Capital Power

Q2/23
Analyst Conference Call

Avik Dey, President & CEO
Sandra Haskins, SVP Finance & CFO

August 2, 2023

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 18 of this presentation and the Company's second quarter 2023 Management's Discussion and Analysis (MD&A) prepared as of August 1, 2023 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 and ratios

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), and (ii) adjusted funds from operations (AFFO) as financial performance measures.

The Company also uses AFFO per share as a performance measure. This measure is a non-GAAP ratio determined by applying AFFO to the weighted average number of common shares used in the calculation of basic and diluted earnings per share.

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 our results of operations from management’s perspective.

Reconciliations of these non-GAAP financial measures are disclosed in the Company’s Management’s Discussion and Analysis (MD&A) prepared as of August 1, 2023 for the second quarter of 2023, which is available under the Company’s profile on SEDAR at SEDAR.com and on the Company’s website at capitalpower.com.

Leading the energy transition to net zero

Delivering on Genesee 1&2 Repowering Project

- Improved performance
- Reduced emissions
- Alternate solution to Battery Energy Storage System (BESS)

Continued execution of our proven midlife natural gas strategy

- Capacity additions or extensions secured for all three of our Ontario facilities

Increasing the buildout of renewables and storage

- 25-year PPA for Maple Leaf solar project in North Carolina
- Implementing battery projects for York Energy and Goreway
- Secured strategic sourcing solar module contract with First Solar

Advancing decarbonization technologies

- Continue to advance Genesee Carbon Capture Project

Newly awarded contracts extend average remaining contract term

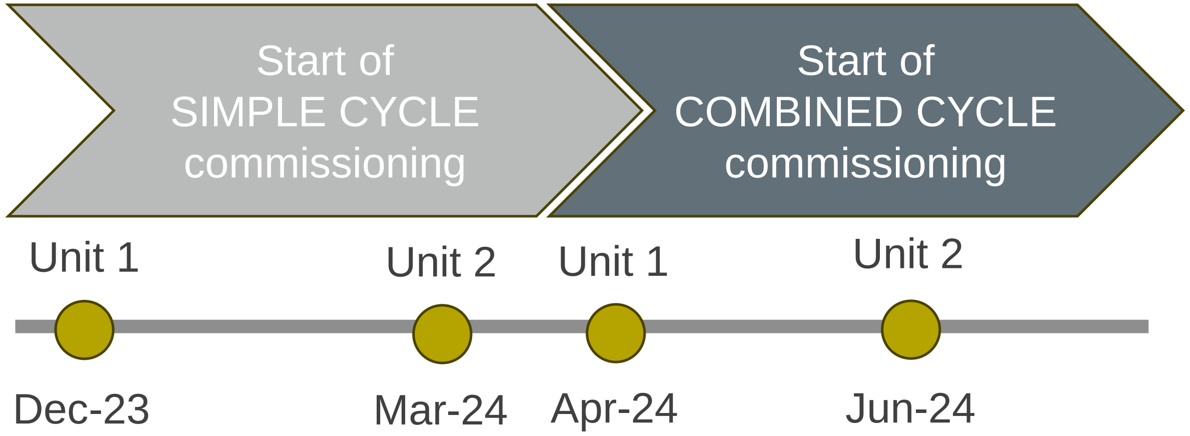
Genesee 1&2 Repowering Project

Project delivers long term value

- Extension of asset useful life and deliver long-term cash flow growth
- Improved performance and competitiveness
  - Heat rate efficiency
  - Incremental capacity addition
- Significant reduction in emissions

