



# Q1 2022

## Earnings Conference Call

May 13, 2022

10:00 a.m. ET

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## Forward-Looking Statements

Certain written statements included herein and/or oral statements made in connection with the presentation contained herein constitute “forward-looking information” within the meaning of applicable securities laws in each of the provinces and territories of Canada and the respective policies, regulations and rules under such laws and “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). The words “will”, “expects”, “intends”, “should”, “would”, “anticipates”, “projects”, “forecasts”, “plans”, “estimates”, “may”, “outlook”, “aims”, “pending”, “prospective”, “target”, “believes”, “could” and similar expressions are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Specific forward-looking statements contained in or made in connection with this presentation include, but are not limited to statements regarding: the expected performance of Algonquin Power & Utilities Corp. (“AQN”, “Algonquin” or the “Company”); the Company’s expected future growth, earnings, cash flows, debt and dividends; capital expenditure and investment plans; development projects and the anticipated generation capacity and timing of construction activities and completion; the Company’s pending acquisition of Kentucky Power Company and AEP Kentucky Transmission Company, Inc. (the “Kentucky Power Acquisition”), including the expected timing for closing, the financing of the purchase price and the refinancing of Kentucky Power debt upon closing; expectations regarding the use of proceeds from financings; the Company’s corporate development and growth initiatives and the results thereof; expectations regarding potential future asset dispositions; and the Company’s sustainability, decarbonization, environmental, social and governance goals, targets and initiatives (including the Company’s ability to achieve these goals, targets and initiatives and the Company’s expectations with respect thereto). These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments referred to in this presentation. Since forward-looking statements relate to future events and conditions, by their nature they rely on assumptions and involve inherent risks and uncertainties. AQN cautions that although it is believed that the assumptions are reasonable in the circumstances, actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors and assumptions include those set out in this presentation or contained in AQN’s Management Discussion and Analysis for the three months ended March 31, 2022 (the “Interim MD&A”), Management Discussion and Analysis for the year ended December 31, 2021, or Annual Information Form for the year ended December 31, 2021, each filed with securities regulatory authorities in Canada and the United States. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of their dates. Other than as specifically required by law, AQN undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

## Currency

In this presentation, unless otherwise specified or the context requires otherwise, all dollar amounts are expressed in U.S. dollars.

## Non-GAAP Financial Measures

The terms “Adjusted Net Earnings”, “Adjusted Net Earnings per share” (or “Adjusted Net EPS”), “Adjusted earnings before interest, taxes, depreciation and amortization” (“Adjusted EBITDA”) and “Adjusted Funds from Operations” (together, the “Non-GAAP Measures”) are used in this presentation and/or the related discussion. The Non-GAAP Measures are not recognized measures under U.S. GAAP. There is no standardized measure of the Non-GAAP Measures; consequently, AQN’s method of calculating the Non-GAAP Measures may differ from methods used by other companies and therefore they may not be comparable to similar measures presented by other companies. An explanation and analysis of the Non-GAAP Measures and a reconciliation to the most directly comparable U.S. GAAP measure, where applicable, can be found in the Interim MD&A under the headings “Caution Concerning Non-GAAP Measures” and “Non-GAAP Financial Measures”, which sections are incorporated by reference herein. AQN’s Interim MD&A is available on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar). A reconciliation of the Non-GAAP Measures appearing in this presentation to the most directly comparable U.S. GAAP measure can also be found in Appendix - Non-GAAP Financial Measures beginning on page 19 of this presentation.

# Speakers and Agenda



**Arun Banskota**  
President and  
Chief Executive Officer



**Arthur Kacprzak**  
Chief Financial Officer



**Amelia Tsang**  
Vice President,  
Investor Relations

|                                     |                 |
|-------------------------------------|-----------------|
| Introductory Remarks.....           | Amelia Tsang    |
| Q1 2022 Strategic Achievements..... | Arun Banskota   |
| Q1 2022 Financial Highlights.....   | Arthur Kacprzak |
| Advancing our Strategic Plan.....   | Arun Banskota   |



