

ALGONQUIN
Power & Utilities Corp.

Investor Presentation

December 2019

All dollar amounts presented in U.S. $ unless otherwise noted.

Forward-Looking Statements

Certain written statements included herein and/or oral statements made in connection with the presentation contained herein constitute “forward-looking information” within the meaning of applicable securities laws in each of the provinces of Canada and the respective policies, regulations and rules under such laws and “forward-looking statements” within the meaning of applicable securities laws in the United States, including Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (collectively, “forward-looking statements”). The words “will”, “expects”, “intends”, “should” and similar expressions are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Specific forward-looking statements contained in or made in connection with this presentation include, but are not limited to statements regarding: the expected performance of Algonquin Power & Utilities Corp. (“APUC”), capital expenditure plans, investment opportunities and development projects and the anticipated size and locations thereof, expectations regarding the closing of previously-announced acquisitions, expected sources of and access to financing, projections about tax rates, benefits and credits and tax equity, anticipated utility rates and regulatory outcomes, anticipated industry trends and customer expectations. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their nature they rely upon assumptions and involve inherent risks and uncertainties. APUC cautions that although it is believed that the assumptions are reasonable in the circumstances, actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those set out in APUC's most recent annual and interim Management's Discussion and Analysis and most recent Annual Information Form, filed with securities regulatory authorities in Canada and the United States. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of their dates. Other than as specifically required by law, APUC undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

Non-GAAP Financial Measures

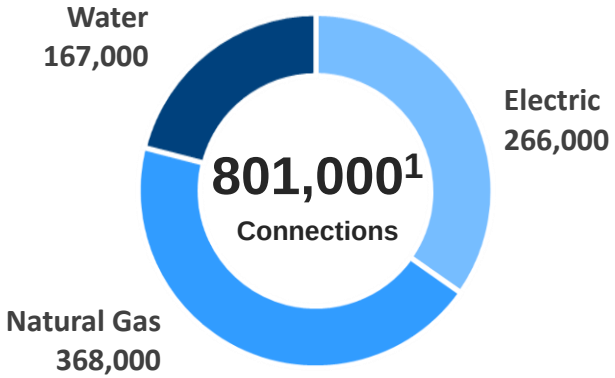
The terms “Adjusted Net Earnings”, “Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization” (“Adjusted EBITDA”), “Adjusted Funds from Operations” (or “Adjusted FFO”), "Net Energy Sales", "Net Utility Sales" and “Divisional Operating Profit”, may be used throughout this document. The terms “Adjusted Net Earnings”, “per share cash provided by operating activities”, “Adjusted Funds from Operations” (or “Adjusted FFO”), “Adjusted EBITDA”, "Net Energy Sales", "Net Utility Sales" and “Divisional Operating Profit” are not recognized measures under GAAP. There is no standardized measure of “Adjusted Net Earnings”, “Adjusted EBITDA”, “Adjusted Funds from Operations” (or “Adjusted FFO”), "Net Energy Sales", "Net Utility Sales" and “Divisional Operating Profit” consequently, APUC’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. A calculation and analysis of “Adjusted Net Earnings”, "Adjusted EBITDA", “Adjusted Funds from Operations”, "Net Energy Sales", "Net Utility Sales" and “Divisional Operating Profit” can be found in APUC’s Management Discussion & Analysis for the year ended December 31, 2018 and for the period ended September 30, 2019.

Overview – Algonquin Power & Utilities Corp.



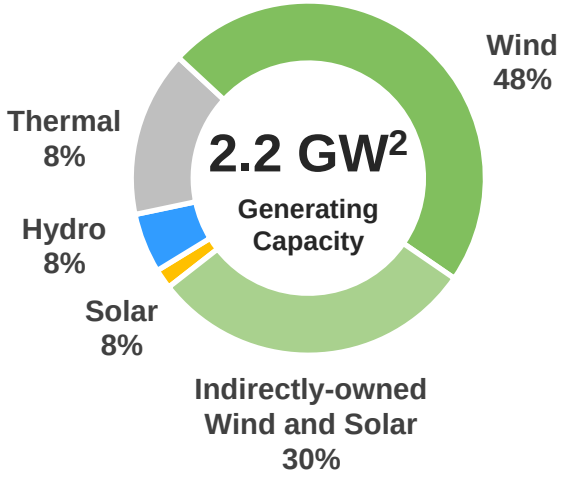
Regulated Utilities

- Liberty Utilities is a regulated water, natural gas and electric utility
- Emphasis on local approach to our key stakeholders:
  - *Customers*
  - *Communities*
  - *Employees*
  - *Regulators*



Non-regulated Renewables

- Liberty Power is a renewable and clean power developer and operator
- Diverse, stable portfolio with long-term contracts
- Investment in sustainable sources of renewable energy



