

Q3



Corporate profile¹

Algonquin Power & Utilities Corp. (“Algonquin”, “we”, or “our”), parent company of Liberty, is a diversified international generation, transmission, and distribution utility with approximately \$18 billion of total assets. Algonquin is committed to providing safe, secure, reliable, cost-effective, and sustainable energy and water solutions through its portfolio of generation, transmission, and distribution utility investments to over one million customer connections, largely in the United States and Canada. In addition, Algonquin owns, operates, and/or has net interests in over 4 GW of installed renewable energy capacity.

AlgonquinPower.com

TSX/NYSE: AQN

1. Data in this report is provided as at September 30, 2024, unless otherwise stated. Dollar figures herein are presented in U.S. dollars unless otherwise stated.



Management Discussion & Analysis

Management of Algonquin Power & Utilities Corp. ("AQN", "Company" or the "Corporation") has prepared the following discussion and analysis to provide information to assist its securityholders' understanding of the financial results for the three and nine months ended September 30, 2024. This Management Discussion & Analysis ("MD&A") should be read in conjunction with AQN's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 and 2023. This MD&A should also be read in conjunction with AQN's annual consolidated financial statements for the years ended December 31, 2023 and 2022. This material is available on SEDAR+ at www.sedarplus.com, on EDGAR at www.sec.gov/edgar, and on the AQN website at www.algonquinpower.com. Additional information about AQN, including the most recent Annual Information Form ("AIF"), can be found on SEDAR+ at www.sedarplus.com and on EDGAR at www.sec.gov/edgar.

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Explanatory Notes

Unless otherwise indicated, financial information provided for the three and nine months ended September 30, 2024 and 2023 has been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). As a result, the Company's financial information may not be comparable with financial information of other Canadian companies that provide financial information on another basis.

All monetary amounts are in U.S. dollars, except where otherwise noted. We denote any amounts denominated in Canadian dollars with "C\$" immediately prior to the stated amount. Certain amounts in this MD&A may not total due to rounding.

Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Company's most recent AIF.

The term "rate base" is used in this document. Rate base is a measure specific to rate-regulated 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 may not be comparable to similarly-titled measures used by other companies.

Renewables business sale

On August 9, 2024, the Company entered into an agreement to sell its renewable energy business (excluding hydro) ("Renewables sale") to a wholly-owned subsidiary of LS Power ("LS Buyer") for total cash consideration of up to \$2.5 billion (subject to certain closing adjustments), excluding debt, consisting of \$2.28 billion in cash at closing and up to \$220 million in cash pursuant to an earn out agreement relating to certain wind assets (the "Earn Out"). The sale remains subject to the satisfaction of closing conditions, including the approval of the U.S. Federal Energy Regulatory Commission. The Company currently expects the transaction to close in the fourth quarter of 2024 or the first quarter of 2025 and for the net cash proceeds to be approximately \$1.7 to \$1.8 billion (excluding the Earn Out) after repaying non-consolidated construction financing, and net of taxes, transaction fees and other closing adjustments. This represents an increase to the Company's previous estimate as a result of the buy-out of the Carvers Creek solar project during the third quarter of 2024, resulting in consolidation of \$206.9 million of construction debt.

Due to construction timing delays on certain projects, as well as the mechanisms by which the associated tax equity attributes are expected to be monetized, approximately \$150 million of net proceeds described above are now expected to be obtained in late 2025. The amount and timing of the ultimate net cash proceeds will be dependent on, among other things, third-party consents and completion and final construction costs of certain in-construction assets and the associated monetization of tax credits on these projects.

The Company concluded the consolidated assets within the renewable energy business being sold have met the accounting requirements to be presented as "Held for Sale" in the third quarter of 2024 based on the receipt of final commercial terms, Board (as defined herein) approval to consummate the transaction, and the signing of the sale agreement all occurring within this quarter. As a result, the renewable energy business (excluding hydro) has been classified as "discontinued operations" for the current and comparative periods. The Company recorded an impairment loss of \$1,298.0 million in the third quarter of 2024 as a result of the classification of the renewable energy business (excluding hydro) as "discontinued operations". The recorded impairment loss represents an increase from the Company's original estimate primarily due to capital expenditures during the third quarter of 2024, changes in foreign exchange rates and market changes in the assumptions used in calculating the fair value of the Earn-Out. However, the ultimate loss recorded upon the disposition of the renewable energy business (excluding hydro) will be dependent on, among other things, the timing and amount of future capital expenditures relating to the assets being disposed of, the associated monetization of tax credits on certain projects, which will impact the carrying value of these assets, the consideration received and other closing adjustments.

The discontinued operations operate as a distinct segment and have no impact on the operations of the Regulated Services Group operating segment, other than sharing certain corporate support functions and benefiting from corporate debt and equity funding. This MD&A reflects the results of continuing operations, unless otherwise noted.

Unless noted otherwise, this MD&A is based on information available to management as of November 7, 2024.

Caution Concerning Forward-Looking Statements and Forward-Looking Information

This document may contain statements that 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 or "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information"). The words "aims", "anticipates", "believes", "budget", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would", "seeks", "strives", "targets" (and grammatical variations of such terms) and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specific forward-looking information in this document includes, but is not limited to, statements relating to: expected future growth, earnings and results of operations; the Renewables sale and the anticipated impact thereof on the Corporation, including expectations regarding the timing of the sale, the proceeds therefrom and the ultimate impairment loss to be recorded; the Company's integrated customer solution technology platform; liquidity, capital resources and operational requirements; sources of funding, including adequacy and availability of credit facilities, cash flows from operations, capital markets financing, and asset recycling or asset sales initiatives; ongoing and planned acquisitions, dispositions, projects, initiatives or other transactions, including expectations regarding timing, costs, proceeds, financing, results, ownership structures, regulatory matters, in-service dates and completion dates; financing plans; expectations regarding future macroeconomic conditions; expectations regarding the Company's corporate development activities and the results thereof; expectations regarding regulatory hearings, motions, filings, appeals and approvals, including rate reviews, and the timing, impacts and outcomes thereof; expectations regarding the redemption of outstanding notes; expected future generation, capacity and production of the Company's energy facilities; expectations regarding future capital investments, including expected timing, investment plans, sources of funds and impacts; capital management plans and objectives; expectations regarding the outcome of legal claims and disputes; strategy and goals; dividends to shareholders; expectations regarding future "greening the fleet" initiatives; credit ratings and equity credit from rating agencies; expectations regarding debt repayment and refinancing; the impact on the Company of actual or proposed laws, regulations and rules, including the EIFEL rules and the GMTA (each as defined herein); the expected impact of changes in customer usage on the Regulated Services Group's revenue; accounting estimates; interest rates, including the anticipated effect of an increase thereof; financing costs; and currency exchange rates. All forward-looking information is given pursuant to the "safe harbour" provisions of applicable securities legislation.

The forecasts and projections that make up the forward-looking information contained herein are based on certain factors or assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate decisions; the absence of material adverse regulatory decisions being received and the expectation of regulatory stability; the absence of any material equipment breakdown or failure; availability of financing (including tax equity financing and self-monetization transactions for U.S. federal tax credits) on commercially reasonable terms; the stability of credit ratings of the Corporation and its subsidiaries; the absence of unexpected material liabilities or uninsured losses; the continued availability of commodity supplies and stability of commodity prices; the absence of interest rate increases or significant currency exchange rate fluctuations; the absence of significant operational, financial or supply chain disruptions or liability, including relating to import controls and tariffs; the continued ability to maintain systems and facilities to ensure their continued performance; the absence of a severe and prolonged downturn in general economic, credit, social or market conditions; the successful and timely development and construction of new projects; the closing of pending acquisitions substantially in accordance with the expected timing for such acquisitions; the absence of capital project or financing cost overruns; sufficient liquidity and capital resources; the continuation of long-term weather patterns and trends; the absence of significant counterparty defaults; the continued competitiveness of electricity pricing when compared with alternative sources of energy; the realization of the anticipated benefits of the Corporation's acquisitions and joint ventures; the absence of a change in applicable laws, political conditions, public policies and directions by governments materially negatively affecting the Corporation; the ability to obtain and maintain licenses and permits; maintenance of adequate insurance coverage; the absence of material fluctuations in market energy prices; the absence of material disputes with taxation authorities or changes to applicable tax laws; continued maintenance of information technology infrastructure and the absence of a material breach of cybersecurity; the successful implementation and operation of new information technology systems and infrastructure; favourable relations with external stakeholders; favourable labour relations; that the Corporation will be able to successfully integrate newly acquired entities, and the absence of any material adverse changes to such entities prior to closing; the absence of undisclosed liabilities of entities being acquired; that such entities will maintain constructive regulatory relationships with applicable regulatory authorities; the ability of the Corporation to retain key personnel of acquired entities and the value of such employees; no adverse developments in the business and affairs of the sellers during the period when transitional services are provided to the Corporation in connection with any acquisition; the ability of the Corporation to satisfy its liabilities and meet its debt service obligations following completion of any acquisition; the ability of the Corporation to successfully execute future "greening the fleet" initiatives; and the ability of the Corporation to effect the Renewables sale and realize the anticipated benefits therefrom.

The forward-looking information contained herein is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ materially from current expectations include, but are not limited to: changes in general economic, credit, social or market conditions; changes in customer energy usage patterns and energy demand;

reductions in the liquidity of energy markets; global climate change; the incurrence of environmental liabilities; natural disasters, diseases, pandemics, public health emergencies and other force majeure events and the collateral consequences thereof, including the disruption of economic activity, volatility in capital and credit markets and legislative and regulatory responses; critical equipment breakdown or failure; supply chain disruptions; the imposition of import controls or tariffs; the failure of information technology infrastructure and other cybersecurity measures to protect against data, privacy and cybersecurity breaches; failure to successfully implement and operate, and cost overruns and delays in connection with, new information technology systems and infrastructure; physical security breach; the loss of key personnel and/or labour disruptions; seasonal fluctuations and variability in weather conditions and natural resource availability; reductions in demand for electricity, natural gas and water due to developments in technology; reliance on transmission systems owned and operated by third parties; issues arising with respect to land use rights and access to the Corporation's facilities; terrorist attacks; fluctuations in commodity and energy prices; capital expenditures; reliance on subsidiaries; the incurrence of an uninsured loss; a credit rating downgrade; an increase in financing costs or limits on access to credit and capital markets; inflation; increases and fluctuations in interest rates and failure to manage exposure to credit and financial instrument risk; currency exchange rate fluctuations; restricted financial flexibility due to covenants in existing credit agreements; an inability to refinance maturing debt on favourable terms; disputes with taxation authorities or changes to applicable tax laws; failure to identify, acquire, develop or timely place in service projects to maximize the value of tax credits; requirement for greater than expected contributions to post-employment benefit plans; default by a counterparty; inaccurate assumptions, judgments and/or estimates with respect to asset retirement obligations; failure to maintain required regulatory authorizations; changes in, or failure to comply with, applicable laws and regulations; failure of compliance programs; failure to identify attractive acquisition or development candidates necessary to pursue the Corporation's growth strategy; failure to dispose of assets (at all or at a competitive price) to fund the Company's operations and growth plans; delays and cost overruns in the design and construction of projects; loss of key customers; failure to complete or realize the anticipated benefits of acquisitions or joint ventures; Atlantica (as defined herein) or a third-party joint venture partner acting in a manner contrary to the Corporation's interests; a drop in the market value of Atlantica's ordinary shares; facilities being condemned or otherwise taken by governmental entities; increased external stakeholder activism adverse to the Corporation's interests; fluctuations in the price and liquidity of the Corporation's common shares and the Corporation's other securities; impact of significant demands placed on the Corporation as a result of pending acquisitions or growth strategies; potential undisclosed liabilities of any entities being acquired by the Corporation; uncertainty regarding the length of time required to complete pending acquisitions; the failure to implement the Corporation's strategic objectives or achieve expected benefits relating to acquisitions, dispositions or other initiatives, including with respect to the Renewables sale; the possibility of adverse reactions or changes in business relationships or relationships with employees resulting from the announcement or completion of the Renewables sale; risks relating to the diversion of the Board's or management's attention in connection with the Renewables sale; indebtedness of any entity being acquired by the Corporation; unanticipated expenses and/or cash payments as a result of change of control and/or termination provisions in purchase or sale agreements; and the reliance on third parties for certain transitional services following the completion of an acquisition. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Some of these and other factors are discussed in more detail under the heading "Enterprise Risk Management" in this MD&A and under the heading "Enterprise Risk Factors" in the Corporation's most recent AIF.

Forward-looking information contained herein (including any financial outlook) is provided for the purposes of assisting the reader in understanding the Corporation and its business, operations, risks, financial performance, financial position and cash flows as at and for the periods indicated and to present information about management's current expectations and plans relating to the future, and the reader is cautioned that such information may not be appropriate for other purposes. Forward-looking information contained herein is made as of the date of this document and based on the plans, beliefs, estimates, projections, expectations, opinions and assumptions of management on the date hereof. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. While subsequent events and developments may cause the Corporation's views to change, the Corporation disclaims any obligation to update any forward-looking information or to explain any material difference between subsequent actual events and such forward-looking information, except to the extent required by applicable law. All forward-looking information contained herein is qualified by these cautionary statements.

Caution Concerning Non-GAAP Measures

AQN uses a number of financial measures to assess the performance of its business lines. Some measures are calculated in accordance with U.S. GAAP, while other measures do not have a standardized meaning under U.S. GAAP. These non-GAAP measures include non-GAAP financial measures and non-GAAP ratios, each as defined in Canadian National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*. AQN's method of calculating these measures may differ from methods used by other companies and therefore may not be comparable to similar measures presented by other companies.

The terms "Adjusted Net Earnings", "Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization" ("Adjusted EBITDA"), "Adjusted Funds from Operations", and "Net Utility Sales", which are used throughout this MD&A, are non-GAAP

financial measures. An explanation of each of these non-GAAP financial measures is set out below and a reconciliation to the most directly comparable U.S. GAAP measure, in each case, can be found in this MD&A. In addition, "Adjusted Net Earnings" is presented throughout this MD&A on a per common share basis. Adjusted Net Earnings per common share is a non-GAAP ratio and is calculated by dividing Adjusted Net Earnings by the weighted average number of common shares outstanding during the applicable period.

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.

The composition of Adjusted EBITDA has been changed compared to AQN's MD&A for the nine months ended September 30, 2023 to include expenses related to corporate administrative expenses, which are now included within operating expenses. This change was made as these expenses are used by management to evaluate the operating performance of each business unit. Comparative figures have been adjusted for this new composition.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure used by many investors to compare companies on the basis of ability to generate cash from operations. AQN uses these calculations to monitor the amount of cash generated by AQN. AQN uses Adjusted EBITDA to assess the operating performance of AQN without the effects of (as applicable): depreciation and amortization expense, income tax expense or recoveries, acquisition and transition costs (including costs related to the 2023 strategic review of the Company's renewable energy business), certain litigation expenses, interest expense, gain or loss on derivative financial instruments, write down of intangibles and property, plant and equipment, earnings attributable to non-controlling interests exclusive of Hypothetical Liquidation at Book Value ("HLBV") income (which represents the value of net tax attributes earned in the period from electricity generated by certain of its U.S. wind power and U.S. solar generation facilities), non-service pension and post-employment costs, cost related to tax equity financing, costs related to management succession and executive retirement, costs related to prior period adjustments due to changes in tax law, costs related to condemnation proceedings, gain or loss on foreign exchange, earnings or loss from discontinued operations, changes in value of investments carried at fair value, gains and losses on disposition of assets, prior period adjustments included in the gain (loss) from equity method investments not operated by the Company, and other typically non-recurring or unusual items. AQN adjusts for these factors as they may be non-cash, unusual in nature and are not factors used by management for evaluating the operating performance of the Company. AQN believes that presentation of this measure will enhance an investor's understanding of AQN's operating performance. The Company also presents Adjusted EBITDA for each of its operating segments separately. For Adjusted EBITDA for the Regulated Services Group please see *2024 Third Quarter and Year-to-Date Regulated Services Group Adjusted EBITDA* on page 20 of this MD&A. For Adjusted EBITDA for the Corporate Group and for the Hydro Group, please see *Corporate Group Adjusted EBITDA* and *Hydro Group Adjusted EBITDA* on page 28 of this MD&A. The Company previously referred to these segmented measures as "Divisional Operating Profit" and has changed the description to Adjusted EBITDA to align with industry practice. No change was made to the composition or computation thereof. Adjusted EBITDA is not intended to be representative of cash provided by operating activities or results of operations determined in accordance with U.S. GAAP, and can be impacted positively or negatively by these items. For a reconciliation of Adjusted EBITDA to net earnings, see *Non-GAAP Financial Measures* starting on page 34 of this MD&A.

Adjusted Net Earnings

Adjusted Net Earnings is a non-GAAP financial measure used by many investors to compare net earnings from operations without the effects of certain volatile primarily non-cash items that generally have no current economic impact or items such as acquisition expenses or certain litigation expenses that are viewed as not directly related to a company's operating performance. AQN uses Adjusted Net Earnings to assess its performance without the effects of (as applicable): gains or losses on foreign exchange, foreign exchange forward contracts, interest rate swaps, acquisition and transition costs (including costs related to the 2023 strategic review of the Company's renewable energy business), one-time costs of arranging tax equity financing, certain litigation expenses and write down of intangibles and property, plant and equipment, earnings or loss from discontinued operations, unrealized mark-to-market revaluation impacts, costs related to management succession and executive retirement, costs related to prior period adjustments due to changes in tax law, costs related to condemnation proceedings, changes in value of investments carried at fair value, gains and losses on disposition of assets, prior period adjustments included in the gain (loss) from equity method investments not operated by the Company and other typically non-recurring or unusual items as these are not reflective of the performance of the underlying business of AQN. AQN believes that analysis and presentation of net earnings or loss on this basis will enhance an investor's understanding of the operating performance of its businesses. Adjusted Net Earnings is not intended to be representative of net earnings or loss determined in accordance with U.S. GAAP, and can be impacted positively or negatively by these

items. For a reconciliation of Adjusted Net Earnings to net earnings, see *Non-GAAP Financial Measures* starting on page 35 of this MD&A.

Adjusted Funds from Operations

Adjusted Funds from Operations is a non-GAAP financial measure used by investors to compare cash provided by operating activities without the effects of certain volatile items that generally have no current economic impact or items such as acquisition expenses that are viewed as not directly related to a company's operating performance. AQN uses Adjusted Funds from Operations to assess its performance without the effects of (as applicable): changes in working capital balances, acquisition and transition costs, certain litigation expenses, cash provided by or used in discontinued operations, cash provided by disposition of assets and other typically non-recurring items affecting cash from operations as these are not reflective of the long-term performance of the underlying businesses of AQN. AQN believes that analysis and presentation of funds from operations on this basis will enhance an investor's understanding of the operating performance of its businesses. Adjusted Funds from Operations is not intended to be representative of cash provided by operating activities as determined in accordance with U.S. GAAP, and can be impacted positively or negatively by these items. For a reconciliation of Adjusted Funds from Operations to cash provided by operating activities, see *Non-GAAP Financial Measures* starting on page 36 of this MD&A.

Net Utility Sales

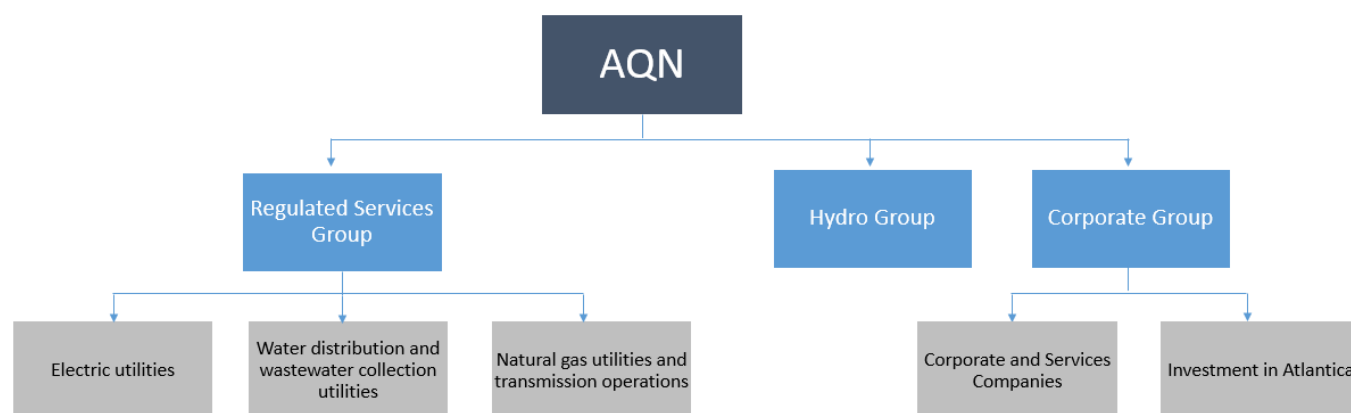
Net Utility Sales is a non-GAAP financial measure used by investors to identify utility revenue after commodity costs, either water, natural gas or electricity, where these commodity costs are generally included as a pass through in rates to its utility customers. AQN uses Net Utility Sales to assess its utility revenues without the effects of fluctuating commodity costs as such costs are predominantly passed through and paid for by utility customers. AQN believes that analysis and presentation of Net Utility Sales on this basis will enhance an investor's understanding of the revenue generation of the Regulated Services Group. It is not intended to be representative of revenue as determined in accordance with U.S. GAAP. For a reconciliation of Net Utility Sales to revenue, see *Regulated Services Group 2024 Third Quarter and Year-to-Date Regulated Services Group Adjusted EBITDA* on page 20 of this MD&A.

Overview and Business Strategy

AQN is incorporated under the *Canada Business Corporations Act*. Effective August 9, 2024, subsequent to the signing of the transaction agreement in respect of the Renewables sale, AQN revised its reportable segments to align with strategic priorities and internal governance. The new reportable segments align with how the Company assesses financial performance and makes decisions regarding resource allocations. AQN's operations are now organized across three business units consisting of: the Regulated Services Group, which primarily owns and operates a portfolio of regulated electric, water distribution and wastewater collection and natural gas utility systems and transmission operations in the United States, Canada, Bermuda and Chile; the Hydro Group, consisting of the hydroelectric business which is not being sold as a part of the Renewables sale; and the Corporate Group, which includes corporate and service companies as well as the Company's investment in Atlantica. The investment in Atlantica is not being sold as a part of the Renewables sale, but is in the process of being sold in a separate transaction. The pending sale of the investment in Atlantica does not meet the criteria to qualify as a discontinued operation as its sale does not represent a strategic shift for the Company. Thus, it has now been included within the Corporate Group. The former Renewable Energy Group operating segment is reported as discontinued operations and is no longer a reportable segment (see Note 21 to the unaudited interim condensed consolidated financial statements - Business acquisitions and dispositions). Through its activities, the Company aims to drive growth in earnings and cash flows to support a sustainable dividend and share price appreciation. AQN strives to achieve these results while also seeking to maintain a business risk profile consistent with its BBB flat investment grade credit ratings and a strong focus on Environmental, Social and Governance factors.

Summary Structure of the Business

The following chart depicts, in summary form, AQN's key businesses. A more detailed description of AQN's organizational structure as of the date of the AIF, which includes the former Renewable Energy Group operating segment that is now classified as "discontinued operations", can be found in the most recent AIF.



Regulated Services Group

The Regulated Services Group primarily operates a diversified portfolio of regulated utility systems located in the United States, Canada, Bermuda and Chile serving approximately 1,260,000 customer connections as at September 30, 2024 (using an average of 2.5 customers per connection, this translates into approximately 3,150,000 customers). The Regulated Services Group seeks to provide safe, high quality, and reliable services to its customers and to deliver stable and predictable earnings to AQN. In addition to encouraging and supporting organic growth within its service territories, the Regulated Services Group may seek to deliver long-term growth through acquisitions of additional utility systems and pursuing "greening the fleet" opportunities.

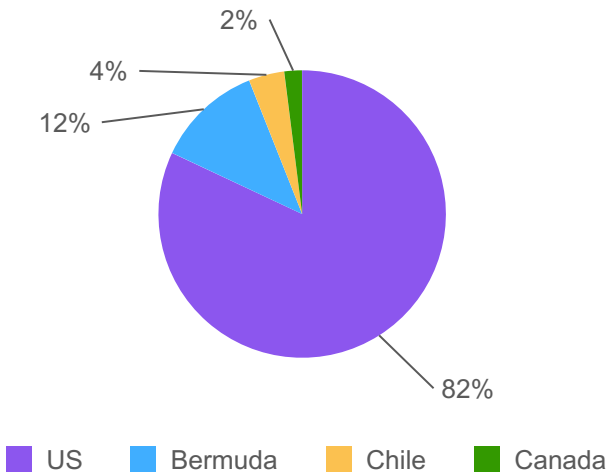
The Regulated Services Group's regulated electrical distribution utility systems and related generation assets are located in the U.S. states of Arkansas, California, Kansas, Missouri, Nevada, New Hampshire and Oklahoma, as well as in Bermuda, which together served approximately 310,000 electric customer connections as at September 30, 2024. The group also owns and operates generating assets with a gross capacity of approximately 2.0 GW and has investments in generating assets with approximately 0.3 GW of net generation capacity.

The Regulated Services Group's regulated water distribution and wastewater collection utility systems are located in the U.S. States of Arizona, Arkansas, California, Illinois, Missouri, New York, and Texas as well as in Chile which together served approximately 575,000 customer connections as at September 30, 2024.

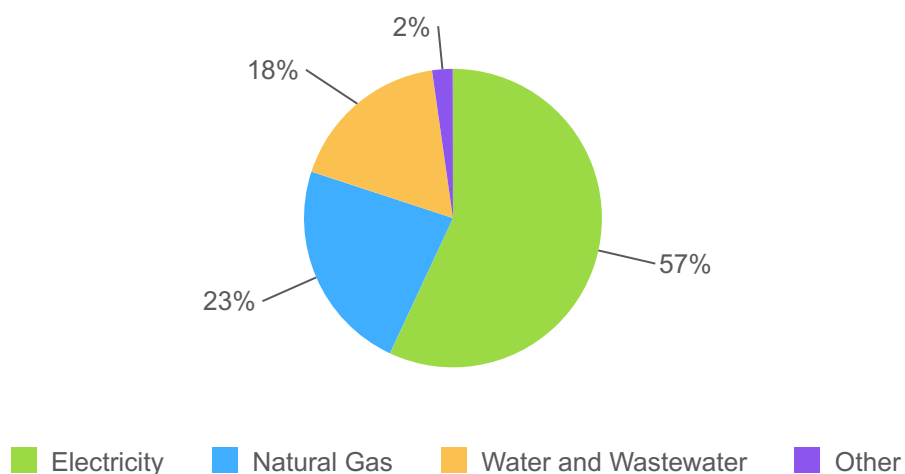
The Regulated Services Group's regulated natural gas distribution utility systems are located in the U.S. States of Georgia, Illinois, Iowa, Massachusetts, New Hampshire, Missouri, and New York, and in the Canadian Province of New Brunswick, which together served approximately 375,000 natural gas customer connections as at September 30, 2024.

Below is a breakdown of the Regulated Services Group's Revenue by geographic area and by commodity for the nine months ended September 30, 2024.

Regulated Revenue by Geographic Area



Regulated Revenue by Commodity



Hydro Group

The Hydro group represents hydroelectric assets that are not being sold as a part of the Renewables sale (hereinafter referred to as "Hydro Group"). The Hydro Group generates and sells electrical energy produced by its 14 hydroelectric generating facilities located in the Canadian provinces of Alberta, Ontario, New Brunswick and Quebec with a combined gross generating capacity of approximately 115 MW and a net generating capacity of approximately 106 MW.

Corporate Group

The Corporate group mainly includes the corporate and service companies, corporate debt and the Company's investment in Atlantica Sustainable Infrastructure plc ("Atlantica") (collectively referred to as the "Corporate Group"). The Company's investment in Atlantica was previously included within the former Renewable Energy Group operating segment that is now classified as "discontinued operations".