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# Strategic Achievements

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# Strategic Achievements

## ✓ Solid Key Financial Metrics

- Q1 2022 Adjusted EBITDA<sup>1</sup> of \$330.6 million – a 17% year-over-year increase
- Q1 2022 Adjusted Net EPS<sup>1</sup> of \$0.21 – a 5% year-over-year increase
- Q1 2022 net earnings of \$91.0 million – a 555% year-over-year increase
- Q1 2022 net earnings per share of \$0.13 – a 550% year-over-year increase

## ✓ 12<sup>th</sup> Consecutive Year of Dividend Growth

- Annual Dividend increase of 6%
- Supported by resiliency of business model

## ✓ Three Pillar Foundation Underpins Strategy

- Continue to focus our efforts on Algonquin's three strategic pillars:
  - Growth
  - Operational Excellence
  - Sustainability



1. Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Non-GAAP Financial Measures beginning on page 19 of this presentation.

# Regulated Services Group – Growth

- **Liberty NY Water**
  - Acquisition closed effective January 1, 2022
  - Services over 127,000 customer connections across seven counties in southeastern New York
  - Transition and integration are progressing well
- **Kentucky Power Acquisition Update**
  - On May 4, 2022, the Kentucky Public Service Commission issued an order, including an approval of the pending acquisition, subject to certain conditions
  - Expect to close the transaction in mid-2022 after receipt of state and FERC level approvals and satisfaction of all other closing conditions



# Renewable Energy Group - Growth

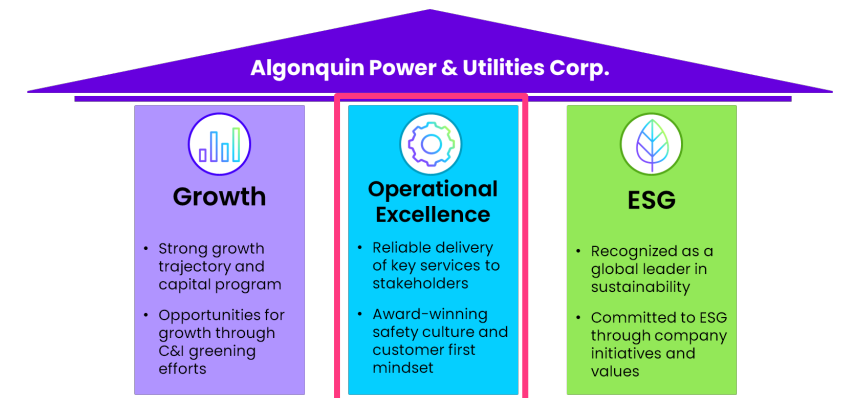
| Solar Projects                      |               | Site Preparation | Panels Installed |
|-------------------------------------|---------------|------------------|------------------|
| Altavista <sup>1</sup>              | 80 MW         | 100%             | 100%             |
| Community Solar                     | 16 MW         | 80%              | 60%              |
| New Market Solar – Phase 1          | 35 MW         | 100%             | 70%              |
| New Market Solar – Phase 2          | 65 MW         | 100%             | 2022             |
| Chevron – Hayhurst, TX <sup>2</sup> | 25 MW         | 2023             | 2023             |
| Chevron – Hayhurst, NM <sup>2</sup> | 20 MW         | 2023             | 2023             |
| <b>Total</b>                        | <b>241 MW</b> |                  |                  |

| Wind Projects             |               | Site Preparation | Turbines Erected |
|---------------------------|---------------|------------------|------------------|
| Maverick Creek            | 492 MW        | 100%             | 100%             |
| Blue Hill                 | 175 MW        | 100%             | 100%             |
| EBR (Val-Eo) <sup>3</sup> | 24 MW         | 100%             | 100%             |
| Shady Oaks II             | 108 MW        | 100%             | 100%             |
| Sandy Ridge II            | 88 MW         | Started          | Q1 2023          |
| Deerfield II <sup>1</sup> | 112 MW        | Started          | Q4 2022          |
| <b>Total</b>              | <b>999 MW</b> |                  |                  |



