

# AQUILA ENERGY EFFICIENCY TRUST PLC

HALF-YEARLY FINANCIAL REPORT  
FOR THE SIX MONTHS TO 30 JUNE 2022



# INVESTING WITH IMPACT

## HALF-YEARLY FINANCIAL REPORT 2022

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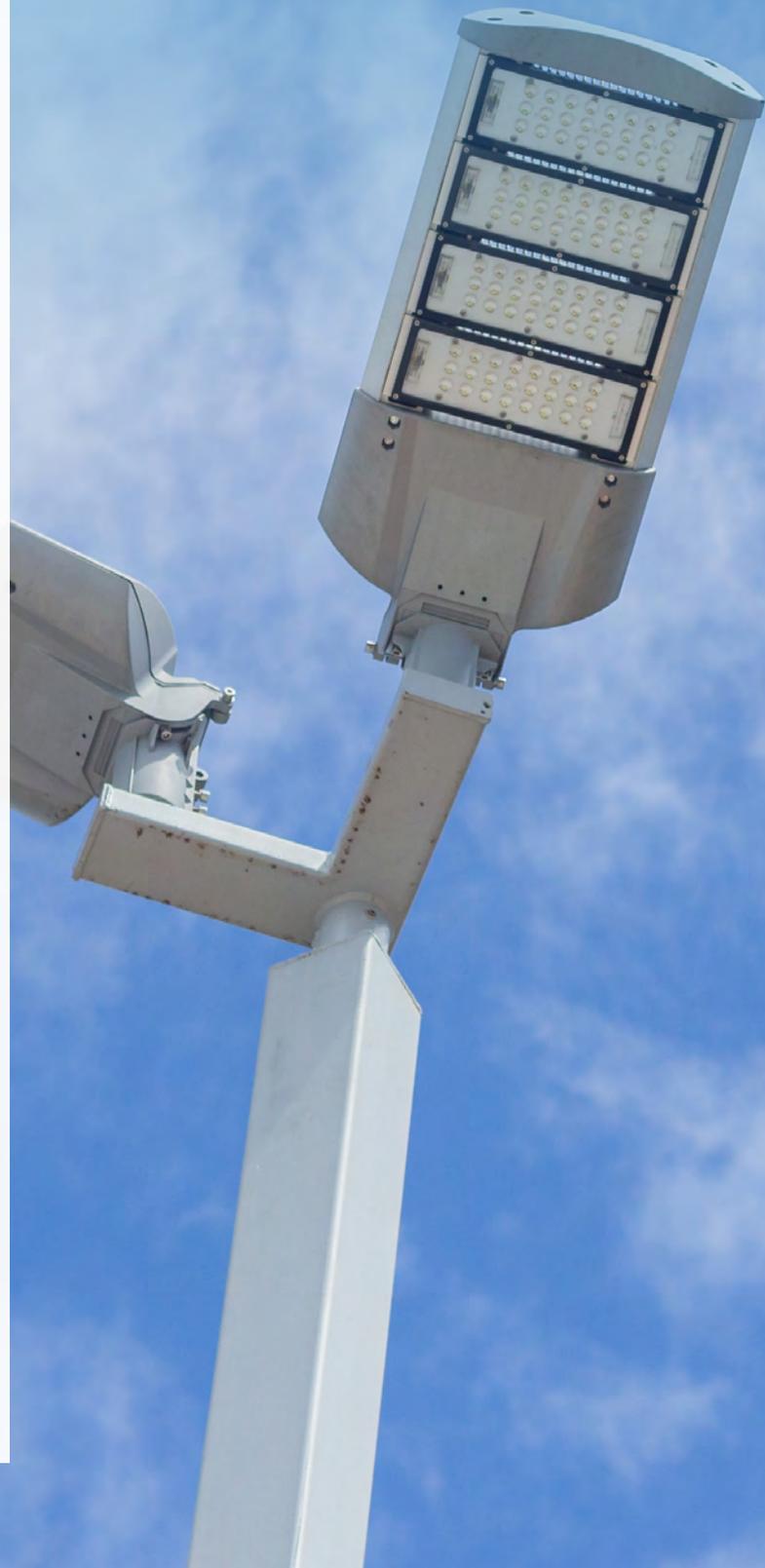
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**For more information please visit our website**  
[www.aquila-energy-efficiency-trust.com](http://www.aquila-energy-efficiency-trust.com)



## INVESTMENT OBJECTIVE

AQUILA ENERGY EFFICIENCY TRUST PLC (THE “COMPANY” OR “AEET”) SEEKS TO GENERATE ATTRACTIVE RETURNS, PRINCIPALLY IN THE FORM OF INCOME DISTRIBUTIONS BY INVESTING IN A DIVERSIFIED PORTFOLIO OF ENERGY EFFICIENCY INVESTMENTS.



## Financial Highlights

| Financial information   | At 30 June<br>2022 | At 31 Dec<br>2021 |
|---|--------------------|-------------------|
| Net asset value (“NAV”) per Ordinary Share (pence) <sup>1</sup> | 97.90              | 97.38             |
| Ordinary Share price (pence)                                    | 79.00              | 95.75             |
| Ordinary Share price discount to NAV <sup>1</sup>               | (19.3%)            | (1.7%)            |
| Net assets in £ million   | 97.90              | 97.38             |
| Ongoing charges <sup>1</sup>                                    | 1.44%              | 0.9%              |

| Performance summary                                      | % change <sup>2</sup> |
|--|-----------------------|
| For the six months ended 30 June 2022                    |                       |
| NAV total return per Ordinary Share <sup>1</sup>         | 0.5%                  |
| Share price total return per Ordinary Share <sup>1</sup> | (17.5%)               |

## Alternative Performance Measures (“APMs”)

The disclosures as indicated in footnote 1 below are considered to represent the Company’s APMs. Definitions of these APMs and other performance measures used by the Company, together with how these measures have been calculated, can be found on page 25.

<sup>1</sup> These are alternative performance measures.

<sup>2</sup> Total returns in sterling for the six months to 30 June 2022.

## CHAIR'S STATEMENT

I am pleased to present my Chair's Statement for the Company's Half-yearly Financial Report ("Half-yearly Report") which covers the six months to 30 June 2022 (the "Period"). The Company's inaugural Annual Report for the period 9 April 2021 to 31 December 2021 was published on 24 June 2022 (the "2021 Annual Report"). Accordingly, there is some overlap in contents of the 2021 Annual Report and this Half-Yearly Report.

### Investment Performance

The Company's NAV as at 30 June 2022 was £97.9m (£97.4m as at 31 December 2021), reflecting a small increase of +0.5%. However, the Company's share price has recorded total returns in sterling terms of -17.5%. The disappointing share price performance has yet to reflect the increasing level of commitments that the Company has achieved post Period end.

### Commitments and Deployment

The Board is pleased to report that commitments had increased to £32.3million as at 30 June 2022 and to £54.6m as at 31 August 2022. However, deployment frequently takes place some time after a contractual commitment has been made and requires the fulfilment of conditions subsequent. The Board maintains close communication with the Investment Adviser and monitors progress through monthly reporting by the Investment Adviser, with those reports reviewed independently by Complete Strategy Ltd. The Board has welcomed the new additions to the investment advisory team, and value their contribution to the increase to the speed of origination and execution for new investments.

### Dividend

In light of slower than anticipated deployment, the Company does not expect that its stated dividend target of 3.5 pence per Ordinary Share for the financial year ending 31 December 2022 will be fully covered by earnings. However, the Board has decided that it will retain this dividend target for the current financial year and meet any earnings shortfall through paying out of distributable reserves.

The Board has therefore declared an interim dividend for the quarter ended 30 June 2022 of 1.00 pence per Ordinary Share, in-line with this target. This dividend will be paid to shareholders on 31 October 2022.

### Board

The Board is actively continuing the recruitment process for an additional non-executive director, mindful of our commitment to diversity and inclusion. Nick Bliss was appointed as Chair of the Management Engagement Committee as at 11 August 2022.

