

Executing Our Strategic Focus

2024 Q1 | Analyst presentation

Agenda

1. **Business Update** | Avik Dey - President & CEO

2. **Financial Review** | Sandra Haskins - SVP, Finance & CFO

3. **Closing Remarks** | Avik Dey - President & CEO

4. **Q&A** | Management



Avik Dey
President & CEO



Sandra Haskins
SVP, Finance & CFO



Forward-looking information

Cautionary statement

Certain information in this presentation and responses to questions contain 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 19 of this presentation and the Company's first quarter 2024 Management's Discussion and Analysis (MD&A) prepared as of April 30th, 2024 which is available under the Company's profile on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca) 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 and other items that are not reflective of the long-term performance of the Company's underlying business (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 April 30th for the first quarter of 2024, which is available under the Company's profile on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca) and on the Company's website at capitalpower.com.



Territorial Acknowledgement

In the spirit of reconciliation, Capital Power respectfully acknowledges that we operate within the ancestral homelands, traditional and treaty territories of the Indigenous Peoples of Turtle Island, or North America.

Capital Power's head office is located within the traditional and contemporary home of many Indigenous Peoples of the Treaty 6 Territory and Métis Nation of Alberta Region 4. We acknowledge the diverse Indigenous communities that are located in these areas and whose presence continues to enrich the community.



Learn more about Indigenous Relations at Capital Power.



Q1 2024 Highlights

Executing on our strategic focus



Deliver

- ~9 TWh across our strategically positioned fleet
- Two significant diversifying acquisitions (C\$1.5B)
- Executing 7 turnarounds for 2024 (\$34M Q1 capital)



Build

- Genesee Repowering; we are commissioning simple cycle on Unit 1 (taking it off coal)
- Advanced over 560 MW of incremental capacity



Create

- New partnership with OPG to jointly assess the development of small modular reactors (SMRs)
- 15-year VPPA with Saputo Inc



