



Q2 2021

Earnings Conference Call

August 13, 2021

10:00 a.m. ET

Algonquin



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 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” 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, funds from operations, debt, dividends and rate base; capital expenditure and investment plans; development projects (including greenfield opportunities) and the anticipated generation capacity, completion, cost, location, size, success rate, customer benefits and qualification for tax credits of such projects; demand for renewable energy generation by C&I (as defined herein) customers and the impact thereof on the Company’s growth; the closing of acquisitions; expected sources and uses of capital; projections about liquidity, capital sufficiency, cost savings and credit ratings; the Company’s corporate development activities and the results thereof, including the expected business mix between the Company’s operating segments; the Company’s sustainability and environmental, social and governance goals; the Company’s expected growth strategies; anticipated utility rates, regulatory outcomes and recoverability of investments; and expectations regarding safety, reliability and system operating performance; customer expectations. 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 months ended June 30, 2021 (the “Interim MD&A”), AQN’s Management Discussion and Analysis for the three and twelve months ended December 31, 2020 (the “Annual MD&A”), and AQN’s Annual Information Form for the year ended December 31, 2020, 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” (“Adjusted Net EPS”), “earnings before interest, taxes, depreciation and amortization” (“EBITDA”), “Adjusted EBITDA”, “Adjusted Funds from Operations”, “Net Energy Sales”, “Net Utility Sales” and “Divisional Operating Profit” (together the “Financial Measures”) may be used in this presentation and discussion. The Financial Measures are not recognized measures under U.S. GAAP. There is no standardized measure of the Financial Measures. Consequently, AQN’s method of calculating the Financial 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, calculation and analysis of the Financial Measures, including a reconciliation to the most directly comparable U.S. GAAP measure, where applicable, can be found in the Interim MD&A. A reconciliation of certain of the Financial Measures used 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



Arthur Kacprzak
Chief Financial Officer



Amelia Tsang
Vice President,
Investor Relations

Introductory Remarks.....	Amelia Tsang
Q2 2021 Strategic Achievements.....	Arun Banskota
Q2 2021 Financial Highlights.....	Arthur Kacprzak
Advancing our Strategic Plan.....	Arun Banskota



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Strategic Achievements

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Strategic Achievements

✓ Solid YoY Growth in Key Financial Metrics

- Q2 2021 Adjusted EBITDA¹ of \$244.9 million – a 39% year-over-year increase
- Q2 2021 Adjusted Net EPS¹ of \$0.15 – a 67% year-over-year increase
- Growth through acquisitions and related investment opportunities

✓ No material earnings impact by the pandemic in Q2 2021

- Supported by resiliency of business model
- Continue to employ operational measures intended to protect health and safety of our employees and customers

✓ Three Pillar Foundation Underpins Strategy

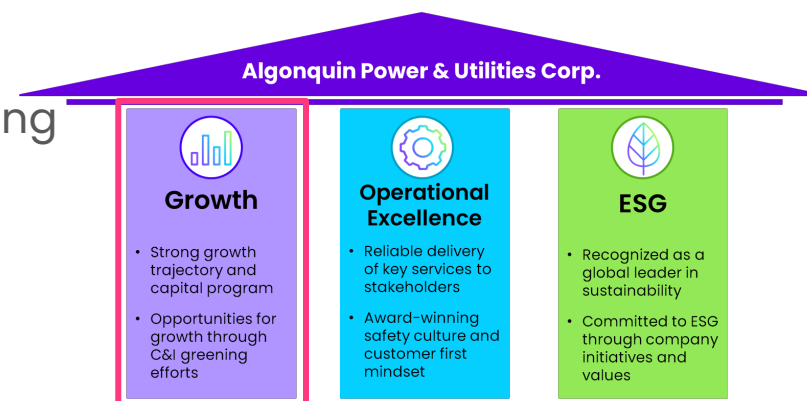
- Continue to focus our efforts on Algonquin's three strategic pillars:
 - Growth
 - Operational Excellence
 - Sustainability



