on 24 February 2023 or, in the case of an adjourned meeting, no less than 48 hours before the time fixed for the adjourned meeting (excluding non-working days). Any power of attorney or other authority under which the Form of Proxy is submitted must be returned to the Company Secretary electronically together with the Form of Proxy.
3. Institutional investors may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. A proxy must be lodged by 2:00 p.m. on 24 February 2023 in order to be considered valid. Before appointing a proxy via this process Shareholders will need to have agreed to Proxymity's associated terms and conditions. It is important that Shareholders read these carefully as they will be bound by them and they will govern the electronic appointment of the proxy.
4. A "vote withheld" option is provided on the Form of Proxy to enable Shareholders to instruct their proxy not to vote on each of Resolutions. However, it should be noted that a vote withheld is not a "vote" in law and will not be counted in the calculation of the votes "For" and "Against" each Resolution.
5. In the case of joint holders, the vote of the senior who tenders a vote by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand on the Register of Members in respect of the relevant joint holdings.
6. Pursuant to Regulation 41 of the CREST Regulations, the Company specifies that only those Shareholders registered on the Register of Members of the Company by 8.00 p.m. on 24 February 2023 or, in the case of an adjourned meeting, 48 hours before the time fixed for the adjourned meeting shall be entitled to vote in respect of the number of shares registered in their names at that time. Changes to entries on the Register of Members after 8.00 p.m. on 24 February 2023 or, in the case of an adjourned meeting (excluding non-working days), 48 hours before the time fixed for the adjourned meeting, shall be disregarded in determining the rights of any person to vote at the General Meeting.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with specifications of Euroclear and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the Notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such an action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

8. The quorum for the General Meeting will be two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation which is a Shareholder.
9. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that they do not do so in relation to the same shares.
10. Any electronic address provided either in this Notice of General Meeting or in any related documents may not be used to communicate with the Company for any purposes other than those expressly stated.
11. A copy of the Company's existing Articles and the proposed New Articles will be available for inspection (on request to Maria Matheou at aeetcosecmbx@apexfs.group) during normal business hours (excluding Saturdays, Sundays and bank holidays) at the Company's registered office from the date of this Notice of General Meeting until the close of the General Meeting and will also be available for inspection at the General Meeting from at least 15 minutes prior to the start of the meeting up until the close of the meeting. A copy of the Company's existing Articles and the proposed New Articles are also available on the Company's website at <https://www.aquila-energy-efficiency-trust.com>.
12. A copy of this Notice of General Meeting and Form of Proxy can be found at <https://www.aquila-energy-efficiency-trust.com>.
13. As at 10 February 2023 (being the last practicable day before the publication of this Notice of General Meeting), the Company's issued share capital consisted of 100,000,000 Ordinary Shares carrying one vote each. The Company does not hold any shares in treasury.