saetayield

Equity Story Update
May 29, 2017

Summary

Carapé wind plants acquisition successfully closed

Manchasol 2 debt has been refinanced, increasing RECAFD by € 4.6 m

Dividend to increase to an implicit annual figure of 0.76€/share or € 62.1 m(1)

2017 expected cash flows above RECAFD level

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Carapé I & II acquisition successfully closed

Capacity	**95 MW[4]**
Production´16	**335 GWh**
Avg. Revenues[3]	**€ 26 m**
Avg. EBITDA[3]	**€ 22 m**
Unlevered CAFD	**€ 8.2 m**

Attractive price and returns: USD 65m-85m[1] for 100% equity stake. Double digit project equity IRR and cash yield from year one

Funded with company resources: Cash at HoldCo (coming from Serrezuela financing). Optimal use of the current liquidity

Reliable cash-flows: Inflation adjusted USD PPAs with UTE[2]: avge. 21 years starting at USD 76 per MWh (or USD 86 per MWh inflated average)

Excellent assets: Recently commissioned, good performance, tier I turbine supplier (Vestas) and attractive wind resource (c. 44% load factor[4])

First third party transaction: demonstrated capability to diversify growth from RoFOs

Acquisition and consolidation from May 25th, 2017
Subordinated debt cancellation is still under analysis

(1) Equity value of USD 65 m. An additional USD 20 m cash could be deployed if the subordinated debt in place is early prepaid (currently being negotiated)
(2) UTE is the state-owned vertically integrated utility company in Uruguay
(3) Average of the years 2017, 2018 and 2019
(4) The overall installed capacity is 95 MW to maximize the out for a contracted PPAs for of 90MW

Manchasol 2 has been refinanced

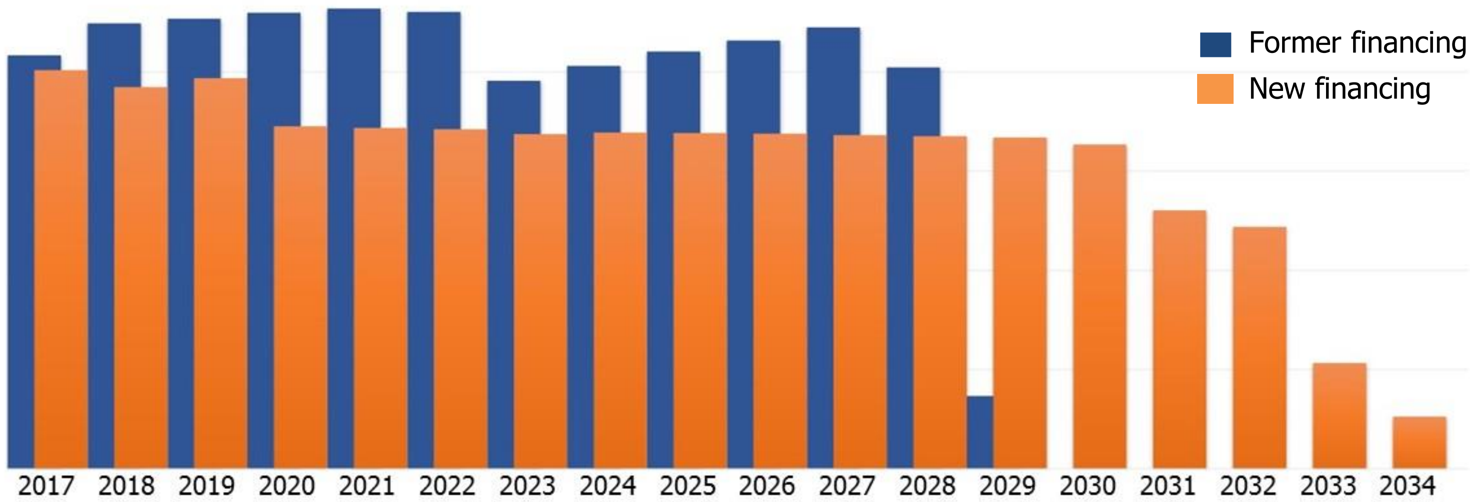
Previous Financing

- Debt remaining amount: €190m
- Tenor: 11.8 yrs. (Mar 2029)
- Avg. debt rate (2018e) @ 6.3%
- Distributions: annually
- IRS: hedged 75% of the debt

New financing

- New amount: €199m (TrancheA €159m + TrancheB €40m)
- Tenor: T.A.: 15.6 yrs. (Dec 2032) & T.B.: 17.1 yrs (Jun 2034)
- Avg. debt rate (2018e) @ 4.7%
- Distributions: semi-annually
- IRS: reshaped to hedge 75% of T.A.

