


Reliable • Affordable • Clean

# Powering the North American energy expansion

February 2025

Investor Presentation

Capital Power   
Power



# 5<sup>th</sup> largest North American natural gas IPP

Large and diversified  
generation footprint

**~10 GW**

Total owned capacity,  
~85% natural gas

Unmatched in-house  
operational expertise

**14**

Owned natural  
gas facilities

Sound contractual  
underpinning

**9-11 Years<sup>(1)</sup>**

Historical weighted  
average contract life

Proven ability to  
acquire and optimize

**~C\$6B<sup>(2)</sup>**

Total asset value  
from 11 deals

Strong balance  
sheet and liquidity

**BBB-/BBB (low)**

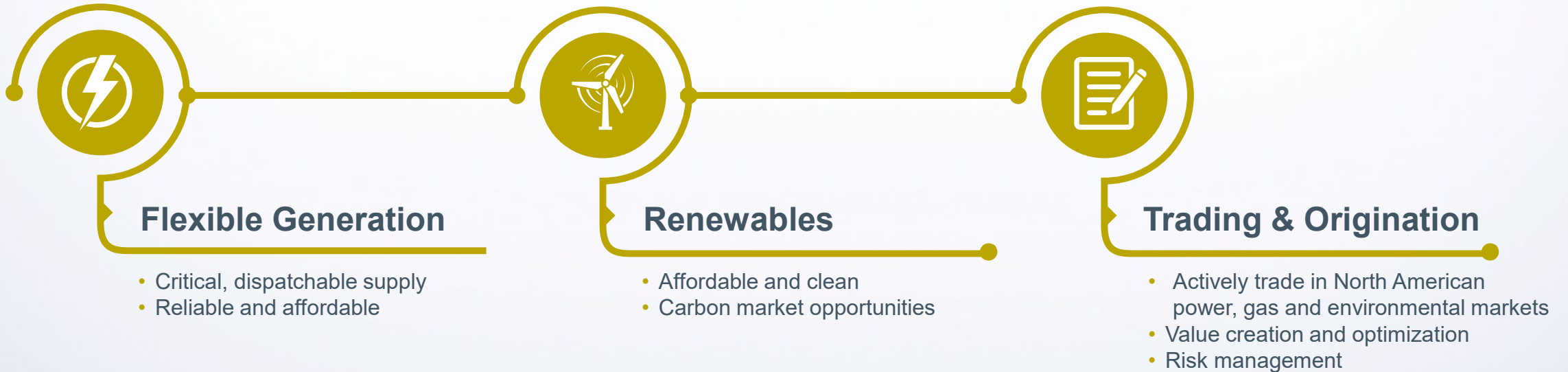
Investment grade  
rating (S&P / DBRS)

1. 5-year range for weighted average contract life.