Significant Updates

Operating Results

AQN's operating results relative to the same period last year are as follows:

	Three months ended September 30		
(all dollar amounts in \$ millions except per share information)	2024	2023	Change
Net earnings (loss) from continuing operations attributable to shareholders	\$49.5	\$(174.9)	128%
Net earnings (loss) attributable to shareholders including discontinued operations ¹	\$(1,305.7)	\$(174.5)	(648)%
Adjusted Net Earnings ²	\$64.9	\$68.6	(5)%
Adjusted EBITDA ²	\$264.4	\$254.9	4%
Net earnings (loss) per common share from continuing operations	\$0.06	\$(0.26)	123%
Net earnings (loss) per common share including discontinued operations	\$(1.71)	\$(0.26)	(558)%
Adjusted Net Earnings per common share ²	\$0.08	\$0.10	(20)%

¹ The net loss attributable to the Company for the three months ended September 30, 2024 was primarily driven by an impairment loss of \$1,298.0 million on the assets of the renewable energy business (excluding hydro) upon classification as held-for-sale.

² See *Caution Concerning Non-GAAP Measures*.

Sale of the Renewable Energy Business

On August 9, 2024, the Company entered into an agreement to sell its renewable energy business (excluding hydro) to LS Buyer. Please refer to the section titled “*Explanatory Notes*” above for additional details regarding the Renewables sale.

2024 Third Quarter Results From Operations¹

Key Financial Information

	Three months ended September 30	
(all dollar amounts in \$ millions except per share information)	2024	2023
Revenue	\$ 573.2	\$ 564.8
Net earnings (loss) attributable to shareholders	49.5	(174.9)
Cash provided by operating activities	66.7	132.6
Adjusted Net Earnings ²	64.9	68.6
Adjusted EBITDA ²	264.4	254.9
Adjusted Funds from Operations ²	143.3	146.8
Dividends declared to common shareholders	50.4	75.6
Weighted average number of common shares outstanding	767,237,000	689,055,000
Per share		
Basic net earnings (loss)	\$ 0.06	\$ (0.26)
Diluted net earnings (loss)	\$ 0.06	\$ (0.26)
Adjusted Net Earnings ²	\$ 0.08	\$ 0.10
Dividends declared to common shareholders	\$ 0.07	\$ 0.11

¹ Reflects results of continuing operations (see *Explanatory Notes*).

² See *Caution Concerning Non-GAAP Measures*.

For the three months ended September 30, 2024, AQN reported basic net earnings per common share of \$0.06 as compared to basic net loss per common share of \$0.26 during the same period in 2023, an increase of \$0.32.

The net earnings attributable to shareholders of \$49.5 million for the three months ended September 30, 2024 includes earnings from continuing operations of \$33.4 million and HLBV and other adjustments attributable to non-controlling interests of \$16.1 million. The net earnings attributable to shareholders was primarily driven by:

- Adjusted Net Earnings of \$64.9 million, as further discussed below (see *Caution Concerning Non-GAAP Measures*); partially offset by:
- other net losses of \$9.5 million mainly relating to costs associated with the sale of the shares of Atlantica held by an indirect subsidiary of the Company, restructuring costs and other miscellaneous write-offs

The net loss attributable to shareholders of \$174.9 million for the three months ended September 30, 2023 includes loss from continuing operations of \$174.3 million and HLBV and other adjustments attributable to non-controlling interests of \$0.6 million. It was primarily driven by:

- Adjusted Net Earnings of \$68.6 million, as further discussed below (see *Caution Concerning Non-GAAP Measures*); offset by:
- a loss on investments carried at fair value (primarily the Company's investment in Atlantica) of \$183.8 million (net of tax); and
- other net losses of \$57.5 million (net of tax) primarily due to \$47.3 million of costs written off at Empire Electric related to securitization.

For the three months ended September 30, 2024, AQN reported Adjusted Net Earnings per common share of \$0.08 as compared to \$0.10 per common share during the same period in 2023, a decrease of \$0.02 (see *Caution Concerning Non-GAAP Measures*). Adjusted Net Earnings decreased by \$3.7 million period over period (see *Caution Concerning Non-GAAP Measures*). This decrease was primarily driven by:

- an increase of \$7.5 million in the Regulated Services Group's operating profit primarily due to the implementation of new rates at Bermuda Electric Light Company ("BELCO"), CalPeco, Empire Electric System, New York Water, Pine Bluff and Park Water Systems; offset by:
- an increase of \$11.1 million in depreciation expense driven by additional capital invested by the Company; and
- a net increase of \$3.0 million in interest expense representing a \$9.8 million increase in reported interest expense primarily driven by a interest expense upon reclassification for the \$306.5 million secured credit facility held, prior to its repayment on June 20, 2024 by Liberty Development Energy Solutions B.V. (the "Margin Loan") as debt, with an offsetting decrease in net earnings attributable to the non-controlling interest. The net increase is driven by increased borrowings to support growth initiatives.

For the three months ended September 30, 2024, basic net earnings per common share and Adjusted Net Earnings per common share were also impacted by the issuance of an aggregate of 76,909,700 common shares in connection with the settlement of the Purchase contracts that were components of the Company's outstanding Green Equity Units.(see *Caution Concerning Non-GAAP Measures* and Note 10 to the unaudited interim condensed consolidated financial statements - *Shareholder's capital*).

For the three months ended September 30, 2024, AQN experienced an average exchange rate of Canadian to U.S. dollars of approximately 0.7333 as compared to 0.7456 in the same period in 2023, and an average exchange rate of Chilean pesos to U.S. dollars of approximately 0.0011 for the three months ended September 30, 2024 as compared to 0.0012 for the same period in 2023. As such, any period over period variance in revenue or expenses, in local currency, at any of AQN's Canadian or Chilean entities is affected by a change in the average exchange rate upon conversion to AQN's reporting currency.

For the three months ended September 30, 2024, AQN reported total revenue of \$573.2 million as compared to \$564.8 million during the same period in 2023, an increase of \$8.4 million or 1.5%. The major factors impacting AQN's revenue in the three months ended September 30, 2024 as compared to the same period in 2023 are as follows:

(all dollar amounts in \$ millions)	Three months ended September 30
Comparative Prior Period Revenue	\$ 564.8
REGULATED SERVICES GROUP	
Existing Facilities	
Electricity: Decrease is primarily due to lower pass through costs. This is partially offset by higher revenues at the Empire Electric System (MO) to recover previously incurred costs that resulted from the extreme winter storm conditions experienced in Texas and parts of the central U.S. in the first quarter of 2021 and the retirement of the Asbury generating plant.	(3.1)
Natural Gas: Decrease is primarily due to lower pass through commodity costs.	(9.0)
Water:	1.2
Other:	(1.1)
	(12.0)
Rate Reviews	
Electricity: Increase is primarily due to the implementation of new rates at BELCO, CalPeco (CA) and Empire (AR) Electric Systems.	12.1
Natural Gas: Increase is primarily due to the implementation of new rates at the St. Lawrence (NY) and Peach State (GA) Gas Systems and temporary rates at the EnergyNorth (NH) Gas System.	1.4
Water: Increase is primarily due to the implementation of new rates at the New York (NY), Pine Bluff (AR) and Park (CA) Water Systems.	8.6
	22.1
Foreign Exchange	(1.9)
HYDRO GROUP	0.4
CORPORATE GROUP	(0.1)
Foreign Exchange	(0.1)
Current Period Revenue	\$ 573.2

2024 Year-to-Date Results From Operations¹

Key Financial Information

	Nine months ended September 30	
(all dollar amounts in \$ millions except per share information)	2024	2023
Revenue	\$ 1,734.7	\$ 1,818.3
Net earnings (loss) attributable to shareholders	172.9	(184.3)
Cash provided by operating activities	433.6	427.3
Adjusted Net Earnings ²	186.8	198.2
Adjusted EBITDA ²	790.5	751.4
Adjusted Funds from Operations ²	434.1	433.5
Dividends declared to common shareholders	209.6	226.4
Weighted average number of common shares outstanding	719,720,000	688,539,000
Per share		
Basic net earnings (loss)	\$ 0.23	\$ (0.28)
Diluted net earnings (loss)	\$ 0.23	\$ (0.28)
Adjusted Net Earnings ²	\$ 0.25	\$ 0.28
Dividends declared to common shareholders	\$ 0.28	\$ 0.33

¹ Reflects results of continuing operations (see *Explanatory Notes*).

² See *Caution Concerning Non-GAAP Measures*.

For the nine months ended September 30, 2024, AQN reported basic net earnings per common share of \$0.23 as compared to basic net loss per common share of \$0.28 during the same period in 2023, an increase of \$0.51.

The net earnings attributable to shareholders of \$172.9 million for the nine months ended September 30, 2024 includes earnings from continuing operations of \$117.6 million and HLBV and other adjustments attributable to non-controlling interests of \$55.2 million. The net earnings attributable to shareholders was primarily driven by:

- Adjusted Net Earnings of \$186.8 million, as further discussed below (see *Caution Concerning Non-GAAP Measures*); and
- a gain on investments carried at fair value (primarily the Company's investment in Atlantica) of \$23.7 million; partially offset by:
- other net losses of \$19.9 million, mainly relating to legal costs associated with the sale of the shares of Atlantica held by an indirect subsidiary of the Company, restructuring costs and other miscellaneous write-offs.

The net loss attributable to shareholders of \$184.3 million for the nine months ended September 30, 2023 includes loss from continuing operations of \$186.7 million and HLBV and other adjustments attributable to non-controlling interests of \$2.4 million. The net loss attributable to shareholders was primarily driven by:

- Adjusted Net Earnings of \$198.2 million, as further discussed below (see *Caution Concerning Non-GAAP Measures*); offset by:
- a loss on investments carried at fair value (primarily the Company's investment in Atlantica) of \$297.4 million (net of tax); and
- other net losses of \$80.6 million (net of tax) primarily due to \$47.3 million of costs written off at Empire Electric related to securitization.

For the nine months ended September 30, 2024, AQN reported Adjusted Net Earnings per common share of \$0.25 compared to \$0.28 per common share during the same period in 2023, a decrease of \$0.03 (see *Caution Concerning Non-GAAP Measures*). Adjusted Net Earnings decreased by \$11.4 million year over year (see *Caution Concerning Non-GAAP Measures*), primarily due to:

- an increase of \$32.0 million in the Regulated Services Group's operating profit primarily due to the implementation of new rates; offset by:
- a net increase in interest expense of \$21.6 million representing an increase in reported interest expense of \$41.4 million, driven by higher interest rates as well as increased borrowings to support growth initiatives; partially offset by a decrease of \$19.2 million in net earnings attributable to the non-controlling interest due to reclassification of the Margin Loan as debt from non-controlling interest; and

- an increase in depreciation expense of \$33.1 million, driven by additional capital invested by the Company.

For the nine months ended September 30, 2024, basic net earnings per common share and Adjusted Net Earnings per common share were also impacted by the issuance of an aggregate of 76,909,700 common shares in connection with the settlement of the Purchase contracts that were components of the Company's outstanding Green Equity Units (see *Caution Concerning Non-GAAP Measures* and Note 10 to the unaudited interim condensed consolidated financial statements - *Shareholder's capital*).

For the nine months ended September 30, 2024, AQN experienced an average exchange rate of Canadian to U.S. dollars of approximately 0.7351 as compared to 0.7433 in the same period in 2023, and an average exchange rate of Chilean pesos to U.S. dollars of approximately 0.0011 for the nine months ended September 30, 2024 as compared to 0.0012 for the same period in 2023. As such, any year-over-year variance in revenue or expenses, in local currency, at any of AQN's Canadian or Chilean entities is affected by a change in the average exchange rate upon conversion to AQN's reporting currency.

For the nine months ended September 30, 2024, AQN reported total revenue of \$1,734.7 million as compared to \$1,818.3 million during the same period in 2023, a decrease of \$83.6 million or 4.6%. The major factors resulting in the decrease in AQN's revenue for the nine months ended September 30, 2024 as compared to the same period in 2023 are as follows:

(all dollar amounts in \$ millions)		Nine months ended September 30
Comparative Prior Period Revenue	\$	1,818.3
REGULATED SERVICES GROUP		
Existing Facilities		
Electricity: Decrease is primarily due to lower pass through costs. This is partially offset by higher revenues at the Empire Electric System (MO) to recover previously incurred costs that resulted from the extreme winter storm conditions experienced in Texas and parts of the central U.S. in the first quarter of 2021 and the retirement of the Asbury generating plant.		(28.3)
Natural Gas: Decrease is primarily due to lower pass through commodity costs.		(67.3)
Water: Increase is primarily due to the inflationary rate increase mechanism at the Suralis (Chile) Water System.		2.5
Other: Decrease is primarily due to lower activity in the non-regulated business in Bermuda.		(5.2)
		(98.3)
Rate Reviews		
Electricity: Increase is primarily due to the implementation of new rates at BELCO Electric System, CalPeco (CA), and Empire (AR) Electric Systems and temporary rates at the Granite State (NH) Electric System partially offset by one-time revenues in the second quarter of 2023 from a retroactive rate increase at the CalPeco (CA) Electric System.		7.0
Natural Gas: Increase is primarily due to the implementation of new rates at the St. Lawrence (NY) and Peach State (GA) Gas Systems and temporary rates at the EnergyNorth (NH) Gas System.		7.1
Water: Increase is primarily due to the implementation of new rates at the New York (NY), Pine Bluff (AR), and Park (CA) Water Systems.		9.0
		23.1
Foreign Exchange		(9.5)
HYDRO GROUP		1.3
CORPORATE GROUP		0
Foreign Exchange		(0.2)
Current Period Revenue	\$	1,734.7

2024 Third Quarter and Year-to-Date Net Earnings Summary

For the three months ended September 30, 2024, the Company reported net earnings attributable to shareholders of \$49.5 million, which includes earnings from continuing operations of \$33.4 million and HLBV and other adjustments attributable to non-controlling interests of \$16.1 million. The net loss attributable to shareholders was \$174.9 million for the comparable period in 2023, which includes loss from continuing operations of \$174.3 million and HLBV and other adjustments attributable to non-controlling interests of \$0.6 million. The net earnings from continuing operations attributable to shareholders increased by \$224.4 million or 128.3%.

For the nine months ended September 30, 2024, the Company reported net earnings attributable to shareholders of \$172.9 million, which includes earnings from continuing operations of \$117.6 million and HLBV and other adjustments attributable to non-controlling interests of \$55.2 million. The net loss attributable to shareholders was \$184.3 million for the comparable period in 2023, which includes loss from continuing operations of \$186.7 million and HLBV and other adjustments attributable to non-controlling interests of \$2.4 million. The net earnings from continuing operations attributable to shareholders increased by \$357.2 million or 193.8%.

The following table outlines the changes to net earnings (loss) attributable to shareholders for the three and nine months ended September 30, 2024 as compared to the same period in 2023.

Change in net earnings (loss) attributable to shareholders	Three months ended		Nine months ended	
	September 30		September 30	
(all dollar amounts in \$ millions)	2024		2024	
Net loss attributable to shareholders – Prior Period Balance	\$	(174.9)	\$	(184.3)
Adjusted EBITDA ¹		9.5		39.1
Depreciation and amortization		(11.1)		(33.1)
Foreign exchange		(3.4)		4.6
Interest expense		(9.8)		(41.4)
Change in value of investments carried at fair value		214.0		356.5
Other net losses		64.7		91.5
Pension and post-employment non-service costs		1.9		4.8
Gain on derivative financial instruments		(0.4)		(3.4)
Income tax expense		(47.2)		(83.3)
Net earnings attributable to non-controlling interests, exclusive of HLBV		6.2		21.9
Net earnings attributable to shareholders – Current Period Balance	\$	49.5	\$	172.9
Change in Net Earnings (loss) (\$)	\$	224.4	\$	357.2
Change in Net Earnings (loss) (%)		128.3 %		193.8 %

¹ See *Caution Concerning Non-GAAP Measures*.

During the three months ended September 30, 2024, cash provided by operating activities totaled \$66.7 million as compared to \$132.6 million during the same period in 2023, a decrease of \$65.9 million primarily as a result of changes in working capital items of \$35.8 million (see Note 19 to the unaudited interim condensed consolidated financial statements - *Non Cash Operating Items*) and a decrease of \$16.2 million in distributions received from equity investments (net of income). During the three months ended September 30, 2024, Adjusted Funds from Operations totaled \$143.3 million as compared to Adjusted Funds from Operations of \$146.8 million during the same period in 2023, a decrease of \$3.5 million (see *Caution Concerning Non-GAAP Measures*).

During the nine months ended September 30, 2024, cash provided by operating activities totaled \$433.6 million as compared to \$427.3 million during the same period in 2023, an increase of \$6.3 million primarily as a result of changes in working capital items of \$33.6 million (see Note 19 to the unaudited interim condensed consolidated financial statements - *Non Cash Operating Items*) offset by an increase of \$16.2 million in distributions received from equity investments (net of income). During the nine months ended September 30, 2024, Adjusted Funds from Operations totaled \$434.1 million as compared to Adjusted Funds from Operations of \$433.5 million during the same period in 2023, an increase of \$0.6 million (see *Caution Concerning Non-GAAP Measures*).

2024 Third Quarter and Year-to-Date Adjusted EBITDA Summary

Adjusted EBITDA for the three months ended September 30, 2024 totaled \$264.4 million as compared to \$254.9 million during the same period in 2023, an increase of \$9.5 million or 3.7% (see *Caution Concerning Non-GAAP Measures*). Adjusted EBITDA for the nine months ended September 30, 2024 totaled \$790.5 million as compared to \$751.4 million during the same period in 2023, an increase of \$39.1 million or 5.2%. The breakdown of Adjusted EBITDA by the Company's main business units and a summary of changes are shown below.

Adjusted EBITDA ¹ by business units (all dollar amounts in \$ millions)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Adjusted EBITDA for Regulated Services Group ¹	\$ 236.2	\$ 228.7	\$ 706.0	\$ 674.0
Adjusted EBITDA for Hydro Group ¹	7.1	6.5	21.0	19.5
Adjusted EBITDA for Corporate Group ¹	21.1	19.7	63.5	57.9
Total AQN Adjusted EBITDA¹	\$ 264.4	\$ 254.9	\$ 790.5	\$ 751.4
Change in Adjusted EBITDA ¹ (\$)	\$ 9.5		\$ 39.1	
Change in Adjusted EBITDA ¹ (%)	3.7 %		5.2 %	

Change in Adjusted EBITDA ¹ Breakdown (all dollar amounts in \$ millions)	Three months ended September 30, 2024			
	Regulated Services	Hydro	Corporate	Total
Prior period balances	\$ 228.7	\$ 6.5	\$ 19.7	\$ 254.9
Existing Facilities and Investments	(13.8)	0.7	1.4	(11.7)
Rate Reviews	22.1	—	—	22.1
Foreign Exchange Impact	(0.8)	(0.1)	—	(0.9)
Total change during the period	\$ 7.5	\$ 0.6	\$ 1.4	\$ 9.5
Current period balances	\$ 236.2	\$ 7.1	\$ 21.1	\$ 264.4

Change in Adjusted EBITDA ¹ Breakdown (all dollar amounts in \$ millions)	Nine months ended September 30, 2024			
	Regulated Services	Hydro	Corporate	Total
Prior period balances	\$ 674.0	\$ 19.5	\$ 57.9	\$ 751.4
Existing Facilities and Investments	(8.0)	1.5	5.6	(0.9)
Rate Reviews	43.0	—	—	43.0
Foreign Exchange Impact	(3.0)	—	—	(3.0)
Total change during the period	\$ 32.0	\$ 1.5	\$ 5.6	\$ 39.1
Current period balances	\$ 706.0	\$ 21.0	\$ 63.5	\$ 790.5

¹ See *Caution Concerning Non-GAAP Measures*.

REGULATED SERVICES GROUP

The Regulated Services Group primarily operates rate-regulated utilities that as of September 30, 2024 provided distribution services to approximately 1,260,000 customer connections in the electric, natural gas, and water and wastewater sectors which is an increase of approximately 2,000 customer connections as compared to September 30, 2023.

The Regulated Services Group's strategy is to grow its business organically and through acquisitions. The Regulated Services Group believes that its business results are maximized by building constructive regulatory and customer relationships, and enhancing customer connections in the communities in which it operates.

Utility System Type	As at September 30					
	2024			2023		
(all dollar amounts in \$ millions)	Assets	Net Utility Sales ¹	Total Customer Connections ²	Assets	Net Utility Sales ¹	Total Customer Connections ²
Electricity	5,374.5	690.9	310,000	5,086.9	664.5	309,000
Natural Gas	1,883.5	261.8	375,000	1,769.0	258.2	375,000
Water and Wastewater	1,743.7	287.1	575,000	1,630.8	285.0	571,000
Other	146.2	38.3		311.0	39.8	
Total	\$ 9,147.9	\$ 1,278.1	1,260,000	\$ 8,797.7	\$ 1,247.5	1,255,000

Accumulated Deferred Income

Taxes Liability	\$ 803.3	\$ 728.7
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¹ Net Utility Sales for the nine months ended September 30, 2024 and 2023. See *Caution Concerning Non-GAAP Measures*.

² Total Customer Connections represents the sum of all active and vacant customer connections.

The Regulated Services Group aggregates the performance of its utility operations by utility system type – electricity, natural gas, and water and wastewater systems.

The electric distribution systems are comprised of regulated electrical distribution utility systems and served approximately 310,000 customer connections in the U.S. States of California, New Hampshire, Missouri, Kansas, Oklahoma and Arkansas and in Bermuda as at September 30, 2024.

The natural gas distribution systems are comprised of regulated natural gas distribution utility systems and served approximately 376,000 customer connections located in the U.S. States of New Hampshire, Illinois, Iowa, Missouri, Georgia, Massachusetts and New York and in the Canadian Province of New Brunswick as at September 30, 2024.

The water and wastewater distribution systems are comprised of regulated water distribution and wastewater collection utility systems and served approximately 574,000 customer connections located in the U.S. States of Arkansas, Arizona, California, Illinois, Missouri, New York, and Texas and in Chile as at September 30, 2024.

2024 Third Quarter and Year-to-Date Usage Results

Electric Distribution Systems

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Average Active Electric Customer Connections For The Period				
Residential	263,600	263,000	263,400	262,700
Commercial and industrial	43,100	42,800	43,000	42,700
Total Average Active Electric Customer Connections For The Period	306,700	305,800	306,400	305,400
Customer Usage (GW-hrs)				
Residential	810.9	777.2	2,194.5	2,106.4
Commercial and industrial	975.0	1,075.5	2,821.0	2,917.8
Total Customer Usage (GW-hrs)	1,785.9	1,852.7	5,015.5	5,024.2

For the three months ended September 30, 2024, the electric distribution systems' usage totaled 1,785.9 GW-hrs as compared to 1,852.7 GW-hrs for the same period in 2023, a decrease of 66.8 GW-hrs or 3.6%. The decrease in electricity consumption is primarily due to unfavorable weather at the Empire Electric System.

For the nine months ended September 30, 2024, the electric distribution systems' usage totaled 5,015.5 GW-hrs as compared to 5,024.2 GW-hrs for the same period in 2023, a decrease of 8.7 GW-hrs or 0.2%. The decrease in electricity consumption is primarily due to unfavorable weather at the Empire Electric System.

Approximately 47% of the Regulated Services Group's electric distribution systems' revenues are not expected to be impacted by changes in customer usage, as they are subject to volumetric decoupling or represent fixed fee billings.

Natural Gas Distribution Systems

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Average Active Natural Gas Customer Connections For The Period				
Residential	320,700	319,100	323,000	321,500
Commercial and industrial	39,600	39,400	39,900	39,900
Total Average Active Natural Gas Customer Connections For The Period	360,300	358,500	362,900	361,400
Customer Usage (MMBTU)				
Residential	1,162,000	1,249,000	14,829,000	14,464,000
Commercial and industrial	2,451,000	2,411,000	15,187,000	15,321,000
Total Customer Usage (MMBTU)	3,613,000	3,660,000	30,016,000	29,785,000

For the three months ended September 30, 2024, usage at the natural gas distribution systems totaled 3,613,000 MMBTU as compared to 3,660,000 MMBTU during the same period in 2023, a decrease of 47,000 MMBTU, or 1.3%.

For the nine months ended September 30, 2024, usage at the natural gas distribution systems totaled 30,016,000 MMBTU as compared to 29,785,000 MMBTU during the same period in 2023, an increase of 231,000 MMBTU, or 0.8%. The increase is primarily due to colder weather at the Peach State Gas System and customer growth at the EnergyNorth Gas System.

Approximately 86% of the Regulated Services Group's gas distribution systems' revenues are not expected to be impacted by changes in customer usage, as they are subject to volumetric decoupling or represent fixed fee billings.

Water and Wastewater Distribution Systems

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Average Active Customer Connections For The Period				
Wastewater customer connections	55,700	55,700	55,700	55,500
Water distribution customer connections	510,900	505,300	509,600	504,300
Total Average Active Customer Connections For The Period	566,600	561,000	565,300	559,800
Gallons Provided (millions of gallons)				
Wastewater treated	903	878	2,753	2,639
Water provided	11,471	12,671	29,544	30,890
Total Gallons Provided (millions of gallons)	12,374	13,549	32,297	33,529

For the three months ended September 30, 2024, the water and wastewater distribution systems provided approximately 11,471 million gallons of water to customers and treated approximately 903 million gallons of wastewater. This is compared to 12,671 million gallons of water provided and 878 million gallons of wastewater treated during the same period in 2023, a decrease in total gallons provided of 1,200 million or 9.5% and an increase in total gallons treated of 25 million or 2.8%. This decrease in water provided is primarily due to one -time billing adjustments in the third quarter of 2023 at the New York Water System. The increase in wastewater treated is primarily due to the opening of a new wastewater treatment plant at the Litchfield Park Water System.

For the nine months ended September 30, 2024, the water and wastewater distribution systems provided approximately 29,544 million gallons of water to customers and treated approximately 2,753 million gallons of wastewater. This is compared to 30,890 million gallons of water provided and 2,639 million gallons of wastewater treated during the same period in 2023, a decrease in total gallons provided of 1,346 million or 4.4% and an increase in total gallons treated of 114 million or 4.3%. This decrease in water provided is due to one-time billing adjustments related to the prior year in the first three quarters of 2023 at the New York Water System. The increase in wastewater treated is primarily due to customer growth and the opening of a new wastewater treatment plant at the Litchfield Park Water System.

Approximately 50% of the Regulated Services Group's water and wastewater distribution systems' revenues are not expected to be impacted by changes in customer usage, as they are subject to volumetric decoupling or represent fixed fee billings.

2024 Third Quarter and Year-to-Date Regulated Services Group Adjusted EBITDA

	Three months ended September 30		Nine months ended September 30	
(all dollar amounts in \$ millions)	2024	2023	2024	2023
Revenue				
Regulated electricity distribution	\$ 361.4	\$ 354.3	\$ 971.5	\$ 998.5
Less: Regulated electricity purchased	(100.9)	(110.1)	(280.6)	(334.0)
Net Utility Sales – electricity ¹	260.5	244.2	690.9	664.5
Regulated gas distribution	65.7	73.0	393.9	453.7
Less: Regulated gas purchased	(13.2)	(21.6)	(132.1)	(195.5)
Net Utility Sales – natural gas ¹	52.5	51.4	261.8	258.2
Regulated water reclamation and distribution	124.3	115.3	302.1	298.6
Less: Regulated water purchased	(6.8)	(5.9)	(15.0)	(13.6)
Net Utility Sales – water reclamation and distribution ¹	117.5	109.4	287.1	285.0
Other revenue ²	12.4	13.2	38.3	39.8
Net Utility Sales^{1,3}	442.9	418.2	1,278.1	1,247.5
Operating expenses	(231.3)	(209.6)	(654.6)	(635.3)
Income from long-term investments	7.7	13.7	23.1	33.3
HLBV ⁴	16.9	6.4	59.4	28.5
Adjusted EBITDA^{1,5}	\$ 236.2	\$ 228.7	\$ 706.0	\$ 674.0

¹ See *Caution Concerning Non-GAAP Measures*.

² See *Note 17* in the unaudited interim condensed consolidated financial statements.

³ This table contains a reconciliation of Net Utility Sales to revenue. The relevant sections of the table are derived from and should be read in conjunction with the unaudited interim condensed consolidated statement of operations and *Note 17* in the unaudited interim condensed consolidated financial statements, "*Segmented Information*". This supplementary disclosure is intended to more fully explain disclosures related to Net Utility Sales and provides additional information related to the operating performance of the Regulated Services Group. Investors are cautioned that Net Utility Sales should not be construed as an alternative to revenue.

⁴ HLBV income represents the value of net tax attributes monetized by the Regulated Services Group in the period at the Luning and Turquoise Solar Facilities and the Neosho Ridge, Kings Point and North Fork Ridge Wind Facilities.