~9 TWh
Generated

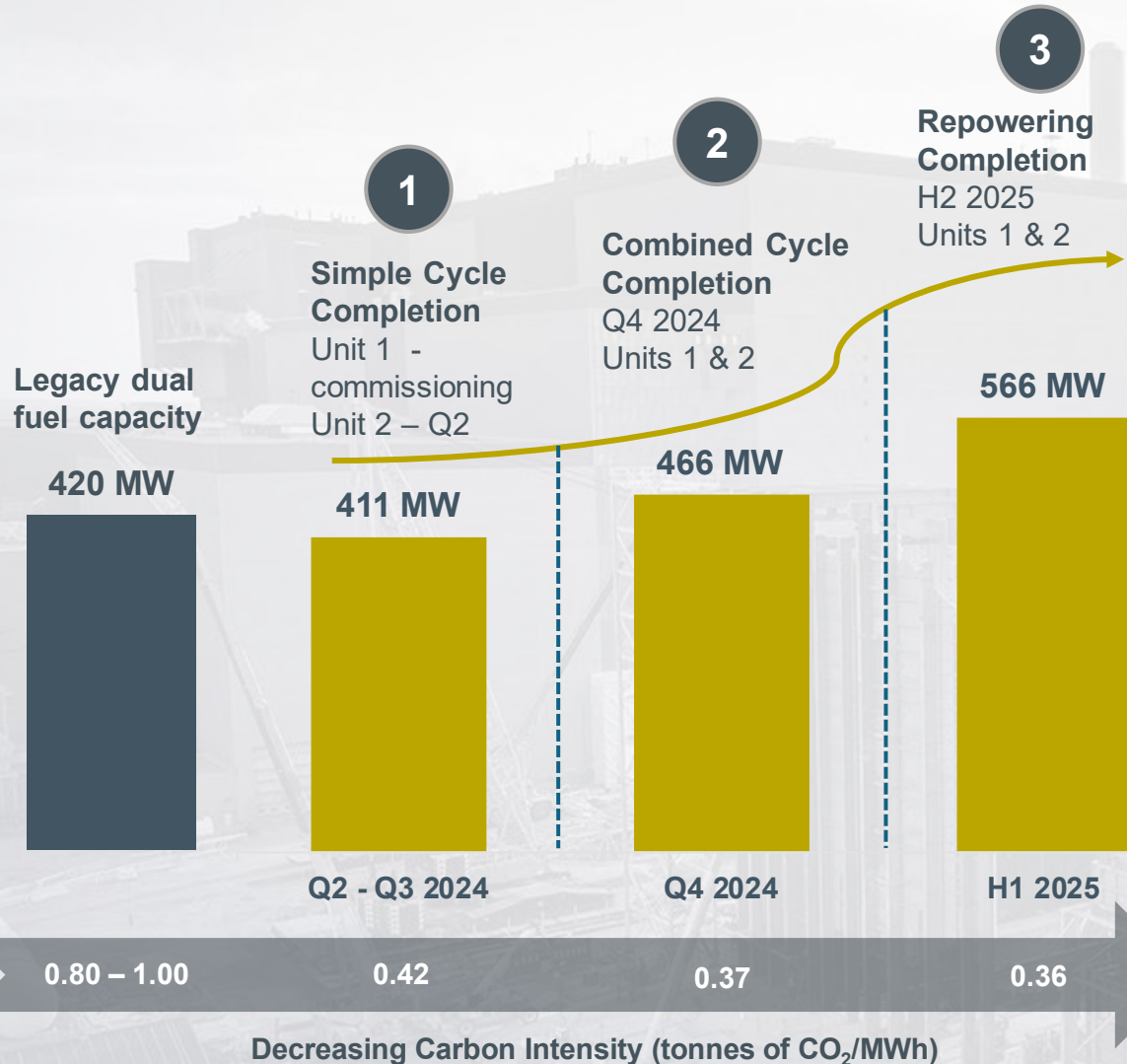


+560 MW
Additional capacity
under construction



Genesee Repower – Project Update

Increased Capacity & Significantly Lower Carbon Intensity



Project Update

- 1**
 - Dual fuel units will run in parallel until simple cycle commissioning complete (bringing units off coal)
 - Commissioning simple cycle on Unit 1; Unit 2 simple cycle expected in Q2 2024
- 2**
 - Both units expected to achieve combined cycle in 2024
 - Updated capital cost estimate:
 - \$1.55 to \$1.65B (up from \$1.35B)
 - Incremental costs related to outages required for tie in and ongoing productivity challenges
- 3**
 - Expecting 566 MW on each unit in the first half of 2025

Genesee Repower

Putting Things in Perspective

Perspective Commentary

CPX

- Advances Capital Power's areas of focus: providing reliable, affordable and clean power

