

AGUAS ANDINAS REACHES AN AGREEMENT WITH CANADIAN COMPANY ALGONQUIN POWER & UTILITIES CORP. FOR THE SALE OF ITS PART IN ESSAL

- Algonquin Power & Utilities Corp is a company with vast experience in the utility industry and ranks 10th overall among the world's 100 most sustainable corporations in Corporate Knights 2020 Global.

Santiago de Chile, September 10, 2020 - Today, Aguas Andinas sent to the Financial Market Commission (CMF) a material event through which it communicates the agreement reached with Algonquin Power & Utilities Corp. (APUC) for the sale of 100% of the direct and indirect participation that the Company has in the subsidiary Empresa Sanitaria de Los Lagos SA (ESSAL). That is to say, 53.51% of ESSAL's total share package.

Algonquin Power & Utilities Corp is a company of Canadian origin dedicated mainly to renewable energy and regulated public services such as water, natural gas or electricity, for which it is widely known in these sectors and has consolidated experience in the sanitation sector.

In order to materialize the financial operation, APUC will launch a Public Offer of Acquisition of Shares (OPA) for all the shares of ESSAL, at a price of US\$ 0.18001375412 per share.

Additionally, Aguas Andinas will compete in the Tender Offer with the sale of its direct participation in ESSAL (2.51%), but not with respect to its indirect participation through the company Inversiones Iberaguas Limitada (51%). This is because, previously, Aguas Andinas will sell to APUC all of its rights in Iberaguas.

The launch of the tender offer and the closing of the transaction between the parties are subject to compliance with the usual conditions for this type of operation. These include that, from the signing of the transaction agreement until its closure, no substantial negative effects occur for ESSAL.

Taking into account the price per share indicated above, the total value of 53.51% that Aguas Andinas holds in ESSAL is US\$ 92.3 million.

Aguas Andinas CEO, Marta Colet, said that this operation, announced in January, takes place in a scenario where the company seeks to reinforce its investment capacity in the environmental sector, focusing on new development opportunities in this market. "With this operation we reinforce our capacity to face the investments that climate change demands from us, which will also result in the generation of employment and economic activity at the time when the country needs it most. The Algonquin entry to the Chilean water utility market is a sign of how sound and attractive this sector is for international investors, an industry with important growth opportunities in which Aguas Andinas continue to be a major player", said Marta Colet.

On the other hand, APUC's CEO, Arun Banskota, pointed out that: "The acquisition of ESSAL supports Algonquin's strategic growth program and broadens our regulated footprint into a historically stable and foreign investment-friendly OECD country with a robust regulatory framework. As Algonquin's first international water utility, ESSAL will benefit from our core competency of responsible utility ownership, as well as leverage our best practices of safety, operational excellence, and innovation. We are excited with this opportunity to serve the water needs of our Chilean customers."

About ESSAL

ESSAL S.A. is a sanitation company present in the southern part of the country with 33 concession areas distributed in the regions of Los Ríos and Los Lagos that provide sanitation services for the production and distribution of drinking water, as well as the collection and treatment of sewage, covering more than 224 thousand homes, nearly 10 thousand businesses, more than 2 thousand offices and public buildings, and 319 industries. It has 420 workers.

In 1988, ESSAL obtained the status of full concessionaire of sanitation services. On July 10th, 2008, Aguas Andinas took over the management of ESSAL by acquiring 53% of the Company. In 2010, the Maullín sewage collection and treatment system began its white run, thus achieving 100% sanitation of the entire ESSAL concession area, consolidating its permanent work for the care and protection of the environment.



Today, the capital not controlled by Aguas Andinas is distributed in this way: Inversiones Gran Araucaria Dos Limitada (40.46%), Corfo (5%), Tesorería General de la República (1%), and others (0.03%).

About ALGONQUIN POWER & UTILITIES CORP.

APUC is a diversified international generation, transmission and distribution company with approximately US\$ 11 billion in total assets. Through its two business groups, APUC provides natural gas, water and electricity generation, transmission and distribution utilities at regulated, safe, reliable and cost-effective tariffs to approximately 807,000 connections in the United States and Canada.

In addition, APUC is a world leader in renewable energy through its portfolio of long-term contracted wind, solar and hydroelectric generation facilities, which represent more than 2 GW of installed capacity and more than 1.6 GW of renewable energy capacity under construction.

- Algonquin is ranked 10th overall among the world's 100 most sustainable corporations in *Corporate Knights 2020 Global*.
- Algonquin is one of 325 companies listed on the Bloomberg Gender Equality Index for investing in promoting an inclusive and equitable workplace.
- In 2020, added to the S&P/TSX60 index, a “blue chip” index.
- By August 2020, it had 1,600 MW of new projects under construction, the most in its history. In addition, it had more than 807,000 customer connections in 13 U.S. states and one Canadian province.
- Its core values as a Company are strong commitment to employees, customers and community; sustainability in all its daily operations and business planning activities; and sustainability as the backbone of the way it conducts business.