⁵ This table contains a reconciliation of Adjusted EBITDA to revenue for the Regulated Services Group. The relevant sections of the table are derived from and should be read in conjunction with the unaudited interim condensed consolidated statement of operations and *Note 17* in the unaudited interim condensed consolidated financial statements, "*Segmented Information*". This supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and provides additional information related to the operating performance of the Regulated Services Group. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to revenue.

2024 Third Quarter Operating Results

For the three months ended September 30, 2024, the Regulated Services Group reported revenue of \$551.4 million (comprised of \$361.4 million of regulated electricity distribution, \$65.7 million of regulated gas distribution and \$124.3 million of regulated water reclamation and distribution) as compared to revenue of \$542.6 million in the comparable period in the prior year (comprised of \$354.3 million of regulated electricity distribution, \$73.0 million of regulated gas distribution and \$115.3 million of regulated water reclamation and distribution).

For the three months ended September 30, 2024, the Regulated Services Group reported Adjusted EBITDA of \$236.2 million as compared to \$228.7 million for the comparable period in the prior year (see *Caution Concerning Non-GAAP Measures*).

Highlights of the changes are summarized in the following table:

(all dollar amounts in \$ millions)	Three months ended September 30
Prior Period Adjusted EBITDA¹	\$ 228.7
Existing Facilities	
Electricity: Increase is primarily due to higher HLBV income of \$10.5 million as a result of normalized wind resources and \$10 million related to recovery of securitized regulatory assets at the Empire Electric System (MO, KS, AR, OK), partially offset by \$12.9 of unfavourable weather and increased operating expenses. The increased Adjusted EBITDA related to securitized regulatory assets was offset on a net income basis by increased depreciation of the securitized regulatory assets.	7.6
Natural Gas: Decrease is primarily related to higher operating expenses, including approximately \$8.0 million related to a one-time capitalization correction and an increase in bad debt expense of \$1.2 million.	(10.9)
Water: Decrease is primarily due to higher operating expenses, including \$2.0 million related to a one-time regulatory asset write-off related to the New York (NY) Water System rate order.	(3.5)
Other: Decrease is primarily due to lower interest income on regulatory asset accounts primarily related to the Empire (MO) Electric System bond securitization. Proceeds from securitization were used to repay long-term debt resulting in decreased interest expense.	(7.0)
	(13.8)
Rate Reviews	
Electricity: Increase is primarily due to the implementation of new rates at BELCO, CalPeco (CA), and Empire (AR) Electric Systems.	12.1
Natural Gas: Increase is primarily due to the implementation of new rates at the St. Lawrence (NY) and Peach State (GA) Gas Systems and temporary rates at the EnergyNorth (NH) Gas System.	1.4
Water: Increase is primarily due to the implementation of new rates at the New York (NY), Pine Bluff (AR) and Park (CA) Water Systems.	8.6
	22.1
Foreign Exchange	(0.8)
Current Period Adjusted EBITDA¹	\$ 236.2

¹ See *Caution Concerning Non-GAAP Measures*.

2024 Year-to-Date Operating Results

For the nine months ended September 30, 2024, the Regulated Services Group reported revenue of \$1,667.6 million (comprised of \$971.5 million of regulated electricity distribution revenue, \$393.9 million of regulated natural gas distribution revenue and \$302.1 million of regulated water reclamation and distribution revenue) as compared to revenue of \$1,750.8 million in the same period in the prior year (comprised of \$998.5 million of regulated electricity distribution revenue, \$453.7 million of regulated natural gas distribution revenue and \$298.6 million of regulated water reclamation and distribution revenue).

For the nine months ended September 30, 2024, the Regulated Services Group reported Adjusted EBITDA of \$706.0 million as compared to \$674.0 million in the comparable period in the prior year (see *Caution Concerning Non-GAAP Measures*).

Highlights of the changes are summarized in the following table:

(all dollar amounts in \$ millions)		Nine months ended September 30
Prior Period Adjusted EBITDA¹	\$	674.0
Existing Facilities		
Electricity: Increase is primarily due to higher HLBV income of \$30.8 million as a result of normalized wind resources and \$26.6 million related to recovery of securitized regulatory assets at the Empire Electric System (MO, KS, AR, OK), partially offset by \$24.1 of unfavourable weather and increased operating expenses. The increased Adjusted EBITDA related to securitized regulatory assets was offset on a net income basis by increased depreciation of the securitized regulatory assets.		33.3
Natural Gas: Decrease is primarily related to higher operating expenses across the majority of gas systems, including approximately \$8.0 million related to a one-time capitalization correction and an increase in bad debt expense of approximately \$5.8 million.		(24.4)
Water: Decrease is primarily due to higher operating expenses, including \$2.0 million related to a one-time regulatory asset write-off related to the New York (NY) Water System rate order.		(7.7)
Other: Decrease is primarily due to lower interest income on regulatory asset accounts primarily related to the Empire (MO) Electric System bond securitization. Proceeds from securitization were used to repay long-term debt resulting in decreased interest expense.		(9.2)
		(8.0)
Rate Reviews		
Electricity: Increase is primarily due to the implementation of new rates at BELCO, CalPeco (CA) and Empire (AR) Electric Systems and temporary rates at the Granite State (NH) Electric System partially offset by one-time revenues in the second quarter of 2023 from a retroactive rate increase at the CalPeco (CA) Electric System.		26.9
Natural Gas: Increase is primarily due to the implementation of new rates at the St. Lawrence (NY) and Peach State (GA) Gas Systems and temporary rates at the EnergyNorth (NH) Gas System.		7.1
Water: Increase is primarily due to the implementation of new rates at the New York (NY), Pine Bluff (AR), and Park (CA) Water Systems.		9.0
		43.0
Foreign Exchange		(3.0)
Current Period Adjusted EBITDA¹	\$	706.0

¹ See *Caution Concerning Non-GAAP Measures*.

Regulatory Proceedings

2024 represents the most active rate case schedule in the Company's history as the Company focuses on improving its earnings. In addition to already filed rate cases, the Company plans to file rate cases at its Empire Electric (Missouri) System, St. Lawrence Gas System, Litchfield Park Water & Sewer System, and New England Natural Gas System in the fourth quarter of 2024 or the first half of 2025. Timing of the filing of these rate cases is dependent on, among other things, the successful adoption and use of the Company's recently deployed customer solution technology platform.

The following table summarizes the major regulatory proceedings currently underway or completed or effective in 2024 within the Regulated Services Group.

Utility	Jurisdiction	Regulatory Proceeding Type	Rate Request (millions)	Current Status
Completed Rate Reviews				
BELCO	Bermuda	General Rate Case ("GRC")	\$34.8	On September 30, 2021, filed its revenue allowance application in which it requested a \$34.8 million increase for 2022 and a \$6.1 million increase for 2023. On March 18, 2022, the Regulatory Authority ("RA") approved an annual increase of \$22.8 million, for a revenue allowance of \$224.1 million for 2022 and \$226.2 million for 2023. The RA authorized a 7.16% rate of return, comprised of a 62% equity and an 8.92% return on equity ("ROE"). In April 2022, BELCO filed an appeal in the Supreme Court of Bermuda challenging the decisions made by the RA through the recent Retail Tariff Review. On February 23, 2024, the Bermuda Supreme Court issued an order denying the BELCO appeal.
Empire Electric	Arkansas	GRC	\$7.3	On February 14, 2023, filed an application seeking an increase in revenues of \$7.3 million based on an ROE of 10.25% and an equity ratio of 56% to be phased in over three years. On December 7, 2023, the Arkansas Public Service Commission issued an order approving the settlement agreement authorizing a revenue increase of \$5.3 million based on a 44% equity ratio phased in over three years. New rates became effective January 1, 2024.
BELCO	Bermuda	GRC	\$59.1	On October 17, 2023, filed its revenue allowance application in which it requested a \$59.1 million increase for 2024 and 2025 based on a weighted average cost of capital of 10.13%. On May 30, 2024, the RA issued a final order authorizing a revenue increase of \$33.6 million for 2024 and 2025 based on a weighted average cost of capital of 7.79%. New base rates became effective August 1, 2024.
New York Water	New York	GRC	\$39.7	On May 4, 2023, filed an application seeking an increase in revenues of \$39.7 million based on an ROE of 10% and an equity ratio of 50%. On May 31, 2024, the Staff of the Department of Public Service and the Company filed a joint proposal resolving all contested issues. On July 16, 2024, an evidentiary hearing was held on the joint proposal. On August 15, 2024, the Commission issued an order approving the joint proposal and authorizing a \$38.6 million increase in revenues over a three-year rate plan (\$26.3 million in Year 1, \$6.1 million in Year 2 and \$6.2 million in Year 3). New rates became effective September 1, 2024 and are being collected retroactive to April 1, 2024 through a make whole surcharge that will be in effect from September 1, 2024 through March 31, 2026.

Utility	Jurisdiction	Regulatory Proceeding Type	Rate Request (millions)	Current Status
Midstates Gas	Illinois	GRC	\$5.3	On December 20, 2023, filed an application seeking an increase in revenues of \$5.3 million based on an ROE of 10.80% and an equity ratio of 54%. On April 24, 2024, Staff of the Illinois Commerce Commission ("ICC Staff") filed testimony recommending a \$0.6 million rate decrease. On May 16, 2024, the Company filed updated rebuttal testimony revising its proposed revenue increase to \$4.6 million. On June 20, 2024, ICC Staff filed its rebuttal testimony recommending a base rate revenue increase of \$2.1 million, and the Company filed surrebuttal testimony revising its proposed revenue increase to \$4.1 million. A hearing was held on June 27, 2024. On July 25, 2024, the ICC Staff filed a legal brief recommending a revenue increase of \$3.1 million. On October 31, 2024, the ICC issued a final order approving a total increase of \$3.2 million or 22.32% in base rate revenues. The rate increase reflects an approved rate of return of 7.54% that incorporates a ROE of 9.90% and long-term debt cost rate of 5.60%. New rates are anticipated to be effective no later than 30 days from the order date.
Midstates Gas	Missouri	GRC	\$13.2	On February 9, 2024, filed an application seeking an increase in revenues of \$13.2 million based on an ROE of 10.80% and an equity ratio of 52.92%. On July 18, 2024, the Staff of the Missouri Public Service Commission and Office of the Public Counsel ("OPC") filed direct testimony. Staff proposed a base revenue increase of \$4.4 million based on a 50% equity ratio and 9.45% ROE. OPC recommended a 47.5% equity ratio and 9.50% ROE. On August 22, 2024 the parties filed rebuttal testimony. On September 19, 2024 the parties filed surrebuttal testimony. On October 9, 2024, Staff filed a motion to suspend the procedural schedule and evidentiary hearing given that the parties reached a settlement resolving all issues. The parties filed a stipulation agreement on October 22, 2024 agreeing to an increase in annual distribution revenues of \$9.1 million. On November 6, 2024, the Commission unanimously voted to approve the settlement agreement, with a written order to follow.

Utility	Jurisdiction	Regulatory Proceeding Type	Rate Request (millions)	Current Status
Pending Rate Reviews				
Granite State Electric	New Hampshire	GRC	\$15.5	On May 5, 2023, filed an application seeking a permanent increase in revenues of \$15.5 million based on an ROE of 10.35% and an equity ratio of 55%. Temporary rates of \$5.5 million were implemented on July 1, 2023. On December 13, 2023, the Department of Energy ("DOE") filed a motion seeking to dismiss the case. An evidentiary hearing was held on January 23, 2024. The case has been stayed by the New Hampshire Public Utilities Commission ("NHPUC") until May 15, 2024 so that it may contemplate the motion and the Company's third-party review of its financial information. On April 2, 2024 the NHPUC directed the Company to cooperate with the DOE and all other parties to develop a mutually-agreeable scope of work for the third-party report, to be filed with the NHPUC no later than April 15, 2024. Because there was not agreement on the scope of work, the Company filed the third-party report which concluded that the accounting information included in the rate filing provides a sufficient basis for determining the Company's revenue requirement and that 2023 accounting data provides a sufficient basis for inclusion in the Company's regulatory filings. On April 24, 2024, the Company filed an updated revenue requirement, seeking an increase in revenues of \$14.7 million. On April 30, 2024, the NHPUC rejected the scope of the third-party report that was submitted, ordered an independent audit facilitated by the DOE with a procedural schedule for the next phase of the proceeding due no later than May 20, 2024, and deferred a ruling on the DOE motion to dismiss. The NHPUC extended the stay until September 16, 2024 to assess the issues that have been raised in the docket and called for a status report required by August 30, 2024. On September 30, 2024, the Company notified the NHPUC that the parties were engaged in settlement discussions. The parties expect to file a settlement agreement in conjunction with supporting testimony by November 15, 2024. On October 9, 2024, the NHPUC issued a procedural order scheduling hearings for January 9, 2025 and January 15, 2025.

Utility	Jurisdiction	Regulatory Proceeding Type	Rate Request (millions)	Current Status
EnergyNorth Gas	New Hampshire	GRC	\$27.5	On July 27, 2023, filed an application seeking an increase in revenues of \$27.5 million based on an ROE of 10.35% and an equity ratio of 55%. Temporary rates of \$8.7 million were approved by the Commission on October 31, 2023. The temporary rate increase is retroactive to October 1, 2023. On February 5, 2024, the Company requested that the NHPUC stay the case until April 12, 2024 so that the Company can provide the Commission with a third-party review of the financial information upon which the revenue requirement is predicated. On February 16, 2024, the DOE filed a motion seeking to dismiss the case. On March 14, 2024 the Commission issued an order staying the case until June 7, 2024, so that it may contemplate the motion and so that the Company can provide the NHPUC with a third-party review of the financial information within the rate application. On April 17, 2024, the Company filed a proposed scope for the third-party review. On August 16, 2024 the DOE filed a status update informing NHPUC that the parties met to discuss a comprehensive settlement of all issues in the case and intend to more fully engage in settlement discussions once a settlement in the Granite State Electric case is reached.
Rio Rico Water & Sewer, Bella Vista Water, Beardsley Water, Cordes Lakes Water	Arizona	GRC	\$5.4	On December 28, 2023, filed an application seeking an increase in revenues of \$5.4 million based on an ROE of 10.95% and an equity ratio of 54%. On June 26, 2024, the Arizona Corporation Commission granted the Company's request to extend the procedural schedule with a hearing on the merits scheduled for March 24-28, 2025. Staff and intervenor testimony on non-rate design issues is due by December 20, 2024.
Park Water	California	GRC	\$9.3	On January 2, 2024, filed an application seeking an increase in revenues of \$9.3 million based on an ROE of 9.35% and an equity ratio of 57%. On July 24, 2024, the Public Advocates Office at the California Public Utilities Commission filed testimony recommending a \$2.4 million decrease in revenues for 2025. On September 23, 2024, the Company served rebuttal testimony seeking \$9.0 million revenue increase. Legal briefs are expected to be filed in December 2024. On November 4, 2024, in the Cost of Capital proceeding for Small Class A Water Utilities, the California PUC issued a proposed order increasing Park Water's ROE to 9.57%, which is subject to issuance of a final order.
Apple Valley Water	California	GRC	\$3.1	On January 2, 2024, filed an application seeking an increase in revenues of \$3.1 million based on an ROE of 9.35% and an equity ratio of 57%. On July 24, 2024, the Public Advocates Office at the California Public Utilities Commission (the "California PUC") filed testimony recommending a \$3.9 million decrease in revenues for 2025. On September 23, 2024, the Company served rebuttal testimony seeking \$2.9 million revenue increase. Legal briefs are expected to be filed in December 2024. On November 4, 2024, in the Cost of Capital proceeding for Small Class A Water Utilities, the California PUC issued a proposed order increasing Apple Valley Water's ROE to 9.57% which is subject to issuance of a final order.

Utility	Jurisdiction	Regulatory Proceeding Type	Rate Request (millions)	Current Status
Missouri Water	Missouri	GRC	\$8.1	On March 13, 2024, filed an application seeking an increase in revenues of \$8.1 million based on an ROE of 10.62% and an equity ratio of 52.6%. On August 20, 2024 Staff filed direct testimony recommending an increase in annual revenues of \$7.8 million based on an ROE of 9.45% and an equity ratio of 50%. The City of Bolivar recommended an increase in annual revenues of \$7.5 million. On September 27, 2024 the parties filed rebuttal testimony. Surrebuttal testimony was filed on October 24, 2024 and an evidentiary hearing is scheduled to begin November 18, 2024.
Arkansas Water	Arkansas	GRC	\$2.3	On March 14, 2024, filed an application seeking an increase in revenues of \$2.3 million based on an ROE of 10.62% and an equity ratio of 52.5%. On August 27, 2024, Staff filed testimony recommending an annual revenue increase of \$1.5 million, based on an ROE of 9.80%. On September 24, 2024, the Company filed rebuttal testimony updating its proposed annual revenue increase to \$1.8 million. Surrebuttal testimony was filed by the parties on October 22, 2024 and the Company's surrebuttal testimony was filed on October 29, 2024. The evidentiary hearing is scheduled on November 21, 2024.
New Brunswick Gas	New Brunswick	GRC	\$1.6	On April 15, 2024, filed an application seeking an increase in revenues of \$1.6 million based on an ROE of 9.80% and an equity ratio of 45%. On August 16, 2024 The Office of the Public Intervenor filed testimony. On September 27, 2024 the Company filed rebuttal testimony. An evidentiary hearing was held on October 4, 7 and 8, 2024. A decision from the Board is expected in the fourth quarter of 2024.
CalPeco Electric	California	GRC	\$39.8	On September 20, 2024, filed an application seeking an increase in revenues of \$39.8 million based on an ROE of 11% and an equity ratio of 52.5%.
Empire Electric	Missouri	GRC	\$92.1	On November 6, 2024, filed an application seeking an increase in revenues of \$92.1 million based on an ROE of 10% and an equity ratio of 53.1%.

CORPORATE GROUP ADJUSTED EBITDA

Key financial information related to the Corporate Group is as follows:

2024 Third Quarter and Year-to-Date Corporate Group Adjusted EBITDA^{1,2}

(all dollar amounts in \$ millions)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Revenue	0.4	0.4	1.0	1.1
Add: Interest, dividend, equity, and other income ³	23.0	18.3	67.8	57.1
Less: Operating expenses	2.3	(1.0)	5.3	0.3
Corporate Group Adjusted EBITDA¹	21.1	19.7	63.5	57.9

¹ See *Caution Concerning Non-GAAP Measures*.

² This table contains a reconciliation of Adjusted EBITDA to revenue for the Corporate Group. The relevant sections of the table are derived from and should be read in conjunction with the unaudited interim condensed consolidated statement of operations and *Note 17* in the unaudited interim condensed consolidated financial statements, "*Segmented Information*". This supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and provides additional information related to the operating performance of the Corporate Group. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to revenue.

³ Primarily includes dividends from Atlantica of \$21.8 million and \$22.0 million for the three months ended September 30, 2024 and 2023 respectively. The nine months ended September 30, 2024 and 2023 includes dividends from Atlantica of \$65.4 million and \$65.6 million respectively.

HYDRO GROUP ADJUSTED EBITDA

Key financial information related to the Hydro Group is as follows:

2024 Third Quarter and Year-to-Date Hydro Group Adjusted EBITDA^{1,2}

(all dollar amounts in \$ millions)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Revenue	\$ 8.9	\$ 8.3	\$ 27.2	\$ 25.7
Less: Cost of Sales - Hydro	—	0.1	0.2	0.4
Add: Other income	—	0.2	0.8	1.0
Less: Operating expenses	1.8	1.9	6.8	6.8
Hydro Group Adjusted EBITDA¹	\$ 7.1	\$ 6.5	\$ 21.0	\$ 19.5

¹ See *Caution Concerning Non-GAAP Measures*.

² This table contains a reconciliation of Adjusted EBITDA to revenue for the Hydro Group. The relevant sections of the table are derived from and should be read in conjunction with the unaudited interim condensed consolidated statement of operations and *Note 17* in the unaudited interim condensed consolidated financial statements, "*Segmented Information*". This supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and provides additional information related to the operating performance of the Hydro Group. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to revenue.

AQN: OTHER EXPENSES

	Three months ended		Nine months ended	
	September 30		September 30	
(all dollar amounts in \$ millions)	2024	2023	2024	2023
Other expenses:				
Loss on foreign exchange	6.3	2.9	3.8	8.3
Interest expense	91.4	81.6	274.1	232.7
Depreciation and amortization	99.4	88.3	296.1	263.0
Change in value of investments carried at fair value	(1.6)	212.4	(23.7)	332.8
Interest, dividend, equity, and other income	(23.0)	(18.3)	(67.9)	(57.0)
Pension and other post-employment non-service costs	3.0	4.9	10.4	15.2
Other net losses	9.5	74.2	19.9	111.4
Gain on derivative financial instruments	(0.3)	(0.7)	(0.5)	(3.9)
Income tax expense (recovery)	6.4	(40.8)	33.3	(50.0)

2024 Third Quarter Other Expenses

For the three months ended September 30, 2024, interest expense totaled \$91.4 million as compared to \$81.6 million in the same period in 2023. The increase was primarily driven by increased borrowings to support growth initiatives.

For the three months ended September 30, 2024, depreciation expense totaled \$99.4 million as compared to \$88.3 million in the same period in 2023.

For the three months ended September 30, 2024, change in investments carried at fair value totaled a gain of \$1.6 million as compared to a loss of \$212.4 million in the same period in 2023. The Company records certain of its investments, including Atlantica, using the fair value method and accordingly any change in the fair value of the investment is recorded in the consolidated statement of operations (see *Note 6* in the unaudited interim condensed consolidated financial statements).

For the three months ended September 30, 2024, pension and post-employment non-service costs totaled \$3.0 million as compared to \$4.9 million in the same period in 2023. The decrease was primarily due to higher expected return on plan assets.

For the three months ended September 30, 2024, other net losses were \$9.5 million as compared to \$74.2 million in the same period in 2023. The decrease was primarily due to securitization costs related to Empire Electric written off during the three months ended September 30, 2023 of \$63.5 million. See *Note 15* in the unaudited interim condensed consolidated financial statements.

For the three months ended September 30, 2024, the gain on derivative financial instruments totaled \$0.3 million as compared to a gain of \$0.7 million in the same period in 2023. AQN uses derivative instruments to manage exposure to changes in commodity prices, foreign exchange rates, and interest rates. The gains in the third quarter of both 2024 and 2023 were primarily related to mark-to-markets on interest rate derivatives.

For the three months ended September 30, 2024, an income tax expense of \$6.4 million was recorded as compared to an income tax recovery of \$40.8 million during the same period in 2023. The increase in income tax expense was primarily due to the tax impact from fluctuations in the fair value of the investment in Atlantica, the tax impact of higher earnings, along with the effect from the restructuring of certain intercompany financing arrangements which were executed in advance of the implementation of global minimum tax rules in the various jurisdictions in which the Company operates.

2024 Year-to-Date Other Expenses

For the nine months ended September 30, 2024, interest expense totaled \$274.1 million as compared to \$232.7 million in the same period in 2023. The increase was primarily due to increased borrowings to support growth initiatives as well as reclassification of the Margin Loan as debt.

For the nine months ended September 30, 2024, depreciation expense totaled \$296.1 million as compared to \$263.0 million in the same period in 2023. The increase was primarily due to higher overall property, plant and equipment.

For the nine months ended September 30, 2024, change in investments carried at fair value totaled a gain of \$23.7 million as compared to a loss of \$332.8 million in the same period in 2023. The Company records certain of its

investments, including Atlantica, using the fair value method and accordingly any change in the fair value of the investment is recorded in the consolidated statement of operations (see *Note 6* in the unaudited interim condensed consolidated financial statements).

For the nine months ended September 30, 2024, pension and post-employment non-service costs totaled \$10.4 million as compared to \$15.2 million in the same period in 2023. The decrease was primarily due to higher expected return on plan assets.

For the nine months ended September 30, 2024, other net losses were \$19.9 million as compared to \$111.4 million in the same period in 2023. The decrease was primarily due to a loss of \$46.5 million related to the termination of the stock purchase agreement regarding the acquisition of Kentucky Power Company and AEP Kentucky Transmission Company, Inc. and securitization costs related to Empire Electric of \$63.5 million written off during the nine months ended September 30, 2023, partially offset by a \$12.0 million contingent gain recorded in 2023 resulting from settlement of the purchase price of the Suralis Water System acquired in 2020. See *Note 15* in the unaudited interim condensed consolidated financial statements.

For the nine months ended September 30, 2024, the gain on derivative financial instruments totaled \$0.5 million as compared to a gain of \$3.9 million in the same period in 2023. AQN uses derivative instruments to manage exposure to changes in commodity prices, foreign exchange rates, and interest rates. The gains for both the nine months ended September 30, 2024 and for the nine months ended September 30, 2023 were primarily related to mark-to-markets on interest rate derivatives.

For the nine months ended September 30, 2024, an income tax expense of \$33.3 million was recorded as compared to an income tax recovery of \$50.0 million during the same period in 2023. The increase in income tax expense was primarily due to the tax impact from fluctuations in the fair value of the investment in Atlantica, the effect from the restructuring of certain intercompany financing arrangements which were executed in advance of the implementation of global minimum tax rules in the various jurisdictions in which the Company operates, and the tax impact of higher earnings.

DISCONTINUED OPERATIONS: RENEWABLE ENERGY GROUP

The renewable energy group (excluding hydro), presented as discontinued operations, generates and sells electrical energy produced by its diverse portfolio of renewable power generation and clean power generation facilities located in the United States and Canada.

Key financial information related to the discontinued operations is as follows:

For the three months ended September 30, 2024, the renewable energy group's facilities generated operating revenue of \$66.3 million as compared to \$60.0 million in the comparable period in the prior year. The net loss attributable to the Company for the three months ended September 30, 2024 was \$1,355.2 million and was primarily driven by loss on classification as held-for-sale of \$1,298.0 million. The net income attributable to the Company for the same period in 2023 was \$0.4 million.

For the nine months ended September 30, 2024, the renewable energy group's facilities generated operating revenue of \$240.5 million as compared to \$213.0 million in the comparable period in the prior year. The net loss attributable to the Company for the nine months ended September 30, 2024 was \$1,367 million and was primarily driven by loss on classification as held-for-sale of \$1,298.0 million. The net income attributable to the Company for the same period in 2023 was \$26.6 million.

2024 Third Quarter and Year-to-Date discontinued operations results

(all dollar amounts in \$ millions)	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Revenue	\$ 66.3	\$ 60.0	\$ 240.5	\$ 213.0
Operating income (loss)	\$ 5.2	\$ 8.1	\$ (9.4)	\$ 8.4
Net income (loss) attributable to AQN	\$ (1,355.2)	\$ 0.4	\$ (1,367)	\$ 26.6

As at September 30, 2024, the total assets of the renewable energy group were \$3,472.1 million as compared to \$4,160.9 million as at December 31, 2023, a decrease of \$688.8 million, mainly due to loss on classification as held-for-sale of \$1,298.0 million, partially offset by \$325.0 million due to the acquisitions of Shady Oaks II, Sandy Ridge II, New Market Solar and Carvers Creek during the year.

Total liabilities of the renewable energy group were \$1,581.6 million as compared to \$1,392.4 million as at December 31, 2023 including \$1,249.1 million of long term indebtedness consisting of senior unsecured notes and credit facilities. The increase of \$189.1 million is mainly due to an increase of \$196.2 million in credit facilities associated with construction financing at the Carvers Creek solar facility. Additionally the renewable energy group has provided indirect guarantees of construction loans provided on behalf of variable interest entities, primarily its interest in the Clearview solar project, of \$244.2 million.

During the three months ended September 30, 2024, cash used in operating activities totaled \$2.7 million as compared to cash provided by operating activities of \$42.6 million during the same period in 2023, a decrease of \$39.9 million. During the nine months ended September 30, 2024, cash provided by operating activities totaled \$79.5 million as compared to \$78.7 million during the same period in 2023, a decrease of \$0.8 million. The decrease during the three months and nine months ended September 30, 2024 was primarily as a result of changes in working capital items.