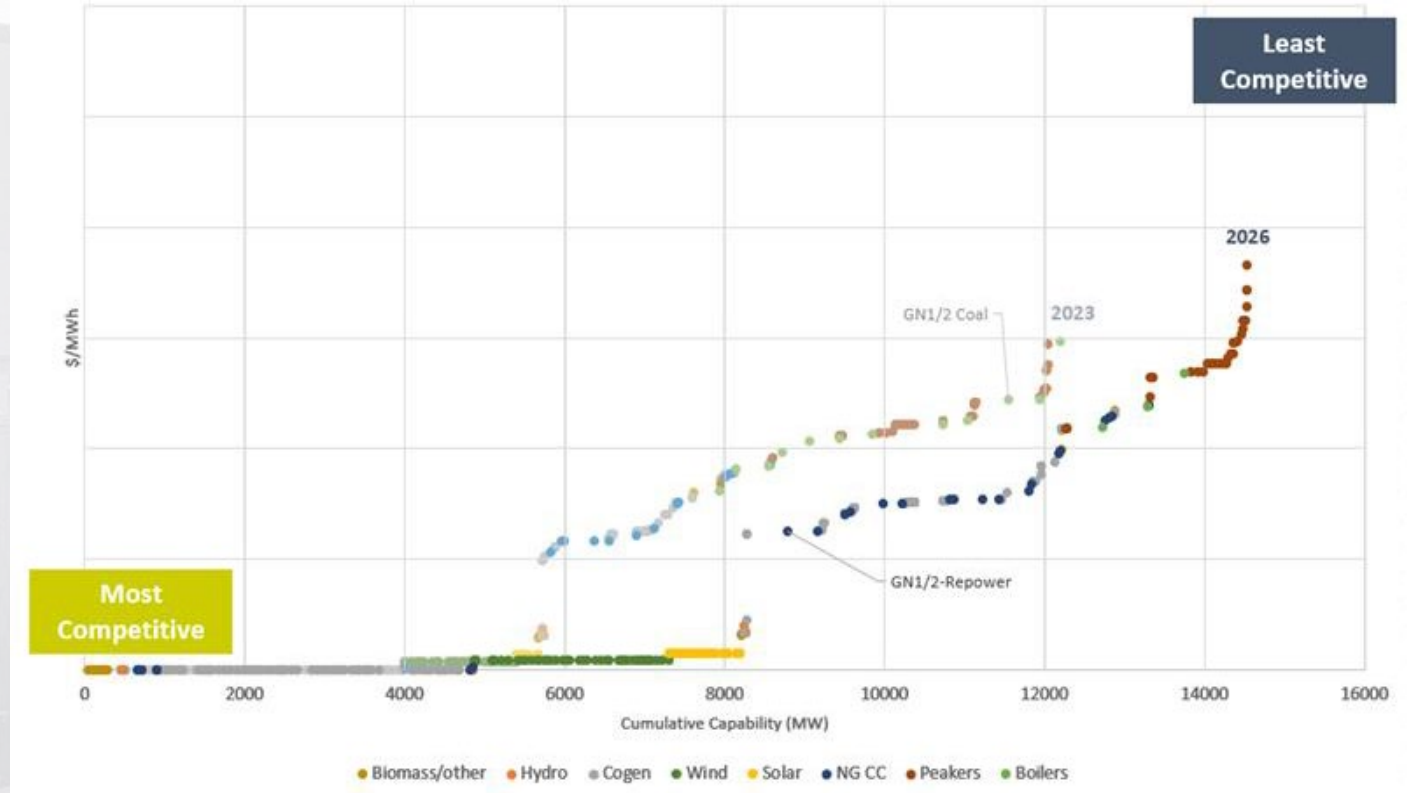
Industry

- Leads the reset of the regional merit curve; allows for greater renewables capacity to come online

Alberta

- Largest single decarbonization event in Alberta's history

Alberta Merit Curve Comparison



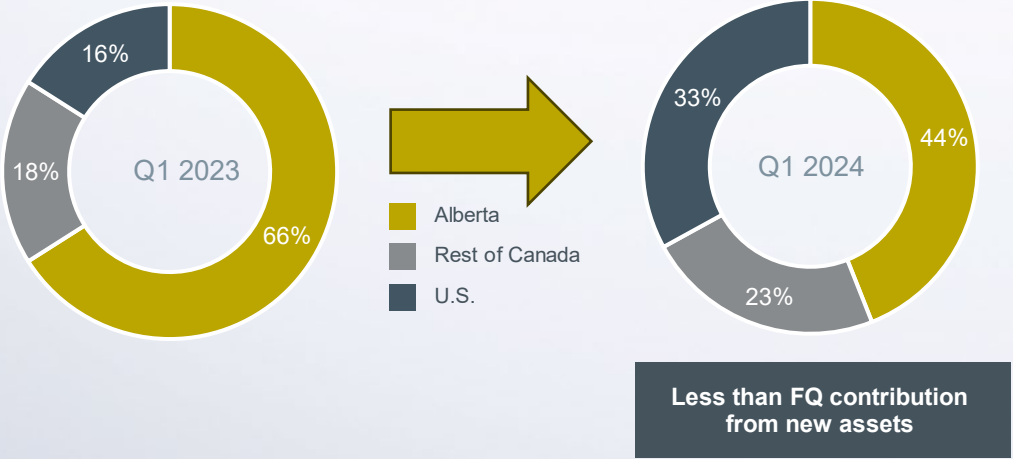
La Paloma & Harquahala Acquisitions

Long-term outlook remains strong and supports re-contracting

- Closing La Paloma and Harquahala on February 9 and 16th, 2024, respectively
- Newly acquired assets driving portfolio diversification (pro-forma capacity 50 / 50% in Canada and US)