Project schedule

- Revised commissioning timelines due to construction delays

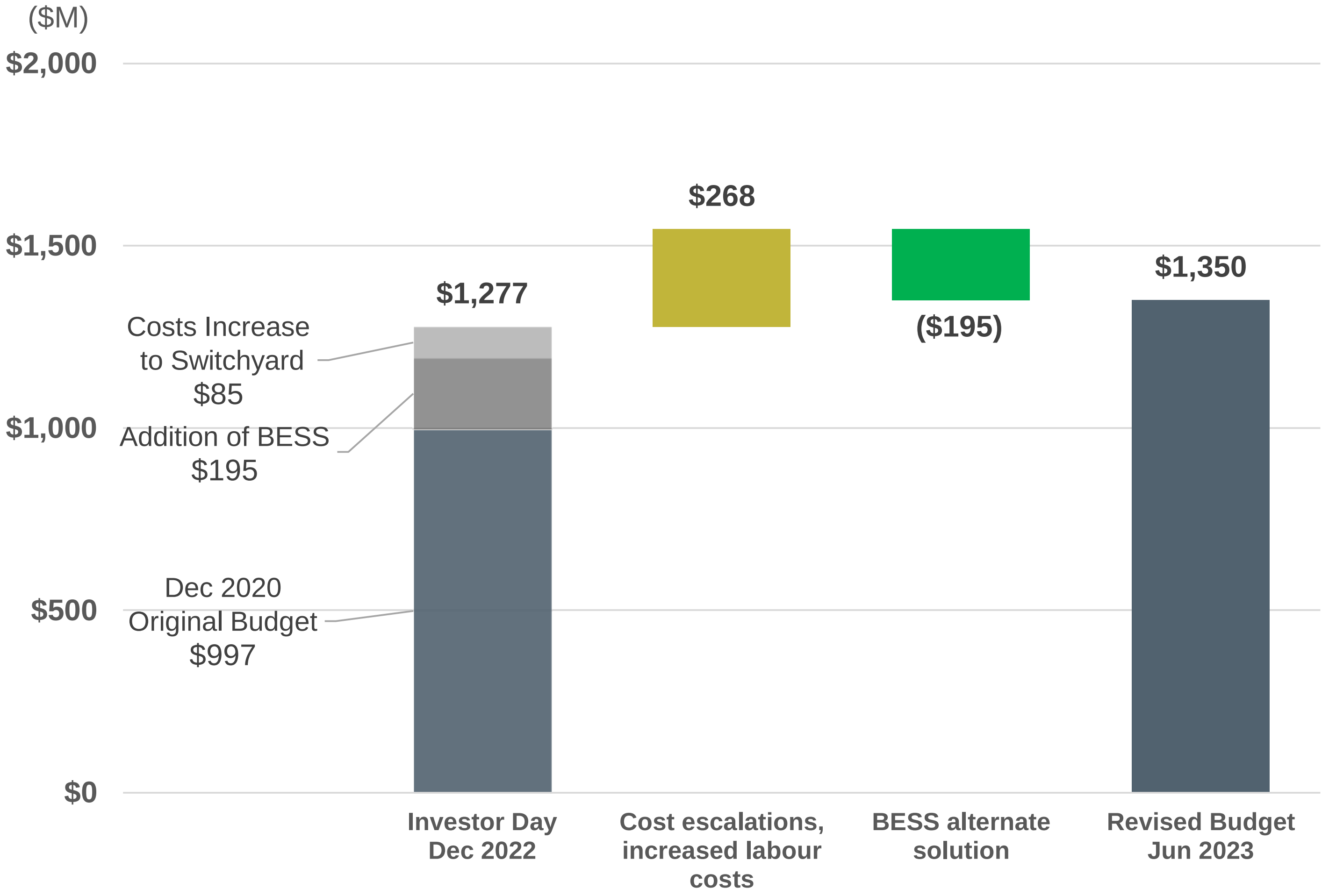


Blending natural gas with coal expected to align with the repowering commissioning schedule in 2024 to ensure reliability and affordability of the grid

Genesee 1&2 Repowering Project

Project cost revised to $1.35B, a net increase of $73M since 2022 Investor Day

- Received conditional AESO approval of alternate solution to meet MSSC(1) limit without the need for BESS
- Majority of materials on site
- Project scope substantially locked down
- Labour cost challenges being addressed through competitive attraction and retention packages



Project returns continue to be strong

1) MSSC is Most Severe Single Contingency.

