Q4/20 Analyst Conference Call

February 19, 2021

Brian Vaasjo, President & CEO

Sandra Haskins, SVP Finance & CFO

Capital Power

RESPONSIBLE ENERGY FOR TOMORROW

Forward-looking information

Cautionary statement

Certain information in this presentation and responses to questions contains forward-looking information. Actual results could differ materially from conclusions, forecasts or projections in the forward-looking information as a result of certain material factors or assumptions that were applied in drawing conclusions or making forecasts or projections as reflected in the forward-looking information.

Additional information about the material factors and risks that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information are disclosed on slide 14 of this presentation and in the Company's 2020 Integrated Annual Report prepared as of February 18, 2021 which is available under the Company's profile on SEDAR at sedar.com and on the Company's website at capitalpower.com.

Non-GAAP financial measures

The Company uses (i) earnings before net finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange gains or losses, finance expense and depreciation expense from its joint venture interests, gains or losses on disposals and unrealized changes in fair value of commodity derivatives and emission credits (adjusted EBITDA), (ii) adjusted funds from operations, (iii) adjusted funds from operations per share, (iv) normalized earnings attributable to common shareholders, and (v) normalized earnings per share as financial performance measures.

These terms are not defined financial measures according to GAAP and do not have standardized meanings prescribed by GAAP and, therefore, are unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, net income attributable to shareholders of the Company, net cash flows from operating activities or other measures of financial performance calculated in accordance with GAAP. Rather, these measures are provided to complement GAAP measures in the analysis of the Company's results of operations from management's perspective.

Reconciliations of these non-GAAP financial measures are disclosed in the Company's Integrated Annual Report prepared as of February 18, 2021 for 2020, which is available under the Company's profile on SEDAR at SEDAR.com and on the Company's website at capitalpower.com.

Excellent year in 2020

Monumental growth including renewable development, repowering / off-coal

Growth

- Committed ~$1.7B in capital for 7 renewable projects and repowering of Genesee 1&2
- Includes 5 solar development projects confirming competitive capability and more than doubling renewable development opportunities in North America
- Repowered Genesee 1&2 units will be the most efficient NGCC units in Canada and provide tremendous long-term value

Sustainability strategy

- Accelerated plan to be off coal in 2023, 6 years early
- Investing in carbon utilization technology with increased ownership in C2CNT

Financial performance

- 2020 financial results generally in line with our guidance
- Low dividend payout ratio (AFFO) of 40% below long-term target of 45-55%

Solid progress made on our decarbonization strategy

2020 performance versus annual targets[1]

	Target	Actual	Results
Facility availability	93%	95%	✓ Significantly exceeded target
Sustaining capex ($M)	$90 to $100	$73	✓ Below target
Adjusted EBITDA ($M)	$935 to $985	$955	~ Slightly below $960 mid-point of range
AFFO ($M)	$500 to $550	$522	✓ Would be above mid-point of range excluding the $6M impact from Line Loss Rule Proceeding
Construction targets • Cardinal Point Wind • Whitla Wind 2	Complete projects on-budget and on-schedule		✓ Cardinal Point Wind exceeded targets ✓ Whitla Wind 2 tracking on-budget and on-schedule for COD in Q4/21
Growth capital ($M)	$500	~$1.7B	✓ Exceeded

