

For immediate release

April 29, 2026

Capital Power reports first quarter 2026 results, underpinned by strong flexible generation performance and continued contracting success

EDMONTON, Alberta – April 29, 2026 – Capital Power Corporation (TSX: CPX) today released financial results for the quarter ended March 31, 2026.

Highlights

- Extended the Arlington Valley summer tolling agreement with the existing investment-grade counterparty through 2038, adding 7 years of contracted revenue and approximately US\$70 million in incremental annual capacity payments by 2032 relative to 2025
- Generated AFFO of \$154 million and net cash flows from operating activities of \$312 million
- Generated adjusted EBITDA of \$404 million and net income of \$15 million
- Announced the appointment of Kevin MacIntosh as Chief Financial Officer, effective March 16, 2026

CEO Message

Our favorable first quarter results demonstrate the resilience of Capital Power's diversified, strategically positioned portfolio in a period of heightened global and market uncertainty. Our strategy continues to be grounded in securing durable, long-term contracts with creditworthy counterparties across a broad opportunity set. Demonstrating our ability to execute our strategy, we extended the summer tolling agreement at Arlington Valley to 2038.

Furthermore, we continue to proactively manage risk through our industry-leading supply and trading function. In combination, our focus on long-term contracting and risk management provides stable, predictable cash flows, and downside protection across cycles. This disciplined foundation allows us to remain focused on execution while maintaining a strong financial position and return proposition balanced between growth and yield.

Market fundamentals in our core regions remain constructive. In Alberta, enhanced certainty around key regulatory items and improving supply-demand dynamics reinforce a strengthening outlook, while PJM continues to offer attractive long-term fundamentals despite ongoing policy and market changes. Diversification across geographies and technologies remains a core strength for our business, enabling us to allocate capital prudently across natural gas, renewables, and battery energy storage where we find returns that are compelling.

We remain confident in our ability to deliver growth while maintaining our balanced risk-return profile. Our approach has not changed: disciplined capital allocation, long-term contracting, and a diversified platform that supports consistent performance through uncertainty while positioning Capital Power for long-term shareholder value creation.

Note: References to flexible generation are defined as natural gas generation assets and energy storage

2026 Annual Guidance

Priority	2026 targets	Status at March 31, 2026
Execution of major turnarounds	Sustaining capital expenditures of \$290 million to \$330 million	\$107 million^{1,2}
Generate financial stability and strength	AFFO ³ of \$890 million to \$1,010 million	\$154 million¹
	Adjusted EBITDA ³ of \$1,565 million to \$1,765 million	\$404 million¹

¹ For the three months ended March 31, 2026.

² Includes our share of equity-accounted investments sustaining capital expenditures of \$11 million net of partner contributions of \$9 million.

³ AFFO and adjusted EBITDA are non-GAAP financial measures. See Non-GAAP Financial Measures and Ratios.

Operational and Financial Highlights¹

(\$ millions, except per share amounts)	Three months ended March 31,	
	2026	2025
Electricity generation (Gigawatt hours) ²	11,468	9,555
Generation facility availability (%) ³	92	90
Revenues and other income	1,205	988
Net income	15	150
Net income attributable to shareholders of the Company	15	151
Basic earnings per share (\$)	0.04	1.03
Diluted earnings per share (\$) ⁴	0.04	1.03
Adjusted EBITDA ⁵	404	367
AFFO ⁵	154	218
AFFO per share (\$) ⁵	0.98	1.57
Net cash flows from operating activities	312	210
Purchase of property, plant and equipment and other assets, net	264	288
Dividends per common share, declared (\$)	0.6910	0.6519

¹ The operational and financial highlights in this press release should be read in conjunction with the Management's Discussion and Analysis (MD&A) and the unaudited condensed interim financial statements for the three months ended March 31, 2026.

² Gigawatt hours (GWh) of electricity generation reflects the Company's share of facility output and includes GWh discharged from BESS.

³ Facility availability represents the percentage of time in the period that the facility was available to generate power regardless of whether it was running and therefore is reduced by planned and unplanned outages.

⁴ Diluted earnings per share was calculated after giving effect to outstanding share purchase options.

⁵ The consolidated financial highlights, except for adjusted EBITDA, AFFO and AFFO per share were prepared in accordance with GAAP. See Non-GAAP Financial Measures and Ratios.

Significant Events

Kevin MacIntosh appointed Chief Financial Officer

On February 19, 2026, Kevin MacIntosh was appointed as Chief Financial Officer of the Company, effective March 16, 2026. Mr. MacIntosh has over 30 years of experience as a finance leader working in large, complex organizations within the global energy industry and brings expertise across multi-jurisdictional operations, cross-border transactions, energy trading and diverse regulatory landscapes.

Arlington Valley tolling agreement extension and increased summer capacity

In January 2026, Capital Power extended its summer tolling agreement for the Arlington Valley facility with the current counterparty, an investment-grade utility. The agreement extends the existing 2031 agreement through October 2038 adding 7 years of contracted revenue and positioning Capital Power for continued growth and value creation in the U.S. southwest. The 6-month contract structure enables the facility to capture increasing merchant value during the winter months, while retaining the stability of contracted summer revenues. As part of this agreement, the facility will undergo a 35 MW capacity uprate to summer capacity; 10 MWs will be added in 2026 and an additional 25 MWs in 2027.

The facility is expected to receive an increase in capacity payments of approximately US\$70 million annually by 2032, relative to 2025. This investment will strengthen Arlington Valley's ability to provide reliable power during Arizona's peak summer demand. Additional information regarding the accounting treatment is described in note 8 of the condensed interim consolidated financial statements for the period ended March 31, 2026.

Analyst conference call and webcast

Capital Power will be hosting a conference call and live webcast with analysts on April 29, 2026 at 9:00 am (MT) to discuss the first quarter financial results. The webcast can be accessed at: <https://edge.media-server.com/mmc/p/erwbtd8o>. Conference call details will be sent directly to analysts.

An archive of the webcast will be available on the Company's website at www.capitalpower.com following the conclusion of the analyst conference call.

Non-GAAP Financial Measures and Ratios

Capital Power uses (i) earnings before income tax expense, depreciation and amortization, net finance expense, foreign exchange gains or losses, gains or losses on disposals and other transactions, unrealized changes in fair value of commodity derivatives and emission credits, other expenses from our equity-accounted investments, acquisition and integration costs, and other items that are not reflective of the Company's facility operating performance (adjusted EBITDA), and (ii) adjusted funds from operations (AFFO) as specified financial measures. Adjusted EBITDA and AFFO are both non-GAAP financial measures.

Capital Power also uses AFFO per share as a specified 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 Capital Power, 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.

Adjusted EBITDA

Capital Power uses adjusted EBITDA to measure the operating performance of facilities and categories of facilities from period to period. Management believes that a measure of facility operating performance is more meaningful if results not related to facility operations are excluded from the adjusted EBITDA measure such as impairments, foreign exchange gains or losses, gains or losses on disposals and other transactions, unrealized changes in fair value of commodity derivatives and emission credits, acquisition and integration costs, and other items that are not reflective of the long-term performance of the Company's underlying operations.

A reconciliation of adjusted EBITDA to net income is as follows:

(\$ millions)	Three months ended March 31,	
	2026	2025
Net income	15	150
Depreciation and amortization	163	126
Unrealized changes in fair value of commodity derivatives and emission credits	68	(58)
Foreign exchange loss (gain)	10	(2)
Net finance expense	95	61
Loss on disposals and other transactions	–	1
Other items ¹	54	37
Other non-recurring items ²	–	4
Income tax (recovery) expense	(1)	48
Adjusted EBITDA	404	367

¹ Includes finance expense, depreciation expense and unrealized changes in fair value of derivative instruments from equity-accounted investments.

² For the three months ended March 31, 2025, other non-recurring items reflects costs related to the end-of-life of Genesee coal operations.

AFFO and AFFO per share

AFFO and AFFO per share are measures of our ability to generate cash from our operating activities to fund growth capital expenditures, repayment of debt, and payment of common share dividends.

AFFO represents net cash flows from operating activities adjusted to:

- exclude timing impacts of cash receipts and payments that may impact period-to-period comparability by including deductions for net finance expense and current income tax expense, and excluding deductions for interest paid, deductions for income taxes paid and changes in operating working capital,
- include our share of AFFO of equity-accounted investments and exclude distributions received from our equity-accounted investments which are calculated after the effect of non-operating activity equity-accounted investments debt payments,
- include cash from off-coal compensation received annually through to 2030,
- exclude the tax equity financing project investors' shares of AFFO associated with assets under tax equity financing structures so only Capital Power's share is reflected in the overall metric,
- exclude sustaining capital expenditures and preferred share dividends,
- exclude the impact of fair value changes in certain unsettled derivative financial instruments that are charged or credited to our bank margin account held with a specific exchange counterparty,
- exclude acquisition and integration costs, and
- exclude other typically non-recurring items affecting cash flows from operating activities that are not reflective of the long-term performance of the Company's underlying business.

A reconciliation of net cash flows from operating activities to AFFO is as follows:

(\$ millions except per share amounts)	Three months ended March 31,	
	2026	2025
Net cash flows from operating activities	312	210
Add (deduct):		
Interest paid	80	85
Change in fair value of derivatives reflected as cash settlement	(5)	(11)
Distributions received from equity-accounted investments	(30)	(5)
Miscellaneous financing charges paid ¹	4	(2)
Income taxes	—	(2)
Change in non-cash operating working capital	(48)	(25)
	1	40
Net finance expense ²	(88)	(53)
Current income tax (expense) recovery ³	(12)	27
Sustaining capital expenditures ⁴	(96)	(31)
Preferred share dividends paid	(7)	(7)
Remove tax equity interests' respective shares of AFFO	2	(1)
AFFO from equity-accounted investments	44	37
Other non-recurring items ⁵	(2)	(4)
AFFO	154	218
Weighted average number of common shares outstanding (millions)	156.3	139.2
AFFO per share (\$)	0.98	1.57

¹ Included in other cash items on the condensed interim consolidated statements of cash flows to reconcile net income to net cash flows from operating activities.

² Excludes unrealized changes on interest rate derivative contracts, amortization, accretion charges, and non-cash implicit interest on tax equity investment structures.

³ For the three months ended March 31, 2025, excludes current income tax expense related to the partial divestiture of Quality Wind and Port Dover and Nanticoke Wind in 2024 as the amount is classified as an investing activity.

⁴ Includes sustaining capital expenditures net of partner contributions of \$9 million and \$4 million for the three months ended March 31, 2026 and 2025, respectively.

⁵ For the three months ended March 31, 2026, other non-recurring items reflect current income tax recoveries of \$2 million related to other non-recurring items recognized in prior periods. For the three months ended March 31, 2025, other non-recurring items reflects costs related to the end-of-life of Genesee coal operations of \$5 million net of current income tax expenses of \$9 million.

Forward-looking information

Forward-looking information or statements (collectively, "forward-looking information") included in this press release are provided to inform our shareholders, potential investors and other stakeholders 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 press release 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 press release includes, among other things, expectations regarding:

- our priorities and strategies, including our strategy of securing durable, long-term contracts from creditworthy counterparties across a broad opportunity set,
- our 2026 performance targets, including sustaining capital expenditures, AFFO and adjusted EBITDA,
- the outcomes resulting from the Arlington Valley tolling agreement extension and capacity uprate project, including expectations regarding the anticipated capacity payment increase from the facility and the anticipated timing and realization of such financial benefits, and
- the construction of the solar projects in North Carolina and the timing of their expected commercial operation.

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 this forward-looking information relate to:

- electricity and other energy (including natural gas) and carbon prices,
- the Company's performance,
- the Company's business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects,
- the energy needs of certain jurisdictions,
- the status and impact of policy, legislation and regulations,
- effective tax rates,
- the development and performance of technology,
- the outcome of claims and disputes,
- foreign exchange rates, and
- other matters discussed under the Performance Outlook and Risks and Risk Management sections of the MD&A.

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 include:

- 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 market prices and 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 of the MD&A.

See Risks and Risk Management in our 2025 Integrated Annual Report, for further discussion of these and other risks.

Readers are cautioned not to place undue reliance on any such forward-looking information, which speak only as of the date made and that other events or circumstances, although not listed above, could cause Capital Power's actual results to differ materially from those estimated or projected and expressed in, or implied by the forward-looking information. Capital Power does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking information 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.