5 successful Ontario projects adding ~350 MW

Contracts executed for all projects with Ontario IESO; COD targeted in 2025

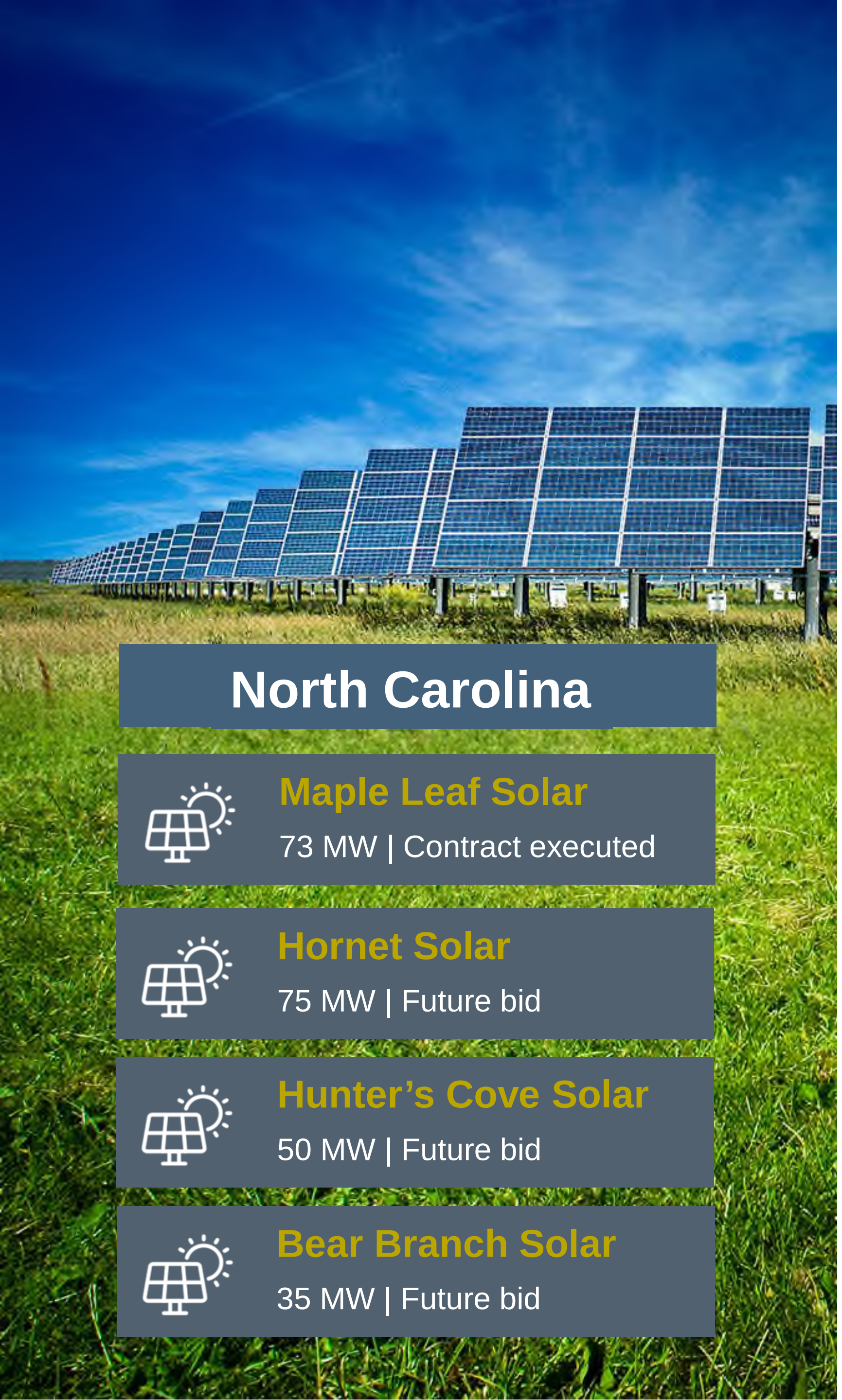
Expedited Long-Term RFP ($655M cost)