2024 Third Quarter and Year-to-Date discontinued operations balances and cash flows

(all dollar amounts in \$ millions)	September 30	December 31
	2024	2023
	2024	2023
Total assets held for sale	\$ 3,472.1	\$ 4,160.9
Total liabilities associated with assets held for sale	\$ 1,581.6	\$ 1,392.4

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Cash flows provided by (used in)				
Operating activities	\$ 2,718	\$ 42,628	\$ 79,501	\$ 78,670
Investing activities	(24,149)	(128,611)	(134,295)	(241,723)

Contractual Obligations

Contractual obligations relating to discontinued operations as of September 30, 2024 are shown below:

(all dollar amounts in \$ millions)	Total	Due in less than 1 year	Due in 1 to 3 years	Due in 4 to 5 years	Due after 5 years
Service agreements	506.3	55.2	106.2	108.6	236.3
Capital projects	8.8	8.8	—	—	—
Land easements	583.0	11.0	27.3	28.0	516.7
Total Obligations	\$ 1,098.1	\$ 75.0	\$ 133.5	\$ 136.6	\$ 753.0

Bank Credit Facilities

The following table sets out the bank credit facilities available to AQN related to discontinued operations as at September 30, 2024:

	As at September 30, 2024	As at December 31, 2023
(all dollar amounts in \$ millions)	Total	Total
Revolving credit facilities & uncommitted letter of credit facilities	\$ 1,100.0 ¹	\$ 1,100.0
Funds drawn on facilities	(303.7)	(262.6)
Letters of credit issued	(411.3)	(392.0)
Liquidity available under the facilities	385.0	445.4
Undrawn portion of uncommitted letter of credit facilities	(189.6)	(214.6)
Cash on hand	56.7	31.1
Total Liquidity and Capital Reserves	\$ 252.1	\$ 261.9

¹ Includes \$600 million of uncommitted standalone letter of credit facilities.

As at September 30, 2024, the renewable energy group's \$500.0 million senior unsecured syndicated revolving credit facility (the "Renewable Energy Credit Facility") had \$303.7 million drawn and had \$0.9 million in outstanding letters of credit. The Renewable Energy Credit Facility matures on July 22, 2027.

As at September 30, 2024, the renewable energy group's bank lines consisted of \$600.0 million letter of credit facilities (the "Renewable Energy LC Facilities"), including a \$250.0 million uncommitted bilateral letter of credit facility and a \$350.0 million uncommitted letter of credit facility. As at September 30, 2024, the Renewable Energy LC Facilities had \$410.4 million in outstanding letters of credit.

Summary of Property, Plant and Equipment Expenditures

During the three months ended September 30, 2024, the renewable energy group made capital expenditures of \$284.9 million as compared to \$55.8 million during the same period in 2023. The renewable energy group's investments during the third quarter of 2024 were primarily related to the acquisition of the previously unowned portion of the Carvers Creek Solar facility, as well as the development and/or construction of various projects and ongoing maintenance capital at existing operating sites.

During the nine months ended September 30, 2024, the renewable energy group made capital expenditures of \$983.3 million as compared to \$287.7 million during the same period in 2023. The renewable energy group's investments year-to-date in 2024 were primarily related to the acquisition of the previously unowned portion of the Shady Oaks II Wind facility, the Sandy Ridge II Wind facility, the New Market Solar facility and the Carvers Creek Solar facility, as well as the development and/or construction of various projects and ongoing maintenance capital at existing operating sites.

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		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Net earnings (loss) attributable to shareholders	\$ (1,305.7)	\$ (174.5)	\$ (1,194.1)	\$ (157.6)
Add (deduct):				
Net earnings attributable to the non-controlling interest, exclusive of HLBV	0.8	7.0	4.2	26.1
Loss from discontinued operations, net of tax	1,355.2	(0.4)	1,367.0	(26.6)
Income tax expense (recovery)	6.4	(40.8)	33.3	(50.0)
Interest expense	91.4	81.6	274.1	232.7
Other net losses ¹	9.5	74.2	19.9	111.4
Pension and post-employment non-service costs	3.0	4.9	10.4	15.2
Change in value of investments carried at fair value ²	(1.6)	212.4	(23.7)	332.8
Gain on derivative financial instruments	(0.3)	(0.7)	(0.5)	(3.9)
Loss on foreign exchange	6.3	2.9	3.8	8.3
Depreciation and amortization	99.4	88.3	296.1	263.0
Adjusted EBITDA	\$ 264.4	\$ 254.9	\$ 790.5	\$ 751.4

¹ See Note 15 in the unaudited interim condensed consolidated financial statements.

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

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		Nine months ended September 30	
	2024	2023	2024	2023
Net earnings (loss) attributable to shareholders	\$ (1,305.7)	\$ (174.5)	\$ (1,194.1)	\$ (157.6)
Add (deduct):				
Loss (Earnings) from discontinued operations	1,355.2	(0.4)	1,367.0	(26.6)
Gain on derivative financial instruments	(0.3)	(0.7)	(0.5)	(3.9)
Other net losses ¹	9.5	74.2	19.9	111.4
Loss on foreign exchange	6.3	2.9	3.8	8.3
Change in value of investments carried at fair value ²	(1.6)	212.4	(23.7)	332.8
Adjustment for taxes related to above	1.5	(45.3)	14.4	(66.2)
Adjusted Net Earnings	\$ 64.9	\$ 68.6	\$ 186.8	\$ 198.2
Adjusted Net Earnings per common share	\$ 0.08	\$ 0.10	\$ 0.25	\$ 0.28

¹ See Note 15 in the unaudited interim condensed consolidated financial statements.

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

For the three months ended September 30, 2024, Adjusted Net Earnings totaled \$64.9 million as compared to Adjusted Net Earnings of \$68.6 million for the same period in 2023, a decrease of \$3.7 million.

For the nine months ended September 30, 2024, Adjusted Net Earnings totaled \$186.8 million as compared to Adjusted Net Earnings of \$198.2 million for the same period in 2023, a decrease of \$11.4 million.

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		Nine months ended September 30	
	2024	2023	2024	2023
Cash provided by operating activities	\$ 66.7	\$ 132.6	\$ 433.6	\$ 427.3
Add (deduct):				
Cash provided (used in) operating activities of discontinued operations	(2.7)	(42.6)	(79.5)	(78.7)
Changes in non-cash operating items for continuing operations	70.6	34.8	54.6	88.1
Changes in non-cash operating items from discontinued operations	8.7	22.0	23.4	(3.2)
Production based cash contribution from non-controlling interest for continuing operations	—	—	2.0	—
Adjusted Funds from Operations	\$ 143.3	\$ 146.8	\$ 434.1	\$ 433.5

For the three months ended September 30, 2024, Adjusted Funds from Operations totaled \$143.3 million as compared to Adjusted Funds from Operations of \$146.8 million for the same period in 2023, a decrease of \$3.5 million.

For the nine months ended September 30, 2024, Adjusted Funds from Operations totaled \$434.1 million as compared to Adjusted Funds from Operations of \$433.5 million for the same period in 2023, an increase of \$0.6 million.

SUMMARY OF PROPERTY, PLANT AND EQUIPMENT EXPENDITURES

	Three months ended September 30		Nine months ended September 30	
(all dollar amounts in \$ millions)	2024	2023	2024	2023
Regulated Services Group				
Rate Base Maintenance ¹	\$ 97.4	\$ 87.4	\$ 289.5	\$ 257.1
Rate Base Growth	\$ 77.4	\$ 60.1	\$ 208.3	\$ 256.9
	\$ 174.8	\$ 147.5	\$ 497.8	\$ 514.0
Hydro Group	\$ 1.7	\$ 1.6	\$ 4.9	\$ 5.0
Corporate Group	\$ 0.2	\$ 0.3	\$ 0.7	\$ 0.9
Total Capital Expenditures	\$ 176.7	\$ 149.4	\$ 503.4	\$ 519.9

¹ Maintenance expenditures are calculated based on the depreciation expense for the period.

2024 Third Quarter Property, Plant and Equipment Expenditures

During the three months ended September 30, 2024, the Regulated Services Group made capital expenditures of \$174.8 million as compared to \$147.5 million during the same period in 2023. The Regulated Services Group's investments during the third quarter of 2024 were primarily related to the construction of transmission and distribution main replacements, work on new and existing substation assets, and initiatives relating to the safety and reliability of water, electric and natural gas systems.

During the three months ended September 30, 2024, the Hydro Group made capital expenditures of \$1.7 million as compared to \$1.6 million during the same period in 2023. Investments during the third quarter of 2024 were primarily related to ongoing repairs and maintenance at existing operating sites.

During the three months ended September 30, 2024, the Corporate Group incurred sustaining capital expenditures of \$0.2 million as compared to \$0.3 million during the same period in 2023.

2024 Year-to-Date Property, Plant and Equipment Expenditures

During the nine months ended September 30, 2024, the Regulated Services Group incurred capital expenditures of \$497.8 million as compared to \$514.0 million during the same period in 2023. The Regulated Services Group's investments year-to-date in 2024 were primarily related to the construction of transmission and distribution main replacements, work on new and existing substation assets, and initiatives relating to the safety and reliability of electric and natural gas systems.

During the nine months ended September 30, 2024, the Hydro Group made capital expenditures of \$4.9 million as compared to \$5.0 million during the same period in 2023. Investments year-to-date in 2024 were primarily related to ongoing repairs and maintenance at existing operating sites.

During the nine months ended September 30, 2024, the Corporate Group incurred sustaining capital expenditures of \$0.7 million as compared to \$0.9 million during the same period in 2023.

LIQUIDITY AND CAPITAL RESERVES

AQN has revolving credit and letter of credit facilities as well as separate credit facilities for the Regulated Services Group to manage liquidity and working capital requirements (collectively the "Bank Credit Facilities").

Bank Credit Facilities

The following table sets out the Bank Credit Facilities available to AQN and its operating groups as at September 30, 2024:

	As at September 30, 2024	As at December 31, 2023
(all dollar amounts in \$ millions)	Total	Total
Revolving and term credit facilities	\$ 3,497.8 ¹	\$ 3,642.0
Funds drawn on facilities / commercial paper issued	(1,556.9)	(2,630.3)
Letters of credit issued	(49.6)	(77.1)
Liquidity available under the facilities	1,891.3	934.6
Undrawn portion of uncommitted letter of credit facilities	(64.8)	(39.4)
Cash on hand	64.3	25.1
Total Liquidity and Capital Reserves	\$ 1,890.8	\$ 920.3

¹ Includes a \$75 million uncommitted standalone letter of credit facility and \$187.4 million fully drawn term facilities of Suralis and BELCO as at September 30, 2024 (\$176.5 million as at December 31, 2023).

Regulated Services Group

As at September 30, 2024, the Regulated Services Group's \$1.0 billion senior unsecured revolving credit facility (the "Long-Term Regulated Services Credit Facility") had no amounts drawn and had \$38.6 million of outstanding letters of credit. The Long-Term Regulated Services Credit Facility matures on April 29, 2027. As at September 30, 2024, the Regulated Services Group had \$142.0 million of commercial paper issued and outstanding. As at September 30, 2024, the Regulated Services Group's \$500.0 million senior unsecured revolving credit facility (the "Short Term Regulated Services Credit Facility") had no amounts drawn and no outstanding letters of credit. Subsequent to the quarter-end, the Short Term Regulated Services Credit Facility terminated on its maturity date, October 25, 2024.

As at September 30, 2024, the Regulated Services Group's \$100.0 million senior unsecured revolving credit facility (the "Bermuda Credit Facility") had \$65.4 million drawn. On January 29, 2024, the Company amended the Bermuda Credit Facility, increasing the limit by \$25 million to \$100 million. The Bermuda Credit Facility matures on December 31, 2024.

As at September 30, 2024, the Regulated Services Group's \$25.0 million senior unsecured revolving credit facility (the "Bermuda Working Capital Facility") had \$16.0 million drawn. Subsequent to the quarter-end, the maturity of the Bermuda Working Capital Facility was extended to June 24, 2025.

As at September 30, 2024, the Regulated Services Group's senior unsecured syndicated delayed draw term facility (the "Regulated Services Delayed Draw Term Facility") had \$610.4 million drawn in connection with the acquisition of Liberty Utilities (New York Water) Corp. Subsequent to the quarter-end, the Regulated Services Delayed Draw Term Facility was repaid on its maturity date, October 25, 2024.

Corporate Group

As at September 30, 2024, the \$1.0 billion senior unsecured revolving credit facility (the "Corporate Credit Facility") had \$535.7 million drawn and had \$0.8 million of outstanding letters of credit. The Corporate Credit Facility matures on March 31, 2028.

As at September 30, 2024, the Company had issued \$10.2 million of letters of credit from its \$75.0 million uncommitted letter of credit facility.

Repayment of \$163.7 million construction loan

On July 19, 2024, the Company repaid a \$163.7 million third-party construction loan assumed on acquisition of the remaining 50% ownership in the Shady Oaks II Wind Facility, which facility belongs to the renewable energy group that has been classified as "discontinued operations".

Credit Ratings

AQN has a long-term consolidated corporate credit rating of BBB from Standard & Poor's Financial Services LLC, ("S&P"), a BBB rating from DBRS Limited ("DBRS") and a BBB issuer rating from Fitch Ratings Inc. ("Fitch").

Liberty Utilities has a corporate credit rating of BBB from S&P, a BBB issuer rating from Fitch and a Baa2 issuer rating from Moody's Investor Service, Inc. ("Moody's"). Debt issued by Liberty Utilities has a rating of BBB from S&P, BBB+ from Fitch and Baa2 from Moody's. Debt issued by Liberty Utilities Finance GP1 has a rating of BBB (high) from DBRS, BBB+ from Fitch, BBB from S&P and Baa2 from Moody's. Empire has an issuer rating of BBB from S&P and a Baa1 rating from Moody's. Liberty Utilities (Canada) LP, the parent company for the Canadian regulated utilities under the Regulated Services Group, has an issuer rating of BBB from DBRS. The fixed-rate securitized utility tariff bonds (series 2024-A) issued by Empire District Bondco, LLC have a rating of AAA (sf) from S&P and Moody's.

Contractual Obligations

Information concerning contractual obligations from continuing operations as of September 30, 2024 is shown below:

(all dollar amounts in \$ millions)	Total	Due in less than 1 year	Due in 1 to 3 years	Due in 4 to 5 years	Due after 5 years
Principal repayments on debt obligations ^{1,2}	\$ 7,499.4	\$ 972.7	\$ 1,659.3	\$ 1,483.1	\$ 3,384.3
Advances in aid of construction	86.0	0.8	—	—	85.2
Interest on long-term debt obligations ²	4,797.0	346.8	556.4	401.9	3,491.9
Purchase obligations	609.2	609.2	—	—	—
Environmental obligations	44.8	4.1	21.0	1.4	18.3
Derivative financial instruments:					
Cross currency interest rate swaps	19.8	0.6	0.9	0.2	18.1
Commodity contracts	1.3	1.2	0.1	—	—
Purchased power	216.1	40.9	29.4	25.7	120.1
Gas delivery, service and supply agreements	448.9	98.0	107.2	79.7	164.0
Service agreements	32.6	18.4	12.0	2.2	—
Land easements	95.3	3.2	6.6	6.8	78.7
Other obligations	4.4	0.9	2.0	1.3	0.2
Total Obligations³	\$ 13,854.8	\$ 2,096.8	\$ 2,394.9	\$ 2,002.3	\$ 7,360.8

¹ Exclusive of deferred financing costs, bond premium/discount, and fair value adjustments at the time of issuance or acquisition.

² The Company's subordinated unsecured notes have a maturity in 2079 and 2082, respectively. However, the Company currently anticipates repaying such notes in advance of maturity upon exercise of the Company's redemption rights in accordance with the terms of the applicable indenture.

³ Excludes performance guarantees and other commitments on behalf of variable interest entities. See Note 6 in the unaudited interim condensed consolidated financial statements.

Equity

The common shares of AQN are publicly traded on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE") under the trading symbol "AQN". As at November 6, 2024, AQN had 767,232,124 issued and outstanding common shares.

AQN may issue an unlimited number of common shares. The holders of common shares are entitled to dividends, if and when declared; to one vote for each share at meetings of the holders of common shares; and to receive a pro rata share of any remaining property and assets of AQN upon liquidation, dissolution or winding up of AQN. All common shares are of the same class and with equal rights and privileges and are not subject to future calls or assessments.

AQN is also authorized to issue an unlimited number of preferred shares, issuable in one or more series, containing terms and conditions as approved by the Board. As at November 7, 2024, AQN had outstanding:

- 4,800,000 Cumulative Rate Reset Preferred Shares, Series A, yielding 6.576% annually for the five-year period ending on December 31, 2028; and
- 4,000,000 Cumulative Rate Reset Preferred Shares, Series D, yielding 6.853% annually for the five year period ending on March 31, 2029.

Declaration of 2024 Fourth Quarter Dividend of \$0.0650 (C\$0.0901) per Common Share

The Board has declared a fourth quarter 2024 dividend of \$0.0650 per common share payable on January 15, 2025 to shareholders of record on December 31, 2024.

The Canadian dollar equivalent for the fourth quarter 2024 dividend is C\$0.0901 per common share.

Changes in the level of dividends paid by AQN are at the discretion of AQN's Board of Directors (the "Board"), with dividend levels being reviewed periodically by the Board in the context of AQN's financial performance and growth prospects.

The previous four quarter U.S. and Canadian dollar equivalent dividends per common share have been as follows:

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total
U.S. dollar dividend	\$ 0.1085	\$ 0.1085	\$ 0.0650	\$ 0.0650	\$0.3470
Canadian dollar equivalent	\$ 0.1468	\$ 0.1490	\$ 0.0893	\$ 0.0901	\$0.4752

Dividend Reinvestment Plan

Effective March 16, 2023, AQN suspended its shareholder dividend reinvestment plan (the "Reinvestment Plan") for registered holders of common shares of AQN. Effective for the first quarter 2023 dividend (paid on April 14, 2023 to shareholders of record on March 31, 2023), shareholders participating in the Reinvestment Plan began receiving cash dividends. If the Company elects to reinstate the Reinvestment Plan in the future, shareholders who were enrolled in the Reinvestment Plan at its suspension and remain enrolled at reinstatement will automatically resume participation in the Reinvestment Plan.

As at September 30, 2024, 168,595,010 common shares representing approximately 24% of total common shares outstanding had been registered with the Reinvestment Plan.

SHARE-BASED COMPENSATION PLANS

For the nine months ended September 30, 2024, AQN recorded \$14.7 million in total share-based compensation expense, as compared to \$7.2 million for the same period in 2023. The compensation expense is recorded as part of operating expenses in the unaudited interim condensed consolidated statement of operations. The portion of share-based compensation costs capitalized as cost of construction is insignificant.

As at September 30, 2024, total unrecognized compensation costs related to non-vested share-based awards was \$17.6 million and is expected to be recognized over a period of 1.2 years.

Stock Option Plan

AQN has a stock option plan that permits the grant of share options to officers, directors, employees and selected service providers. Except in certain circumstances, the term of an option shall not exceed ten (10) years from the date of the grant of the option.

AQN determines the fair value of options granted using the Black-Scholes option-pricing model. The estimated fair value of options, including the effect of estimated forfeitures, is recognized as an expense on a straight-line basis over the options'

vesting periods while ensuring that the cumulative amount of compensation cost recognized at least equals the value of the vested portion of the award at that date. During the nine months ended September 30, 2024, there were no stock options granted to the executives of the Company. No stock options were exercised during the nine months ended September 30, 2024.

As at September 30, 2024, a total of 2,667,725 options were issued and outstanding under the stock option plan.

Performance and Restricted Share Units

AQN issues performance share units ("PSUs") and restricted share units ("RSUs") to certain employees as part of AQN's long-term incentive program. During the nine months ended September 30, 2024, the Company granted (including dividends) a combined total of 2,609,512 PSUs and RSUs to employees of the Company. The awards vest based on the terms of each agreement ranging from January 2024 to January 2027. During the nine months ended September 30, 2024, the Company settled 412,530 PSUs, of which 226,390 PSUs were exchanged for common shares issued from treasury and 186,140 PSUs and RSUs were settled at their cash value as payment for tax withholding related to the settlement of the awards.

As at September 30, 2024, a combined total of 5,032,190 PSUs and RSUs were granted and outstanding under the performance and restricted share unit plan.

Directors' Deferred Share Units

AQN has a Directors' Deferred Share Unit Plan. Under the plan, non-employee directors of AQN receive all or any portion of their annual compensation in deferred share units ("DSUs") and may elect to receive any portion of their remaining compensation in DSUs. During the nine months ended September 30, 2024, the Company issued 173,857 DSUs (including DSUs in lieu of dividends) to the non-employee directors of the Company. During the nine months ended September 30, 2024, the Company settled 368,303 DSUs in exchange for 181,374 common shares issued from treasury, and 186,929 DSUs were settled at their cash value as payment for tax withholding related to the settlement of the awards. As at September 30, 2024, a total of 530,137 DSUs were outstanding under the Directors' Deferred Share Unit Plan.

Bonus Deferral Restricted Share Units

The Company has a bonus deferral RSU program that is available to certain employees. The eligible employees have the option to receive a portion or all of their annual bonus payment in RSUs in lieu of cash. The RSUs provide for settlement in common shares, and therefore these RSUs are accounted for as equity awards. During the nine months ended September 30, 2024, the Company settled 1,380 bonus deferral RSUs in exchange for 641 common shares issued from treasury, and 739 bonus deferral RSUs were settled at their cash value as payment for tax withholding related to the settlement of the awards. In addition, during the nine months ended September 30, 2024, 49,000 bonus deferral RSUs were granted (including RSUs in lieu of dividends) to employees of the Company pursuant to the bonus deferral RSU program. Such RSUs are 100% vested.

Employee Share Purchase Plan

AQN has an Employee Share Purchase Plan (the "ESPP") which allows eligible employees to use a portion of their earnings to purchase common shares of AQN. The aggregate number of common shares reserved for issuance from treasury by AQN under this plan shall not exceed 6,500,000 shares. During the nine months ended September 30, 2024, the Company issued 742,619 common shares to employees under the ESPP.

As at September 30, 2024, a total of 3,853,151 common shares had been issued under the ESPP.

ENTERPRISE RISK MANAGEMENT

The Corporation is subject to a number of risks and uncertainties, certain of which are described below. The risks discussed below are not intended to be a complete list of all risks that AQN, its subsidiaries and affiliates are encountering or may encounter. Please see the Company's most recent AIF available on SEDAR+ and EDGAR for a further discussion of risk factors to which the Company is subject. To the extent of any inconsistency, the risks discussed below are intended to provide an update on those that were previously disclosed.

Treasury Risk Management

Capital Markets and Liquidity Risk

As at September 30, 2024, the Company had approximately \$8,725.0 million of long-term consolidated indebtedness, including \$1,249.1 million of long-term indebtedness included in liabilities held for sale. Management of the Company believes, based on its current expectations as to the Company's future performance, that the cash flow from operations, the

funds available under its credit facilities, the proceeds of the proposed Renewables, and Atlantica sales or from other potential future dispositions, and its ability to access capital markets will be adequate to enable the Company to finance its operations, execute its business strategy and maintain an adequate level of liquidity. However, the Company's expected revenue and capital expenditures are only estimates. Moreover, actual cash flows from operations will depend on regulatory, market and other conditions that are beyond the Company's control and which may be impacted by the risk factors herein. As a result, there can be no assurance that management's expectations as to future performance will be realized.

The Company's ability to obtain additional debt or equity or issue other securities, on favourable terms or at all, may be adversely affected by negative perceptions of the Company, any adverse financial or operational performance, financial market disruptions, the failure or collapse of any financial institution, prevailing market views or perceptions, or other factors outside the Company's control. In addition, the Company may at times incur indebtedness in excess of its long-term leverage targets, in advance of raising the additional equity or similar securities or executing on asset recycling strategies necessary to repay such indebtedness and maintain its long-term leverage target. Any increase in the Company's leverage or degradation of key credit metrics below threshold levels could, among other things: limit the Company's ability to obtain additional financing for working capital, investment in subsidiaries, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; restrict the Company's flexibility and discretion to operate its business; limit the Company's ability to declare dividends or maintain prior dividend levels; require the Company to dedicate a portion of cash flows from operations to the payment of interest on its existing indebtedness, in which case such cash flows would not be available for other purposes; cause rating agencies to re-evaluate or downgrade the Company's existing credit ratings; require the Company to post additional collateral security under some of its contracts and hedging arrangements; expose the Company to increased interest expense on borrowings at variable rates; limit the Company's ability to adjust to changing market conditions; place the Company at a competitive disadvantage compared to its competitors; make the Company vulnerable to any downturn in general economic conditions; render the Company unable to make expenditures that are important to its future growth strategies and require the Company to pursue alternative funding strategies, which may include accelerated asset recycling initiatives.

The Company will need to refinance or reimburse amounts outstanding under the Company's existing consolidated indebtedness over time. There can be no assurance the Company will be successful in refinancing its indebtedness when necessary or that additional financing will be obtained when needed, on commercially reasonable terms or at all. In the event that the Company cannot refinance its indebtedness or raise additional indebtedness on terms that are no less favourable than the current terms, the Company's cash flows and ability to declare dividends or repay its indebtedness may be adversely affected.

The Company's ability to meet its debt service requirements will depend on its ability to generate cash in the future, which depends on many factors, including the Company's financial performance, debt service obligations, the realization of the anticipated benefits of acquisition, disposition and investment activities, and working capital and capital expenditure requirements. In addition, the Company's ability to borrow funds in the future to make payments on outstanding debt will depend on the satisfaction of covenants in existing credit agreements and other agreements. A failure to comply with any covenants or obligations under the Company's consolidated indebtedness could result in a default under one or more such instruments, which, if not cured or waived, could result in the termination of dividends by the Company and permit acceleration of the relevant indebtedness. There can be no assurance that, if such indebtedness were to be accelerated, the Company's assets would be sufficient to repay such indebtedness in full. There can also be no assurance that the Company will generate cash flow in amounts sufficient to pay its outstanding indebtedness or to fund the Company's liquidity needs.

Interest Rate Risk

The Company is exposed to interest rate risk due to the impact of increasing benchmark interest rates and credit spreads on certain outstanding variable interest indebtedness, as well as any new borrowings on existing and new credit facilities and other debt issuances. Fluctuations in interest rates may also impact the costs to obtain other forms of capital and the feasibility of planned growth initiatives.

In addition, for the Regulated Services Group, costs resulting from interest rate increases may not be recoverable in whole or in part, and "regulatory lag" may cause a time delay in the payment to the Regulated Services Group of any such costs that are recoverable. Rising interest rates may also negatively impact the economics of development projects, acquisitions, dispositions and energy facilities, especially where project financing is being renewed or arranged.

As a result, fluctuations in interest rates could materially increase the Corporation's financing costs, limit the Corporation's options for financing or investment and adversely affect its results of operations, cash flows, key credit metrics, borrowing capacity and ability to implement its business strategy.

As at September 30, 2024, approximately 88% of debt outstanding in AQN and its subsidiaries was subject to a fixed rate of interest and as a result, such debt is not subject to significant interest rate risk in the short-term time horizon.

Borrowings subject to variable interest rates can fluctuate significantly from month to month, quarter to quarter and year to year. AQN's target is to maintain a minimum of 85% fixed rate debt. As a result, the Company hedges the interest rate risk on its variable interest rate borrowings from time to time.

Based on amounts outstanding as at September 30, 2024, the impact to interest expense on variable rate loans from changes in interest rates are as follows:

- the Corporate Credit Facility is subject to a variable interest rate and had \$535.7 million outstanding as at September 30, 2024. As a result, a 100 basis point change in the variable rate charged would impact interest expense by \$5.4 million annually;
- the Long-Term Regulated Services Credit Facility is subject to a variable interest rate and had no amounts outstanding as at September 30, 2024. As a result, a 100 basis point change in the variable rate charged would not impact interest expense;
- the Regulated Services Delayed Draw Term Facility is subject to a variable interest rate and had \$610.4 million outstanding as at September 30, 2024. Subsequent to the quarter-end, the Regulated Services Delayed Draw Term Facility was repaid on its maturity date of October 25, 2024. As a result, a 100 basis point change in the variable rate charged would not impact interest expense;
- the Bermuda Credit Facility is subject to a variable interest rate and had \$65.4 million outstanding as at September 30, 2024. As a result, a 100 basis point change in the variable rate charged would impact interest expense by \$0.7 million annually;
- the Bermuda Working Capital Facility is subject to a variable interest rate and had \$16.0 million outstanding as at September 30, 2024. As a result, a 100 basis point change in the variable rate charged would impact interest expense by \$0.2 million;
- the Regulated Services Group's commercial paper program is subject to a variable interest rate and had \$142.0 million outstanding as at September 30, 2024. As a result, a 100 basis point change in the variable rate charged would impact interest expense by \$1.4 million annually; and
- term facilities at Suralis that are subject to variable interest rates had \$130.3 million outstanding as at September 30, 2024. As a result, a 100 basis point change in the variable rate charged would impact interest expense by \$1.3 million annually.