About Capital Power

Capital Power is one of North America's leading independent power producers, with approximately 12 GW of generation capacity across 35 facilities. Our portfolio includes natural gas, renewables, and battery energy storage solutions. We deliver power generation at utility-scale through a flexible and resilient fleet built to meet growing electricity demand. Backed by an investment-grade credit rating, we provide safe, reliable power communities can depend on. We are Powering Change by Changing Power™.

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CAPITAL POWER CORPORATION

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A), prepared as of April 28, 2026, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Capital Power Corporation and its subsidiaries for the three months ended March 31, 2026, the audited consolidated financial statements and the 2026 Performance Targets, Executing our Strategic Focus - Deliberate Growth, Durable Performance, Business Report sections, and the Forward-Looking Information sections of the Integrated Annual Report of Capital Power Corporation for the year ended December 31, 2025 (the 2025 Integrated Annual Report), the Annual Information Form of Capital Power Corporation dated March 4, 2026, and the cautionary statements regarding Forward-Looking Information which begin on page 8.

In this MD&A, any reference to the Company or Capital Power, except where otherwise noted or the context otherwise indicates, means Capital Power Corporation together with its subsidiaries.

In this MD&A, financial information for the three months ended March 31, 2026 and March 31, 2025 is based on the unaudited condensed interim consolidated financial statements of the Company for such periods which were prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board and constitute Canadian generally accepted accounting principles (GAAP). All financial information is presented in Canadian dollars unless otherwise specified. In accordance with its terms of reference, the Audit Committee of the Company's Board of Directors reviews the contents of the MD&A and recommends its approval by the Board of Directors. The Board of Directors approved this MD&A as of April 28, 2026.

FORWARD-LOOKING INFORMATION

Forward-looking information or statements (collectively, "forward-looking information") included in this MD&A are provided to inform our shareholders, potential investors and other stakeholders 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, among other things, expectations regarding:

- our priorities and long-term strategies, including our strategy of acquiring and optimizing existing natural gas capacity, our corporate and decarbonization strategies, and our pursuit of lower-carbon power solutions,
- our 2026 performance targets, including sustaining capital expenditures, adjusted funds from operations (AFFO) and adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA), and the expected trajectory of performance relative to guidance, re-contracting/contracting natural gas generation, maximizing facility asset life and value, continuing construction of growth and commercial initiative projects, and continuing to explore opportunities to build or acquire natural gas generation and renewables facilities, including opportunities to co-locate with data centres,
- future revenues, expenses, earnings, adjusted EBITDA (including from contracted assets) 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 projected 2026 and long-term targeted dividend growth,
- our sources of funding, adequacy and availability of committed bank credit facilities and future borrowings, various aspects around existing, planned and potential development projects and acquisitions (including East Windsor Expansion, Maple Leaf Solar, Hornet Solar and Bear Branch Solar projects). This includes expectations around timing, generation capacity, costs of technologies selected, environmental and sustainability benefits, and commercial and partnership arrangements,
- our 2026 estimated capital expenditures for previously announced growth projects,
- the performance of future projects and the performance of such projects in comparison to the market,
- the increase in outage days in 2026 expected for the Company's Canadian flexible generation portfolio,
- anticipated pricing trends, growth opportunities, market conditions, and future power demand in the Pennsylvania-New Jersey-Maryland (PJM) market including the intention to extend the capacity market price collar through 2030, pending Federal Energy Regulatory Commission (FERC) approval,
- power requirements and demand, future growth, and emerging opportunities in our target markets,
- our plans for continuing to evaluate the deployment of nuclear through small modular reactors (SMRs) in Alberta,
- market and regulation designs and regulatory and legislative proposals and changes, regulatory updates, initiatives, projects and the impact thereof on the Company's core markets and business,
- 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,
- the outcomes resulting from the Arlington Valley tolling agreement extension and capacity uprate project, including expectations regarding the anticipated capacity payment increase from the facility and the anticipated timing and realization of such financial benefits, and
- the anticipated benefits, outcomes, projected timing, and terms of strategic agreements.

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 this forward-looking information relate to:

- electricity and other energy (including natural gas) and carbon prices,
- the Company's performance,
- the Company's business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects,
- the energy needs of certain jurisdictions,
- the status and impact of policy, legislation and regulations,
- effective tax rates,
- the development and performance of technology,
- the outcome of claims and disputes,
- foreign exchange rates, and
- other matters discussed under the Performance Outlook and Risks and Risk Management sections of this MD&A.

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 include:

- 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 market prices and 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 of this MD&A.

See Risks and Risk Management in our 2025 Integrated Annual Report, for further discussion of these and other risks.

Readers are cautioned not to place undue reliance on any such forward-looking information, which speak only as of the date made and that other events or circumstances, although not listed above, could cause Capital Power's actual results to differ materially from those estimated or projected and expressed in, or implied by the forward-looking information. Capital Power does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking information 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.

OVERVIEW OF BUSINESS AND CORPORATE STRUCTURE

Capital Power is one of North America's leading independent power producers, with approximately 12 GW of generation capacity across 35 facilities. Our portfolio includes natural gas, renewables, and battery energy storage solutions (BESS). We deliver power generation at utility-scale through a flexible and resilient fleet built to meet growing electricity demand. Backed by an investment-grade credit rating, we provide safe, reliable power communities can depend on. We are Powering Change by Changing Power™.

The Company's power generation operations and assets are owned by Capital Power L.P. (CPLP), Capital Power L.P. Holdings Inc., and Capital Power (US Holdings) Inc., all wholly owned subsidiaries of the Company.

PERFORMANCE OUTLOOK

The following discussion should be read in conjunction with the forward-looking information section of this MD&A which identifies the material factors and assumptions used to develop forward-looking information and their material associated risk factors.

We measure our operational and financial performance in relation to our corporate strategy through financial and non-financial targets approved by the Board of Directors. The measurement categories include corporate measures and measures specific to certain groups within Capital Power. The corporate measures are company-wide and include adjusted EBITDA, AFFO, commercial initiatives for data centres and renewables growth in the U.S. as well as safety. The group-specific measures include facility operating margin and other operations measures, committed capital, construction and sustaining capital expenditures on budget and on schedule, and facility site safety.

A guidance presentation was held in December 2025 providing financial guidance for 2026 AFFO and adjusted EBITDA. There have been no changes to the 2026 financial guidance ranges previously issued. Adjusted EBITDA and AFFO are non-GAAP financial measures that do not have standardized meanings and may not be comparable to similar measures by other issuers. Refer to the Non-GAAP Financial Measures and Ratios section in this MD&A for further details.

The 2026 targets and forecasts are based on numerous assumptions, including power and natural gas price forecasts. They do not include the effects of potential future acquisitions or development activities, asset sell-downs or potential market and operational impacts relating to unplanned facility outages, including outages at facilities of other market participants, and the related impacts on market power prices.

To ensure portfolio reliability, and to best position the assets to capitalize on stronger market fundamentals beyond 2026, our Alberta maintenance schedule was updated in the third quarter of 2025. In 2026, we expect approximately a 40% increase in outage days for our Canada flexible generation portfolio.

Operational priorities and performance targets for Capital Power in 2026 include a balanced approach to the energy transition:

Priority	2026 targets	Status at March 31, 2026
Execution of major turnarounds	Sustaining capital expenditures of \$290 million to \$330 million	\$107 million ^{1,2}
Generate financial stability and strength	AFFO ³ of \$890 million to \$1,010 million Adjusted EBITDA ³ of \$1,565 million to \$1,765 million	\$154 million ¹ \$404 million ¹
Portfolio optimization	Re-contract/contract natural gas generation Maximize facility asset life and value	In Q1 2026, the Company extended its summer tolling agreement for Arlington Valley from 2031 to October 2038. As part of this agreement, the facility will undergo a 35 MW capacity uprate (see Significant Events). Discussions with counterparties for other flexible generation facilities are in progress.
Expand flexible generation portfolio	Continue construction on Ontario growth and commercial initiative projects Continue to explore opportunities to build or acquire natural gas generation facilities	Construction is underway and the projects remain on track to meet their targeted completion dates (see Capital Expenditures and Investments). Heavy construction on East Windsor Expansion is nearing completion and commissioning work is underway with completion expected in Q3 2026, as targeted.
Grow renewables portfolio	Continue construction of North Carolina growth projects Continue to explore opportunities to build or acquire renewables facilities	Construction for the North Carolina solar projects continued into 2026 and remains on schedule for targeted completion (see Capital Expenditures and Investments).
Advance balanced energy solutions such as low-carbon solutions	Evaluate SMRs in Alberta Continue to explore opportunities to co-locate with data centres across North America	Pre-feasibility study work for the Alberta SMR project with Ontario Power Generation remains on track, and we continue to evaluate the development opportunity through this project. We remain in various stages of discussion with several prospective customers about the potential to co-locate or otherwise serve data centre demand at our sites across North America.

¹ For the three months ended March 31, 2026.

² Includes our share of equity-accounted investments sustaining capital expenditures of \$11 million net of partner contributions of \$9 million.

³ AFFO and adjusted EBITDA are non-GAAP financial measures. See Non-GAAP Financial Measures and Ratios.

Our dividend growth is projected to be 2% for 2026 with a long-term targeted dividend growth guidance of 2-4% thereafter. Each annual increase is premised on the assumptions listed under Forward-looking information and subject to approval by the Board at the time of increase.

See Liquidity and Capital Resources for discussion of expected sources of funding.

NON-GAAP FINANCIAL MEASURES AND RATIOS

Capital Power uses (i) earnings before income tax expense, depreciation and amortization, net finance expense, foreign exchange gains or losses, gains or losses on disposals and other transactions, unrealized changes in fair value of commodity derivatives and emission credits, other expenses from our equity-accounted investments, acquisition and integration costs, and other items that are not reflective of the Company's facility operating performance (adjusted EBITDA), and (ii) AFFO as specified financial measures. Adjusted EBITDA and AFFO are both non-GAAP financial measures.

Capital Power also uses AFFO per share as a specified 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 Capital Power, 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.

Adjusted EBITDA

Capital Power uses adjusted EBITDA to measure the operating performance of facilities and categories of facilities from period to period. Management believes that a measure of facility operating performance is more meaningful if results not related to facility operations are excluded from the adjusted EBITDA measure such as impairments, foreign exchange gains or losses, gains or losses on disposals and other transactions, unrealized changes in fair value of commodity derivatives and emission credits, acquisition and integration costs, and other items that are not reflective of the long-term performance of the Company's underlying operations.

A reconciliation of adjusted EBITDA to net income is as follows:

(\$ millions)	Three months ended March 31,	
	2026	2025
Net income	15	150
Depreciation and amortization	163	126
Unrealized changes in fair value of commodity derivatives and emission credits	68	(58)
Foreign exchange loss (gain)	10	(2)
Net finance expense	95	61
Loss on disposals and other transactions	–	1
Other items ¹	54	37
Other non-recurring items ²	–	4
Income tax (recovery) expense	(1)	48
Adjusted EBITDA ³	404	367

¹ Includes finance expense, depreciation expense and unrealized changes in fair value of derivative instruments from equity-accounted investments.

² For the three months ended March 31, 2025, other non-recurring items reflects costs related to the end-of-life of Genesee coal operations.

³ Adjusted EBITDA is a non-GAAP financial measure. See Non-GAAP Financial Measures and Ratios.

AFFO and AFFO per share

AFFO and AFFO per share are measures of our ability to generate cash from our operating activities to fund growth capital expenditures, repayment of debt, and payment of common share dividends.

AFFO represents net cash flows from operating activities adjusted to:

- exclude timing impacts of cash receipts and payments that may impact period-to-period comparability by including deductions for net finance expense and current income tax expense, and excluding deductions for interest paid, deductions for income taxes paid and changes in operating working capital,
- include our share of AFFO of equity-accounted investments and exclude distributions received from our equity-accounted investments which are calculated after the effect of non-operating activity equity-accounted investments debt payments,
- include cash from off-coal compensation received annually through to 2030,
- exclude the tax equity financing project investors' shares of AFFO associated with assets under tax equity financing structures so only Capital Power's share is reflected in the overall metric,
- exclude sustaining capital expenditures and preferred share dividends,
- exclude the impact of fair value changes in certain unsettled derivative financial instruments that are charged or credited to our bank margin account held with a specific exchange counterparty,
- exclude acquisition and integration costs, and
- exclude other typically non-recurring items affecting cash flows from operating activities that are not reflective of the long-term performance of the Company's underlying business.

