

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should consult your accountant, legal or professional adviser, financial adviser or a person authorised for the purposes of the Financial Services and Markets Act 2000, as amended ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This document comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to Aquila European Renewables Income Fund PLC (the "**Company**") prepared in accordance with the Prospectus Regulation Rules (the "**Prospectus Regulation Rules**") of the Financial Conduct Authority (the "**FCA**") made under section 84 of FSMA. A copy of this document has been filed with, and approved by, the FCA pursuant to section 87A of FSMA and will be made available to the public in accordance with Article 21 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**").

This document has been approved by the FCA as competent authority under the UK Prospectus Regulation. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities.

This document is supplemental to, and should be read in conjunction with, the prospectus published by the Company on 17 September 2020 (the "**Prospectus**") in connection with the issue of Ordinary Shares pursuant to the Issue and the Placing Programme. The attention of potential investors in the Company is drawn to the Risk Factors set out on pages 11 to 27 of the Prospectus.

Words or expressions defined in the Prospectus have the same meaning when used in this document unless the context requires otherwise.

The Company and each of the Directors, whose names appear on page 35 of the Prospectus, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and this Supplementary Prospectus makes no omission likely to affect its import.

Aquila European Renewables Income Fund PLC

(incorporated in England and Wales with company number 11932433

and registered as an investment company under section 833 of the Companies Act 2006)

Supplementary Prospectus

This Supplementary Prospectus includes particulars given in compliance with the Listing Rules and Prospectus Rules of the FCA for the purpose of giving information with regard to the Company. The information contained in this Supplementary Prospectus should be read in the context of, and together with, the information contained in the Prospectus.

This Supplementary Prospectus does not contain or constitute an offer to sell or to issue any Ordinary Shares or the solicitation of an offer to buy or subscribe for Ordinary Shares.

Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no-one else in connection with the Issue or the Placing Programme or in relation to the matters referred to in the Prospectus and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Issue or the Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Issue or the Placing Programme, the contents of this document or any transaction or arrangement referred to in the Prospectus.

Van Lanschot Kempen N.V. ("**Kempen & Co**"), which is authorised and regulated in the Netherlands by the Dutch Authority for Financial Markets and the Dutch Central Bank, is acting exclusively for the Company and no-one else in connection with the Placing and the Placing Programme or in relation to the matters referred to in the Prospectus, will not regard any other person (whether or not a recipient of this document) as its client in relation to the Placing or the Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing

advice in relation to the Placing or the Placing Programme, the contents of this document or any transaction or arrangement referred to in the Prospectus. Kempen & Co is not acting for or providing services to the Company or any other person in respect of the Offer for Subscription and will not be responsible to any person in respect of any claim or any other matter arising from the Offer for Subscription.

This document is dated 27 August 2021.

EVENTS ARISING SINCE PUBLICATION OF THE PROSPECTUS

1. PURPOSE OF THIS SUPPLEMENTARY PROSPECTUS

This document constitutes a Supplementary Prospectus required under Prospectus Regulation Rules 3.4.1 and 3.4.2 following the publication of the Company's annual report and audited financial statements for the financial year ended 31 December 2020 (the "2020 Annual Report and Accounts"), which constitutes a significant new factor relating to financial information contained in the Prospectus.

A copy of the 2020 Annual Report and Accounts has been filed with the Financial Conduct Authority and, by virtue of this Supplementary Prospectus, such 2020 Annual Report and Accounts is partly incorporated in, and forms part of, the Prospectus. This Supplementary Prospectus is also being published to update the Prospectus summary to include the key historical financial information contained within the 2020 Annual Report and Accounts.

2. FINANCIAL INFORMATION ON THE COMPANY

On 20 April 2021, the Company published the 2020 Annual Report and Accounts.

By virtue of this document, the audited financial statements relating to the Company for the financial year from 1 January 2020 to 31 December 2020 are incorporated into the Prospectus by reference to the 2020 Annual Report and Accounts, as set out in section 3 below and form part of the Prospectus.

3. DOCUMENTATION INCORPORATED BY REFERENCE

The following information, available free of charge in electronic format on the Company's website: <https://www.aquila-european-renewables-income-fund.com/> is incorporated by reference in the Prospectus:

<i>Nature of Information</i>	<i>Page number(s) in the 2020 Annual Report and Accounts</i>
Chair's statement	2 - 4
Investment Adviser's report	5 - 22
Directors' report	44 - 48
Directors' remuneration report	54 - 57
Independent auditor's report to the members of Aquila European Renewables Income Fund Plc	61 - 67
Statement of comprehensive income	69
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Statement of changes in equity	71
Statement of cash flows	72
Notes to the financial statements	73 - 91

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Supplementary Prospectus. Where parts of these documents are not incorporated by reference, these parts are either not relevant for an investor or are covered elsewhere in the Supplementary Prospectus.