The term loan facility at BELCO is subject to variable interest rates. However, the Company separately entered into an interest swap agreement to hedge the risk associated with interest rate fluctuation.

Tax Risk and Uncertainty

The Corporation is subject to income and other taxes primarily in the United States, Canada, Bermuda, and Chile; however, it is also subject to tax in other jurisdictions. Changes in tax laws or interpretations or applications thereof, which may or may not have a retroactive effect, in the jurisdictions in which the Corporation does business could adversely affect the Company's results from operations, returns to shareholders, and cash flows.

On June 20, 2024, Canada enacted the Excessive Interest and Financing Expenses Limitation ("EIFEL") rules and the Global Minimum Tax Act ("GMTA"). These legislative changes align with global efforts to address base erosion and profit shifting by ensuring that multinational enterprises pay a minimum level of tax on their global income.

- Under the EIFEL rules, the tax-deductible amount of interest and financing expenses is restricted to 30% of taxpayers' earnings before interest, taxes, depreciation and amortization computed for tax purposes. The EIFEL rules are applicable to the Company for the 2024 calendar year. Although at this time the Company does not expect a material impact as a result of the enactment of this significant legislation, the Company cannot ensure that there will not be a material impact in the future due to various factors including changes in capital structures, interpretations of legislation, future events and other circumstances.
- Implementation of global minimum tax rules in the various jurisdictions in which the Company operates is pursuant to the Organization for Economic Development's ("OECD") initiative to prevent perceived base erosion and profit shifting. The GMTA is intended to implement the income inclusion and domestic minimum top-up tax rules that form part of the Model Rules for the Global Minimum Tax released by the OECD. The GMTA rules will be applicable to the Company for the 2024 calendar year. Based on existing interpretation of the rules, the Company does not expect these measures will have a significant impact on its financial results; however, the Company cannot provide assurance that such interpretations will not change, or additional guidance will not be issued that will negatively impact the Company's current position.

The Corporation cannot provide assurance that the Canada Revenue Agency, the Internal Revenue Service or any other applicable taxation authority will agree with the tax positions taken by the Corporation, including with respect to claimed expenses and the cost amount of the Corporation's depreciable properties. A successful challenge by an applicable taxation

authority regarding such tax positions could adversely affect the results of operations and financial position of the Corporation.

Development by the Corporation of renewable power generation facilities in the United States depends in part on federal tax credits and other tax incentives. The Inflation Reduction Act has extended and expanded certain energy credits, providing greater certainty regarding the availability of these credits on a going forward basis. However, the rules governing these tax credits still include technical requirements for credit eligibility. If the Corporation is unable to complete construction on current or planned projects within certain deadlines or satisfy certain new requirements relating to prevailing wage and apprenticeship requirements, the reduced incentives or elimination of incentives may be insufficient to support continued development or may result in substantially reduced financial benefits from facilities that are completed. In addition, the Corporation has entered into certain tax equity financing transactions with financial partners for certain of its renewable power facilities in the United States, under which allocations of future cash flows to the Corporation from the applicable facility could be adversely affected in the event that there are changes in U.S. tax laws that apply to facilities previously placed in service.

Certain tax assumptions have been made by the Company in estimating the net proceeds to the Company of the pending Renewables sale and Atlantica sale. These assumptions may turn out to be incorrect or incomplete, which could reduce the net proceeds from such transactions to amounts lower than expected by the Company.

OPERATIONAL RISK MANAGEMENT

Dispositions, including Risks Relating to the Sale of the Company's Renewable Energy Business

For financial, strategic and other reasons, the Corporation may from time to time dispose of, or desire to dispose of, businesses or assets (in whole or in part) that it owns. Any disposition by the Corporation may result in recognition of a loss upon such a sale and may result in a decrease to its revenues, cash flows and net income and a change to its business mix. A disposition may also result in less proceeds than expected or liabilities to the Corporation, including as a result of any post-closing indemnities or purchase price adjustments. In addition, the Corporation may not be able to dispose of businesses or assets that the Corporation desires or expects to sell at all or at a price acceptable to the Corporation. Failure to execute on any planned disposition may require the Corporation to seek alternative sources of funds, including one or more potential issuances of equity, or incur additional indebtedness, which may, among other things, cause rating agencies to re-evaluate or downgrade the Corporation's existing credit ratings. Each of the foregoing items may have an adverse effect on the Corporation's business, results of operations, cost of capital or financial condition.

On August 9, 2024, the Company entered into an agreement to sell its renewable energy business to LS Buyer. The sale remains subject to the satisfaction of closing conditions, including the approval of the U.S. Federal Energy Regulatory Commission. Certain of these closing conditions and approvals are outside of the Company's control. There can be no assurance that these approvals will be obtained and that the other conditions to consummating the transaction will be satisfied. In addition, governmental authorities from which the regulatory approvals are required may impose conditions on the consummation of the transaction or require changes to the terms of the transaction, which could have the effect of delaying or impeding the consummation of the transaction. Any failure or significant delay in receiving such regulatory approvals and satisfying such closing conditions may result in adverse impacts to the Company, including, but not limited to, the termination of the transaction. If closing of the transaction does not take place at all or as contemplated, the Company could suffer adverse consequences on its business, financial condition or results of operations, including the loss of investor confidence in connection with the Company's ability to execute its strategic plan and failure to realize the expected benefits of consummating the transaction. Furthermore, if the transaction is terminated or materially delayed, the market price of the Company's common shares and other securities may be materially adversely affected. Whether or not the Company completes the disposition of its renewable energy business, the Company has incurred, and will continue to incur, significant transaction costs in connection with the transaction.

There can be no assurance that the Company will realize the benefits that it anticipates from the sale of its renewable energy business on a timely basis or at all. If the Company does not realize the anticipated benefits from the transaction for any reason it may have a significant adverse effect on the Company's operations, business and financial condition.

Divesting the renewable energy business involves a number of additional risks and uncertainties, including complexities involved in separating assets that will be sold from assets the Company will retain and the need to obtain third-party consents and approvals (in addition to regulatory approvals), which could, among other things, disrupt customer and supplier relationships, and the fact that the Company may be subject to additional tax obligations or loss of certain tax benefits. A portion of net proceeds of the transaction is dependent on the ability to obtain third-party change of control consents in respect of the transfer of certain renewable energy facilities. If such consents are not obtained, then ownership of the applicable renewable energy facilities and associated cash flows would be retained by the Company. The Company will be required to provide transitional services to LS Buyer for a period of time following closing of the transaction, and the Company may retain certain obligations related to divested assets, and be subject to potential liabilities related to the divested assets or their disposition. In addition, the transaction could cause disruptions in the business of the Company by

diverting the attention of the Board and management and diverting other resources (including costs) towards closing of the transaction. The transaction could also impact the Company's relationships with employees, including by increasing employee departures and turnover, and could result in accounting changes, restructuring and other disposition charges, as well as potential impairment charges or losses. The sale could negatively impact the Company's profitability, financial results and dividends because of losses that may result from the sale, the loss of revenues or a decrease in cash flows or cash available for distribution. In addition, Algonquin Power Co. may be subject to one or more further credit rating downgrades as a result of the sale process. Following the closing of the transaction, the Company will also have less diversity in the asset mix of its business and in the markets it serves. This will exacerbate the risks associated with the Company's Regulated Services Group and increase the importance of the operations of the Regulated Services Group to the Company. Any or all of these risks could impact the Company's financial results and business reputation.

Inflation Risk

AQN's profitability could be impacted by inflation increases above long-term averages. The Regulated Services Group's facilities are subject to rate setting by its regulatory agencies. The time between the incurrence of costs and the granting of the rates to recover those costs by regulatory agencies is known as regulatory lag. As a result of regulatory lag, inflationary effects and timing delays may impact the ability to recover expenses and/or capital costs, and profitability could be impacted. In the event of significant inflation, the impact of regulatory lag on the Company would be increased. In order to mitigate this exposure, the Regulated Services Group seeks to obtain approval for regulatory constructs in the states in which it operates to allow for timely recovery of operating expenses and capital costs.

Development and construction projects could experience a decrease in expected returns as a result of increased costs. In an effort to mitigate the risk of inflation, the Company attempts to enter into fixed price construction agreements close to the time it enters into fixed price offtake agreements.

Litigation Risks and Other Contingencies

AQN and certain of its subsidiaries are involved in various litigation, claims and other legal and regulatory proceedings that arise from time to time in the ordinary course of business. Any accruals for contingencies related to these items are recorded in the financial statements at the time it is concluded that a material financial loss is likely and the related liability is estimable. Anticipated recoveries under existing insurance policies are recorded when reasonably assured of recovery.

Mountain View Fire

On November 17, 2020, a wildfire now known as the Mountain View Fire occurred in the territory of Liberty Utilities (CalPeco Electric) LLC ("Liberty CalPeco"). The cause of the fire remains in dispute, and CAL FIRE has not yet released its final report. There were 22 lawsuits filed that name certain subsidiaries of the Company as defendants in connection with the Mountain View Fire, as well as a non-litigation claim brought by the U.S. Department of Agriculture seeking reimbursement for alleged fire suppression costs and a notice from the U.S. Bureau of Land Management seeking damages for the alleged burning of public lands without authorization. Fifteen lawsuits were brought by groups of individual plaintiffs and a Native American group alleging causes of action including negligence, inverse condemnation, nuisance, trespass, and violations of Cal. Pub. Util. Code 2106 and Cal. Health and Safety Code 13007 (one of these 15 lawsuits also alleges the wrongful death of an individual and various subrogation claims on behalf of insurance companies). In six other lawsuits, insurance companies alleged inverse condemnation and negligence and seek recovery of amounts paid and to be paid to their insureds. In one other lawsuit, County of Mono, Antelope Valley Fire Protection District, and Bridgeport Indian Colony allege similar causes of action and seek damages for fire suppression costs, law enforcement costs, property and infrastructure damage, and other costs. Liberty CalPeco has resolved 20 of the lawsuits, and Liberty CalPeco is in the process of obtaining dismissals with prejudice of said lawsuits. Trial on the remaining two lawsuits is currently expected in January 2025. The likelihood of success in these lawsuits is uncertain. Liberty CalPeco intends to vigorously defend them. The Company accrued estimated losses of \$172.3 million for claims related to the Mountain View Fire, against which Liberty CalPeco has recorded recoveries through insurance of \$116.0 million and Wildfire Expense Memorandum Account of \$56.3 million. The resulting net charge to earnings was \$nil. The estimate of losses is subject to change as additional information becomes available. The actual amount of losses may be higher or lower than these estimates. While the Company may incur a material loss in excess of the amount accrued, the Company cannot estimate the upper end of the range of reasonably possible losses that may be incurred. The Company has wildfire liability insurance that was applied up to applicable policy limits.

Apple Valley Condemnation Proceedings

On January 7, 2016, the Town of Apple Valley filed a lawsuit seeking to condemn the utility assets of Liberty Utilities (Apple Valley Ranchos Water) Corp. ("Liberty Apple Valley"). On May 7, 2021, the Court issued a Tentative Statement of Decision denying the Town of Apple Valley's attempt to take the Apple Valley water system by eminent domain. The ruling confirmed that Liberty Apple Valley's continued ownership and operation of the water system is in the best interest of the community. On October 14, 2021, the Court issued the Final Statement of Decision. The Court signed and entered an Order of Dismissal and Judgment on November 12, 2021. On January 7, 2022, the Town filed a notice of appeal of the judgment entered by the Court. On August 2, 2022, the Court issued a ruling awarding Liberty Apple Valley approximately

\$13.2 million in attorney's fees and litigation costs. The Town filed a notice of appeal of the fee award on August 22, 2022. On September 11, 2024, the Court of Appeal issued a tentative decision reversing the trial court's finding that the Town of Apple Valley does not have a right to take the assets of Liberty Apple Valley and reversing the award of attorney's fees to Liberty Apple Valley. Oral argument on the tentative decision has been scheduled for December 3, 2024. Once oral argument occurs, the Court of Appeal has 90 days to issue a final decision on the appeal.

Technology Infrastructure Implementation Risk

The Company relies upon various information and operational technology infrastructure systems to carry out its business processes and operations. This subjects the Company to inherent costs and risks associated with maintaining, upgrading, replacing and changing information and operational technology systems. This includes impairment of its technology systems, potential disruption of operations, business process and internal control systems, substantial capital expenditures, demands on management time and other risks of delays, and difficulties in upgrading, transitioning and integrating technology systems.

AQN and certain of its subsidiaries recently completed the implementation of an integrated customer solution platform, which includes customer billing, enterprise resource planning systems and asset management systems. Transitioning operations to these new technology systems or deficiencies in the design or implementation of these systems could: materially adversely affect the Company's operations, including its ability to monitor its business, pay its suppliers, bill its customers, and report financial information accurately and on a timely basis; lead to higher than expected costs; lead to increased regulatory scrutiny or adverse regulatory consequences; or result in the failure to achieve the expected benefits. As a result, the Company's operations, financial condition, cash flows and results of operations could be adversely affected.

QUARTERLY FINANCIAL INFORMATION

The following is a summary of unaudited quarterly financial information for the eight quarters ended September 30, 2024:

(all dollar amounts in \$ millions except per share information)	4th Quarter 2023	1st Quarter 2024	2nd Quarter 2024	3rd Quarter 2024
Revenue	\$ 585.8	\$ 646.1	\$ 515.4	\$ 573.2
Net earnings (loss) attributable to shareholders	186.9	(89.1)	200.8	(1,305.7)
Net earnings (loss) attributable to shareholders from continuing operations	167.2	(56.9)	180.2	49.5
Net earnings (loss) attributable to shareholders from discontinued operations	19.7	(32.2)	20.6	(1,355.2)
Net earnings (loss) per share	0.27	(0.13)	0.28	(1.71)
Net earnings (loss) per share from continuing operations	0.24	(0.09)	0.25	0.06
Net earnings (loss) per share from discontinued operations	0.03	(0.04)	0.03	(1.77)
Diluted net earnings (loss) per share	0.27	(0.13)	0.28	(1.71)
Adjusted Net Earnings ¹	78.7	79.8	42.2	64.9
Adjusted Net Earnings per common share ¹	0.11	0.11	0.06	0.08
Adjusted EBITDA ¹	259.1	285.4	240.9	264.4
Total assets ³	18,374.0	18,307.8	18,866.4	17,788.6
Long-term debt ^{2,3}	8,516.3	9,089.9	8,292.9	8,725.0
Dividends declared per common share	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.07
	4th Quarter 2022	1st Quarter 2023	2nd Quarter 2023	3rd Quarter 2023
Revenue	\$ 660.5	\$ 697.1	\$ 556.4	\$ 564.8
Net earnings (loss) attributable to shareholders	(74.4)	270.1	(253.2)	(174.5)
Net earnings (loss) attributable to shareholders from continuing operations	64.9	237.1	(246.4)	(174.9)
Net earnings (loss) attributable to shareholders from discontinued operations	(139.3)	33.0	(6.8)	0.4
Net earnings (loss) per share	(0.11)	0.39	(0.37)	(0.26)
Net earnings (loss) per share from continuing operations	0.09	0.34	(0.36)	(0.26)
Net earnings (loss) per share from discontinued operations	(0.20)	0.05	(0.01)	—
Diluted net earnings (loss) per share	(0.11)	0.39	(0.37)	(0.26)
Adjusted Net Earnings ¹	84.4	87.5	42.1	68.6
Adjusted Net Earnings per common share ¹	0.12	0.12	0.06	0.10
Adjusted EBITDA ¹	235.6	269.9	226.2	254.9
Total assets ³	17,627.6	17,927.1	17,968.7	17,982.8
Long-term debt ^{2,3}	7,512.3	7,849.2	8,083.4	8,367.3
Dividends declared per common share	\$ 0.18	\$ 0.11	\$ 0.11	\$ 0.11

¹ See *Caution Concerning Non-GAAP Measures*.

² Includes current portion of long-term debt and long-term debt.

³ Includes discontinued operations

Quarterly revenues have fluctuated between \$515.4 million and \$697.1 million over the prior two year period. A number of factors impact quarterly results, including acquisitions, dispositions, seasonal fluctuations and customer rates. In addition, a factor impacting revenues year over year is the fluctuation in the strength of the Canadian dollar relative to the U.S. dollar which can result in significant changes in reported revenue from Canadian operations.

Quarterly net earnings attributable to shareholders have fluctuated between a loss of \$1,305.7 million and earnings of \$270.1 million over the prior two year period. Earnings have been impacted by non-cash factors such as deferred tax

recovery and expense, impairment of intangibles, property, plant and equipment and mark-to-market gains and losses on financial instruments.

DISCLOSURE CONTROLS AND PROCEDURES

AQN's management carried out an evaluation as of September 30, 2024, under the supervision of and with the participation of AQN's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of AQN's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15 (e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, the CEO and the CFO have concluded that as of September 30, 2024, AQN's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by AQN in reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in rules and forms of the U.S. Securities and Exchange Commission, and is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Management Report on Internal Controls over Financial Reporting

Management, including the CEO and the CFO, is responsible for establishing and maintaining internal control over financial reporting. Management, as at the end of the period covered by this interim filing, designed internal controls over financial reporting to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. The control framework management used to design the Company's internal control over financial reporting is that established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Changes in Internal Controls over Financial Reporting

For the nine months ended September 30, 2024, there has been no change in the Company's internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Inherent Limitations on Effectiveness of Controls

Due to its inherent limitations, disclosure controls and procedures or internal control over financial reporting may not prevent or detect all misstatements based on error or fraud. Further, the effectiveness of internal control is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

AQN prepared its unaudited interim condensed consolidated financial statements in accordance with U.S. GAAP. The preparation of the unaudited interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related amounts of revenues and expenses, and disclosure of contingent assets and liabilities. Significant areas requiring the use of management judgment relate to the scope of consolidated entities, useful lives and recoverability of assets, the measurement of deferred taxes and the recoverability of deferred tax assets, rate-regulation, unbilled revenue, pension and post-employment benefits, fair value of derivatives and fair value of assets and liabilities acquired in a business combination. Actual results may differ from these estimates.

AQN's significant accounting policies and new accounting standards are discussed in *Notes 1* and *2*, respectively, in the Company's unaudited interim condensed consolidated financial statements.

**Unaudited Interim Condensed Consolidated Financial Statements of
Algonquin Power & Utilities Corp.
For the three and nine months ended September 30, 2024 and 2023**

Algonquin Power & Utilities Corp.

Unaudited Interim Condensed Consolidated Statements of Operations

(thousands of U.S. dollars, except per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Revenue				
Regulated electricity distribution	\$ 361,397	\$ 354,296	\$ 971,514	\$ 998,511
Regulated natural gas distribution	65,722	73,051	393,939	453,728
Regulated water reclamation and distribution	124,297	115,280	302,106	298,562
Non-regulated energy sales	8,910	8,288	27,193	25,709
Other revenue	12,873	13,853	39,958	41,763
	573,199	564,768	1,734,710	1,818,273
Expenses				
Operating expenses	235,406	210,487	666,706	642,342
Regulated electricity purchased	100,945	110,096	280,646	334,013
Regulated natural gas purchased	13,236	21,612	132,114	195,493
Regulated water purchased	6,801	5,897	14,961	13,623
Non-regulated energy purchased	14	137	213	424
Depreciation and amortization	99,381	88,349	296,066	263,002
Loss on foreign exchange	6,339	2,907	3,806	8,276
	462,122	439,485	1,394,512	1,457,173
Operating income	111,077	125,283	340,198	361,100
Interest expense (note 7)	(91,370)	(81,607)	(274,132)	(232,653)
Income (loss) from long-term investments (note 6)	26,555	(191,888)	96,202	(271,862)
Other income (note 5)	5,719	11,514	18,448	29,415
Other net losses (note 15)	(9,505)	(74,207)	(19,889)	(111,449)
Pension and other post-employment non-service costs (note 8)	(2,999)	(4,897)	(10,385)	(15,164)
Gain on derivative financial instruments (note 20(b)(iv))	278	729	469	3,934
Earnings (loss) before income taxes	39,755	(215,073)	150,911	(236,679)
Income tax recovery (expense) from Continuing Operations (note 14)				
Current	(2,549)	1,750	(15,952)	(11,234)
Deferred	(3,813)	39,005	(17,321)	61,259
	(6,362)	40,755	(33,273)	50,025
Earnings (loss) from continuing operations	33,393	(174,318)	117,638	(186,654)
Loss from discontinued operations, net of tax (note 21)	(1,363,993)	(13,008)	(1,409,502)	(13,383)
Net loss	(1,330,600)	(187,326)	(1,291,864)	(200,037)
Net effect of non-controlling interests from discontinued operations (note 21)	8,787	13,397	42,571	40,010
Net effect of non-controlling interest from continuing operations (note 13)	16,114	(620)	55,214	2,386
Net loss attributable to shareholders of Algonquin Power & Utilities Corp.	\$ (1,305,699)	\$ (174,549)	\$ (1,194,079)	\$ (157,641)
Series A Shares and Series D Shares dividend (note 12)	2,693	2,117	7,810	6,289
Net loss attributable to common shareholders of Algonquin Power & Utilities Corp.	\$ (1,308,392)	\$ (176,666)	\$ (1,201,889)	\$ (163,930)
Basic and diluted net earnings (loss) per share from continuing operations (note 16)	\$ 0.06	\$ (0.26)	\$ 0.23	\$ (0.28)
Basic and diluted net earnings (loss) per share from discontinued operations	\$ (1.77)	\$ —	\$ (1.90)	\$ 0.04
Basic and diluted net loss per share	\$ (1.71)	\$ (0.26)	\$ (1.67)	\$ (0.24)

See accompanying notes to unaudited interim condensed consolidated financial statements

Algonquin Power & Utilities Corp.
Unaudited Interim Condensed Consolidated Statements of Comprehensive Loss

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
<i>(thousands of U.S. dollars)</i>				
Net loss	\$ (1,330,600)	\$ (187,326)	\$ (1,291,864)	\$ (200,037)
Other comprehensive income (loss) ("OCI"):				
Foreign currency translation adjustment, net of tax recovery of \$200 and tax expense of \$2,990 (2023 - tax expense of \$1,456 and tax recovery of \$1,582), (notes 20(b)(iii) and 20(b)(iv))	32,430	(31,044)	36,846	(15,489)
Change in fair value of cash flow hedges, net of tax recovery of \$3,980 and tax expense \$3,015 (2023 - tax expense of \$6,656 and \$6,478), (note 20(b)(ii))	(5,990)	13,985	32,662	68,271
Change in pension and other post-employment benefits, net of tax recovery of \$251 and \$2,019 (2023 - tax recovery of \$308 and \$753)	(733)	(902)	(5,907)	(2,205)
OCI, net of tax	25,707	(17,961)	63,601	50,577
Comprehensive loss	(1,304,893)	(205,287)	(1,228,263)	(149,460)
Comprehensive loss attributable to the non-controlling interests	(19,729)	(12,786)	(93,635)	(42,193)
Comprehensive loss attributable to shareholders of Algonquin Power & Utilities Corp.	\$ (1,285,164)	\$ (192,501)	\$ (1,134,628)	\$ (107,267)

See accompanying notes to unaudited interim condensed consolidated financial statements

Algonquin Power & Utilities Corp.

Unaudited Interim Condensed Consolidated Balance Sheets

(thousands of U.S. dollars)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 64,341	\$ 25,051
Trade and other receivables, net (note 4)	381,823	401,440
Fuel and natural gas in storage	41,177	48,982
Supplies and consumables inventory	186,369	173,424
Regulatory assets (note 5)	177,170	142,970
Prepaid expenses	80,022	65,786
Derivative instruments (note 20)	11,386	5,584
Other assets	4,686	15,800
Assets held for sale (note 21)	151,827	187,308
	1,098,801	1,066,345
Property, plant and equipment, net	9,311,060	9,126,773
Intangible assets, net	72,384	72,464
Goodwill	1,322,065	1,324,062
Regulatory assets (note 5)	1,142,110	1,184,713
Long-term investments (note 6)		
Investments carried at fair value	1,078,215	1,054,665
Other long-term investments	66,469	167,709
Derivative instruments (note 20)	60,287	69,206
Deferred income taxes	165,411	150,007
Other assets	151,539	184,403
Assets held for sale (note 21)	3,320,304	3,973,614
	\$ 17,788,645	\$ 18,373,961

See accompanying notes to unaudited interim condensed consolidated financial statements

Algonquin Power & Utilities Corp.
Unaudited Interim Condensed Consolidated Balance Sheets (continued)

(thousands of U.S. dollars)

	September 30, 2024	December 31, 2023
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 106,952	\$ 180,407
Accrued liabilities	502,224	480,694
Dividends payable (note 12)	50,001	74,995
Regulatory liabilities (note 5)	90,727	99,850
Long-term debt (note 7)	263,763	621,856
Other long-term liabilities (note 9)	49,326	79,315
Derivative instruments (note 20)	1,809	20,709
Other liabilities	10,921	7,894
Liabilities associated with assets held for sale (note 21)	116,659	119,460
	1,192,382	1,685,180
Long-term debt (note 7)	7,211,946	6,878,299
Regulatory liabilities (note 5)	547,926	634,446
Deferred income taxes	651,638	566,264
Derivative instruments (note 20)	10,824	5,971
Pension and other post-employment benefits obligation	100,527	96,496
Other long-term liabilities (note 9)	246,936	291,578
Liabilities associated with assets held for sale (note 21)	1,464,897	1,272,956
	10,234,694	9,746,010
Redeemable non-controlling interests		
Redeemable non-controlling interest, held by related party	—	308,350
Redeemable non-controlling interests	8,887	10,013
	8,887	318,363
Equity:		
Preferred shares	184,299	184,299
Common shares (note 10(a))	7,390,369	6,229,994
Additional paid-in capital	1,763	7,254
Deficit	(2,690,340)	(1,279,696)
Accumulated other comprehensive loss ("AOCI") (note 11)	(42,835)	(102,286)
Total equity attributable to shareholders of Algonquin Power & Utilities Corp.	4,843,256	5,039,565
Non-controlling interests		
Non-controlling interests - tax equity partnership units	1,153,993	1,196,720
Other non-controlling interests	363,594	347,338
Non-controlling interest, held by related party	(8,161)	40,785
	1,509,426	1,584,843
Total equity	6,352,682	6,624,408
Commitments and contingencies (note 18)		
Subsequent events (note 7 (a),(b))		
	\$ 17,788,645	\$18,373,961

See accompanying notes to unaudited interim condensed consolidated financial statements

Algonquin Power & Utilities Corp.

Unaudited Interim Condensed Consolidated Statement of Equity

(thousands of U.S. dollars)

For the three months ended September 30, 2024

Algonquin Power & Utilities Corp. Shareholders							
	Common shares	Preferred shares	Additional paid-in capital	Deficit	AOCI	Non- controlling interests	Total
Balance, June 30, 2024	\$ 7,389,116	\$ 184,299	\$ 827	\$ (1,331,947)	\$ (63,370)	\$ 1,507,579	\$ 7,686,504
Net loss	—	—	—	(1,305,699)	—	(24,901)	(1,330,600)
Effect of redeemable non- controlling interests not included in equity (note 13)	—	—	—	—	—	331	331
OCI	—	—	—	—	20,535	5,172	25,707
Dividends declared and distributions to non- controlling interests	—	—	—	(53,058)	—	(5,582)	(58,640)
Contributions received from non-controlling interests, net of cost	—	—	—	—	—	8,943	8,943
Common shares issued under employee share purchase plan	940	—	—	—	—	—	940
Share-based compensation	—	—	4,522	—	—	—	4,522
Common shares issued pursuant to share-based awards	313	—	—	364	—	—	677
Non-controlling interest assumed on asset acquisition	—	—	(3,586)	—	—	17,884	14,298
Balance, September 30, 2024	\$ 7,390,369	\$ 184,299	\$ 1,763	\$ (2,690,340)	\$ (42,835)	\$ 1,509,426	\$ 6,352,682

See accompanying notes to consolidated financial statements

Algonquin Power & Utilities Corp.