# Regulated Services Group – Operational Excellence

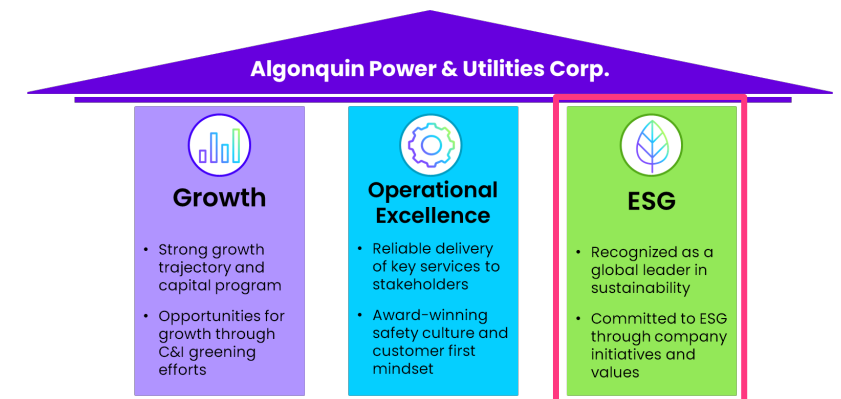
- **Safety and reliability key priorities**
  - Achieved milestone of over 800 days and nearly 12 million hours without a single lost time injury
- **Recipient of the American Gas Association 2021 Safety Achievement Award**
  - Award recognizes AQN as the top safety performer in 2021 for excellence in employee safety in the Medium Combination Utilities Category





# Three Pillar Foundation – Sustainability

- Firmly committed to environmental, social and governance values
  - ESG embedded in AQN’s broader corporate strategy and day to day operations
- AQN recognized for ESG progress
  - Included in Globe and Mail’s Women Lead Here benchmark for second year in a row





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# Financial Performance

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# Financial Performance

## Three Months Ended March 31

*All figures are in \$ millions except per share data*

|   | 2022   | 2021    | Variance |
|---|--------|---------|----------|
| Net earnings attributable to shareholders   | 91.0   | 13.9    | 555%     |
| <i>Per share</i>                            | 0.13   | 0.02    | 550%     |
| Cash provided by operating activities       | 166.2  | (243.5) | 168%     |
| Adjusted Net Earnings <sup>1</sup>          | 141.3  | 124.5   | 13%      |
| <i>Per share<sup>1</sup></i>                | 0.21   | 0.20    | 5%       |
| Adjusted EBITDA <sup>1</sup>                | 330.6  | 282.9   | 17%      |
| Adjusted Funds from Operations <sup>1</sup> | 220.2  | 205.3   | 7%       |
| Dividend per share                          | 0.1706 | 0.1551  | 10%      |

1. Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Non-GAAP Financial Measures beginning on page 19 of this presentation.



# Financial Update – Capital Plan

- **Expected Capital Deployment in 2022 of Over \$4.3 billion**
  - Majority of expected 2022 capital deployment related to Liberty NY Water acquisition (completed) and Kentucky Power Acquisition (pending)
  - Capital plan remains on track, in Q1 2022:
    - \$609 million deployed for closing of Liberty NY Water
    - Over \$225 million invested into our utilities
- **Successfully executing on financing plan for the Kentucky Power Acquisition**
  - Raised ~ \$1.7 billion in aggregate to date:
    - ✓ Completed a C\$800 million bought deal common equity offering concurrent with announcement of the Kentucky Power Acquisition
    - ✓ Completed concurrent public offerings of junior subordinated notes in the U.S. (\$750 million) and Canada (C\$400 million) in Q1 2022

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# Advancing our Strategic Plan

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A horizontal line with a color gradient from purple on the left to green on the right, positioned below the Algonquin text.

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The Liberty logo consists of a stylized 'L' shape formed by multiple parallel lines in a color gradient from purple to green.

