A Gas Fueled Milestone

2024 Q2 | Analyst presentation

Capital Power

Agenda

Business Highlights | Avik Dey - President & CEO

Financial Review | Sandra Haskins - SVP, Finance & CFO

AB Regulatory Update | **Pauline McLean - SVP, External Relations and Chief Legal Officer**

Closing Remarks | Avik Dey - President & CEO

Q&A | Management

Forward-looking information

Cautionary statement

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

Additional information about the material factors and risks that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information are disclosed slide 20 of this presentation and the Company's second quarter Management's Discussion and Analysis (MD&A) prepared as of July 30, 2024 which is available under the Company's profile on SEDAR+ at sedarplus.ca and on the Company's website at capitalpower.com

Non-GAAP financial measures and ratios

Capital Power uses (i) earnings before net finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange gains or losses, finance expense and depreciation expense from our joint venture interests, gains or losses on disposals and unrealized changes in fair value of commodity derivatives and emission credits and other items that are not reflective of the long-term performance of the Company's underlying business (adjusted EBITDA), and (ii) adjusted funds from operations (AFFO) as financial performance measures.

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

These terms are not defined financial measures according to GAAP and do not have standardized meanings prescribed by GAAP and, therefore, are unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, net income attributable to shareholders of 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.

Reconciliations of these non-GAAP financial measures are disclosed in the Company's Management's Discussion and Analysis (MD&A) prepared as of July 30, 2024 for the second quarter of 2024, which is available under the Company's profile on SEDAR+ at sedarplus.ca and on the Company's website at capitalpower.com.

Territorial Acknowledgement

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

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

Learn more about Indigenous Relations at Capital Power.

Q2 2024 Highlights

Executing on our strategic focus

Deliver

- Generation of ~9 TWh across our strategically positioned fleet
- Newly acquired U.S. assets continue to perform, enhancing diversification
- Asset maintenance on track; ~50% of budgeted outage days completed

Build

- Capital Power and Alberta are off coal
- Achieved COD of simple cycle on Genesee Units 1 & 2
- Ontario construction projects continue to track below budget
- 25-year PPA with Duke Energy for North Carolina solar

Create

- Actively pursuing multiple data centre opportunities in Canada and U.S.