Achieved solid operational and financial results despite COVID-19 pandemic

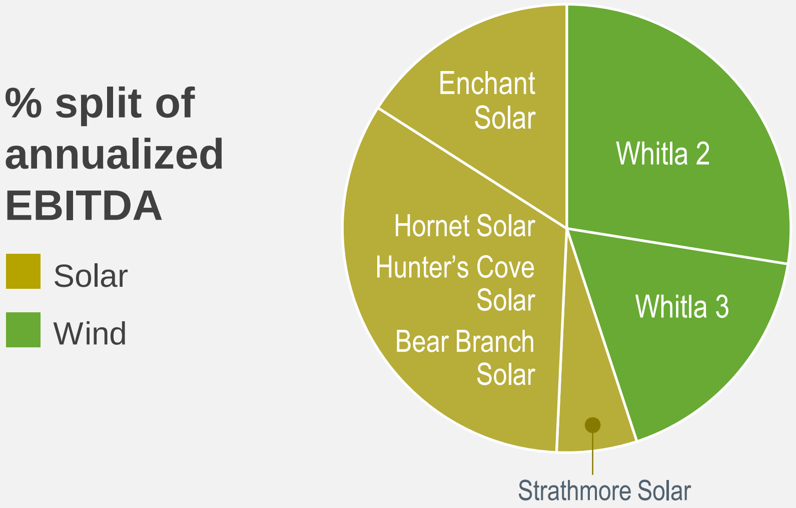
1) 2020 annual targets announced at 2019 Investor Day in Dec/19.

Continued growth in renewable assets

7 projects — 5 solar, 2 wind

- 427 MW total
- COD in 2021-22
- 4 projects with long-term PPAs; in discussions for potential offtake contracts for remaining projects
- Expected annualized adjusted EBITDA of $70M

