



Q4 2022

Earnings Conference Call

March 17, 2023

8:30 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 2023 Adjusted Net Earnings per common 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 purchase price, the regulatory process and the financing thereof; the Company’s corporate development and growth initiatives and the results thereof; expectations regarding new common equity financings through 2024; expectations regarding upsizing and extending the AQN credit facility; expectations regarding asset dispositions and asset recycling initiatives and the expected timing and aggregate proceeds; funding sources; credit ratings; interest rates, including fixed rate debt levels; 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. 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 twelve months ended December 31, 2022 (the “Annual MD&A”), or Annual Information Form for the year ended December 31, 2022, 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"), "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. The Company believes that presentation of these measures will enhance an investor's understanding of AQN's operating performance. An explanation, calculation 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 Annual MD&A under the headings “Caution Concerning Non-GAAP Measures” and “Non-GAAP Financial Measures”, which sections are incorporated by reference herein. AQN’s Annual 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 20 of this presentation. AQN does not provide reconciliations for forward-looking non-GAAP financial measures as AQN is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various events that have not yet occurred, are out of AQN’s control and/or cannot be reasonably predicted, and that would impact the most directly comparable forward-looking U.S. GAAP financial measure. For these same reasons, AQN is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures may vary materially from the corresponding U.S. GAAP financial measures.

Speakers and Agenda



Arun Banskota
President and
Chief Executive Officer



Darren Myers
Chief Financial Officer



Brian Chin
Vice President,
Investor Relations

Introductory Remarks.....	Brian Chin
Q4 2022 Key Updates.....	Arun Banskota
Q4 2022 Financial Highlights.....	Darren Myers
Advancing our Strategic Plan.....	Arun Banskota

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Key Updates

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A horizontal line with a color gradient from purple on the left to green on the right.

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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.

Key Updates

✓ Stable Financial Footing; in line with Revised Guidance

- Q4 Adjusted Net Earnings per share¹ of \$0.22, a 5% increase YoY
- 2022 Adjusted Net Earnings per share¹ of \$0.69, at top end of guidance of \$0.66 - \$0.69

✓ Executing on Decisive Actions Presented on January Investor Update Call

- Reducing capital spending to recognize macro environment and company-specific factors
- Optimizing portfolio by targeting ~\$1 billion of asset sale announcements in 2023
- Quarterly dividend reset from \$0.1808 to \$0.1085
- Reducing reliance on capital markets; no new common equity financings expected through end of 2024