A reconciliation of net cash flows from operating activities to AFFO is as follows:

(\$ millions except per share amounts)	Three months ended	
	March 31,	
	2026	2025
Net cash flows from operating activities	312	210
Add (deduct):		
Interest paid	80	85
Change in fair value of derivatives reflected as cash settlement	(5)	(11)
Distributions received from equity-accounted investments	(30)	(5)
Miscellaneous financing charges paid ¹	4	(2)
Income taxes	–	(2)
Change in non-cash operating working capital	(48)	(25)
	1	40
Net finance expense ²	(88)	(53)
Current income tax (expense) recovery ³	(12)	27
Sustaining capital expenditures ⁴	(96)	(31)
Preferred share dividends paid	(7)	(7)
Remove tax equity interests' respective shares of AFFO	2	(1)
AFFO from equity-accounted investments	44	37
Other non-recurring items ⁵	(2)	(4)
AFFO	154	218
Weighted average number of common shares outstanding (millions)	156.3	139.2
AFFO per share (\$)	0.98	1.57

¹ Included in other cash items on the condensed interim consolidated statements of cash flows to reconcile net income to net cash flows from operating activities.

² Excludes unrealized changes on interest rate derivative contracts, amortization, accretion charges, and non-cash implicit interest on tax equity investment structures.

³ For the three months ended March 31, 2025, excludes current income tax expense related to the partial divestiture of Quality Wind and Port Dover and Nanticoke Wind in 2024 as the amount is classified as an investing activity.

⁴ Includes sustaining capital expenditures net of partner contributions of \$9 million and \$4 million for the three months ended March 31, 2026 and 2025, respectively.

⁵ For the three months ended March 31, 2026, other non-recurring items reflect current income tax recoveries of \$2 million related to other non-recurring items recognized in prior periods. For the three months ended March 31, 2025, other non-recurring items reflect costs related to the end-of-life of Genesee coal operations of \$5 million and current income tax recoveries of \$9 million.

FINANCIAL HIGHLIGHTS

(\$ millions, except per share amounts)	Three months ended	
	March 31,	
	2026	2025
Revenues and other income	1,205	988
Net income	15	150
Net income attributable to shareholders of the Company	15	151
Basic earnings per share (\$)	0.04	1.03
Diluted earnings per share (\$) ¹	0.04	1.03
Adjusted EBITDA ²	404	367
AFFO ²	154	218
AFFO per share (\$) ²	0.98	1.57
Net cash flows from operating activities	312	210
Purchase of property, plant and equipment and other assets, net	264	288
Dividends per common share, declared (\$)	0.6910	0.6519
Dividends per Series 1 preferred share, declared (\$)	0.3099	0.1638
Dividends per Series 3 preferred share, declared (\$)	0.4288	0.4288
Dividends per Series 5 preferred share, declared (\$)	0.4144	0.4144

	As at	
	March 31, 2026	December 31, 2025
Loans and borrowings including current portion	6,855	6,730
Total assets	15,625	15,441

¹ Diluted earnings per share was calculated after giving effect to outstanding share purchase options.

² The consolidated financial highlights, except for adjusted EBITDA, AFFO and AFFO per share were prepared in accordance with GAAP. See Non-GAAP Financial Measures and Ratios.

Revenues and other income for the three months ended March 31, 2026, increased compared to the corresponding period in 2025 mainly due to contributions from the Hummel Station and Rolling Hills facilities acquired in June 2025, partly offset by lower unrealized gains on commodity derivatives and emission credits.

Net income for the three months ended March 31, 2026, was lower than the same period last year due to the net impacts of:

- changes in adjusted EBITDA described below,
- unfavorable changes in unrealized changes in fair value of commodity derivatives,
- higher depreciation and amortization primarily from the Hummel Station and Rolling Hills facilities acquired in June 2025,
- higher net finance expense due to increased long term loans and borrowings to fund strategic growth initiatives, and
- income tax recovery in the current period compared with an expense in the comparative period primarily due to lower overall consolidated net income before tax.

Basic and diluted earnings per share changes were driven by the same factors as net income, and the changes from period to period in the weighted average number of common shares outstanding.

Adjusted EBITDA for the three months ended March 31, 2026 was higher than the same period last year due to:

- contributions from the Hummel Station and Rolling Hills facilities acquired in June 2025,
- partially offset by higher corporate expenses driven by higher staffing costs due to growth in the U.S. and higher equity-based compensation due to the Company's share price performance.

See Consolidated Net Income and Results of Operations for further discussion of the key drivers of the changes in revenues and other income, net income and net income attributable to shareholders of the Company and adjusted EBITDA.

AFFO for the three months ended March 31, 2026, was lower than the corresponding period in 2025 primarily due to:

- higher sustaining capital expenditures, reflecting increased activity across the U.S. flexible generation portfolio.
- higher finance expense described above, and
- increased current income tax expense mainly due to less tax depreciation,
- partially offset by higher adjusted EBITDA described above.

See Liquidity and Capital Resources for discussion of key drivers of changes in net cash flows from operating activities.

Purchases of property, plant and equipment and other assets is discussed in Liquidity and Capital Resources.

SIGNIFICANT EVENTS

Kevin MacIntosh appointed Chief Financial Officer

On February 19, 2026, Kevin MacIntosh was appointed as Chief Financial Officer of the Company, effective March 16, 2026. Mr. MacIntosh has over 30 years of experience as a finance leader working in large, complex organizations within the global energy industry and brings expertise across multi-jurisdictional operations, cross-border transactions, energy trading and diverse regulatory landscapes.

Arlington Valley tolling agreement extension and increased summer capacity

In January 2026, Capital Power extended its summer tolling agreement for the Arlington Valley facility with the current counterparty, an investment-grade utility. The agreement extends the existing 2031 agreement through October 2038 adding 7 years of contracted revenue and positioning Capital Power for continued growth and value creation in the U.S. southwest. The 6-month contract structure enables the facility to capture increasing merchant value during the winter months, while retaining the stability of contracted summer revenues. As part of this agreement, the facility will undergo a 35 MW capacity uprate to summer capacity; 10 MWs will be added in 2026 and an additional 25 MWs in 2027.

The facility is expected to receive an increase in capacity payments of approximately US\$70 million annually by 2032, relative to 2025. This investment will strengthen Arlington Valley's ability to provide reliable power during Arizona's peak summer demand. Additional information regarding the accounting treatment is described in note 8 of the condensed interim consolidated financial statements for the period ended March 31, 2026.

CONSOLIDATED NET INCOME AND RESULTS OF OPERATIONS

The primary factors contributing to the change in consolidated net income for the three months ended March 31, 2026, compared with 2025 are presented below followed by further discussion of these items.

(\$ millions)	Three months	
Consolidated net income for the period ended March 31, 2025		150
Increase (decrease) in adjusted EBITDA ¹ :		
Canada flexible generation	(13)	
Canada renewables	—	
U.S. flexible generation	81	
U.S. renewables	(8)	
Corporate	(23)	37
Change in unrealized net gains or losses related to the fair value of commodity derivatives and emission credits		(126)
Increase in depreciation and amortization expense		(37)
Change in foreign exchange gains or losses		(12)
Increase in net finance expense from equity accounted investments		(17)
Increase in net finance expense		(34)
Decrease in loss on disposals and other transactions		1
Non-recurring items		4
Decrease in income before tax		(184)
Decrease in income tax expense		49
Decrease in net income		(135)
Consolidated net income for the period ended March 31, 2026		15

¹ Adjusted EBITDA is a non-GAAP financial measure. See Non-GAAP Financial Measures and Ratios.

Results by segment and other

	Three months ended March 31,							
	2026	2025	2026	2025	2026	2025	2026	2025
	Electricity generation (GWh) ¹		Availability (%) ²		Revenues and other income (\$ millions) ^{3,4,5}		Adjusted EBITDA (\$ millions) ^{3,4,5}	
Total electricity generation, average availability and facility revenues	11,468	9,555	92	90	1,008	606		
Canada flexible generation	4,562	4,799	94	94	582	580	194	207
Canada renewables	685	597	96	96	30	30	33	33
Total Canada	5,247	5,396	95	94	612	610	227	240
U.S. flexible generation	5,644	3,575	90	85	521	250	200	119
U.S. renewables	577	584	91	90	36	41	23	31
Total U.S.	6,221	4,159	90	86	557	291	223	150
Corporate ⁶					8	14	(46)	(23)
Unrealized changes in fair value of commodity derivatives and emission credits					28	73		
Consolidated revenues and other income and adjusted EBITDA					1,205	988	404	367

¹ Gigawatt hours (GWh) of electricity generation reflects the Company's share of facility output and includes GWh discharged from BESS.

² Facility availability represents the percentage of time in the period that the facility was available to generate power regardless of whether it was running and therefore is reduced by planned and unplanned outages.

³ The results by segment and other, except for adjusted EBITDA, were prepared in accordance with GAAP. See Non-GAAP Financial Measures and Ratios.

⁴ Quality Wind, York Energy, Port Dover and Nanticoke Wind, Midland Cogeneration and Harquahala are accounted for under the equity method. Capital Power's share of each facility's net income is included in income from equity-accounted investments on our consolidated statements of income. The facilities revenues and other income are not included in the above results. Capital Power's share of each facility's adjusted EBITDA is included in adjusted EBITDA above.

⁵ Capital Power's share of revenue and adjusted EBITDA from equity-accounted investments was \$173 million and \$63 million for the three months ended March 31, 2026, respectively, compared with \$149 million and \$61 million for the three months ended March 31, 2025, respectively.

⁶ Corporate revenues are partially offset by interplant category eliminations.

Average power and natural gas energy pricing

Average prices	Units	Three months ended	
		March 31,	
		2026	2025
Power			
Alberta AESO	(\$/MWh)	32.16	39.77
Alberta realized power price average ¹	(\$/MWh)	83.37	74.61
PJM - Western Hub	(US\$/MWh)	81.02	N/A
PJM - AEP Dayton Hub	(US\$/MWh)	70.64	N/A
PJM realized power price average ^{1,2}	(US\$/MWh)	54.71	N/A
CAISO SP15	(US\$/MWh)	25.07	32.26
California realized power price average ^{1,3}	(US\$/MWh)	382.56	90.95
Natural gas			
Alberta AECO	(\$/GJ)	1.93	2.03
Alberta realized natural gas price average ⁴	(\$/GJ)	3.72	2.63
PJM - Transco Leidy	(US\$/MMBtu)	5.95	N/A
PJM - Tetco ELA	(US\$/MMBtu)	4.92	N/A
PJM realized natural gas price average ⁴	(US\$/MMBtu)	5.12	N/A
SoCal Border	(US\$/MMBtu)	1.96	3.30
California realized natural gas price average ⁴	(US\$/MMBtu)	21.66	5.37

¹ Realized power price is the average aggregate price realized through selling power generation into the spot market, the Company's commercial contracted sales and portfolio optimization activities. When long-term forward portfolio optimization hedges are transacted, they reflect the market's expectations for future period pricing. Ultimately, spot pricing may vary from expected forward pricing due to a number of factors resulting in realized power prices in a given period that can differ materially from spot pricing.

² Realized power price excludes PJM capacity revenues.

³ Realized power price excludes California resource adequacy revenues.

⁴ Realized natural gas price is the average aggregate price realized through the purchase of natural gas to fuel the Company's generation, including spot market purchases, the Company's commercial contracted arrangements, and portfolio optimization activities. When long-term forward portfolio optimization hedges are transacted, they reflect the market's expectation for future period pricing. Ultimately, spot pricing may vary from expected forward pricing due to a number of factors, resulting in realized gas prices in a given period that can differ materially from spot pricing.

Canada flexible generation

Alberta spot price averaged \$32 per MWh for the first three months of 2026, compared to \$40 per MWh in the same period last year. Mild temperatures across the province throughout the majority of the period and strong supply resulted in lower Alberta settled and captured pricing by our Alberta portfolio year-over-year.

Generation for the three months ended March 31, 2026 was lower compared to the same period in the previous year while availability remained consistent due to the following net effect:

- lower generation at Genesee Generation Station due to a planned outage, and lower dispatch on the rest of the Alberta fleet due to decreased power prices,
- generation from the Ontario BESS projects, which began commercial operation in September 2025,
- higher generation at Goreway and York Energy due higher demand amid colder weather.