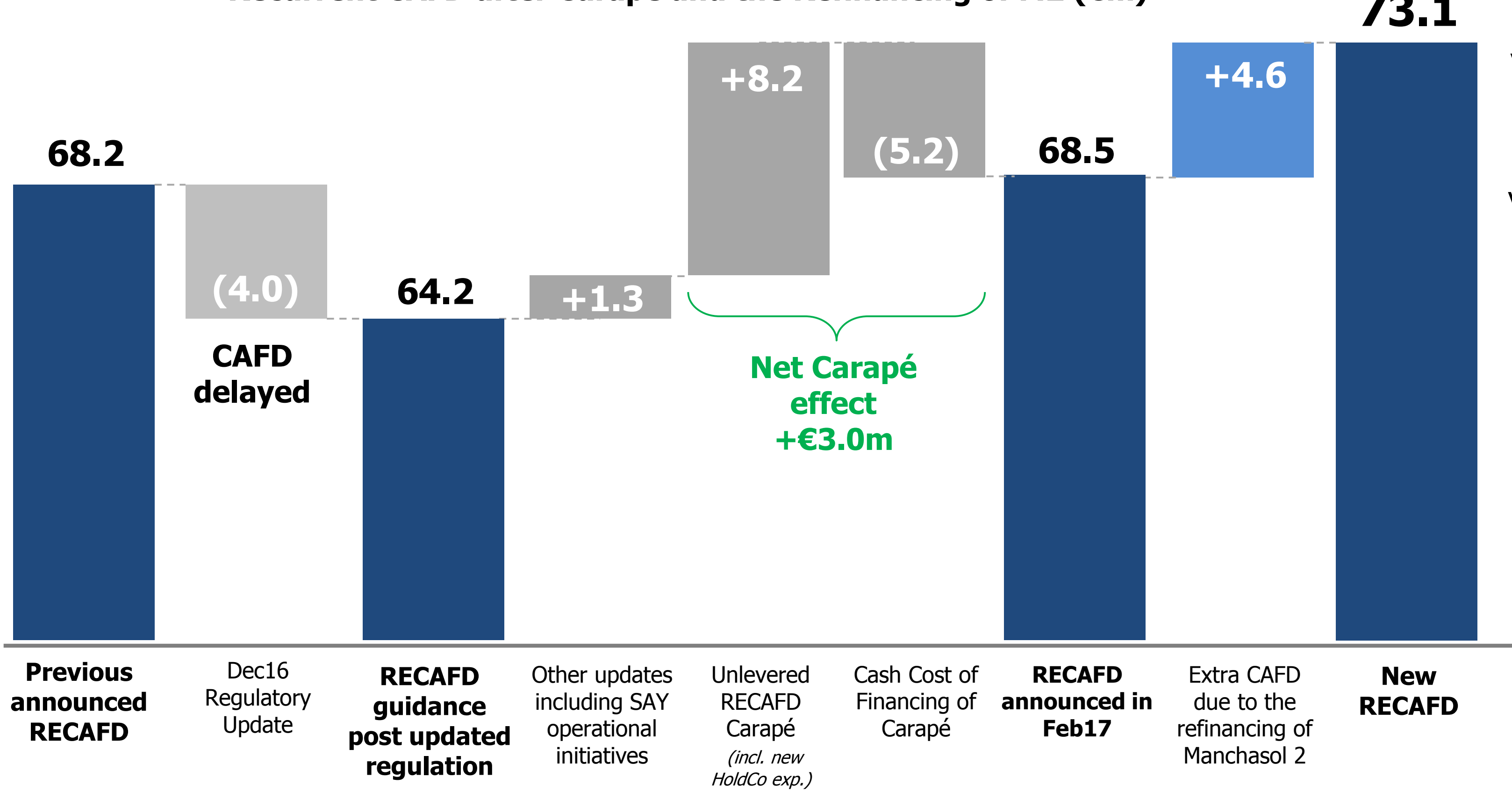
Debt Service Calendar



Increased annual RECAFD (+€4.6m): longer tenor & lower margin
Value accretive transaction with no cash equity injection needed