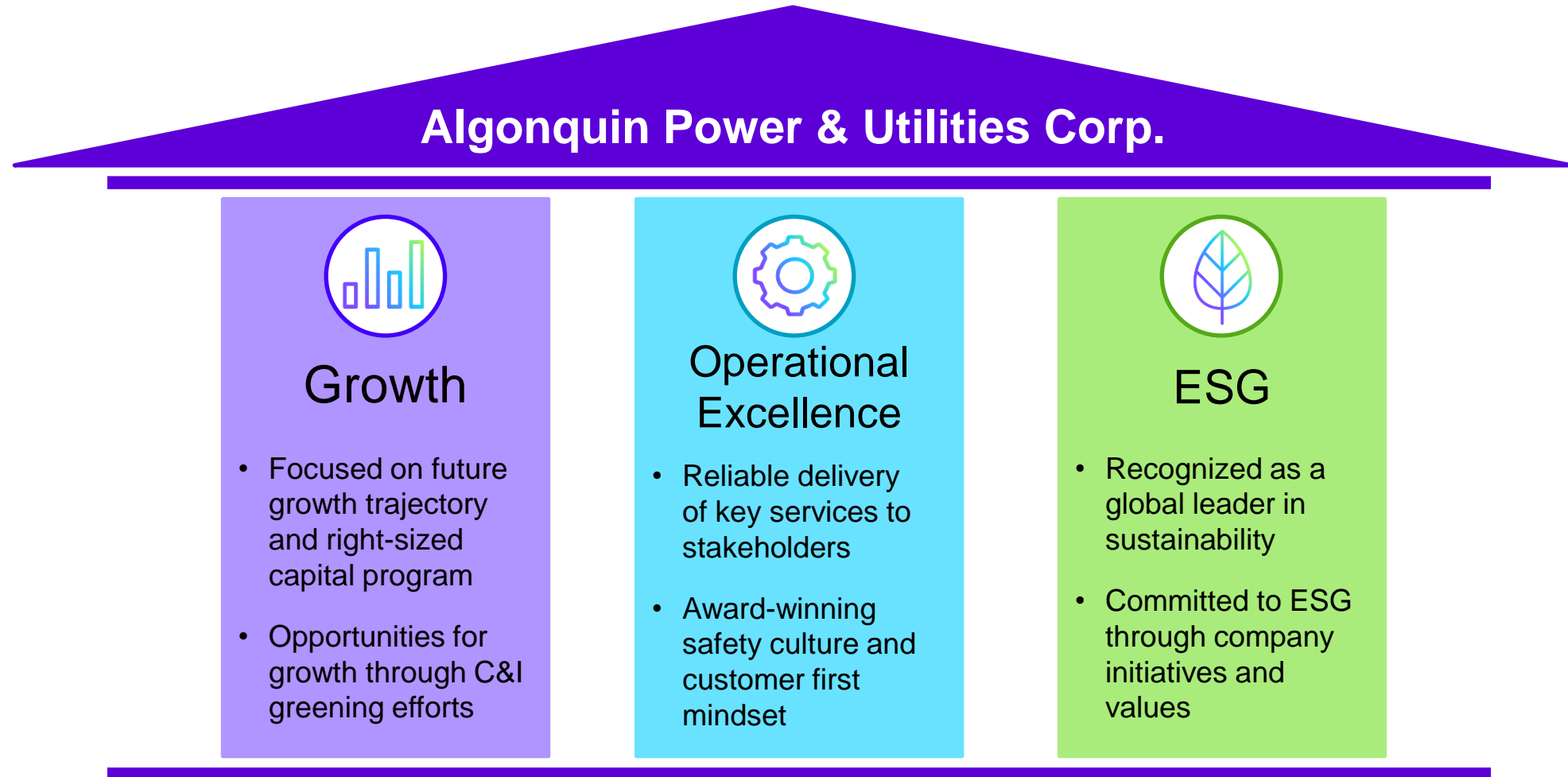
✓ Successful Completion of Inaugural Asset Recycling Program

- Closed previously-announced sale of ownership interests in wind facilities on December 29
- Total cash proceeds of ~\$357.6 million²; with recorded gain on disposition of ~\$62.8 million

1. Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Non-GAAP Financial Measures beginning on page 20 of this presentation.
2. Subject to certain potential future post-closing adjustments.



Three Pillar Foundation

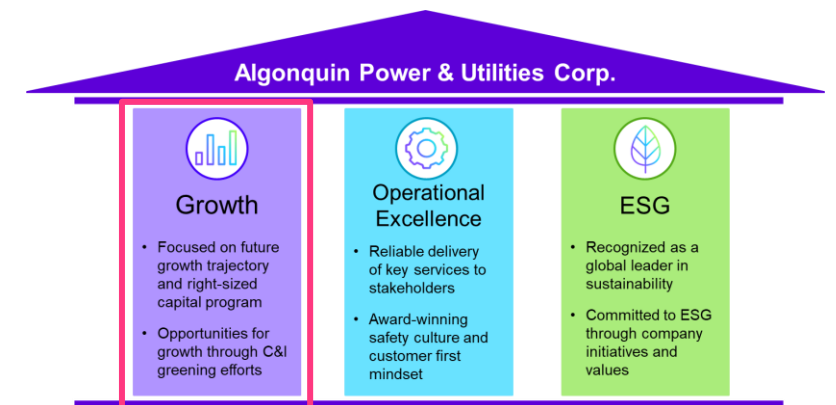


Three pillars form the key foundation as we continue to build the business







Regulated Services Group - Growth




- **Kentucky Power Acquisition update**

- On February 14, 2023, AQN filed new application with FERC for approval of the transaction
- Closing of transaction remains subject to satisfaction or waiver of certain conditions