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

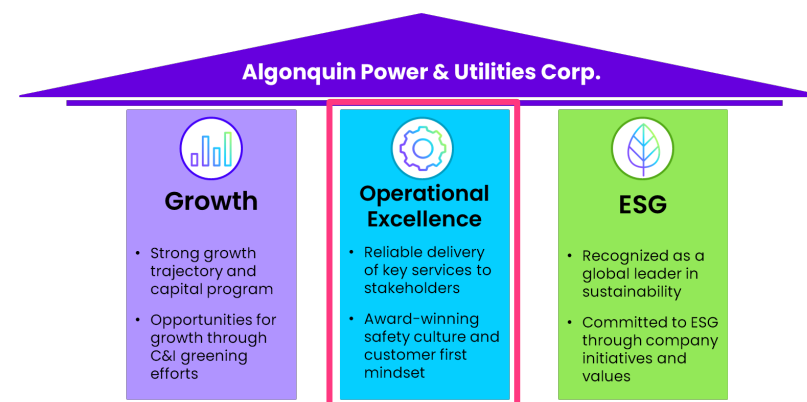
Regulated Services Group – Growth

- **‘Greening the fleet’ initiatives accelerate our transition to a clean energy future**
 - Completed construction of our Midwest wind facilities: North Fork Ridge, Kings Point & Neosho Ridge
 - Early retirement of Asbury coal plant has reduced emissions by over 900,000 metric tons of CO2
 - Filed application for Luning Expansion project, expected to add reliability and price stability for our customers
- **Organic investments expected to improve safety and reliability**
 - Active in rate cases across our jurisdictions
- **Acquisitions key lever of growth**
 - Integration of ESSAL and Ascendant continues to proceed well
 - New York American Water: continuing to progress towards closing



Regulated Services Group – Operational Excellence

- **Safety and reliability key priorities**
 - Achieved milestone of 526 days and over 7 million hours without a single lost time injury
 - Innovative approaches to support system resiliency
 - Customer First: successful implementation of new SAP systems at Massachusetts Gas utility
- **Customer experience essential component of operational excellence strategy**
 - Proactive in collecting customer feedback to elevate user experience and satisfaction
 - Existing JP Power Surveys
 - Rollout of net promotor scoring



Renewable Energy Group – Growth

- Strong relationships with key Commercial & Industrial (“C&I”) customers
 - Demand from C&I customers expected to be an attractive source of growth for Algonquin
- **Maverick Creek Wind Facility in Texas (492 MW)**
 - Reached commercial operations in Q2 2021
 - Long-term power purchase agreements (PPA) with General Mills and Kimberly Clark
 - Remediation work for blade manufacturing error completed in early June; all affected turbines returned to service
- **Altavista Solar in Virginia (80 MW)**
 - Reached commercial operations in Q2 2021
 - 12-year PPA with Facebook
- **West Raymond Wind Facility in Texas (~240 MW)**
 - Closed acquisition of 51% interest in West Raymond in Q3 2021
 - Achieved commercial operations in Q3 2021



Three Pillar Foundation – Sustainability

- Reached milestone of owning, operating and having net interests in 4 GW of renewable generation
 - On track to achieving 75% renewable energy generation by 2023
 - Added over 1,400 MW of renewable generation since beginning of 2020
- Firmly committed to inclusion of ESG values in our broader corporate strategy
 - Advancing our ESG disclosures to our stakeholders
 - ESG data hub launch: <https://algonquinpower.com/sustainability/esg-disclosure-hub.html>
 - Addition of sustainability metrics to annual and long-term compensation for executive team
- AQN becoming increasingly recognized for ESG strategy
 - Included into Corporate Knights' 2021 Best 50 Corporate Citizens



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Financial Performance

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Financial Performance

Three Months Ended June 30

All figures are in \$ millions except per share data

	2021	2020	Variance
Adjusted Net Earnings¹	91.7	47.4	93%
<i>Per share¹</i>	0.15	0.09	67%
Adjusted EBITDA¹	244.9	176.3	39%
Adjusted Funds from Operations¹	161.3	93.4	73%
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 Updates

- **Making progress on 2021 capital plan**
 - Deployed ~\$1.2 billion of capital in Q2 2021, bringing total capital deployed YTD to approximately \$3.1 billion
- **Completed a Green Mandatory Equity Units offering with total gross process of \$1.15 billion**
 - Largely de-risking Algonquin's 5-year financing plan, further strengthening our balance sheet
 - Green Units assigned 100% Equity Credit from S&P
 - First Green Mandatory Equity Unit offering ever done in North America
- **2021 results expected to benefit from addition of:**
 - ~1,400 MW of new renewables completed since the beginning of 2020
 - First full year of operations from BELCO and ESSAL

