A Three-Way Partnership for Growth: Abengoa – Algonquin – Atlantica Yield

Gonzalo Urquijo, Executive Chairman

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Abengoa completes another milestone towards its strategic objectives

Sale of 25% stake in Atlantica Yield to Algonquin

- Price of $24.25 per share [1]
- Upside of up to additional $0.60 per share through earn-out structure
- Algonquin retains option to purchase remaining 16.5%[2] stake under the same conditions
- Expected closing in January 2018

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Abengoa-Algonquin Global Energy Solutions ("AAGES")

- Joint venture for the international development and construction of energy and water infrastructure
- Agreement will foster Abengoa's EPC and O&M businesses

(1) Gross price paid by Algonquin. Net proceeds are subject to certain deductions.
(2) Subject to approval of the United States Department of Energy.

Sale of 25% stake in Atlantica Yield

Sale of 25% stake at a premium to current Atlantica Yield trading levels

Pricing	▪ Upfront cash payment of $24.25[1] per share, total proceeds of $607 million, plus earn-out structure – Purchase price represents a premium of 20.3% and 20.2% over Atlantica Yield's 1-month VWAP and 12-month VWAP respectively an implied 10.0x EV/EBITDA 2017E [2] ▪ Earn-out Structure – potential for additional proceeds of $15 million ▪ Abengoa to benefit from 30% of the first $2.00 share price revaluation (up to $0.60 per share) ▪ Triggered on the first anniversary post-closing
Timing	▪ Completion expected in January 2018 – Subject to regulatory approvals – Approval of Abengoa's creditors required
Considerations for Algonquin	▪ Option to purchase the remaining 16.5% [3] under the same conditions that expires 60 days after closing ▪ Right of First Refusal on the sale to a third-party to be exercised within Q1 2018

(1) Gross price paid by Algonquin. Net proceeds are subject to certain deductions.
(2) Based on the mid-point of Atlantica Yield's guidance.
(3) Subject to approval of the United States Department of Energy.

Use of Proceeds

Proceeds from the sale of stake in Atlantica Yield used to repay New Money

Total consideration of approximately $607 million for the sale of a 25% stake:

- ~25 million shares at $24.25[1] per share

Part of sales proceeds will cover the satisfaction of certain conditions precedent as well as transaction costs

- After these deductions, the remaining ca.$515 million will be dedicated to NM1 ABY Tranche debt repayment

New Money 1A ABY Tranche is reduced to a notional amount of approximately $220 million [2]

Additional potential debt reduction:

- Subsequent sale of the remaining 16.5%[3] in Atlantica Yield
- $15 million from the earn-out structure

(1) Gross price paid by Algonquin. Net proceeds are subject to certain deductions.
(2) Based on estimated outstanding NM1 ABY Tranche debt as of 31 December 2017. This figure is subject to change depending on the effective closing date of the transaction.
(3) Subject to approval of the United States Department of Energy.

Strategic Alliance with Algonquin

Win-win-win transaction for the partners as it complements and strengthens their competitive position and facilitates achievement of their strategic targets

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- Reinforces strategic objective to become a pure EPC and O&M provider
- Algonquin to be the equity investor for additional AAGES business oportunities
- Maximisation of proceeds on sale of Atlantica Yield

ALGONQUIN Power & Utilities Corp.

- Achieves strategic access to broader international development pipeline
- Stable agreement with an experienced EPC and O&M partner
- Access to a high quality, stable source of dividends, underpinning investment grade profile

Atlantica Yield

- Improved growth profile:
  - Acceleration of project drop-down
  - New ROFO agreements
- Algonquin to act as sponsor contributing to future growth and capital

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Creation of Strategic Global Development Platform - “AAGES”

AAGES Joint Venture

ABENGOA 50%

ALGONQUIN Power & Utilities Corp. 50%

AAGES Corp.
Global Energy Solutions

Global clean energy and water infrastructure development platform

EPC + O&M revenues

New ROFO Agreements[1]

Atlantica Yield Investment

ALGONQUIN Power & Utilities Corp.

25%
Strategic investment

Atlantica Yield

(1) Abengoa with AAGES , AAGES with Atlantica Yield and Algonquin with Atlantica Yield.

