PREPARED REMARKS
Q2 2020
AUGUST 7, 2020

Ron Bialobrzeski – Atlantic Power Corporation – Director, Finance

Page 2: Cautionary Note Regarding Forward-Looking Statements

Financial figures that are presented in this document and the presentation are stated in U.S. dollars and are approximate unless otherwise noted.

Management's prepared remarks presented in this document include forward-looking statements. As discussed on page 2 of the accompanying presentation, these statements are not guarantees of future performance and involve certain risks and uncertainties that are more fully described in our various securities filings. Actual results may differ materially from such forward-looking statements. Please see Atlantic Power Corporation's Safe Harbor statement, presented on page 2 of the accompanying presentation, which can be found in the Investor Relations section of our website.

In addition, the financial results in the Company's press release and the presentation include both GAAP and non-GAAP measures, including Project Adjusted EBITDA. For reconciliations of this measure to the most directly comparable GAAP financial measure to the extent that they are available without unreasonable effort, please refer to the press release, the Appendix of the presentation, our annual report on Form 10-K or our quarterly report on Form 10-Q, all of which are available on our website.

For additional information, please refer to our most recent SEC filings, which can be accessed free of charge on our website, www.atlanticpower.com, and on EDGAR and SEDAR.

James J. Moore, Jr. – Atlantic Power Corporation – President & CEO

I'll cover the highlights of the quarter before addressing our recent capital allocation initiatives. Terry Ronan will review our second quarter and year-to-date results and Nick Galotti and Joe Cofelice will provide operational and commercial updates, respectively.

Page 4: Q2 2020 Highlights and Recent Developments

Financial results. We had a solid quarter with Project Adjusted EBITDA of $37.8 million. Although this was modestly below our internal expectation for the quarter, our results for the six months keep us on track to achieve our 2020 guidance for Project Adjusted EBITDA.

Balance sheet. Year to date, we have repaid $37.3 million of consolidated debt, using our strong operating cash flow from existing businesses. Our leverage ratio of 3.8 times at June 30, 2020, or 3.6 times net of cash, was in line with the past few quarters despite lower Project Adjusted EBITDA in the first half. We expect to repay another $39 million of consolidated debt in the second half of the year.

Capital allocation. We significantly accelerated our return of capital to shareholders with share repurchases under our normal course issuer bid and completion of the substantial issuer bid we announced in late March.

Operations. In July, we completed reconstruction of our Cadillac plant and are in the process of commissioning it. Once it's back in service, we expect to close out our property and business interruption claims with our insurers. Also in July, we completed the replacement of the cooling tower at Williams Lake and are targeting returning the plant to operation by the beginning of September.

Commercial update. As we announced in early June, we signed a short-term extension of our Calstock Power Purchase Agreement (PPA) and a short-term contract for our Oxnard plant. Both end in December, though we are working to see if new arrangements can be put in place for next year. We may have more to report next quarter.

Page 5: 2020: Significant Acceleration of Repurchase Activity

Page 5 reviews our capital allocation initiatives for this year. As I've noted before, we entered the year in a strong enough position to treat both our employees and shareholders well when the coronavirus pandemic hit. We committed to our employees that there would be no layoffs or reductions in salaries as a result of the pandemic. When the stock price sold off with the broader market in late March, we acted with speed and scale in launching a substantial issuer bid for our common shares, offering liquidity to those shareholders wishing to exit and, we believe, accretion to intrinsic value for remaining shareholders. After completing the SIB, we continued to buy shares under our normal course issuer bid. As shown on page 5, year to date through July, we have invested a total of $41.6 million to repurchase approximately 20 million common shares at an average price of $2.04 per share. We have also invested $6.4 million to repurchase approximately 564 thousand preferred shares at an average discount to par of 39%.