Renewable Energy Group - Growth

Solar Projects	Anticipated Project Size	Site Preparation	Panels Installed	Status Towards Commissioning of Facility ³
Community Solar ¹	13 MW	100%	100%	
New Market Solar – Phase 1	35 MW	100%	70%	
New Market Solar – Phase 2	65 MW	100%	0%	
Chevron – Hayhurst, TX ²	25 MW	100%	90%	
Chevron – Hayhurst, NM ²	20 MW	100%	100%	
Carvers Creek	150 MW	5%	0%	
Total	308 MW			

Wind Projects	Anticipated Project Size	Site Preparation	Turbines Erected	Status Towards Commissioning of Facility ³
Shady Oaks II	108 MW	100%	100%	
Sandy Ridge II	88 MW	50%	30%	
Deerfield II	112 MW	100%	100%	
Total	308 MW			

1. Combines multiple projects.
2. Project co-owned with Chevron.
3. Judgmental estimate.

Regulated Services Group – Operational Excellence

- **Recent recognitions for commitment to safety and reliability**

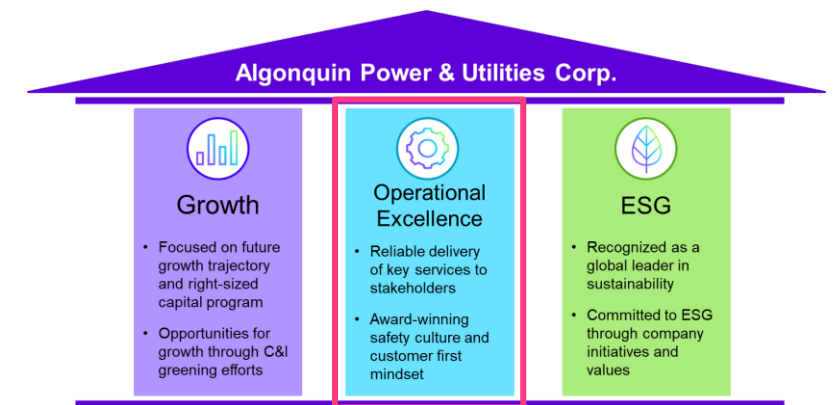
- EEI Emergency Response Award presented to Bermuda team for restoration efforts following Hurricane Fiona
- AGA Leading Indicator Safety Award
- AGA Safety Achievement Award

- **Safety excellence in 2022**

- 4 million hours without a lost time injury; excellent lost time injury rate of 0.03
- Top decile recordable injury rate of 0.53

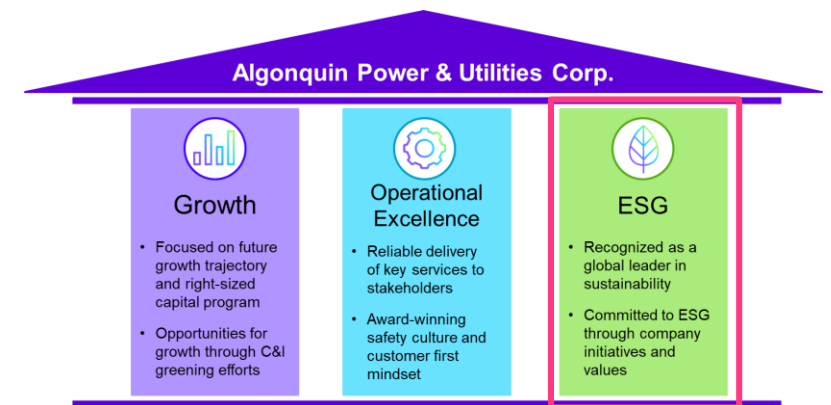
- **System reliability and resiliency remains high priority**

- Completed rate appeal in New Brunswick
- Received California Water rate order
- New rate case filings in Arkansas and New Brunswick