Project	Contracted Capacity	Term
East Windsor Expansion (106 MW)	81 MW summer 100 MW winter	To 2040 (~15 years)
York Battery Energy Storage System (120 MW)	114 MW	To 2047 (~22 years)
Goreway Battery Energy Storage System	48 MW	To 2047 (~22 years)

Same Technology Upgrade Solicitation

Project	Existing Capacity	New Capacity	Total Capacity	Contract Expiry
Goreway Upgrade	840 MW	40 MW	880 MW	2035
York[1] Upgrade	393 MW	38 MW	431 MW	2035

1) 50% joint ownership with Manulife.



U.S. solar growth

North Carolina

- Maple Leaf Solar – executed 25-year, fixed price renewable PPA with Duke Energy Progress for 100% of output
  - 73 MWac (92 MWdc) capacity with a cost of $219M and expected COD in Q4/26
- 3 well-positioned solar projects (160 MW total) being bid into Duke’s 2023 Solar Procurement RFP with proposals due end of Sep/23

Solar modules supply agreement with First Solar

- Secured first order for 1 GW of responsibly produced, ultra-low carbon solar modules to support our solar development pipeline in the U.S. totaling nearly 2.4 GW
- Ensures the use of U.S. made products will qualify our projects for domestic content under the Inflation Reduction Act (IRA)

Genesee Carbon Capture Project

Positive technical assessment complete

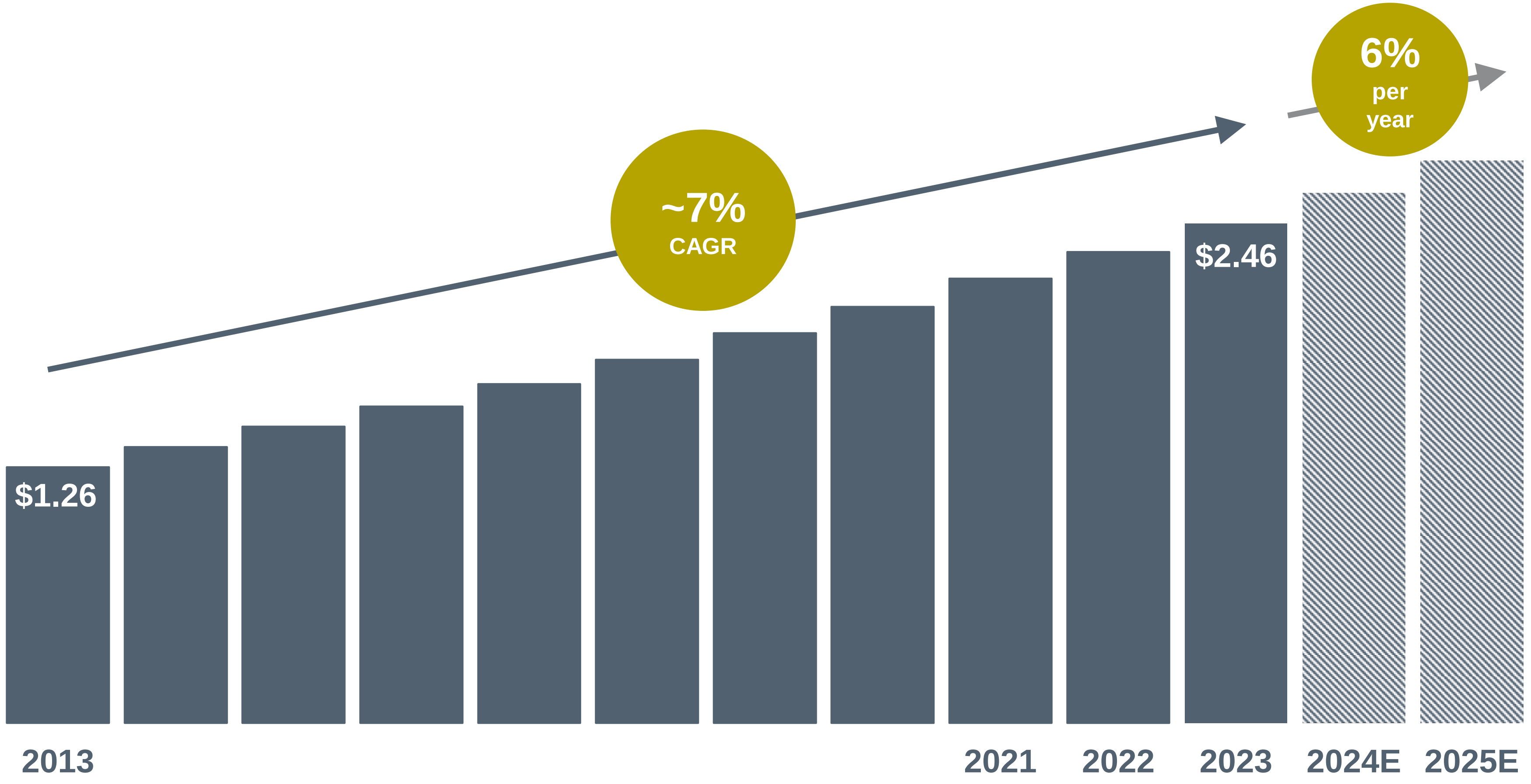
- Pre-final investment decision (FID) work finalized with positive results including FEED study