Recapping our securities repurchases since we began them in late 2015 - we have allocated more than $80 million to common share repurchases, repurchasing approximately 37.0 million common shares at an average price of $2.15 per share. Cumulatively, this has reduced our shares outstanding by 27%. In addition, we have allocated more than $25 million (US$ equivalent) to repurchase approximately 2.1 million preferred shares at an average discount to par of 37% and after-tax cash yields of between 10% and 12%.

Page 6: 2020-2024 Discretionary Cash Flow Outlook

Turning to our five-year free cash flow outlook on page 6. I reviewed this on our previous quarterly conference call so I won't cover the details again today. Let me note four key takeaways from this slide:

First, we expect to continue delevering during this period, repaying $423 million of debt, or more than 60% of total debt at the end of 2019.

Second, we expect to have significant discretionary cash flow after debt repayment of an estimated $115 million to $165 million. This is very meaningful both in absolute terms and relative to our market capitalization of $178 million.

Third, at current stock prices, this translates to a free cash flow yield to our equity in the low to high teens.

Fourth, our approach to allocating this capital will be to assess the impact on our estimates of intrinsic value per share, while balancing risk and reward. We would invest externally only when we believe the returns are superior to those we can achieve by investing internally or repurchasing shares.

On page 6, we lay out four options –
A – Do nothing with the cash. That seems very unlikely to us, but would result in us becoming Net Debt Neutral by 2025.
B – Common or preferred share repurchases.
C –Seek external growth investments that meet our return criteria. Our capacity to do acquisitions is bolstered by $102 million of availability under our revolver.
D – A combination of A, B and C, which seems to us to be the most likely scenario.

Page 7: Concluding Remarks

The key takeaways, then, are that we are expecting to generate excellent free cash flows over the next five years and that we have acted with speed and scale when attractive investments are available, such as asset acquisitions at prices providing a margin of safety, or when our shares trade at a significant discount to our estimates of intrinsic value per share.

<u>Terry Ronan – Atlantic Power Corporation – EVP & CFO</u>

<u>Page 8: Q2 2020 Financial Highlights and Recent Developments</u>

Financial highlights of the second quarter are as follows:

<u>Financial results</u>. Project Adjusted EBITDA declined $14.1 million to $36.7 million. This was modestly below our expectations, primarily due to lower water flows at Curtis Palmer and extended outages at two biomass plants. However, on a year to date basis, we are in line with our expectations, as our first quarter result exceeded our plan due to strong water flows at Curtis Palmer. Cash provided by operating activities declined $3.0 million in the second quarter, less than the decline in Project Adjusted EBITDA, as we benefited from a partial reversal of some unfavorable working capital changes in the first quarter. Results for the quarter and six months keep us on track with our 2020 guidance.

<u>Balance sheet</u>. We repaid $15.0 million of term loan and $0.8 million of Cadillac project debt during the second quarter, and our consolidated leverage ratio at June 30, 2020 was 3.8 times, or 3.6 times net of cash. Despite lower Project Adjusted EBITDA this quarter, the ratio is in line with the level of the past few quarters. In addition, we repaid $3.9 million of debt at our 40% owned Chambers project from project cash flow.

<u>Capital allocation</u>. As Jim noted, it was a very significant quarter for capital allocation. We completed a substantial issuer bid on May 1, repurchasing 12.5 million common shares at a price of $2.00 per share. Under our normal course issuer bid, for the period May through July, we repurchased approximately 3.8 million common shares at an average price of $2.02 per share, representing an investment of $7.7 million.

<u>Cadillac insurance recovery</u>. During the second quarter we received insurance recoveries relating to the Cadillac fire totaling $5.4 million. As I have noted previously, this represents recovery of both property damage and business interruption losses, but is not allocated between the two. We recorded the $5.4 million as a reduction to our insurance receivable and included it as a source of Investing cash flows. During the quarter we incurred $5.9 million of capital expenditures for Cadillac repairs and equipment purchases, and this amount is included as a use of Investing cash flows. At June 30, 2020, our insurance receivable was $0.8 million.