Multiple avenues for growth within 5-year, $9.2 B capital program with over 70% focused on regulated opportunities

1. *Customer connections to increase to ~961,000 following the completion of the Ascendant (BELCO) and New York American Water acquisitions.*
2. *Includes APUC's 44.2% investment in Atlantica Yield's wind and solar assets.*

Showcasing our Commitment to Sustaining Energy and Water for Life

APUC's 2019 Sustainability Report highlights our sustainability goals



1

Climate Action

Reducing Reliance on Fossil-Based Energy

- Reduce GHG emissions by 1 M metric tons
- Anticipated 2,000 MW of new renewable generation capacity by 2023



2

Clean and Affordable Energy

Investment in Developing New Wind and Solar Projects

- 600 MW of new wind capacity in U.S. Midwest
- "Greening the Fleet" initiative will save customers $300 M in over 30 years



3

Clean Water and Sanitation

Commitment to Maintaining Healthy Water Ecosystems

- Aquifer Replenishment project in Arizona
- Expected to impact the recharge of >78 billion gallons of water



4

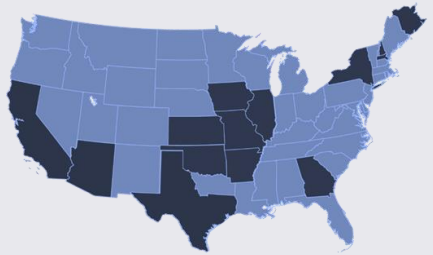
Sustainable Cities and Communities

Improving Grid Resilience and Reliability

- C100 project aims to achieve 100% renewables
- Investments of >$2.7 B in utility upgrades and grid modernization projects

APUC is demonstrating a leading role in the transition to a low-carbon economy

Regulated Utilities – Predictable Earnings and Growth

801,000 connections 266,000 electric / 368,000 gas / 167,000 water		▪ Stable, predictable earnings and return protection across diverse customer base ▪ Core customer care competence
2,200 + employees		▪ Skilled at managing complex projects ▪ Deep operational expertise ▪ Multiple franchise areas
40 utilities **13** U.S. states, **1** CDN province		▪ Diversified regulatory jurisdictions ▪ Efficient capital deployment ▪ Regulatory relationship management
$6.0 B regulated utility assets		▪ Excellent growth track record ▪ 5-year CAGR of over 30% for 2013 to 2018 ▪ Accretive acquisitions in supportive regulatory environments

Diverse Set of Proposed Utility Investment Opportunities

Investment in resilient, safe, modern utility operations

- ***Safety and Reliability*** – $2.4 B
- ***Quality, Efficiency, and Choice of Service*** – $1.1 B
- ***Customer Growth*** – $0.3 B



Granite Bridge - NH
$0.3 B
LNG

New York American Water – NY
$0.6 B
Water utility acquisition

Customer Savings Plan – MO, KA
$1.1 B
Wind - 600 MW (3 projects)

Bermuda Electric Light Co – Bermuda
$0.7 B
Electric utility acquisition and greening

"C100" Initiative - CA
$0.2 B
Path to 100% Renewable Energy

- Transmission and distribution utility
- Rate-based generation
- Utility investment initiative
- ☆ Pending acquisition