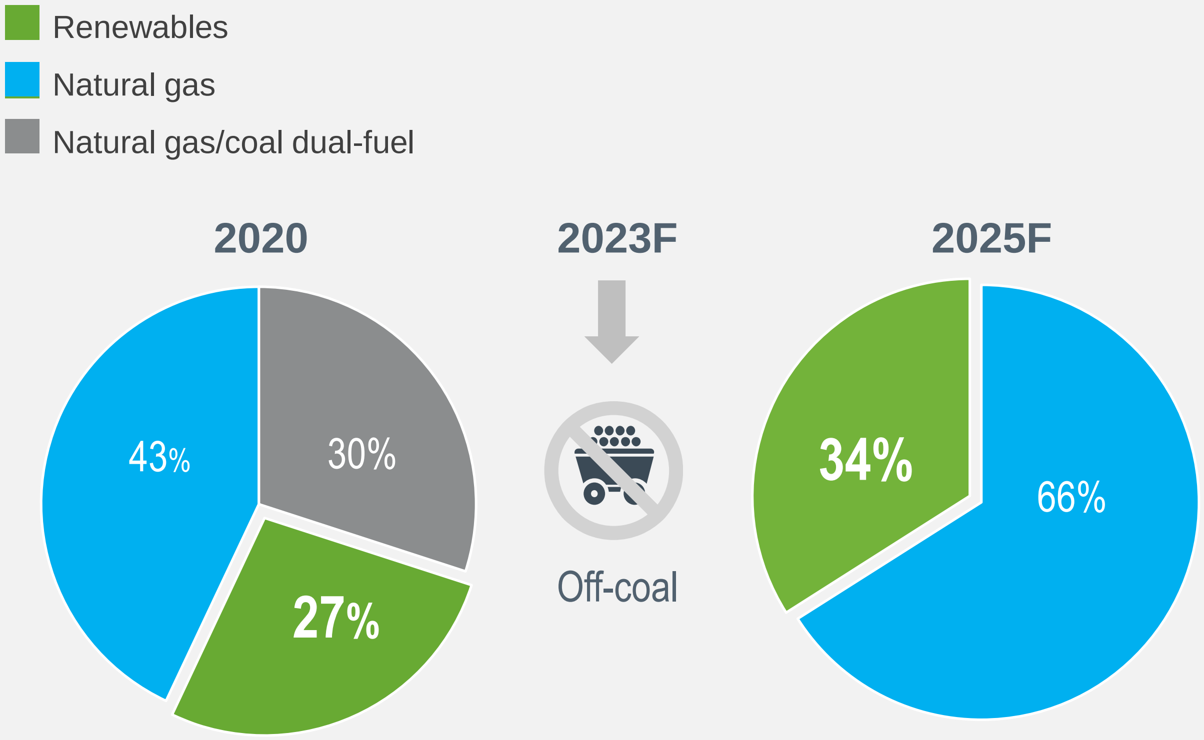
% split of annualized EBITDA



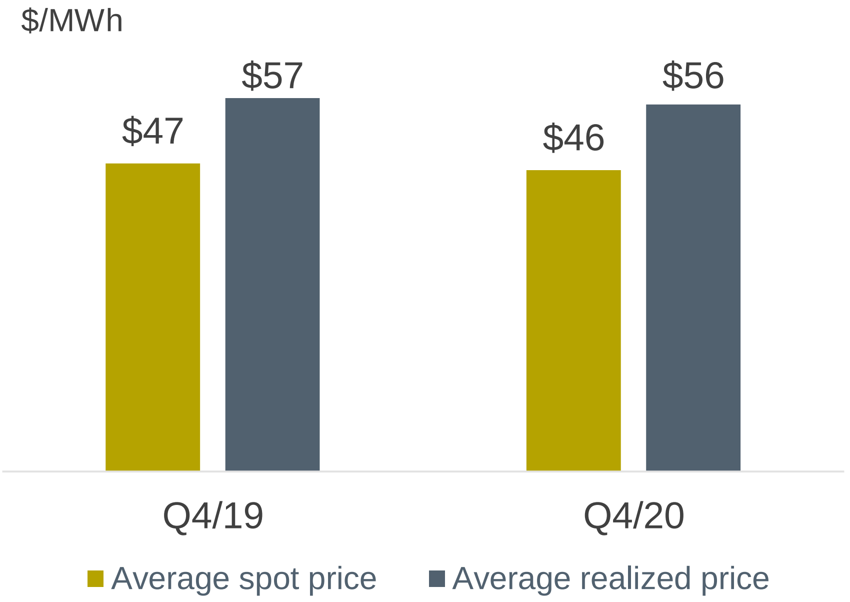
Adjusted EBITDA from renewables

27% in 2020 projected to increase to **34% in 2025**

(based on existing projects)



Alberta commercial portfolio optimization



	2021	2022	2023
% sold forward[(1)]	29%	27%	21%
Contracted prices[(1)] ($/MWh)	Low-$60	Mid-$50	Mid-$50
Current forward prices[(2)] ($/MWh)	$70	$61	$53

22% higher realized price of $56MWh vs. average spot price of $46 in Q4/20

Forward prices have increased from a low-$50/MWh at end of Q3/20 to $60-$70 range for 2021-22 reflecting a more positive outlook in the Alberta power market

1) As of December 31, 2020. Based on the Alberta baseload facilities plus a portion of Joffre and the uncontracted portion of Shepard.
2) As of February 17, 2021. The forward price for 2021 is a blend of Jan 1 - Feb 17 settled prices and March-December forward prices.

Financial performance – Q4/20

Milder weather and lower dispatch impacted results

$M, except per share amounts	Q4/20	Q4/19	Change
Revenues and other income(1)	$516	$683	-24%
Adjusted EBITDA(1)	$220	$352	-38%
Basic earnings (loss) per share(1)	($0.09)	$1.61	-106%
Normalized EPS	$0.12	$0.29	-59%
Net cash flows from operating activities	$159	$201	-21%
AFFO	$86	$128	-33%
AFFO per share	$0.81	$1.22	-34%

Alberta

- Maximized value of credit offsets by deferring usage to future years with higher carbon taxes
- Mild weather and strong winds reduced gas plant utilization

Other

- Higher coal compensation recognition in 2019 of $140M (one-time recognition) versus 2020 of $18M (early off-coal strategy)

1) Includes the impact of other income recognized pertaining to off-coal compensation of $18M and $140M for Q4/20 and Q4/19, respectively.

