

# Aquila Real Asset Finance II a.s. - Senior Bond

Interim Report per 31.12.2019

Aquila Real Asset Finance II a.s. ("the Issuer") was able to raise roughly 1,671m Czech Crowns by issuing Senior Bonds (1,000m Czech Crowns or 39.1m euros) and Junior Bonds (26.2m euros or 671m Czech Crowns). Shortly after capital raising from July until September 2019, the issue proceeds were used to finance a broadly diversified portfolio comprising renewable energy and real estate projects predominantly located in the European Union.

As of 31 December 2019, the portfolio consists of the Norwegian wind project Wind Norway I and a Portuguese photovoltaics portfolio PV Portugal I comprising two solar PV parks. The Issuer was also able to provide financing to the Spanish project PV Spain I.

In the metropolitan area of Barcelona, the Issuer finances the two housing projects Real estate Spain I and Real estate Spain II. The Issuer was also able to provide financing to a logistics project Real estate Portugal I.

Furthermore, the Issuer provided interim financing to an already operating wind project in central Finland with an installed capacity of 53 MW. The Issuer's financing was fully paid back after the sale of the project to a long-term buy and hold fund.

The first interest payment to investors is due on 8 July 2020.

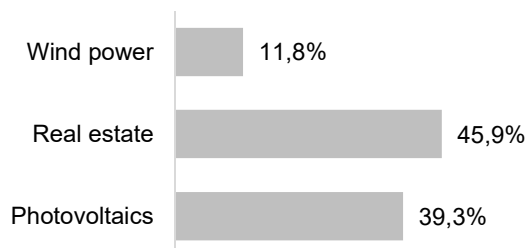
For an assessment of the SARS-CoV-2 pandemic, please refer to the information published on the Issuer's website and the annual report.

## Key Terms

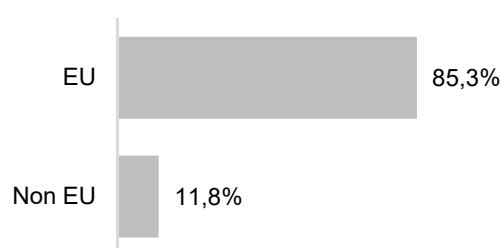
ISIN	CZ0003522245
Currency	CZK
Nominal value per note	CZK 50,000
Initial subscription price	100%
Capital raising	CZK 1,000,000,000
Investment focus	Europe, other OECD countries
Issuer	Aquila Real Asset Finance II a.s.
Interest rate	5.25% p.a.
Interest payment dates	08.07.2020; 08.07.2021; 08.07.2022
Issue date	08.07.2019
Term/Maturity date	3 years/08.07.2022

## Asset Allocation<sup>1</sup>

### By Asset Class



### By Regions



<sup>1</sup>Gap to 100% comprises liquidity and costs.

# Aquila Real Asset Finance II a.s. - Senior Bond

Interim Report per 31.12.2019

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## 1. Renewable Energies

### PV Portugal I

Asset class	Photovoltaics
Country	Portugal
Investment	EUR 13.1m
Investment date	26.07.2019

The project consists of two PV parks with a combined nominal capacity of 132.1 MWp being constructed in central and southern Portugal. Based on very attractive radiation conditions at the location and the sharp decline in the prices of the PV technology, the park is at a very competitive level to other technologies and does not need a state subsidy regime. A power purchase agreement ("PPA") was signed with a local utility company as a customer for the first seven years of electricity generated. The PPA provides a fixed price for this period. The parks have an expected operating life of 25 years. One of the parks has already been finished and connected to the grid in December 2019. The construction phase of the second park is expected to be finished at the beginning of the second quarter 2020 (initial planning was the third quarter 2019, due to a delay related to the construction of the grid connection). Furthermore, there are advanced negotiations with an external party intending to purchase 100% of both parks.

### PV Spain I

Asset class	Photovoltaics
Country	Spain
Investment	EUR 12.6m
Investment date	27.12.2019

The project is a cluster of three solar parks located in the vicinity of Almeria, in the south of Spain. Each park has a capacity of 30 to 50 MWp (in total 130 MWp) and is at RTB status. The parks benefit from a high irradiation yielding in more than 1900 kWh/kWp on average. The farm is developed by Aurinka International ("the Seller"), an established player in the Spanish market, with a 30-year+ experience in developing solar projects. The Seller has already lined-up a Tier 1 full-wrap engineering, procurement and construction contract ("EPC"), and part of the material is already on-site. Construction works are expected to start in the second quarter 2020. The completion of the construction and the subsequent commercial operation date is expected in the first quarter 2021.