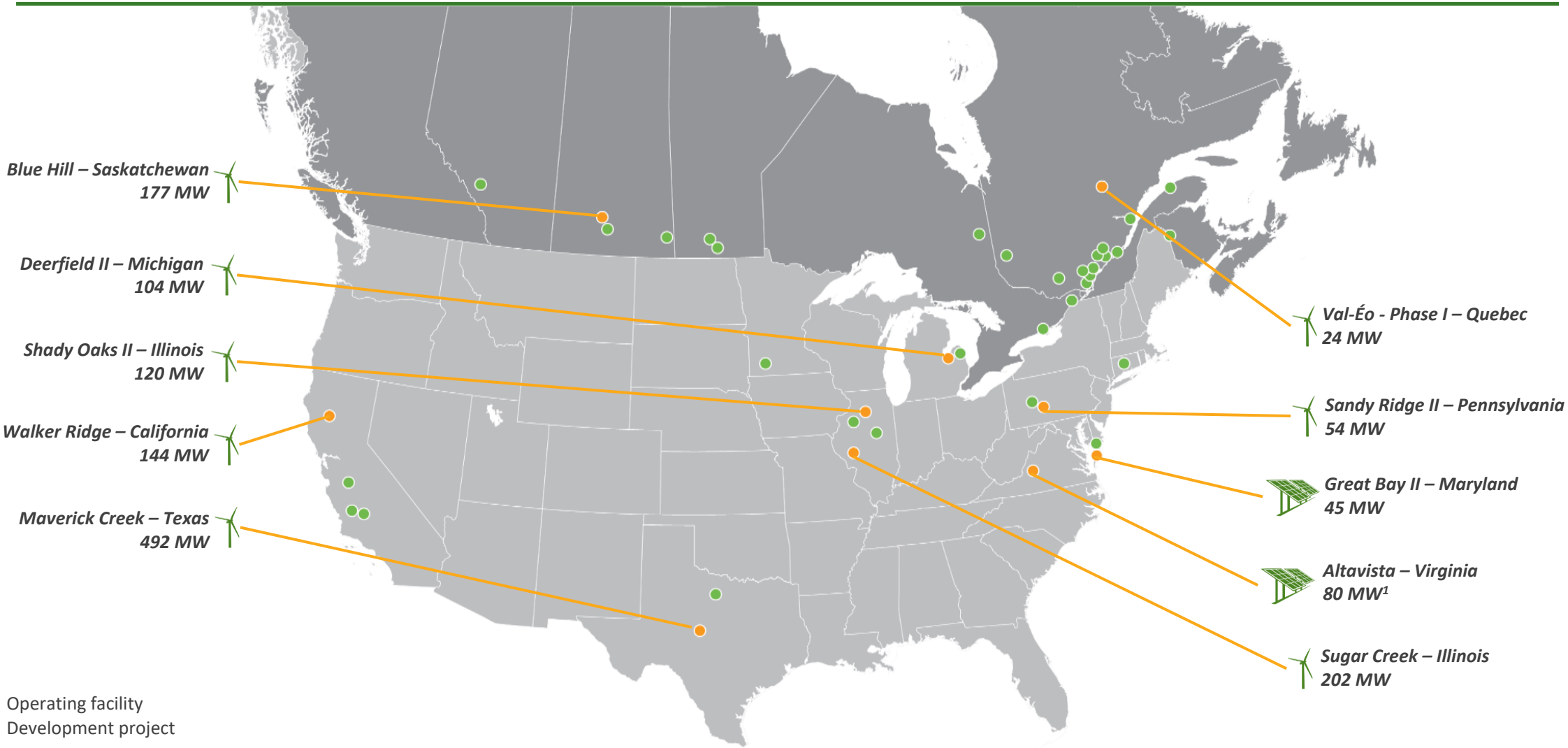
U.S. $6.7 B of anticipated utility investment within next five years while maintaining competitive customer rates

Non-Regulated Renewables – Diversified Fleet, Strong Growth Potential[1]

53 renewable and clean energy facilities		Attractive returns and strong cash flow from renewable and clean energy generation sourced from water, wind, solar, and natural gas
Global footprint		Diverse generating fleet by both modality, geography and technology provides stable production profile
~2.2 GW combined gross generating capacity		~93% of generation under long term power purchase contracts with inflation escalators
~15 years average PPA length		Diversified portfolio of creditworthy counterparties

1. *All figures on this slide include APUC's 44.2% investment in Atlantica Yield's wind and solar assets.*