Adjusted EBITDA¹ by facility geography



1. Adjusted EBITDA is a non-GAAP financial measure.



Major Projects Update

CCS

- Capital Power is discontinuing pursuit of the \$2.4B Genesee CCS project
- The technology was affirmed as viable

Ontario Projects

- Reduced expected total project cost to \$600M (Q4 2023: \$655M)
- No change in timing

Other Projects

- Halkirk 2 Wind – on schedule
- Maple Leaf Solar – on schedule



Alberta Regulatory Update

Interim rules pursuant to MSA:

- Market power mitigation
- Supply Cushion
- Effective July 1, 2024 and in-force until November 2027

Restructured Energy Market proposed by AESO:

- Intended to be in place post-expiry of interim rules
- Detailed consultation underway



Q1 2024 Results - Overview

Cash flows impacted by outages and lower prices in Alberta

\$916_M

- 8% YoY

Revenues and other income⁽¹⁾

\$279_M

- 30% YoY

Adjusted EBITDA

\$334_M

- 4% YoY

Net cash flows from in operating activities

\$142_M

- 32% YoY

AFFO

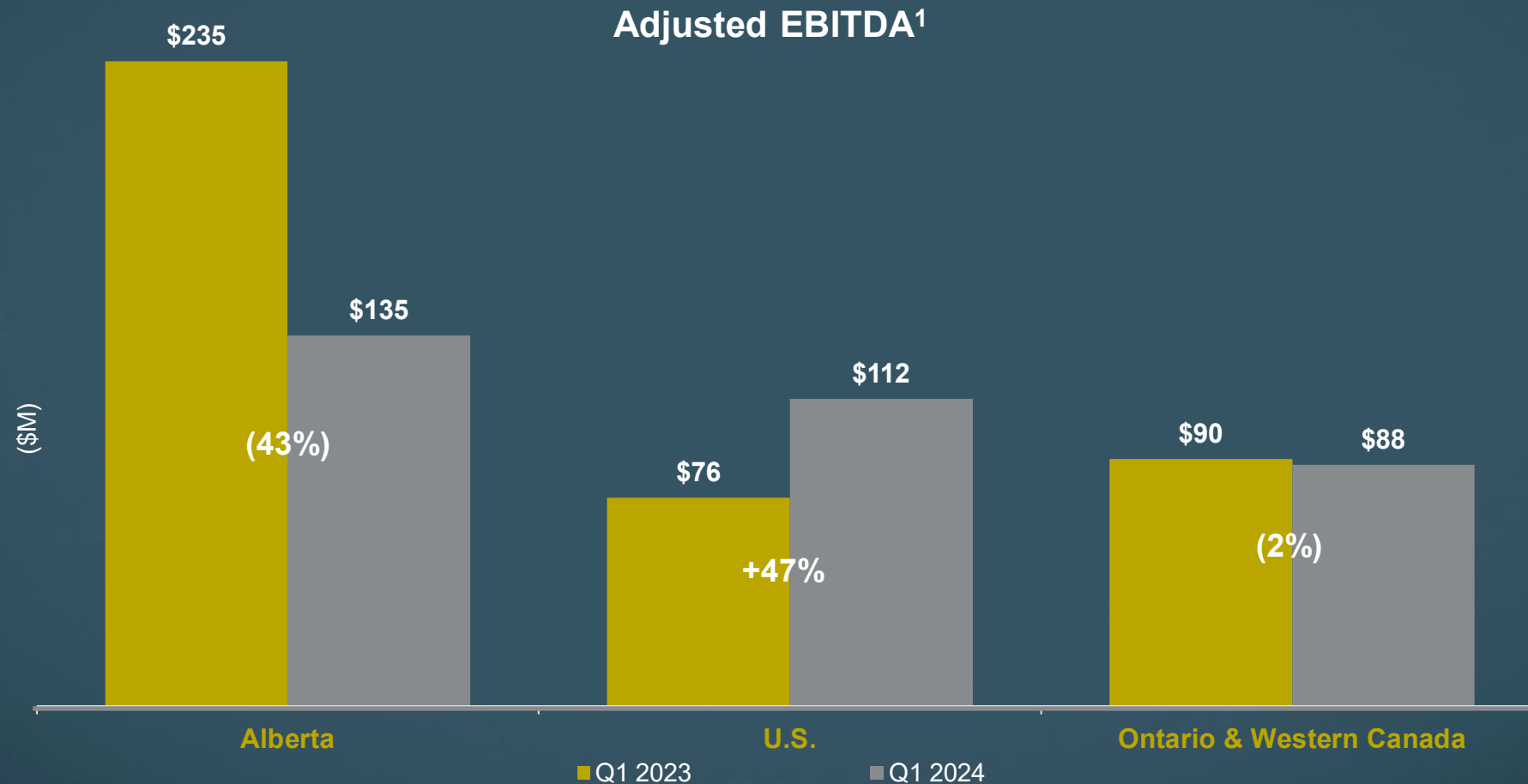
- Adjusted EBITDA is lower year over year due to the decrease in AB power prices, lower generation, final year of coal compensation amortization in 2023 and one-time fees related to the US acquisitions
- Strong contributions from recent acquisitions (Frederickson 1, La Paloma, Harquahala) and our Ontario facilities further offset the above Alberta driven impacts
- AFFO driven by impacts to Adjusted EBITDA and higher sustaining capex focused on turnarounds

