

December 20, 2019

Aquila European Renewables Income Fund announces acquisition of Finnish wind farm

Aquila European Renewables Income Fund ("AERIF" or "the Company"), the London-listed investment company advised by Aquila Capital Investmentgesellschaft mbh, today announces that it has approved the signing of an SPA to purchase its first construction-ready wind farm in Finland since the successful Initial Public Offering (IPO) on the London Stock Exchange in June 2019.

The Company agreed to acquire 100% of the share capital of Korkeakangas Wind Oy, a Finnish company that owns Project Korkeakangas for a total consideration of € 36.7m, subject to certain conditions that are expected to be fulfilled by end of March 2020.

Project Korkeakangas is a ready-to-build onshore wind farm construction project, located in Karstula, Central Finland. The Company anticipates that the construction work will begin in January 2020 and - following expected completion, – will be fully operational in December 2021. The wind farm is expected to have an operating life of 30 years with a total capacity of 43.2 MW. The planned PPA strategy for this project will target an initial PPA for a tenor of 10-years that covers 65% of the expected P-50 production volumes.

Project Korkeakangas will help to save 56,473 tons of CO² emissions annually and ca. 1,694,197 tons over the projected lifetime of the Project, equalling the annual average energy consumption of 15,699 households (based on an European average).

The investment was part of the enhanced pipeline as disclosed in the prospectus of the Company. Upon completion of this deal, the fund will have deployed approximately 95,2% of the funds raised in the recent IPO.

Ian Nolan, Chairman of the Company, said:

"This is the first investment by the Company into a construction phase project and as such, moves us further up the value chain. Together with the very recently announced investment into Project Svindbaek, this transaction will add another attractive wind farm to the Company's portfolio. The Board is very pleased to see that the Company has been able to successfully deploy nearly all of its raised capital proceeds, so far ahead of the 12 months period announced in the prospectus."

Commenting on today's announcement, Christine Brockwell, Head of Partnerships & Portfolio Management at Aquila Capital, the investment adviser: "This investment shows that the Company has access to a strong pipeline of attractive construction projects and can balance the associated idiosyncratic risk across a well-diversified operating portfolio. Finland is a very attractive location for wind farm investments providing for stable weather conditions throughout the year. It rounds off a very successful deployment of nearly all proceeds raised by the Company from the IPO in June 2019. After completion of this acquisition the Company will have committed approximately 95,2% of the raised proceeds. Aquila and the Board will now enter into discussions about an increase of further capital."

For further details contact:

Media contacts:

Smithfield Consultants

Ged Brumby | 020 3047 2527

John Kiely | 020 3047 2538

Andrew McLagan | 020 3047 2006

Sponsor, Broker and Placing Agent

Numis Securities 020 7260 1000

Tod Davis

David Benda

Vicki Paine

NOTES

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