Three Pillar Foundation – Sustainability

- **2022 Sustainability Report**
 - Published on November 7, 2022 – [2022 ESG Report](#)
 - Enhanced data of key ESG initiatives
- **Recent recognitions for ESG initiatives and efforts**
 - Bloomberg Gender Equity Index for 4th straight year
 - Terra Carta Seal
 - Globe and Mail’s 2022 Report on Business Women Lead Here list





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Financial Performance

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Financial Performance

	Three Months Ended December 31			Twelve Months Ended December 31		
	2022	2021	Variance	2022	2021	Variance
<i>All figures are in \$ millions except per share data</i>						
Revenue	748.0	592.0	26%	2,765.2	2,274.1	22%
Net earnings (loss) attributable to shareholders	(74.4)	175.6	(142)%	(212.0)	264.9	(180)%
<i>Per share</i>	(0.11)	0.27	(141)%	(0.33)	0.41	(180)%
Cash provided by operating activities	214.6	126.5	70%	619.1	157.5	293%
Adjusted Net Earnings¹	151.0	137.0	10%	474.9	449.0	6%
<i>Per share¹</i>	0.22	0.21	5%	0.69	0.71	(3)%
Adjusted EBITDA¹	358.3	298.3	20%	1,256.8	1,076.3	17%
Adjusted Funds from Operations¹	258.4	221.1	17%	864.1	757.9	14%
Dividend per share	0.1808	0.1706	6%	0.7130	0.6669	7%

1. Please see "Non-GAAP Financial Measures" on page 2 of this presentation, and Appendix - Non-GAAP Financial Measures beginning on page 20 of this presentation.

Financial Update – Capital Plan

- **Expected capital deployment of ~\$3.6 billion in 2023**
 - Inclusive of ~\$2.6 billion Kentucky Power Acquisition
 - Committed to making profitable investments to improve safety, reliability and resiliency
- **Committed to maintaining BBB investment-grade credit rating**
 - Ratings reaffirmed by S&P, Fitch and DBRS
 - Improvement in “Outlook” from DBRS
 - Liquidity position remains strong with ~\$2.3 billion of available liquidity
 - Extended delayed draw term facility of \$1.1 billion to end of November 2023
 - Expect to extend and upsize AQN credit facility to add additional \$500 million
 - Ended 2022 at ~89% fixed rate debt; improvements expected during the remainder of 2023
 - Long-term targeted fixed rate level of >85%
- **Reaffirming 2023 Adjusted Net Earnings per share¹ estimate**
 - 2023 Adjusted Net Earnings per share estimated range of \$0.55 - \$0.61²
 - Calculated excluding impact of gains or losses on asset sales



1. Please see “Non-GAAP Financial Measures” on page 2 of this presentation, and Appendix - Non-GAAP Financial Measures beginning on page 20 of this presentation.

2. This estimate is based on, and should be read in conjunction with, the assumptions set out under “Outlook – Estimated 2023 Adjusted Net Earnings Per Common Share” and “Caution Concerning Forward-Looking Statements and Forward-Looking Information” in the Annual MD&A, which is available on SEDAR and EDGAR. Please also refer to “Forward-Looking Statements” on slide 2 of this presentation.

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Advancing our Strategic Plan

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Advancing our Strategic Plan

1

Optimizing Existing Portfolio of Assets

- ~\$1 billion of asset sale announcements targeted in 2023
- Proceeds from next phase expected to further improve financial flexibility

2

Path Forward on Kentucky Power

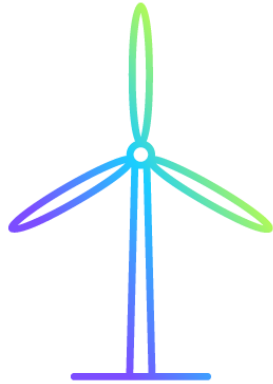
- New application filed with FERC on February 14, 2023

3

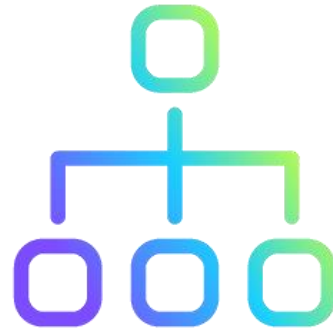
Operational Discipline and Profitable Growth