We estimate that approximately $3.6 million of the second quarter recovery relates to business interruption losses. To date through June 30, 2020, we have recovered $24.0 million, of which we estimate $8.9 million relates to business interruption losses. This amount, plus any business interruption recoveries going forward, will be recorded to income and included in Project Adjusted EBITDA once the plant returns to service and the insurance claim is settled, which is expected in the third quarter.

I'll review our financial results for the quarter and six months in more detail on the following pages.

Page 9: Q2 2020 Project Adjusted EBITDA bridge

As shown in the bridge on page 9, Project Adjusted EBITDA for the second quarter of 2020 decreased $14.1 million to $36.7 million from $50.8 million in the second quarter of 2019. Lower water flows at Curtis Palmer accounted for $5.9 million of the decline. Generation at Curtis Palmer decreased 33% from the year-ago period, which was a well above-average quarter. This year, generation was 6% below the long-term average for the second quarter. Contractual curtailment of Williams Lake during the quarter and maintenance expense associated with a cooling tower replacement accounted for $3.6 million of the decline in the quarter. The extended outage at Cadillac accounted for $3.2 million of the decline although, as noted, we expect this to be recovered when the plant is returned to service and we are able to record business interruption recoveries to income. The extended outage at Craven that Nick will discuss represented $2.3 million of the decrease in Project Adjusted EBITDA for the quarter, and a maintenance outage at Orlando accounted for an additional $1.1 million. These decreases were partially offset by modest increases in Project Adjusted EBITDA from Nipigon and several other projects.

Page 10: YTD 2020 Project Adjusted EBITDA bridge

Project Adjusted EBITDA in the first six months of 2020 was $87.6 million, a decrease of $16.9 million from $104.5 million in the first six months of 2019. Most of this decline occurred in the second quarter, and so the drivers of the six-month result are very similar to those for the second quarter, as can be seen from the bridge on page 10.

Results for the first six months are in line with our expectations. As we conveyed in February on our year-end 2019 call, we expected the decline implied by our 2020 guidance to be concentrated in the first half of the year.

Page 11: Operating Cash Flow and Uses of Cash

Cash provided by operating activities was $35.9 million in the second quarter of 2020, a decrease of $3.0 million from $38.9 million in the second quarter of 2019. The $14.1 million decrease in Project Adjusted EBITDA and a $4.0 million reduction in distributions from unconsolidated affiliates (mostly Chambers, due to higher debt service requirements) were significant factors in the decline. Partially offsetting these decreases was a $10.5 million favorable change in working capital, which represented a partial reversal of the unfavorable working capital change in the first quarter. The majority of the working capital change related to the timing of payables and receivables, particularly with respect to disbursements for reconstruction costs and insurance recoveries at Cadillac and in preparation for a maintenance outage at Morris in the fourth quarter.

Uses of operating cash flow during the second quarter included repayment of $15.0 million of our term loan and $0.8 million of project-level debt at Cadillac. We also paid $1.7 million of dividends on our preferred shares and funded $0.8 million of capital expenditures, excluding capital expenditures of $5.9 million for repairs to Cadillac, which were covered by insurance proceeds.

Operating cash flow for the first six months of 2020 was $44.3 million, a decrease of $23.8 million from $68.1 million in the first six months of 2019. Primary drivers of the decrease included a deferral of business interruption insurance recoveries at Cadillac; unfavorable changes in working capital, primarily related to Cadillac (timing of capex versus insurance recovery) and Morris (preparation for a maintenance outage); lower water flows at Curtis Palmer that reduced Project Adjusted EBITDA, and lower distributions from unconsolidated affiliates, primarily at Chambers due to higher debt service requirements.

Page 12: Liquidity

Total liquidity at June 30, 2020 was $140.1 million, which included $38.0 million of unrestricted cash ($16.1 million at the parent and $21.9 million at the projects) and $102.1 million of availability under our $180 million revolver. We have no borrowings under our revolver but we are using it for letters of credit.