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



Q1 2024 Results – Adjusted EBITDA Breakdown

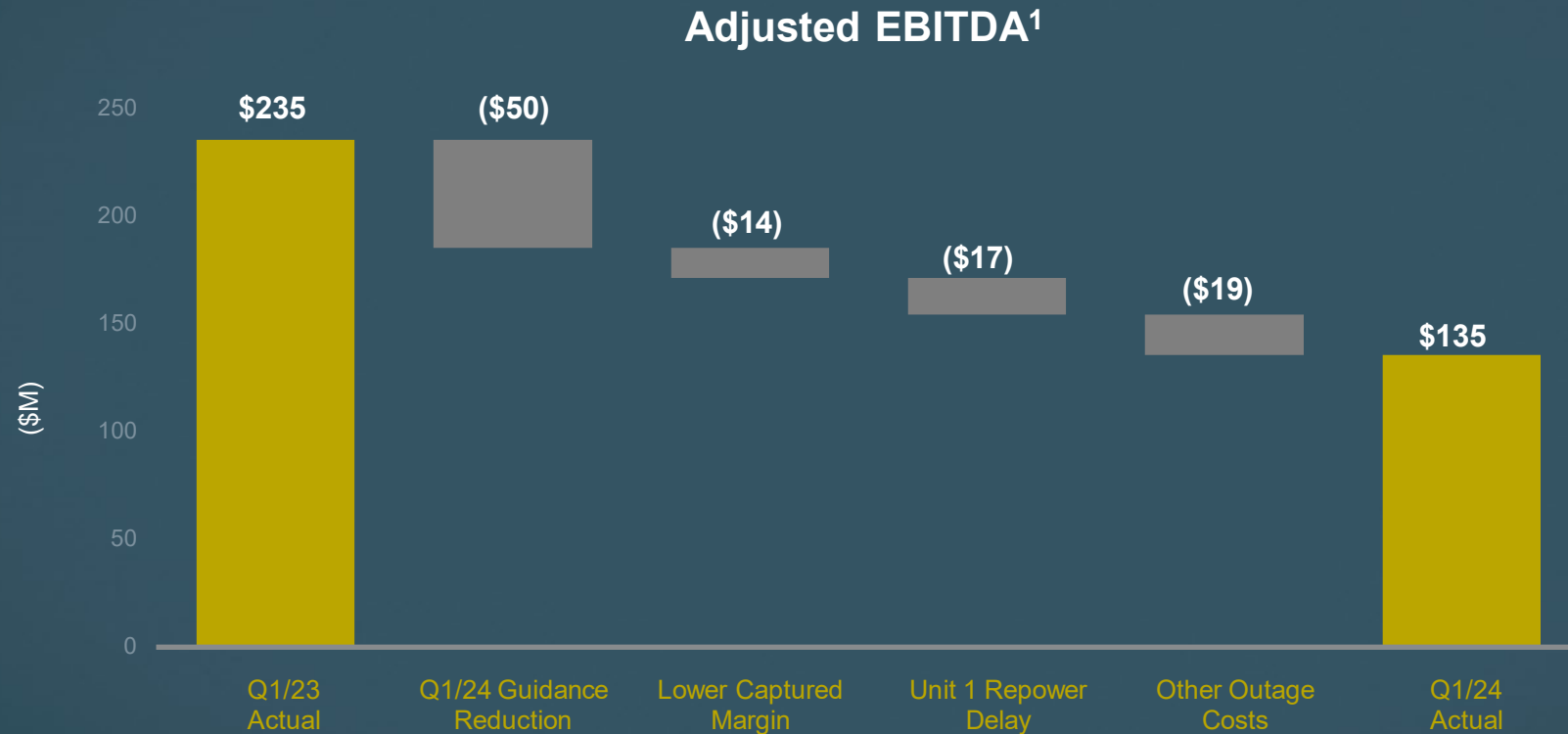
US Diversification Reduces Adjusted EBITDA Volatility