2. Denotes full transaction value inclusive of  
partner working interest



# Creating Balanced Energy Solutions



# Natural gas is fueling the energy expansion



# Strong power fundamentals favour existing natural gas generation



## Multi-faceted power demand growth

- C&I
- Residential
- Transportation
- Data centers



## Natural gas: fueling the future

- Reliable
- Affordable
- Clean



## Existing natural gas undervalued

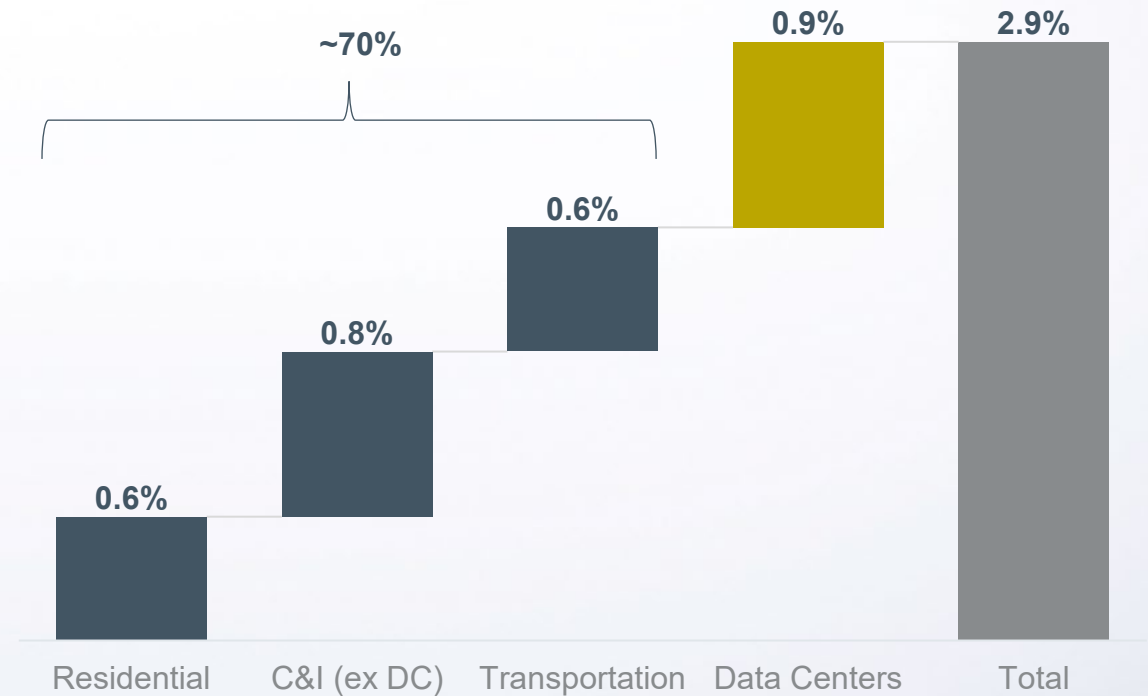
- Compelling acquisition opportunity

CPX has multiple ways to win



## Multiple sources of growth driving power demand

### US Power Demand CAGR (%)<sup>(1)</sup>



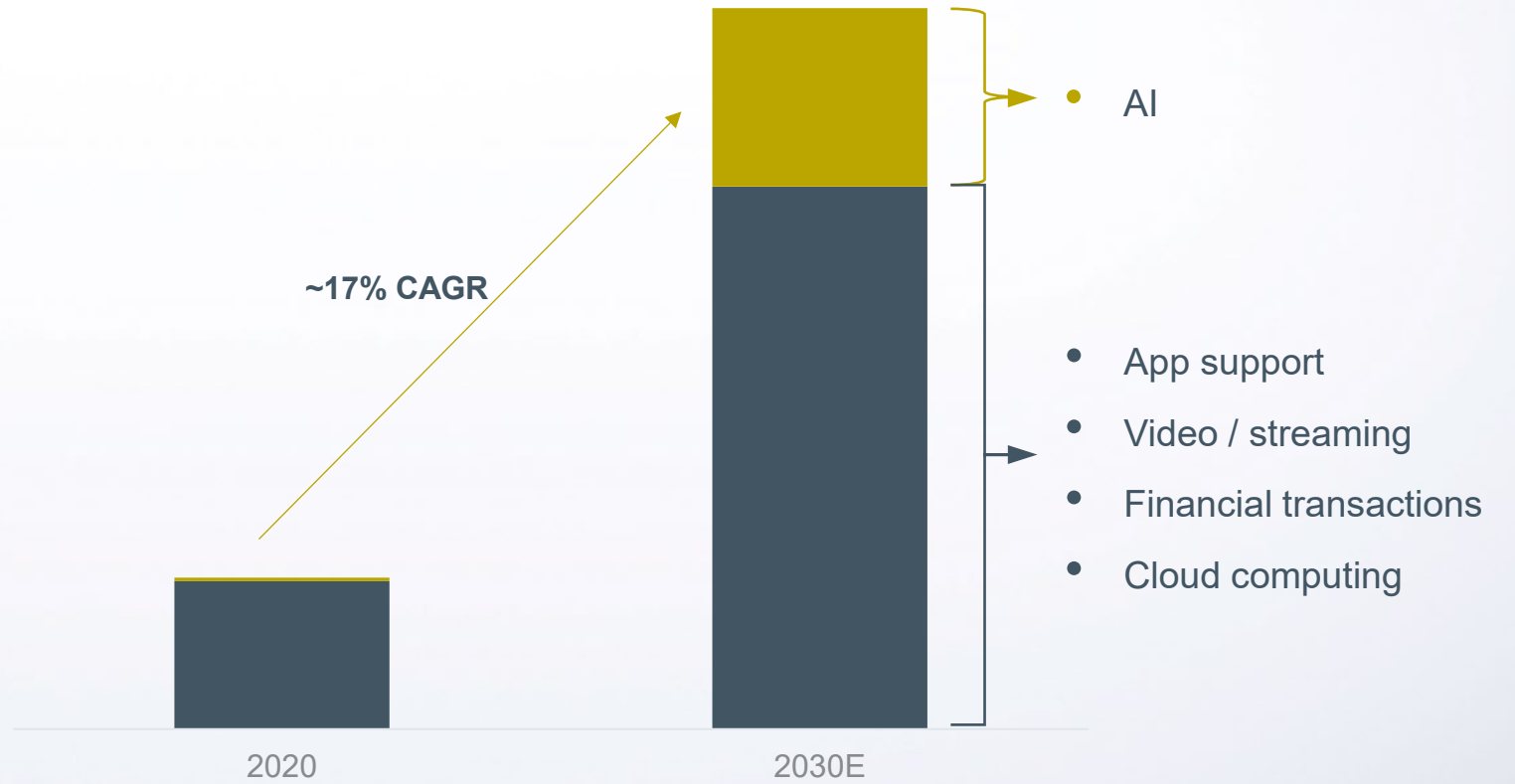
~70% of projected power demand growth is **not** from data centers

1. Goldman Sachs global investment research, EIA: Total demand CAGR of 2.9% is partially offset by other factors leading to 2.4% total compounded growth to 2030



# Robust and multi-faceted data center power demand growth

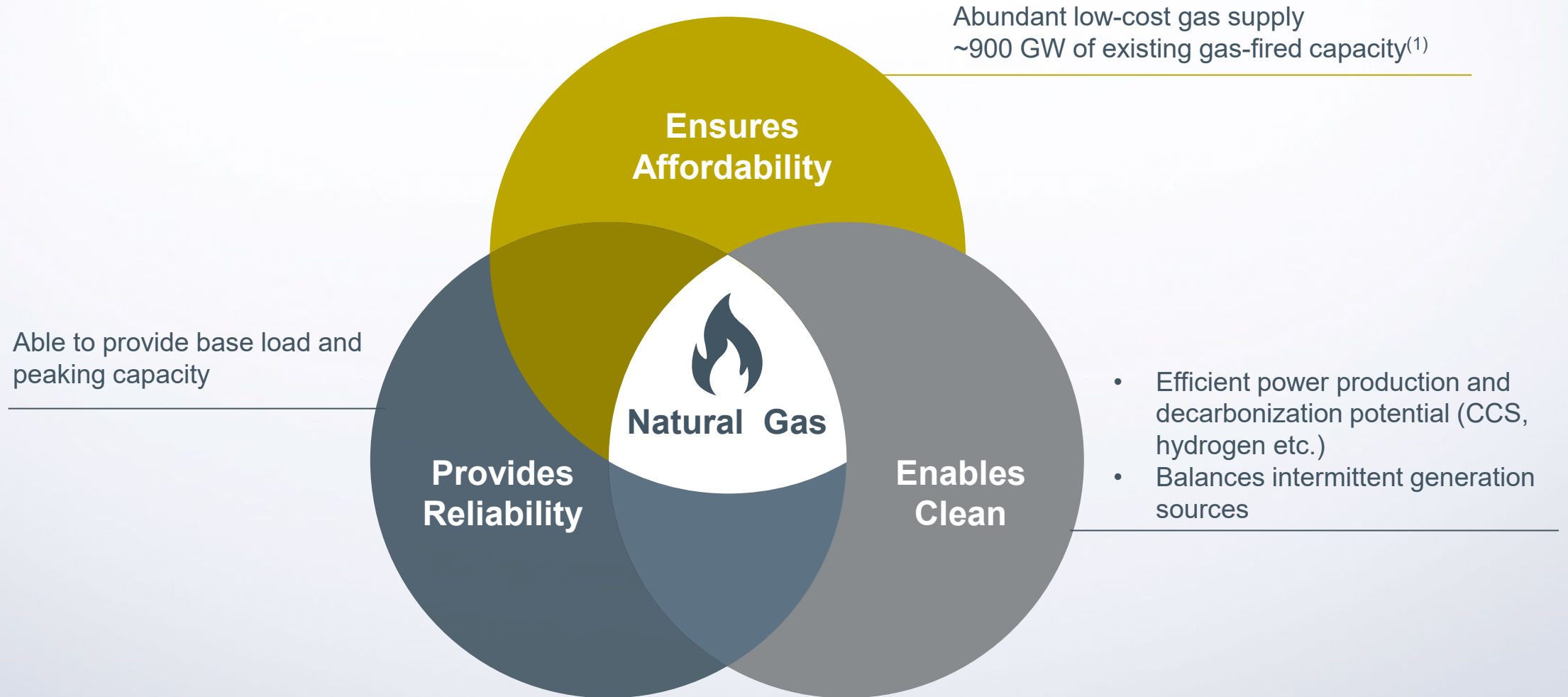
US Data Center Power Demand (TWh)<sup>(1)</sup>



Majority of projected data center power demand growth is not from AI

1. Goldman Sachs global investment research, EIA

# Natural gas is critical to meeting growing electricity demand



1. SNL (S&P) as of January 2025 inclusive of gas turbines, steam turbines and combined cycle units



Strategically positioned  
**existing capacity**  
available for data center  
contracting over the  
next five years

### Capacity Available at Genesee

**~1.5+ GW**

natural gas + CCS opportunity

### Additional Capacity<sup>(1)</sup>

2025 - 2027

**1.6 GW**

natural gas

2028+<sup>(2)</sup>

**4.7 GW**

natural gas

1. Includes flexible generation sites with capacity available for contracting or re-contracting, in addition to our the ~1.5MW available at Genesee.