Revenues and other income remained consistent year-over-year, despite lower generation and stable availability, as lower Alberta spot power pricing was muted by favorable trading activity resulting in a higher realized price compared to prior year, contributions from the Ontario BESS projects and higher generation and realized pricing at Goreway.

Adjusted EBITDA declined year-over-year due mainly to higher realized natural gas pricing in Alberta compared to 2025 and increased maintenance costs in Ontario.

Canada renewables

While availability remained consistent year-over-year, generation was higher for the first quarter of 2026 compared to the first quarter of 2025 due to stronger wind resources and the addition of Halkirk 2 Wind which achieved commercial operation in the fourth quarter of 2025. Revenues and other income and adjusted EBITDA were consistent year-over-year as the stronger generation was offset by lower Alberta captured pool prices.

U.S. flexible generation

Generation for the three months ended March 31, 2026 increased compared to the same period in 2025 due to the following net effect:

- acquisition of the Hummel Station and Rolling Hills facilities in June 2025,
- higher dispatch of Midland Cogeneration Venture (MCV) due to lower natural gas costs throughout most of the quarter, which improved the facility's merit curve position,
- partially offset by lower dispatch of the other U.S. flexible generation facilities due to lower demand amid milder temperatures.

Higher availability compared to the same quarter last year is driven by the strong performance of the newly acquired Hummel Station and Rolling Hills facilities.

Revenues and other income for the three months ended March 31, 2026 exceeded prior year results due to the newly acquired Hummel Station and Rolling Hills facilities, partially offset by lower generation at Decatur and La Paloma due to lower demand amid milder temperatures. Strong trading results at La Paloma in the first quarter of 2026 partly offset the impact of lower dispatch from the facility compared to the same period in 2025.

Adjusted EBITDA for the three months ended March 31, 2026 was further impacted by higher maintenance costs due to increased outage scope at Arlington Valley, lower contracted capacity rates at MCV, higher natural gas costs at La Paloma due to trading activity, unfavorable trading activity results for Hummel Station and Rolling Hills in periods of extreme weather during the quarter, and unfavorable foreign exchange translation impacts resulting from a weaker U.S. dollar.

U.S. renewables

Despite consistent generation and availability year-over-year, revenues and other income and adjusted EBITDA of U.S. renewables decreased, reflecting lower power pricing, and increased turbine blade maintenance expenses at Cardinal Point Wind.

Corporate

Corporate results include (i) costs of support services such as treasury, finance, internal audit, legal, people services, enterprise risk management, asset management, and environment, health and safety, and (ii) business development expenses. Cost recovery revenues are primarily intercompany revenues that are offset by interplant category transactions.

Net corporate revenues and other income for the three months ended March 31, 2026 were lower compared to the same period in 2025, primarily due to higher insurance proceeds recorded in 2025. Adjusted EBITDA for the three months ended March 31, 2026 was lower compared with the same period in 2025 primarily due to the noted insurance proceeds, higher staffing costs driven by growth in the U.S., and higher equity-based compensation in 2026 due to the Company's share price performance.

Unrealized changes in fair value of commodity derivatives and emission credits

(\$ millions)	Three months ended March 31,			
	2026	2025	2026	2025
Unrealized changes in fair value of commodity derivatives and emission credits	Revenues and other income ¹		Income before tax ¹	
Unrealized (losses) gains on power derivatives	(1)	126	(8)	108
Unrealized gains (losses) on natural gas derivatives	26	(29)	(34)	13
Unrealized gains (losses) on emission derivatives and credits held for trading	3	(24)	(26)	(63)
	28	73	(68)	58

¹ Revenues and other income and adjusted EBITDA include realized changes in the fair value of commodity derivatives and emission credits but exclude unrealized changes in these values. The unrealized changes are also excluded from our adjusted EBITDA metric.

When a derivative instrument settles, the unrealized fair value changes recorded in prior periods for that instrument are reversed from this category. The gain or loss realized upon settlement is then reflected in adjusted EBITDA for the relevant facility category.

During the three months ended March 31, 2026, we recorded unrealized losses on power derivatives of \$8 million reflecting increasing forward prices on net forward sale contracts for our PJM and U.S. wind facilities, offset by decreasing forward prices on net forward sale contracts in Alberta. During the comparable period in March 31, 2025, we recorded unrealized gains of \$108 million driven by decreasing forward prices on net forward sale contracts.

During the three months ended March 31, 2026, we recognized unrealized losses on natural gas derivatives of \$34 million reflecting decreasing forward pricing on net forward buy contracts in the U.S and Alberta. During the comparable period in March 31, 2025, we recognized unrealized gains of \$13 million driven by increasing forward prices on forward purchase contracts.

During the three months ended March 31, 2026, we recorded \$26 million in unrealized losses on U.S. emissions derivatives, reflecting decreasing forward prices on net forward purchases. During the comparable period in March 31, 2025 unrealized losses on emissions derivatives totalled \$63 million, also driven by decreased forward prices on net forward purchases.

Consolidated other expenses and non-controlling interests

(\$ millions)	Three months ended	
	March 31,	
	2026	2025
Net finance expense	(95)	(61)
Depreciation and amortization	(163)	(126)
Foreign exchange (loss) gain	(10)	2
Other items from equity-accounted investments ¹	(54)	(37)
Income tax recovery (expense)	1	(48)

¹ Includes finance expense, depreciation expense and fair value changes on derivatives from equity-accounted investments.

Net finance expense

Higher net finance expense for the three months ended March 31, 2026 compared with the same period in the prior year largely reflects higher interest expense due to the increased loans and borrowings outstanding from draws on the \$600 million credit facility, \$1.7 billion senior notes issued during 2025 to fund the Hummel Station and Rolling Hills acquisition, and lower interest revenue earned on Canadian cash balances. This was further impacted by lower capitalized interest during 2026 due to the completion of the Ontario BESS and Halkirk 2 Wind projects in the prior year, partly offset by capitalized interest for the East Windsor Expansion and North Carolina solar projects in the current year.

Depreciation and amortization

Higher depreciation and amortization for the three months ended March 31, 2026 was due the acquisitions of the Hummel Station and Rolling Hills facilities in the second quarter of 2025, the completion of the Ontario BESS projects in the third quarter of 2025, and the commencement of commercial operations of the Halkirk 2 Wind facility in the fourth quarter of 2025.

Foreign exchange (loss) gain

The foreign exchange loss for the three months ended March 31, 2026 is primarily a result of the U.S. dollar strengthening against the Canadian dollar, which affected the revaluation of U.S. denominated debt held with Canadian entities. This contrasts with the previous year, when the U.S. dollar weakened against the Canadian dollar.

Other items from equity-accounted investments

Other items from equity-accounted investments include Capital Power's share of finance expense, depreciation expense and unrealized changes in fair value of derivative instruments from our York Energy, Quality Wind, Port Dover and Nanticoke Wind, Midland Cogeneration and Harquahala equity-accounted investments. Other items from equity-accounted investments increased compared with 2025 primarily due to increased depreciation expense for Quality Wind and Port Dover and Nanticoke Wind.

Income tax expense

Income tax recovery for the three months ended March 31, 2026, compared with an expense for the corresponding period in 2025 primarily due to lower overall consolidated net income before tax.

FINANCIAL POSITION

The following highlights changes in the consolidated statements of financial position from December 31, 2025 to March 31, 2026 were as follows:

(\$ millions)	March 31, 2026	December 31, 2025
Assets		
Current assets	1,466	1,542
Non-current assets:		
Property, plant and equipment	11,427	11,253
Equity-accounted investments	1,055	1,064
Intangible assets and goodwill	614	620
Right-of-use assets	142	136
Derivative financial instruments	442	373
Government grant receivable	321	320
Deferred tax assets	52	26
Other assets	106	107
Total assets	15,625	15,441
Liabilities and equity		
Current liabilities	2,134	1,635
Non-current liabilities:		
Derivative financial instruments	731	719
Loans and borrowings	6,114	6,383
Lease liabilities	162	154
Deferred tax liabilities	907	904
Provisions	496	504
Deferred revenue and other liabilities	283	293
Total liabilities	10,827	10,592
Share capital	5,063	5,036
Deficit	(508)	(349)
Other reserves	251	170
Equity attributable to shareholders of the Company	4,806	4,857
Non-controlling interests	(8)	(8)
Total equity	4,798	4,849
Total liabilities and equity	15,625	15,441

Net working capital decreased from December 31, 2025 to March 31, 2026 by \$575 million, mainly driven by:

- reclassifying the current portion of loans and borrowing from non-current,
- lower trade receivables primarily due to lower accrued revenue for Goreway and the expiration of the Arlington Valley heat rate call option contract.

The Company has \$1.7 billion of available liquidity from credit facilities if needed to meet obligations as they become due (2025 - \$1.8 billion) (see Liquidity and Capital Resources).

Property, plant and equipment increased from December 31, 2025 to March 31, 2026 primarily due to increased long-term service agreement maintenance and shut-down costs at La Paloma, construction on the Arlington Valley uprate, North Carolina solar and East Windsor Expansion projects and foreign exchange translation effects on assets held in U.S. currency.

Non-current loans and borrowings decreased from December 31, 2025 to March 31, 2026 due to reclassifying the current portion of loans and borrowings.

LIQUIDITY AND CAPITAL RESOURCES

(\$ millions)	Three months ended March 31,		
	2026	2025	Change
Cash inflows (outflows)			
Operating activities	312	210	102
Investing activities	(264)	(276)	12
Financing activities	(30)	(115)	85

Operating activities

Cash flows from operating activities for the three months ended March 31, 2026 were higher than the same period in 2025 mainly due to the net impact of:

- cash inflows from the contributions of Hummel Station and Rolling Hills in June 2025,
- increased distributions received from equity-accounted investments, and
- the change in non-cash working capital primarily due to the decrease in trade and other receivables (see Financial Position).

Investing activities

Cash flows used in investing activities for the three months ended March 31, 2026 were consistent with the same period in 2025. Investing cash flows reflect capital expenditures for the the Arlington Valley uprate, North Carolina solar and East Windsor Expansion projects in 2026 compared to Halkirk 2 Wind construction in 2025.

Financing activities

Cash flows used in financing activities for the three months ended March 31, 2026 were lower than the same period in 2025 due to the cash received from draws on our credit facility, partially offset by the special voting share payment in the current quarter.

Capital expenditures and investments

(\$ millions)	Pre-2026 actual	Three months ended March 31,	Balance of 2026 estimated ^{1,2}	Actual or projected total ²	Targeted completion
Repowering of Genesee 1 and 2 ³	1,554	2	10-94	1,566 to 1,650	Achieved commercial operations in the fourth quarter of 2024 and the project is substantially complete
Halkirk 2 Wind	323	2	3	328	Achieved commercial operations in the fourth quarter of 2025
Ontario growth projects	530	19	34	583	York and Goreway BESS completed in the third quarter of 2025 East Windsor Expansion in the third quarter of 2026
Maple Leaf Solar	72	32	96	235	Second quarter of 2027
Bear Branch Solar	51	23	32	106	Fourth quarter of 2026
Hornet Solar	151	23	31	205	Third quarter of 2026
Commercial initiatives ⁴	287	19	41		
Development sites and projects	64	–	–		
Subtotal growth projects		120	247-331		
Sustaining – plant maintenance		105			
Total capital expenditures ⁵		225			
Emission credits held for compliance		12			
Capitalized interest		(6)			
Additions of property, plant and equipment and other assets		231			
Change in other non-cash investing working capital and non-current liabilities		33			
Purchase of property, plant and equipment and other assets, net		264			

¹ The Company's 2026 estimated capital expenditures include only expenditures for previously announced growth projects and exclude other potential new development projects.

² Projected capital expenditures to be incurred over the life of the ongoing projects are based on management's estimates. Projected capital expenditures for development sites are not reflected beyond the current period until specific projects reach the advanced development stage.

³ Projected costs for the project including incurred post-commercial operations date, remain subject to the dispute resolution with the contractor described under Contingent Liabilities, Other Legal Matters and Provisions.

⁴ Commercial initiatives include expected spending on various projects designed to either increase the capacity or efficiency of their respective facilities or to reduce emissions.

⁵ Capital expenditures include capitalized interest. Capital expenditures excluding capitalized interest are presented on the consolidated statements of cash flows as purchase of property, plant and equipment and other assets, net.

Financing activities

See Liquidity and Capital Resources for significant changes in current quarter and year-to-date financing activities.