# Advancing our Strategic Plan

✓ ~\$12.4 billion Capital Investment Plan from 2022 through 2026

- ~\$8.8 billion – Regulated Services Group
- ~\$3.6 billion – Renewable Energy Group

✓ Once in a generation opportunity to accelerate renewables growth

- Currently own, operate and/or have net interest in over 4,000 MW of renewable generation
- Expect incremental benefits with increasing scale

Three Strategic Pillars remain a key foundation

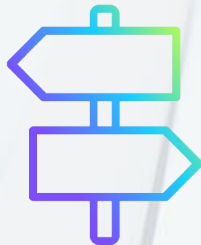


# Upcoming Annual Meeting of Common Shareholders



## When

Thursday, June 2, 2022  
4:00 p.m. (Eastern Time)

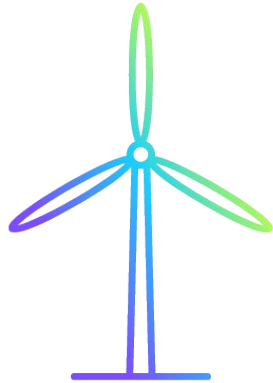


## Where

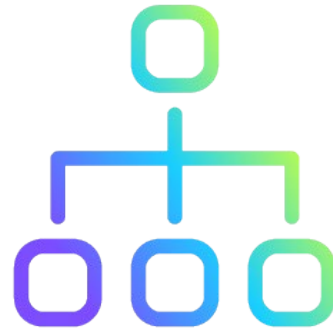
Virtual-only meeting via live audio webcast online at  
<https://web.lumiagm.com/462963965>

Password: algonquin2022

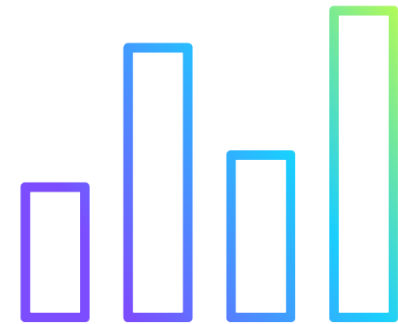
# Concluding Remarks



Continue to successfully execute on the Company's robust construction program



Three strategic pillars provide key foundation as we continue to build the business



Strive to create long-term shareholder value through delivery of earnings and dividend growth

**Robust investment pipeline and three pillar foundation expected to support long-term shareholder value**





# Q&A

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# Appendix

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# Non-GAAP Financial Measures

## Reconciliation of Adjusted EBITDA to Net Earnings

The following table is derived from and should be read in conjunction with the consolidated statement of operations. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and provides additional information related to the operating performance of AQN. Investors are cautioned that this measure should not be construed as an alternative to U.S. GAAP consolidated net earnings.

| (all dollar amounts in \$ millions)   | Three months ended |                 |
|---|--------------------|-----------------|
|   | March 31           |                 |
|   | 2022               | 2021            |
| Net earnings attributable to shareholders   | \$ 91.0            | \$ 13.9         |
| Add (deduct):   |                    |                 |
| Net earnings attributable to the non-controlling interest, exclusive of HLBV <sup>1</sup> | 4.1                | 6.4             |
| Income tax expense (recovery)   | 9.5                | (21.6)          |
| Interest expense  | 57.9               | 49.6            |
| Other net losses <sup>3</sup>   | 4.7                | 8.4             |
| Pension and post-employment non-service costs   | 2.6                | 3.7             |
| Change in value of investments carried at fair value <sup>2</sup>                         | 40.5               | 71.7            |
| Impacts from the Market Disruption Event <sup>4</sup> on the Senate Wind Facility         | —                  | 53.4            |
| Loss (gain) on derivative financial instruments   | (0.3)              | (1.1)           |
| Realized loss on energy derivative contracts  | 0.3                | 0.2             |
| Loss (gain) on foreign exchange   | 0.3                | 0.9             |
| Depreciation and amortization   | 120.0              | 97.4            |
| <b>Adjusted EBITDA</b>  | <b>\$ 330.6</b>    | <b>\$ 282.9</b> |

<sup>1</sup> Hypothetical liquidation at book value (“HLBV”) represents the value of net tax attributes earned during the period primarily from electricity generated by certain U.S. wind power and U.S. solar generation facilities. HLBV earned in the three months ended March 31, 2022 amounted to \$42.5 million, as compared to \$23.9 million during the same period in 2021.

<sup>2</sup> See *Note 6* in the unaudited interim consolidated financial statements.

<sup>3</sup> See *Note 16* in the unaudited interim consolidated financial statements.

