

12 May 2020

This announcement contains inside information for the purpose of Article 7 of the Market Abuse Regulation (EU) No 596/2014.

Aquila European Renewables Income Fund Plc

Net Asset Value and Factsheet – 31 March 2020

Aquila European Renewables Income Fund plc (the "Company"), announces its unaudited net asset value ("NAV") as at 31 March 2020, on a cum-income basis, was EUR 192.3 million or 99.6 EUR cents per ordinary share.

The Company's NAV per ordinary share declined by 3.0% as compared to the last quarter, largely due to a reduction in near-term forecast power prices. The Company's portfolio benefits from over 70% of its forecasted revenue over the next five years being contracted (in the form of government subsidies or fixed price power purchase agreements)¹, which not only improves earnings visibility but also provides a partial hedge towards movements in short-term power prices. All other core valuation assumptions have remained unchanged with the NAV reported by the Company for the period ending 31 December 2019.

In accordance with the Company's valuation policy, power price forecasts are updated quarterly. The valuation methodology currently applied takes into account two years of market forward pricing, followed by independently sourced, long-term power price forecasts. Following the Company's power price forecast update, the portfolio's forecasted merchant power prices reduced by 36% to 26.1 EUR/MWh on average over the next two years.

Power prices have come under extreme pressure in the near term due to lower than expected demand, largely related lock-down measures in response to COVID-19. Power markets have also been further affected by commodity specific events, foremost the significant oil and gas oversupplies, as well as mild winter conditions experienced in Europe.

Electricity production generated by the Company's assets in Q1 2020 exceeded forecast by 22.7%, which will make a positive contribution to the Company's income in 2020. Recent movements in historical production are not included in quarterly NAV updates, which are based on long term, expected P50 production forecasts.

Further details will be available in the quarterly factsheet section of the Company's website at: <https://www.aquila-european-renewables-income-fund.com>.

¹ Present value of AERIFs forecast contracted revenue (in the form of government subsidies and fixed price power purchase agreements) over the next 5 years