The Company's credit facilities consisted of:

(\$ millions)	At March 31, 2026				At December 31, 2025		
	Maturity Timing	Total facilities	Credit facility utilization	Available	Total facilities	Credit facility utilization	Available
Committed credit facilities ¹	2027 - 2030	2,100	371	1,729	2,100	254	1,846
Bilateral demand credit facilities	N/A	1,408			1,402		
Letters of credit outstanding			579			604	
Demand credit facilities	N/A	25	–	25	25	–	25
		3,533	950	2,583	3,527	858	2,669

¹ Committed credit facilities include letters of credit, bankers' acceptances and bank loans outstanding.

Capital Power has surety capacity to accommodate, as part of normal course of operations, the issuance of bonds for certain capital projects and contracts. At March 31, 2026, \$81 million of bonds were issued under these facilities (December 31, 2025 - \$99 million).

Capital Power has the following corporate credit ratings which were affirmed in May 2025:

Rating Agency	Rating	Outlook	Definition
Standard and Poor's	BBB -	Stable	Exhibits adequate capacity to meet financial commitments; however, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
DBRS Limited	BBB (low)	Stable	Adequate credit quality and the capacity for the payment of financial obligations is considered acceptable but the entity may be vulnerable to future events.
Fitch Ratings	BBB -	Stable	Expectation of default risk is low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

The above credit ratings are investment grade credit ratings which enhance Capital Power's ability to re-finance existing debt as it matures and to access cost competitive capital for future growth.

Off-statement of financial position arrangements

At March 31, 2026, Capital Power has \$579 million of outstanding letters of credit for collateral support for trading operations, conditions of certain service agreements, and to satisfy legislated reclamation requirements and \$81 million of surety bonds issued for certain capital projects and contracts.

If Capital Power were to terminate these off-statement of financial position arrangements, the penalties or obligations would not have a material impact on our financial condition, results of operations, liquidity, capital expenditures or resources.

Capital resources

(\$ millions)	As at	
	March 31, 2026	December 31, 2025
Loans and borrowings	6,855	6,730
Lease liabilities ¹	170	162
Less cash and cash equivalents	(139)	(119)
Net debt	6,886	6,773
Share capital	5,063	5,036
Deficit and other reserves	(257)	(179)
Non-controlling interests	(8)	(8)
Total equity	4,798	4,849
Total capital	11,684	11,622

¹ Includes the current portion presented within deferred revenue and other liabilities.

Capital Power uses shelf prospectuses to access debt and equity markets when conditions are favorable. On March 19, 2026, Capital Power filed a short-form base shelf prospectus and a medium term note (MTN) base shelf prospectus. The short-form base shelf prospectus allows Capital Power to issue an unlimited number of common shares, preferred shares, subscription receipts exchangeable for common shares and/or other securities of Capital Power and/or debt securities. The MTN base shelf prospectus allows Capital Power to issue medium-term notes. Both prospectuses expire in April 2029.

If the Canadian and U.S. financial markets were to become unstable, Capital Power's ability to raise new capital, fulfil our financial obligations, and refinance debt under existing credit facilities and debt agreements may be negatively impacted. Capital Power is exposed to credit risk through various agreements, particularly those related to power purchase agreements, VPPAs, energy purchase agreements, energy supply contracts, and trading and supplier counterparties. While Capital Power actively monitors exposure to significant counterparties, there is no assurance that all counterparties will fulfill their obligations. See Risks and Risk Management for additional discussion on recent developments pertaining to these risks and Capital Power's risk mitigation strategies.

CONTINGENT LIABILITIES, OTHER LEGAL MATTERS AND PROVISIONS

Refer to the Contractual Obligations, Contingent Liabilities, Other Legal Matters and Provisions discussion in our 2025 Integrated Annual Report for details on ongoing legal matters.

Contingent liabilities

Capital Power and our subsidiaries are subject to various legal claims that arise in the normal course of business. Management believes that the aggregate contingent liability of the Company arising from these claims is immaterial.

A dispute arose in 2024 between the Company and the contractor regarding construction work on the Genesee Repowering project. The parties are participating in an arbitration process to resolve the claims by both parties. The Company has withheld payments pending the resolution of the dispute. Preliminary matters related to the arbitration process began late in the second quarter of 2025. While final project costs remain subject to the outcome of the arbitration, the Genesee Repowering Project achieved commercial operations in 2024 and is considered substantially complete.

RISKS AND RISK MANAGEMENT

For the three months ended March 31, 2026, Capital Power's business, operational and climate-related risks and opportunities remain consistent with those described in our 2025 Integrated Annual Report, with no material changes to principal risk factors or associated risk mitigation strategies during the quarter. Management has also assessed the recent geopolitical conflict in Iran and determined that this event has had no material impact on Capital Power's operations or risk profile to date.

REGULATORY AND GOVERNMENT MATTERS

Refer to the Regulatory and Government Matters discussion in the Company's 2025 Integrated Annual Report for further details that supplement the recent developments discussed below:

United States

U.S. Clean Air Act - Maricopa County nonattainment and permitting matters

In March 2026, the U.S. Environmental Protection Agency determined that Maricopa County would have met the 2015 ozone standard absent emissions from outside the U.S., reducing the risk of reclassification to serious nonattainment and providing greater certainty for operations and expansion at Harquahala and Arlington Valley.

PJM market - Capacity market developments and affordability measures

In February 2026, PJM's Board of Managers announced its intention to extend the capacity market price collar through 2030, subject to FERC approval with support from the White House National Energy Dominance Council and governors of PJM states.

Canada

Canada-Alberta Memorandum of Understanding (MOU)

Alberta and the Government of Canada continue to negotiate the Canada–Alberta MOU, including industrial carbon pricing and holding the Clean Electricity Regulations in abeyance in Alberta. During the quarter, the province and federal governments released a draft agreement that aims to operationalize a “one project, one review” framework for major infrastructure projects in Alberta. Other elements of the MOU are still under discussion and Management continues to monitor developments.

Alberta - Alberta Electric System Operator (AESO) Restructured Energy Market (REM)

In March 2026, the AESO released the REM Independent System Operators (ISO) Rules, which have received Ministerial approval and establish the high-level REM framework. Further implementation work, including detailed rule development and market participant readiness activities, is anticipated ahead of market go-live in Q1 2028. Management continues to actively engage and assess implications for Capital Power as implementation advances.

USE OF JUDGMENTS AND ESTIMATES

In preparing the condensed interim consolidated financial statements, management made judgments, estimates and assumptions that affect the application of Capital Power's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. There have been no significant changes to Capital Power's use of judgments and estimates as described in our 2025 Integrated Annual Report.

FINANCIAL INSTRUMENTS

The classification, carrying amounts and fair values of financial instruments held at March 31, 2026 and December 31, 2025 were as follows:

(\$ millions)	Fair value hierarchy level ¹	March 31, 2026		December 31, 2025	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:					
Amortized cost					
Cash and cash equivalents	N/A	139	139	119	119
Trade and other receivables ²	N/A	622	622	736	736
Government grant receivable ³	Level 2	407	391	406	389
Fair value through profit or loss					
Derivative financial instruments ³	See below	748	748	655	655
Fair value through other comprehensive income					
Derivative financial instruments ³	See below	54	54	33	33
Financial liabilities:					
Amortized cost					
Trade and other payables	N/A	791	791	789	789
Loans and borrowings ³	Level 2	6,855	7,108	6,730	7,052
Fair value through profit or loss					
Derivative financial instruments ³	See below	1,136	1,136	980	980
Fair value through other comprehensive income					
Derivative financial instruments ³	See below	9	9	13	13

¹ Fair values for Level 1 financial assets and liabilities are based on unadjusted quoted prices in active markets for identical instruments while fair values for Level 2 financial assets and liabilities are generally based on indirectly observable prices. Level 3 valuations are determined by appropriate subject matter experts and reviewed by the Company's commodity risk group and by Management.

² Includes income taxes recoverable and excludes current portion of government grant receivable.

³ Includes current and non-current portion.

Risk management and hedging activities

There have been no material changes in the three months ended March 31, 2026 to our risk management and hedging activities as described in our 2025 Integrated Annual Report.

The derivative financial instruments assets and liabilities held at March 31, 2026 compared with December 31, 2025 and used for risk management purposes were measured at fair value and consisted of the following:

(\$ millions)	At March 31, 2026					
	Fair value hierarchy level	Commodity cash flow hedges	Commodity non-hedges	Interest rate cash flow hedges	Foreign exchange cash flow hedges	Total
Derivative financial instruments assets	Level 2	46	677	8	–	731
	Level 3	–	71	–	–	71
		46	748	8	–	802
Derivative financial instruments liabilities	Level 2	(2)	(787)	(3)	(4)	(796)
	Level 3	–	(349)	–	–	(349)
		(2)	(1,136)	(3)	(4)	(1,145)
Net derivative financial instruments assets (liabilities)						
		44	(388)	5	(4)	(343)

(\$ millions)	At December 31, 2025					
	Fair value hierarchy level	Commodity cash flow hedges	Commodity non-hedges	Interest rate cash flow hedges	Foreign exchange non-hedges	Total
Derivative financial instruments assets	Level 2	29	584	4	1	618
	Level 3	–	70	–	–	70
		29	654	4	1	688
Derivative financial instruments liabilities	Level 2	(11)	(642)	(2)	–	(655)
	Level 3	–	(338)	–	–	(338)
		(11)	(980)	(2)	–	(993)
Net derivative financial instruments assets (liabilities)		18	(326)	2	1	(305)

Commodity, interest rate and foreign exchange derivatives designated as accounting hedges

Unrealized gains and losses from fair value changes on commodity, interest rate and foreign exchange derivatives that qualify and are elected for hedge accounting are recorded in other comprehensive income (loss). When realized, they are reclassified to net income as revenues, energy purchases and fuel, finance expense or foreign exchange gains and losses as appropriate. For interest rate derivatives used to hedge the interest rate on a future debt issuance, realized gains or losses are deferred within accumulated other comprehensive income (loss) and recognized within finance expense over the life of the debt, consistent with the interest expense on the hedged debt. For foreign exchange derivatives hedging cash flow variability from foreign currency fluctuations on future capital expenditures, realized gains and losses are also deferred within accumulated other comprehensive income (loss) and then recorded in property, plant and equipment and amortized through depreciation and amortization over the hedged asset's estimated useful life.

Commodity, interest rate and foreign exchange derivatives not designated as accounting hedges

The change in fair values of commodity derivatives not designated as hedges is primarily due to changes in forward power, natural gas and REC prices and their impact within the Canada and U.S. flexible generation and renewables portfolios. Unrealized and realized gains and losses for fair value changes on commodity derivatives that do not qualify for hedge accounting are recorded in net income as revenues or energy purchases and fuel.

Unrealized and realized gains and losses on foreign exchange derivatives and interest rate derivatives that are not designated as hedges for accounting purposes are recorded in net income as foreign exchange gains or losses and net finance expense, respectively.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

With the exception of the acquisitions of Hummel Station and Rolling Hills, which are being integrated into Capital Power's systems of internal controls, there were no significant changes in Capital Power's disclosure controls and procedures and internal controls over financial reporting that occurred during the three months ended March 31, 2026 that have materially affected or are reasonably likely to materially affect disclosures of required information and internal control over financial reporting.

In accordance with National Instrument 52-109, Management's evaluation of and conclusions on the effectiveness of internal control over financial reporting did not include the internal controls of the acquired businesses of Hummel Station, LLC and Rolling Hills Generating, LLC. The financial results are included in the Company's March 31, 2026 consolidated financial statements because these entities were acquired by the Company through a business combination during the second quarter of 2025. The aggregate assets represent 18% of the Company's total assets as at March 31, 2026, and the aggregate liabilities represent 1% of the Company's total liabilities as at March 31, 2026. Gross revenue earned from the date of acquisition to March 31, 2026, represents 17% of the Company's gross revenue, and 25% for the quarter ended March 31, 2026.