Financial performance – 2020

$M, except per share amounts	2020	2019	Change
Revenues and other income[(1)]	$1,937	$1,963	-1%
Adjusted EBITDA[(1)]	$955	$1,029	-7%
Basic earnings per share[(1)]	$0.78	$0.73	7%
Normalized EPS	$1.22	$1.34	-9%
Net cash flows from operating activities	$611	$720	-15%
AFFO	$522	$555	-6%
AFFO per share	$4.96	$5.32	-7%

Strong adjusted EBITDA contributions from asset additions offset by the step down in Arlington's 2020 toll agreement and one-time off-coal compensation amount recognized in 2019[(1)]

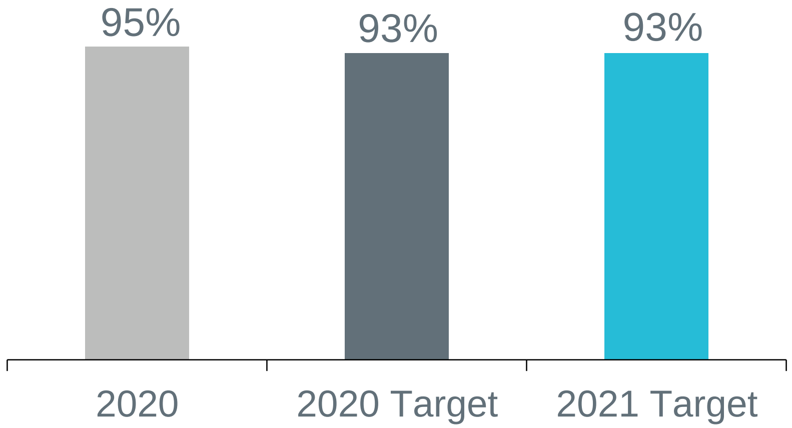
AFFO reflects $6M payment in Q4/20 for the Milner Line Loss ruling

1) Includes the impact of other income recognized pertaining to off-coal compensation of $50M and $181M for 2020 and 2019, respectively.