Unaudited Interim Condensed Consolidated Statement of Equity (continued)

(thousands of U.S. dollars)

For the three months ended September 30, 2023

Algonquin Power & Utilities Corp. Shareholders							
	Common shares	Preferred shares	Additional paid-in capital	Deficit	AOCI	Non- controlling interests	Total
Balance, June 30, 2023	\$ 6,224,770	\$ 184,299	\$ 4,279	\$(1,136,208)	\$ (91,737)	\$ 1,650,063	\$ 6,835,466
Net loss	—	—	—	(174,549)	—	(12,777)	(187,326)
Redeemable non- controlling interests not included in equity (note 13)	—	—	—	—	—	(6,507)	(6,507)
OCI	—	—	—	—	(17,952)	(9)	(17,961)
Dividends declared and distributions to non- controlling interests	—	—	—	(77,731)	—	(7,640)	(85,371)
Issuance of common shares under employee share purchase plan	1,170	—	—	—	—	—	1,170
Share-based compensation	—	—	4,529	—	—	—	4,529
Common shares issued pursuant to share-based awards	2,401	—	(3,548)	(250)	—	—	(1,397)
Balance, September 30, 2023	\$ 6,228,341	\$ 184,299	\$ 5,260	\$(1,388,738)	\$ (109,689)	\$ 1,623,130	\$ 6,542,603

See accompanying notes to consolidated financial statements

Algonquin Power & Utilities Corp.

Unaudited Interim Condensed Consolidated Statement of Equity (continued)

(thousands of U.S. dollars)

For the nine months ended September 30, 2024

Algonquin Power & Utilities Corp. Shareholders							
	Common shares	Preferred shares	Additional paid-in capital	Deficit	AOCI	Non- controlling interests	Total
Balance, December 31, 2023	\$ 6,229,994	\$ 184,299	\$ 7,254	\$ (1,279,696)	\$ (102,286)	\$ 1,584,843	\$ 6,624,408
Net loss	—	—	—	(1,194,079)	—	(97,785)	(1,291,864)
Effect of redeemable non-controlling interests not included in equity (note 13)	—	—	—	—	—	993	993
OCI	—	—	—	—	59,451	4,150	63,601
Dividends declared and distributions to non-controlling interests	—	—	—	(217,415)	—	(72,661)	(290,076)
Contributions received from non-controlling interests, net of cost	—	—	—	—	—	75,802	75,802
Common shares issued upon public offering, net of tax effected cost	1,150,000	—	—	—	—	—	1,150,000
Common shares issued under employee share purchase plan	3,256	—	—	—	—	—	3,256
Share-based compensation	—	—	10,975	—	—	—	10,975
Common shares issued pursuant to share-based awards	7,119	—	(5,783)	850	—	—	2,186
Non-controlling interest assumed on asset acquisition	—	—	(10,683)	—	—	14,084	3,401
Balance, September 30, 2024	\$ 7,390,369	\$ 184,299	\$ 1,763	\$ (2,690,340)	\$ (42,835)	\$ 1,509,426	\$ 6,352,682

See accompanying notes to consolidated financial statements

Algonquin Power & Utilities Corp.

Unaudited Interim Condensed Consolidated Statement of Equity (continued)

(thousands of U.S. dollars)

For the nine months ended September 30, 2023

Algonquin Power & Utilities Corp. Shareholders							
	Common shares	Preferred shares	Additional paid-in capital	Deficit	AOCI	Non- controlling interests	Total
Balance, December 31, 2022	\$ 6,183,943	\$ 184,299	\$ 9,413	\$ (997,945)	\$ (160,063)	\$ 1,616,792	\$ 6,836,439
Net loss	—	—	—	(157,641)	—	(42,396)	(200,037)
Redeemable non-controlling interests not included in equity (note 13)	—	—	—	—	—	(18,244)	(18,244)
OCI	—	—	—	—	50,374	203	50,577
Dividends declared and distributions to non-controlling interests	—	—	—	(202,182)	—	(41,158)	(243,340)
Dividends and issuance of shares under dividend reinvestment plan	30,482	—	—	(30,482)	—	—	—
Contributions received from non-controlling interests, net of cost	—	—	—	—	—	107,933	107,933
Common shares issued upon conversion of convertible debentures	11	—	—	—	—	—	11
Issuance of common shares under employee share purchase plan	4,283	—	—	—	—	—	4,283
Share-based compensation	—	—	9,224	—	—	—	9,224
Common shares issued pursuant to share-based awards	9,622	—	(13,377)	(488)	—	—	(4,243)
Balance, September 30, 2023	\$ 6,228,341	\$ 184,299	\$ 5,260	\$ (1,388,738)	\$ (109,689)	\$ 1,623,130	\$ 6,542,603

See accompanying notes to consolidated financial statements

Algonquin Power & Utilities Corp.

Unaudited Interim Condensed Consolidated Statements of Cash Flows

(thousands of U.S. dollars)

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Cash provided by (used in):				
Operating activities				
Net loss	\$ (1,330,600)	\$ (187,326)	\$ (1,291,864)	\$ (200,037)
Adjustments and items not affecting cash:				
Depreciation and amortization	110,606	104,785	377,058	344,874
Deferred taxes	(689)	(52,059)	24,357	(96,116)
Initial value and changes in derivative financial instruments net of amortization	4,896	(3,942)	1,896	(13,793)
Share-based compensation	4,452	3,877	14,734	7,772
Cost of equity funds used for construction purposes	(429)	(1,154)	(1,579)	(2,380)
Change in value of investments carried at fair value	50,506	220,798	35,934	352,824
Pension and post-employment expense in excess of (lower than) contributions	1,022	(547)	3,451	(428)
Distributions received from equity investments, net of income	3,680	19,856	37,949	23,410
Other (notes 21(a) and 15(c))	1,293,795	63,132	1,286,239	99,327
Net change in non-cash operating items (note 19)	(70,585)	(34,793)	(54,575)	(88,149)
	66,654	132,627	433,600	427,304
Financing activities				
Increase in long-term debt	520,237	1,132,542	2,903,586	1,787,190
Repayments of long-term debt	(428,664)	(649,084)	(3,179,697)	(1,047,263)
Net change in commercial paper	109,000	(130,413)	(339,720)	(38,800)
Issuance of common shares, net of costs	940	1,170	1,153,256	4,283
Cash dividends on common shares	(83,805)	(75,619)	(234,543)	(247,005)
Dividends on preferred shares	(2,707)	(2,117)	(7,824)	(6,289)
Contributions from non-controlling interests and redeemable non-controlling interests	—	—	60,545	98,955
Production-based cash contributions from non-controlling interest from discontinued operations	8,941	—	13,303	9,082
Production-based cash contributions from non-controlling interest from continuing operations	—	—	1,953	—
Distributions to non-controlling interests, related party	—	(6,408)	—	(18,708)
Distributions to non-controlling interests	(4,770)	(6,681)	(30,220)	(39,765)
Payments upon settlement of derivatives	6,083	—	6,083	—
Shares surrendered to fund withholding taxes on exercised share options	(894)	(578)	(3,345)	(1,146)
Redemption of Series C preferred shares	—	(14,515)	—	(14,515)
Acquisition of non-controlling interest	(1,911)	—	(11,970)	—
Increase in other long-term liabilities	4,204	2,323	13,574	13,448
Decrease in other long-term liabilities	(358)	(40,716)	(44,637)	(61,045)
	126,296	209,904	300,344	438,422
Investing activities				
Additions to property, plant and equipment and intangible assets	(182,282)	(279,089)	(599,164)	(694,047)
Increase in long-term investments	(3,934)	(63,938)	(82,115)	(153,317)
Divestiture of operating entity	—	—	29,548	—
Increase in other assets	(2,328)	(1,632)	(4,978)	(3,612)
Decrease in long-term investments	3,199	—	3,199	11,749
	(185,345)	(344,659)	(653,510)	(839,227)
Effect of exchange rate differences on cash and restricted cash	1,264	(2,168)	(248)	(1,296)
Increase (decrease) in cash, cash equivalents and restricted cash	8,869	(4,296)	80,186	25,203
Cash, cash equivalents and restricted cash, beginning of period	147,456	130,684	76,139	101,185
Cash, cash equivalents and restricted cash, end of period	\$ 156,325	\$ 126,388	\$ 156,325	\$ 126,388

Algonquin Power & Utilities Corp.
Unaudited Interim Condensed Consolidated Statements of Cash Flows (continued)

(thousands of U.S. dollars)

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Supplemental disclosure of cash flow information:				
Cash paid during the period for interest expense	\$ 123,759	\$ 114,192	\$ 330,171	\$ 292,393
Cash paid (received) during the period for income taxes - net	\$ 1,046	\$ 970	\$ (48,408)	\$ 5,108
Cash received during the period for distributions from equity investments	\$ 21,904	\$ 23,002	\$ 75,373	\$ 79,613
Non-cash financing and investing activities:				
Property, plant and equipment acquisitions in accruals	\$ 63,060	\$ 160,520	\$ 63,060	\$ 160,520
Issuance of common shares under dividend reinvestment plan and share-based compensation plans	\$ 1,253	\$ 3,571	\$ 10,375	\$ 44,387
Property, plant and equipment, intangible assets and accrued liabilities in exchange of note receivable	\$ 22,809	\$ —	\$ 183,725	\$ —

See accompanying notes to unaudited interim condensed consolidated financial statements

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

(in thousands of U.S. dollars, except as noted and per share amounts)

Algonquin Power & Utilities Corp. ("AQN" or the "Company") is an incorporated entity under the Canada Business Corporations Act. AQN's operations are organized in three business units consisting of: (i) the Regulated Services Group, which primarily owns and operates a portfolio of regulated electric, water distribution and wastewater collection, and natural gas utility systems and transmission operations in the United States, Canada, Bermuda and Chile; the Hydro Group, consisting of 14 hydroelectric generating facilities located in the Canadian provinces of Alberta, Ontario, New Brunswick and Quebec; and the Corporate Group, which includes corporate and service companies as well as the Company's investment in Atlantica Sustainable Infrastructure plc ("Atlantica"). In prior periods, AQN included the Renewable Energy Group as a reportable segment, however, as of September 30, 2024 the assets and liabilities of this segment (excluding the Hydro Group) have been presented as held for sale and its net earnings have been reported as discontinued operations (the "discontinued operations") (see note 21).

1. Significant accounting policies

(a) Basis of preparation

The accompanying unaudited interim condensed consolidated financial statements and notes have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") for interim financial information and follow disclosure required under Regulation S-X provided by the U.S. Securities and Exchange Commission. Accordingly, these unaudited interim condensed consolidated financial statements do not include all information and notes required by U.S. GAAP for annual financial statements and should be read in conjunction with the consolidated financial statements of AQN as of and for the year ended December 31, 2023.

In the opinion of management, the unaudited interim condensed consolidated financial statements include all adjustments that are of a recurring nature and necessary for a fair presentation of the results of interim operations.

The significant accounting policies applied to these unaudited interim condensed consolidated financial statements of AQN are consistent with those disclosed in the consolidated financial statements of AQN as of and for the year ended December 31, 2023.

(b) Seasonality

AQN's operating results are subject to seasonal fluctuations that could materially impact quarter-to-quarter operating results and, thus, one quarter's operating results are not necessarily indicative of a subsequent quarter's operating results. Where decoupling mechanisms exist, total volumetric revenue is prescribed by the applicable regulatory authority and is not affected by usage. AQN's electrical distribution utilities can experience higher or lower demand in the summer or winter depending on the specific regional weather and industry characteristics. AQN's water and wastewater utility assets' revenues fluctuate depending on the demand for water, which is normally higher during the drier and hotter months of the summer. During the winter period, natural gas distribution utilities generally experience higher demand than during the summer period. AQN's hydroelectric energy assets are primarily "run-of-river" and, as such, fluctuate with the natural water flows. During the winter and summer periods, flows are generally slower, while during the spring and fall periods flows are heavier. For AQN's wind energy assets, wind resources are typically stronger in spring, fall and winter, and weaker in summer. AQN's solar energy assets generally experience greater insolation in summer, weaker in winter.

(c) Foreign currency translation

AQN's reporting currency is the U.S. dollar. Within these unaudited interim condensed consolidated financial statements, the Company denotes any amounts denominated in Canadian dollars with "C\$", in Chilean pesos with "CLP" and in Chilean Unidad de Fomento with "CLF" immediately prior to the stated amount.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

(in thousands of U.S. dollars, except as noted and per share amounts)

1. Significant accounting policies (continued)

(d) Discontinued Operations

On August 9, 2024, the Company entered into an agreement to sell its renewable energy business (excluding hydro) to a wholly-owned subsidiary of LS Power ("LS Buyer"). The Company concluded that the consolidated assets within the renewable energy business being sold have met the accounting requirements to be presented as "Held for Sale" in the third quarter of 2024 based on the receipt of final commercial terms, approval of the board of directors of the Company to consummate the transaction, and the signing of the sale agreement all occurring within this quarter. As a result, the renewable energy business (excluding hydro) has been classified as "discontinued operations".

AQN has elected to present the cash flows of discontinued operations combined with cash flows of continuing operations. No interest from corporate level debt was allocated to discontinued operations. For the three and nine months ended September 30, 2024 and 2023, the loss from discontinued operations, net of tax on AQN's unaudited interim condensed consolidated statements of operations, includes amounts related to non-controlling interests. A portion of non-controlling interest on AQN's consolidated balance sheet relates to discontinued operations for the periods presented.

Unless otherwise noted, the notes to these unaudited interim condensed consolidated financial statements exclude amounts related to discontinued operations for all periods presented.

See note 21 for discussion of discontinued operations related to the disposition of the renewable energy business.

2. Recently issued accounting pronouncements

(a) Recently adopted accounting pronouncements

There were no accounting pronouncements adopted in the current period.

(b) Recently issued accounting guidance not yet adopted

There were no recently issued accounting guidance not yet adopted in the current period.

3. Business acquisitions and dispositions

There were no acquisitions or dispositions as part of the continuing operations during the quarter. See note 21 for a discussion of the disposition of the renewable energy business and acquisitions related to discontinued operations.

4. Accounts receivable

Accounts receivable as of September 30, 2024 include unbilled revenue of \$93,619 (December 31, 2023 - \$107,001) from the Company's regulated utilities. Accounts receivable as of September 30, 2024 are presented net of allowance for doubtful accounts of \$30,191 (December 31, 2023 - \$29,764).

5. Regulatory matters

The operating companies within the Regulated Services Group are subject to regulation by the respective regulators of the jurisdictions in which they operate. The respective regulators have jurisdiction with respect to rate, service, accounting policies, issuance of securities, acquisitions and other matters. Except for Suralis, these utilities operate under cost-of-service regulation as administered by these authorities. The Company's regulated utility operating companies are accounted for under the principles of *Regulated Operations* ("ASC 980"). Under ASC 980, regulatory assets and liabilities that would not be recorded under U.S. GAAP for non-regulated entities are recorded to the extent that they represent incurred charges or credits that are probable of being recovered from or refunded to customers through the rate setting process.

At any given time, the Company can have several regulatory proceedings underway. The financial effects of these proceedings are reflected in the unaudited interim condensed consolidated financial statements based on regulatory approval obtained to the extent that there is a financial impact during the applicable reporting period.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***5. Regulatory matters (continued)**

The following regulatory proceedings were recently completed:

Utility	State, Province or Country	Regulatory Proceeding Type	Details
BELCO	Bermuda	General Rate Case ("GRC")	On September 30, 2021, filed its revenue allowance application in which it requested a \$34.800 increase for 2022 and a \$6.100 increase for 2023. On March 18, 2022, the Regulatory Authority ("RA") approved an annual increase of \$22.800, for a revenue allowance of \$224.100 for 2022 and \$226.200 for 2023. The RA authorized a 7.16% rate of return, comprised of a 62% equity and an 8.92% return on equity ("ROE"). In April 2022, BELCO filed an appeal in the Supreme Court of Bermuda challenging the decisions made by the RA through the recent Retail Tariff Review. On February 23, 2024, the Bermuda Supreme Court issued an order denying the BELCO appeal.
BELCO	Bermuda	GRC	On October 17, 2023, filed its revenue allowance application in which it requested a \$59.100 increase for 2024 and 2025 based on a weighted average cost of capital of 10.13%. On May 30, 2024, the RA issued a final order authorizing a revenue increase of \$33.600 for 2024 and 2025 based on a weighted average cost of capital of 7.79%. New base rates became effective August 1, 2024.
Empire Electric	Arkansas	GRC	On February 14, 2023, filed an application seeking an increase in revenues of \$7,300 based on an ROE of 10.25% and an equity ratio of 56% to be phased in over three years. On December 7, 2023, the Arkansas Public Service Commission issued an order approving the settlement agreement authorizing a revenue increase of \$5,300 based on a 44% equity ratio phased in over three years. New rates became effective January 1, 2024.
New York Water	New York	GRC	On May 4, 2023, filed an application seeking an increase in revenues of \$39,700 based on an ROE of 10% and an equity ratio of 50%. On May 31, 2024, the Staff of the Department of Public Service and the Company filed a joint proposal resolving all contested issues. On July 16, 2024, an evidentiary hearing was held on the joint proposal. On August 15, 2024, the Commission issued an order approving the joint proposal and authorizing a \$38,600 increase in revenues over a three-year rate plan (\$26,300 in Year 1, \$6,100 in Year 2 and \$6,200 in Year 3). New rates became effective September 1, 2024 and are being collected retroactive to April 1, 2024 through a make whole surcharge that will be in effect from September 1, 2024 through March 31, 2026.
Midstates Gas	Illinois	GRC	On December 20, 2023, filed an application seeking an increase in revenues of \$5,300 based on an ROE of 10.80% and an equity ratio of 54%. On April 24, 2024, Staff of the Illinois Commerce Commission filed testimony recommending a \$600 rate decrease. On May 16, 2024, the Company filed updated rebuttal testimony revising its proposed revenue increase to \$4,600. On June 20, 2024, ICC Staff filed its rebuttal testimony recommending a base rate revenue increase of \$2,100, and the Company filed surrebuttal testimony revising its proposed revenue increase to \$4,100. A hearing was held on June 27, 2024. On July 25, 2024, the ICC Staff filed a legal brief recommending a revenue increase of \$3,100. On October 31, 2024, the ICC issued a final Order approving a total increase of \$3,200 or 22.32% in base rate revenues. The rate increase reflects an approved rate of return of 7.54% that incorporates a return on common equity of 9.90% and on long-term debt of 5.60%. New rates are anticipated to be effective no later than 30 days from the Order date.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***5. Regulatory matters (continued)**

Utility	State, Province or Country	Regulatory Proceeding Type	Details
Midstates Gas	Missouri	GRC	On February 9, 2024, filed an application seeking an increase in revenues of \$13,200 based on an ROE of 10.8% and an equity ratio of 52.92%. On July 18, 2024, the Staff of the Missouri Public Service Commission and Office of the Public Counsel ("OPC") filed direct testimony. Staff proposed a base revenue increase of \$4,400 based on a 50.0% equity ratio and 9.45% ROE. OPC recommended a 47.5% equity ratio and 9.50% ROE. On August 22, 2024, the parties filed rebuttal testimony. On September 19, 2024 the parties filed surrebuttal testimony. On October 9, 2024, Staff filed a motion to suspend the procedural schedule and evidentiary hearing given that the parties reached a settlement resolving all issues. The parties filed a stipulation agreement on October 22, 2024 agreeing to an increase in annual distribution revenues of \$9,100. On November 6, 2024, the Commission unanimously voted to approve the settlement agreement, with a written order to follow.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***5. Regulatory matters (continued)**

Regulatory assets and liabilities consist of the following:

	September 30, 2024	December 31, 2023
Regulatory assets		
Securitized costs, net (a)	\$ 291,428	\$ —
Rate adjustment mechanism	211,696	192,880
Deferred capitalized costs	164,643	124,517
Fuel and commodity cost adjustments	107,062	326,418
Wildfire mitigation and vegetation management (b)	125,171	64,146
Income taxes	100,357	101,939
Pension and post-employment benefits	60,499	68,822
Environmental remediation	61,600	66,779
Clean energy and other customer programs	33,193	37,214
Debt premium	14,322	18,995
Retired generating plant	14,744	183,732
Asset retirement obligation	11,835	26,620
Cost of removal	10,041	11,084
Rate review costs	9,766	8,815
Long-term maintenance contract	3,456	4,932
Other	99,467	90,790
Total regulatory assets	\$ 1,319,280	\$ 1,327,683
Less: current regulatory assets	(177,170)	(142,970)
Non-current regulatory assets	\$ 1,142,110	\$ 1,184,713
Regulatory liabilities		
Income taxes	\$ 268,382	\$ 290,121
Cost of removal	189,699	185,786
Pension and post-employment benefits	111,716	104,636
Fuel and commodity cost adjustments	44,861	42,850
Clean energy and other customer programs	8,909	12,730
Rate adjustment mechanism	1,601	2,078
Other	13,485	96,095
Total regulatory liabilities	\$ 638,653	\$ 734,296
Less: current regulatory liabilities	(90,727)	(99,850)
Non-current regulatory liabilities	\$ 547,926	\$ 634,446

As recovery of regulatory assets is subject to regulatory approval, if there were any changes in regulatory positions that indicate recovery is not probable, the related cost would be charged to earnings in the period of such determination. The Company generally does not earn a return on the regulatory balances except for carrying charges on fuel and commodity cost adjustments, rate adjustment mechanism, clean energy and other customer programs, and rate review costs of some jurisdictions. During the three and nine months ended September 30, 2024, the Company recognized \$5,719 and \$18,448, respectively (2023 - \$11,514 and \$29,415, respectively) of carrying charges on regulatory balances on the Unaudited Interim Condensed Consolidated Statements of Operations under other income, which was computed using only the debt component of the allowed returned.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***5. Regulatory matters (continued)****(a) Securitized costs, net**

On January 30, 2024, The Empire District Electric Company securitized, through the issuance of bonds (see note 7(e)), \$301,463 of qualified extraordinary costs associated with the February 2021 extreme winter storm conditions experienced in Texas and parts of the central U.S. (the “Midwest Extreme Weather Event”) and energy transition costs related to the retirement of the Asbury generating plant. The securitized costs will be amortized on a straight-line basis over the life of the bonds. During the three and nine months ended September 30, 2024, \$3,546 and \$11,592, respectively were recorded as amortization expense in the Unaudited Interim Condensed Consolidated Statements of Operations under depreciation and amortization. The bonds will be paid through Securitized Utility Tariff Charges, which are designed to recover the full scheduled principal amount of the bonds along with any associated interest and financing costs.

(b) Wildfire mitigation and vegetation management

On July 12, 2019, California Assembly Bill 1054 (“AB 1054”) was enacted. Pursuant to AB 1054, an electrical corporation may petition the California Public Utilities Commission (“CPUC”) for recovery of costs and expenses arising from a covered wildfire and the CPUC may approve recovery of such costs and expenses that are just and reasonable. Liberty CalPeco tracks its wildfire expense (such as payments to satisfy wildfire claims, including any deductibles, co-insurance and other insurance expense paid, outside legal expense incurred in defense of wildfire claims, payments made for wildfire insurance and related risk-transfer mechanisms and the cost of financing these amounts) through a Wildfire Expense Memorandum Account (“WEMA”). The standard for cost recovery under AB 1054 has not been interpreted or applied by the CPUC. The Company will continue to evaluate the probability of recovery based on available evidence and applicable legal determinations.

In relation to the Mountain View Fire, the Company accrued estimated losses of \$172,300 for claims arising out of the Mountain View Fire, against which it recorded expected recoveries through insurance of \$116,000 and WEMA of \$56,300. During the quarter, the Company paid \$136,500 related to these claims and received insurance recoveries of \$116,000. While the Company plans to seek recovery of the estimated losses in excess of the available insurance, it is subject to approval by the CPUC pursuant to the standard in AB 1054. Refer to Note 18(a) for details.

6. Long-term investments

Long-term investments consist of the following:

	September 30, 2024	December 31, 2023
Long-term investments carried at fair value		
Atlantica	\$ 1,076,205	\$ 1,052,703
Other	2,010	1,962
	\$ 1,078,215	\$ 1,054,665
Other long-term investments		
Equity-method investees (a)	\$ 38,965	\$ 112,680
Development loans receivable from equity-method investees (a)	—	27,612
Other	27,504	27,417
	\$ 66,469	\$ 167,709

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***6. Long-term investments (continued)**

Income (loss) from long-term investments for three and nine months ended September 30 is as follows:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Fair value gain (loss) on investments carried at fair value				
Atlantica	\$ 1,469	\$ (212,499)	\$ 23,503	\$ (332,948)
Other	91	127	225	117
	\$ 1,560	\$ (212,372)	\$ 23,728	\$ (332,831)
Dividend and interest income from investments carried at fair value				
Atlantica	\$ 21,789	\$ 21,985	\$ 65,366	\$ 65,562
Other	14	15	40	32
	\$ 21,803	\$ 22,000	\$ 65,406	\$ 65,594
Other long-term investments				
Equity method gain (loss) (a)	\$ 1,079	\$ (3,913)	\$ 2,911	\$ (9,099)
Interest and other income	2,113	2,397	4,157	4,474
	3,192	(1,516)	7,068	(4,625)
Income (loss) from long-term investments	\$ 26,555	\$ (191,888)	\$ 96,202	\$ (271,862)

- (a) Equity-method investees and development loans receivable from equity investees

The Regulated Services Group has non-controlling interests, primarily a 9.8% ownership stake in a regulated transmission line in the province of Ontario, and other non-regulated operating entities owned by its utilities. In total, the Company has non-controlling interests in various corporations, partnerships and joint ventures with a total carrying value of \$38,965 (December 31, 2023 - \$112,680), including investment in variable interest entities ("VIEs") of \$nil (December 31, 2023 - \$73,737).

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***7. Long-term debt**

Long-term debt consists of the following:

Borrowing type	Weighted average coupon	Maturity	Par value	September 30, 2024	December 31, 2023
Senior unsecured revolving credit facilities (a)	—	2024-2028	N/A	\$ 615,848	\$ 1,361,520
Senior unsecured bank credit facilities and delayed draw term facility (b)	—	2024-2031	N/A	797,815	786,962
Commercial paper	—	2025	N/A	142,000	481,720
U.S. dollar borrowings					
Senior unsecured notes (Green Equity Units) (c)	5.37 %	2026	\$ 1,140,787	1,138,449	1,144,897
Senior unsecured notes (d)	4.25 %	2027-2047	\$ 2,195,000	2,180,469	1,406,278
Senior unsecured utility notes	6.30 %	2025-2035	\$ 137,000	146,021	147,589
Senior secured utility bonds (e)	4.82 %	2026-2044	\$ 861,678	850,036	551,166
Canadian dollar borrowings					
Senior unsecured notes	3.32 %	2050	C\$ 200,000	146,949	151,395
Senior secured project notes	10.21 %	2027	C\$ 14,187	10,510	12,738
Chilean Unidad de Fomento borrowings					
Senior unsecured utility bonds	3.82 %	2028-2040	CLF 1,463	67,991	70,967
				\$ 6,096,088	\$ 6,115,232
Subordinated borrowings					
Subordinated unsecured notes	5.25 %	2082	C\$ 400,000	292,535	\$ 298,382
Subordinated unsecured notes	6.06 %	2079-2082	\$ 1,100,000	1,087,086	1,086,541
				\$ 1,379,621	\$ 1,384,923
				\$ 7,475,709	\$ 7,500,155
Less: current portion				(263,763)	(621,856)
				\$ 7,211,946	\$ 6,878,299

Short-term obligations of \$711,828 that are expected to be refinanced using the long-term credit facilities are presented as long-term debt.

Long-term debt issued at a subsidiary level (project notes or utility bonds) relating to a specific operating facility is generally collateralized by the respective facility with no other recourse to the Company. Long-term debt issued at a subsidiary level whether or not collateralized generally has certain financial covenants, which must be maintained on a quarterly basis. Non-compliance with the covenants could restrict cash distributions/dividends to the Company from the specific facilities.

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*(in thousands of U.S. dollars, except as noted and per share amounts)***7. Long-term debt (continued)**

The following table sets out the bank credit facilities available to AQN and its operating groups:

	September 30, 2024	December 31, 2023
Revolving and term credit facilities	\$ 3,497,800	\$ 3,642,000
Funds drawn on facilities/commercial paper issued	(1,556,855)	(2,630,276)
Letters of credit issued	(49,644)	(77,128)
Liquidity available under the facilities	\$ 1,891,301	\$ 934,596
Undrawn portion of uncommitted letter of credit facilities	(64,800)	(39,448)
Cash on hand	64,341	25,051
Total liquidity and capital reserves	\$ 1,890,842	\$ 920,199

(a) Senior unsecured revolving credit facilities

On January 29, 2024, the Regulated Services Group amended its senior unsecured revolving credit facility, increasing the limit by \$25,000 to \$100,000.