Significant Pipeline of Renewable Energy Projects

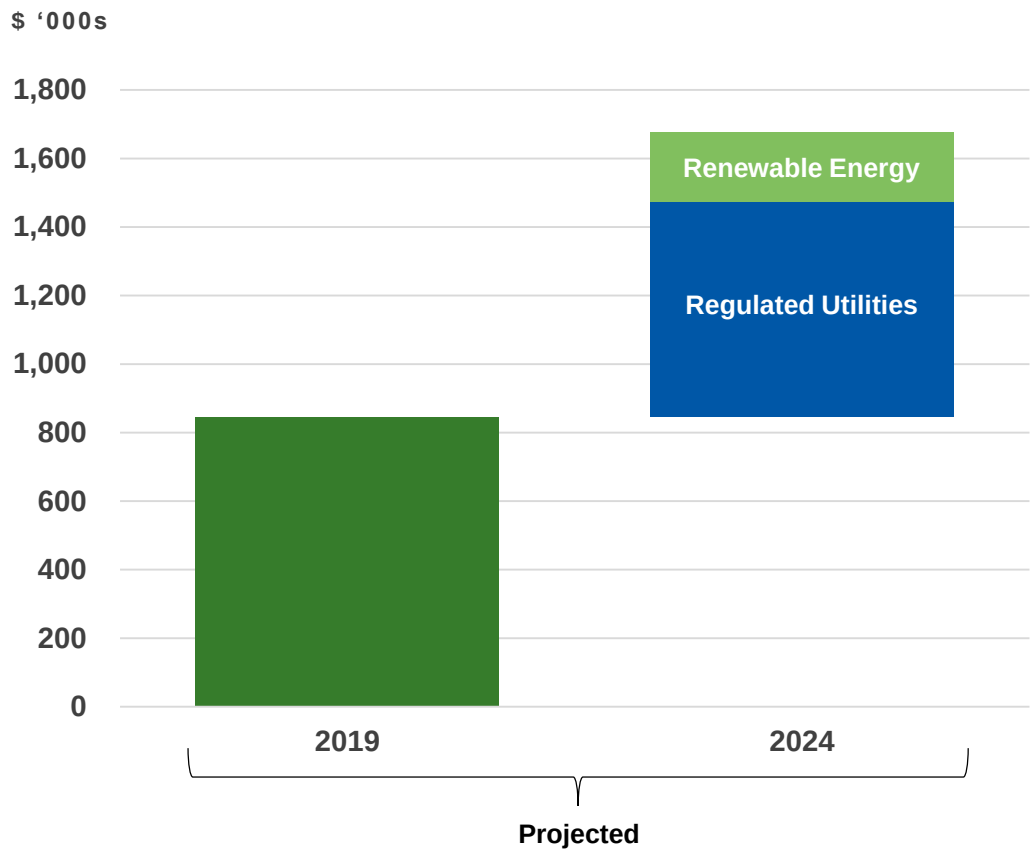


Anticipated $2.5 B in North American development initiatives totaling >1.4 GW within next five years

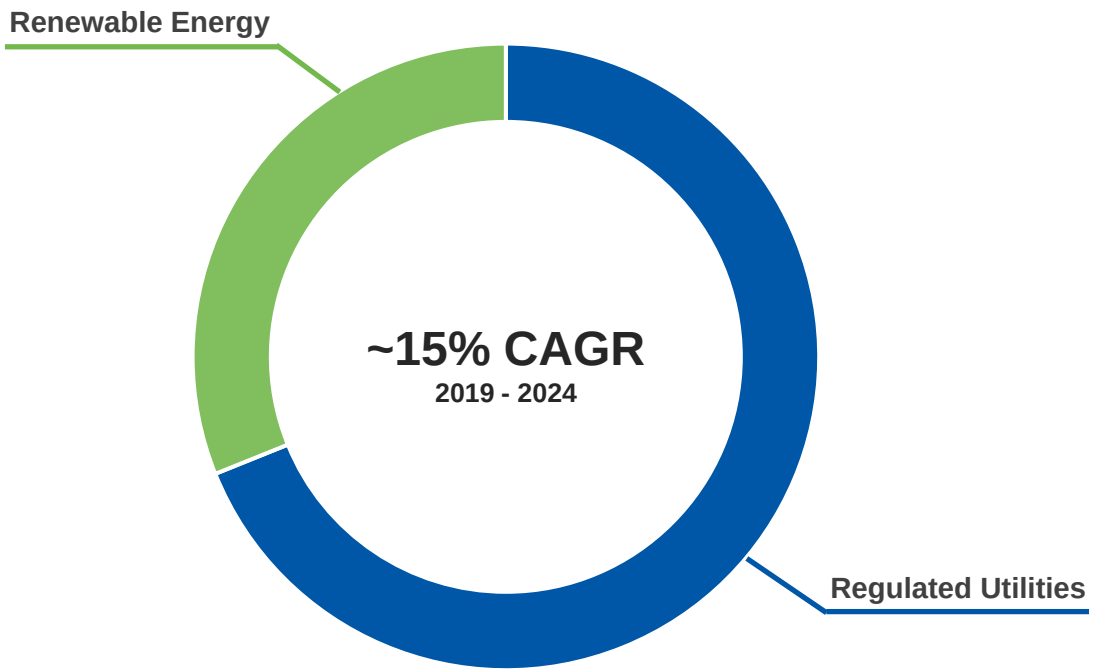
1. *Power purchase agreement with Facebook.*

Compelling Long-Term Growth

Adjusted EBITDA Walk[1]