RECAFD will stand at €73.1m, including +€4.6m from the Manchasol 2 refinancing

Recurrent CAFD after Carapé and the Refinancing of M2 (€m)



+15.4% vs. IPO RECAFD of €63.5m

+7.7% vs. Last RECAFD guidance of €68.5m

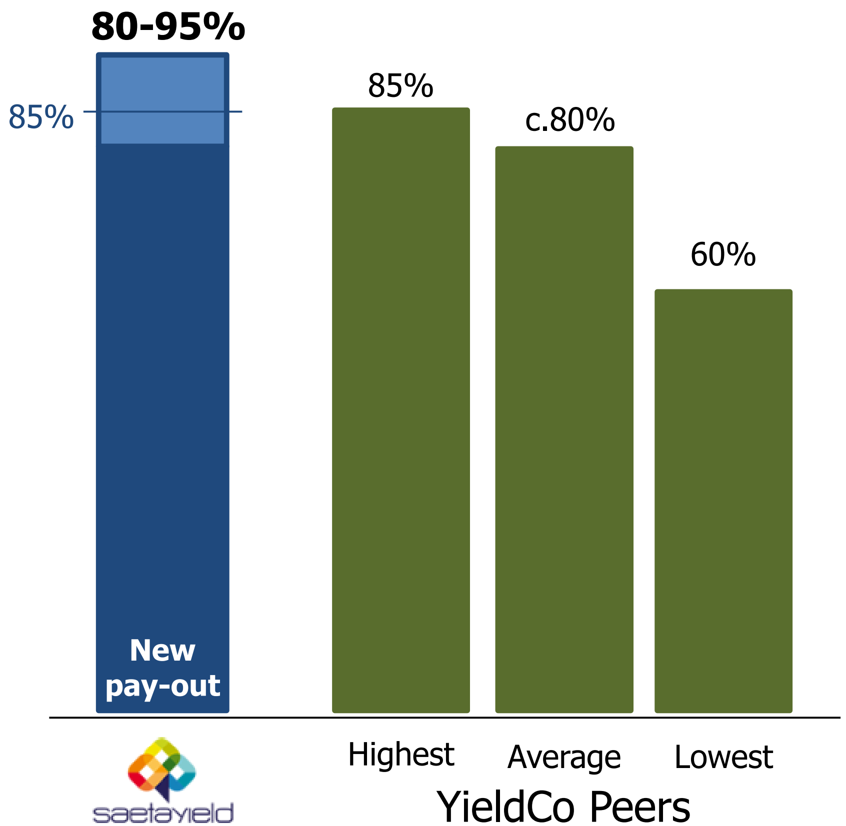
The extra CAFD from Carapé and Manchasol 2 refinancing more than compensates the CAFD delay from the regulatory update

Key hypothesis:

- Reasonable return from the Spanish renewables regulation to remain @ 7.4%. Electricity prices 2017-2019 as in the regulation, inflation applied afterwards.
- Euribor curve by May17, inflation 1.5%, tax rate 25%, 25 years plant operations.
- Carapé investment of € 80 m. Cash cost financing calculated applying a 6.5% cash cost to the invested figure; coming from a blend of the opportunity cash cost of the Holdco cash (0.2%) and the cash cost (9.5%) of the proportional funds from Serrezuela financing used in the acquisition.
- RECAFD is calculated as the average of the CAFD in the coming 5 years, including 2017. This figure does not include the interest expenses and the debt repayment of the non invested funds from the pool of cash and the Serrezuela financing (c. €4.5m for 2017 after the acquisition of Carapé) as this negative carry will be eliminated in future acquisitions.