Highly committed to maintaining BBB (flat) capital structure

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Advancing our Strategic Plan

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Advancing our Strategic Plan

✓ \$9.4 Billion Capital Investment Plan – 2021 through 2025

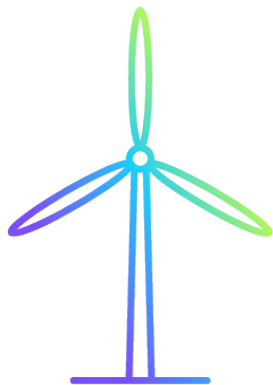
- \$6.3 billion – Regulated Services Group
- \$3.1 billion – Renewable Energy group
- Majority of identified projects in operation, under construction, or in advanced stages of development

✓ Identified Pipeline of Prospective 3.4 GW Greenfield Opportunities

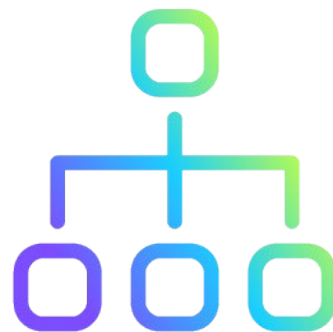
- Not included in \$9.4 billion capital investment plan
- Aim to bring qualifying projects into construction in 2023 and beyond

Algonquin well-positioned to contribute to and benefit from decarbonization transition

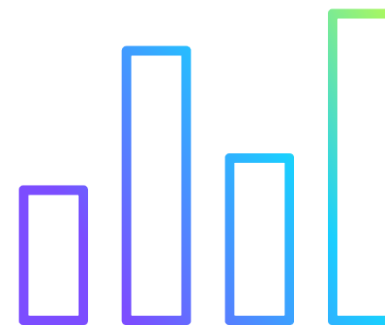
Concluding Remarks



Continue to successfully execute on largest construction program in Company's history



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 June 30	
	2021	2020
Net earnings attributable to shareholders	\$ 103.2	\$ 286.2
Add (deduct):		
Net earnings attributable to the non-controlling interest, exclusive of HLBV ¹	2.9	4.0
Income tax expense (recovery)	(4.2)	46.9
Interest expense	58.2	44.8
Other net losses ³	1.8	26.9
Pension and post-employment non-service costs	3.9	3.6
Change in value of investments carried at fair value ²	(27.3)	(309.8)
Costs related to tax equity financing	5.3	—
Loss (gain) on derivative financial instruments	1.4	(1.4)
Realized gain (loss) on energy derivative contracts	0.2	(0.6)
Loss on foreign exchange	1.3	—
Depreciation and amortization	98.2	75.7
Adjusted EBITDA	\$ 244.9	\$ 176.3

¹ 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 June 30, 2021 amounted to \$21.3 million as compared to \$17.3 million during the same period in 2020.

² See Note 6 in the unaudited interim consolidated financial statements.

³ See Note 16 in the unaudited interim consolidated financial statements.

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	
	June 30	
	2021	2020
Net earnings attributable to shareholders	\$ 103.2	\$ 286.2
Add (deduct):		
Loss (gain) on derivative financial instruments	1.4	(1.4)
Realized gain (loss) on energy derivative contracts	0.2	(0.6)
Other net losses ²	1.8	26.9
Loss on foreign exchange	1.3	—
Change in value of investments carried at fair value ¹	(27.3)	(309.8)
Costs related to tax equity financing and other non-recurring adjustments	5.3	—
Adjustment for taxes related to above	5.8	46.1
Adjusted Net Earnings	\$ 91.7	\$ 47.4
Adjusted Net Earnings per share	\$ 0.15	\$ 0.09

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 Flows from 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 from operating activities in accordance with U.S. GAAP.

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

(all dollar amounts in \$ millions)	Three Months Ended June 30	
	2021	2020
Cash flows from operating activities	\$ 103.3	\$ 142.9
Add (deduct):		
Changes in non-cash operating items	51.8	(52.6)
Costs related to tax equity financing	5.3	—
Acquisition-related costs	0.9	3.1
Adjusted Funds from Operations	\$ 161.3	\$ 93.4



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*	617,540,355
Share Price*	\$14.88
Market Capitalization*	\$9.2 B
Dividend**	\$0.6824 per share annually

* Shares outstanding, closing price (NYSE), and market capitalization as of June 30, 2021.
** Annualized using Q3 2021 dividend rate.

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