Algonquin is the right partner for Abengoa

Abengoa and Algonquin have complementary strengths and aligned objectives

AAGES Corp.
Global Energy Solutions

ABENGOA		ALGONQUIN Power & Utilities Corp.
Global reach in project development and execution	↔	Desire to expand its international footprint
Limited capital resources for project investment	↔	Significant financial firepower
Project construction and operation	↔	Strategic equity partner

Joint platform for the global development of energy and water infrastructure

Business Focus

- AAGES will be **an independent company**, with its own employees, dedicated to the **development of projects:**
  - Existing Abengoa projects (A3T and San Antonio Water, among others)
  - New greenfield projects
- Abengoa to grant a ROFO to AAGES covering **A3T cogeneration plant prior to CoD**
- AAGES to sign **new ROFO agreement with Atlantica Yield**

Economics

- **Algonquin**, through AAGES, **will fund construction of new projects**
  - **No additional liabilities will arise to Abengoa**
- **Abengoa to act as exclusive EPC and O&M services provider of AAGES** and has the option to fund additional equity at its own discretion
  - Will also have the opportunity **to act as EPC provider for Algonquin projects**
- Commitment from both partners to fund AAGES's general expenses

Governance

- AAGES common equity: 50 / 50 Abengoa and Algonquin
- Voting rights shared 50/50 between Abengoa and Algonquin
- Board of Directors with 4 members: Abengoa (2) and Algonquin (2)
- CEO appointed by Abengoa and CFO appointed by Algonquin

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Completion of the transaction expected for January 2018

Required approvals

US Department of Energy (effective consent)	✓ (subject to certain conditions)
Federal Energy Regulatory Commission	Pending
Abengoa's creditors	Pending

Next Steps:

- All parties coordinating efforts to implement new corporate structure and obtain necessary approvals

Key Take Aways

Transaction fully aligned with Abengoa's financial and business strategy

1 Maximizes proceeds on the sale of 25% stake in Atlantica Yield

- Captures a **premium to the current share price**, with total proceeds of $607 million
- Possibility to sell the remaining 16.5% interest in Atlantica Yield under the same conditions(1)
- Potential additional $15 million through earn-out structure

2 Restructuring agreement milestone that contributes to decrease financial risk

- **Repayment of ca.$515 million in New Money facilities**
- Significant **reduction of financial cost** and additional step towards a normalised capital structure

3 Creation of AAGES reinforces Abengoa's core business strategy

- Abengoa will have **exclusive rights as EPC and O&M services provider for all projects developed by AAGES**
- Abengoa will have the **opportunity participate in projects developed by Algonquin**

4 Improved prospects for monetisation of the remaining Atlantica Yield stake

- **Improved growth prospects for Atlantica Yield** through the acceleration of existing ROFO with Abengoa and the new ROFO agreements to be signed with AAGES and Algonquin
- Algonquin becomes a long-term shareholder fully aligned with minority shareholders

All parties working towards closing the transaction in January 2018

(1) Subject to approval of the United States Department of Energy.

Appendix

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Long–term Equity Partner for Project Development

Renewable Energy Portfolio

Liberty Power

- 1.5 GW high quality renewable power and clean energy portfolio **of water, wind, solar, and natural gas**
- **88% under long term PPAs**
- **16 years average PPA length**
- **70% U.S. / 30% Canada**
- **Diverse fleet by sector and geography provides stable production profile**

Regulated Utility Portfolio

Liberty Utilities

- North American generation, transmission and distribution utility serving over 750,000 customers
- **Diversified state regulation**
- **100% U.S. (in 12 U.S. states)**
- **Diverse portfolio of** natural gas**,** electricity **and** water distribution **utility systems**
- **Stable, predictable earnings and strong cash flow**

ALGONQUIN Power & Utilities Corp.