2. 4.7GW in potential capacity 2028+ includes the 1.6GW available from 2025-2027



# Superior data center value proposition; speed to market with confidence



## Existing reliable generation

14 flexible generation sites with ~7.8 GW of capacity



## Top tier land position with expansion potential

~18,000 acres of developable land



## In-house operational capabilities

Dedicated and highly trained specialists



## Stakeholder relations

Track record for constructive engagement



## Commercial and trading expertise

Thoughtful and creative approach; IG credit rating



**Balanced  
energy  
solution for  
data centers**



Reliable • Affordable • Clean

# Capital Power Update

Positioned to succeed amid energy expansion

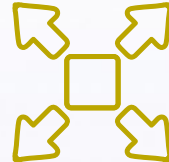


# Shareholder value creation priorities

## Flexible Generation and Renewables



Contract  
Optimization



Optimize  
& Expand



Acquire



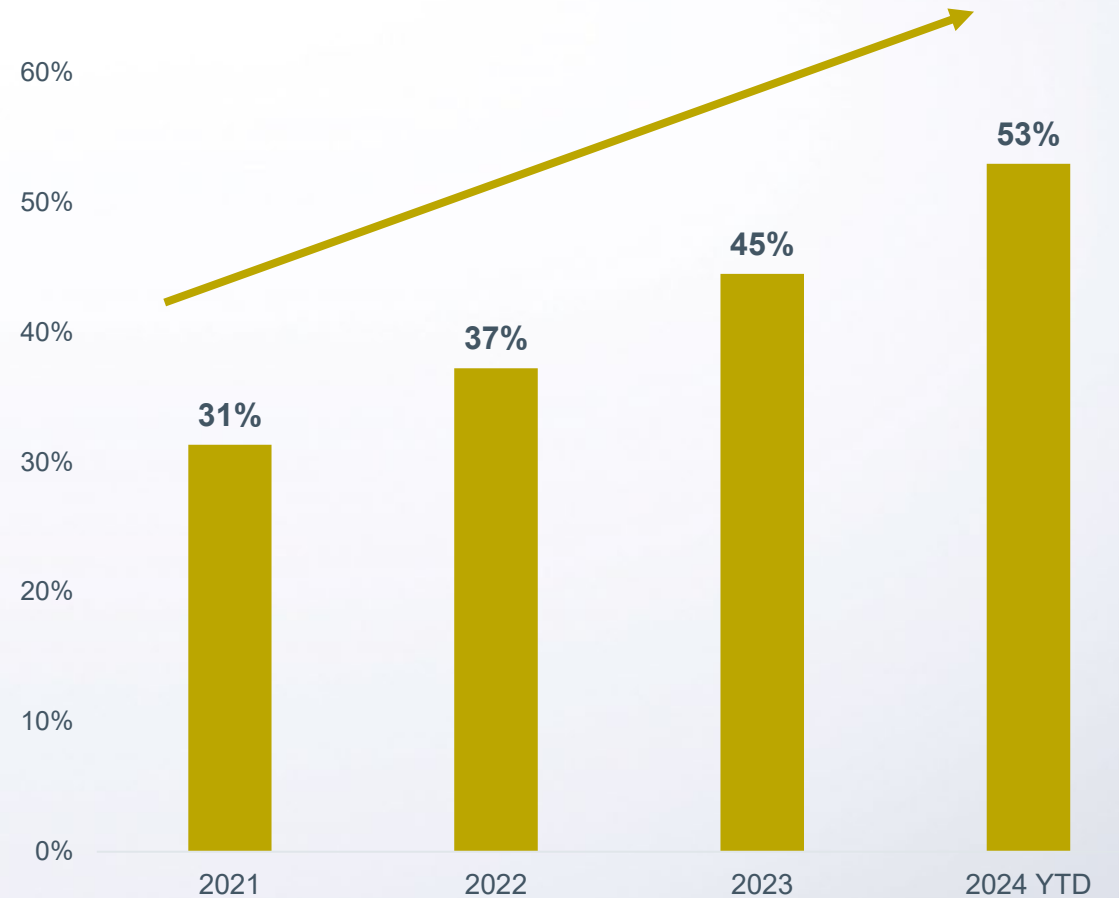
Develop

Targeted Annual TSR of 12-14%

## Contract optimization:

There is a strong case for re-contracting our existing flexible generation assets

### CPX U.S. flexible generation capacity factor<sup>1</sup>



1. Historical capacity factors have been re-baselined to include U.S. acquisitions.



**Optimize & Expand**  
Building fleetwide  
efficiencies through  
optimization and  
expansion

### York<sup>(1)</sup> and Goreway Uprates

**~60MW**  
Capacity  
Added

**~\$14M**  
Annual EBITDA  
Benefit

**3 & 6 year**  
Contract  
Extensions

### Decatur CT Uprate

**~90MW**  
Capacity  
Added

**~\$8M**  
Annual EBITDA  
Benefit

**10 year**  
Contract  
Extension

**Acquire**  
**Compelling**  
**US M&A value**  
**proposition**

Large and fragmented market

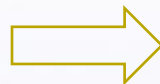


**Natural Gas Generation<sup>(1)</sup>**

**~3,000**  
Facilities

**~900 GW**  
Capacity

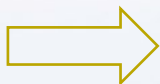
Owners motivated to monetize



**>2/3<sup>(2)</sup>**

US natural gas capacity  
acquired by financial buyers

Lower cost with certainty



**~20 – 50%<sup>(3)</sup>**

Lower cost than build  
(\$/kW)

1. SNL (S&P) as of January 2025 inclusive of gas turbines, steam turbines and combined cycle units

2. Based on Jefferies analysis (last 5 years ended September 30<sup>th</sup>, 2024)

3. Based on Capital Power's acquisition track record (last 10 years) vs illustrative greenfield cost range of US\$1,400 - \$1,600 / kW of capacity



