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Aquila European Renewables Income Fund acquires second Norwegian wind farm and unwinds its commitment to a Finnish construction project

Aquila European Renewables Income Fund ("AERIF" or "the Company"), the London-listed investment company advised by Aquila Capital Investmentgesellschaft mbh, today announces that it has approved the signing of a Sale and Purchase Agreement ("SPA") to purchase approximately 14% of the equity in a Norwegian wind farm under construction ("The Rock"). The Company will seek to increase its commitment to The Rock in due course.

The Rock is an onshore wind farm project located in Mosjøen, Norway. The project's construction began in 2019 and the Company anticipates that the wind farm will be fully operational in early Q4 2021. Once the construction is completed, the wind farm will comprise 72 wind turbines with a total capacity of 400MW, which makes The Rock one of the biggest onshore wind farms in Europe. The project is expected to have an operational life of 30 years. In the first year of operation, ca. 91% of the production will be hedged by a power purchase agreement ("PPA"). For the following 14 years, it has entered into PPAs covering ca. 70% of production. Prior to completion of construction, the Company will earn income through forward funding construction finance.

Once fully operational, The Rock will save approximately 14,350 tons of CO² emissions per annum, saving an estimated 430,481 tons over the projected lifetime of the asset.

On 20 December 2019, the Company announced its commitment to project Korkeakangas, an onshore wind farm construction project located in Finland. The SPA in relation to 100% of the shares in Korkeakangas Wind Oy, a Finnish company that owns project Korkeakangas, was signed in December 2019 and subject to certain closing conditions. Given that some of the closing conditions have not yet been met and in light of current market conditions, the parties have agreed that it is mutually beneficial to unwind the transaction.

Upon completion of the acquisition of the 14% investment in The Rock and reflecting the unwinding of the Korkeakangas SPA, the Company will have deployed all capital raised at IPO and the majority of capital raised this year.

Ian Nolan, Chairman of the Company, said: "As one of the largest wind farms in Europe, The Rock is expected to make a significant positive impact on Europe's carbon footprint. Given the current market power price environment, we are equally pleased that the wind farm already has long term power purchase agreements that fix the majority of its expected electricity production sales price."

Commenting on today's announcement, Christine Brockwell, Head of Partnerships & Portfolio Management at Aquila Capital, the investment adviser: "An investment in The Rock – which is a construction-phase Nordex wind turbine project with a 15-year PPA - will make an excellent addition to the portfolio."

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Aquila European Renewables Income Fund ("AERIF" or the "Company") is a London-listed renewable energy infrastructure investment company with the aim to provide investors with an attractive long-term, income-based return in EUR through a diversified portfolio of hydropower, onshore wind and solar PV investments across continental Europe and Ireland. Through the diversification of generation technologies, the seasonal production patterns of these asset types complete each other to balance the cash flow, while the geographic diversification serves to reduce exposure to one single energy market. AERIF is targeting an aggregate annual yield of 5.0% once fully invested.

Further details can be found on AERIF 's website at www.aquila-european-renewables-income-fund.com