### General Meeting

Shareholders will have the opportunity to vote on an ordinary resolution on the continuation of the Company at a General Meeting to be held in February 2023. More details of the February 2023 General Meeting will be announced closer to the time.

### Outlook

We firmly believe that AEET has a differentiated pan-European investment strategy that offers attractive opportunities now and, in the future, and has the potential to provide Shareholders with an attractive risk-return profile while achieving a positive environmental impact for the real economy and society. The pace of commitments is increasing, and your Board will be actively engaged with the Investment Adviser to support them to reach deployment targets and grow the Company.

### Miriam Greenwood OBE DL

Chair of the Board

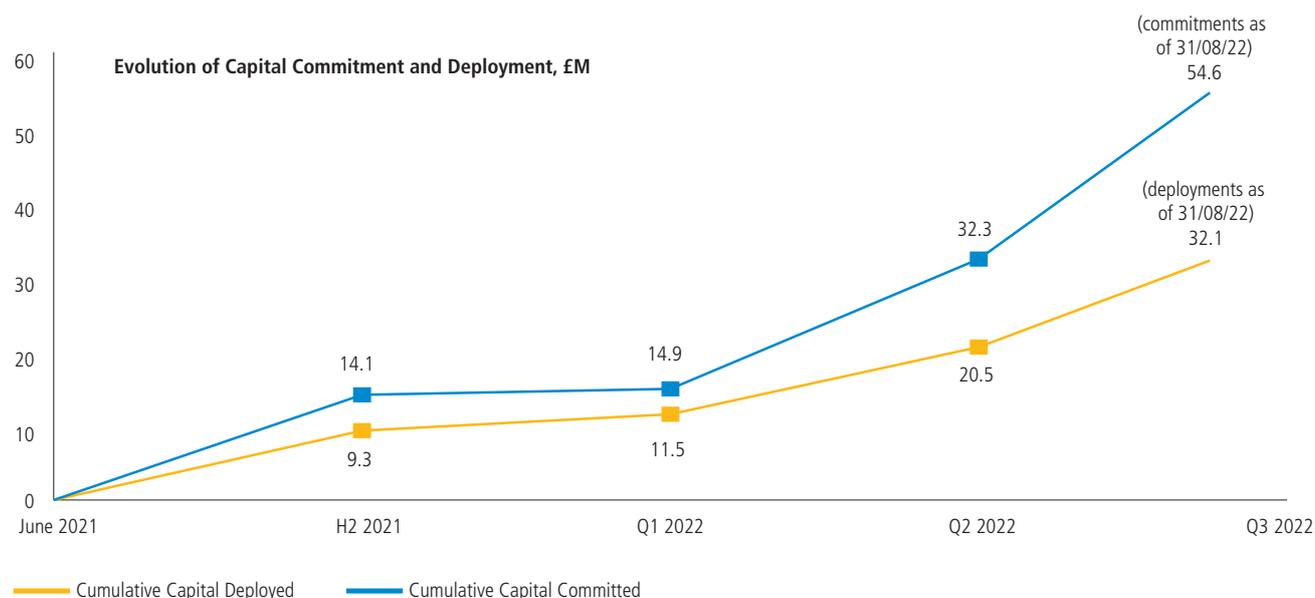
14 September 2022



Miriam Greenwood OBE DL,  
Chair

## DEPLOYMENT UPDATE

The Company published its first annual report for the period since incorporation (9 April 2021 to 31 December 2021) on 24 June 2022. After a slow start, there has been positive momentum in commitments and deployment. As of 31 December 2021, total commitments were at £14.1m with total deployment at £9.3m. As of 31 August 2022, total commitments were at £54.6m and total income generating deployed capital was at £32.1m, with an average project yield of 8.1% over all investments.



## PORTFOLIO OVERVIEW

As of 31 August 2022, AEET has a portfolio of 19 investments that deliver reduced primary energy consumption (PEC) and other economic savings and benefits, such as improved air quality. These investments include:

### Residential Energy Efficiency in Italy

AEET has committed a further £6.1m of which £1.8m has been deployed in a project that invests in a cluster of 32 energy efficiency projects for small residential buildings and condominiums (including insulation, energy efficient heating systems and other measures). These projects are supported by an income tax (IRPEF) deduction incentive of up to 110% ("Superbonus"), which allows those doing restructuring and upgrading work to enjoy deductions that will substantially reduce the costs incurred for such work qualifying for the Superbonus incentive scheme.

### Solar PV Investments in Spain

In line with its pan-European investment strategy, AEET has successfully committed £18.7m to its first four energy efficiency projects in Spain including:

- an investment of £2.8m in a 3.83MWp roof mounted solar PV plant for self-consumption located near Tarragona,
- an investment in a cluster of three solar PV plants for self-consumption located in Zaragoza, Aragon, totalling 0.4MWp and comprising two ground mounted and one roof mounted plant,
- £9.4m has been committed to a cluster of up to 11 solar PV plants totalling 13 MWp for industrial and commercial companies originated by Solarnub, a fast-growing trading management platform for solar companies.

Since the Company's trading update on 25 July 2022, AEET has made a further investment of £6.1m to finance an 8MWp ground-mounted solar PV project, with revenues generated through off-site Power Purchase Agreements to commercial clients around Borja (Zaragoza).

### UK CHP Investments

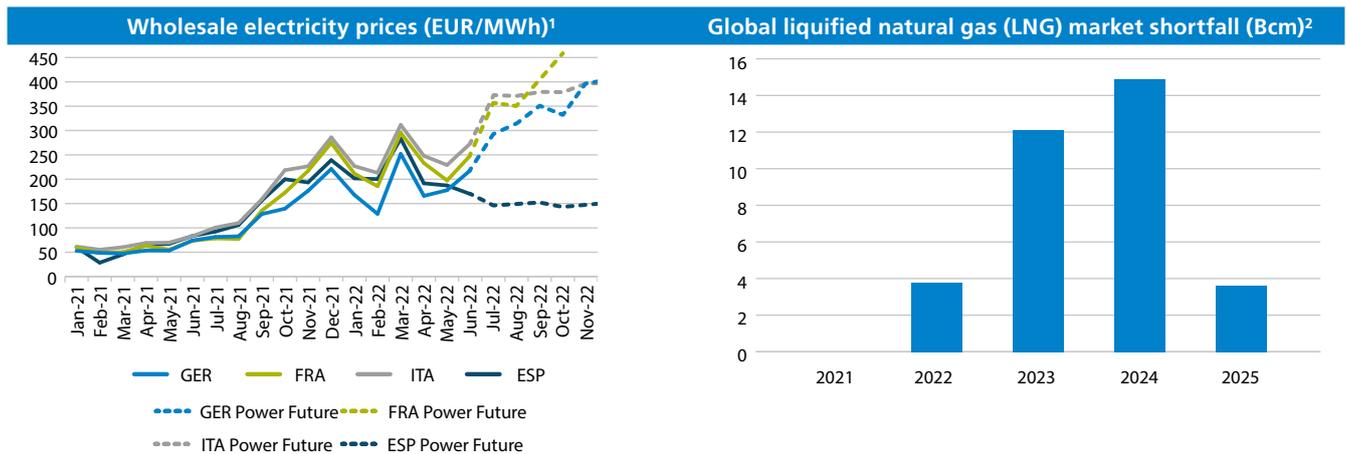
The Company has invested in CHP projects in the UK for a total investment value of £1.9m – developed by three separate energy service companies (ESCOs) with whom additional investments are expected to be made. One investment is for a project to be installed at the manufacturing facility of food producer, Vale of Mowbray, which has entered into a 15-year energy supply agreement. This project has an investment tenure of 7 years.

### OUTLOOK FOR FURTHER INVESTMENT COMMITMENTS

The Investment Adviser remains confident that the Company will be able to commit substantially all the capital raised at its IPO before the end of this calendar year and target full deployment in Q1 2023. There remains a substantial pipeline of investment opportunities, many of which are with ESCOs with whom the Company has made investment commitments.