**Develop**  
Material renewables  
growth with future  
sell-down potential

### CPX Renewables Capacity (MW)

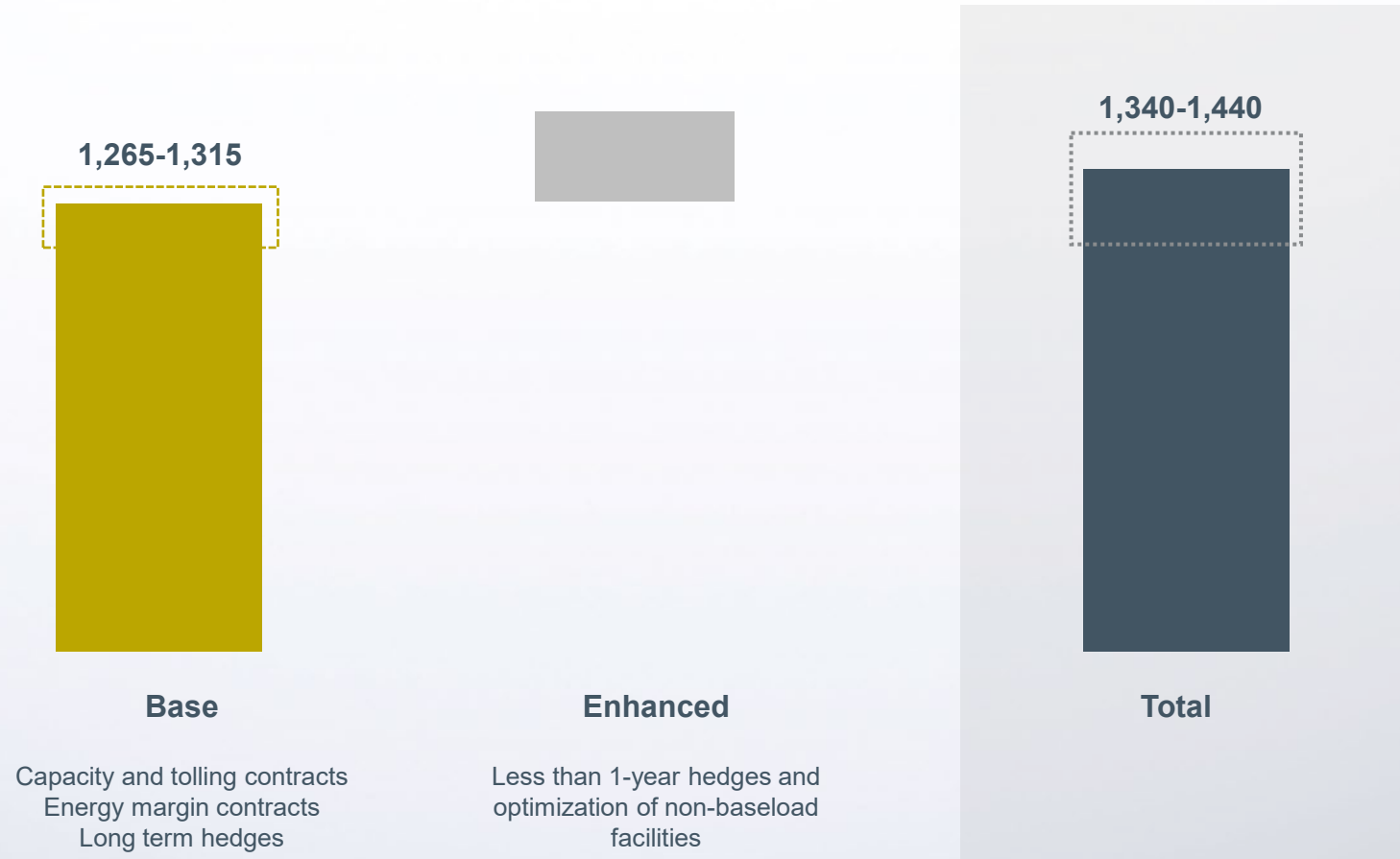


Renewable assets: 13 operating,  
4 under construction

1. Solar panels remaining for deployment, pursuant to First Solar agreement. Figures adjusted to AC and represent gross WI capacity