Investors should note that statements regarding current circumstances and forward-looking statements made in the documents referred to above speak as at the date of the relevant document and therefore such statements do not necessarily remain up-to-date as at the date of this Supplementary Prospectus

4. UPDATES TO THE PROSPECTUS

4.1 Summary

As a result of the release of the 2020 Annual Report and Accounts, Tables 1, 2 and 3 of the section of the Prospectus entitled “Summary” are hereby amended and restated as follows:

Table 1: additional information relating to closed ended funds

Share Class	Total NAV*	Number of Shares*	NAV per share (cents)*	Historical performance of the Company
Ordinary Shares	€316.9	317,037,109	99.96	<i>Financial period ended 31 December 2019</i> During the period, the Company delivered a total NAV return of 5.6 per cent., measured as the movement in NAV plus dividends over the period. Dividends for the period totalled 1.5 cents per share. The value of the Company's investments as at 31 December 2019 was €118.7 million. As at 31 December 2019, the Company's NAV per share was 102.75 cents and its share price was 107.80 cents. <i>Financial period ended 31 December 2020</i> During the period, the Company delivered a total NAV return of 0.7 per cent., measured as the movement in NAV plus dividends over the period. Dividends for the period totalled 4.0 cents per share. The value of the Company's investments as at 31 December 2020 was €230 million. As at 31 December 2020, the Company's NAV per share was 99.96 cents and its share price was 106.50 cents.

*as at 31 December 2020

*Table 2: income statement for closed ended funds ***

	31 December 2019	31 December 2020
Total net income/net investment income or total income before operating expenses	€10,204,000	€2,223,000
Net profit/(loss)	€8,541,000	€(1,187,000)
Performance fee	Nil	Nil
Investment management fee	€(654,000)	€(1,671,000)
Any other material fees to service providers	Nil	Nil
Earnings/(loss) per share	7.07 cents	(0.56) cents

*Table 3: balance sheet for closed ended funds ***

	31 December 2019	31 December 2020
Total net assets	€158,917,000	€316,903,000
Leverage ratio***	0.33%	12.58%

** The key figures set out in tables 2 and 3 above summarise the Company's financial condition in respect of the period covered by (i) the Annual Report for the period from 8 April 2019 to 31 December 2019 and (ii) the period from 1 January 2020 to 31 December 2020 and have been extracted without material adjustment from the Company's historical financial information.

*** Total liabilities divided by total net assets.

4.2 Significant Change

As a result of the publication of the 2020 Annual Report and Accounts, paragraph 16.1 of Part X of the Prospectus is amended and restated as follows:

Save in respect of:

- (a) the investments made to: (i) increase the Company's capital commitment in The Rock made during the period ending on 30 June 2021; (ii) acquire a Portuguese solar operating asset, referred to as Ourique, made by the Company on 29 June 2021; and (iii) increase the Company's capital commitment in Albeniz made during the period ending on 30 June 2021;
- (b) the entry into of a two year, EUR 40 million, secured revolving credit facility ("**RCF**"), with lenders including ING Bank N.V. and The Royal Bank of Scotland International Limited on 19 April 2021;
- (c) the drawdowns by the Company under the RCF totaling approximately EUR 10 million (as at 27 August 2021, being the latest practicable date prior to publication of this document) which are either held for working capital purposes or have been deployed in line with the Investment Policy; and
- (d) the dividends of (i) 1.25 cents per Ordinary Share declared by the Board in respect of the quarter ending 31 December 2020, in accordance with the Company's dividend policy, as announced on 5 February 2021; and (ii) 1.25 cents per Ordinary Share declared by the Board in respect of the quarter ending 31 March 2020, in accordance with the Company's dividend policy, as announced on 11 May 2020,

there has been no significant change in the financial performance or financial position of the Group since 31 December 2020, being the end of the last financial period for which financial information has been published.

5. WITHDRAWAL RIGHTS

In accordance with Article 23(2) of the UK Prospectus Regulation, investors who have agreed before this Supplementary Prospectus was published to purchase or subscribe for the Company's shares pursuant to an offer to the public, where the allotment of which had not become fully unconditional, would have the right to withdraw their acceptances. As the Placing and Offer for Subscription that were made pursuant to the Prospectus expired on 8 October 2020, there is no offer to the public being made pursuant to the Prospectus that has not become fully unconditional as at the date of this Supplementary Prospectus. As such, the withdrawal rights pursuant to Article 23(2) of the UK Prospectus Regulation are not applicable in the context of this Supplementary Prospectus.

6. AVAILABILITY OF THIS SUPPLEMENTARY PROSPECTUS AND PROSPECTUS

Copies of this Supplementary Prospectus will be made available free of charge from the National Storage Mechanism (www.morningstar.co.uk/uk/NSM) and, until 16 September 2021, at the registered office of the Company, 1st Floor Senator House, 85 Queen Victoria Street, London, EC4V 4AB. The Supplementary

Prospectus will also be added to the Company's website, which is located at www.aquila-european-renewables-income-fund.com.

7. GENERAL

To the extent that there is any inconsistency between any statement in this Supplementary Prospectus and any other statement in the Prospectus, the statements in this Supplementary Prospectus will prevail.

8. DEFINITIONS

Terms used in this document shall, unless the context otherwise requires, bear the meaning given to them in the Prospectus. To the extent that there is any inconsistency between any statement in or incorporated by reference in the Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this Supplementary Prospectus will prevail.