

Aquila Real Asset Finance III a.s. - Senior Bond

Interim Report 30.06.2020

Aquila Real Asset Finance III a.s. ("the Issuer") was able to raise 66.8m euros by issuing Senior Bonds (40.0m euros) and Junior Bonds (26.8m euros). Shortly after capital raising in June and July 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 30 June 2020 ("Reporting Date", with 1 January 2020 until 30 June 2020 being the "Reporting Period"), the Issuer is invested across three real estate and three renewable energy projects.

During the Reporting Period, the project Real estate Spain I was sold in full. New investments were made in project Real estate Germany I and in project Wind Finland II.

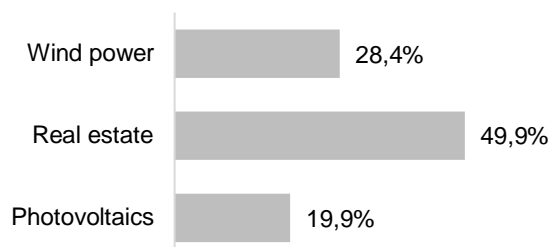
The first interest payment to investors was made on 28 June 2020.

Key Terms

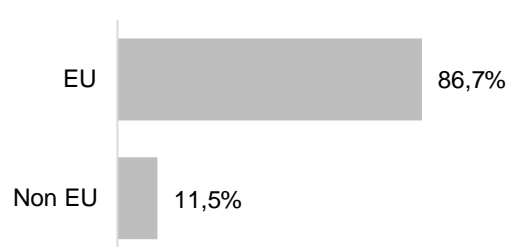
ISIN	SK4000015566
Currency	EUR
Nominal value per note	EUR 1,000
Initial subscription price	100%
Capital raising	EUR 40,000,000
Investment focus	Europe, other OECD countries
Issuer	Aquila Real Asset Finance III a.s.
Interest rate	4.25% p.a.
Interest payment dates	28.06.2020; 28.06.2021; 28.06.2022
Issue date	28.06.2019
Term/Maturity date	3 years/28.06.2022

Asset Allocation¹

By Asset Class



By Regions



¹Gap to 100% comprises liquidity and costs.

1. Renewable Energies

PV Portugal I

Asset class	Photovoltaics
Country	Portugal
Investment	EUR 13.3m
Investment date	03.07.2019

The project consists of two PV parks with a combined nominal capacity of 132 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 almost finished and expected to be completed at the end of the third quarter 2020. Final handover of both parks from the construction contractor is expected in the fourth quarter 2020. Furthermore, there are advanced negotiations with an external party intending to purchase 100% of both parks after the final handover.

Wind Finland II

Asset class	Wind power
Country	Finland
Investment	EUR 11.3m
Investment date	20.12.2019

The project is a fully permitted 43.2 MW wind energy project located in Karstula, central Finland. The construction of the project started in January 2020 and the commissioning date is expected in January 2022. The wind park will consist of 9 Nordex turbines with capacities of 4.8 MW each. The project was developed by OX2, one of the Nordic's largest wind energy developers. OX2 is also the procurement and construction management contractor for the construction. The operating term of the wind park is 30 years, with operation and maintenance being provided by the turbines' manufacturer, Nordex. It is planned to conclude a power purchase agreement for 65% of the P-50 generation volumes for which one offer by a large creditworthy utility has already been received. Negotiations with other offtakers are continuing in parallel. The construction works have recently been focused on the turbines' foundations.

Wind Norway I

Asset class	Wind power
Country	Norway
Investment	EUR 7.7m
Investment date	27.12.2019

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 has been concluded in the meantime. The project benefits from an already contracted pay-as-produced power purchase agreement that has effectively been reduced to 70% of the expected P-50 production for 14 years.

2. Real estate

Real estate Spain II

Asset class	Real estate
Country	Spain
Investment	EUR 13.4m
Investment date	01.07.2019

The project is a residential development site measuring 14 plots with a total size of approx. 16.656 m² 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 are ongoing with the construction being expected to start in the first quarter 2021. Completion of the whole project is expected in the first half of 2023.

Real estate Portugal I

Asset class	Real estate
Country	Portugal
Investment	EUR 6.7m
Investment date	16.08.2019

The project is a logistic development site measuring 179,000 m² 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 m², which splits into approx. 103,000 m² of warehouse, approx. 7,500 m² mezzanine area and approx. 4,500 m² 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 fourth quarter 2020. Completion of the project is expected for the fourth quarter 2021.

Real estate Germany I

Asset class	Real estate
Country	Germany
Investment	EUR 13.3m
Investment date	30.04.2020

The project comprises the development of a business park near Munich, Germany. The envisaged layout for the business park entails a combination of urban storage and office space with a gross lettable area of about 82,000 m². The layout is designed for mixed use with high flexibility of the rental spaces. The project benefits from its prime location close to one of the top real estate markets in Germany with excellent transport links to Munich as well as to the motorway network of Germany/ Europe. Construction is expected to start in the third quarter 2021 with the project being finalised in the fourth quarter 2023.

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3. Exits

Project	Asset class	Country	Investment	Investment date	Exit date
Wind Finland I	Wind power	Finland	EUR 13.4m	05.08.2019	30.09.2019
Real estate Spain I	Real estate	Spain	EUR 13.1m	01.07.2019	22.04.2020

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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 III a.s.