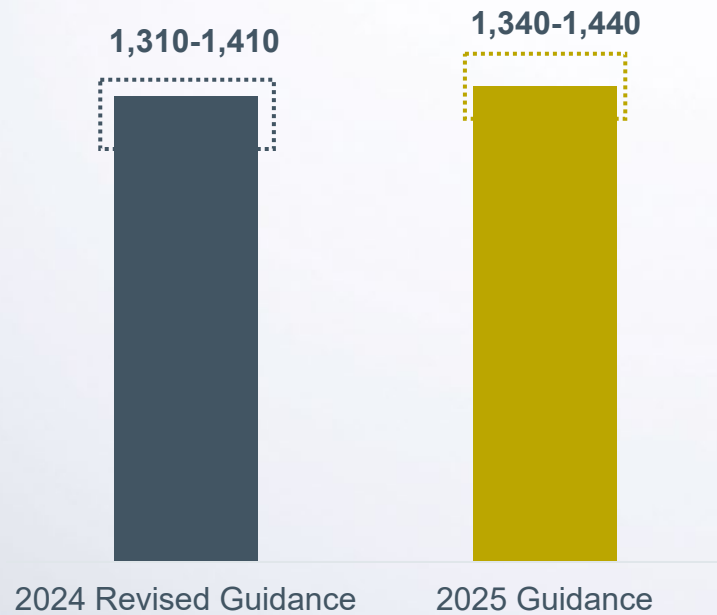


# Stable and contracted EBITDA with **potential for growth** (\$M)

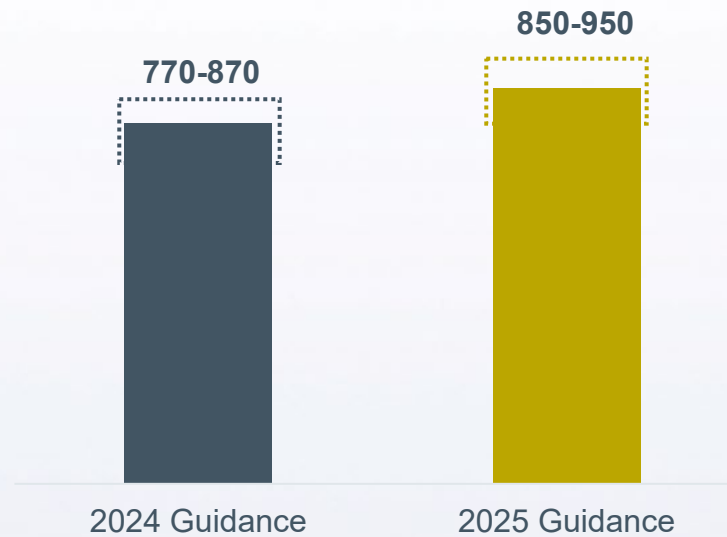


# 2025 Guidance Summary (\$M)

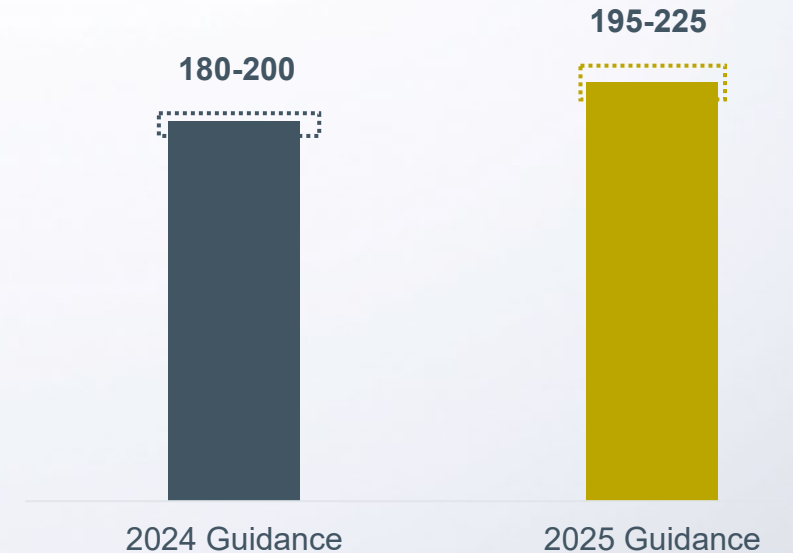
## Adjusted EBITDA



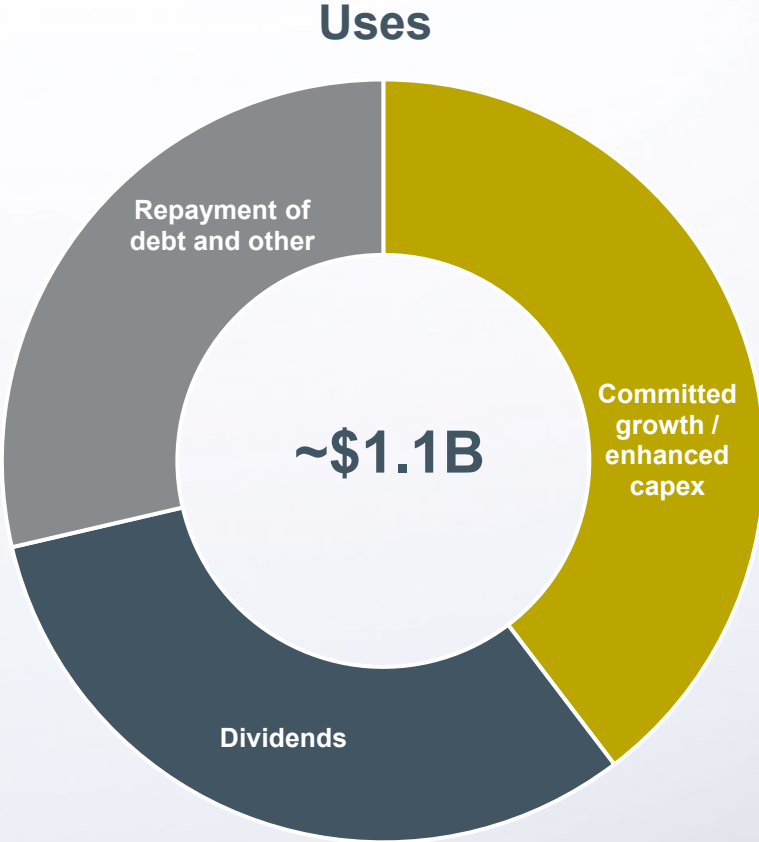
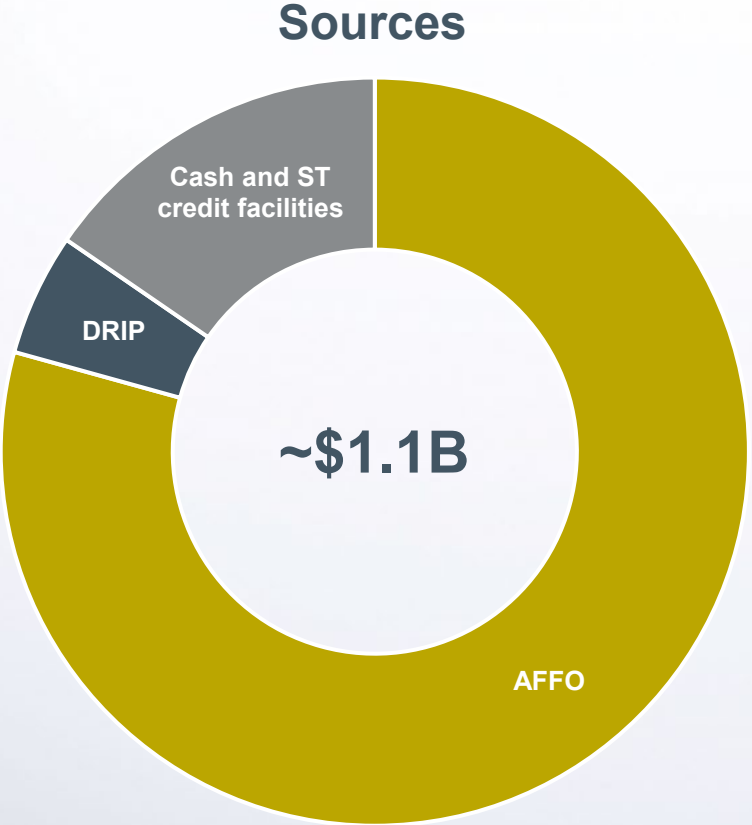
## AFFO