Saeta Yield Board of Directors approved a new dividend policy, incl. a pay out ratio range between 80-95% of RECAFD

YieldCos(1) pay-out ratio targets



- Board of Directors has set the current reference of the pay-out ratio @ 85%(2)
- Saeta Yield remains with the largest pay-out ratio among YieldCo peers
- More robust dividend policy:
  - After capital increases, SAY can increase the pay out to maintain DPS
  - Use pay-out to proactively confront RECAFD volatility to anchor DPS
- Saeta Yield is fully aligned with a sustainable and growing DPS

SAY will retain c. € 10 m p.a. to promote further growth or face RECAFD volatility

(1) Refers to the 7 main North American comparable YieldCos
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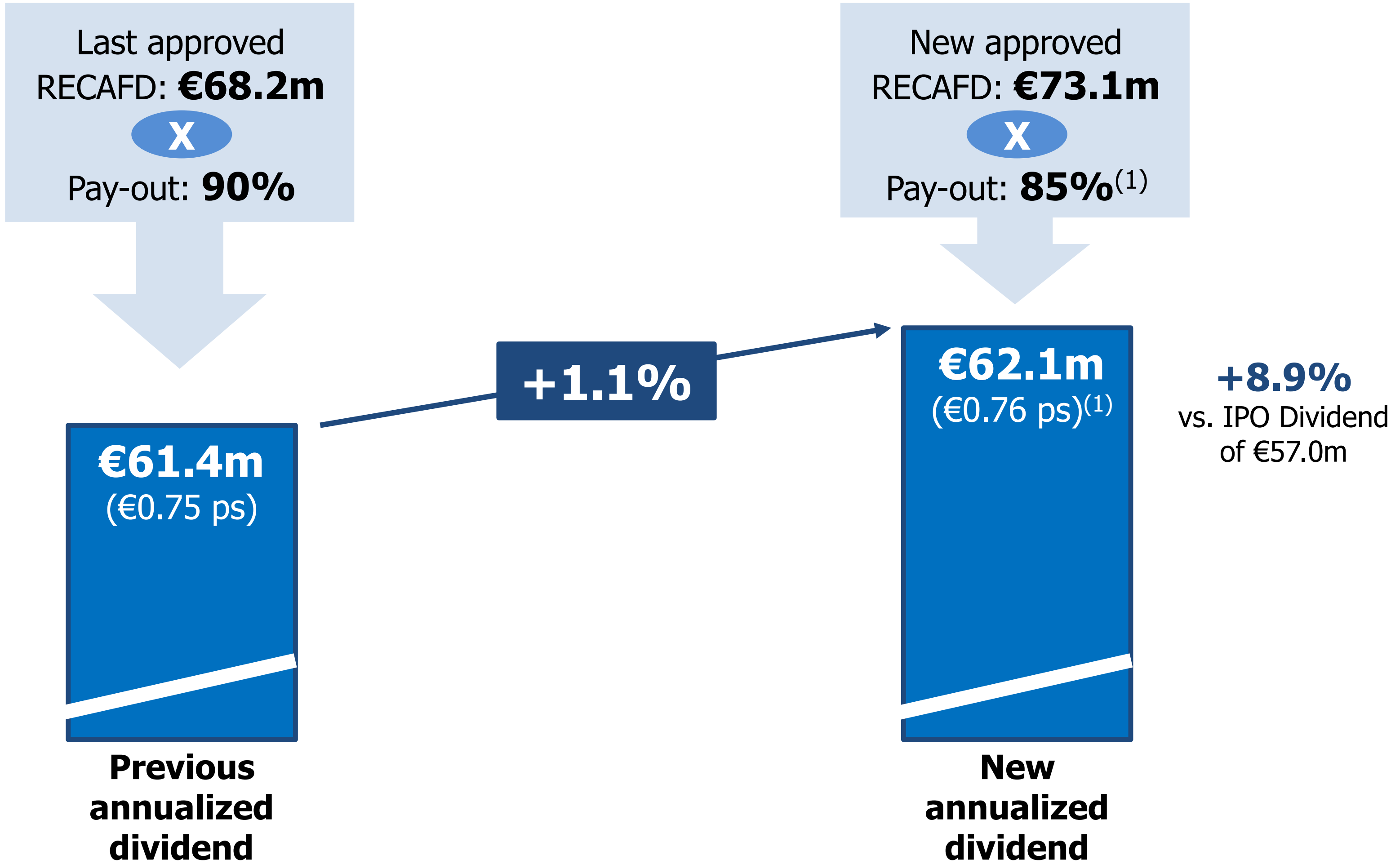
Annualized dividend to increase to €62.1m (or €0.76 ps)(1)