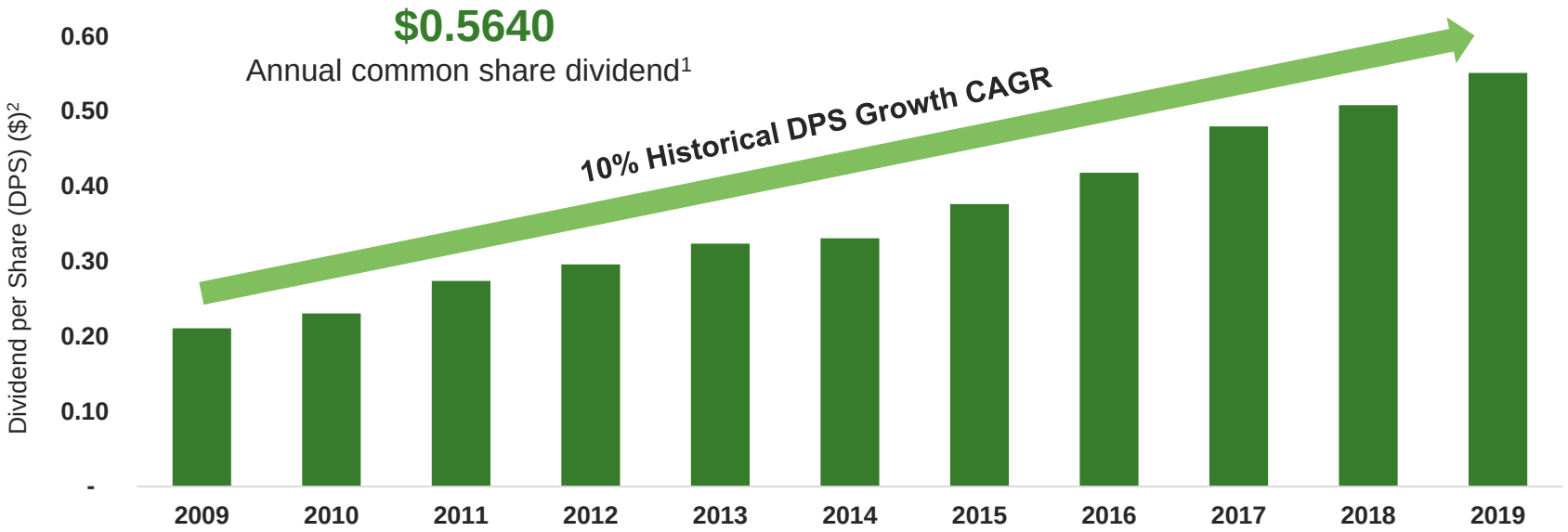
2024 Projected Adjusted EBITDA Split



Offering a strong, visible and conservative growth plan through 2024

1. *Please see note on Non-GAAP Financial Measures on page 3 of this presentation, and pages 18-20 of the Appendix for reconciliation of Non-GAAP Financial Measures.*

Demonstrated Track Record Common Share Dividend Growth



Robust growth model

- Long-term trend of EPS growth has supported >10% targeted annual dividend increase from 2009-2018
- APUC's dual-listing on TSX/NYSE provides strong access to N.A. capital markets
- APUC is a member of the S&P/TSX Canadian Dividend Aristocrats Index and the MSCI Canada Index

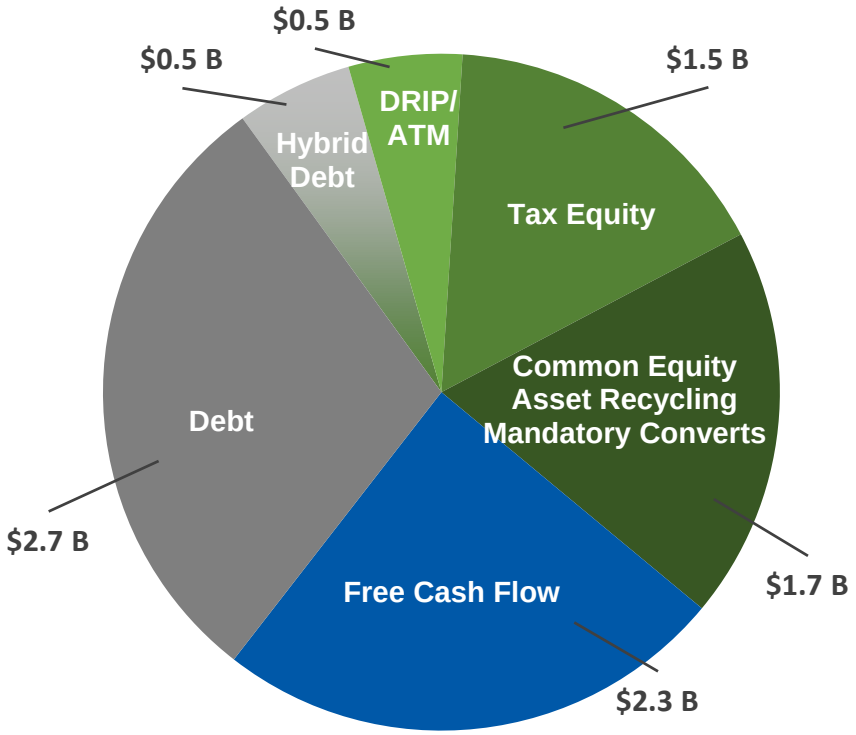
Diversified, conservative business platform

- Long-term investment grade BBB fixed rate debt financing
- Large proportion of earnings from regulated utility operations
- Reduced commodity price exposure through inflation indexed long-term PPAs