## Sustaining Capex



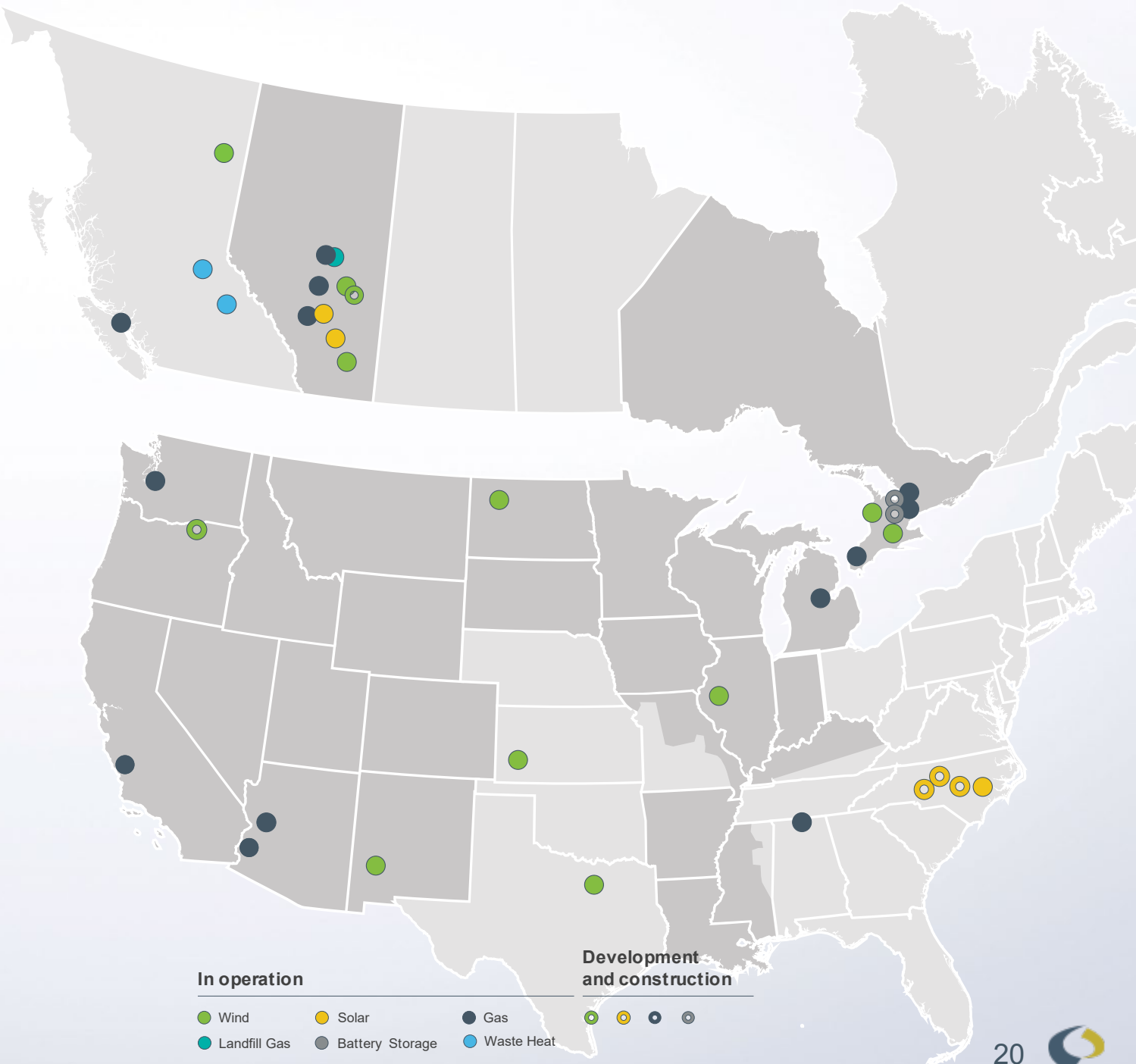
# 2025: Fully Funded | Strong Liquidity | Ready to Grow



# CPX: Largely insulated from potential tariffs

## Limited direct impacts from tariffs:

- Marginal exposure to cross-border commodity sales for RECs and electricity
- Limited near-term supply chain impacts to our projects in development
- Local fuel procurement and energy sales insulate our business from potential tariff impacts.



# CPX Investment Thesis

- ✓ **Strong fundamentals** favour existing gas generation capacity
- ✓ Large, diversified **existing generation footprint**
- ✓ Unparallel in-house **operational and commercial expertise**
- ✓ Proven ability to **acquire and optimize thermal generation assets**
- ✓ Contracted cash flow provides **stability and low-cost** capital