Market conditions remain supportive for investment in energy efficiency measures as EU energy prices have surged from January 2021 until April 2022 by 260% on average. This has accelerated and will continue to accelerate the adoption and implementation of energy efficiency measures and decentralized energy generation. Rising energy prices increase the potential savings of such energy efficiency projects, resulting in shorter payback periods and attractive returns for investors in line with target returns of 7.5%-9.5%.

Furthermore, increasing interest rates and economic uncertainty also increases reliance on third-party financing for energy efficiency projects, which are quite often considered non-core investments.

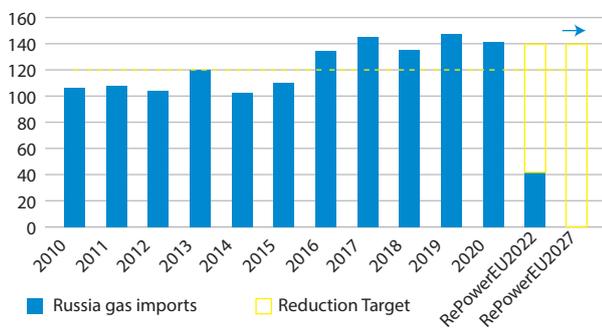


<sup>1</sup> Entsoe (2022)

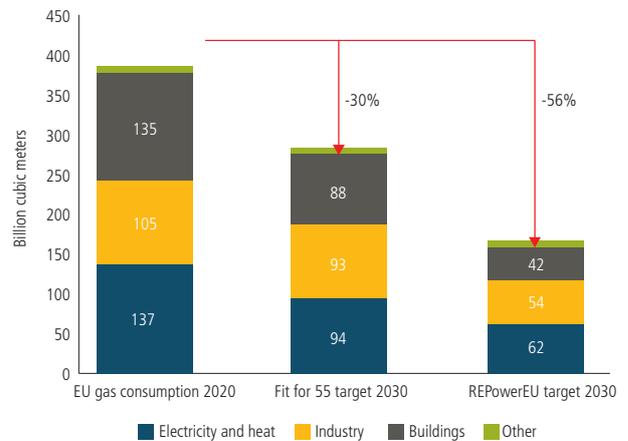
<sup>2</sup> BNEF (2022)

Energy efficiency is a main pillar of the energy transition. With the recent need to increase European energy independence, energy efficiency is now a recognised mechanism to achieve this. The European Commission's "Fit for 55" package (July 2021) is aimed at making the green deal a reality by reducing GHG (Green House Gas) emissions by 55% by 2030. With the war in Ukraine, a new package "RePower EU" (March 2022) adds to this, with the ambitious target of becoming completely independent from Russian Gas imports by 2027. In the period from 2010 to 2019 EU imports of Russian gas increased by almost 40%<sup>1</sup>. Energy efficiency measures yield immediate results by reducing or replacing the demand for Russian fuel completely, for example, through heat pumps or biomass. In this environment, synergies between the private sector and government subsidy programmes are of central importance. One example is the Italian "Superbonus 110", which has already given a strong boost to the implementation of efficiency measures in the residential segment in Italy in recent years.

Gas from Russia imported from the EU (in bcm)<sup>1</sup>



EU gas consumption by sector and scenario targets (in Bcm)<sup>2</sup>

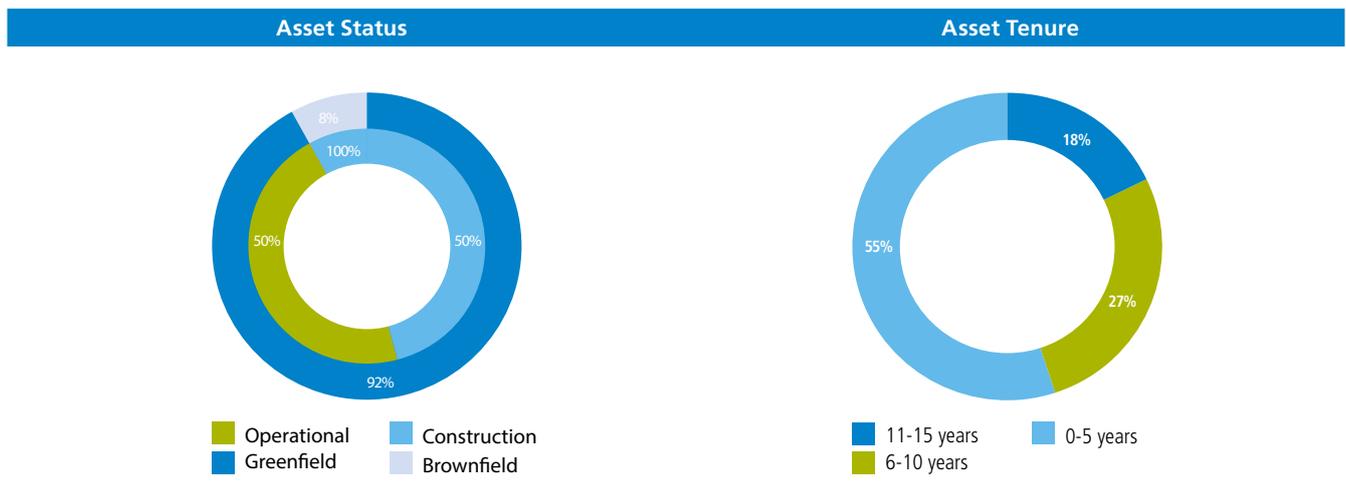
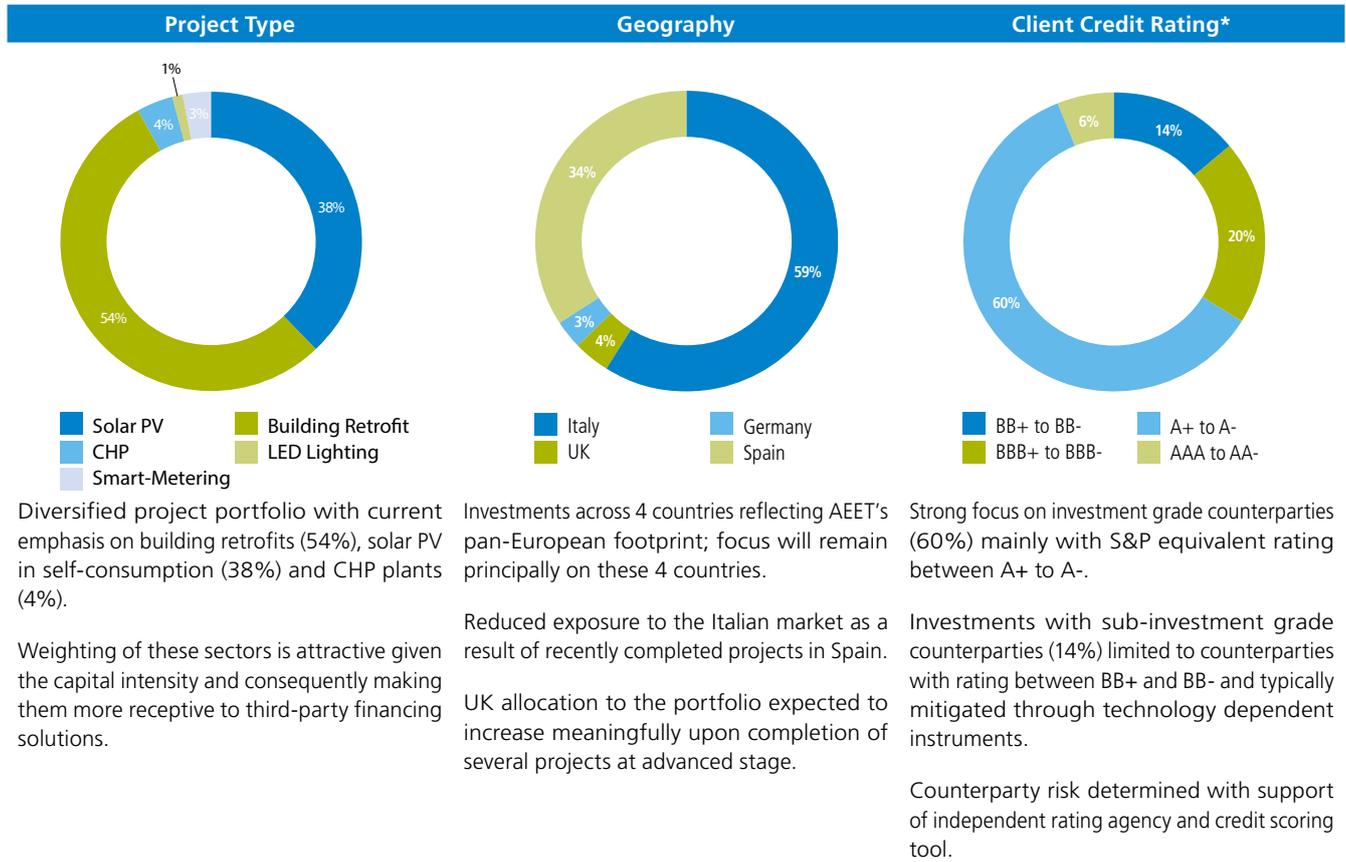