~9 Terawatt hours

Generated

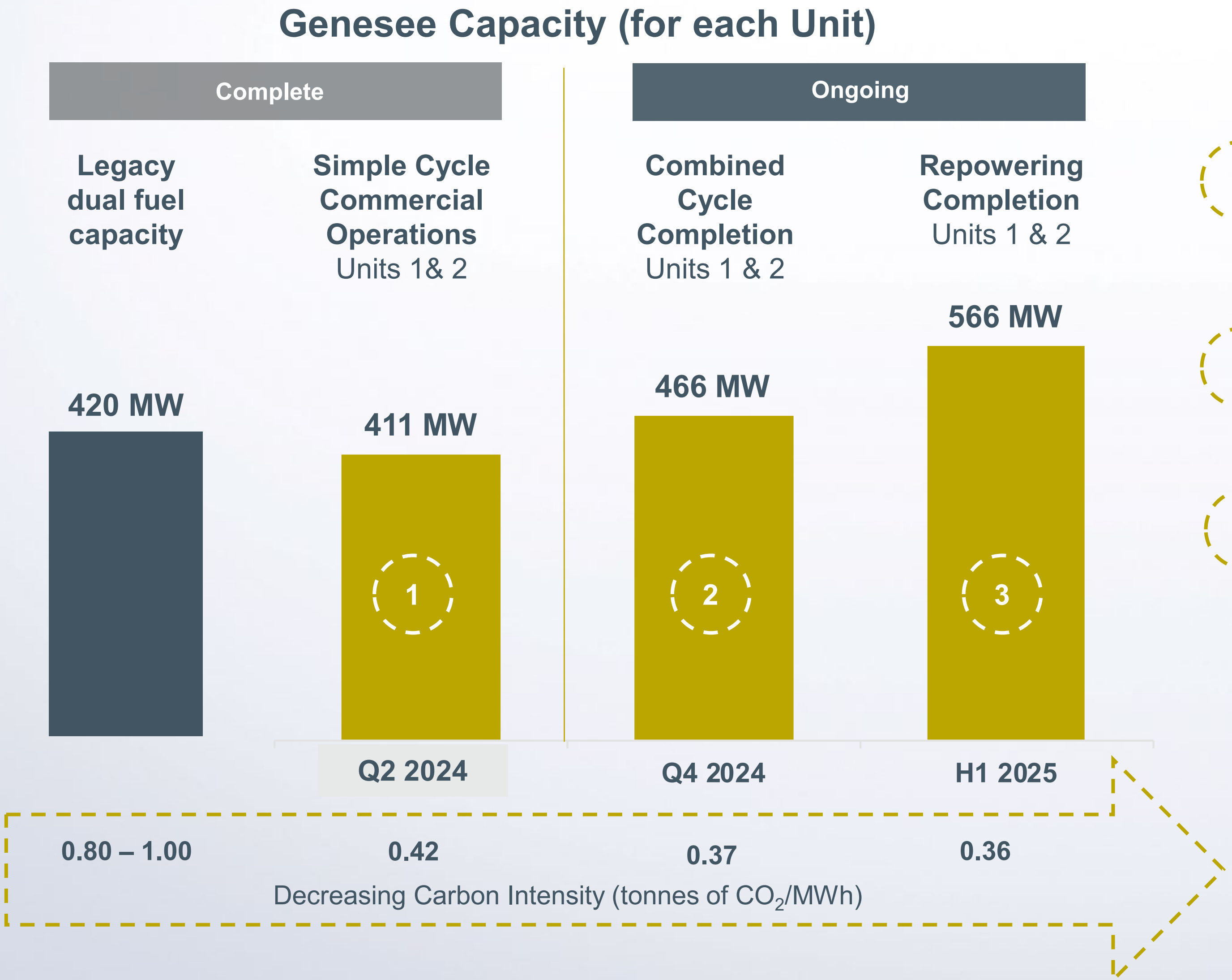
CO_2

Off-coal

5-years ahead of government mandate

Genesee Repowering – Project Update

Increased capacity and significantly lower carbon intensity



1
- Simple cycle COD – units 1 & 2 complete
- Capital Power and Alberta are officially off coal

2
- Both units expected to achieve combined cycle in 2024

3
- Targeting 566 MW per unit (H1 2025)

Ontario Assets

Stable operations; construction proceeding

Goreway generation on pace for record year despite turnarounds

BESS at Goreway and York are mobilized for construction in Q3 2024

Uprate projects at Goreway and York on-time and favorable relative to budget

U.S. Asset Update

M&A driving portfolio diversification

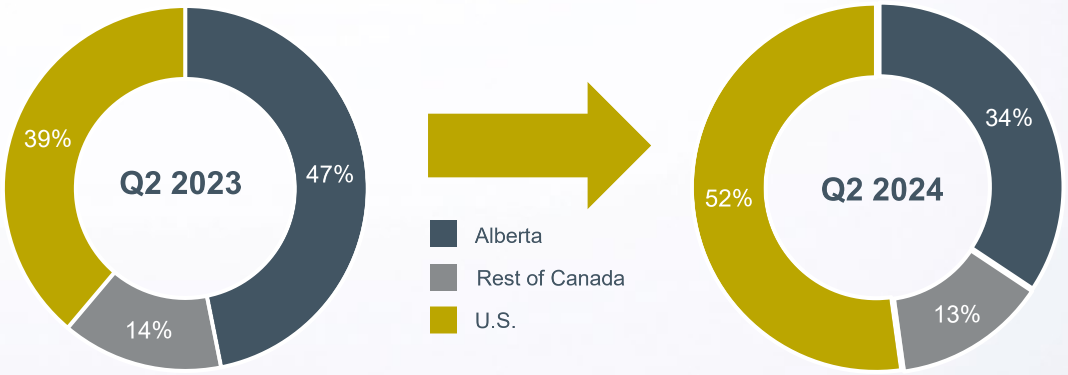
- ~52% of generation in Q2 2024
- ~43% of adjusted EBITDA in Q2 2024

Strong fundamentals driving performance:

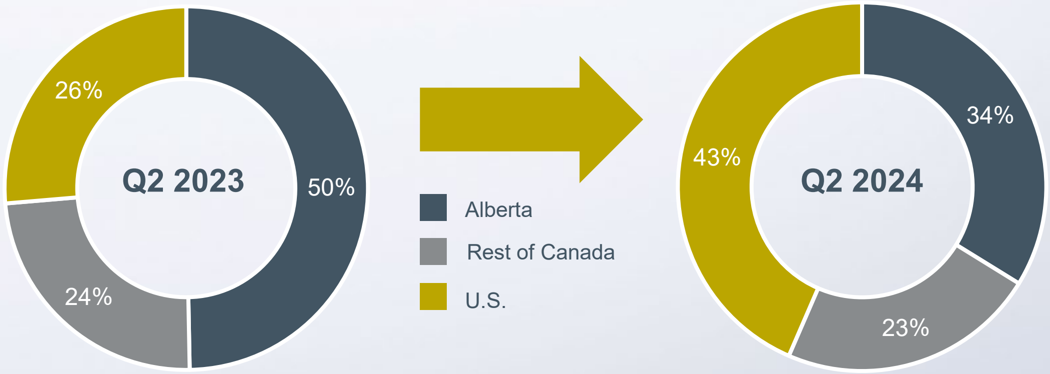
- Strong generation among U.S. thermal fleet demonstrating strategic underpinning
- Rising capacity factors bolster case for recontracting and potential for future optimization and expansion