The $9.6 million decline in liquidity was mostly attributable to a $17.9 million reduction in cash at the parent, partially offset by an $8.1 million increase in cash at the projects. During the quarter we used $28.0 million of cash at the parent to repurchase common shares. Cash at the projects increased in part because of favorable changes in working capital balances, which had been a use of cash in the first quarter.

Subsequent to the end of the quarter, in July we used $5.5 million of parent cash to repurchase an additional 2.7 million common shares under our normal course issuer bid.

Page 13: Debt Repayment Profile and Projected Debt Balances

The charts on page 13 of the presentation show our expected debt repayment and projected debt balances through 2024. These charts include our share of project debt at Chambers, which is accounted for using the equity method. Repayment of that debt occurs at the project level before we receive cash distributions.

In the second quarter of 2020, we repaid $15.0 million of term loan and $4.7 million of project debt at Cadillac and Chambers, reducing our debt at June 30, 2020 to $634 million. Our consolidated leverage ratio was 3.8 times, in line with the year-end 2019 level despite lower EBITDA in the first six months of this year. Note that we calculate the ratio on a gross basis. Net of cash, the leverage ratio at June 30, 2020 was approximately 3.6 times. The continuing repayment of debt as shown on the chart and relatively stable levels of EBITDA through 2022 should result in the leverage ratio moving lower after 2020.

As shown in the chart, we expect to repay a total of $382 million in the second half of this year through 2024, and reduce our debt balance by 60% from the June 30, 2020 level. We do not have any bullet maturities during this period. We expect our term loan to be fully repaid by the maturity date from operating cash flow and proceeds from the Manchief sale in 2022 ($45.2 million).

We expect this substantial debt repayment over the next several years to generate significant interest cost savings that would mitigate a portion of the impact of lower Project Adjusted EBITDA (from PPA expirations, or extensions on less favorable terms) on our operating cash flow.

Interest Costs

We have de minimis exposure to fluctuations in interest rates. As of June 30, 2020, all of our debt at the parent carried either a fixed rate or a variable rate that has been fixed through interest rate swaps.

Page 14: 2020 Project Adjusted EBITDA Guidance

We have not provided guidance for Project income or Net income because of the difficulty of making accurate forecasts and projections without unreasonable efforts with respect to certain highly variable components of these comparable GAAP metrics, including changes in the fair value of derivative instruments and foreign exchange gains or losses. These factors, which generally do not affect cash flow, are not included in Project Adjusted EBITDA.

As shown on page 14, we are maintaining our 2020 guidance for Project Adjusted EBITDA in the range of $175 million to $190 million. As we noted when we initiated guidance in February, most of the expected decline from the 2019 actual level of $196.1 million is attributable to assumed average water flows for Curtis Palmer (a decrease of $12 million from 2019). Projected decreases at other projects including Morris, Calstock and Oxnard are expected to be mostly offset by increases at Williams Lake (to breakeven from a loss), Nipigon and Cadillac (business interruption insurance recovery, including a portion related to 2019).

Relative to our expectations in February, our hydro plants through the first six months are modestly ahead, but we expect this to average out over the course of the year (conditions at Curtis Palmer in July have been significantly below average). The short-term PPA extension at Calstock and the Oxnard Reliability Must Run (RMR) agreement are modestly favorable to guidance, while the extended maintenance outages at Craven and Grayling have been unfavorable. On balance we remain within our guidance range.

Although we are not providing quarterly guidance, our guidance for the full year implies that the second half will be in line with or modestly higher than the second half of 2019. We would note the following:

- We expect that insurance claims related to the Cadillac fire will be finalized and the business interruption recoveries recorded to income and Project Adjusted EBITDA in the third quarter.
- We also expect Williams Lake to have a positive comparison in the second half, as it generated Project Adjusted EBITDA losses in both the third and fourth quarters of 2019 due to reduced operations due to low fuel inventory and then a shutdown for most of the fourth quarter in order to prepare the plant for operation under its new long-term contract.