<sup>1</sup> Source: Eurostat; EU Commission (2022)

<sup>2</sup> EU Commission; Bloomberg New Energy Finance (2022)

**PORTFOLIO BREAKDOWN BASED ON COMMITTED CAPITAL AS OF 31 AUGUST 2022**

**As percentages of total investment value**



92% of completed projects are greenfield, 8% are brownfield projects. Majority of assets between 0 – 5 years helping to decrease the portfolio's payback periods.

Of the greenfield projects, there is a 50/50 split between those that are already operational and those which are currently under construction. 27% of tenures are 6 – 10 years with longer term tenures of 11 – 15 years making up 18% of the portfolio.

\* Standard & Poor's equivalent rating based on Cerved Rating Agency and Wisersfunding Rating Agency

**CASE STUDIES: EXAMPLES OF FINANCED PROJECTS**

**REFURBISHMENT OF ONE OF 32 BUILDINGS ACROSS NORTHERN ITALY**



Project Size  
**32 buildings**  
 Total Investment Volume  
**EUR 7.2 million**  
 Contract Lifetime  
**12 – 18 months**

**Case Study:**

| REFURBISHMENT OF APARTMENT BUILDINGS IN ITALY |   |
|---|---|
| <b>Context</b>                                | <p>Range of energy efficiency measures, including wall insulation, efficient heating systems, lighting, solar PV, storage, under the Superbonus scheme in Italy.</p> <p>Under the Superbonus scheme, the above measures will generate a tax credit, which can be monetized by selling the tax credit to a financial institution.</p> <p>Cluster of 32 small residential buildings and condominiums based in Tuscany and Lombardy.</p> <p>Counterparty credit rating ranging between A+ and BBB.</p> |
| <b>Investment</b>                             | <p>Purchase of 100% (or c. €7.2m) of the purchase price paid by the banks for the tax credit originated under the Superbonus scheme.</p>  |
| <b>Impact</b>                                 | <p>Improvement of the building's energy efficiency class by at least two categories, resulting in reduction of fossil fuels or natural gas consumption.</p> <p>Expected increase in real estate value due to higher energy category class (e.g., lower operating expenses, higher demand).</p> <p>The €38.7b invested into the Superbonus incentive are estimated to have led to a reduction of 979k tons of CO<sub>2</sub>, equal to an improvement of 3 energy classes*.</p>                      |

\* Based on savings estimated calculations provided by project developer

## CASE STUDIES: EXAMPLES OF FINANCED PROJECTS

CONTINUED

### IMPROVING ENERGY EFFICIENCY OF MAJOR UK FOOD MANUFACTURER



Project Size

**0.92 MW**

Total Investment Volume

**EUR 1.6 million**

Contract Lifetime

**7 years**

#### Case Study:

#### INSTALLATION OF CHP PLANT FOR A FOOD MANUFACTURING COMPANY IN THE UK

|                   |   |
|-------------------|---|
| <b>Context</b>    | <p>Financing of a CHP dual-engine plant with total capacity of 1 MW for a leading food manufacturing company in the UK.</p> <p>Commercial operation date expected by December 2022.</p> <p>Cash flows supported by solid counterparty rating.</p> <p>Potential construction delays mitigated by contractual arrangements.</p> |
| <b>Investment</b> | <p>7 years of monthly payments (approx. £22k / month), including downside protection through minimum payments clause.</p>   |
| <b>Impact</b>     | <p>Combined Heat and Power (CHP) installations capture excess heat from combustion engines and thereby reduce required fuel quantities.</p> <p>Estimated reduction of 188 tons of CO<sub>2</sub> /year based on data provided by the project developer*.</p>  |

\* Based on savings estimated calculations provided by project developer

## ENVIRONMENTAL AND SOCIAL GOVERNANCE

### Investment Approach and ESG Approach

AEET's goal is to generate attractive returns for investors by reducing Primary Energy Consumption ("PEC"). AEET's investments positively impact the environment by reducing the amount of carbon dioxide produced, by decreasing PEC and by increasing the amount of renewable energy used. The synergies generated by the reduction of PEC and simultaneously using renewable energy sources further decrease CO<sub>2</sub> emissions.

This is reflected across the investment philosophy and approach, including the Company's investment adviser, Aquila Capital Investmentgesellschaft mbH ("Investment Adviser" or "Aquila"), who is dedicated to the green energy transition. The Company is committed to be a responsible investor, ensuring that environmental, social and governance criteria are incorporated into day-to-day investment decisions as well as generating a positive impact for society

AEET's investment approach is focused on investments in energy efficiency projects located primarily in Europe. These investments are predominantly into proven technologies that deliver energy savings for commercial, industrial, and public sector buildings. AEET seeks to invest in projects for the long term with a focus on optimizing and improving the assets' PEC.

Technologies typically include:

- LED Lighting System
- LED Street Lighting System
- Solar PV
- Biomass Boilers
- HVAC/Buildings
- Smart Metering/Submetering
- Electrification of transportation vehicles (batteries)

### Environmental Impact

The Company's investment approach is focused on reducing PEC, which should lead to significant reductions in carbon dioxide emissions. In addition, local production of energy (CHP, Biomass Boilers, Solar PV) reduces transportation energy losses and grid over-utilization. Smart Meters and other control technologies enable a better visibility and management of energy and therefore represent a basis for energy savings.

All projects are managed within the guidelines of local, regional, and national environmental laws to adhere to the DNSH (do no significant harm) principles. Aquila Capital ensures all required regulations and corresponding approvals are completed prior to the acquisition of the assets (planning permission).

### Social Impact

Energy efficiency measures not only reduce PEC but typically also increase the life quality and health aspects for different stakeholder, like employees, users of public facilities and/or private individuals. This is mainly achieved through advanced solutions for lighting, heating, cooling and ventilation and the associated control units.

All project developers are required to adhere to local, regional, and national health & safety laws, to train and educate employees accordingly in order to make sure casualties and injuries are avoided.

We incorporate Aquila Capital's ESG policy, which excludes suppliers and manufacturers that do not meet Aquila Capital's criteria (exclusion of sectors/subsectors, companies that use unfavourable labour conditions etc.).

For all counterparties a rating is performed (in collaboration with a third-party rating agency) assessing creditworthiness of the client as well as a 'Know Your Client' check for the relevant parties involved to increase transparency of the counterparty's activities.

## ENVIRONMENTAL AND SOCIAL GOVERNANCE

CONTINUED

### Governmental Impact

All our business partners are required to adhere to the requirements of the relevant social security and tax authorities.

Where required by local, regional and/or national authorities our business partner need to provide evidence that they adhere to anti bribery and corruption laws.

### Due Diligence

The Investment Advisor performs detailed ESG due diligence for each asset prior to investment. The investment management team follows a structured screening, due diligence and investment process which is designed to ensure that investments are reviewed and compared on a consistent basis. Execution of this process is facilitated by the team's deep experience in energy efficiency project investing. As part of this process, the Investment Adviser will, as relevant for each investment, consider:

- Total PEC reduction, and implied greenhouse gas emissions reduced and/or avoided; and/or
- Total energy production from renewable and non-renewable sources.