Subsequent to the quarter-end, the \$500,000 senior unsecured revolving credit facility with no amounts drawn and no outstanding letters of credit, terminated on its maturity date, October 25, 2024.

Subsequent to the quarter-end, the maturity of the Bermuda revolving credit facility was extended to June 24, 2025.

(b) Senior unsecured bank credit facilities and delayed draw term facility

On January 8, 2024, the maturity date of the fully drawn \$306,500 secured credit facility of Liberty Development Energy Solutions B.V. (the "Margin Loan") was extended to September 30, 2024. The Company reclassified the Margin Loan from redeemable non-controlling interest held by related party to long-term debt as at January 4, 2024. The Company prepaid the fully drawn \$306,500 Margin Loan on June 20, 2024.

Subsequent to the quarter-end, the delayed draw term facility with \$610,386 drawn in connection with the acquisition of Liberty Utilities (New York Water) Corp. was repaid on its maturity date, October 25, 2024.

(c) Senior unsecured notes (Green Equity Units)

On March 28, 2024, the Company successfully remarketed its \$1,150,000 aggregate principal amount of 1.18% Senior Notes due June 15, 2026 (the "Notes"). The Notes were originally issued in June 2021, together with the related purchase contracts (the "Purchase Contracts"), as a component of the Company's corporate units (the "Green Equity Units"). In connection with the remarketing, the interest rate on the Notes was reset to 5.365%, with the maturity date remaining June 15, 2026. The proceeds from the remarketing of the Notes were used, as an interim step prior to the settlement of the Purchase Contracts, to purchase a portfolio of treasury securities maturing on June 13, 2024. The funds generated upon maturity of the treasury portfolio were used on June 17, 2024 to settle the Purchase Contracts.

(d) Senior unsecured notes

On January 12, 2024, Liberty Utilities Co. completed an offering of \$500,000 aggregate principal amount of 5.577% senior notes due January 31, 2029 (the "2029 Notes") and \$350,000 aggregate principal amount of 5.869% senior notes due January 31, 2034 (the "2034 Notes" and together with the 2029 Notes, the "Senior Notes"). The Senior Notes are unsecured and unsubordinated obligations of Liberty Utilities Co. and rank equally with all of Liberty Utilities Co.'s existing and future unsecured and unsubordinated indebtedness and senior in right of payment to any existing and future Liberty Utilities Co.'s subordinated indebtedness. The 2029 Notes were priced at an issue price of 99.996% of their face value and the 2034 Notes were priced at an issue price of 99.995% of their face value. Liberty Utilities Co. used the net proceeds from the sale of the Senior Notes to repay indebtedness. On April 30, 2024, the Company repaid a \$70,000 senior unsecured note on its maturity.

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***7. Long-term debt (continued)****(e) Senior secured utility bonds**

On January 30, 2024, Empire District Bondco, LLC, a wholly owned subsidiary of The Empire District Electric Company, completed an offering of approximately \$180,500 of aggregate principal amount of 4.943% Securitized Utility Tariff Bonds with a maturity date of January 1, 2035 and \$125,000 aggregate principal amount of 5.091% Securitized Utility Tariff Bonds with a maturity date of January 1, 2039, to recover previously incurred qualified extraordinary costs associated with the Midwest Extreme Weather Event and energy transition costs related to the retirement of the Asbury generating plant.

As of September 30, 2024, the Company had accrued \$79,497 in interest expense (December 31, 2023 - \$60,782). Total interest expenses recognized for the three and nine months ended September 30, 2024 and 2023 consist of the following:

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Long-term debt	\$ 77,239	\$ 54,422	\$ 217,237	\$ 166,118
Commercial paper, credit facility draws and related fees	23,014	31,418	80,243	79,452
Accretion of fair value adjustments	(6,641)	(3,306)	(17,339)	(7,496)
Capitalized interest and allowance for funds used during construction capitalized on regulated property	(840)	(1,831)	(3,922)	(7,578)
Other	(1,402)	904	(2,087)	2,157
	\$ 91,370	\$ 81,607	\$ 274,132	\$ 232,653

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***8. Pension and other post-employment benefits**

The following tables list the components of net benefit costs for the pension plans and other post-employment benefits ("OPEB") in the Unaudited Interim Condensed Consolidated Statements of Operations for the three and nine months ended September 30:

	Pension benefits			
	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Service cost	\$ 4,502	\$ 3,013	\$ 10,392	\$ 9,106
Non-service costs				
Interest cost	8,240	8,596	24,710	24,895
Expected return on plan assets	(8,638)	(8,131)	(25,924)	(24,394)
Amortization of net actuarial gains	(345)	(149)	(1,059)	(344)
Amortization of prior service credits	(367)	(372)	(1,101)	(1,118)
Impact of regulatory accounts	3,430	4,017	12,185	12,700
	\$ 2,320	\$ 3,961	\$ 8,811	\$ 11,739
Net benefit cost	\$ 6,822	\$ 6,974	\$ 19,203	\$ 20,845

	OPEB			
	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Service cost	\$ 557	\$ 549	\$ 2,117	\$ 2,440
Non-service costs				
Interest cost	1,976	2,344	7,303	8,673
Expected return on plan assets	(2,106)	(2,225)	(7,394)	(7,302)
Amortization of net actuarial gains	(696)	(999)	(3,162)	(2,121)
Amortization of prior service credits	(214)	(214)	(640)	(640)
Impact of regulatory accounts	1,719	2,030	5,467	4,815
	\$ 679	\$ 936	\$ 1,574	\$ 3,425
Net benefit cost	\$ 1,236	\$ 1,485	\$ 3,691	\$ 5,865

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***9. Other long-term liabilities**

Other long-term liabilities consist of the following:

	September 30, 2024	December 31, 2023
Advances in aid of construction	\$ 86,066	\$ 88,135
Asset retirement obligations	43,406	41,754
Environmental remediation obligation	39,077	40,772
Contingent liability (note 18(a))	35,781	66,000
Customer deposits	34,517	36,294
Deferred credits and contingent consideration	17,669	17,542
Unamortized investment tax credits	16,947	17,255
Hook-up fees	8,318	7,425
Lease liabilities	7,044	7,742
Contract adjustment payments (a)	—	39,590
Other	7,437	8,384
	\$ 296,262	\$ 370,893
Less: current portion	(49,326)	(79,315)
	\$ 246,936	\$ 291,578

(a) Contract adjustment payment

In June 2021, the Company sold 23,000,000 Green Equity Units for total gross proceeds of \$1,150,000. Total annual distributions on the Green Equity Units are at a rate of 7.75%, consisting of interest on the notes (1.18% per year) and contract adjustment payments under Purchase Contract (6.57% per year). The present value of the contract adjustment payments was estimated at \$222,378 and recorded in other liabilities. The contract adjustment payments amount is accreted over the three-year period. These contract adjustment payments fully settled during the second quarter of 2024.

10. Shareholders' capital**(a) Common shares**

The number of common shares outstanding is as follows:

	Nine months ended September 30	
	2024	2023
Common shares, beginning of period	689,271,039	683,614,803
Settlement of Purchase Contracts	76,909,700	—
Dividend reinvestment plan	—	4,370,289
Exercise of share- based awards (b)	969,650	1,010,711
Conversion of convertible debentures	—	1,415
Common shares, end of period	767,150,389	688,997,218

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

(in thousands of U.S. dollars, except as noted and per share amounts)

10. Shareholders' capital (continued)

(a) Common shares (continued)

Settlement of Purchase Contracts

On June 17, 2024, in connection with the settlement of the Purchase Contracts that were components of the Company's outstanding Green Equity Units, the holders of Green Equity Units received 3.3439 common shares for each such Purchase Contract. The holders' obligations to payments under such Purchase Contracts were satisfied with the proceeds of the treasury portfolio purchased in connection with the successful optional Note remarketing that closed on March 28, 2024. Upon settlement of all outstanding Purchase Contracts, the Company received an aggregate of \$1,150,000 in exchange for the issuance of an aggregate of 76,909,700 common shares at an effective issuance price of \$14.95 per share.

(b) Share-based compensation

For the three and nine months ended September 30, 2024, AQN recorded \$4,966 and \$14,734 (2023 - \$3,613 and \$7,239 respectively) in total share-based compensation expense. The compensation expense is recorded within operating expenses in the Unaudited Interim Condensed Consolidated Statements of Operations. The portion of share-based compensation costs capitalized as cost of construction is insignificant.

As of September 30, 2024, total unrecognized compensation costs related to non-vested share-based awards were \$17,563 and are expected to be recognized over a period of 1.2 years.

Stock option plan

During the nine months ended September 30, 2024, there were no stock options granted to the executives of the Company.

Performance and restricted share units

During the nine months ended September 30, 2024, a total of 2,609,512 performance share units ("PSUs") and restricted share units ("RSUs") were granted to employees of the Company and discontinued operations. The awards vest based on the terms of each agreement ranging from January 2024 to January 2027. During nine months ended September 30, 2024, the Company settled 412,530 PSUs and RSUs in exchange for 226,390 common shares issued from treasury, and 186,140 PSUs and RSUs were settled at their cash value as payment for tax withholding related to the settlement of the awards.

During the nine months ended September 30, 2024, the Company settled 1,380 bonus deferral RSUs in exchange for 641 common shares issued from treasury, and 739 bonus deferral RSUs were settled at their cash value as payment for tax withholding related to the settlement of the awards. During the nine months ended September 30, 2024, 49,000 bonus deferral RSUs were granted to employees of the Company and discontinued operations. The RSUs are 100% vested.

Directors' deferred share units

During the nine months ended September 30, 2024, 173,857 deferred share units ("DSUs") were issued pursuant to the election by directors of the Company to defer a percentage of their directors' fee in the form of DSUs. During the nine months ended September 30, 2024, the Company settled 368,303 DSUs in exchange for 181,374 common shares issued from treasury, and 186,929 DSUs were settled at their cash value as payment for tax withholding related to the settlement of the awards.

(c) Preferred shares

The dividend rate on the Company's Cumulative Rate Reset Preferred Shares, Series D (the "Series D Shares") was reset on March 31, 2024 and will, unless redeemed, reset every five years thereafter at a rate equal to the then five-year Government of Canada bond plus 3.28%. Effective March 31, 2024, the dividend rate was reset to 6.853%. The Series D Shares were redeemable at C\$25 per share on April 1, 2024, however the Company elected not to exercise its redemption right. The holders of Series D Shares had the right to convert their shares into Cumulative Floating Rate Preferred Shares, Series E (the "Series E Shares"), on April 1, 2024, however fewer than 1,000,000 Series D Shares were tendered for conversion. As a result, no Series E Shares were issued and holders of Series D Shares who tendered their Series D Shares for conversion were not entitled to convert their Series D Shares into Series E Shares.

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***11. Accumulated other comprehensive income (loss)**

AOCI consists of the following balances, net of tax, comprised of continuing and discontinued operations:

	Foreign currency cumulative translation	Unrealized gain (loss) on cash flow hedges	Pension and post- employment actuarial changes	Total
Balance, January 1, 2023	\$ (98,467)	\$ (97,809)	\$ 36,213	\$ (160,063)
OCI	(3,788)	57,351	8,395	61,958
Amounts reclassified from AOCI to the Unaudited Interim Condensed Consolidated Statements of Operations	(1,598)	2,136	(3,702)	(3,164)
Net current period OCI	\$ (5,386)	\$ 59,487	\$ 4,693	\$ 58,794
OCI attributable to the non-controlling interests	(1,017)	—	—	(1,017)
Net current period OCI attributable to shareholders of AQN	(6,403)	59,487	4,693	57,777
Balance, December 31, 2023	\$ (104,870)	\$ (38,322)	\$ 40,906	\$ (102,286)
OCI	38,374	39,584	—	77,958
Amounts reclassified from AOCI to the Unaudited Interim Condensed Consolidated Statements of Operations	(1,528)	(6,922)	(5,907)	(14,357)
Net current period OCI	\$ 36,846	\$ 32,662	\$ (5,907)	\$ 63,601
OCI attributable to the non-controlling interests	(4,150)	—	—	(4,150)
Net current period OCI attributable to shareholders of AQN	\$ 32,696	\$ 32,662	\$ (5,907)	\$ 59,451
Balance, September 30, 2024	\$ (72,174)	\$ (5,660)	\$ 34,999	\$ (42,835)

Amounts reclassified from AOCI for foreign currency cumulative translation affected derivative gain (loss). Those for unrealized gain (loss) on cash flow hedges affected revenue from non-regulated energy sales, interest expense and derivative gain (loss); while those for pension and other post-employment actuarial changes affected pension and other post-employment non-service costs.

Algonquin Power & Utilities Corp.

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September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***12. Dividends**

All dividends of the Company are made on a discretionary basis as determined by the board of directors of the Company. The Company declares and pays the dividends on its common shares in U.S. dollars. Dividends declared were as follows:

	Three months ended September 30			
	2024		2023	
	Dividend	Dividend per share	Dividend	Dividend per share
Common shares	\$ 50,366	\$ 0.0650	\$ 75,617	\$ 0.1085
Series A preferred shares	C\$ 1,972	C\$ 0.4110	C\$ 1,549	C\$ 0.3226
Series D preferred shares	C\$ 1,713	C\$ 0.4283	C\$ 1,273	C\$ 0.3182

	Nine months ended September 30			
	2024		2023	
	Dividend	Dividend per share	Dividend	Dividend per share
Common shares	\$ 209,573	\$ 0.2820	\$ 226,382	\$ 0.3255
Series A preferred shares	C\$ 5,918	C\$ 1.2330	C\$ 4,646	C\$ 0.9679
Series D preferred shares	C\$ 4,699	C\$ 1.1748	C\$ 3,818	C\$ 0.9546

13. Non-controlling interests and redeemable non-controlling interests

Net effect attributable to non-controlling interests consists of the following:

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
HLBV and other adjustments attributable to:				
Non-controlling interests - tax equity partnership units	\$ 16,593	\$ 6,086	\$ 58,371	\$ 27,538
Non-controlling interests - redeemable tax equity partnership units	331	331	993	993
Other net earnings attributable to:				
Non-controlling interests	(810)	(199)	(4,150)	(6,908)
	\$ 16,114	\$ 6,218	\$ 55,214	\$ 21,623
Redeemable non-controlling interest, held by related party	—	(6,838)	—	(19,237)
Net effect of non-controlling interests	\$ 16,114	\$ (620)	\$ 55,214	\$ 2,386

The non-controlling tax equity investors in the Company's U.S. wind power and solar power generating facilities are entitled to allocations of earnings, tax attributes and cash flows in accordance with contractual agreements. The share of earnings attributable to the non-controlling interest holders in these subsidiaries is calculated using the HLBV method of accounting.

Algonquin Power & Utilities Corp.

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*(in thousands of U.S. dollars, except as noted and per share amounts)***14. Income taxes**

For the three and nine months ended September 30, 2024, the income tax expense (recovery) in the Unaudited Interim Condensed Consolidated Statements of Operations represents an effective tax rate different than the Canadian enacted statutory rate of 26.5%. The differences are as follows:

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Expected income tax expense (recovery) at Canadian statutory rate	\$ 10,535	\$ (56,994)	\$ 39,991	\$ (62,720)
Increase (decrease) resulting from:				
Effect of differences in tax rates on transactions in and within foreign jurisdictions and change in tax rates	(3,750)	(10,937)	(7,217)	(22,963)
Adjustments from investments carried at fair value	(3,400)	25,200	(7,331)	35,412
Non-controlling interests share of income	4,799	2,335	11,041	7,233
Amortization and settlement of excess deferred income tax	(2,198)	(2,892)	(5,503)	(9,098)
Other	376	2,533	2,292	2,111
Income tax expense (recovery)	\$ 6,362	\$ (40,755)	\$ 33,273	\$ (50,025)

The Company's overall deferred tax asset position related to Canadian attributes increased from \$150,007 to \$165,411 during the nine months ended September 30, 2024, primarily due to the losses incurred in Canada during the period. As at September 30, 2024, it is considered more likely than not that there will be sufficient taxable income in the future that will allow realization of these deferred tax assets. The Company considered all evidence, both positive and negative, including the announcement of the sale of the renewable energy business, the timing and use of proceeds from the sale of Atlantica and the renewable energy business, the availability of tax planning strategies and the carryforward period of its Canadian net operating losses in making this assessment. The Company will continue to monitor this position at each balance sheet date.

Discontinued operations

Income tax recovery reflected in discontinued operations is \$47,975 and \$35,041 for the nine months ended September 30, 2024 and 2023, respectively. As discussed in note 21, on August 9, 2024, the Company entered into an agreement to sell its renewable energy business (excluding hydro) which will be treated as an equity sale for income tax purposes. Primarily because of the impairment charge recorded during the period ended September 30, 2024, the financial reporting basis of the net assets being held for sale is estimated to be less than the tax basis in the equity units. Given we cannot ascertain if the resulting deferred tax asset for the excess of the tax basis in the equity over the accounting basis in the net assets is recoverable, we have recorded a full valuation allowance on the resulting deferred tax asset.

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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*(in thousands of U.S. dollars, except as noted and per share amounts)***15. Other net losses**

Other net losses consist of the following:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Securitization write-off (a)	\$ —	\$ 63,495	\$ —	\$ 63,495
Kentucky termination costs (b)	—	—	—	46,527
Acquisition-related settlement payment (c)	—	—	—	(11,983)
Other (d)	9,505	10,712	19,889	13,410
	\$ 9,505	\$ 74,207	\$ 19,889	\$ 111,449

(a) Securitization write-off

In the third quarter of 2023, the Company had written off \$63,495 relating to the portion of additional securitization costs of Empire Electric that were not allowed as per Missouri House Bill 734.

(b) Kentucky termination costs

On April 17, 2023, Liberty Utilities Co. mutually agreed with American Electric Power Company, Inc. and AEP Transmission Company, LLC to terminate the purchase agreement for Kentucky Power Company and AEP Kentucky Transmission Company, Inc. The Company recognized losses of \$46,527 for the nine months ended September 30, 2023, for write-off costs related to capitalized costs which were primarily related to the implementation of an enterprise software solution, transaction costs, severance costs, and other termination costs.

(c) Acquisition-related settlement payment

In 2023, the Company received \$12,814 as an acquisition-related settlement payment in connection with the Suralis (formerly called ESSAL) acquisition. The Company also incurred legal fees of \$831 in relation to this settlement.

(d) Other

Other losses for the three and nine months ended September 30, 2024, consists primarily of remarketing fees related to the remarketing of the Notes forming a component of the Green Equity Units, costs incurred to support the closing of Atlantica sale, severance costs, and other miscellaneous write-offs.

Algonquin Power & Utilities Corp.

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*(in thousands of U.S. dollars, except as noted and per share amounts)***16. Basic and diluted net earnings (loss) per share**

Basic and diluted earnings (loss) per share have been calculated on the basis of earnings (loss) attributable to the common shareholders of the Company and the weighted average number of common shares and bonus deferral restricted share units outstanding. Diluted net loss per share is computed using the weighted-average number of common shares, additional shares issued subsequent to quarter-end under the dividend reinvestment plan, and, if dilutive, potential incremental common shares related to the convertible debentures or resulting from the application of the treasury stock method to the Green Equity Units (note 7) and the weighted average number of outstanding share options, PSUs, RSUs and DSUs outstanding during the period.

The reconciliation of the net earnings (loss) and the weighted average shares used in the computation of basic and diluted earnings (loss) per share are as follows:

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Net earnings (loss) from continuing operations attributable to shareholders of AQN	49,507	(174,938)	172,852	(184,268)
Series A preferred share dividend	1,441	1,162	4,355	3,452
Series D preferred share dividend	1,252	955	3,455	2,837
Net earnings (loss) from continuing operations attributable to common shareholders of AQN	46,814	(177,055)	165,042	(190,557)
Income (loss) from discontinued operations	(1,355,206)	389	(1,366,931)	26,627
Net loss attributable to common shareholders of AQN – basic and diluted	\$ (1,308,392)	\$ (176,666)	\$(1,201,889)	\$ (163,930)
Weighted average number of shares				
Basic	767,236,804	689,054,669	719,719,562	688,538,925
Effect of dilutive securities	2,456,382	—	2,178,147	—
Diluted	769,693,186	689,054,669	721,897,709	688,538,925

This calculation of diluted shares excludes the potential impact of 5,768,701 incremental shares that may become issuable pursuant to outstanding securities of the Company for the three months ended September 30, 2024, and 6,007,506 securities for the nine months ended September 30, 2024 as they are anti-dilutive.

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*(in thousands of U.S. dollars, except as noted and per share amounts)***17. Segmented information**

As a result of the classification of the renewable energy business (excluding hydro) as discontinued operations during the period, the Regulated Services Group is the only reportable operating segment of the Company. However, management has elected to disclose the “Hydro Group” as a reportable operating segment which includes the non-regulated hydro assets that are not being sold as a part of the sale of the renewable energy group. Non-operating segments include the corporate activities of the Company which are reported under the “Corporate Group”.

The Regulated Services Group, the Company's regulated operating unit, primarily owns and operates a portfolio of regulated electric, water distribution and wastewater collection and natural gas utility systems and transmission operations in the United States, Canada, Bermuda and Chile.

For purposes of evaluating the performance of the business unit, the Company allocates the realized portion of any gains or losses on financial instruments to the specific business unit. Interest income from San Antonio Water System is included in the operations of the Regulated Services Group. Equity method gains and losses are included in the operations of the Regulated Services Group. Dividend income from Atlantica is reported and allocated under the Corporate Group. The change in value of investments carried at fair value, unrealized portion of any gains or losses on derivative instruments not designated in a hedging relationship and foreign exchange gains and losses are not considered in management's evaluation of divisional performance and are, therefore, allocated and reported under the Corporate Group.

Three months ended September 30, 2024

	Regulated Services Group	Hydro Group	Corporate Group	Total
Revenue ⁽¹⁾	\$ 551,416	\$ 8,910	\$ —	\$ 560,326
Other revenue	12,509	—	364	12,873
Fuel, power and water purchased	120,983	13	—	120,996
Net revenue	442,942	8,897	364	452,203
Operating expenses	231,345	1,771	2,290	235,406
Depreciation and amortization	97,359	1,782	240	99,381
Loss on foreign exchange	—	—	6,339	6,339
Operating income (loss)	114,238	5,344	(8,505)	111,077
Interest expense	(46,971)	(205)	(44,194)	(91,370)
Income from long-term investments and other income	7,706	—	24,568	32,274
Other expenses	(5,808)	2	(6,420)	(12,226)
Earnings (loss) before income taxes	\$ 69,165	\$ 5,141	\$ (34,551)	\$ 39,755
Capital expenditures	\$ 155,698	\$ 2,204	\$ —	\$ 157,902

⁽¹⁾ Regulated Services Group revenue includes \$12,116 related to alternative revenue programs for the three months ended September 30, 2024 that do not represent revenue recognized from contracts with customers.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***17. Segmented information (continued)**

	Three months ended September 30, 2023			
	Regulated Services Group	Hydro Group	Corporate Group	Total
Revenue ⁽¹⁾	\$ 542,627	\$ 8,288	\$ —	\$ 550,915
Other revenue	13,241	249	363	13,853
Fuel, power and water purchased	137,605	137	—	137,742
Net revenue	418,263	8,400	363	427,026
Operating expenses	209,570	1,952	(1,035)	210,487
Depreciation and amortization	86,415	1,637	297	88,349
Loss on foreign exchange	—	—	2,907	2,907
Operating income (loss)	122,278	4,811	(1,806)	125,283
Interest expense	(42,343)	(310)	(38,954)	(81,607)
Income (loss) from long-term investments and other income	13,662	—	(194,036)	(180,374)
Other expenses	(68,979)	(5,198)	(4,198)	(78,375)
Earnings (loss) before income taxes	\$ 24,618	\$ (697)	\$ (238,994)	\$ (215,073)
Capital expenditures	\$ 211,693	\$ 606	\$ —	\$ 212,299

⁽¹⁾ Regulated Services Group revenue includes \$5,732 related to alternative revenue programs for the three months ended September 30, 2023 that do not represent revenue recognized from contracts with customers.

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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*(in thousands of U.S. dollars, except as noted and per share amounts)***17. Segmented information (continued)**

Nine months ended September 30, 2024				
	Regulated Services Group	Hydro Group	Corporate Group	Total
Revenue ⁽¹⁾	\$ 1,667,559	\$ 27,193	\$ —	\$ 1,694,752
Other revenue	38,198	790	970	39,958
Fuel, power and water purchased	427,721	213	—	427,934
Net revenue	1,278,036	27,770	970	1,306,776
Operating expenses	654,584	6,811	5,311	666,706
Depreciation and amortization	289,499	5,034	1,533	296,066
Loss on foreign exchange	—	—	3,806	3,806
Operating income (loss)	333,953	15,925	(9,680)	340,198
Interest expense	(145,157)	(704)	(128,271)	(274,132)
Income from long-term investments and other income	23,084	4	91,562	114,650
Other expenses	(18,036)	(4)	(11,765)	(29,805)
Earnings (loss) before income taxes	\$ 193,844	\$ 15,221	\$ (58,154)	\$ 150,911
Capital expenditures	506,746	3,110	—	509,856
September 30, 2024				
Property, plant and equipment	\$ 9,135,707	\$ 145,271	\$ 30,082	\$ 9,311,060
Investments carried at fair value	2,010	—	1,076,205	1,078,215
Equity-method investees	38,965	—	—	38,965
Total assets ⁽²⁾	12,750,390	165,529	1,400,595	14,316,514

⁽¹⁾ Regulated Services Group revenue includes \$30,418 related to alternative revenue programs for the nine months ended September 30, 2024 that do not represent revenue recognized from contracts with customers.

⁽²⁾ Excluding Held for Sale Assets of 3,472,131.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***17. Segmented information (continued)**

Nine months ended September 30, 2023				
	Regulated Services Group	Hydro Group	Corporate Group	Total
Revenue ⁽¹⁾	\$ 1,750,801	\$ 25,709	\$ —	\$ 1,776,510
Other revenue	39,679	996	1,088	41,763
Fuel, power and water purchased	543,129	424	—	543,553
Net revenue	1,247,351	26,281	1,088	1,274,720
Operating expenses	635,269	6,813	260	642,342
Depreciation and amortization	257,026	5,037	939	263,002
Loss on foreign exchange	—	—	8,276	8,276
Operating income (loss)	355,056	14,431	(8,387)	361,100
Interest expense	(123,545)	(1,072)	(108,036)	(232,653)
Income (loss) from long-term investments and other income	33,322	(6)	(275,763)	(242,447)
Other expenses	(114,238)	(5,198)	(3,243)	(122,679)
Earnings (loss) before income taxes	\$ 150,595	\$ 8,155	\$ (395,429)	\$ (236,679)
Capital expenditures	584,579	2,712	—	587,291
December 31, 2023				
Property, plant and equipment	\$ 8,945,637	\$ 146,385	\$ 34,751	\$ 9,126,773
Investments carried at fair value	1,962	—	1,052,703	1,054,665
Equity-method investees	112,180	—	500	112,680
Total assets ⁽²⁾	12,658,955	140,880	1,413,204	14,213,039

⁽¹⁾ Regulated Services Group revenue includes \$18,521 related to alternative revenue programs for the nine months ended September 30, 2023 that do not represent revenue recognized from contracts with customers.

⁽²⁾ Excluding Held for Sale Assets of 4,160,922.

AQN operates in the independent power and utility industries in the United States, Canada and other regions. Information on operations by geographic area is as follows:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Revenue				
United States	\$ 454,744	\$ 443,957	\$ 1,387,936	\$ 1,470,239
Canada	13,986	15,322	63,791	71,164
Other regions	104,469	105,489	282,983	276,870
	\$ 573,199	\$ 564,768	\$ 1,734,710	\$ 1,818,273

Revenue is attributed to the regions based on the location of the underlying generating and utility facilities.

Algonquin Power & Utilities Corp.

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September 30, 2024 and 2023

(in thousands of U.S. dollars, except as noted and per share amounts)

18. Commitments and contingencies

(a) Contingencies

AQN and its subsidiaries are involved in various claims and litigation arising out of the ordinary course and conduct of its business. Although such matters cannot be predicted with certainty, management does not consider AQN's exposure to such litigation to be material to these unaudited interim condensed consolidated financial statements. Accruals for any contingencies related to these items are recorded in the unaudited interim condensed consolidated financial statements at the time it is concluded that their occurrence is probable and the related liability is estimable.