SUMMARY OF QUARTERLY RESULTS

	Three months ended							
	Mar 2026	Dec 2025	Sep 2025	Jun 2025	Mar 2025	Dec 2024	Sep 2024	Jun 2024
Electricity generation (GWh)								
Canada flexible generation	4,562	4,960	5,029	3,933	4,799	3,596	4,518	3,417
Canada renewables	685	642	456	557	597	704	541	696
U.S. flexible generation	5,644	6,519	7,550	4,026	3,575	4,540	5,574	3,909
U.S. renewables	577	544	339	506	584	568	368	581
Total electricity generation	11,468	12,665	13,374	9,022	9,555	9,408	11,001	8,603
Availability (%)								
Canada flexible generation	94	92	95	91	94	87	93	88
Canada renewables	96	90	97	97	96	96	95	97
U.S. flexible generation	90	88	93	96	85	88	96	93
U.S. renewables	91	90	91	89	90	93	88	92
Total average availability	92	90	93	93	90	89	94	91
Revenues and other income (\$ millions)								
Canada flexible generation	582	596	533	472	580	523	520	473
Canada renewables	30	30	23	28	30	56	43	54
U.S. flexible generation	521	457	496	213	250	198	286	138
U.S. renewables	36	39	27	39	41	37	31	38
Corporate ¹	8	4	5	17	14	9	5	2
Unrealized changes in fair value of commodity derivatives and emission credits	28	(48)	129	(328)	73	30	145	69
Total revenues and other income	1,205	1,078	1,213	441	988	853	1,030	774
Adjusted EBITDA ²								
Canada flexible generation ³	194	187	181	166	207	200	187	163
Canada renewables ³	33	33	18	27	33	42	27	41
U.S. flexible generation ³	200	208	307	141	119	123	219	128
U.S. renewables	23	30	15	27	31	26	19	29
Corporate	(46)	(44)	(44)	(39)	(23)	(61)	(51)	(38)
Total adjusted EBITDA ²	404	414	477	322	367	330	401	323

¹ Revenues are partially offset by interplant category revenue eliminations.

² Adjusted EBITDA is a non-GAAP financial measure. See Non-GAAP Financial Measures and Ratios.

³ Canada flexible generation include adjusted EBITDA from York Energy equity-accounted investment. Canada renewables include adjusted EBITDA from Quality Wind and Port Dover and Nanticoke Wind equity-accounted investments. U.S. flexible generation include adjusted EBITDA from Midland Cogeneration and Harquahala equity-accounted investments.

Financial highlights

(\$ millions except per share amounts)	Three months ended							
	Mar 2026	Dec 2025	Sep 2025	Jun 2025	Mar 2025	Dec 2024	Sep 2024	Jun 2024
Revenues and other income	1,205	1,078	1,213	441	988	853	1,030	774
Net income (loss)	15	(13)	153	(131)	150	242	178	76
Net income (loss) attributable to shareholders of the Company	15	(13)	154	(132)	151	240	179	75
Basic earnings (loss) per share	0.04	(0.12)	0.94	(0.92)	1.03	1.76	1.32	0.51
Diluted earnings (loss) per share ¹	0.04	(0.12)	0.94	(0.92)	1.03	1.75	1.32	0.51
Adjusted EBITDA ^{2,3}	404	414	477	322	367	330	401	323
AFFO ²	154	244	369	235	218	182	315	178
AFFO per share (\$) ²	0.98	1.57	2.37	1.55	1.57	1.38	2.42	1.37
Net cash flows from operating activities	312	205	404	143	210	438	236	136
Purchase of property, plant and equipment and other assets, net	264	288	147	141	288	395	231	226

¹ Diluted earnings (loss) per share was calculated after giving effect to outstanding share purchase options.

² The consolidated financial highlights, except for adjusted EBITDA, AFFO and AFFO per share were prepared in accordance with GAAP. See Non-GAAP Financial Measures and Ratios.

³ Includes adjusted EBITDA from the York Energy, Midland Cogeneration and Harquahala equity-accounted investments. Quality Wind and Port Dover and Nanticoke Wind were partially divested on December 20, 2024, and then became equity-accounted investments. Due to the proximity to December 31, 2024, adjusted EBITDA relating to the equity-accounted investments period during the quarter was immaterial.

Quarterly revenues, net income and cash flows from operating activities are affected by seasonal weather conditions, fluctuations in U.S. dollar exchange rates relative to the Canadian dollar, power and natural gas prices, planned and unplanned facility outages and items outside the normal course of operations. Net income (loss) is also affected by changes in the fair value of our power, natural gas, interest rate and foreign exchange derivative contracts.

Factors impacting results for the previous quarters

Please refer to our 2025 Integrated Annual Report for significant events and items which affected results for the previous quarters.

SHARE AND PARTNERSHIP UNIT INFORMATION

Quarterly common share trading information

The Company's common shares are listed on the Toronto Stock Exchange under the symbol CPX and began trading on June 26, 2009.

	Three months ended							
	Mar 2026	Dec 2025	Sep 2025	Jun 2025	Mar 2025	Dec 2024	Sep 2024	Jun 2024
Share price (\$/common share)								
High	66.66	73.80	66.06	57.92	64.95	68.73	50.88	41.99
Low	56.48	58.23	54.03	41.87	44.68	49.20	38.33	33.90
Close	65.89	58.55	65.35	54.80	47.83	63.72	49.17	38.99
Volume of shares traded (millions)	49.3	50.4	43.8	48.7	59.2	38.0	28.3	33.5

Outstanding share and partnership unit data

At April 24, 2026, the Company had 156.483 million common shares, 5 million Cumulative Rate Reset Preference Shares (Series 1), 6 million Cumulative Rate Reset Preference Shares (Series 3), and 8 million Cumulative Rate Reset Preference Shares (Series 5) outstanding. Assuming full conversion of the outstanding and issuable share purchase options to common shares and ignoring exercise prices, the outstanding and issuable common shares at April 24, 2026 were 157.977 million. On February 23, 2026, the Company retired its special limited voting shares and entered into a 10-year agreement with the City of Edmonton which includes obligations regarding the head office and a commitment to maintain a corporate community giving program, or similar program benefiting the Edmonton area, of net less than \$1 million per calendar year. These transactions occurred in exchange for cash consideration totaling \$75 million, comprised of \$40 million paid in the first quarter of 2026 and \$35 million payable in 2027, which were recorded in retained earnings.

At April 24, 2026, CPLP had 349.092 million general partnership units outstanding and 1,299.228 million common limited partnership units outstanding. All of the outstanding general partnership units and the outstanding common limited partnership units are held by the Company.

ADDITIONAL INFORMATION

Additional information relating to Capital Power Corporation, including the Company's annual information form and other continuous disclosure documents, is available on SEDAR+ at www.sedarplus.com.

Condensed Interim Consolidated Financial Statements of

CAPITAL POWER CORPORATION

(Unaudited, in millions of Canadian dollars)

Three months ended March 31, 2026 and 2025

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Financial Statements
Three months ended March 31, 2026 and 2025

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CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Income
(Unaudited, in millions of Canadian dollars, except per share amounts)

	Three months ended March 31,	
	2026	2025
Revenues	\$ 1,178	\$ 955
Other income	27	33
Energy purchases and fuel	(758)	(489)
Gross margin	447	499
Other raw materials and operating charges	(70)	(53)
Staff costs and employee benefits expense	(49)	(41)
Depreciation and amortization	(163)	(126)
Other administrative expense	(55)	(45)
Foreign exchange (loss) gain	(10)	2
Operating income	100	236
Net finance expense (note 4)	(95)	(61)
Income from equity-accounted investments	9	24
Loss on disposals and other transactions	–	(1)
Income before tax	14	198
Income tax recovery (expense) (note 5)	1	(48)
Net income	\$ 15	\$ 150
Attributable to:		
Non-controlling interests	\$ –	\$ (1)
Shareholders of the Company	\$ 15	\$ 151
Earnings per share attributable to shareholders of the Company:		
Basic (note 6)	\$ 0.04	\$ 1.03
Diluted (note 6)	\$ 0.04	\$ 1.03

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Comprehensive Income
(Unaudited, in millions of Canadian dollars)

	Three months ended March 31,	
	2026	2025
Net income	\$ 15	\$ 150
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net income:		
Unrealized gain on derivative instruments ¹ (note 7)	34	10
Reclassification of gains on derivative instruments to net income ² (note 7)	(16)	(9)
Equity-accounted investments ³	1	(4)
Net investment in foreign subsidiaries:		
Unrealized gains (losses)	62	(2)
Other comprehensive income (loss) for the period, net of tax	81	(5)
Total comprehensive income	\$ 96	\$ 145
Attributable to:		
Non-controlling interests	\$ –	\$ (1)
Shareholders of the Company	\$ 96	\$ 146

¹ For the three months ended March 31, 2026 and 2025, net of income tax expense of \$10 and of \$4, respectively.

² For the three months ended March 31, 2026 and 2025, net of reclassification of income tax expense of \$5 and \$3, respectively.

³ For the three months ended March 31, 2026 and 2025, net of income tax expense of \$1 and income tax recovery of \$1, respectively.

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Financial Position
(Unaudited, in millions of Canadian dollars)

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 139	\$ 119
Trade and other receivables	469	569
Income taxes recoverable	202	216
Inventories	296	323
Derivative financial instruments (note 7)	360	315
	1,466	1,542
Non-current assets:		
Property, plant and equipment	11,427	11,253
Equity-accounted investments	1,055	1,064
Intangible assets and goodwill	614	620
Right-of-use assets	142	136
Derivative financial instruments (note 7)	442	373
Government grants receivable	321	320
Deferred tax assets	52	26
Other assets	106	107
Total assets	\$ 15,625	\$ 15,441
Liabilities and equity		
Current liabilities:		
Trade and other payables	\$ 791	\$ 789
Derivative financial instruments (note 7)	414	274
Loans and borrowings	741	347
Provisions	87	112
Deferred revenue and other liabilities	101	113
	2,134	1,635
Non-current liabilities:		
Derivative financial instruments (note 7)	731	719
Loans and borrowings	6,114	6,383
Lease liabilities	162	154
Deferred tax liabilities	907	904
Provisions	496	504
Deferred revenue and other liabilities	283	293
Total liabilities	10,827	10,592
Share capital (note 9)	5,063	5,036
Deficit	(508)	(349)
Other reserves	251	170
Equity attributable to shareholders of the Company	4,806	4,857
Non-controlling interests	(8)	(8)
Total equity	4,798	4,849
Total liabilities and equity	\$ 15,625	\$ 15,441

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited, in millions of Canadian dollars)

	Share capital (note 9)	Cash flow hedges ¹	Cumulative translation reserve ¹	Defined benefit plan actuarial losses ¹	Employee benefits reserve	Deficit	Equity attributable to shareholders of the Company	Non- controlling interests	Total
Balance, January 1, 2026	\$ 5,036	\$ 78	\$ 91	\$ (9)	10	\$ (349)	\$ 4,857	\$ (8)	\$ 4,849
Net income	—	—	—	—	—	15	15	—	15
Other comprehensive income	—	19	62	—	—	—	81	—	81
Total comprehensive income	—	19	62	—	—	15	96	—	96
Issue of share capital, net	3	—	—	—	—	—	3	—	3
Repurchase of special limited voting shares ² (note 9)	—	—	—	—	—	(58)	(58)	—	(58)
Common share dividends (note 9)	—	—	—	—	—	(108)	(108)	—	(108)
Preferred share dividends, net of tax ³ (note 9)	—	—	—	—	—	(8)	(8)	—	(8)
Dividends reinvested	24	—	—	—	—	—	24	—	24
Balance, March 31, 2026	\$ 5,063	\$ 97	\$ 153	\$ (9)	10	\$ (508)	\$ 4,806	\$ (8)	\$ 4,798

¹ Accumulated other comprehensive income. Other reserves on the statements of financial position are the aggregate of accumulated other comprehensive income and the employee benefits reserve.

² Net of tax recovery of \$17.

³ Including income tax expense of \$1.

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited, in millions of Canadian dollars)

	Share capital (note 9)	Cash flow hedges ¹	Cumulative translation reserve ¹	Defined benefit plan actuarial losses ¹	Employee benefits reserve	Deficit	Equity attributable to shareholders of the Company	Non- controlling interests	Total
Balance, January 1, 2025	\$ 4,301	\$ 108	\$ 240	\$ (9)	10	\$ (74)	4,576	\$ (5)	\$ 4,571
Net income	–	–	–	–	–	151	151	(1)	150
Other comprehensive loss	–	(3)	(2)	–	–	–	(5)	–	(5)
Total comprehensive income	–	(3)	(2)	–	–	151	146	(1)	145
Common share dividends (note 9)	–	–	–	–	–	(91)	(91)	–	(91)
Preferred share dividends, net of tax ² (note 9)	–	–	–	–	–	(7)	(7)	–	(7)
Dividends reinvested	16	–	–	–	–	–	16	–	16
Distributions to non-controlling interests	–	–	–	–	–	–	–	(1)	(1)
Balance, March 31, 2025	\$ 4,317	\$ 105	\$ 238	\$ (9)	10	\$ (21)	4,640	\$ (7)	\$ 4,633

¹ Accumulated other comprehensive income. Other reserves on the statements of financial position are the aggregate of accumulated other comprehensive loss and the employee benefits reserve.