### Governance Framework

AET benefits from an independent Board of Directors, as well as Sanne Fund Management (Guernsey) Limited (part of Sanne Group) functioning as the Alternative Investment Fund Manager ("AIFM"). The Board of Directors supervise the AIFM, which is responsible for making recommendations in relation to any investment proposals put forward by the Investment Adviser. The Investment Adviser is fully regulated and supervised by BaFin in Germany.

The Company has established procedures to deal with any potential conflicts of interest in circumstances where Aquila Capital (or any affiliate) is advising both the AIFM (for the Company) and other Aquila Capital managed funds who are counterparties to the Company. In the context of an investment decision, these procedures may include a fairness opinion in relation to the valuation of an investment, which is obtained from an independent expert.

### Monitoring of ESG

The Company's commitment to and compliance with the highest ESG standards is monitored on a continuous basis throughout the lifecycle of investments, including:

- Ongoing monitoring of the PEC based on the energy consumption and deriving from that the CO<sub>2</sub> savings, where appropriate, monitoring additional environment and ESG relevant developments both at the portfolio and asset level
- Annual reporting, including ESG aspects, to relevant stakeholders including ad-hoc reporting of any material and urgent issues identified in the monitoring process.
- Semi-annual ESG risk reporting to the Board.

AET has been awarded the Green Economy Mark from the London Stock Exchange. The Green Economy Mark identifies London-listed companies and funds that generate between 50% and 100% of total annual revenues from products and services that contribute to the global green economy.

**Aquila Capital Investmentgesellschaft mbH**

**14 September 2022**

# Interim Management Report



## INTERIM MANAGEMENT REPORT

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority (“FCA”) Disclosure Guidance and Transparency Rules (“DTR”). The Directors consider that the Chair’s Statement on page 2 and the Investment Adviser’s Report on pages 3 to 10 of this Half-yearly Financial Report, provide details of the important events which have occurred during the six months ended 30 June 2022 (“Period”) and their impact on the financial statements. The statement on related party transactions and the Directors’ Statement of Responsibility (below), the Chair’s Statement and the Investment Adviser’s Report together constitute the Interim Management Report of the Company for the Period. The outlook for the Company for the remaining six months of the year ending 31 December 2022 is discussed in the Chair’s Statement and the Investment Adviser’s Report.

A breakdown of the investments held at Period end can be found on page 6.

### Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company are summarised below:

- (i) Counterparty /Credit
- (ii) Concentration Risk
- (iii) Environmental /Social /Governance (ESG)
- (iv) Premium/Discount Management
- (v) Interest Rates/ Inflation
- (vi) Exchange Rates
- (vii) Supply chain and inflation
- (viii) Equity Market Volatility
- (ix) Investment Performance
- (x) Pipeline, Investment Deployment and Cash Drag
- (xi) Competition for Assets
- (xii) Changes to subsidies or other support mechanisms for the Company’s investments
- (xiii) Inappropriate Investment Advice
- (xiv) IT Security
- (xv) Portfolio Valuation
- (xvi) Regulatory Risk

The Board also identified ‘Act of War /Sanctions’ as an emerging risk to the Company.

The Company’s Annual Report for the period ended 31 December 2021 contains more detail on the Company’s principal risks and uncertainties, including the Board’s ongoing process to identify, and where possible mitigate, the risks (pages 23 to 30). The Annual Report can be found on the Company’s website.

### Related Party Transactions

Details of the investment advisory arrangements were provided in the Annual Report. There have been no changes to the related party transactions described in the Annual Report that could have a material effect on the financial position or performance of the Company. Amounts payable to the Investment Adviser in the period are detailed in the unaudited Statement of Profit or Loss and Comprehensive Income on page 15.

### Going Concern

The Company continues to meet day-to-day liquidity needs through its cash resources. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this document.

In reaching this conclusion, the Directors have considered the Company’s cash position, income and expense flows. The Company’s net assets at 30 June 2022 were £97.9million. As at 30 June 2022, the Company held £77.0million in cash and cash equivalents. The total expenses for the period ended 30 June 2022 was £0.38million, which represented approximately 0.39% of average net assets during the period. At the date of approval of this document, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

The major cash outflows of the Company are the payment of dividends and costs relating to the acquisition of new investments. The Directors are confident that the Company has sufficient cash balances to fund commitments to acquisitions should they become payable.

In light of the secondary effects of the COVID-19 pandemic and the war in Ukraine, the Directors have considered each of the Company’s investments. The Directors do not foresee any immediate material risk to the Company’s investment portfolio. A prolonged and deep market decline could lead to falling values to the underlying business or interruptions to cashflow, however, the Company currently has more than sufficient liquidity available to meet any future obligations.

Following the slower than anticipated investment deployment and the consequential appointment of an independent consultant to review the Company’s investment strategy, the results of this review were announced on 21 April 2022. The review concluded that the market opportunity for the Company remains attractive and that the actions to be taken in relation to the execution of the investment strategy and other changes provided an improved basis for the Company to execute its investment objective, with full deployment targeted by the end of December 2022 or early 2023. In reaching this conclusion, the Directors consulted with shareholders who, overall, were supportive of the continuation of the Company with

## INTERIM MANAGEMENT REPORT

CONTINUED

these changes. An element of the consultation process was the Directors' proposal to bring forward the Initial Continuation Resolution to February 2023, or earlier if appropriate. A further resolution will be put at the February 2023 General Meeting, conditional upon the Continuation resolution being passed, to amend the Articles of Association of the Company so that a Continuation vote will be put at the AGM of the Company to be held in 2026 and every four years thereafter, as envisaged in the May 2021 IPO Prospectus. If any Continuation resolution put to shareholders is not passed, then the Directors shall, within six months of such Continuation resolution not being passed, put proposals to shareholders for the reconstruction, reorganisation or liquidation of the Company. Taking into account the factors above, the Directors have assessed that the Initial Continuation Resolution will pass, however, the Directors recognize that the outcome of this is not yet known and therefore creates material uncertainty around going concern, due to the event falling within 12-month period from the approval of this Interim Report. The Directors note that these conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Based on the assessment and considerations above, the Directors have concluded that the financial statements of the Company should be prepared on a going concern basis.

### Directors' Statement of Responsibility

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the Interim Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting and gives a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R; and
- the Interim Financial Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R.

### Miriam Greenwood OBE DL

Chair of the Board of Directors  
14 September 2022

# Financial Statements



## STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE SIX MONTHS TO 30 JUNE 2022

|  | Notes | Revenue<br>£'000 | Capital<br>£'000 | Six months to<br>30 June 2022<br>(Unaudited)<br>Total<br>£'000 |
|--|-------|------------------|------------------|--|
| Unrealised gains on investments                    | 3     | –                | 946              | 946  |
| Net foreign exchange gains                         |       | –                | 61               | 61   |
| Investment Income                                  | 4     | 314              | –                | 314  |
| Investment Advisory fees                           | 5     | (112)            | –                | (112)  |
| Other expenses                                     |       | (581)            | –                | (581)  |
| <b>Gain on ordinary activities before taxation</b> |       | <b>(379)</b>     | <b>1,007</b>     | <b>628</b>   |
| Taxation   |       | –                | –                | –  |
| <b>Gain on ordinary activities after taxation</b>  |       | <b>(379)</b>     | <b>1,007</b>     | <b>628</b>   |
| Return per Ordinary Share                          | 6     | (0.38p)          | 1.00p            | 0.63p  |

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

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

Return on ordinary activities after taxation is also the "Total profit or loss and comprehensive income for the period".