- ✓ Listed in Toronto and NYSE
- ✓ Investment-grade capital structure
- ✓ Strong access to capital
- ✓ Excellent track record of growth
- ✓ Committed to being a North American leader in the generation of clean energy through its portfolio of long term contracted assets
- ✓ Management with over 25 years of experience in power generation development and utility expertise

Strong, Diversified International Operating Fleet

Atlantica owns and manages a diversified portfolio of 21 contracted and regulated assets in the renewable energy and infrastructure sectors

Overview

Objectives are Well Aligned with Algonquin Strategy

- Focus on delivering total returns to investors consisting of share price appreciation and dividends
- Atlantica has built its portfolio with a focus on stable, diverse, long-term cash flow generating assets

Key Features

Strength and Quality of Cash Flows

- Revenues 100% contracted for full output(1)
- Over 95% is generated from investment grade off-takers
- Over 90% is denominated or hedged in USD(2)

Strength of Financing Structure

- 100% of assets have long-term non-recourse project financing which amortizes prior to end of contract life
- ~90% of project debt has fixed or hedged interest rates

Strength of Assets

- Peer-leading weighted avg. contract life of 21 years(3)
- Benefits of diversity by both geography and modality

Key Figures

1,442 MW
of renewable generation (83% MW Solar)

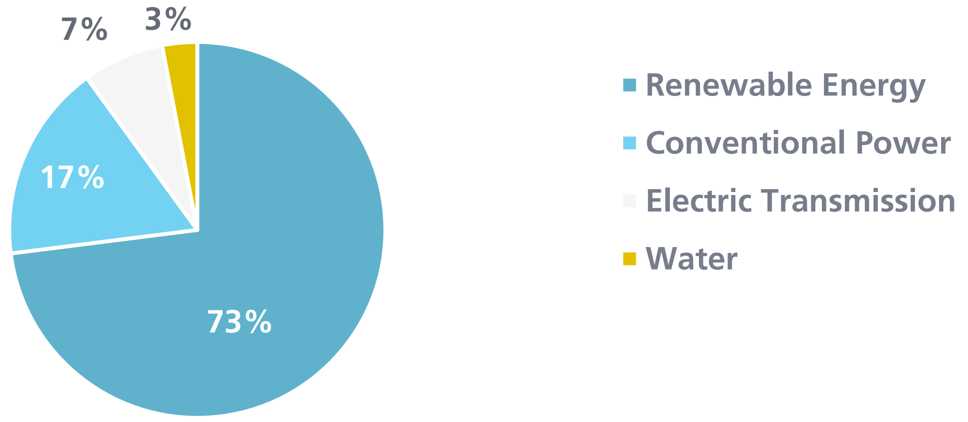
300 MW
of conventional power generation

1,099 Miles
of electric transmission lines

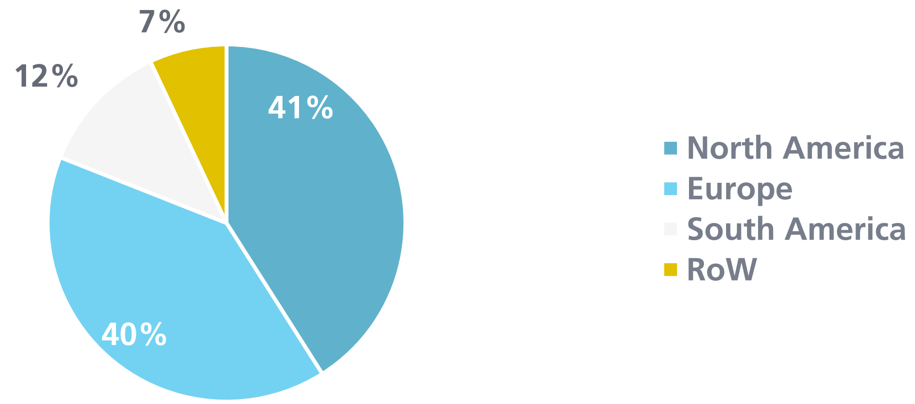
10.5 Mft³ / day
of water capacity

Diverse Portfolio(2)

By Modality



By Geography



(1) Regulated in the case of Spain.
(2) Based on run-rate CAFD estimations and assumes no acquisitions; includes effect of currency swap agreemnt.
(3) Weighted average years remaining as of December 31, 2016.

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Acceleration of project drop-down to Atlantica Yield will drive growth in the medium term

Asset	Sector	Geography	Stake
A3T	Cogeneration	Mexico	100%
San Antonio Water	Water Transportation	US	20%
Atacama	Solar	Chile	Owned by EIG
Xina	Solar	South Africa	40-51%
Khi	Solar	South Africa	51%
Tenés	Water Desalination	Algeria	51%
SPP1	Solar	Algeria	51%

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