



Q3 2022

Earnings Conference Call

November 11, 2022

8:00 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 grammatical variations of such terms) 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 (including 2022 Adjusted Net Earnings per share), 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 and the expected purchase price; the Company’s corporate development and growth initiatives and the results thereof; expectations regarding asset dispositions and asset recycling initiatives and the expected benefits thereof, including with respect to the Company’s previously-announced inaugural asset recycling initiative with InfraRed Capital Partners; customer affordability initiatives; funding sources; credit ratings; interest rates; and the Company’s 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 and nine months ended September 30, 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 and EDGAR at 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 18 of this presentation.

Speakers and Agenda



Arun Banskota
President and
Chief Executive Officer



Darren Myers
Chief Financial Officer



Amelia Tsang
Vice President,
Investor Relations

Introductory Remarks.....	Amelia Tsang
Q3 2022 Key Updates.....	Arun Banskota
Q3 2022 Financial Highlights.....	Darren Myers
Advancing our Strategic Plan.....	Arun Banskota

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Key Updates

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Key Updates

✓ Mixed Financial Results

- Reported Q3 year-over-year Adjusted EBITDA¹ growth
- Q3 2022 earnings below expectations
- Results impacted by increasing interest rates and renewable energy project delays

✓ Strong Business Fundamentals

- Significant growth opportunities within Regulated and Renewables businesses
- Well-positioned to benefit from de-carbonization energy transition
- Focused on identifying and implementing adjustments to tackle headwinds

✓ Compelling Long-Term Opportunity Set

- Strategic pillars provide strong foundation and focus:
 - 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 18 of this presentation.

Regulated Services Group - Growth

- **Kentucky Power Acquisition update**

- Acquisition agreement amendment entered into on September 29, 2022
- Reduction to the purchase price from \$2.846 billion to \$2.646 billion
- Closing expected to occur in January 2023



Renewable Energy Group - Growth

Solar Projects		Site Preparation	Panels Installed
Community Solar	16 MW	80%	60%
New Market Solar – Phase 1	35 MW	100%	70%
New Market Solar – Phase 2	65 MW	100%	2022/2023 (expected)
Chevron – Hayhurst, TX ¹	25 MW	75%	2022/2023 (expected)
Chevron – Hayhurst, NM ¹	20 MW	100%	15%
Total	161 MW		

Wind Projects		Site Preparation	Turbines Erected
Blue Hill	175 MW	100%	100%
Shady Oaks II	108 MW	100%	100%
Sandy Ridge II	88 MW	25%	Q1 2023 (expected)
Deerfield II	112 MW	100%	38%
Total	483 MW		

1. Project co-owned with Chevron.

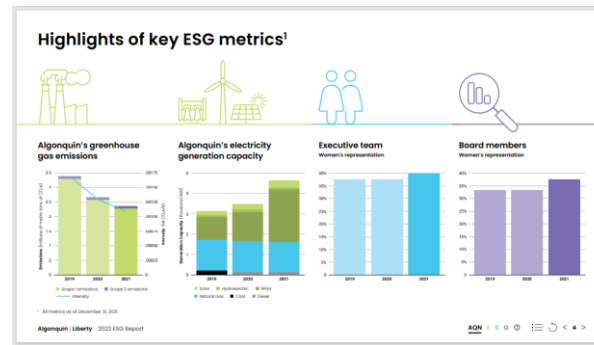
Regulated Services Group – Operational Excellence

- **Safety and reliability key priorities**
 - Focus on safety and preparedness for weather events
 - Effective response by Bermuda electric team following Hurricane Fiona
- **Improving customer experience as measured by JD Power**
 - Q3 JD Power score of 702; a 7-point increase quarter-over-quarter
- **Customer affordability top of mind**
 - Educating customers on financial assistance options
 - Implemented energy efficiency and water conservation programs



Three Pillar Foundation – Sustainability

- **Committed to environmental, social and governance values**
 - ESG included in AQN’s corporate strategy and operations
- **2022 Sustainability Report**
 - Published on November 7, 2022
 - Third party verification of Scope 1 and 2 emissions data for a third year in a row





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Financial Performance

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Financial Performance

Three Months Ended
September 30

	2022	2021	Variance
<i>All figures are in \$ millions except per share data</i>			
Revenue	666.7	528.6	26%
Net earnings (loss) attributable to shareholders	(195.2)	(27.9)	(600)%
<i>Per share</i>	(0.29)	(0.05)	(480)%
Cash provided by operating activities	102.9	174.7	(41)%
Adjusted Net Earnings¹	73.5	97.6	(25)%
<i>Per share¹</i>	0.11	0.15	(27)%
Adjusted EBITDA¹	276.1	252.0	10%
Adjusted Funds from Operations¹	205.5	170.2	21%
Dividend per share	0.1808	0.1706	6%

1. Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Non-GAAP Financial Measures beginning on page 18 of this presentation.