There are a couple of negative comparisons that are likely to occur in the fourth quarter, including:

- Curtis Palmer, which had a strong fourth quarter in 2019, with generation 28% above the long-term average; and
- Morris, which has a planned hot gas path inspection.

The fourth quarter could also be affected by potential severance expense at Calstock.

Page 15: 2020 Cash provided by operating activities and planned capital allocation

Our estimate of 2020 cash provided by operating activities is a range of $100 million to $115 million, as shown on page 15 of the presentation, which is also unchanged from our previous quarterly conference call. As is our practice, for purposes of this estimate we have assumed that the impact of changes in working capital on cash flow is nil. In the first six months of the year, changes in working capital were a $6.3 million use of cash.

As shown on page 15, our principal planned uses of operating cash flow in 2020 include $72.5 million amortization of our term loan and $3.9 million of project debt amortization, for total debt repayment of $76.4 million. In addition, we expect to use cash for $7.4 million of dividend payments on our preferred shares (level with 2019) and $4.0 million of capital expenditures (excluding Cadillac repair costs, which are covered by insurance). Based on these estimates, discretionary cash flow in 2020 is expected to be in the range of approximately $12 million to $27 million.

Capital Allocation

As shown on page 15 of the presentation, through the end of July, we have allocated $48.0 million to the repurchase of preferred and common shares under our normal course issuer bid and substantial issuer bid, as detailed below. This was funded from discretionary cash flow and cash on our balance sheet.

NCIB Update

During the second quarter, we repurchased and canceled approximately 1.0 million common shares at a cost of $2.2 million, or an average price of $2.06 per share. In July, we repurchased approximately 2.7 million common shares at a cost of $5.5 million, or an average price of $2.01 per share. We did not repurchase any preferred shares or Series E convertible debentures under the NCIB in the second quarter or in July, although we did invest $6.4 million (US$ equivalent) in preferred share repurchases in the first quarter.

Substantial Issuer Bid (SIB)

As I discussed on our first quarter call in May, we completed a substantial issuer bid for our common shares on May 1, 2020, repurchasing 12.5 million common shares at a price of $2.00 per share (a total cost of $25.8 million including transaction costs).

Year to date under the NCIB and recently completed SIB, we have repurchased approximately 20.0 million common shares at a total cost of $41.6 million, or an average price of $2.04 per share.

All the shares repurchased under the NCIB and the SIB have been canceled. As a result, our outstanding shares have been reduced to 89,222,568 as of August 5, 2020.

Given our current modest level of discretionary cash, we are not likely to make any significant additional repurchases under the NCIB before the end of the quarter.

Nick Galotti – Atlantic Power Corporation – SVP Operations

Page 16: Q2 2020 Operational Performance

Safety

We had one recordable injury in June, a shoulder strain that did not result in lost time. Although our goal is zero injuries, our performance overall has improved significantly from 2019, as can be seen on page 16.

Generation

Turning to our operating results, generation decreased 11.9% in the second quarter of 2020 compared to the 2019 period, primarily because of the contractual curtailment of Williams Lake for most of the quarter, lower water flows at Curtis Palmer that reduced generation by 33% from the year-ago level, the extended outage at Cadillac following the September 2019 fire, and outages at Oxnard and Piedmont. These decreases were partially offset by generation from the four biomass plants acquired in 2019 and higher dispatch at Manchief.

Availability

Our availability factor in the second quarter of 2020 decreased to 80.9% from 94.6% in the second quarter of 2019. The majority of the decline was attributable to our Solid Fuel segment. Cadillac availability was zero due to the outage and plant reconstruction following the fire. Availability of Craven and Grayling was very limited during the quarter as they began maintenance outages that were subsequently extended due to required rotor repairs. Piedmont had an outage for tube repairs. In the Natural Gas segment, Oxnard had a maintenance outage to prepare for the RMR agreement and Orlando had a maintenance outage.

