

September 11th 2020

Aquila European Renewables Income Fund plc acquires its first solar project in Portugal

Aquila European Renewables Income Fund plc ("AERIF" or "the Company"), the London-listed investment company advised by Aquila Capital Investmentgesellschaft mbH, is pleased to announce that it has approved the signing of a Sale and Purchase Agreement ("SPA") to acquire 100% of the equity in a Portuguese solar portfolio for approximately EUR 16m.

The assets in the portfolio are located in the south of Portugal with a total capacity of approximately 20 MWp. The projects are operational and will therefore immediately contribute to the dividend cover. Each project is expected to have an operational life of up to 30 years. As a condition to closing the SPA, the seller will arrange power purchase agreements with suitable counterparties. Subject to satisfying this condition, the transaction is expected to complete in October 2020.

The portfolio will save approximately 9,495 tonnes of CO₂ emissions per annum and an estimated 284,855 tonnes over the projected lifetime of the projects.

Upon completion of the acquisition of the portfolio, the Company will have invested 92% of capital raised to date in a mixture of operating and construction assets. Representing the first solar assets in the Company's portfolio, this acquisition adds to the technology diversification targets of the Company.

Ian Nolan, Chairman of the Company, said: "We are pleased to announce our first investment in a portfolio of solar projects which are located in one of the highest yielding solar regions in Europe. Besides the positive impact on Europe's carbon footprint, this acquisition diversifies our portfolio and means that we will have invested 92% of the capital we have raised to date in approximately 30 distinct projects across four countries and three different technologies."

Commenting on today's announcement, Christine Brockwell, Head of Partnerships & Portfolio Management at Aquila Capital, the investment adviser: "This acquisition will make an excellent addition to the portfolio and help to achieve the Company's diversification and dividend distribution targets."

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Aquila European Renewables Income Fund plc ("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, wind and solar PV investments across continental Europe and Ireland. Through the diversification of generation technologies, the seasonal production patterns of these asset types complement each other to balance the cash flow, while the geographic diversification serves to reduce exposure to one single energy market. AERIF is targeting a minimum of 4.0 cents per ordinary share in relation to the financial year ending 31 December 2020 and 5.0 cents per ordinary share in respect of subsequent financial years, with the aim of increasing this dividend progressively over the medium term.

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