The notes on pages 19 to 23 form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

|   | Notes | As at<br>30 June 2022<br>(Unaudited)<br>£'000 | As at<br>31 December<br>2021<br>(Audited)<br>£'000 |
|---|-------|---|--|
| <b>Assets</b>   |       |   |  |
| <b>Fixed assets</b>                                   |       |   |  |
| Investments held at fair value through profit or loss | 3     | 13,314  | 12,307   |
| <b>Current assets</b>                                 |       |   |  |
| Trade and other receivables                           |       | 8,134   | 5,274  |
| Cash and cash equivalents                             |       | 76,953  | 80,129   |
|   |       | <b>85,087</b>                                 | <b>85,403</b>                                      |
| <b>Creditors: amounts falling due within one year</b> |       | <b>(505)</b>                                  | <b>(329)</b>                                       |
| <b>Net current assets</b>                             |       | <b>84,582</b>                                 | <b>85,074</b>                                      |
| <b>Net assets</b>                                     |       | <b>97,896</b>                                 | <b>97,381</b>                                      |
| <b>Capital and reserves: equity</b>                   |       |   |  |
| Share capital   | 8     | 1,000   | 1,000  |
| Share premium   |       | –   | –  |
| Special reserve                                       |       | 96,887  | 97,000   |
| Capital reserve                                       |       | 961   | (46)   |
| Revenue reserve                                       |       | (952)   | (573)  |
| <b>Shareholders' funds</b>                            |       | <b>97,896</b>                                 | <b>97,381</b>                                      |
| Net asset value per Ordinary Share                    | 9     | 97.90p  | 97.38p   |
| No. of ordinary shares in issue                       |       | 100,000,000                                   | 100,000,000  |

Approved by the Board of Directors on and authorised for issue on 14 September 2022 and signed on their behalf by:

### Miriam Greenwood OBE DL

Chair of the Board of Directors

Aquila Energy Efficiency Trust PLC is registered in England and Wales with number 13324616.

The notes on pages 19 to 23 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS TO 30 JUNE 2022 (UNAUDITED)

|  | Share capital<br>£'000 | Share premium<br>account<br>£'000 | Special<br>reserve<br>£'000 | Capital<br>reserve<br>£'000 | Revenue<br>reserve<br>£'000 | Total<br>£'000 |
|--|------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|----------------|
| <b>Opening equity as at 1 January 2022</b> | <b>1,000</b>           | <b>–</b>                          | <b>97,000</b>               | <b>(46)</b>                 | <b>(573)</b>                | <b>97,381</b>  |
| Shares issued in period                    | –                      | –                                 | –                           | –                           | –                           | –              |
| Share issue costs                          | –                      | –                                 | (113)                       | –                           | –                           | (113)          |
| Profit/(Loss) for the period               | –                      | –                                 | –                           | 1,007                       | (379)                       | 628            |
| <b>Closing equity as at 30 June 2022</b>   | <b>1,000</b>           | <b>–</b>                          | <b>96,887</b>               | <b>961</b>                  | <b>(952)</b>                | <b>97,896</b>  |

The notes on pages 19 to 23 form part of these financial statements.

## STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS TO 30 JUNE 2022

|   | Notes | Six months to<br>30 June 2022<br>(Unaudited)<br>£'000 |
|---|-------|---|
| <b>Operating activities</b>                         |       |   |
| Profit on ordinary activities before taxation       |       | 628   |
| Adjustment for unrealised gains on investments      |       | (946)   |
| Increase in trade and other receivables             |       | (2,860)   |
| Increase in creditors                               |       | 176   |
| <b>Net cash flow used in operating activities</b>   |       | <b>(3,002)</b>  |
| <b>Investing activities</b>                         |       |   |
| Purchase of investments                             | 3     | (61)  |
| <b>Net cash flow used in investing activities</b>   |       | <b>(61)</b>   |
| <b>Financing activities</b>                         |       |   |
| Share issue costs                                   |       | (113)   |
| <b>Net cash flow used in financing activities</b>   |       | <b>(113)</b>  |
| <b>Increase in cash and cash equivalents</b>        |       | <b>(3,176)</b>  |
| <b>Cash and cash equivalents at start of period</b> |       | <b>80,129</b>   |
| <b>Cash and cash equivalents at end of period</b>   |       | <b>76,953</b>   |

The notes on pages 19 to 23 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD TO 30 JUNE 2022

## 1. GENERAL INFORMATION

### Company information

Aquila Energy Efficiency Trust Plc (the "Company") is a public Company limited by shares incorporated in England and Wales on 9 April 2021 with registered number 13324616. The Company is domiciled in England and Wales. The Company is a closed-ended investment company with an indefinite life. The Company commenced its operations on 2 June 2021 when the Company's Ordinary Shares were admitted to trading on the London Stock Exchange. The Directors intend, at all times, to conduct the affairs of the Company as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

The registered office address of the Company is 6th Floor, 125 London Wall, London, EC2Y 5AS.

The Company's investment objective is to generate attractive returns, principally in the form of income distributions, by investing in a diversified portfolio of Energy Efficiency Investments.

Sanne Fund Management (Guernsey) Limited acts as the Company's Alternative Investment Fund Manager (the "AIFM") for the purposes of Directive 2011/61/EU on alternative investment fund managers ("AIFMD").

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

Sanne Fund Services (UK) Limited (the "Administrator") provides administrative and company secretarial services to the Company under the terms of an administration agreement between the Company and the Administrator.

## 2. BASIS OF PREPARATION

The financial statements included in this Interim Report have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies, critical accounting judgements, estimates and assumptions are consistent with those used in the latest audited financial statements to 31 December 2021 and should be read in conjunction with the Company's annual audited financial statements for the period ended 31 December 2021. The financial statements for the period ended 31 December 2021 have been prepared in accordance with the UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss.

The interim financial statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC") issued in July 2022.

These financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements

as of 31 December 2021. The audited annual accounts for the period ended 31 December 2021 have been delivered to the Companies House. The audit report thereon was unmodified.

The functional currency of the Company is Sterling. Accordingly, the financial statements are presented in Sterling rounded to the nearest thousand, unless otherwise stated. As at period end, the rate of Euro against Sterling is at 0.86.

### Accounting for Subsidiary

The Company owns 100% of its subsidiary Attika Holdings Limited ("HoldCo"), the registered office address of the HoldCo is Leaf B, 20th Floor, Tower 42, Old Broad Street, London, England, EC2N 1HQ. The Company has acquired certain Energy Efficiency Investments through its investment in the HoldCo. The Company finances the HoldCo through a mix of SPV investments, equity and direct investments. The Company meets the definition of an investment entity as described by IFRS 10. Under IFRS 10 an investment entity is required to hold subsidiaries at fair value through profit or loss and therefore does not consolidate the subsidiary.

The HoldCo is an investment entity and as described under IFRS 10 values its SPVs investments at fair value through profit or loss.

### Going concern

The Directors have adopted the going concern basis in preparing the financial statements. Details of the Directors' assessment of the going concern status of the Company, which considered the adequacy of the Company's resources and the impacts of the COVID-19 pandemic and the Ukraine war, are given on pages 12 to 13.

### Segmental reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business, being a Company investing in a diversified portfolio of Energy Efficiency Investments to generate investment returns. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

### Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the application of estimates and assumptions which may affect the results reported in the financial statements. Estimates, by their nature, are based on judgement and available information.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of the investments as disclosed in note 3 to the financial statements.

The Directors have concluded that the Company meets the definition of an investment entity as defined in IFRS 10.

The key assumptions that have a significant impact on the carrying value of the Company's investments and underlying investments in SPVs are the contractual period of the assets, the discount factors, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce.

## NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

The discount factors are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value. The discount factors applied to the cashflows are reviewed semi-annually by the Investment Adviser to ensure they are at the appropriate level. The Investment Adviser will take into consideration market transactions, where of similar nature, when considering changes to the discount factors used.

The operating costs of the operating companies are frequently partly or wholly subject to indexation and an assumption is made that inflation will increase at a long-term rate.

Energy Efficiency investments are not sensitive to fluctuations in future revenues if a fixed indexation clause is applied to its cashflow schedule.

### Comparatives

As the Company began trading on 2 June 2021, there are no comparatives for the six months to 30 June 2022. The financial information for the period ended 31 December 2021 has been extracted from the audited Annual Report and Accounts for the period ended 31 December 2021.

