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Aquila European Renewables Income Fund plc (the "Company")

6 March 2020

Issue of Equity

Further to the announcement on 5 March 2020, the Company is pleased to announced the placing has closed, raising €40 million before costs and expenses through the issue of 38,095,235 ordinary shares of €0.01 each in the capital of the Company (the "New Ordinary Shares"), by way of a placing pursuant to the Placing Programme (the "Placing") established under the Prospectus dated 10 May 2019 (the "Prospectus").

Reflecting strong demand the Placing size was increased from the original target raise of €25 million to €40 million. Even at this increased size the Placing was oversubscribed with demand from both existing and new investors. New Ordinary Shares will be issued at €1.05 per share, which represents a premium of 2.9% to the Company's ex-dividend net asset value ("NAV") as at 31 December 2019.

Application has been made for 38,095,235 New Ordinary Shares to be admitted to the premium segment of the Official List, and to trading on the London Stock Exchange's Main Market for listed securities ("Admission"). It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence at 8am on 10 March 2020. The New Ordinary Shares will, when issued, be credited as fully paid and rank pari passu with the existing Ordinary Shares in the capital of the Company, including the right to receive all future dividends and distributions declared, made or paid, save for the dividend for the quarter to 31 December 2019 which is expected to be paid on 20 March 2020 to shareholders who were on the register on 21 February 2020.

Following Admission, the Company's issued share capital will consist of 193,053,577 ordinary shares. Therefore, the total number of voting rights of the Company is 193,053,577 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or of a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

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About Aquila European Renewables Income Fund plc

Aquila European Renewables Income Fund is a recently established, 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. The Company is targeting an aggregate annual yield of 5.0% once it moves beyond its initial ramp up period.

Further details

Terms used but not defined in this announcement shall have the meanings given to such terms in the Prospectus. Further details and the Prospectus can be found on the Company's website at www.aquila-european-renewables-income-fund.com

Certain information contained in this announcement constitutes inside information (as defined by Article 7 of Regulation (EU) No 596/2014). Upon the publication of this announcement, the inside information is now considered to be in the public domain. The person responsible for the release of this announcement on behalf of the Company is PraxisIFM Fund Services (UK) Limited.

The target yield is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future returns.

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IMPORTANT NOTICE

This announcement is an advertisement and does not constitute a prospectus relating to the Company and does not constitute, or form part of, any offer or invitation to sell or issue, or an invitation to purchase investments of any description, or any solicitation of any offer to subscribe for, any securities in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor. A copy of the Prospectus is available to be viewed or downloaded at www.aquila-european-renewables-income-fund.com.

Recipients of this announcement who are considering acquiring New Ordinary Shares are reminded that any such acquisition must be made only on the basis of the information contained in the Prospectus (or any supplementary prospectus) which may be different from the information contained in this announcement and must not be made in reliance on this announcement. The subscription for New Ordinary Shares is subject to specific legal or regulatory restrictions in certain jurisdictions. Persons distributing this announcement must satisfy themselves that it is lawful to do

so. The Company assumes no responsibility in the event that there is a violation by any person of such restrictions.

This announcement does not constitute and may not constitute and may not be construed as a recommendation regarding the issue or the provision of investment advice by any party. No information set out in this announcement is intended to form the basis of any contract of sale, investment decision or any decision to purchase securities. Potential investors should consult a professional advisor as to the suitability of an investment in the securities for the person concerned.

The value of Ordinary Shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. Figures refer to past performance and past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. Capital is at risk and investors need to understand the risks of investing. Please refer to the Prospectus for further information, in particular the "Risk Factors" section.

This announcement may not be published, distributed, released or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and will not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person (as defined under Regulation S under the US Securities Act) unless registered under the US Securities Act or offered in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. There will be no public offer of the shares in the United States. The Company has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended.

Neither this announcement nor any copy of it may be: taken or transmitted into or distributed in Australia, Canada, Japan or the Republic of South Africa or to any resident thereof, or any other jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this announcement in other jurisdictions may be restricted by law and the persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

This announcement may include "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's investment strategy, plans, objectives and target returns are forward-looking statements. Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the Prospectus. These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Prospectus Regulation Rules of the Financial Conduct Authority or other applicable laws, regulations or rules.

Numis is authorised and regulated by the Financial Conduct Authority. Numis is acting exclusively for the Company and no-one else in connection with the Placing and the Placing Programme. Numis will not regard any other person as its client in relation to the subject matter of this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the contents of this announcement or any transaction, arrangement or other matter referred to herein.

None of Numis, the Company, the International Fund Management Limited (the “**AIFM**”) or Aquila Capital Investmentgesellschaft mbH (the “**Investment Adviser**”), or any of their respective parents or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such person's respective directors, officers, employees, agents, affiliates or advisers or any other person (“their respective affiliates”) accepts (save where required by law) any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to this announcement, including the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of professionally-advised and financially sophisticated non-advised retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Initial Issue, Issue and the Share Issuance Programme.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

Marketing disclosures pursuant to AIFMD (as defined below)

The Company is an externally managed alternative investment fund and has appointed the AIFM as its alternative investment fund manager

Pursuant to Article 23 of AIFMD and the Alternative Investment Fund Managers Regulations 2013 (No. 1173/2013) and the Investment Funds Sourcebook of the FCA (the "**UK AIFMD Rules**"), the AIFM is required to make available to persons in the European Union who are invited to and who choose to participate in the Placing, by making an oral or written offer to subscribe for New Ordinary Shares, including any individuals, funds or others on whose behalf a commitment to subscribe for New Ordinary Shares is given (the "**Subscribers**") certain information (the "**Article 23 Disclosures**"). For the purposes of the Placing, the AIFM has made the Article 23 Disclosures available to Subscribers on the Company's website at: www.aquila-european-renewables-income-fund.com.

PRIIPS (as defined below)

In accordance with the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products ("**PRIIPs**") and its implementing and delegated acts (the "**PRIIPs Regulation**"), the AIFM has prepared a key information document (the "**KID**") in respect of the Ordinary Shares. The KID is made available by the AIFM to "retail investors" prior to them making an investment decision in respect of the Ordinary Shares at www.aquila-european-renewables-income-fund.com.

If you are distributing Ordinary Shares, it is your responsibility to ensure that the KID is provided to any clients that are "retail clients".

The Company is the only manufacturer of the Ordinary Shares for the purposes of the PRIIPs Regulation and none of Numis, the AIFM or the Investment Adviser are manufacturers for these purposes. None of Numis, the AIFM or the Investment Adviser makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of the KID prepared by the Company nor accepts any responsibility to update the contents of the KID in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide the KID to future distributors of Ordinary Shares. Each of Numis, the AIFM or the Investment Adviser and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the key information documents prepared by the Company. Investors should note that the procedure for calculating the risks, costs and potential returns in the KID are prescribed by laws. The figures in the KID may not reflect actual returns for the Company and anticipated performance returns cannot be guaranteed.