- ~\$3.6 billion in capital investments expected in 2023
- Further enhance AQN's businesses and strategy
- Reaffirm January 2023 Outlook

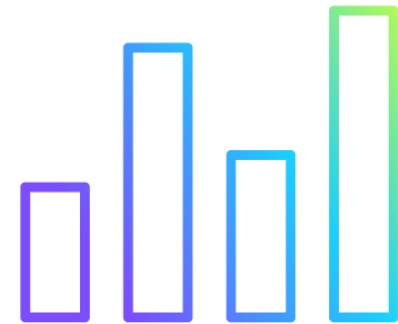
Concluding Remarks



Regulated and Renewables businesses well positioned to benefit from decarbonization transformation



Three strategic pillars continue to provide key foundation for the Company



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

Prudent and proactive measures in place to navigate current challenges and create long-term shareholder value



Q&A



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Appendix

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Utility by Facility & Modality

Rate Base & Return on Equity (“ROE”) by Major Facility and Modality

Facility	2021 Rate Base (\$mm)	2022 Rate Base (\$mm) ¹	Latest Authorized ROE
Empire Electric	\$2,718	\$2,852	9.3%
California Electric and Water	\$554	\$616	9.8%
New York Water	\$0	\$490	9.1%
New Hampshire Gas	\$435	\$490	9.3%
Bermuda Electric	\$432	\$472	8.9%
Chile Water	\$329	\$353	9.5%
Massachusetts Gas	\$249	\$282	9.6%
New Hampshire Electric	\$169	\$203	9.1%
All Other	\$924	\$1,013	9.7%
Total	\$5,810	\$6,772	9.4%
Modality	2021 Rate Base (\$mm)	2022 Rate Base (\$mm) ¹	Latest Authorized ROE
Electric	\$3,664	\$3,900	9.3% ²
Water	\$789	\$1,376	9.4%
Gas	\$1,357	\$1,496	9.6%
Total Utility Rate Base	\$5,810	\$6,772	9.4%

The weighted average equity ratio of regulated utilities is approximately 50%

1. Rate base is a measure specific to rate-related utilities that is not intended to represent any financial measure as defined by U.S. GAAP. The measure is used by the regulatory authorities in the jurisdictions where the Company's rate-regulated subsidiaries operate. The calculation of this measure as presented may not be comparable to similarly-titled measures used by other companies.
2. Does not include Kentucky Power rate base of ~\$2.2 B (mid-point 2022 estimate).

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 December 31 ¹		Twelve months ended December 31	
	2022	2021	2022	2021
Net earnings (loss) attributable to shareholders	\$ (74.4)	\$ 175.6	\$ (212.0)	\$ 264.9
Add (deduct):				
Net earnings attributable to the non-controlling interest, exclusive of HLBV	6.0	2.3	18.9	16.1
Income tax expense (recovery)	(28.6)	1.8	(61.5)	(43.4)
Interest expense	78.0	50.1	278.6	209.6
Other net losses ²	2.1	11.9	21.4	22.9
Unrealized loss (gain) on energy derivatives included in revenue	(2.1)	0.6	0.9	5.4
Asset impairment charge	159.6	—	159.6	—
Impairment of equity-method investee	75.9	—	75.9	—
Pension and post-employment non-service costs	4.6	4.9	11.0	16.3
Change in value of investments carried at fair value ³	14.7	(61.0)	499.1	122.4
Impacts from the Market Disruption Event ⁴ on the Senate Wind Facility	—	—	—	53.4
Costs related to tax equity financing	—	1.4	—	5.7
Gain on derivative financial instruments	(6.4)	(1.1)	(4.4)	(4.4)
Loss on foreign exchange	14.1	1.0	13.8	4.4
Depreciation and amortization	114.8	110.8	455.5	403.0
Adjusted EBITDA⁵	\$ 358.3	\$ 298.3	\$ 1,256.8	\$ 1,076.3

¹ Amounts for the three months ended December 31, 2022 and 2021 are derived by subtracting the Company's results for the nine months ended September 30, 2022 and 2021 from the Company's 2022 and 2021 annual results, respectively.