SAY confirms its growing DPS strategy: +8.9% DPS increase since IPO

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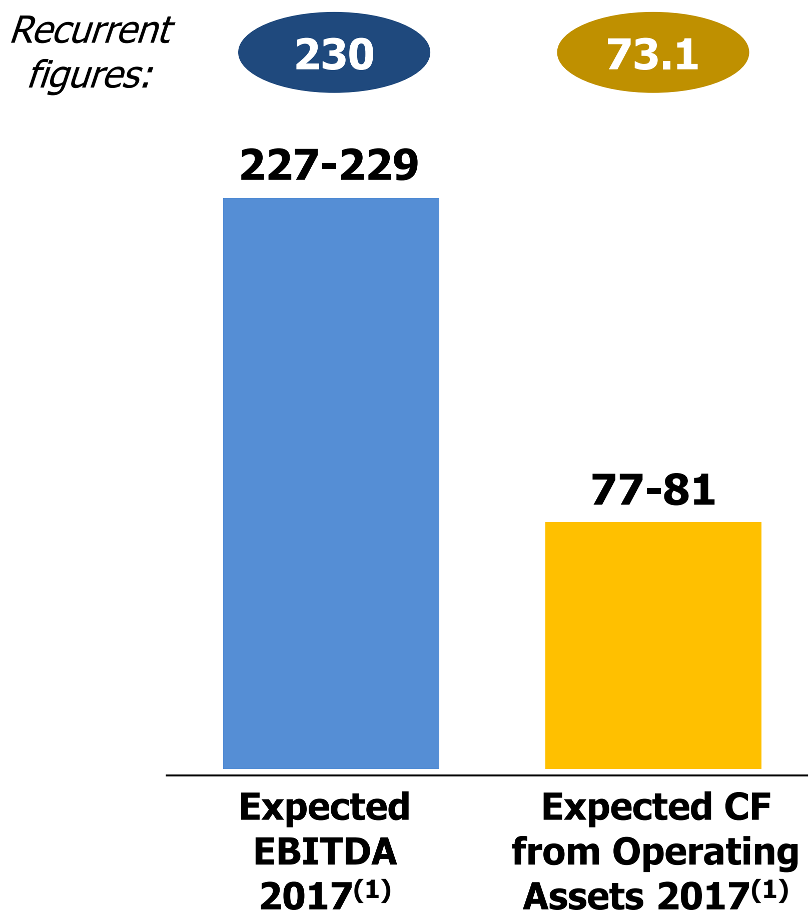
Excellent prospects for 2017 cash flow generation

(m€)



- Wholesale market prices c. €6-8 per MWh above the regulated prices (49 - 51 €/MWh vs. 42.8 €/MWh)
- Price bands mechanism generates a regulatory obligation, reducing EBITDA and increasing working capital cash generation
- CNMC receivables recovery to impact positively on working capital cash flow generation
- Non-full-year contribution from Carapé assets and Manchasol 2 refinancing

(1) This guidance is based current expectations and projections about future events and are inherently uncertain and are subject to risks and assumptions. Both figures include the contribution of the Carape acquisition and the Manchasol 2 refinancing from May 25, 2017. These figures also take into consideration a market price forecast (OMIP) for 2017 in between 49 and 51 €/MWh. Given the regulatory price bands that work as a hedge to power prices, a future obligation will be recognized by the end of 2017 if prices remain at the expected levels. The Cash Flow from Operating Assets do not include the interest expenses and the debt repayment of the non-invested amount of the Serrezuela Solar financing.

Saeta Yield generating additional value

Additional CAFD unlocked thanks to financing optimization
+€4.6m of additional RECAFD

New dividend policy reinforces DPS growth sustainability
80-95% pay-out to provide flexibility while remaining the highest among YieldCos

Liquidity available to achieve additional RECAFD growth
Lestenergía opportunity currently under analysis

>20% YTD stock price increase[1]

c. 7.8% Dividend Yield[1]

c. 9% DPS growth since IPO

(1) Considering share price close of the 26th of May

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