Commercial and financing progress

- Productive discussions with government entities ongoing
  - Strong support for project to advance Alberta grid decarbonization
  - Supportive funding through various programs
- FID will be made when carbon assurance mechanism has been negotiated
  - Update on FID timing will be provided once there is a material update to commercial negotiations

Delivering a decade of dividend growth

Annual dividend guidance of 6% per year to 2025



1) Subject to market conditions, economic outlook, cash flow forecast, and Board approval at the time.
2) 2013 to 2023 annualized dividend based on year-end quarterly common shares dividend declared.

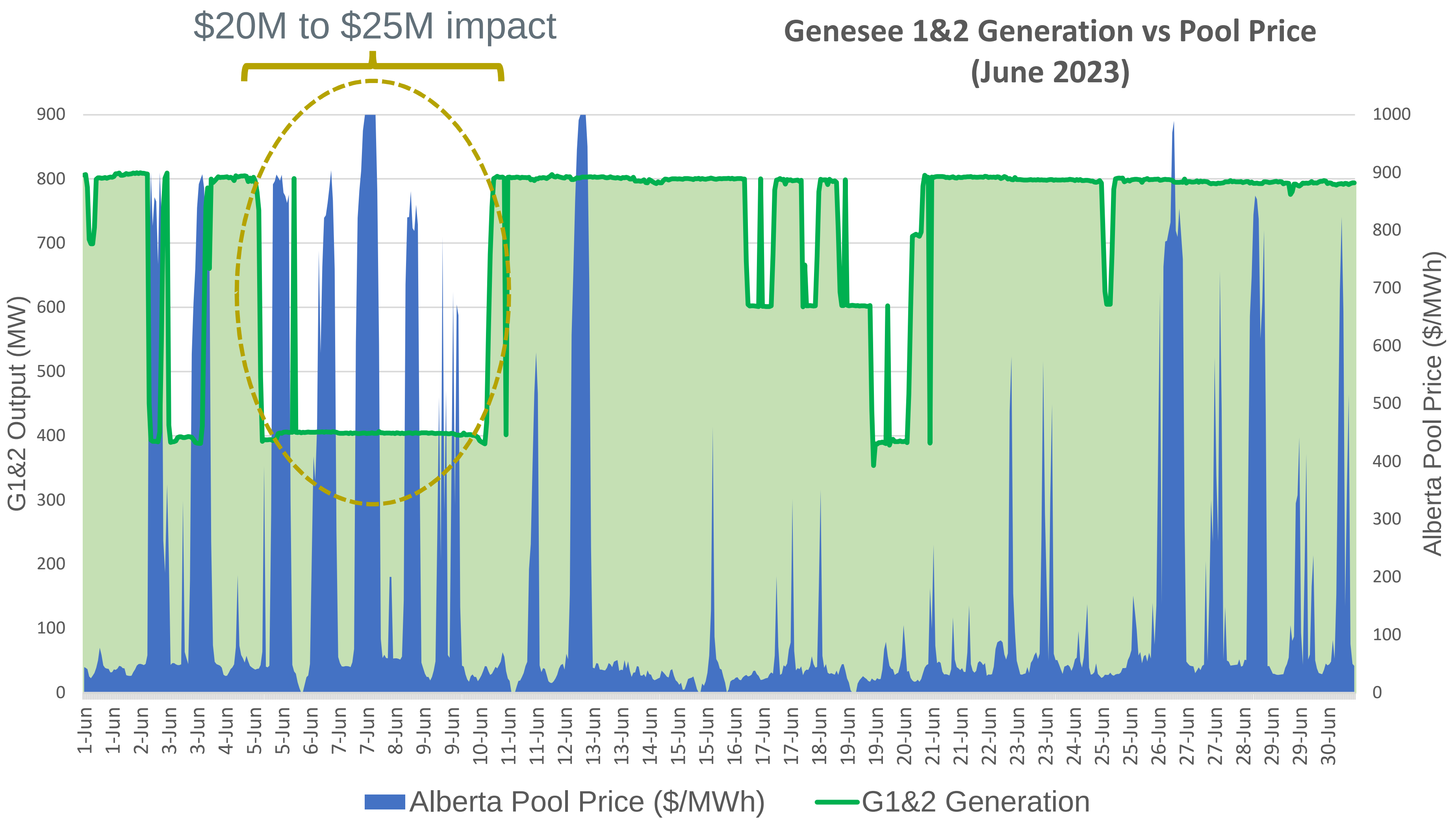
Q2/23 results impacted by untimely outages

$869M	$327M	$11M	$151M
+25% yoy	+3% yoy	-90% yoy	-16% yoy
Revenues and other income(1)	Adjusted EBITDA	Net cash flows from operating activities	AFFO

- Q2/23 financial results benefitted from a full quarter from Midland Cogen (acquired Sep/22) partially offset by lower AB Commercial segment results, and reduced generation due to mild temperatures and low wind resources in the U.S.
  - Unplanned outages at Genesee and Clover Bar coincided with a short position during periods of high AB power prices
- Net cash flow from operations impacted by changes in receivables and fluctuations of forward prices on commodity derivative positions
- AFFO further lowered by higher current income taxes and sustaining capex

1) Before unrealized changes in fair value of commodity derivatives & emission credits.

Rare culmination of events led to shortfall in Q2



1) Genesee 1&2 unplanned outages
2) Clover Bar 1&3 unavailable
3) Record high temperatures
4) Low wind generation
5) Supply shortages from competitor plants
6) Fully hedged baseload position in June