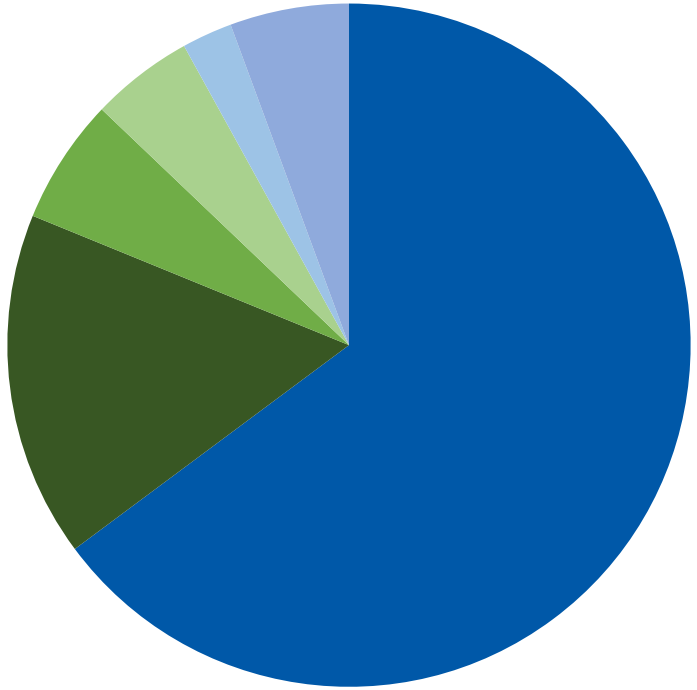
1. *Annualized using Q3 2019 dividend rate. For further information on APUC's dividend policy, see APUC's most recent annual information form.*
2. *The dividend paid in 2009 to 2014 was translated from Canadian to U.S. dollars using the average annual exchange rates as posted by the Bank of Canada.*

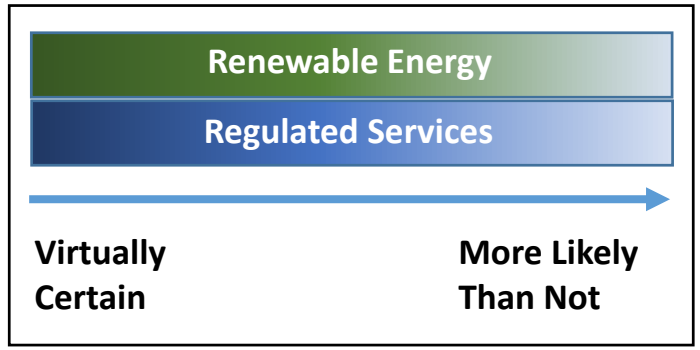
$9.2 Billion, 5-Year Capital Program

Anticipated Sources of Capital



Anticipated Uses of Capital





High degree of financial flexibility to execute on growth plans

- ✓ Relatively low payout ratio provides significant retention of internally-generated cash flows
- ✓ Dividend reinvestment program and tax equity provide additional sources of capital
- ✓ Capital access further strengthened through recent introduction of ATM, hybrid debt, and green bonds

Investment Grade Capital Structure

(in U.S. $ M)	As of Sept. 30, 2019	
Long-term debt[1]	**3,655**	**44.4%**
Preferred shares / Sub. Notes	**806**	**9.8%**
Equity[2]	**3,780**	**45.8%**
Total capitalization	**8,241**	**100%**

- APUC has proven access to debt capital markets in both Canada and the U.S.
- Issued U.S. $637.5 M of subordinated notes in 2018 and first half of 2019 and issued U.S. $184.3 M of preferred shares since 2012
- Issued U.S. $327 M of common equity through inaugural U.S. marketed offering

Liberty Power Bond Platform

- Canadian public style bond platform
- C$950 M senior unsecured bonds outstanding[3]
- Investment-grade credit ratings:
  - S&P: BBB / DBRS: BBB / Fitch: BBB

Liberty Utilities Bond Platform

- U.S. private placement market
- U.S. $1,225 M senior unsecured bonds outstanding[3]
- Investment-grade credit ratings:
  - S&P: BBB / DBRS[4]: BBB (high) / Fitch: BBB

Highly committed to maintaining investment-grade capital structure

1. *Excluding Subordinated Notes.*
2. *Excluding Preferred Shares.*
3. *As of September 30, 2019.*
4. *Issuer rating for Liberty Utilities Finance GP1.*

Algonquin Power & Utilities Corp. – Why Invest?