² Net of income tax expense of nil.

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, in millions of Canadian dollars)

	Three months ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 15	\$ 150
Non-cash adjustments:		
Depreciation and amortization	163	126
Net finance expense	95	61
Fair value changes on commodity derivative instruments and emission credits held for trading	68	(58)
Unrealized foreign exchange losses (gains)	10	(2)
Income tax (recovery) expense	(1)	48
Income from equity-accounted investments	(9)	(24)
Tax-equity attributes	(22)	(22)
Other	10	(3)
Change in fair value of derivative instruments, cash settlement	5	11
Distributions received from equity-accounted investments	30	5
Interest paid	(80)	(85)
Income taxes	–	2
Other	(20)	(24)
Change in non-cash operating working capital	48	25
Net cash flows from operating activities	312	210
Cash flows used in investing activities:		
Purchase of property, plant and equipment and other assets, net ¹	(264)	(288)
Other	–	12
Net cash flows used in investing activities	(264)	(276)
Cash flows used in financing activities:		
Net proceeds from issue of loans and borrowings	110	–
Repayment of loans and borrowings	(6)	(19)
Capitalized interest paid	(6)	(9)
Proceeds from exercise of share options	3	–
Dividends paid (note 9)	(91)	(82)
Income taxes paid on preferred share dividends	–	(3)
Repurchase of special limited voting shares (note 9)	(40)	–
Distributions to non-controlling interests	–	(1)
Other	–	(1)
Net cash flows used in financing activities	(30)	(115)
Foreign exchange gain on cash held in foreign currency	2	5
Net increase (decrease) in cash and cash equivalents	20	(176)
Cash and cash equivalents, beginning of period	119	865
Cash and cash equivalents, end of period	\$ 139	\$ 689

¹ Reflects total additions, increased by \$33 for changes in non-cash investing working capital and other non-current assets and liabilities (2025 – increased by \$159).

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2026 and 2025

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

1. Reporting entity

Capital Power Corporation (the Company or Capital Power) develops, acquires, owns, and operates utility-scale renewable and flexible generation (natural gas generation assets and energy storage) facilities and manages its related electricity and natural gas portfolios by undertaking trading and marketing activities.

The registered and head office of the Company is located at 10423 101 Street, Edmonton, Alberta, Canada, T5H 0E9. The common shares of the Company are traded on the Toronto Stock Exchange under the symbol "CPX".

Interim results will fluctuate due to plant maintenance schedules, the seasonal demands for electricity and changes in energy prices. Consequently, interim results are not necessarily indicative of annual results.

2. Basis of presentation and use of judgements and estimates

These condensed interim consolidated financial statements have been prepared by management in accordance with International Accounting Standards (IAS) 34, *Interim Financial Reporting*. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's 2025 annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board.

The accounting policies applied, the significant judgements made, and the key sources of estimation uncertainty are consistent with those described in the Company's 2025 annual consolidated financial statements, except as described in note 3.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on April 28, 2026.

3. Changes to accounting policies

The following amendments to IFRS Accounting Standards became effective on January 1, 2026 and were adopted by the Company:

- Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7

In December, 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments (IFRS 9) and IFRS 7 Financial Instruments: Disclosures (IFRS 7). The targeted amendments aim to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs) or virtual PPAs. The amendments include clarifying the application of the 'own-use' requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements. The amendments did not have a material impact on the Company's consolidated financial statements.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 that clarify the timing of recognition and derecognition of financial assets and liabilities, and introduce a derecognition exception for financial liabilities settled through electronic payment systems, when certain criteria are met. The amendments also clarify the application of the solely payments of principal and interest (SPPI) criterion and add new disclosures for financial instruments with contractual terms that can change the cash flows. Adopting the amendments resulted in a change in the accounting policy for derecognizing trade and other payables. The amendments did not have a material impact on the Company's consolidated financial statements and the Company was not required to restate prior periods to reflect the amendments under their transitional provisions.

CAPITAL POWER CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2026 and 2025

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

4. Net finance expense

	Three months ended March 31,	
	2026	2025
Interest expense		
Interest on loans and borrowings	\$ 93	\$ 68
Capitalized interest	(6)	(9)
Total interest expense	87	59
Other finance expense (income)		
Accretion on decommissioning provisions	4	3
Interest on lease liabilities	4	4
Interest on government grants receivable	(2)	(2)
Other	2	(3)
Net finance expense	\$ 95	\$ 61

5. Income tax

Income tax expense differs from the amount that would be computed by applying the federal and provincial income tax rates as a result of the following:

	Three months ended March 31,	
	2026	2025
Net income before tax	\$ 14	\$ 198
Income tax at the statutory rate of 23%	3	46
Increase (decrease) resulting from:		
Non-deductible expenses and non-taxable income	3	–
Amounts attributable to non-controlling interests, equity-accounted investments, and tax-equity interests	(5)	–
Statutory and other rate differences	(3)	3
Other	1	(1)
Income tax (recovery) expense	\$ (1)	\$ 48

6. Earnings per share

The earnings and weighted average number of common shares used in the calculation of basic and diluted earnings per share were as follows:

	Three months ended March 31,	
	2026	2025
Earnings for the period attributable to shareholders	\$ 15	\$ 151
Preferred share dividends ¹	(8)	(7)
Earnings available to common shareholders	\$ 7	\$ 144
Weighted average number of common shares	156,274,235	139,180,095
Basic earnings per share	\$ 0.04	\$ 1.03
Weighted average number of common shares	156,274,235	139,180,095
Effect of dilutive share purchase options	345,385	335,795
Diluted weighted average number of common shares	156,619,620	139,515,890
Diluted earnings per share	\$ 0.04	\$ 1.03

¹ Includes preferred share dividends declared and related taxes.

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7. Derivative financial instruments and hedge accounting

Derivative financial and non-financial instruments are held for the purpose of energy and natural gas purchases, merchant trading or financial risk management.

The Company has elected to apply hedge accounting to certain derivatives used to manage commodity price risk relating to electricity prices, interest rate risk relating to future borrowings, and foreign exchange risk relating to future capital investment in U.S. dollars.

The derivative instruments assets and liabilities used for risk management purposes consist of the following:

	March 31, 2026							Total
	Energy and emission allowances		Interest rate		Foreign exchange			
	cash flow hedges	non-hedges	cash flow hedges	non-hedges	cash flow hedges	non-hedges		
Derivative instruments assets:								
Current	\$ 28	\$ 332	\$ –	\$ –	\$ –	\$ –	\$ –	360
Non-current	18	416	8	–	–	–	–	442
Derivative instruments liabilities:								
Current	(1)	(407)	(2)	–	–	–	(4)	(414)
Non-current	(1)	(729)	(1)	–	–	–	–	(731)
Net fair value	\$ 44	\$ (388)	\$ 5	\$ –	\$ –	\$ –	\$ (4)	\$ (343)
Net notional buys (sells) (millions):								
Megawatt hours of electricity	(3)	(68)						
Gigajoules of natural gas purchased		487						
Gigajoules of natural gas basis swaps		51						
Metric tonnes of emission allowances		16						
Number of renewable energy credits		(8)						
Interest rate swaps			\$ 1,465	\$ 158				
Forward currency buys (U.S. dollars)					\$ –	\$ –	(287)	
Range of remaining contract terms (years)	0.1 to 4.0	0.1 to 21.0	0.2 to 2.5	0.2 to 2.8	–	–	0.1 to 0.8	

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7. Derivative financial instruments and hedge accounting, continued

	December 31, 2025							Total
	Energy and emission allowances		Interest rate		Foreign exchange			
	cash flow hedges	non-hedges	cash flow hedges	non-hedges	cash flow hedges	non-hedges		
Derivative instruments assets:								
Current	\$ 18	\$ 296	\$ –	\$ –	\$ –	\$ 1	\$ 315	
Non-current	11	358	4	–	–	–	373	
Derivative instruments liabilities:								
Current	(1)	(272)	(1)	–	–	–	(274)	
Non-current	(10)	(708)	(1)	–	–	–	(719)	
Net fair value	\$ 18	\$ (326)	\$ 2	\$ –	\$ –	\$ 1	\$ (305)	
Net notional buys (sells) (millions):								
Megawatt hours of electricity	(4)	(73)						
Gigajoules of natural gas purchased		533						
Gigajoules of natural gas basis swaps		51						
Metric tonnes of emission allowances		6						
Number of renewable energy credits		(9)						
Interest rate swaps			\$ 1,074	\$ 113				
Forward currency buys (U.S. dollars)					\$ 10	\$ (111)		
Range of remaining contract terms (years)	0.1 to 4.0	0.1 to 21.0	0.2 to 2.7	0.2 to 2.5	0.1	0.1 to 0.4		

Unrealized and realized pre-tax gains and (losses) on derivative instruments recognized in other comprehensive income (loss) and net income (loss) are as follows:

	Three months ended March 31, 2026		Three months ended March 31, 2025	
	Unrealized gains (losses)	Realized gains	Unrealized gains (losses)	Realized gains (losses)
Energy cash flow hedges	\$ 22	\$ 18	\$ 16	\$ 9
Energy and emission allowances non-hedges	(44)	14	69	60
Interest rate cash flow hedges	1	3	(9)	3
Interest rate non-hedges	–	–	(1)	–
Foreign exchange cash flow hedges	–	–	(5)	–
Foreign exchange non-hedges	(5)	1	–	(5)

The following realized and unrealized gains and losses on derivative financial instruments are included in the Company's statements of income:

	Three months ended March 31,	
	2026	2025
Revenues	\$ 128	\$ 213
Energy purchases and fuel	(140)	(75)
Foreign exchange loss	(4)	(5)
Net finance expense	3	2

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7. Derivative financial instruments and hedge accounting, continued

Net after tax gains and losses related to derivative instruments designated as energy and interest rate cash flow hedges are expected to settle and be reclassified to net income in the following periods:

	March 31, 2026	
Within one year	\$	43
Between one and five years		48
After five years		16
	\$	107

8. Leases

In January 2026, the Company extended its Arlington Valley tolling agreement by 7 years, from 2031 to 2038, which included a commitment to add 35 MW of incremental capacity. Consistent with the previous classification, the contract has been assessed as an operating lease.

The minimum undiscounted future lease payments to be received are:

2026	\$	64
2027		76
2028		77
2029		79
2030		80
Thereafter		1,100
Total	\$	1,476

9. Share capital

On February 23, 2026, the Company retired its special limited voting shares and entered into a 10-year agreement with the City of Edmonton which includes obligations regarding the head office and a commitment to maintain a corporate community giving program, or similar program benefitting the Edmonton area, of not less than \$1 million per calendar year. These transactions occurred in exchange for cash consideration totaling \$75 million, comprised of \$40 million paid in the first quarter of 2026 and \$35 million payable in 2027, which were recorded in retained earnings.

Common and preferred share dividends

	Dividends declared			
	For the three months ended March 31,			
	2026		2025	
	Per share	Total	Per share	Total
Common	\$ 0.6910	\$ 108	\$ 0.6519	\$ 91
Preference:				
Series 1 ¹	0.3099	1	0.1638	1
Series 3	0.4288	3	0.4288	3
Series 5	0.4144	3	0.4144	3

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9. Share capital, continued

	Dividends paid ²			
	For the three months ended March 31,			
	2026		2025	
	Per share	Total	Per share	Total
Common ³	\$ 0.6910	\$ 108	\$ 0.6519	\$ 91

¹ Effective December 31, 2025, the annual fixed dividend rate for the next five-year period has been reset to 4.958% from 2.621%.

² Preference share dividends are declared and paid in the same period.

³ For the three months ended March 31, 2026 common dividends consist of \$84 million paid in cash and \$24 million through the Company's dividend re-investment plan (three months ended March 31, 2025, \$75 million paid in cash and \$16 million through the Company's dividend re-investment plan).