1. Adjusted EBITDA is a non-GAAP financial measure.

Q1 2024 Results – Alberta Commercial Breakdown

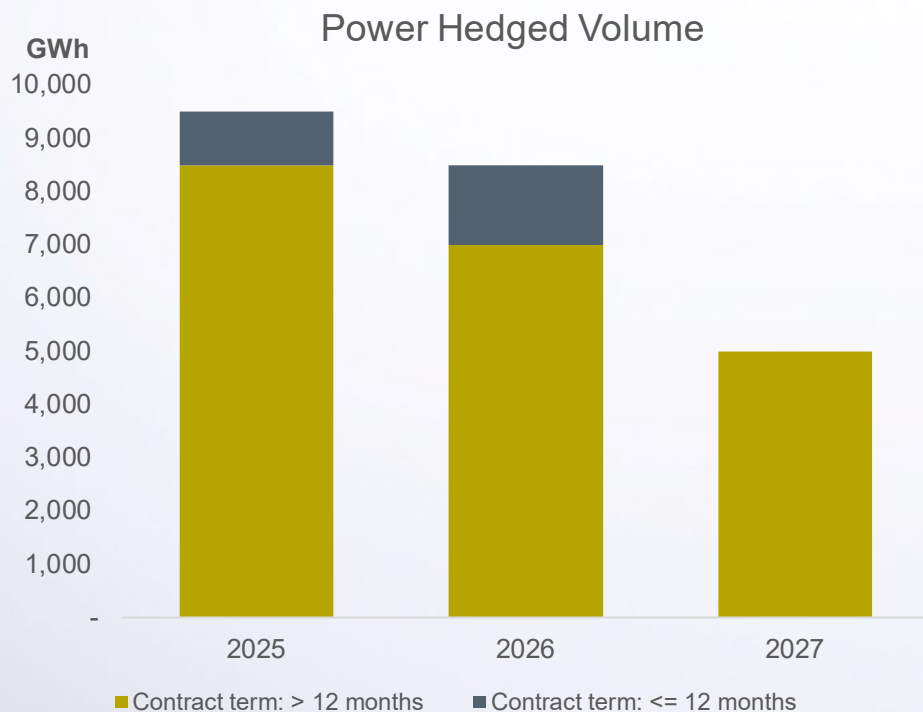
Alberta Commercial Impacted by Outages, Pricing, and Repowering Delay