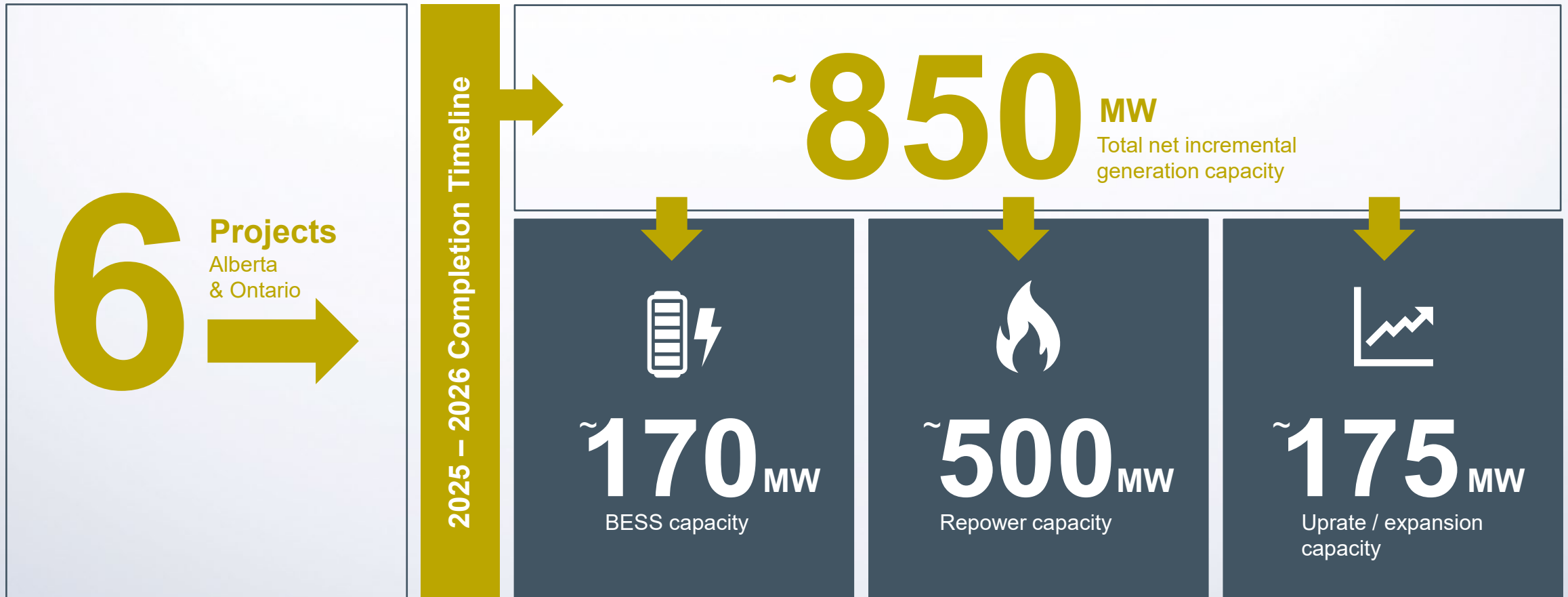
# Appendix I

## Power Industry Fundamentals



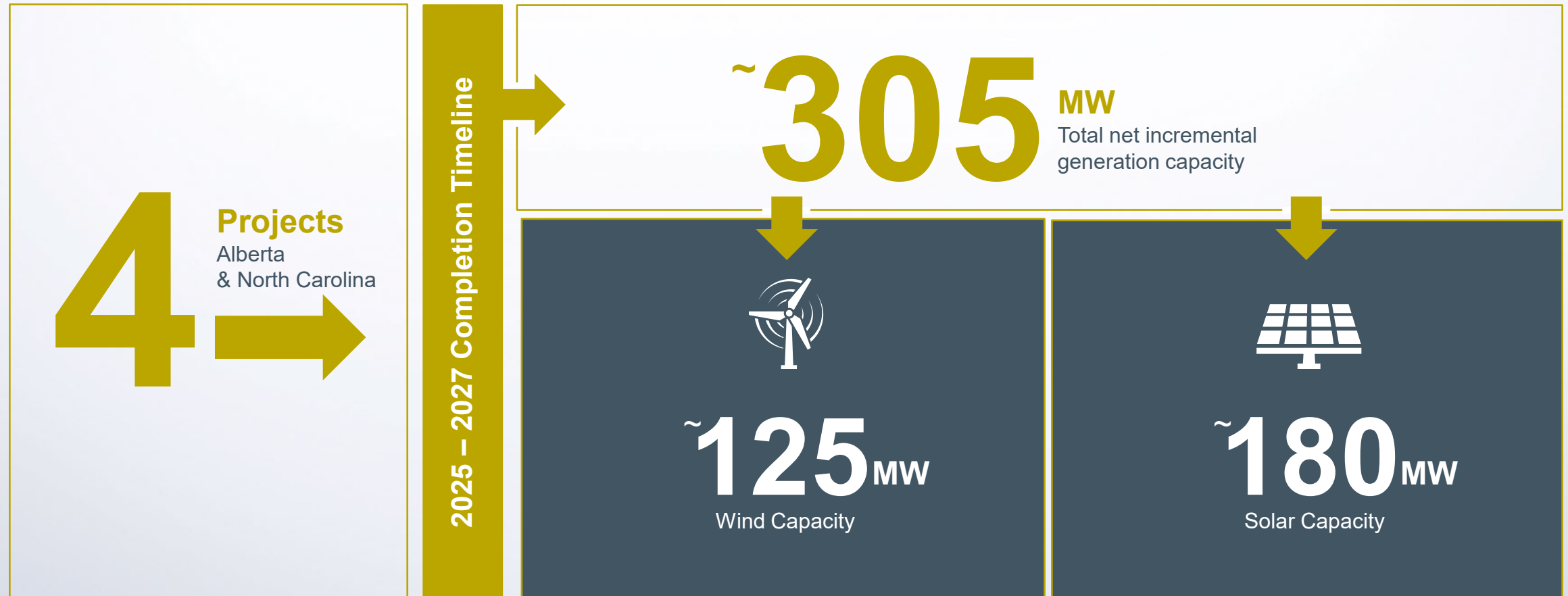
# Flexible Generation

## Project Portfolio Update



# Renewables

## Project Portfolio Update





# 2024: Renewable sell-down

## Optimizing our portfolio and crystalizing returns



### Asset Rotation Proceeds

\$333 M<sup>1</sup>



### Crystalized returns

Proceeds received  
exceeded targeted  
returns for renewables



### 49% sell-down of ownership interest

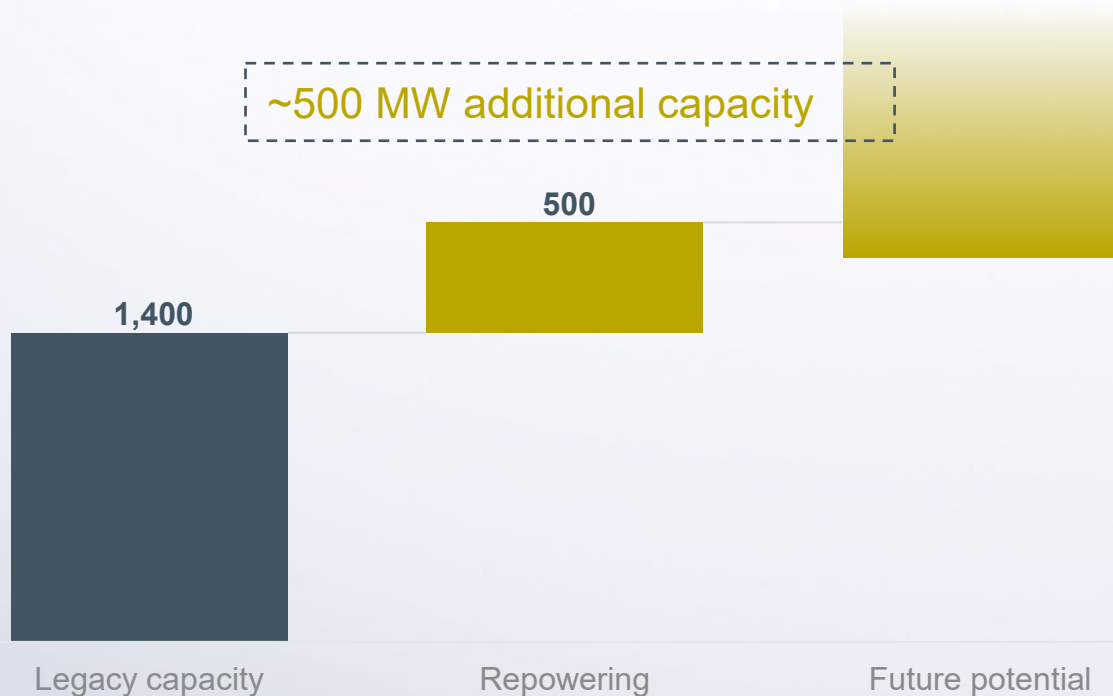
Two Canadian  
wind facilities

Renewable sell-down aligns with our portfolio optimization strategy

1. Total pre-tax cash proceeds from the transaction, inclusive of working capital

# 2024: Genesee off-coal | Repowering complete

## Genesee Generating Station capacity MW



## Repowering positions CPX to succeed



Generation capacity  
~1.9 GW



Future data  
center potential



Maximization of  
asset life



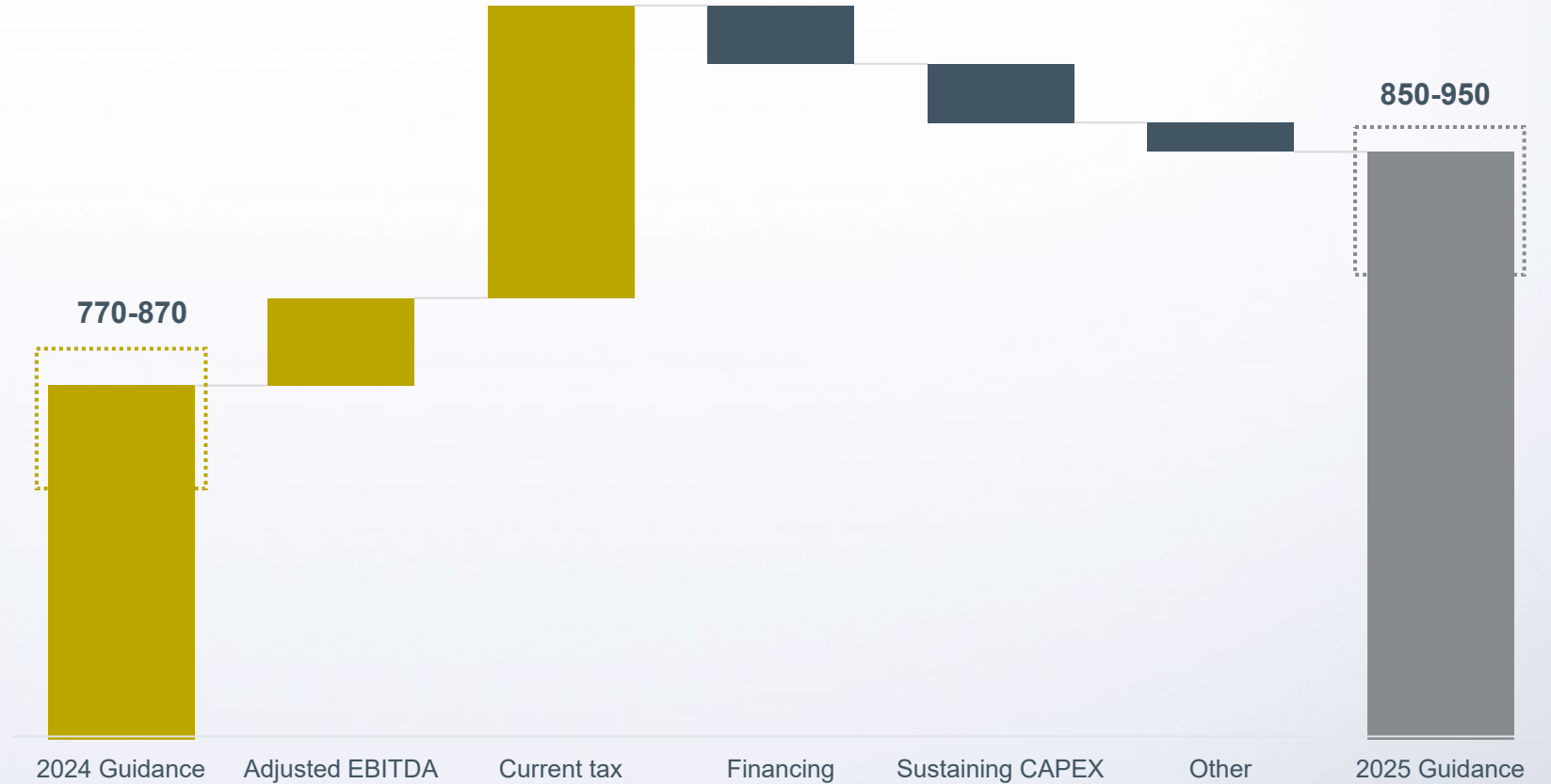
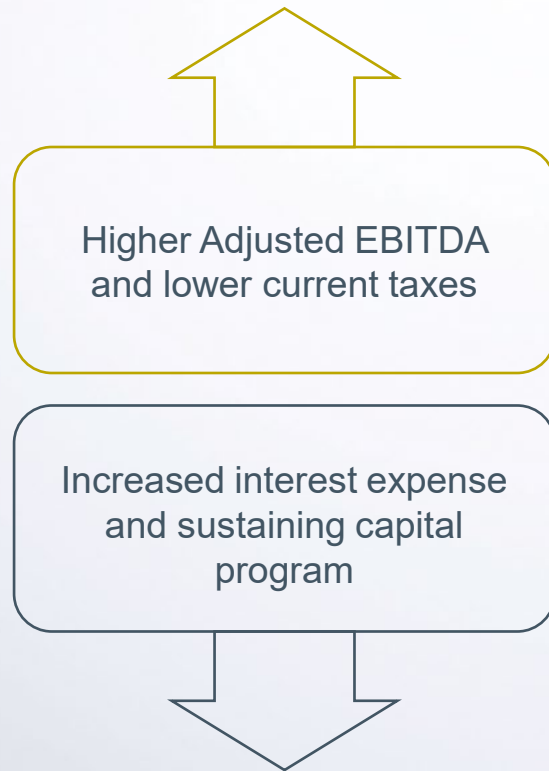
Most efficient  
CCGT in Canada



# Year over year adjusted EBITDA reconciliation (\$M)



# Year over year AFFO reconciliation (\$M)



We are committed to **growing our dividend per share**, as we invest in growth



1. Represents simple average of 2019 to 2023  
Subject to market conditions, economic outlook, cash flow forecast, and Board approval at the time

# 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 2024 performance targets including for facility availability, sustaining capital expenditures, hedged position, FFO to debt ratio, adjusted funds from operations (AFFO) and adjusted EBITDA;
- our plans to transition off-coal 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 and sustainability benefits including contributions to affordability, reliability, and decarbonization, 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 upgrade at Goreway and York Energy, Goreway Battery Energy Storage System (BESS), York Energy BESS, East Windsor expansion, and the Maple Leaf Solar project);
- the financing plans, transaction close timing, financial impacts, receipt of required regulatory approvals, and future development opportunities of Frederickson 1 Generating Station;
- future growth and emerging opportunities in our target markets;
- the impact of the regulatory developments on our projects and business;
- potential opportunities and partnerships with Indigenous communities;
- 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 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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