

August 5th, 2019

Aquila European Renewables Income Fund enters into an exclusive agreement to acquire a Finnish wind farm

Aquila European Renewables Income Fund ("AERIF" or the "Company") the London-listed investment company advised by Aquila Capital Investmentgesellschaft mbh ("Aquila") has today announced the planned acquisition of its fourth investment since the successful Initial Public Offering ("IPO") on the London Stock Exchange in May 2019.

The Company has secured the exclusive right to acquire Aalto Wind No 2 Ltd Oy, the holding entity for a Finnish wind farm, for later this year by entering into a short-term financing agreement. The final consideration will amount to approximately 15.5% of the proceeds raised from the recent IPO.

Aalto Wind No 2 Ltd Oy holds the li Olhava (Olhava) wind farm and its extension, li Olhava Extension (Olhava Ext), approximately 50km north of the city of Oulu with an installed capacity of 34.55 MW and an expected production of 99.2 GWh p.a. based on historical production values. The park comprises eight Vestas V112 and three Vestas V126 turbines with capacities between 3.1 and 3.3 MW.

The wind parks qualify for the Finnish feed-in tariff ("FiT") support scheme. This FiT is structured as a contract-for-difference (CfD). Project Olhava is eligible for the CfD premium for approximately five more years, until mid to late 2024. The 9.9 MW Olhava Ext. is eligible for approximately six more years until September 2025. The parks are also eligible for guarantees of origin (GoO) certificates. Each wind park receives one GoO per produced MWh. It is expected to enter into a GoO purchase agreement (GPA) for up to five years to further hedge the market price exposure.

Looking ahead, Aquila intends to conclude power purchase agreements ("PPAs") as soon as market conditions and hedging solutions are feasible and considered attractive from a risk-adjusted point of view.

Ian Nolan, Chairman of the Company said: "The Board is pleased with the disciplined and continuous capital deployment towards a diversified portfolio of renewable energy assets. The investment is a strong expression of the Company's pan-European investment strategy. Following the acquisition, the Company will be diversified across Portugal (10.8%*), Denmark (15.5%*), Norway (13.3%*) and Finland (15.5%*), with an allocation by generation technology of 44.3%* for onshore wind and 10.8%* for hydro."

Commenting on today's announcement, Christine Brockwell, Senior Investment Manager at Aquila, the investment adviser: "A good blend of revenues from feed-in tariffs and power purchase agreements is a key element of the Company's balanced investment strategy. The planned acquisition is expected to make a strong contribution towards AERIF's dividend objective and demonstrates our broad investment reach. With completion of the acquisition, the Company will be 55.1%* invested. We are looking forward to advising the board of directors on further investments in the near future."

* All percentages stated are based on EUR 154.3 million proceeds raised from the initial IPO, all percentages are subject to rounding. Source: Aquila Capital calculations August 2019.

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Aquila European Renewables Income Fund ("AERIF" or the "Company") 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. 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