ACQUISITION OF INTEREST IN CHILEAN WATER UTILITY ESSAL

Overview
• Acquisition of 53.51% of Empresa de Servicios Sanitarios de Los Lagos S.A. ("ESSAL"), a leading Chilean water and sewage utility company, which operates under a perpetual concession scheme in Southern Chile in the regions of Los Lagos and Los Ríos with approximately 230,000 connections. Due to local regulation a tender offer process will also be launched for the total remaining shares of ESSAL.
• First international water utility demonstrates APUC’s ability to enter new target markets and establishes a base in a supportive and growing economic region to execute upon other water, clean energy and utility opportunities.
• Represents continued expansion of Algonquin’s regulated utility footprint into an investment-grade OECD country with one of the highest GDP growth rates and lowest country risks in Latin America.
• Expected to be immediately accretive to Adjusted Net Earnings per share and Adjusted Funds from Operations with an equity purchase price of US$92.3 million which represents an attractive 9.0x multiple of forecast 2020 EBITDA.

Constructive to Regulated Utility Growth Program
• Strong alignment with Algonquin’s disciplined growth criteria: creditworthy jurisdiction with an established legal and financial framework, a water infrastructure utility that continues to grow and mature.
• Increased regulated earnings are accretive to Algonquin’s business risk profile, strengthens credit metrics and improves financial flexibility.
• Acquisition represents Algonquin’s ability to grow its regulated utility business footprint and international presence, providing Algonquin with growth potential and sustainability alignment.

Key Considerations

| Footprint | 4,100 km network |
| Connections | 230,000 connections |
| Distribution and Collection | 41 million m³ of drinking water billed, 38 million m³ of wastewater collected |
| Facilities | 48 drinking water production systems, 29 sewage treatment plants |
| Employees | 400 |
| Net Enterprise Value / EBITDA | 2020E: 9.0x |

“As APUC’s first international water utility, ESSAL will benefit from our core competency of responsible utility ownership, as well as leverage our best practices of safety, operational excellence, and innovation. We are excited with this opportunity to serve the water needs of our Chilean customers.”

Arun Banskota, Chief Executive Officer
Algonquin’s Commitment to Customers and Communities

• Utility operations will continue under the ESSAL brand and the company will continue to be regulated by the Superintendencia de Servicios Sanitarios (“SISS”), the local regulatory agency
• Algonquin is committed to a successful and seamless transition, under which customers will continue to receive safe, reliable and cost-effective service; Algonquin supports ESSAL’s commitment to community involvement

Algonquin’s Commitment to Employees

• No anticipated changes to management or operations staffing as a result of the transaction
• Consistent with Algonquin’s operating structure, ESSAL headquarters and decision making will remain in Chile

Algonquin’s Commitment to the Regulator

• Algonquin is committed to supporting ESSAL in improving its constructive regulatory relationship with the SISS
• The framework of the sanitary industry in Chile enhances strong cooperation between service providers and the government to strive to reach best-in-class infrastructure quality and sustainable tariff application
• The Chilean model benefits from a worldwide recognition due to its maturity and transparency between private and public authorities
• As part of the transaction, there is a seller indemnity for Osorno related risks (subject to cap)

Algonquin’s Commitment to Sustainability

• Considerably increases Algonquin’s water utility footprint with its first international water utility
• Aligned with Algonquin’s core competency of responsible utility ownership with opportunity to leverage Algonquin’s best practices safety, operational excellence, and innovation

Algonquin’s Conservative Financing Plan

• The financing plan for the transaction is expected to be consistent with APUC’s current credit profile and strong investment grade credit metrics
• Algonquin’s equity investment for the transaction is expected to be accommodated within Algonquin’s current 2020 capital plan
• Currency exchange risk for Algonquin mitigated through payment of purchase price in U.S. dollars
• Closing is anticipated to occur in 2020, subject to a mandatory tender offer and customary conditions precedent
Certain statements included in this fact sheet constitute “forward-looking information” within the meaning of applicable securities laws in each of the provinces of Canada and the respective policies, regulations and rules under such laws and “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). The words “will”, “expects”, “intends” 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 this fact sheet include, but are not limited to: statements regarding expected earnings and cash flow accretion, expected impact on credit metrics and financial flexibility, expectations regarding the transition of ownership, expectations regarding ESSAL’s continuing operations, expectations of closing and anticipated financing plan. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their very nature they require making assumptions and involve inherent risks and uncertainties. Algonquin cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those set out in Algonquin’s most recent annual and interim management’s discussion and analysis, most recent annual information form and prospectus and prospectus supplement relating to the offering. 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.

The terms “Adjusted Net Earnings”, “Adjusted EBITDA”, and “Adjusted Funds from Operations” are used in this press release. The terms “Adjusted Net Earnings”, “Adjusted EBITDA”, and “Adjusted Funds from Operations” are not recognized measures under U.S. GAAP. There is no standardized measure of “Adjusted Net Earnings”, “Adjusted EBITDA”, and “Adjusted Funds from Operations”; 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”, and “Adjusted Funds from Operations” including a reconciliation to the U.S. GAAP equivalent, where applicable, can be found in APUC’s most recent Management Discussion & Analysis.