### 3. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

|  | As at 30 June 2022 (Unaudited) |                             |                | As at 31 December 2021 (Audited) |                             |                |
|--|--------------------------------|-----------------------------|----------------|----------------------------------|-----------------------------|----------------|
|  | SPV investments<br>£'000       | Equity investments<br>£'000 | Total<br>£'000 | SPV investments<br>£'000         | Equity investments<br>£'000 | Total<br>£'000 |
| <b>(a) Summary of valuation</b>  |                                |                             |                |                                  |                             |                |
| Investments at fair value through profit or loss   | 12,878                         | 436                         | 13,314         | 12,154                           | 153                         | 12,307         |
|  | <b>12,878</b>                  | <b>436</b>                  | <b>13,314</b>  | <b>12,154</b>                    | <b>153</b>                  | <b>12,307</b>  |
| <b>(b) Movements during the period</b>   |                                |                             |                |                                  |                             |                |
| Opening balance of investments, at cost  | 12,324                         | –                           | 12,324         | –                                | –                           | –              |
| Additions, at cost   | 61                             | –                           | 61             | 12,324                           | –                           | 12,324         |
| <b>Cost of investments</b>   | <b>12,385</b>                  | <b>–</b>                    | <b>12,385</b>  | <b>12,324</b>                    | <b>153</b>                  | <b>12,324</b>  |
| Revaluation of investments to fair value:  |                                |                             |                |                                  |                             |                |
| Unrealised movement in fair value of investments   | 493                            | 436                         | 929            | (170)                            | 153                         | (17)           |
| <b>Balance of capital reserve – investments held</b>                                     | <b>493</b>                     | <b>436</b>                  | <b>929</b>     | <b>(170)</b>                     | <b>153</b>                  | <b>(17)</b>    |
| <b>Fair value of investments</b>   | <b>12,878</b>                  | <b>436</b>                  | <b>13,314</b>  | <b>12,154</b>                    | <b>153</b>                  | <b>12,307</b>  |
| <b>(c) Gains/(loss) on investments in period (per Statement of Comprehensive Income)</b> |                                |                             |                |                                  |                             |                |
| Movement during the period on unrealised valuation of investments held                   | 663                            | 283                         | 946            | (170)                            | 153                         | (17)           |
| <b>Gains/(losses) on investments</b>   | <b>663</b>                     | <b>283</b>                  | <b>946</b>     | <b>(170)</b>                     | <b>153</b>                  | <b>(17)</b>    |

#### Fair value measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following 3 levels:

##### Level 1

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

##### Level 2

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

##### Level 3

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

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

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

|  | As at 30 June 2022 (Unaudited) |                  |                  |                |
|--|--------------------------------|------------------|------------------|----------------|
|  | Level 1<br>£'000               | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
| Investments at fair value through profit or loss | –                              | –                | 13,314           | 13,314         |
|  | –                              | –                | <b>13,314</b>    | <b>13,314</b>  |

|  | As at 31 December 2021 (Audited) |                  |                  |                |
|--|----------------------------------|------------------|------------------|----------------|
|  | Level 1<br>£'000                 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
| Investments at fair value through profit or loss | –                                | –                | 12,307           | 12,307         |
|  | –                                | –                | <b>12,307</b>    | <b>12,307</b>  |

Due to the nature of the investments, they are always expected to be classified as level 3. There have been no transfers between levels during the period ended 30 June 2022 (31 December 2021: none).

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

|  | As at<br>30 June 2022<br>(Unaudited)<br>(£'000) | As at<br>31 December<br>2021<br>(Audited)<br>(£'000) |
|--|---|--|
| Opening balance                                      | 12,307  | –  |
| Additions during the period                          | 61  | 12,324   |
| Unrealised gains/(losses) on investments adjustments | 946   | (17)   |
| <b>Closing balance</b>                               | <b>13,314</b>                                   | <b>12,307</b>  |

### Valuation Methodology

#### SPV investments

The Investment Adviser has carried out fair market valuations of the SPV investments as at 30 June 2022 and the Directors have satisfied themselves as to the methodology used, key assumptions applied, and the valuation. SPV investments are measured at fair value through profit or loss and are valued using the IFRS 13 framework for fair value measurement. The valuation methodology used is based on the International Private Equity and Venture Capital Valuation Guidelines (IPEV).

The fair value for the SPV investments is derived from the present value of the investment's expected future cash flows, using reasonable assumptions (market knowledge, risk free rate and country risk) and forecasts for revenues and operating costs, and an appropriate discount rate. The discount rate used is based on the project IRR.

#### Equity investments

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

## NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

### 4. INVESTMENT INCOME

|                                | Six months ended<br>30 June 2022<br>(Unaudited)<br>(£'000) |
|--------------------------------|--|
| <b>Income from investments</b> |  |
| Investment interest income     | 186  |
| Bank interest income           | 128  |
| <b>Total Income</b>            | <b>314</b>   |

### 5. INVESTMENT ADVISORY FEES

|                          | Six months ended 30 June 2022<br>(Unaudited) |                  |                |
|--------------------------|--|------------------|----------------|
|                          | Revenue<br>£'000                             | Capital<br>£'000 | Total<br>£'000 |
| Investment Advisory fees | 112  | –                | 112            |

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

- (i) 0.95 per cent. per annum of Committed Capital of the Company up to and including £500 million; and
- (ii) 0.75 per cent. per annum of Committed Capital of the Company above £500 million.

### 6. RETURN PER ORDINARY SHARE

Return per Ordinary Share is based on the net gains for the period of £628,000 attributable to the weighted average number of Ordinary Shares in issue of 100,000,000 in the period. Revenue loss and capital gains are (£379,000) and £1,007,000, respectively.

### 7. TAXATION

|  | Six months ended 30 June 2022<br>(Unaudited) |                  |                |
|--|--|------------------|----------------|
|  | Revenue<br>£'000                             | Capital<br>£'000 | Total<br>£'000 |
| Corporation tax                        | –  | –                | –              |
| <b>Total tax charge for the period</b> | <b>–</b>                                     | <b>–</b>         | <b>–</b>       |

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

## NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

### 8. SHARE CAPITAL

|  | As at 30 June 2022<br>(Unaudited) |              | As at 31 December 2021<br>(Audited) |              |
|--|-----------------------------------|--------------|-------------------------------------|--------------|
|  | No. of shares                     | £'000        | No. of shares                       | £'000        |
| Allotted, issued and fully paid:               |                                   |              |                                     |              |
| Ordinary Shares of 1p each ('Ordinary Shares') | 100,000,000                       | 1,000        | 100,000,000                         | 1,000        |
| <b>Total</b>                                   | <b>100,000,000</b>                | <b>1,000</b> | <b>100,000,000</b>                  | <b>1,000</b> |

On incorporation, the issued share capital of the Company was 1 ordinary share of £0.01 issued to the subscriber to the Company's memorandum. The Company's issued share capital was increased by £50,000 represented by 50,000 Management Shares of nominal value £1.00 each, which were subscribed for by the Investment Adviser. Following admission, the Management Shares were redeemed by the holder.

On admission 2 June 2021, 99,999,999 Ordinary Shares were allotted and issued to shareholders as part of the placing and offer for subscription in accordance with the Company's prospectus dated 10 May 2021.

### 9. NET ASSETS PER ORDINARY SHARE

Net assets per Ordinary Share as at 30 June 2022 is based on £97,896,000 (31 December 2021: £97,381,000) of net assets of the Company attributable to the 100,000,000 Ordinary Shares in issue as at 30 June 2022 (31 December 2021: 100,000,000).

### 10. RELATED PARTY TRANSACTIONS

Fees payable to the Investment Advisor are shown in the Income Statement. As at 30 June 2022, the fee outstanding to the Investment Adviser was £112,000. The Company owns 100% of Attika Holdings Limited, as disclosed in note 2. As at 30 June 2022, the Company has a receivable balance of £7,721,000 with Attika Holdings Limited.