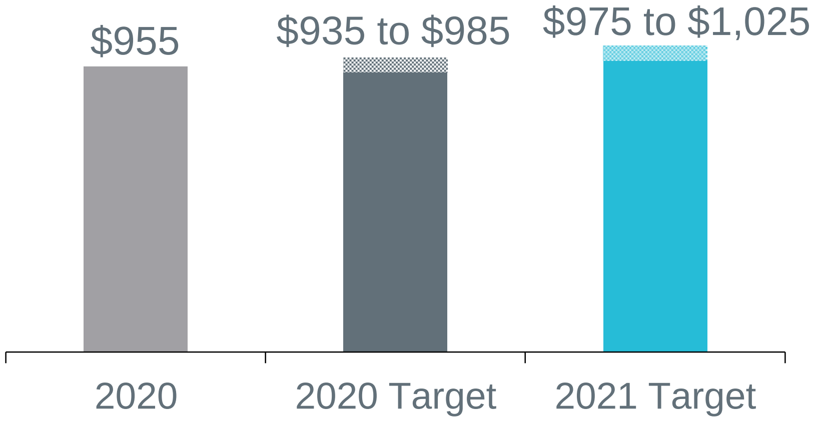
2021 operational and financial targets

Positive outlook in the Alberta power market reinforces financial guidance

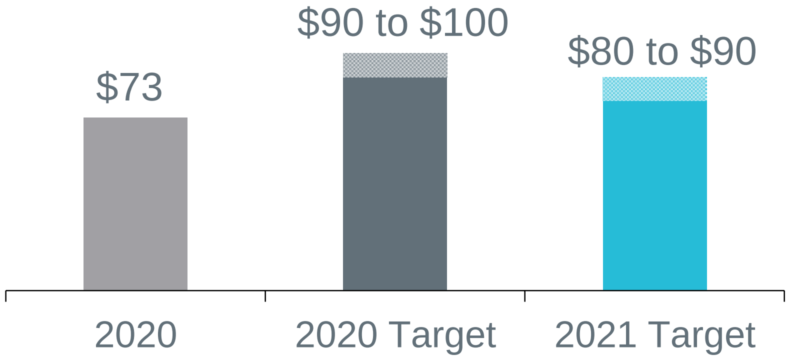
Facility availability



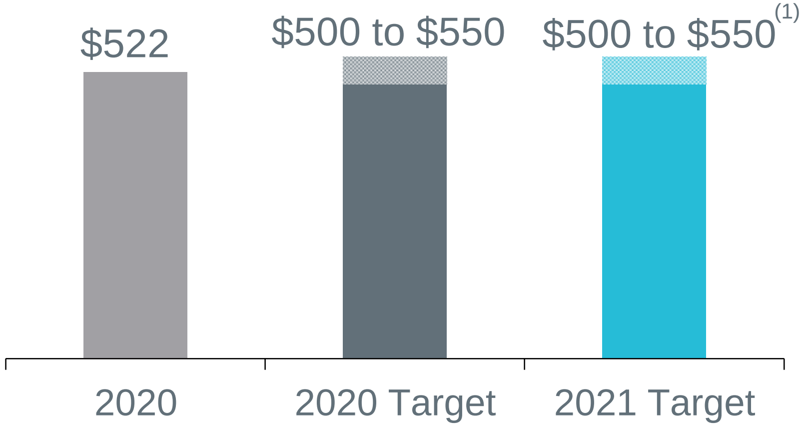
Adjusted EBITDA ($M)



Sustaining capex ($M)



AFFO ($M)



1) Excluding the impact from the Line Loss Rule proceeding.

2021 growth targets

- **7 renewable projects** on-budget and on-time with commercial operations targeted from Q4/21 to Q4/22
- **Repowering of Genesee 1 and 2** proceeds on-budget and targeted for 2023 and 2024
- **$500 million** committed capital for growth

Release of our 2020 Integrated Annual Report

Key highlights

- Capital Power's resilience in the face of COVID-19 pandemic
- Acceleration of our path to a lower carbon future and net carbon neutrality with Genesee 1&2 repowering and transition off coal in 2023
- Seven new renewable projects, including five solar projects demonstrating our competitiveness in solar development
- Progress towards our ESG goals, including meeting our gender diversity goals on the Executive and Board
- Ongoing commitment to innovation, demonstrated by increased investment in C2CNT, progress on Genesee Carbon Conversion Center project, and Ops 2030 initiatives

Capital Power

RESPONSIBLE ENERGY
FOR TOMORROW

Questions?

Forward-looking information

Forward-looking information or statements included in this presentation are provided to inform the Company's shareholders and potential investors about management's assessment of Capital Power's future plans and operations. This information may not be appropriate for other purposes. The forward-looking information in this presentation is generally identified by words such as will, anticipate, believe, plan, intend, target, and expect or similar words that suggest future outcomes.

Material forward-looking information in this presentation includes expectations regarding:

