

Aquila Real Asset Finance a.s. - Senior Bond

Interim Report per 31.12.2018

Aquila Real Asset Finance, a.s. ("the Issuer") has successfully started its financing activity. The issuer was able to raise roughly 3,765m Czech Crowns by issuing Senior Bonds (1,875m Czech Crowns or 73.4m Euros) and Junior Bonds (1,890m Czech Crowns or 74.0m Euros). Shortly after capital raising, the issue proceeds were used to finance a broadly diversified portfolio comprising eight renewable energy and real estate projects predominantly located in the European Union.

The portfolio consists of two Swedish wind projects Wind Sweden I and Wind Sweden II that were completed in December 2018 and started producing power. The third wind project Wind Norway I is an extension of an already constructed wind park in Norway and fully operational since Q3 2018.

The issuer was also able to provide financing to project PV Portugal I, a portfolio of two Solar PV farms currently being constructed in Portugal. The remainder of the Issuer's portfolio consists of the two housing projects Real Estate Spain I and Real estate Spain II in Madrid, the housing project Real Estate Spain III with three properties in Spanish metropolitan regions and the housing project Real Estate Spain IV in Valencia.

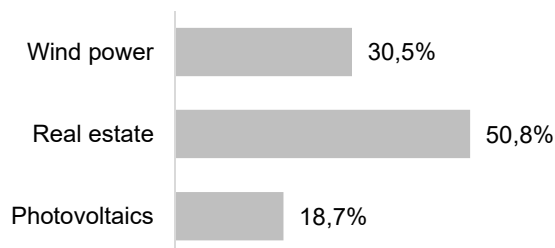
The Issuer is pleased with the swiftly built up portfolio. The first interest payment to investors is due on 16 September 2019.

Key Terms

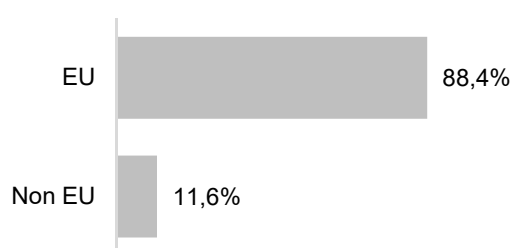
ISIN	CZ0003519753
Currency	CZK
Nominal value per note	CZK 10,000
Initial subscription price	100%
Capital raising	CZK 1,875,000,000
Investment focus	Europe, other OECD countries
Issuer	Aquila Real Asset Finance a.s.
Interest rate	5.00% p.a.
Interest payment dates	16.09.2019; 14.09.2020; 14.09.2021; 14.09.2022; 14.09.2023
Issue date	14.09.2018
Term	5 years

Asset Allocation

By Asset Class



By Regions



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1. Renewable Energies

PV Portugal I

Asset class	Photovoltaics
Country	Portugal
Investment	EUR 26.7m
Investment date	14.09.2018; 02.10.2018
Project status	On budget

The project consists of two PV parks with a combined nominal capacity of 134.2 MWp being constructed in central and southern Portugal until Q3 2019 according to current planning. 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.

Wind Sweden I

Asset class	Wind power
Country	Sweden
Investment	EUR 17.0m
Investment date	20.09.2018; 02.10.2018
Project status	On budget

Following takeover in December 2018 the project is operating a wind park located in northern Sweden with 41 wind turbines of the manufacturer Vestas of the type V126 - 3.6 MW. Total capacity of the project is 147.6 MW. Vestas is providing the O&M service under a full-service-agreement for 20 years. The wind farm is selling 70% of its electricity production under an attractive power purchase agreement ("PPA") with a subsidiary of the U.S. company Google, Inc. over an initial ten-year period.

Wind Sweden II

Asset class	Wind power
Country	Sweden
Investment	EUR 9.8m
Investment date	20.09.2018
Project status	On budget

Following takeover in December 2018 the project is operating a wind park located in central Sweden with 18 wind turbines of the manufacturer Vestas of the type V126 - 3.8 MW. Total capacity of the project is 68.4 MW. Vestas is providing the O&M service under a full-service-agreement for 20 years. The wind farm is selling 65% of its electricity production under an attractive power purchase agreement over an initial ten-year period.

Wind Norway I

Asset class	Wind power
Country	Norway
Investment	EUR 16.6m
Investment date	14.09.2018
Project status	On budget

The 40 MW extension to an operating 110 MW wind park south of Bergen, Norway has been completed prematurely in Q3-2018. The operating wind park is now consisting of 55 wind turbines of the manufacturer Nordex (N117 – 3.6 MW, N100 and N90). The wind farm is selling 70% of its electricity production under an attractive power purchase agreement ("PPA") with a large Norwegian utility over an initial ten-year period.

2. Real Estate

Real Estate Spain I

Asset class	Real estate
Country	Spain
Investment	EUR 15.1m
Investment date	14.09.2018
Project status	On budget

The project consists of nine plots with a total surface area of around 52,500 m² in a Madrid city district 7 km from Madrid's city centre. The land, which was previously state-owned, is intended for residential development (subsidised residential property construction) with living space of around 120,500 m² and approx. 1,200 residential units. It is currently Madrid's largest interconnected residential construction project. The completion of all plots is expected by the end of 2020. The project benefits from a very well developed local infrastructure (such as shopping centres, restaurants etc.) as well as very good public and personal transport connections.

Real Estate Spain II

Asset class	Real estate
Country	Spain
Investment	EUR 15.2m
Investment date	20.09.2018
Project status	On budget

The project is a residential development site measuring 23,336 m² in the northern part of Madrid. The plans call for the construction of approx. 100 luxury residential units with a total living space of approximately 18,975 m² in the form of an "urbanización", a very popular form of residential development in Spain. The district has traditionally been Madrid's high-end residential area and has well-developed infrastructure (private national and international schools, hospitals, shops, golf courses, parks, etc.). The area is connected to public transport (e.g. line 10 of the Madrid Metro) and has direct access to the A-1, M-30 and M-40 motorways; Madrid-Barajas Airport is 10 minutes away. The completion of the project is expected in Q2 2021.

Real Estate Spain III

Asset class	Real Estate
Country	Spain (3 locations)
Investment	EUR 16.2m
Investment date	20.09.2018
Project status	On budget

The project is a residential development project consisting of three different locations in Spain, each with different construction phases. The project aims to build 1,000 residential units with approximately 62,800 m² residential with 39% of the project being located in Barcelona and 37% being located in the region of Málaga, the area of Spain with the largest potential in the real estate sector next to Madrid and Barcelona. The completion of all plots is expected in Q2 2022.

Real Estate Spain IV

Asset class	Real Estate
Country	Spain
Investment	EUR 25.8m
Investment date	24.09.2018; 08.10.2018
Project status	On budget

The project comprises a portfolio of nine residential plots as well as neighbored property for commercial use. The portfolio is located within the city of Valencia and has a total surface area of around 83,000 m². It is intended to develop around 130,500 m² of social- and freehold-housing as well as around 74,300 m² for commercial use (i.e. Retail, Hotel, Logistics etc.). The project benefits from its good central residential location and its excellent transport link to the city centre. The completion of the project is expected in Q2 2023.

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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 a.s.