Mountain View Fire

On November 17, 2020, a wildfire now known as the Mountain View Fire occurred in the territory of Liberty Utilities (CalPeco Electric) LLC ("Liberty CalPeco"). The cause of the fire remains in dispute, and CAL FIRE has not yet released its final report. There were 22 lawsuits filed that name certain subsidiaries of the Company as defendants in connection with the Mountain View Fire, as well as a non-litigation claim brought by the U.S. Department of Agriculture seeking reimbursement for alleged fire suppression costs and a notice from the U.S. Bureau of Land Management seeking damages for the alleged burning of public lands without authorization. Fifteen lawsuits were brought by groups of individual plaintiffs and a Native American group alleging causes of action including negligence, inverse condemnation, nuisance, trespass, and violations of Cal. Pub. Util. Code 2106 and Cal. Health and Safety Code 13007 (one of these 15 lawsuits also alleges the wrongful death of an individual and various subrogation claims on behalf of insurance companies). In six other lawsuits, insurance companies alleged inverse condemnation and negligence and seek recovery of amounts paid and to be paid to their insureds. In one other lawsuit, County of Mono, Antelope Valley Fire Protection District, and Bridgeport Indian Colony allege similar causes of action and seek damages for fire suppression costs, law enforcement costs, property and infrastructure damage, and other costs. Liberty CalPeco has resolved 20 of the lawsuits, and Liberty CalPeco is in the process of obtaining dismissals with prejudice of said lawsuits. Trial on the remaining two lawsuits is currently expected in January 2025. The likelihood of success in these lawsuits is uncertain. Liberty CalPeco intends to vigorously defend them. The Company accrued estimated losses of \$172,300 for claims related to the Mountain View Fire, against which Liberty CalPeco has recorded recoveries through insurance of \$116,000 and WEMA of \$56,300. The resulting net charge to earnings was \$nil. The estimate of losses is subject to change as additional information becomes available. The actual amount of losses may be higher or lower than these estimates. While the Company may incur a material loss in excess of the amount accrued, the Company cannot estimate the upper end of the range of reasonably possible losses that may be incurred. The Company has wildfire liability insurance that was applied up to applicable policy limits.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***18. Commitments and contingencies (continued)****(b) Commitments**

The following significant commitments exist as of September 30, 2024. AQN has outstanding purchase commitments for power purchases, natural gas supply and service agreements, service agreements, and land easements. Detailed below are estimates of future commitments under these arrangements:

	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter	Total
Power purchase ⁽¹⁾	\$ 40,872	\$ 16,929	\$ 12,495	\$ 12,742	\$ 12,958	\$ 120,095	\$ 216,091
Natural gas supply and service agreements ⁽²⁾	98,045	61,040	46,135	43,567	36,164	163,900	448,851
Service agreements	18,426	7,425	4,556	2,222	—	—	32,629
Land easements and others	3,165	3,249	3,329	3,349	3,413	78,768	95,273
Total	\$160,508	\$ 88,643	\$ 66,515	\$ 61,880	\$ 52,535	\$ 362,763	\$ 792,844

(1) Power purchase: AQN's electric distribution facilities have commitments to purchase physical quantities of power for load serving requirements. The commitment amounts included in the table above are based on market prices as at September 30, 2024. However, the effects of purchased power unit cost adjustments are mitigated through a purchased power rate-adjustment mechanism.

(2) Natural gas supply and service agreements: AQN's natural gas distribution facilities and thermal generation facilities have commitments to purchase physical quantities of natural gas under contracts for purposes of load serving requirements and of generating power.

19. Non-cash operating items

The changes in non-cash operating items consist of the following:

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Accounts receivable	\$ (25,364)	\$ 68,836	\$ 71,952	\$ 104,049
Fuel and natural gas in storage	7,590	(10,926)	6,875	8,731
Supplies and consumables inventory	(3,791)	(1,783)	(12,422)	(24,237)
Income taxes recoverable	2,641	(1,154)	6,604	4,529
Prepaid expenses	(20,941)	(16,485)	(2,171)	(10,302)
Accounts payable, accrued liabilities and other	16,345	(43,969)	(43,965)	(154,116)
Current income tax liability	(765)	(1,688)	2,838	875
Net regulatory assets and liabilities	(46,300)	(27,624)	(84,286)	(17,678)
	\$ (70,585)	\$ (34,793)	\$ (54,575)	\$ (88,149)

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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(in thousands of U.S. dollars, except as noted and per share amounts)

20. Financial instruments

(a) Fair value of financial instruments

September 30, 2024	Carrying amount	Fair value	Level 1	Level 2
Long-term investments carried at fair value	\$ 1,078,215	\$ 1,078,215	\$ 1,078,215	\$ —
Development loans and other receivables	677	572	—	572
Derivative instruments:				
Interest rate swaps designated as a hedge	71,542	71,542	—	71,542
Commodity contracts for regulatory operations	131	131	—	131
Total derivative instruments	71,673	71,673	—	71,673
Total financial assets	\$ 1,150,566	\$ 1,150,460	\$ 1,078,215	\$ 72,245
Long-term debt	\$ 7,211,946	\$ 8,211,993	\$ 1,608,397	\$ 6,603,596
Convertible debentures	232	266	266	—
Derivative instruments:				
Interest rate swaps designated as hedges	11,342	11,342	—	11,342
Commodity contracts for regulated operations	1,291	1,291	—	1,291
Total derivative instruments	12,633	12,633	—	12,633
Total financial liabilities	\$ 7,224,811	\$ 8,224,892	\$ 1,608,663	\$ 6,616,229

December 31, 2023	Carrying amount	Fair value	Level 1	Level 2
Long-term investments carried at fair value	\$ 1,054,665	\$ 1,054,665	\$ 1,054,665	\$ —
Development loans and other receivables	28,338	28,223	—	28,223
Derivative instruments:				
Interest rate swaps designated as a hedge	72,936	72,936	—	72,936
Interest rate cap not designated as a hedge	1,854	1,854	—	1,854
Total derivative instruments	74,790	74,790	—	74,790
Total financial assets	\$ 1,157,793	\$ 1,157,678	\$ 1,054,665	\$ 103,013
Long-term debt	\$ 7,500,155	\$ 6,452,209	\$ 1,824,103	\$ 4,628,106
Convertible debentures	230	276	276	—
Derivative instruments:				
Cross-currency swap designated as a cash flow hedge	5,547	5,547	—	5,547
Interest rate swaps designated as a hedge	11,790	11,790	—	11,790
Commodity contracts for regulated operations	2,564	2,564	—	2,564
Currency forward contract designated as net investment hedge	6,779	6,779	—	6,779
Total derivative instruments	26,680	26,680	—	26,680
Total financial liabilities	\$ 7,527,065	\$ 6,479,165	\$ 1,824,379	\$ 4,654,786

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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(in thousands of U.S. dollars, except as noted and per share amounts)

20. Financial instruments (continued)**(a) Fair value of financial instruments (continued)**

The Company has determined that the carrying value of its short-term financial assets and liabilities approximates fair value as of September 30, 2024 and December 31, 2023 due to the short-term maturity of these instruments.

The fair value of the investment in Atlantica (level 1) is measured at the closing price on the NASDAQ stock exchange.

The fair value of development loans and other receivables (level 2) is determined using a discounted cash flow method, using estimated current market rates for similar instruments adjusted for estimated credit risk as determined by management.

The Company's level 1 fair value of long-term debt is measured at the closing price on the NYSE and the Canadian over-the-counter closing price. The Company's level 2 fair value of long-term debt at fixed interest rates has been determined using a discounted cash flow method and current interest rates. The Company's level 2 fair value of convertible debentures has been determined as the greater of their face value and the quoted value of AQN's common shares on a converted basis.

The Company's level 2 fair value derivative instruments primarily consist of swaps, options, and forward physical derivatives where market data for pricing inputs are observable. Level 2 pricing inputs are obtained from various market indices and utilize discounting based on quoted interest rate curves, which are observable in the marketplace.

The Company does not hold level 3 financial instruments.

(b) Derivative instruments

Derivative instruments are recognized on the unaudited interim condensed consolidated balance sheets as either assets or liabilities and measured at fair value at each reporting period.

(i) Commodity derivatives – regulated accounting

The Company uses derivative financial instruments to reduce the cash flow variability associated with the purchase price for a portion of future natural gas purchases associated with its regulated natural gas and electric service territories. The Company's strategy is to minimize fluctuations in natural gas sale prices to regulated customers. As at September 30, 2024, the commodity volume, in dekatherms, associated with the above derivative contracts was 2,807,898.

The accounting for these derivative instruments is subject to guidance for rate regulated enterprises. Therefore, the fair value of these derivatives is recorded as current or long-term assets and liabilities, with offsetting positions recorded as regulatory assets and regulatory liabilities in the unaudited interim condensed consolidated balance sheets. Most of the gains or losses on the settlement of these contracts are included in the calculation of the fuel and commodity cost adjustments. As a result, the changes in fair value of these natural gas derivative contracts and their offsetting adjustment to regulatory assets and liabilities had no earnings impact.

(ii) Cash flow hedges

The Company mitigates the risk that interest rates will increase over the life of certain term loan facilities by entering into the following interest rate swap contracts. For an interest rate swap or cross-currency interest rate swap designated as hedging the exposure to variable cash flows of a future transaction, the effective portion of this derivative's gain or loss is initially reported as a component of OCI and subsequently reclassified into earnings once the future transaction impacts earnings. Amounts for interest rate contracts are reclassified to earnings as interest expense over the term of the related debt.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***20. Financial instruments (continued)**

- (b) Derivative instruments (continued)
- (ii) Cash flow hedges (continued)

Derivative	Notional quantity	Expiry	Hedged item
Forward-starting interest rate swap	\$ 350,000	July 2029	\$350,000 subordinated unsecured notes
Cross-currency interest rate swap	C\$ 400,000	January 2032	C\$400,000 subordinated unsecured notes
Forward-starting interest rate swap	\$ 750,000	April 2032	\$750,000 subordinated unsecured notes

The following table summarizes OCI attributable to derivative financial instruments designated as a cash flow hedge held by continuing and discontinued operations:

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Effective portion of cash flow hedge	\$ (6,114)	\$ 15,064	\$ 39,584	\$ 67,499
Amortization of cash flow hedge	(238)	7,431	(1,316)	2,523
Amounts reclassified from AOCI	362	(8,510)	(5,606)	(1,751)
OCI attributable to shareholders of AQN	\$ (5,990)	\$ 13,985	\$ 32,662	\$ 68,271

The Company expects \$40,942 of unrealized losses currently in AOCI to be reclassified, net of taxes, into non-regulated energy sales, investment loss, interest expense and derivative gains, within the next 12 months, as the underlying hedged transactions settle.

- (iii) Foreign exchange hedge of net investment in foreign operation

The functional currency of most of AQN's operations is the U.S. dollar. The Company designates obligations denominated in Canadian dollars as a hedge of the foreign currency exposure of its net investment in its Canadian investments and subsidiaries. The related foreign currency transaction gain or loss designated as, and effective as, a hedge of the net investment in a foreign operation is reported in the same manner as the translation adjustment (in OCI) related to the net investment. A foreign currency loss of \$4,070 and a gain of \$6,116 for the three and nine months ended September 30, 2024, respectively, (2023 - gains of \$9,951 and \$583, respectively) were recorded in OCI.

On May 23, 2019, the Company entered into a cross-currency swap, coterminous with the subordinated unsecured notes issued on such date, to effectively convert the \$350,000 U.S.-dollar-denominated offering into Canadian dollars. The change in the carrying amount of the notes due to changes in spot exchange rates was recognized each period in the Unaudited Interim Condensed Consolidated Statements of Operations as loss on foreign exchange. The Company designated the entire notional amount of the cross-currency fixed-for-fixed interest rate swap as a hedge of the foreign currency exposure related to cash flows for the interest and principal repayments on the notes. Upon the change in functional currency of AQN to the U.S. dollar on January 1, 2020, this hedge was dedesignated. The Company redesignated this swap as a hedge of AQN's net investment in its Canadian subsidiaries. The related foreign currency transaction gain or loss designated as a hedge of the net investment in a foreign operation is reported in the same manner as the translation adjustment (in OCI) related to the net investment and expected to be reclassified to profit and loss as part of the gains(losses) on disposition of the net investment in its Canadian subsidiary which has been reclassified to discontinued operations. The fair value of the derivative on the redesignation date will be amortized over the remaining life of the original hedge. Foreign currency loss of \$161 and gain of \$5,848 for the three and nine months ended September 30, 2024, respectively (2023 - losses of \$1,528 and \$8,537, respectively) was recorded in OCI.

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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*(in thousands of U.S. dollars, except as noted and per share amounts)***20. Financial instruments (continued)**

(b) Derivative instruments (continued)

(iii) Foreign exchange hedge of net investment in foreign operation (continued)

Chilean operations

The Company is exposed to currency fluctuations from its Chilean-based operations. The Company's Chilean operations are determined to have the Chilean peso as their functional currency. Chilean long-term debt used to finance the operations is denominated in Chilean Unidad de Fomento.

(iv) Other derivatives and risk management

In the normal course of business, the Company is exposed to financial risks that potentially impact its operating results. The Company employs risk management strategies with a view to mitigating these risks to the extent possible on a cost-effective basis. Derivative financial instruments are used to manage certain exposures to fluctuations in exchange rates, interest rates and commodity prices. The Company does not enter into derivative financial agreements for speculative purposes. For derivatives that are not designated as hedges, the changes in the fair value are immediately recognized in earnings.

The effects on the Unaudited Interim Condensed Consolidated Statements of Operations of derivative financial instruments not designated as hedges consist of the following:

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Amortization of cash flow hedge	\$ 238	\$ (7,431)	\$ 1,316	\$ (2,523)
Unrealized gain (loss) on commodity contracts	40	8,160	(847)	6,457
Gain on derivative financial instruments	\$ 278	\$ 729	\$ 469	\$ 3,934

(c) Supplier financing programs

In the normal course of business, the Company enters into supplier financing programs under which the suppliers can voluntarily elect to sell their receivables. The Company agrees to pay, on the invoice maturity date, the stated amount of the invoices that the Company has confirmed through the execution of bills of exchange. The terms of the trade payable arrangement are consistent with customary industry practice and are not impacted by the supplier's decision to sell amounts under these arrangements. As of September 30, 2024, accounts payable include confirmed invoices from designated suppliers of \$80,546 (December 31, 2023 \$62,173).

21. Assets held for sale

On August 9, 2024, the Company entered into an agreement to sell its renewable energy business (excluding hydro) to LS Buyer for total cash consideration of up to \$2,500,000 (subject to certain closing adjustments), excluding debt, consisting of \$2,280,000 in cash at closing and up to \$220,000 in cash pursuant to an earn out agreement relating to certain wind assets (the "Earn Out"). The renewable energy business primarily owns and operates, or has investments in, a diversified portfolio of non-regulated renewable and thermal energy generation assets.

The sale remains subject to the satisfaction of closing conditions, including the approval of the U.S. Federal Energy Regulatory Commission. The Company expects the transaction to close in the fourth quarter of 2024 or the first quarter of 2025 and to receive cash proceeds of approximately \$1,600,000 to 1,800,000 (excluding the Earn Out) after repaying construction financing, and net of taxes, transaction fees and other closing adjustments.

The renewable energy business (excluding hydro) was classified as held for sale and as discontinued operations in the third quarter of 2024. No adjustments were made to the historical activity within the Unaudited Interim Condensed Consolidated Statements of Comprehensive Loss, Unaudited Interim Condensed Consolidated Statements of Cash Flows or the Unaudited Interim Condensed Consolidated Statements of Changes in Equity. Unless otherwise noted, the notes to these unaudited interim condensed consolidated financial statements exclude amounts related to discontinued operations for all periods presented.

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*(in thousands of U.S. dollars, except as noted and per share amounts)***21. Assets held for sale (continued)**

The following table presents the carrying values of the major classes of assets held for sale and liabilities associated with assets held for sale included in AQN's Unaudited Interim Condensed Consolidated Balance Sheet

(thousands of U.S. dollars)

	September 30, 2024	December 31, 2023
ASSETS HELD FOR SALE		
Current assets		
Cash and cash equivalent	\$ 56,698	\$ 31,091
Trade and other receivables, net	70,419	122,754
Supplies and consumables inventory	3,102	4,726
Prepaid expenses	9,210	16,140
Derivatives instruments	6,508	5,336
Other assets	5,890	7,261
	151,827	187,308
Non current assets		
Property, plant and equipment, net	2,969,661	3,390,677
Intangible assets, net	17,985	21,474
Long-term investments (a)		
Long-term investment carried at fair value	—	61,064
Other long-term investments	310,296	474,211
Derivative instruments	4,137	3,122
Deferred income taxes	8,104	8,476
Other assets	10,121	14,590
	3,320,304	3,973,614
Total assets held for sale	3,472,131	4,160,922
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE		
Current liabilities		
Accounts payable	\$ 5,150	\$ 30,005
Accrued liabilities	91,375	74,181
Other long-term liabilities	471	1,068
Derivative instruments	19,663	14,206
	116,659	119,460
Non current liabilities		
Long-term debt (b)	1,249,096	1,015,875
Deferred income taxes	—	12,638
Derivative instruments	71,846	69,990
Pension and other post-employment benefits obligation	455	157
Other long-term liabilities	143,500	174,296
	1,464,897	1,272,956
Total liabilities associated with assets held for sale	\$ 1,581,556	\$ 1,392,416

As of September 30, 2024, the non-controlling interest balance is \$1,017,759 (December 31, 2023 - \$990,770).

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September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***21. Assets held for sale (continued)**

The following table presents the results of the discontinued operations, which are included in loss from discontinued operations, net of tax in AQN's Unaudited Interim Condensed Consolidated Statements of Operations:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenue				
Non-regulated energy sales	\$ 57,826	\$ 55,511	\$ 202,780	\$ 188,500
Other revenue	8,468	4,459	37,729	24,463
	66,294	59,970	240,509	212,963
Operating expenses	45,145	37,450	141,498	110,889
Non-regulated energy purchased	831	3,772	4,860	15,073
Depreciation and amortization	11,225	16,436	80,992	81,872
Loss (gain) on foreign exchange	3,889	(5,764)	22,564	(3,318)
	61,090	51,894	\$ 249,914	204,516
Operating income (loss) from discontinued operations	5,204	8,076	(9,405)	8,447
Interest expense	(13,871)	(12,564)	(39,420)	(33,099)
Loss from long-term investments	(46,680)	(20,595)	(78,169)	(16,206)
Loss on derivatives financial instruments	(16,608)	—	(16,608)	—
Loss on classification as held for sale	(1,297,954)	—	(1,297,954)	—
Other net gains (losses)	1,396	(979)	(15,881)	(7,566)
Pension and other post-employment non-service costs	(13)	—	(40)	—
Loss before income taxes	(1,368,526)	(26,062)	(1,457,477)	(48,424)
Income tax recovery	4,533	13,054	47,975	35,041
Loss from discontinued operations	(1,363,993)	(13,008)	(1,409,502)	(13,383)
Add: Net loss attributable to non controlling interest included in discontinued operations	\$ 8,787	\$ 13,397	\$ 42,571	\$ 40,010
Net (loss) income from discontinued operations attributable to AQN	\$ (1,355,206)	\$ 389	\$ (1,366,931)	\$ 26,627

The discontinued operations' held for sale assets include pretax impairments of approximately \$1,297,954 for the period ended September 30, 2024. The impairment was recorded to write-down the carrying amount of the property, plant and equipment assets to the estimated fair value of the business, based on the expected selling price less estimated cost to sell. These losses were included in loss from discontinued operations, net of tax, in AQN's Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss. The impairment will be updated, if necessary, based on the final sale price, after any adjustments at closing.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***21. Assets held for sale (continued)**

The fair value of the assets reclassified as held for sale was primarily determined based on the purchase price included in the purchase and sale agreement.

The consideration from the sale included an Earn Out component the fair value of which was determined based on the expected cash flows from certain wind assets. These future cash flows have been discounted to reflect their current present values.

AQN has elected not to separately disclose discontinued operations on AQN's Unaudited Interim Consolidated Statements of Cash Flows. The following table summarizes AQN's cash flows from discontinued operations.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Cash flows provided by (used in)				
Operating activities ¹	\$ 2,718	\$ 42,628	\$ 79,501	\$ 78,670
Investing activities	(24,149)	(128,611)	(134,295)	(241,723)

¹ For the three and the nine months ended September 2024, operating activities includes net changes in non-cash operating items of \$8,710 and \$23,376, respectively (2023 - \$22,009 and \$(3,235), respectively).

(a) Long-term investments

(i) Equity-method investees and development loans receivable from equity investees

The discontinued operations have non-controlling interests in operating renewable energy facilities and projects under construction. The discontinued operations have non-controlling interests in various corporations, partnerships and joint ventures with a total carrying value of \$299,145 (December 31, 2023 - \$343,713), including investments in VIEs of \$65,652 (December 31, 2023 - \$105,991).

During the nine months ended September 30, 2024, the discontinued operations made capital contributions of \$9,074 to the Texas Coastal Wind Facilities (Stella, Cranell, East Raymond and West Raymond) and \$6,039 to projects under construction.

Summarized combined information for AQN's investments in partnerships and joint ventures is as follows:

	September 30, 2024	December 31, 2023
Total assets	\$ 2,190,298	\$ 2,654,262
Total liabilities	1,145,210	1,572,471
Net assets	\$ 1,045,088	\$ 1,081,791
AQN's ownership interest in the entities	281,390	300,522
Difference between investment carrying amount and underlying equity in net assets ^(a)	17,755	43,191
AQN's investment carrying amount for the entities	\$ 299,145	\$ 343,713

^(a) The difference between the investment carrying amount and the underlying equity in net assets relates primarily to development fees, interest capitalized while the projects are under construction, the fair value of guarantees provided by the discontinued operations in regards to the investments and transaction costs.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***21. Assets held for sale (continued)**

(a) Long-term investments (continued)

(i) Equity-method investees and development loans receivable from equity investees (continued)

Summarized combined information for the discontinued operations' equity method investees (presented at 100%) is as follows:

	Nine months ended September 30	
	2024	2023
Revenue	\$ 110,418	\$ 30,443
Net loss	(35,073)	(15,786)
Other comprehensive income ^(b)	17,726	31,726
Net loss attributable to AQN	\$ (26,994)	\$ (7,661)
Other comprehensive income attributable to AQN ^(b)	\$ 10,028	\$ 6,167

^(b) Other comprehensive income (loss) represents the Company's proportion of the change in fair value, recorded in OCI at the investee level, on energy derivative financial instruments designated as a cash flow hedge.

Development projects are considered VIEs due to the level of equity at risk and the disproportionate voting and economic interests of the shareholders. The discontinued operations have committed loan and credit support facilities with some of its equity investees. During construction, the discontinued operations have agreed to provide cash advances and credit support for the continued development and construction of the equity investees' projects. As of September 30, 2024, the discontinued operations had issued letters of credit and guarantees of performance obligations under: a security of performance for a development opportunity; wind turbine and solar panel supply agreements; interconnection agreements; engineering, procurement and construction agreements; energy purchase agreements; and construction loan agreements. The fair value of the support provided to all equity investees as of September 30, 2024 amounts to \$4,805 (December 31, 2023 - \$12,666).

Summarized combined information for the discontinued operations' VIEs is as follows:

	September 30, 2024	December 31, 2023
AQN's maximum exposure in regards to VIEs		
Carrying amount	\$ 65,652	\$ 105,991
Development loans receivable	11,151	130,498
Indirect guarantees of debt on behalf of VIEs	244,206	740,866
Other indirect guarantees and commitments on behalf of VIEs	66,780	303,641
	\$ 387,789	\$ 1,280,996

The commitments are presented on a gross basis assuming no recoverable value in the assets of the VIEs. In addition, as of September 30, 2024, the discontinued operations had issued \$121,175 in letters of credit and guarantees of performance obligations under energy purchase agreements and decommissioning obligations on behalf of operating equity-method investees that are not considered VIEs.

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***21. Assets held for sale (continued)**

(b) Long-term debt

Long-term debt classified as held for sale consists of the following:

Borrowing type	Weighted average coupon	Maturity	Par value	September 30, 2024	December 31, 2023
Senior unsecured revolving credit facilities	—	2027	N/A	\$ 303,686	\$ 262,609
U.S. dollar borrowings					
Senior secured project notes	6.47 %	2025	\$ 206,990	206,990	—
Canadian dollar borrowings					
Senior unsecured notes (i)	3.75 %	2027-2031	C\$ 1,000,000	738,420	753,266
				\$ 1,249,096	\$ 1,015,875

(i) Discontinuation of hedge accounting: renewable energy business

The Canadian dollar debt within the renewable energy business and the related cross currency interest rate swaps were classified as held for sale. A C\$700,000 portion of the Canadian dollar debt was hedged using cross currency interest rate swaps that were designated as cash flow hedges. Hedge accounting was discontinued on the cross currency interest rate swaps when the renewable energy business was classified as held for sale as the forecasted transaction being hedged is no longer probable. As a result, a loss of \$16,685, net of tax, was recorded in loss from discontinued operations due to the reclassification of the cash flow hedge reserve from other comprehensive income into earnings.

(c) Commitments

Contractual obligations relating to discontinued operations as of September 30, 2024 is shown below:

	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter	Total
Service agreements	\$ 55,218	\$ 56,118	\$ 50,093	\$ 53,981	\$ 54,580	\$ 236,297	\$ 506,287
Capital projects	8,828	—	—	—	—	—	8,828
Land easements and other	11,000	13,549	13,747	13,920	14,110	516,667	582,993
Total	\$ 75,046	\$ 69,667	\$ 63,840	\$ 67,901	\$ 68,690	\$ 752,964	\$ 1,098,108

Algonquin Power & Utilities Corp.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

September 30, 2024 and 2023

*(in thousands of U.S. dollars, except as noted and per share amounts)***21. Assets held for sale (continued)**

- (d) Acquisition of Liberty Construction JV including the Carvers Creek Solar Facility

On September 20, 2024, Liberty Construction (US) JV HoldCo LLC, a wholly owned subsidiary of the Company, acquired the remaining 50% ownership in Liberty Construction (US) JV LLC for consideration of \$38,300. The net assets of Liberty Construction (US) JV LLC are comprised mainly of the net assets related to the Carvers Creek Solar Facility. The transaction has been accounted for as an asset acquisition.

The following table summarizes the allocation of the aggregate purchase price to the assets acquired and liabilities assumed at the acquisition date.

	Liberty Construction JV
Working capital	\$ (7,802)
Property, plant and equipment	264,817
Long-term debt	(196,158)
Asset retirement obligation	(1,369)
Non-controlling interest	(17,884)
Deferred tax liability	(3,304)
Total net assets acquired	38,300
Less: cash and cash equivalents	560
Net assets acquired, net of cash and cash equivalents	\$ 37,740

22. Comparative figures

Certain of the comparative figures have been reclassified to conform to the unaudited interim condensed consolidated financial statement presentation adopted in the current period to represent continuing operations.

Notes

Algonquin's leadership¹

Directors



D. Randy Laney,
Chair of the Board

Former Chairman
of the Board,
The Empire District
Electric Company



**Melissa Stapleton
Barnes,**

Former Senior Vice
President, Enterprise
Risk Management and
Chief Ethics and
Compliance Officer,
Eli Lilly and Company



Brett C. Carter

Former Executive
Vice President and
Group President,
Utilities and Chief
Customer Officer,
Xcel Energy Inc.



Ameet Chande,

Former Chief
Commercial Officer,
Waymo



Dan Goldberg,

President and Chief
Executive Officer,
Telesat Corporation



Chris Huskisson,

Chief Executive Officer,
Algonquin Power
& Utilities Corp.

Former Chief
Executive Officer,
Emera Inc.



David Levenson,

Former Global Head,
Brookfield Special
Investments



Christopher F. Lopez

Former Executive
Vice President,
Chief Financial and
Regulatory Officer,
Hydro One Limited



Dilek Samil,

Former Executive
Vice President and
Chief Operating Officer,
NV Energy

Executive Management Team



Chris Huskisson,

Chief Executive
Officer



Darren Myers,

Chief Financial
Officer



Jeffery Norman,

President of
Renewables



Sarah MacDonald,

Chief Transformation
Officer



Colin Penny,

Chief Information
Officer



Jennifer Tindale,

Chief Legal Officer

¹ As at September 30, 2024.

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Toronto, Ontario

The Toronto Stock Exchange:

AQN, AQN.PR.A, AQN.PR.D

The New York Stock Exchange:

AQN, AQNB

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