- our priorities and long term-strategies, including our corporate, sustainability, renewables and digitalization strategies;
- our company-wide targets specific to climate-related performance, including reduction of emissions and emissions intensity and being net carbon neutral by 2050, repowering of Genesee 1 and 2, completion of the Genesee Carbon Conversion Centre and commercial application of carbon conversion technologies;
- the implementation of Ops 2030, including its expected impact on adjusted EBITDA;
- our efforts to create a more equitable workplace and our goals for diversity of our workforce;
- our goals for long-term Total Shareholder Return, annual capital growth and future dividend growth;
- our plans to discontinue operations of our Southport and Roxboro facilities in 2021;
- our 2021 performance targets, including for facility availability, sustaining capital expenditures, AFFO and adjusted EBITDA;
- our plans to add approximately 425 MW of renewables generation to our fleet by the end of 2022;
- our plans to reduce our emissions using clean energy technologies, such as carbon capture, utilization and storage technologies, including our investment in C2CNT, the anticipated production of carbon nanotubes, and resulting downstream benefits;
- our plans to commence commercial production of carbon nanotubes at the Genesee Carbon Conversion Centre;
- expectations around timing and costs associated with our upgrades and repowering plans at our Genesee facility, including being off coal in 2023;
- future revenues, expenses, earnings, adjusted EBITDA and AFFO;
- the future pricing of electricity and market fundamentals in existing and target markets;
- future dividend growth;
- our future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions;
- the 2021 dividend reinvestment plan participation rate;
- our sources of funding, adequacy and availability of committed bank credit facilities and future borrowings;
- future growth and emerging opportunities in our target markets including the focus on certain technologies and expectations around future generation portfolio composition;
- the timing, funding, costs of and financial impacts (including impacts to adjusted EBITDA and AFFO) related to existing, planned and potential development projects and acquisitions (including the repowering of Genesee 1 and 2 (including being hydrogen ready), phases 2 and 3 of Whitla Wind, Buckthorn Wind, Cardinal Point Wind, Strathmore Solar, Bear Branch Solar, Hornet Solar, Hunter's Cove Solar and Enchant Solar);
- facility availability and planned outages;
- capital expenditures for facility maintenance and other (sustaining capital, future growth projects, commercial initiatives);
- the likelihood of meeting the threshold and paying out contingent consideration related to Buckthorn Wind;
- the timing of the Buckthorn Wind tax equity investor reaching the agreed upon target rate of return;
- the timing of completion of the Decatur Energy combustion turbine upgrades and impacts of the Decatur Energy tolling agreement extension on adjusted EBITDA;
- impacts of the Vestas LTSA extensions, including cost reductions, impacts on adjusted EBITDA and AFFO in the years the executed agreements become effective;
- discussion of our risks and strategies and plans for risk management and mitigation;
- the impacts of market designs in our core markets;
- settling our 2020 emissions compliance obligation through payments into the TIER fund;
- matters related to the LLR Proceeding including timing of payments to the AESO and recovery from appropriate parties and potential impacts to the Company arising from the foregoing; and
- the impact of climate change, the COVID-19 pandemic and the decline in oil prices.

These statements are based on certain assumptions and analyses made by the Company considering its experience and perception of historical and future trends, current conditions, expected future developments, and other factors it believes are appropriate including its review of purchased businesses and assets. The material factors and assumptions used to develop these forward-looking statements relate to:

- electricity, other energy and carbon prices;
- performance;
- business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects;
- status of and impact of policy, legislation and regulations;
- effective tax rates;
- the development and performance of technology;
- foreign exchange rates;
- matters relating to the LLR Proceeding, including the timing of payments to the AESO and recovery from appropriate parties; and
- other matters discussed under the Our Strategy section pertaining to Performance Targets for 2021.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to several known and unknown risks and uncertainties which could cause actual results and experience to differ materially from the Company's expectations. Such material risks and uncertainties include:

- changes in electricity, natural gas and carbon prices in markets in which the Company operates and the use of derivatives;
- regulatory and political environments including changes to environmental, climate, financial reporting, market structure and tax legislation;
- generation facility availability, wind capacity factor and performance including maintenance expenditures;
- ability to fund current and future capital and working capital needs;
- acquisitions and developments including timing and costs of regulatory approvals and construction;
- changes in the availability of fuel;
- ability to realize the anticipated benefits of acquisitions;
- limitations inherent in the Company's review of acquired assets;
- changes in general economic and competitive conditions;
- changes in the performance and cost of technologies and the development of new technologies, new energy efficient products, services and programs; and
- risks and uncertainties discussed under the Risks and Risk Management section in the Integrated Annual Report.

See Risks and Risk Management in the Business Report section within the Company's December 31, 2020 Integrated Annual Report for further discussion of these and other risks. Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

Investor Relations

Randy Mah
Director, Investor Relations
(780) 392-5305
rmah@capitalpower.com

10423 101 Street NW
11th Floor
Edmonton, Alberta
Canada T5H 0E9