Financial Update – Capital Plan

- **Expected capital deployment of \$1.55-\$1.74 billion in 2022**
 - ~\$1.3 billion has been invested YTD as of end Q3 2022:
 - \$609 million deployed for closing of Liberty New York Water
 - Over \$200 million of capital invested into organic investments in Q3 2022
- **Strong availability of capital**
 - Diverse pool of funding sources including asset recycling
 - Liquidity position remains strong with ~\$2.1 billion of available liquidity
 - Committed to maintaining investment-grade capital structure
- **Updating 2022 Adjusted Net Earnings per share¹ estimate**
 - Pressures include challenging macroeconomic conditions, project delays and anticipated delays with certain rate decisions
 - Updating 2022 Adjusted Net Earnings per share¹ estimate from \$0.72-\$0.77 to \$0.66-\$0.69

1. Please see “Non-GAAP Financial Measures” on page 2 of this presentation, and Appendix - Non-GAAP Financial Measures beginning on page 18 of this presentation.

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Advancing our Strategic Plan

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Advancing our Strategic Plan

1

Progress on Kentucky Power Acquisition

- Expected to close January 2023
- Acquisition complements business objectives at attractive valuation level

2

Inaugural asset recycling initiative

- Signed contract with InfraRed Capital Partners
- Expected to provide AQN with value-accretive capital enabling growth and adding shareholder value

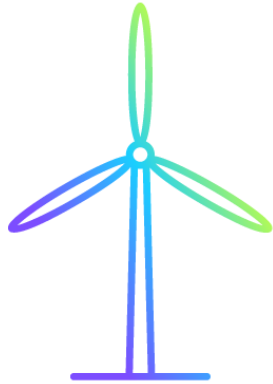
3

Operational discipline and profitable growth

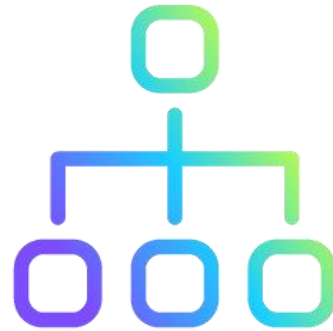
- Expecting pressure from increasing interest rates
- Evaluation and refinement of growth plans

Three Strategic Pillars remain a key foundation

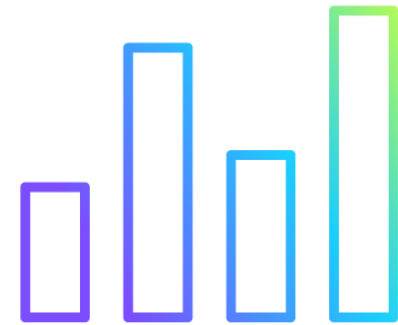
Concluding Remarks



Continue to 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 September 30	
	2022	2021
Net earnings (loss) attributable to shareholders	\$ (195.2)	\$ (27.9)
Add (deduct):		
Net earnings attributable to the non-controlling interest, exclusive of HLBV ³	5.2	4.5
Income tax recovery	(19.5)	(19.4)
Interest expense	75.0	51.7
Other net losses ²	5.9	0.9
Pension and post-employment non-service costs	1.5	3.9
Change in value of investments carried at fair value ¹	300.4	139.1
Loss on derivative financial instruments	0.4	1.8
Realized loss on energy derivative contracts	(0.8)	(0.5)
Loss (gain) on foreign exchange	(5.0)	1.3
Depreciation and amortization	108.2	96.6
Adjusted EBITDA	\$ 276.1	\$ 252.0

¹ See Note 6 in the unaudited interim consolidated financial statements.

² See Note 16 in the unaudited interim consolidated financial statements.

³ Hypothetical liquidation at book value ("HLBV") represents the value of net tax attributes earned during the period from electricity generated by certain U.S. wind power and U.S. solar generation facilities.

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 September 30	
	2022	2021
Net earnings (loss) attributable to shareholders	\$ (195.2)	\$ (27.9)
Add (deduct):		
Loss on derivative financial instruments	0.4	1.8
Realized (gain) loss on energy derivative contracts	(0.8)	(0.5)
Other net losses ²	5.9	0.9
Loss (gain) on foreign exchange	(5.0)	1.3
Change in value of investments carried at fair value ¹	300.4	139.1
Adjustment for taxes related to above	(32.2)	(17.1)
Adjusted Net Earnings	\$ 73.5	\$ 97.6
Adjusted Net Earnings per common share	\$ 0.11	\$ 0.15

¹ See Note 6 in the unaudited interim consolidated financial statements.

² 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 provided by operating activities in accordance with U.S GAAP.

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

(all dollar amounts in \$ millions)	Three months ended September 30	
	2022	2021
Cash provided by operating activities	\$ 102.9	\$ 174.7
Add (deduct):		
Changes in non-cash operating items	95.7	(6.2)
Acquisition-related costs	6.9	1.7
Adjusted Funds from Operations	\$ 205.5	\$ 170.2



Corporate Information

Head Office	Greater Toronto Area, Ontario
Toronto Stock Exchange	AQN, AQN.PR.A, AQN.PR.D
New York Stock Exchange	AQN, AQNA, AQNB, AQNU
Shares Outstanding*	683,436,230
Share Price*	\$11.06
Market Capitalization*	\$7.6 B
Dividend**	\$0.7233 per share annually

* Shares outstanding, closing price (NYSE), and market capitalization as of October 31, 2022.

** Annualized using Q4 2022 dividend rate.

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