### Wind Norway I

Asset class	Wind power
Country	Norway
Investment	EUR 7.7m
Investment date	27.12.2019
Project status	On budget

The project is a fully permitted Norwegian 400 MW wind energy project located in the Vefsn municipality in Nordland county. The construction of the project started in December 2019 and the commissioning date is expected towards the end of the third quarter 2021. The wind park will consist of 72 Nordex turbines with capacity ranging from 5.5 MW to 5.6 MW. The project was developed by Eolus, a listed Swedish wind energy developer who is also the designated procurement and construction management contractor for the construction of the project. The operating term of the wind park will be 30 years. The relevant operations and maintenance contract is still subject to negotiations. The project benefits from an already contracted pay-as-produced power purchase agreement for 89% of the expected P-50 production for 15 years.

# Aquila Real Asset Finance II a.s. - Senior Bond

Interim Report per 31.12.2019

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## 2. Real estate

### Real estate Spain I

Asset class	Real estate
Country	Spain
Investment	EUR 12.8m
Investment date	09.07.2019

The project is a residential development site measuring eight plots with a total size of approx. 46,092 m<sup>2</sup> in the southwestern part of Barcelona. The current project planning includes the construction of approx. 58,200 m<sup>2</sup> living space across 621 units and 21,900 m<sup>2</sup> commercial area. The project benefits from good transport links and well-developed infrastructure in the surrounding. It is a unique investment opportunity for an adjoining development area of this size within the city of Barcelona. Currently, civil works are conducted while the construction work is expected to start in the fourth quarter 2020. Completion of all of the project's plots is expected in the fourth quarter 2023.

### Real estate Spain II

Asset class	Real estate
Country	Spain
Investment	EUR 13.0m
Investment date	09.07.2019

The project is a residential development site measuring 14 plots with a total size of approx. 16.656 m<sup>2</sup> in the city of Viladecans, belonging to the Metropolitan area of Barcelona. The current project planning includes the construction of approx. 648 rental and sales units as well as commercial units. The project benefits from its good location to both the airport and the city centre of Barcelona. Due to a sharp increase in rental prices and a low supply of new housing in the city centre of Barcelona, the municipality of Viladecans faces an increasing demand. Urbanisation works start in the first quarter 2020 with the construction being expected to start in the third quarter 2020. Completion of the whole project is expected for the fourth quarter 2022.

### Real estate Portugal I

Asset class	Real estate
Country	Portugal
Investment	EUR 4.1m
Investment date	21.08.2018

The project is a logistic development site measuring 179,000 m<sup>2</sup> in the region Azambuja (Metropolitan area of Lisbon). The plans call for the construction of a logistic property with a total size of approx. 115,000 m<sup>2</sup>, which splits into 111,000 m<sup>2</sup> of warehouse and 4,000 m<sup>2</sup> of office space. The project has a prime location for logistics and a good transport connection linking to Lisbon (35 km distance), Porto and Spain. Due to the proximity to the metropolitan area of Lisbon, the asset is suitable for large scale warehouse and E-commerce as well as for a wide range of standard logistic operation. Construction works are expected to start in the second quarter 2020. Completion of the project is expected for the second quarter 2021.

# Aquila Real Asset Finance II a.s. - Senior Bond

Interim Report per 31.12.2019

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## 3. Exits

Project	Asset class	Country	Investment	Investment date	Exit date
Wind Finland I	Wind power	Finland	EUR 8.5m	05.08.2019	30.09.2019

## 4. Subsequent Events

The project Real Estate Spain I was exited in full in April 2020. Shortly after, the Issuer was able to provide financing to a real estate logistics project in southern Germany in the amount of 13.0m euros.

## Contact

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## Certain Risk Factors

- Project development risk from investments in renewable energies and real estate projects (delays, cost increases, approvals etc.)
- Risks associated with investments in infrastructure (regulatory risks - e.g. revocal of concessions or adverse price changes, interruption of operation/technical malfunctions, counterparty risk etc.)
- The underlying assets will not be rated, publicly offered, listed or traded on any stock exchange

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Publication of Aquila Real Asset Finance II a.s.