Strong Earnings & Stable Cash Flows

- Long-term contracted cash flows and regulated utility earnings
- Significant forecast growth from development pipeline
- Diverse operations result in stable earnings profile

Sustainable Dividend Growth

- Annual dividend increases averaging 10% over nine consecutive years
- Current annual dividend of $0.5640[1], paid quarterly
- Demonstrated history of long-term dividend growth

Enterprise-wide Focus on Sustainability and Risk Management

- Investment grade capital structure
- Sustainability as a core element of our corporate strategy
- Dedicated enterprise risk management and internal audit functions

Robust Development Program

- Line-of-sight on $9.2 B of growth through 2024
- $6.7 B focused on investment in utility rate base
- Maintaining diverse business and technology mix

Proven Management Team

- Thirty years of power generation development and utility expertise
- Entrepreneurial roots are core to the corporate culture
- Growing team with experienced talent

1. *Annualized using Q3 2019 dividend rate. For further information on APUC's dividend policy, see APUC's most recent annual information form.*

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Appendix



Financial Performance – 2019 Third Quarter and Year to Date

All figures are in $ millions except per share data	Three Months Ended September 30			Nine Months Ended September 30		
	2019	2018	Variance	2019	2018	Variance
Revenue	**365.6**	**366.2**	**-**	**1,186.4**	**1,226.6**	**(3%)**
Net earnings attributable to shareholders	**115.8**	**57.9**	**100%**	**358.8**	**141.0**	**154%**
Per share, (undiluted)	**0.23**	**0.12**	**92%**	**0.71**	**0.30**	**137%**
Adjusted net earnings[1]	**69.2**	**49.7**	**39%**	**217.7**	**241.6**	**(10%)**
Per share	**0.14**	**0.10**	**40%**	**0.43**	**0.52**	**(17%)**
Adjusted EBITDA[1]	**186.9**	**165.5**	**13%**	**608.3**	**605.3**	**-**
Adjusted Funds from Operations[1]	**120.1**	**127.9**	**(6%)**	**422.1**	**421.6**	**-**
Dividend per share	**0.1410**	**0.1282**	**10%**	**203.5**	**172.4**	**18%**

1. *Please see note on Non-GAAP Financial Measures on page 3 of this presentation, and pages 18-20 of this Appendix for reconciliation of Non-GAAP Financial Measures.*

Financial Performance – Full Year 2018

All figures are in $ millions except per share data	Full Year Ended December 31		
	2018	2017	Variance
Revenue	**1,647.4**	**1,521.9**	**8%**
Net earnings attributable to shareholders	**185.0**	**149.5**	**24%**
Per share	**0.38**	**0.37**	**3%**
Adjusted net earnings[1]	**312.2**	**225.0**	**39%**
Per share[1]	**0.66**	**0.57**	**16%**
Adjusted EBITDA[1]	**803.3**	**689.4**	**17%**
Adjusted Funds from Operations[1]	**554.1**	**477.1**	**16%**
Dividend per share	**0.5011**	**0.4660**	**8%**

1. *Please see note on Non-GAAP Financial Measures on page 3 of this presentation, and pages 18-20 of this Appendix for reconciliation of Non-GAAP Financial Measures.*

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 APUC. Investors are cautioned that this measure should not be construed as an alternative to U.S. GAAP consolidated net earnings.

	Three Months Ended September 30		Nine Months Ended September 30		Twelve Months Ended December 31	
(all dollar amounts in USD millions)	2019	2018	2019	2018	2018	2017
Net earnings attributable to shareholders	**$115.8**	$57.9	**$358.8**	$141.0	**$185.0**	$149.5
Add (deduct):						
Net earnings attributable to the non-controlling interest, exclusive of HLBV[1]	**7.6**	0.3	**22.8**	1.4	**4.8**	2.4
Income tax expense	**22.0**	10.7	**57.6**	50.6	**53.4**	73.4
Interest expense on convertible debentures and costs related to acquisition financing	**—**	—	**—**	—	—	13.4
Interest expense on long-term debt and others	**45.7**	37.9	**134.1**	111.8	**152.1**	142.4
Other losses	**2.9**	2.0	**8.9**	0.4	**2.7**	0.7
Acquisition-related costs	**2.8**	1.0	**5.2**	9.6	**0.7**	47.7
Pension and post-employment non-service costs[2]	**5.0**	1.3	**10.0**	1.6	**3.9**	9.0
Change in value of investments carried at fair value	**(64.4)**	(10.1)	**(180.0)**	91.9	**138.0**	—
Costs related to tax equity financing	**—**	—	**—**	—	**1.3**	1.8
Loss (gain) on derivative financial instruments	**(15.4)**	0.7	**(15.6)**	0.9	**0.6**	(1.9)
Realized (loss) gain on energy derivative contracts	**—**	—	**(0.2)**	—	**0.1**	(0.6)
Loss (gain) on foreign exchange	**(0.9)**	0.3	**0.1**	(0.8)	**(0.1)**	0.3
Depreciation and amortization	**65.8**	63.5	**206.6**	196.9	**260.8**	251.3
Adjusted EBITDA	**$186.9**	$165.5	**$608.3**	$605.3	**$803.3**	$689.4

[1] HLBV represents the value of net tax attributes earned during the period primarily from electricity generated by certain U.S. wind power and U.S. solar generation facilities.