6-month financial performance in-line with expectations

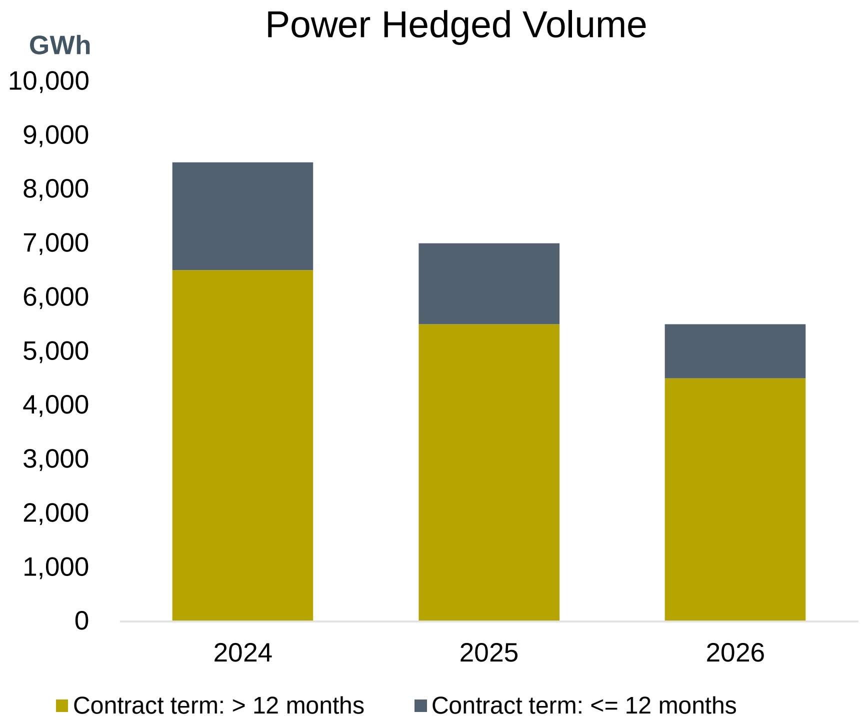
$1,865M	**$728M**	**$360M**	**$361M**
+29% yoy	**+9% yoy**	**-31% yoy**	**-5% yoy**
Revenues and other income[(1)]	Adjusted EBITDA	Net cash flows from operating activities	AFFO

- 6-month results reflect strong AB Commercial segment results
  - Average realized AB power price of $91/MWh compared to $84/MWh for Q2/22 YTD
- Adjusted EBITDA benefitted from 6 months of contribution from Midland Cogen
- Net cash flow from operations impacted by changes in receivable positions and fluctuations of forward prices on commodity derivative positions
- AFFO further lowered by higher current income taxes

1) Before unrealized changes in fair value of commodity derivatives & emission credits.

Alberta commercial portfolio

Reducing volatility and risk through hedging



	2024	2025	2026
Power			
Hedged volume (GWh) (3)	8,500	7,000	5,500
Weighted average hedged prices(1) ($/MWh) (3)	Mid-$70s	Low-$70s	Low-$70s
Forward Alberta power prices ($/MWh) (4)	$98	$70	$71
Natural gas			
Hedged volume (TJ) (3)	70,000	60,000	45,000
Weighted average hedged prices(1, 2,3) ($/GJ)	< $2.00	< $3.00	< $4.00
Forward Alberta gas prices ($/GJ) (4)	$3.11	$3.65	$3.80

Weighted average hedged price with terms >12 months: Mid-$70/MWh

1) Forecasted average contracted prices may differ significantly from future average realized prices as future realized prices are driven by a combination of previously contracted prices and settled prices. When long-term forward portfolio optimization hedges are transacted, they reflect the market's expectations for future period pricing.
2) Net of gains as part of the Company's gas portfolio optimization activities, including sales of previously purchased length.
3) Hedge data as of Jun 30/23.
4) Forwards as of Jul 28/23.