<sup>4</sup> The “Market Disruption Event” refers to the significantly elevated pricing that persisted in the Electric Reliability Council of Texas market over several days as a result of the February 2021 extreme winter storm conditions experienced in Texas and parts of the central U.S.

# Non-GAAP Financial Measures

## Reconciliation of Adjusted Net Earnings to Net Earnings

The following table is derived from and should be read in conjunction with the consolidated statement of operations. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted Net Earnings and provides additional information related to the operating performance of AQN. Investors are cautioned that this measure should not be construed as an alternative to consolidated net earnings in accordance with U.S. GAAP.

The following table shows the reconciliation of net earnings to Adjusted Net Earnings exclusive of these items:

| (all dollar amounts in \$ millions except per share information)     | Three months ended<br>March 31 |                 |
|--|--------------------------------|-----------------|
|  | 2022                           | 2021            |
| Net earnings attributable to shareholders                            | \$ 91.0                        | \$ 13.9         |
| Add (deduct):  |                                |                 |
| Loss (gain) on derivative financial instruments                      | (0.3)                          | (1.1)           |
| Realized loss on energy derivative contracts                         | 0.3                            | 0.2             |
| Other net losses <sup>2</sup>  | 4.7                            | 8.4             |
| Loss (gain) on foreign exchange                                      | 0.3                            | 0.9             |
| Change in value of investments carried at fair value <sup>1</sup>    | 40.5                           | 71.7            |
| Impacts from the Market Disruption Event on the Senate Wind Facility | —                              | 53.4            |
| Adjustment for taxes related to above                                | 4.8                            | (22.9)          |
| <b>Adjusted Net Earnings</b>   | <b>\$ 141.3</b>                | <b>\$ 124.5</b> |
| <b>Adjusted Net Earnings per common share</b>                        | <b>\$ 0.21</b>                 | <b>\$ 0.20</b>  |

<sup>1</sup> See Note 6 in the unaudited interim consolidated financial statements.

<sup>2</sup> See Note 16 in the unaudited interim consolidated financial statements.

# Non-GAAP Financial Measures

## Reconciliation of Adjusted Funds from Operations to Cash Provided by Operating Activities

The following table is derived from and should be read in conjunction with the consolidated statement of operations and consolidated statement of cash flows. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted Funds from Operations and provides additional information related to the operating performance of AQN. Investors are cautioned that this measure should not be construed as an alternative to cash flows provided by operating activities in accordance with U.S. GAAP.

The following table shows the reconciliation of cash flows provided by activities to Adjusted Funds from Operations exclusive of these items:

| (all dollar amounts in \$ millions)                                  | Three months ended<br>March 31 |                 |
|--|--------------------------------|-----------------|
|  | 2022                           | 2021            |
| Cash provided by operating activities                                | \$ 166.2                       | \$ (243.5)      |
| Add (deduct):  |                                |                 |
| Changes in non-cash operating items                                  | 48.1                           | 388.5           |
| Production based cash contributions from non-controlling interests   | 3.7                            | 4.8             |
| Impacts from the Market Disruption Event on the Senate Wind Facility | —                              | 53.4            |
| Acquisition-related costs  | 2.2                            | 2.1             |
| <b>Adjusted Funds from Operations</b>                                | <b>\$ 220.2</b>                | <b>\$ 205.3</b> |





# Corporate Information

|                                |                               |
|--------------------------------|-------------------------------|
| <b>Head Office</b>             | Greater Toronto Area, Ontario |
| <b>Toronto Stock Exchange</b>  | AQN, AQN.PR.A, AQN.PR.D       |
| <b>New York Stock Exchange</b> | AQN, AQNA, AQNB, AQNU         |
| <b>Shares Outstanding*</b>     | 674,110,190                   |
| <b>Share Price*</b>            | \$15.52                       |
| <b>Market Capitalization*</b>  | \$10.5 B                      |
| <b>Dividend**</b>              | \$0.7233 per share annually   |

\* Shares outstanding, closing price (NYSE), and market capitalization as of March 31, 2022.  
 \*\* Annualized using Q2 2022 dividend rate.

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# Contact Information

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