1. Adjusted EBITDA is a non-GAAP financial measure.

Alberta Commercial Portfolio

Reducing volatility and risk through hedging



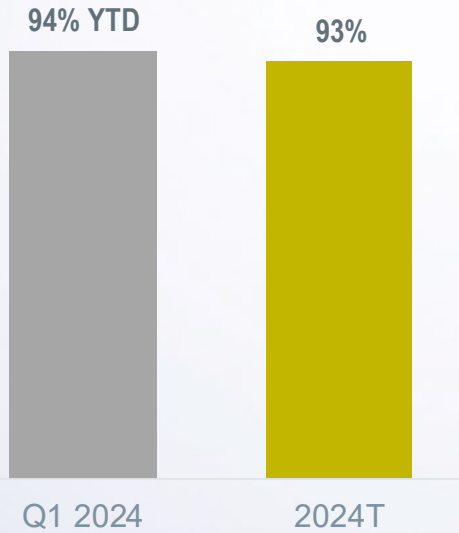
Low \$80/MWh
Weighted average hedged price

	2025	2026	2027
Power			
Hedged volume (GWh) ⁽³⁾	9,500	8,500	5,000
Weighted average hedged prices ⁽¹⁾ (\$/MWh) ⁽³⁾	High-\$70s	High-\$70s	Low-\$80s
Forward Alberta power prices (\$/MWh) ⁽⁴⁾	\$56	\$56	\$60
Natural gas			
Hedged volume (TJ) ⁽³⁾	60,000	60,000	35,000
Weighted average hedged prices ^(1, 2,3) (\$/GJ)	< \$3.00	< \$4.00	< \$4.00
Forward Alberta gas prices (\$/GJ) ⁽⁴⁾	\$3.10	\$3.50	\$3.50

- 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 March 31, 2024.
- 4) Forwards as of March 31, 2024.

Q1 2024 vs. 2024 Targets

Facility availability



Sustaining capex (\$M)



Adjusted EBITDA (\$M)



AFFO (\$M)



2024 Guidance

- Adjusted EBITDA trending less than 5% below the lower end of the Guidance range of \$1.405 – 1.505B
- AFFO trending below the midpoint of the guidance range due to the tax effected Adjusted EBITDA variance but with partial tax offset from accelerated Repower depreciation
- Lower results driven by a combination of softer pricing in Alberta and unplanned outages at Genesee 1 and 2 during periods of higher prices and periods of price volatility



Investor Day 2024

Event hosted at the JW Marriott
Edmonton ICE District

May 7, 2024

- Tour of Genesee site
- Evening reception

May 8, 2024

- Breakfast and registration
- Presentations and Q&A
- Lunch



Questions & Answers



Forward-looking information

Forward-looking information or statements included in this MD&A 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 MD&A 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 MD&A includes expectations regarding:

- our priorities and long-term strategies, including our corporate, and decarbonization strategies;
- our company-wide targets and plans specific to climate-related performance, including reduction of emissions and our pathway to net zero by 2045;
- our 2024 performance targets, including facility availability, sustaining capital expenditures, AFFO and adjusted EBITDA;
- future revenues, expenses, earnings, adjusted EBITDA and AFFO;
- the future pricing of electricity and market fundamentals in existing and target markets;
- our future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions;
- our sources of funding, adequacy and availability of committed bank credit facilities and future borrowings;
- the timing of, funding of and costs of, generation capacity of, costs of technologies selected for, environmental and sustainability benefits, 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, 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, Maple Leaf Solar project, Bear Branch Solar and Hornet Solar);
- the financial impacts of the La Paloma and Harquahala acquisitions;
- future growth and emerging opportunities in our target markets;
- market and regulation designs and regulatory and legislative proposals and changes, regulatory updates and the impact thereof on the Company's core markets and business; and
- the impact of climate change, including our assumptions relating to our identification of future risks and opportunities from climate change, our plans to mitigate transition and physical climate risks, and opportunities resulting from those risks.

These statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical 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 a number of 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 our 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 and recession;
- 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 2023 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.



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