

Press Release

Aquila Capital European Balanced Renewables Fund (EBRF) exceeds capital commitments of EUR 500 million

- **A diversified strategy for clean energy investments that benefits from investments in different technologies, project stages and markets**
- **Targeted portfolio adjustments are planned to further increase performance potential**

Hamburg, 22nd March 2023 – Aquila Capital, the sustainable investment management and asset development company headquartered in Hamburg, Germany, announces that capital commitments for the Aquila Capital European Balanced Renewables Fund (EBRF) exceeded EUR 500 million in the fourth quarter of 2022, showcasing the attractiveness of the investment proposition. The strategy is based on a diversified clean energy portfolio spread across continental Europe and Ireland. EBRF targets assets where the energy source is in high abundance, including Nordic wind farms and Iberian solar PV plants. It is conservatively positioned with a low use of leverage. EBRF's income mix is diversified by contract type. Fixed price PPAs provide certainty and earnings visibility, while merchant exposures provide inflation correlation. This combination offers downside protection while preserving the potential for upside from elevated power prices.

Japanese institutional investors make up a significant proportion of the investor base, while institutions from continental Europe account for the majority of the Fund's capital commitments. EBRF had its first close in June 2019 following a cornerstone investment from Willis Towers Watson.

Lars Meisinger, Head of Client Advisory International at Aquila Capital, comments: *“EBRF pursues a balanced approach to portfolio construction by diversifying risks across generation technologies, geographies, power markets and regulatory regimes. Projects are located across six countries and six power markets. We recently added co-located storage to the portfolio and consider this a particularly attractive investment opportunity. The addition of battery energy storage systems means additional return opportunities as well as a further source of risk diversification.*

Evergreen funds are gaining traction among limited partners, because they provide a higher degree of flexibility compared to closed-ended structures. Open-ended funds can constantly raise capital, so investors can choose to add to their positions over time. In the same spirit, investors can also adjust their positions, if needed, as part of a more dynamic asset allocation in private markets. EBRF is an open-ended Luxembourg SICAV-RAIF. As a so-called evergreen fund, it has no maturity date, which increases flexibility for investors.”

Roman Zervas, Team Head Fund Management Clean Energy and the manager of EBRF, adds: *“Strong performance and continued high levels of interest from investors validate the strategy and philosophy we have successfully pursued since EBRF’s inception in 2019. The balancing of risks will remain a core element in the strategy, while the Fund’s share of projects under construction is to be expanded. This will allow a higher return potential to be secured, compared to investing in downstream project stages. The portfolio’s exposure to Southern Europe will also be increased, mainly through investments in solar photovoltaics, in order to seize some of the opportunities available in these markets.”*

About Aquila Capital

Aquila Capital is an investment and asset development company focused on generating and managing essential assets on behalf of its clients. By investing in clean energy and sustainable infrastructure, Aquila Capital contributes to the global energy transition and strengthens the world’s infrastructure backbone. The company initiates, develops and manages essential assets along the entire value chain and over asset lifetimes. Currently, Aquila Capital manages nearly EUR 15 billion on behalf of institutional investors worldwide. Its primary objective is to generate performance for its clients by managing the complexity of essential assets.

Today, the company manages wind energy, solar PV and hydropower assets of 13.9 GW capacity. Additionally, 1.9 million square metres of sustainable real estate and green logistics projects have been completed or are under development. Aquila Capital also invests in energy efficiency, carbon forestry and data centres. The company has been carbon neutral since 2006. Sustainability has always been part of Aquila Capital’s value system and is an integral part of its investment strategies, processes and management of assets. The company has around 650 employees from 56 nations, operating in 17 offices in 16 countries worldwide.

Further information: <https://www.aquila-capital.de/en/>

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