Fees payable to the directors during the period were based on an annual rate of £55,000 to the Chairman, £42,000 to the Chairman of the Audit and Risk Committee and £37,000 to the other directors, at the same rate paid for the period ended 31 December 2021. On 28 January 2022 two directors resigned and on 29 April 2022 one director was appointed.

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

|                         | Ordinary shares<br>at 30 June 2022 | Ordinary shares<br>at 31 December<br>2021 |
|-------------------------|------------------------------------|---|
| Miriam Greenwood OBE DL | 24,000                             | 24,000                                    |
| Nicholas Bliss          | 20,000                             | 20,000                                    |
| David Fletcher          | 40,506                             | –   |

### 11. POST BALANCE SHEET EVENTS

Subsequent to 30 June 2022, a further £11.6 million was deployed.

### 12. STATUS OF THIS REPORT

These Half-yearly financial statements are not the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. They are unaudited. The unaudited Half-yearly Financial Report will be made available to the public at the registered office of the Company. The report will also be available in electronic format on the Company's website, [www.aquila-energy-efficiency-trust.com](http://www.aquila-energy-efficiency-trust.com).

The information for the period ended 31 December 2021 has been extracted from the last published audited financial statements, unless otherwise stated. The audited financial statements have been delivered to the Registrar of Companies. PricewaterhouseCoopers LLP reported on those accounts and their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

The Half-yearly Financial Report was approved by the Board on 14 September 2022.

# Other Information



## OTHER INFORMATION

### ALTERNATIVE PERFORMANCE MEASURES (“APM”)

APMs are often used to describe the performance of investment companies although they are not specifically defined under IFRS. APM calculations for the Company are shown below.

#### Discount

The amount, expressed as a percentage, by which the share price is less than the Net Asset Value per Ordinary Share.

|                                |                | Page | 30 June<br>2022 | 31 December<br>2021 |
|--------------------------------|----------------|------|-----------------|---------------------|
| NAV per Ordinary Share (pence) | a              | 1    | 97.90           | 97.38               |
| Share price (pence)            | b              | 1    | 79.00           | 95.75               |
| <b>Discount</b>                | <b>(b÷a)-1</b> |      | <b>(19.3%)</b>  | <b>(1.7%)</b>       |

#### Ongoing charges

A measure, expressed as a percentage of average net assets during the period, of the regular, recurring annual costs of running the Company, based on the numbers for the six months ended 30 June 2022.

| Six months to 30 June 2022 |              | Page |     |              |
|----------------------------|--------------|------|-----|--------------|
| Average NAV                | a            |      | n/a | 97,522       |
| Annualised expenses        | b            |      | n/a | 1,405        |
| <b>Ongoing charges</b>     | <b>(b÷a)</b> |      |     | <b>1.44%</b> |

#### Total return

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

| Six months to 30 June 2022    |                | Page | Share price    | NAV         |
|-------------------------------|----------------|------|----------------|-------------|
| Opening at 1 January 2022 (p) | a              | n/a  | 95.75          | 97.38       |
| Closing at 30 June 2022 (p)   | b              | 1    | 79.00          | 97.90       |
| <b>Total return</b>           | <b>(b÷a)-1</b> |      | <b>(17.5%)</b> | <b>0.5%</b> |

n/a = not applicable.

Note: There were no dividends paid during the period end 30 June 2022 (31 December 2021: none).

## GLOSSARY

|  |   |
|--|---|
| <b>AIC</b>   | Association of Investment Companies.  |
| <b>Alternative Investment Fund or “AIF”</b>                      | An investment vehicle under AIFMD. Under AIFMD (see below) Aquila Energy Efficiency Trust Plc is classified as an AIF.  |
| <b>Alternative Investment Fund Managers Directive or “AIFMD”</b> | A European Union directive which came into force on 22 July 2013 and has been implemented in the UK.  |
| <b>Annual General Meeting or “AGM”</b>                           | A meeting held once a year which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask directors questions about the company in which they are invested.  |
| <b>the Company</b>   | Aquila Energy Efficiency Trust Plc.   |
| <b>Discount</b>  | The amount, expressed as a percentage, by which the share price is less than the net asset value per share.   |
| <b>Dividend</b>  | Income receivable from an investment in shares.   |
| <b>EMEA</b>  | Europe, the Middle East and Africa.   |
| <b>EU</b>  | European Union.   |
| <b>Financial Conduct Authority or “FCA”</b>                      | The independent body that regulates the financial services industry in the UK.  |
| <b>Gearing</b>   | A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing. See also “leverage” below.   |
| <b>Gearing effect</b>  | The effect of borrowing on a company’s returns.   |
| <b>General Meeting “GM”</b>                                      | A meeting which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask directors questions about the company in which they are invested.   |
| <b>Gross Asset Value</b>   | The sum of the value of the assets a company owns   |
| <b>GWh</b>   | Gigawatt hour.  |
| <b>The Holdco</b>  | Attika Holdings Limited.  |
| <b>IEA</b>   | International Energy Agency   |
| <b>Index</b>   | A basket of stocks which is considered to replicate a particular stock market or sector.  |
| <b>Investment company</b>  | A company formed to invest in a diversified portfolio of assets.  |
| <b>IPO</b>   | Initial Public Offering.  |
| <b>Investment Trust</b>  | An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.   |
| <b>IRR</b>   | Internal rate of return.  |
| <b>Leverage</b>  | An alternative word for “Gearing”.<br><br>Under AIFMD, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions.<br><br>Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of a company’s positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other |
| <b>Liquidity</b>   | The extent to which investments can be sold at short notice.  |
| <b>Net assets or net asset value (‘NAV’)</b>                     | An investment company’s assets less its liabilities.  |

## GLOSSARY

CONTINUED

|                               |  |
|-------------------------------|--|
| <b>NAV per Ordinary Share</b> | Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury)   |
| <b>Ongoing charges</b>        | A measure of the regular, recurring annual costs of running an investment company, expressed as a percentage of average net assets.  |
| <b>Ordinary Shares</b>        | The Company's ordinary shares in issue.  |
| <b>Portfolio</b>              | A collection of different investments held in order to deliver returns to shareholders and to spread risk.   |
| <b>Premium</b>                | The amount, expressed as a percentage, by which the share price is more than the net asset value per share.  |
| <b>Share buyback</b>          | A purchase of a company's own shares. Shares can either be bought back for cancellation or held in treasury.   |
| <b>Share price</b>            | The price of a share as determined by a relevant stock market.   |
| <b>Total return</b>           | A measure of performance that takes into account both income and capital returns. This may take into account capital gains, dividends, interests and other realised variables over a given period of time. |

## COMPANY INFORMATION

|  |  |
|--|--|
| <b>Directors (all non-executive)</b>   | Miriam Greenwood OBE DL (Chair)<br>Nicholas Bliss<br>David Fletcher  |
| <b>Registered office</b><br><i>(Registered in England and Wales with<br/>Company number: 13324616)</i> | 6th Floor<br>125 London Wall<br>London<br>England<br>EC2Y 5AS  |
| <b>AIFM</b>  | Sanne Fund Management (Guernsey) Limited<br>Sarnia House<br>Le Truchot<br>St Peter Port<br>Guernsey<br>GY1 1GR |
| <b>Investment Adviser</b>  | Aquila Capital Investmentgesellschaft mbH<br>Valentinskamp 70<br>D-20335<br>Hamburg<br>Germany                 |
| <b>Broker</b>  | Peel Hunt LLP<br>100 Liverpool Street<br>London<br>EC2M 2AT  |
| <b>Administrator and Company Secretary</b>   | Sanne Fund Services (UK) Limited<br>6th Floor<br>125 London Wall<br>London<br>England<br>EC2Y 5AS              |
| <b>Registrar</b>   | Computershare Investor Services PLC<br>The Pavilions<br>Bridgwater Road<br>Bristol<br>BS99 6AH                 |
| <b>Independent Auditors</b>  | PricewaterhouseCoopers LLP<br>7 More London Riverside<br>London<br>SE1 2RT                                     |



INVESTING WITH IMPACT  
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HALF-YEARLY FINANCIAL REPORT 2022

Read more about our  
commitment to sustainability  
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