

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

Interim Report per 31.12.2019

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 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 wind project Wind Finland II.

In the metropolitan area of Barcelona, the Issuer finances the two housing projects Real estate Spain I and Real estate Spain II. Another part of the Iberian portfolio comprises to the 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 28 June 2020.

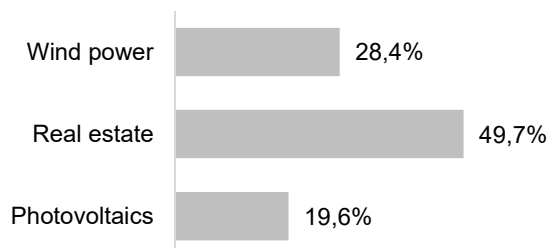
For an assessment of the SARS-CoV-2 pandemic, please refer to the information published on the Issuer's website and the annual report.

Key Terms

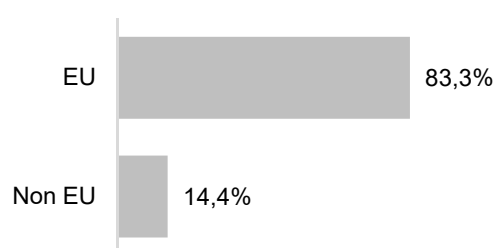
ISIN	SK4000015566
Currency	EUR
Nominal value per note	EUR 1,000
Initial subscription price	100%
Capital raising	EUR 40,000,000
Investment focus	Europe, other OECD countries
Issuer	Aquila Real Asset Finance III a.s.
Interest rate	4.25% p.a.
Interest payment dates	28.06.2020; 28.06.2021; 28.06.2022
Issue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

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

Interim Report per 31.12.2019

1. Renewable Energies

PV Portugal I

Asset class	Photovoltaics
Country	Portugal
Investment	EUR 13.1m
Investment date	03.07.2019

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.

Wind Finland II

Asset class	Wind power
Country	Finland
Investment	EUR 9.4m
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 nine 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.

Wind Norway I

Asset class	Wind power
Country	Norway
Investment	EUR 9.6m
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 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 III a.s. - Senior Bond

Interim Report per 31.12.2019

2. Real estate

Real estate Spain I

Asset class	Real estate
Country	Spain
Investment	EUR 13.1m
Investment date	01.07.2019

The project is a residential development site measuring eight plots with a total size of approx. 46,092 m² in the southwestern part of Barcelona. The current project planning includes the construction of approx. 58,200 m² living space across 621 units and 21,900 m² 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 13.4m
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 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 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 111,000 m² of warehouse and 4,000 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 second quarter 2020. Completion of the project is expected for the second quarter 2021.

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

Interim Report per 31.12.2019

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

4. Subsequent Events

In January 2020, the Issuer extended its investment in the project Wind Finland II by 0.4m euros. 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 13.3m euros.

Contact

Aquila Real Asset Finance III a.s.

Dúbravská cesta 14

Bratislava - mestská časť Karlova Ves 841 04

Slovak Republic

Email: info@aquila-real-asset.com

Web: www.aquila-real-asset.com

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

Disclaimer Interim Report Aquila Real Asset Finance III a.s. - Senior Bond

This document is an interim report of Aquila Real Asset Finance III a.s. **This document serves informational purposes only.** It constitutes neither an investment advice, an investment service nor an offer or solicitation of an offer to buy or sell any particular product; the contents of this document also do not constitute any recommendation for any other action. **This document serves (preliminary) information purposes regarding the products mentioned only. A purchase decision regarding the products presented should only be made on the basis of the issuing documents, after reviewing the complete relevant documentation and in consideration of the respective risk information.** Prior advice from your legal-, tax- and/or investment advisor is recommended. The statements reflect the situation at the time the document was prepared. All information and data have been collected carefully and to the best of our knowledge, but the validity, completeness or accuracy of the information is not warranted and any liability for damages that may arise from the use of the information is disclaimed. **Historical data is no guarantee of future earnings. Statements concerning future economic developments are based on observations from the past and theory-based objective procedures; they are therefore predictions and must be understood as such.** In particular, if the performance results refer to a period of less than twelve months (indication of year-to-date performance, product launch less than 12 months ago, etc.), these are not an indicator for future results due to the short comparison period. **No assurances or warranties are given that any indicative performance or return will be achieved in the future. The products presented are investments associated with various risks, the realization of which can lead to a total loss of the invested capital.** Calculation errors and other mistakes are reserved. Graphs and tables may show rounding differences. The bonds may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America or to or for the benefit of any US-person. For further information with regard to the bond please refer to the prospectus. This and other documents as well as further information can be accessed free of charge through the online presence of Aquila Real Asset Finance III a.s., www.aquila-real-asset.com.

This document is strictly confidential and may not be disclosed to third parties without the prior written consent of the management.

Publication of Aquila Real Asset Finance III a.s.