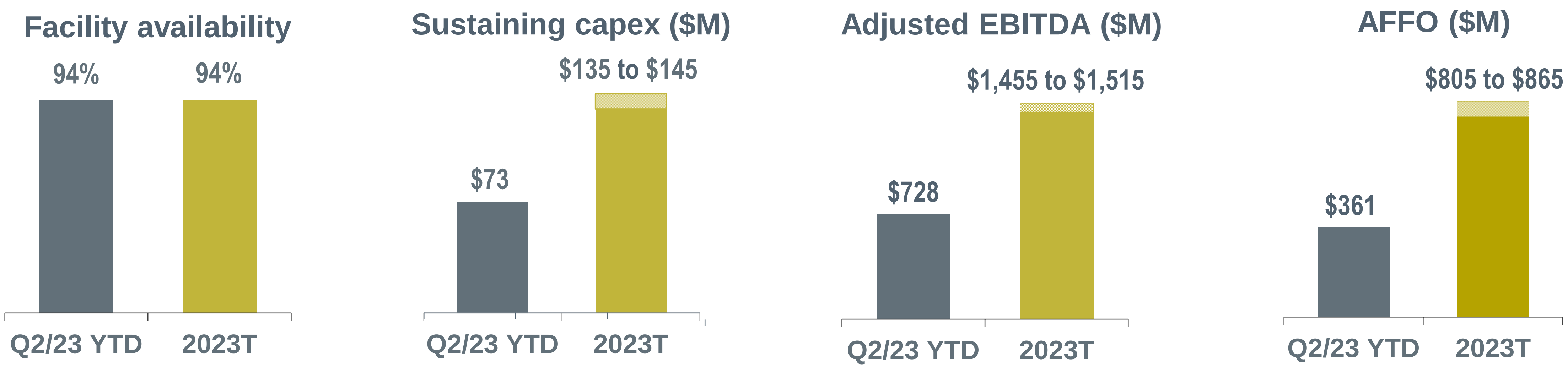
Financing new growth projects

Dividend Reinvestment Program (DRIP) activated with Q3/23 dividend

- Proceeds to fund equity requirements for the Ontario growth projects
- Expect to raise ~$75M to $80M per annum based on participation level of past DRIP
- DRIP is a cost-effective vehicle to raise the smaller size of equity required
- Aligns with timing of capex spend profile

2023 targets

Exceeded committed capital for growth target



Trending to be above the midpoints of annual financial guidance ranges

Question and Answer Period

Forward-looking information

Forward-looking information or statements included in this presentation are provided to inform our 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 2023 performance targets including for facility availability, sustaining capital expenditures, hedged position, adjusted funds from operations (AFFO) and adjusted EBITDA;
- our plans to transition off-coal, advancement of the Genesee Carbon Conversion Centre and commercial application of carbon conversion, capture and storage technologies;
- future revenues, expenses, earnings, adjusted EBITDA and AFFO;
- the future pricing of electricity and market fundamentals in existing and target markets;
- future dividend growth;
- the Company's future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions;
- the Company's sources of funding, adequacy and availability of committed bank credit facilities and future borrowings;
- Expectations from DRIP activation;
- the timing of, funding of, generation capacity of, operational performance and financial returns of, costs of technologies selected for, environmental benefits or commercial and partnership arrangements regarding existing, planned and potential development projects and acquisitions (including phase 2 of Halkirk Wind, the repowering of Genesee 1 and 2 (including being hydrogen ready and carbon conversion ready)), the Genesee carbon capture and storage (CCS) project, the upgrade at Goreway and York Energy, Goreway Battery Energy Storage System (BESS), York Energy BESS, East Windsor expansion, and the Maple Leaf Solar project;
- future growth and emerging opportunities in our target markets;
- the impact of the IRA on our projects;
- potential opportunities and partnerships with Indigenous communities;
- facility availability and planned outages;
- capital expenditures for facility maintenance and other (sustaining capital, future growth projects, commercial initiatives);
- market and regulation designs and proposals and the impact thereof on the Company's core markets; and
- the impact of climate change.

These statements are based on certain assumptions and analyses made by Capital Power 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 and other energy and carbon prices;
- performance;
- business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects;
- status and impact of policy, legislation and regulations;
- effective tax rates;
- the development and performance of technology;
- foreign exchange rates; and
- other matters discussed under the Performance Overview, Outlook and Risks and Risk Management sections.

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

- changes in electricity, natural gas and carbon prices in markets in which we operate and the use of derivatives;
- regulatory and political environments including changes to environmental, climate, financial reporting, market structure and tax legislation;
- disruptions, or price volatility within the Company's supply chains;
- 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 our review of acquired assets;
- changes in general economic and competitive conditions, including inflation;
- 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.

See Risks and Risk Management in our 2022 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. Capital Power 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 our 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

capitalpower.com