² See Note 19 in the annual consolidated financial statements.

³ See Note 8 in the annual consolidated financial statements.

⁴ 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.

⁵ Amounts for the three and twelve months ended December 31, 2022 include \$62.8 million and \$64.0 million, respectively, in gains from asset dispositions. Amounts for the three and twelve months ended December 31, 2021 include \$29.1 million and \$29.1 million, respectively, in gains from asset dispositions.

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 December 31 ¹		Twelve months ended December 31	
	2022	2021	2022	2021
Net earnings (loss) attributable to shareholders	\$ (74.4)	\$ 175.6	\$ (212.0)	\$ 264.9
Add (deduct):				
Gain on derivative financial instruments	(6.4)	(1.1)	(4.4)	(4.4)
Other net losses ²	2.1	11.9	21.4	22.9
Asset impairment charge	159.6	—	159.6	—
Impairment of equity-method investee	75.9	—	75.9	—
Loss on foreign exchange	14.1	1.0	13.8	4.4
Unrealized loss (gain) on energy derivatives included in revenue	(2.1)	0.6	0.9	5.4
Change in value of investments carried at fair value ³	14.7	(61.0)	499.1	122.4
Impacts from the Market Disruption Event on the Senate Wind Facility	—	—	—	53.4
Costs related to tax equity financing and other adjustments	—	1.4	—	5.7
Adjustment for taxes related to above	(32.5)	8.6	(79.4)	(25.7)
Adjusted Net Earnings⁴	\$ 151.0	\$ 137.0	\$ 474.9	\$ 449.0
Adjusted Net Earnings per common share	\$ 0.22	\$ 0.21	\$ 0.69	\$ 0.71

¹ Amounts for the three months ended December 31, 2022 and 2021 are derived by subtracting the Company's results for the nine months ended September 30, 2022 and 2021 from the Company's 2022 and 2021 annual results, respectively.

² See Note 19 in the annual consolidated financial statements.

³ See Note 8 in the annual consolidated financial statements.

⁴ Amounts for the three and twelve months ended December 31, 2022 include \$53.4 million and \$54.3 million, respectively, in gains from asset dispositions after tax. Amounts for the three and twelve months ended December 31, 2021 include \$21.1 million and \$21.1 million, respectively, in gains from asset dispositions after tax.

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 December 31 ¹		Twelve months ended December 31	
	2022	2021	2022	2021
Cash provided by operating activities	\$ 214.6	\$ 126.5	\$ 619.1	\$ 157.5
Add (deduct):				
Changes in non-cash operating items	41.2	84.4	221.6	522.0
Production based cash contributions from non-controlling interests	—	—	6.2	4.8
Impacts from the Market Disruption Event on the Senate Wind Facility	—	—	—	53.4
Costs related to tax equity financing	—	0.5	(0.2)	5.7
Acquisition-related costs	2.6	9.8	17.4	14.5
Adjusted Funds from Operations²	\$ 258.4	\$ 221.2	\$ 864.1	\$ 757.9

¹ Amounts for the three months ended December 31, 2022 and 2021 are derived by subtracting the Company's results for the nine months ended September 30, 2022 and 2021 from the Company's 2022 and 2021 annual results, respectively.

² Amounts for the three and twelve months ended December 31, 2022 include \$62.8 million and \$64.0 million, respectively, in gains from asset dispositions. Amounts for the three and twelve months ended December 31, 2021 include \$29.1 million and \$29.1 million, respectively, in gains from asset dispositions.



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*	688,151,959
Share Price*	\$7.63
Market Capitalization*	\$5.3 B
Dividend**	\$0.4340 per share annually

* Shares outstanding, closing price (NYSE), and market capitalization as of February 28, 2023.

** Annualized using Q1 2023 dividend rate.

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Contact Information

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