



Letter from the President and Chief Executive Officer

November 17, 2022

Dear Algonquin Shareholders,

I am reaching out in light of our recently announced financial results and subsequent market reaction. We continue to be committed to being transparent and explaining why we believe in the underlying strength of our business and assets, why we are confident we can navigate the current environment and why we feel positioned to deliver long-term shareholder value.

Algonquin remains focused on driving sustainable long-term profitable growth that supports an investment grade credit rating. Our dividend is an important component of our total shareholder return. We strive to provide a strong and sustainable dividend to our shareholders.

We want to be clear about the rapid changes we are seeing in the capital and credit markets, given the inflation and interest rate environment. When the macro environment changes, we have to respond in order to position the company to deliver long-term profitable growth and shareholder value. We are in the process of identifying and implementing adjustments to address the new market conditions.

Throughout our 34-year history, we have driven significant growth in our regulated and renewables businesses. We remain committed to executing on our three strategic pillars of **growth, operational excellence and sustainability.**



Algonquin's regulated business continues to be a primary growth driver. We've grown our regulated business through the years, and today have a diversified portfolio serving more than one million customer connections in the United States, Canada, Bermuda and Chile.



The pending closing of the Kentucky Power Company acquisition will represent another key addition for our regulated business. This transaction is expected to add to our rate base, grow customer connections and provide an opportunity to be part of the energy transition in Kentucky.



As the industry continues to see an energy transition, we believe we are well positioned to contribute to, and benefit from, the decarbonization transformation. Our diverse portfolio of operating power generation facilities primarily located across Canada and the United States, together with our proven ability to develop and construct new renewable energy facilities, provide us with a solid foundation and flexibility to create value strategically.

I remain motivated and impressed by the company's entrepreneurial spirit, customer focus and commitment to sustainability. I strongly believe in the company and continue to be excited by its future potential. I purchased a total of 131,000 Algonquin common shares on November 14 and 15, 2022, along with other members of our Board of Directors, who similarly put their own money behind their conviction in Algonquin. **With our strong foundation, dedicated team, long-term prospects and commitment to creating shareholder value, we are confident we will navigate this changing environment and come out as a stronger, more resilient company.**

We highly value our shareholders and look forward to providing you with additional updates at our Investor Day in early 2023. Thank you for your continued support.

Sincerely,

Arun Banskota
President and Chief Executive Officer

Caution Regarding Forward-Looking Statements

Certain statements included in this letter may 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”, “believes” (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 in this news release include, but are not limited to, statements regarding: expectations regarding future growth, shareholder value creation, credit ratings and dividends; and expectations regarding the Kentucky Power Company acquisition, including the closing and expected benefits thereof. 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 very nature they require making assumptions and involve inherent risks and uncertainties. Algonquin cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that 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 Algonquin’s Management Discussion & Analysis for the year ended December 31, 2021 and for the three and nine months ended September 30, 2022, and in Algonquin’s Annual Information Form for the year ended December 31, 2021, each of which is available on SEDAR and EDGAR. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of the date hereof. Other than as specifically required by law, Algonquin undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.