[2] As a result of adoption of ASU 2017-07 certain components of net benefit pension costs are considered non-service costs and are now classified outside of operating income.

Non-GAAP Financial Measures

Reconciliation of Adjusted Net Earnings to Net Earnings

The following table is derived from and should be read in conjunction with the consolidated statement of operations. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted Net Earnings and provides additional information related to the operating performance of APUC. 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:

	Three Months Ended September 30		Nine Months Ended September 30		Twelve Months Ended December 31	
(all dollar amounts in USD millions)	2019	2018	2019	2018	2018	2017
Net earnings attributable to shareholders	**$115.8**	$57.9	**$358.8**	$141.0	**$185.0**	$149.5
Add (deduct):						
Loss (gain) on derivative financial instruments[1]	**0.5**	0.7	**0.2**	0.9	**0.6**	(1.9)
Realized (loss) gain on energy derivative contracts	**—**	—	**(0.2)**	—	**0.1**	(0.6)
Loss (gain) on long-lived assets	**3.1**	0.3	**9.0**	(1.1)	**0.8**	(1.8)
Loss (gain) on foreign exchange	**(0.9)**	0.3	**0.1**	(0.8)	**(0.1)**	0.3
Interest expense on convertible debentures and costs related to acquisition financing	**—**	—	**—**	—	**—**	13.4
Acquisition-related costs	**2.8**	1.0	**5.2**	9.6	**0.7**	47.7
Change in value of investments carried at fair value	**(64.4)**	(10.1)	**(180.0)**	91.9	**138.0**	—
Costs related to tax equity financing	**—**	—	**—**	—	**1.3**	1.8
Other adjustments	**—**	—	**—**	—	**—**	2.5
U.S. Tax Reform and related deferred tax adjustments[2]	**—**	—	**—**	—	**(18.4)**	17.1
Adjustment for taxes related to above	**12.3**	(0.4)	**24.6**	0.1	**4.2**	(3.0)
Adjusted Net Earnings	**$69.2**	$49.7	**$217.7**	$241.6	**$312.2**	$225.0
Adjusted Net Earnings per share[3]	**$0.14**	$0.10	**$0.43**	$0.52	**$0.66**	$0.57

[1] Excludes the gain related to the discontinuation of hedge accounting on an energy hedge put in place early in the development of the Sugar Creek Wind Project.

[2] Represents the non-cash accounting charge related to the revaluation of U.S. deferred income tax assets and liabilities as a result of implementation of the effects of U.S. Tax Reform.

[3] Per share amount calculated after preferred share dividends and excluding subscription receipts issued for projects or acquisitions not reflected in earnings.

Non-GAAP Financial Measures

Reconciliation of Adjusted Funds from Operations to Cash Flows from Operating Activities

The following table is derived from and should be read in conjunction with the consolidated statement of operations and consolidated statement of cash flows. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted Funds from Operations and provides additional information related to the operating performance of APUC. Investors are cautioned that this measure should not be construed as an alternative to funds from operations in accordance with U.S. GAAP.

The following table shows the reconciliation of funds from operations to Adjusted Funds from Operations exclusive of these items:

	Three Months Ended September 30		Nine Months Ended September 30		Twelve Months Ended December 31	
(all dollar amounts in USD millions)	2019	2018	2019	2018	2018	2017
Cash flows from operating activities	**$188.1**	$131.5	**$443.8**	$361.7	**$530.4**	$326.6
Add (deduct):						
Changes in non-cash operating items	**(70.8)**	(4.6)	**(30.5)**	35.4	**8.1**	87.7
Production based cash contributions from non-controlling interests	**—**	—	**3.6**	13.9	**13.9**	7.9
Interest expense on convertible debentures and costs related to acquisition financing[1]	**—**	—	**—**	—	**—**	7.2
Acquisition-related costs	**2.8**	1.0	**5.2**	9.6	**0.7**	47.7
Reimbursement of operating expenses incurred on joint venture	**—**	—	**—**	1.0	**1.0**	—
Adjusted Funds from Operations	**$120.1**	$127.9	**$422.1**	$421.6	**$554.1**	$477.1

[1] Exclusive of deferred financing fees of $6.2 million.

Notes

ALGONQUIN
Power & Utilities Corp.

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Corporate Information

Head Office	Oakville, ON
Common Share Symbol	TSX/NYSE: AQN
Subordinated Notes Symbols	NYSE: AQNA, AQNB
Preferred Share Symbols	TSX: AQN.PR.A, AQN.PR.D
Shares Outstanding*	524,199,599
Share Price*	U.S.$14.27
Market Capitalization	U.S.$7.5 B
Dividend**	U.S.$0.5640 per share annually

* Shares outstanding as of November 30, 2019 and price (NYSE) as of December 11, 2019.
** Annualized using Q3 2019 dividend rate.

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