10. Financial instruments

Fair values

The Company classifies and measures its cash and cash equivalents, trade and other receivables, and trade and other payables at amortized cost and their fair values are not materially different from their carrying amounts due to their short-term nature.

The classification, carrying amount and fair value of the Company's other financial instruments are summarized as follows:

	Fair value hierarchy level	March 31, 2026		December 31, 2025	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets ¹					
Government grants receivable ²	Level 2	\$ 407	\$ 391	\$ 406	\$ 389
Financial liabilities ¹					
Loans and borrowings	Level 2	\$ 6,855	\$ 7,108	\$ 6,730	\$ 7,052

¹ Includes current portion.

² Government grants receivable includes \$232 million related to off-coal compensation from the Government of Alberta (GoA), as described in the Company's 2025 annual consolidated financial statements.

Fair value hierarchy

Fair value represents the Company's estimate of the price at which a financial instrument could be sold or transferred between market participants in an orderly transaction at the measurement date. Fair value measurements recognized in the consolidated statements of financial position are categorized into levels within the fair value hierarchy based on the nature of the valuation inputs, and precedence is given to observable inputs over unobservable inputs. The determination of fair value requires judgment and is based on market information where available and appropriate.

Fair value measurements are categorized into levels based upon the lowest level of significant input, as described in the Company's 2025 annual consolidated financial statements. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between Level 1 and Level 2.

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10. Financial instruments, continued

The table below presents the Company's financial instruments measured at fair value on a recurring basis in the consolidated statements of financial position.

	March 31, 2026			
	Level 1	Level 2	Level 3	Total
Derivative financial instruments assets	\$ –	\$ 731	\$ 71	\$ 802
Derivative financial instruments liabilities	–	(796)	(349)	(1,145)

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Derivative financial instruments assets	\$ –	\$ 618	\$ 70	\$ 688
Derivative financial instruments liabilities	–	(655)	(338)	(993)

Fair values of derivative instruments are determined using valuation techniques, inputs, and assumptions as described in the Company's 2025 annual consolidated financial statements. It is possible that the assumptions used in establishing fair value amounts will differ from future outcomes and the impact of such variations could be material.

Valuation techniques used in Level 3 fair value measurements

The Company has various commodity, renewable energy agreements, and renewable energy credit (REC) contracts with terms that extend beyond a liquid trading period. Certain of these contracts include notional quantities based on future actual generation of underlying generation facilities. As forward market prices and actual generation are not available for the full period of these contracts, their fair values are derived using forecasts based on internal modelling and as a result, are classified as Level 3 fair value measurements. The fair values of the Company's commodity derivatives classified as Level 3 are determined by applying mark-to-forecast models. The valuation models used to calculate the fair values of the derivative financial instrument assets and liabilities within Level 3 are prepared by internal subject matter experts and are reviewed by the Company's commodity risk group and management. The valuation techniques and the associated inputs are assessed on a regular basis for ongoing reasonability.

The table below presents ranges for the Company's Level 3 inputs:

	March 31, 2026	December 31, 2025
REC pricing (per certificate) – Solar	\$3 to \$32	\$3 to \$25
REC pricing (per certificate) – Wind	\$3 to \$6	\$3 to \$5
Forward power pricing (per MWh) – Solar	\$21 to \$179	\$21 to \$179
Forward power pricing (per MWh) – Wind	\$17 to \$116	\$18 to \$101
Average monthly notional generation (MWh) – Solar	5,709 to 12,204	6,537 to 13,018
Average monthly notional generation (MWh) – Wind	17,641 to 51,479	17,703 to 59,308

The table below presents the change to the fair value of Level 3 derivative instruments based on a 10% change in the respective input:

	March 31, 2026	December 31, 2025
REC pricing – Solar	\$ 3	\$ 3
REC pricing – Wind	1	2
Forward power pricing – Solar	19	22
Forward power pricing – Wind	43	42
Generation – Solar	6	7
Generation – Wind	10	11

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10. Financial instruments, continued

Continuity of Level 3 balances

The Company classifies financial instruments in Level 3 of the fair value hierarchy when there is at least one significant unobservable input used in the valuation model. In addition to these unobservable inputs, the valuation model for Level 3 instruments also relies on a number of inputs that are observable either directly or indirectly. Accordingly, the unrealized gains and losses shown below include changes in the fair value related to both observable and unobservable inputs. The following table summarizes the changes in the fair value of financial instruments classified in Level 3:

	March 31, 2026	December 31, 2025
At January 1 ¹	\$ (268)	\$ (156)
Additions	–	(12)
Unrealized and realized losses included in net income ²	(13)	(153)
Settlements	7	44
Transfers ³	–	(1)
Foreign exchange (losses) gains	(4)	10
At end of period	\$ (278)	\$ (268)

¹ The fair value of derivative instruments assets and liabilities are presented on a net basis.

² Recorded in revenues.

³ Relates to transfers from Level 3 to Level 2 when pricing inputs become readily observable. There were no transfers from Level 2 to Level 3.

Gains and losses associated with Level 3 balances may not necessarily reflect the underlying exposures of the Company. As a result, unrealized gains and losses from Level 3 financial instruments are often offset by unrealized gains and losses on financial instruments that are classified in other levels.

11. Segment information

The Company identifies its reportable segments both by business activity and by geographical areas and has four reportable segments described below:

- **Flexible generation** – Flexible generation refers to the ability of power-generating facilities to quickly adjust output based on grid demand. These dispatchable power sources include natural gas facilities and energy storage. Reportable segments associated with this activity include Canada flexible generation, and U.S. flexible generation. The Company actively trades in North American power, natural gas and environmental markets. The majority of the Company's trading activities relate directly to assets or portfolios of assets within the flexible generation segments and accordingly are reported within these segments. Specifically, trading related to Alberta flexible generation portfolio of assets is included within Canada flexible generation, and trading to optimize U.S. facilities as well as other U.S. trading is included within U.S. flexible generation.
- **Renewables** – Renewable generation includes the Company's wind and solar facilities. Reportable segments associated with this activity include Canada renewables and U.S. renewables.

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11. Segment information, continued

Corporate includes costs of support services such as treasury, finance, internal audit, legal, people services, enterprise risk management, asset management, and environment, health and safety.

The following tables provide each reportable segment's results in the format that the Company's CODM reviews in making operating decisions and assessing performance. The CODM assesses the performance of the operating segments based on adjusted EBITDA, which reflects earnings before net finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange gains or losses, finance expense and depreciation from our joint venture interests, gains or losses on disposals, 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. The tables below show the reconciliation of the total segment adjusted EBITDA to income before tax, as reported under IFRS.

	Three months ended March 31, 2026									
	Canada flexible generation ¹	Canada renewables ¹	U.S. flexible generation ¹	U.S. renewables	Corporate	Total	Equity-accounted investments ¹	Reclass adjustments	Consolidated IFRS financials	
Revenues and other income	\$ 711	\$ 59	\$ 577	\$ 23	\$ 8	\$ 1,378	\$ (173)	\$ –	\$ 1,205	
Energy purchases and fuel	(373)	(1)	(473)	1	–	(846)	88	–	(758)	
Other raw materials and operating charges	(24)	(7)	(41)	(5)	(3)	(80)	10	–	(70)	
Staff costs and employee benefits expense	(10)	(1)	(12)	(2)	(29)	(54)	5	–	(49)	
Other administrative expense	(10)	(5)	(19)	(6)	(22)	(62)	7	–	(55)	
Remove unrealized changes in fair value of commodity derivatives	(100)	(12)	168	12	–	68	–	(68)	–	
Adjusted EBITDA ²	194	33	200	23	(46)	404				
Depreciation and amortization									(163)	
Foreign exchange loss									(10)	
Net finance expense									(95)	
Income from equity-accounted investments									9	
Income before tax									\$ 14	

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11. Segment information, continued

	Three months ended March 31, 2025									
	Canada flexible generation ¹	Canada renewables ¹	U.S. flexible generation ¹	U.S. renewables	Corporate	Total	Equity-accounted investments ¹	Reclass adjustments	Consolidated IFRS financials	
Revenues and other income	\$ 639	\$ 16	\$ 397	\$ 71	\$ 14	\$ 1,137	\$ (149)	\$ –	\$ 988	
Energy purchases and fuel	(307)	(2)	(245)	–	–	(554)	65	–	(489)	
Other raw materials and operating charges	(20)	(6)	(32)	(4)	(1)	(63)	10	–	(53)	
Staff costs and employee benefits expense	(15)	–	(10)	(1)	(19)	(45)	4	–	(41)	
Other administrative expense	(14)	(4)	(14)	(5)	(17)	(54)	9	–	(45)	
Remove unrealized changes in fair value of commodity derivatives	(80)	29	23	(30)	–	(58)	–	58	–	
Remove other non-recurring items	4	–	–	–	–	4	–	(4)	–	
Adjusted EBITDA ²	207	33	119	31	(23)	367				
Depreciation and amortization									(126)	
Foreign exchange gain									2	
Loss on disposals and other transactions									(1)	
Net finance expense									(61)	
Income from equity-accounted investments									24	
Income before tax									\$ 198	

¹ For internal reporting purposes, adjusted EBITDA from the Company's equity-accounted investments has been presented on a proportionate basis that reflects the Company's share of each investee's earnings on a line-by-line basis. These amounts are reported within Canada flexible generation for York Energy, Canada renewables for Quality Wind and Port Dover Nanticoke Wind, and U.S. flexible generation for MCV Partners LLC and Harquahala. Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Under IFRS, these investments have been accounted for as joint ventures using the equity method.

² Adjusted EBITDA is not defined and has no standardized meaning under IFRS.

Additional geographic information

The Company's Canadian facilities are located in Alberta, British Columbia and Ontario and its U.S. facilities in Alabama, Arizona, California, Illinois, Kansas, Michigan, New Mexico, North Carolina, North Dakota, Ohio, Pennsylvania, Texas and Washington. The Company also holds a portfolio of wind and solar development sites in Canada and the U.S.

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11. Segment information, continued

Select non-current assets within each geographic area are:

	At March 31, 2026			At December 31, 2025		
	Canada	U.S.	Total	Canada	U.S.	Total
Property, plant and equipment	\$ 5,589	\$ 5,838	\$ 11,427	\$ 5,592	\$ 5,661	\$ 11,253
Equity-accounted investments	366	689	1,055	397	667	1,064
Intangible assets and goodwill	425	189	614	428	192	620
Right-of-use assets	49	93	142	50	86	136
Other assets ³	53	62	115	59	61	120
	\$ 6,482	\$ 6,871	\$ 13,353	\$ 6,526	\$ 6,667	\$ 13,193

³ Includes current portion of finance lease receivable.

Major customers

For the three months ended March 31, 2026, the Company recorded revenues of \$109 million from the Alberta Electric System Operator (three months ended March 31, 2025 - \$149 million), and \$193 million from the Ontario Independent Electricity System Operator (three months ended March 31, 2025 - \$132 million), within the Canada flexible generation and Canada renewables segments, and \$406 million from PJM, within the U.S. flexible generation segment (three months ended March 31, 2025 - nil). There were no other entities that accounted for more than 10 percent of the Company's total revenues.

Disaggregation of revenues from contracts with customers

The Company's revenues from contracts with customers are disaggregated by major type of revenues and operating segments:

	Three months ended March 31, 2026						
	Canada flexible generation	Canada renewables	U.S. flexible generation	U.S. renewables	Total from contracts with customers	Other sources	Total
Energy revenues	\$ 452	\$ 16	\$ 482	\$ 18	\$ 968	\$ 183	\$ 1,151
Emission credit revenues	–	12	–	1	13	14	27
Total revenues ⁵	\$ 452	\$ 28	\$ 482	\$ 19	\$ 981	\$ 197	\$ 1,178

	Three months ended March 31, 2025						
	Canada flexible generation	Canada renewables	U.S. flexible generation	U.S. renewables	Total from contracts with customers	Other sources	Total
Energy revenues	\$ 457	\$ 19	\$ 155	\$ 19	\$ 650	\$ 302	\$ 952
Emission credit revenues	–	14	–	2	16	(13)	3
Total revenues ⁵	\$ 457	\$ 33	\$ 155	\$ 21	\$ 666	\$ 289	\$ 955

⁵ Included within trade and other receivables at March 31, 2026, were amounts related to contracts with customers of \$234 million (2025 - \$321 million).

12. Comparative figures

The comparative figures have been reclassified to conform with the presentation adopted for 2026.