Page 17: Operations Review

Cadillac

We completed reconstruction of our Cadillac plant in late July and are now in the process of commissioning it. Cumulatively through June 30, 2020, we have capitalized $20.7 million of equipment purchases and repairs and received $24.0 million from our insurers, net of deductibles. We have incurred additional expenditures and received additional insurance recoveries since that date. Including amounts spent in the third quarter, the total cost of new equipment and repairs to the plant is in line with our estimate.

Williams Lake

As we noted on our first quarter call in May, we began a planned outage of Williams Lake on April 9 (under the terms of the contract with BC Hydro, the plant does not operate from May through July, during the spring thaw or freshet).

During this outage, we completed a replacement of the cooling tower (a $1.8 million expense, a majority of which was in the second quarter) and also performed other maintenance. We are in the process of developing the maintenance plan for 2021 but our current expectation is that it will be less significant than this year's. We also have been focused on rebuilding our fuel supply inventory, with a goal of returning the plant to service by September 1. The contract requires the plant to operate from November through February each year.

While fuel procurement remains a major challenge, our multisource strategy (accessing a mix of traditional mill waste and forest and roadside residuals, deploying a mobile fuel grinder and entering into short-term arrangements with third-party suppliers) has kept the cost in line with our expectations. We will continue to monitor the availability and cost of fuel supply over the balance of the year. Based on results to date and our outlook for the remainder of the year, we continue to estimate that the plant will generate an approximately breakeven level of Project Adjusted EBITDA this year.

Craven and Grayling Extended Outages

We acquired minority equity interests in the Craven and Grayling biomass plants in 2019. This past spring, both plants were taken down for planned maintenance outages. Inspection of the steam turbine at each plant indicated significant erosion of the rotor blades, which necessitated repairs and extension of the outages. Craven was returned to service on July 31. Grayling came back on line on June 24; however, on July 3 the plant experienced a generator failure. A rewind of the generator is being scheduled and the plant is expected to be offline through the end of this year. Grayling has business interruption insurance, which is subject to a 60-day deductible. The plant operator, CMS, is filing an insurance claim.

Allendale and Dorchester Update

When we acquired the Allendale and Dorchester plants last year, we indicated that we would look for ways to optimize the operational and financial performance of the plants, drawing in part on our history of optimization investments in other plants in our portfolio.

We are in the process of making upgrades to the fuel handling systems at each of the two plants that will allow us to burn a wider range of fuels, including cheaper fuel, and avoid waste associated with larger fuel pieces that we cannot currently use. I'd note that we are making these investments only after determining a way to undertake them more cost-effectively than our original plan. The investments are expected to be approximately $1.3 million for each plant, or $2.6 million in total, and will be capitalized.

Decommissioning of San Diego Sites

We have commenced demolition of the Naval Training Center site and are continuing to prepare for demolition of the Naval Station and North Island sites. We still expect that the work will be done on all three sites by the end of this year. Our cost estimates for this work have not changed and we expect a cash outlay of approximately $4 million this year to complete the demolition work at the three plant sites.

Joseph E. Cofelice – Atlantic Power Corporation – EVP Commercial Development

My remarks this quarter are focused on our re-contracting efforts at Calstock and Oxnard. I'll also provide a brief update on market conditions in Ontario.

Page 18: Commercial Update

Oxnard (California)

Oxnard's PPA with Southern California Edison expired on May 24, 2020. As we announced in early June, the plant commenced operations under an RMR agreement with the California Independent System Operator (CAISO) on June 1. This RMR is a cost-of-service based agreement that is subject to approval of the Federal Energy Regulatory Commission (FERC), which is pending. The agreement will be in effect through December 31, 2020. Under an RMR, the CAISO dispatches the plant when needed. We expect the contribution to 2020 Project Adjusted EBITDA to be minimal.

As we discussed on our first quarter call in May, reductions in California power demand attributable to the pandemic negatively impacted the market value of generation capacity, making an RMR agreement the best contracting option for Oxnard this year. We continue to pursue resource adequacy (RA) agreement opportunities for 2021, the outcome of which will largely depend on the extent to which market prices for capacity recover. We continue to believe that California will require firm and flexible generation to support the continued deployment of renewable generation.

Depending on the outcome of our re-contracting efforts, we may mothball the plant following the expiration of the RMR agreement in December. As a reminder, we own the Oxnard site so our efforts are not affected by site-lease termination risk. We expect to provide a further update on our 2021 plans for Oxnard with our third quarter results.

Calstock (Ontario)

In early June, we announced that the government had agreed to a six-month extension of the Calstock PPA to December 16, 2020. The purpose of the extension is to provide time for government and stakeholders to evaluate the potential future role of biomass generation in the province, including impacts on the forestry industry.

While we are pleased with the government's commitment to a biomass review process, it is too early to know whether this process will lead to a change in the government's position on a new PPA for Calstock. As we have discussed in the past, there is no policy or market mechanism currently in place that would compensate biomass plants for the non-power benefits provided, including economic and environmental support to the forestry sector (waste management), general forest management (clearing and use of forest residuals), and firm renewable energy. Without a change in government position, we expect that the plant will cease operations when the six-month PPA extension expires in December.

Ontario Market

We continue to monitor current and forecasted market conditions in Ontario and evaluate the re-contracting prospects for our mothballed Kapuskasing and North Bay gas-fired plants as well as our Nipigon plant, currently operating under a PPA that expires in December 2022. The most recent forecasts from the Independent Electricity System Operator (IESO) project a need for new summer capacity commencing as early as 2021 or 2022, depending on many factors including the pace of demand recovery. As in its previous forecasts, the IESO believes that potential capacity shortfalls can be met by a combination of existing generation assets with expiring or expired PPAs, imports, and demand side management. We continue to assess all options for our operating and mothballed Ontario gas plants, including potential re-contracting with the IESO, site sales, decommissioning and/or other potential alternatives.

Non-GAAP Disclosures

Project Adjusted EBITDA is not a measure recognized under GAAP and does not have a standardized meaning prescribed by GAAP, and is therefore unlikely to be comparable to similar measures presented by other companies. Investors are cautioned that the Company may calculate this non-GAAP measure in a manner that is different from other companies. The most directly comparable GAAP measure is Project income (loss). Project Adjusted EBITDA is defined as project income (loss) plus interest, taxes, depreciation and amortization, impairment charges, insurance loss (gain), other (income) expenses and changes in the fair value of derivative instruments. Management uses Project Adjusted EBITDA at the project level to provide comparative information about project performance and believes such information is helpful to investors. A reconciliation of Project Adjusted EBITDA to Project income and to Net income on a consolidated basis is provided in Table 1 below.

Atlantic Power Corporation
Table 1 - Reconciliation of Net (Loss) Income to Project Adjusted EBITDA
(in millions of U.S. dollars)
Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Net (loss) income attributable to Atlantic Power Corporation	**($5.7)**	**$1.2**	**$23.8**	**$10.1**
Net income (loss) attributable to preferred share dividends of a subsidiary company	1.7	1.7	(4.1)	(4.8)
Net (loss) income	**($4.0)**	**$2.9**	**$19.7**	**$5.3**
Income tax expense	1.2	1.6	2.7	2.2
(Loss) income from operations before income taxes	(2.8)	4.5	22.4	7.5
Administration	4.5	5.0	11.2	11.8
Interest expense, net	10.2	11.0	21.0	22.1
Foreign exchange loss (gain)	9.3	4.9	(11.3)	9.9
Other (income) expense, net	(1.5)	(3.7)	1.1	0.9
Project income	**$19.7**	**$21.7**	**$44.4**	**$52.2**
Reconciliation to Project Adjusted EBITDA				
Change in the fair value of derivative instruments	($3.1)	$7.0	$2.5	$9.4
Depreciation and amortization	19.4	20.0	39.3	40.2
Interest, net	0.7	0.8	1.4	1.5
Other project expense	-	1.3	-	1.2
Project Adjusted EBITDA	**$36.7**	**$50.8**	**$87.6**	**$104.5**