U.S. Portfolio Contribution

Generation by facility geography



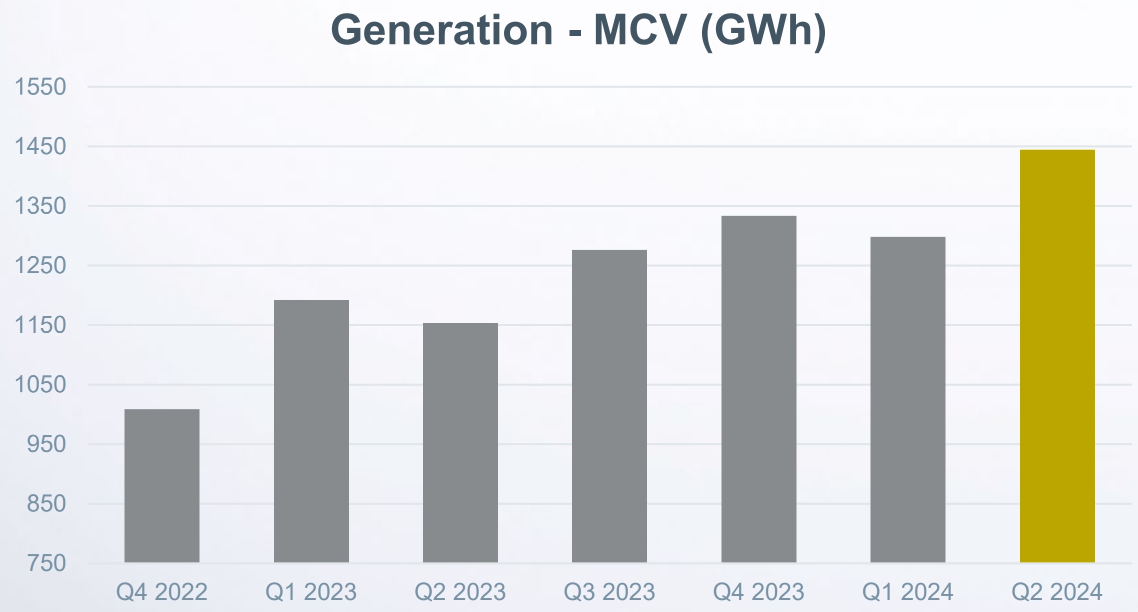
Adjusted EBITDA[1] by facility geography



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

U.S. Asset Highlights

Record U.S. generation achieved through M&A and strong demand



Total U.S. Portfolio:
Q2 ~4.5TWh (~87% thermal); 10 Facilities

U.S. Thermal

~3.9 TWh
Q2 2024 Thermal Generation

6
Facilities

Capacity and Acreage

~4,175 MW
Generation Capacity

~5,000
Acres of surplus land

Q2 2024 Results - Overview

Cash flows impacted by outages and lower captured prices in Alberta

$705M
Revenues and other income[1]
- $164M YoY

$323M
Adjusted EBITDA
- $4M YoY

$136M
Net cash flows from operating activities
+ $125M YoY

$178M
AFFO
+ $27M YoY

Adjusted EBITDA is lower year over year due to:

- Lower generation and captured power prices in Alberta
- Full recognition of off-coal compensation (end of 2023)
- Offsetting factors include:
  - Increased U.S. facility contributions and trading results
  - Lower coal and emissions costs

AFFO is higher driven by:

- Lower current income tax expense and contributions from our joint ventures
- Offsetting factors include:
  - Lower Adjusted EBITDA as described above
  - Higher finance expense

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

H1 2024 Results - Overview

Cash flows impacted by outages and lower prices in Alberta

H1 Adjusted EBITDA is lower year over year due to the same factors impacting Q2 results

AFFO is lower driven by:

- Lower adjusted EBITDA
- Higher sustaining capital expenditures
- Higher preferred share dividends

Offsetting factors include:

- Lower current income tax expense
- Greater contributions from our joint ventures

$1,621M
Revenues and other income[1]
- $224M YoY

$602M
Adjusted EBITDA
- $126M YoY

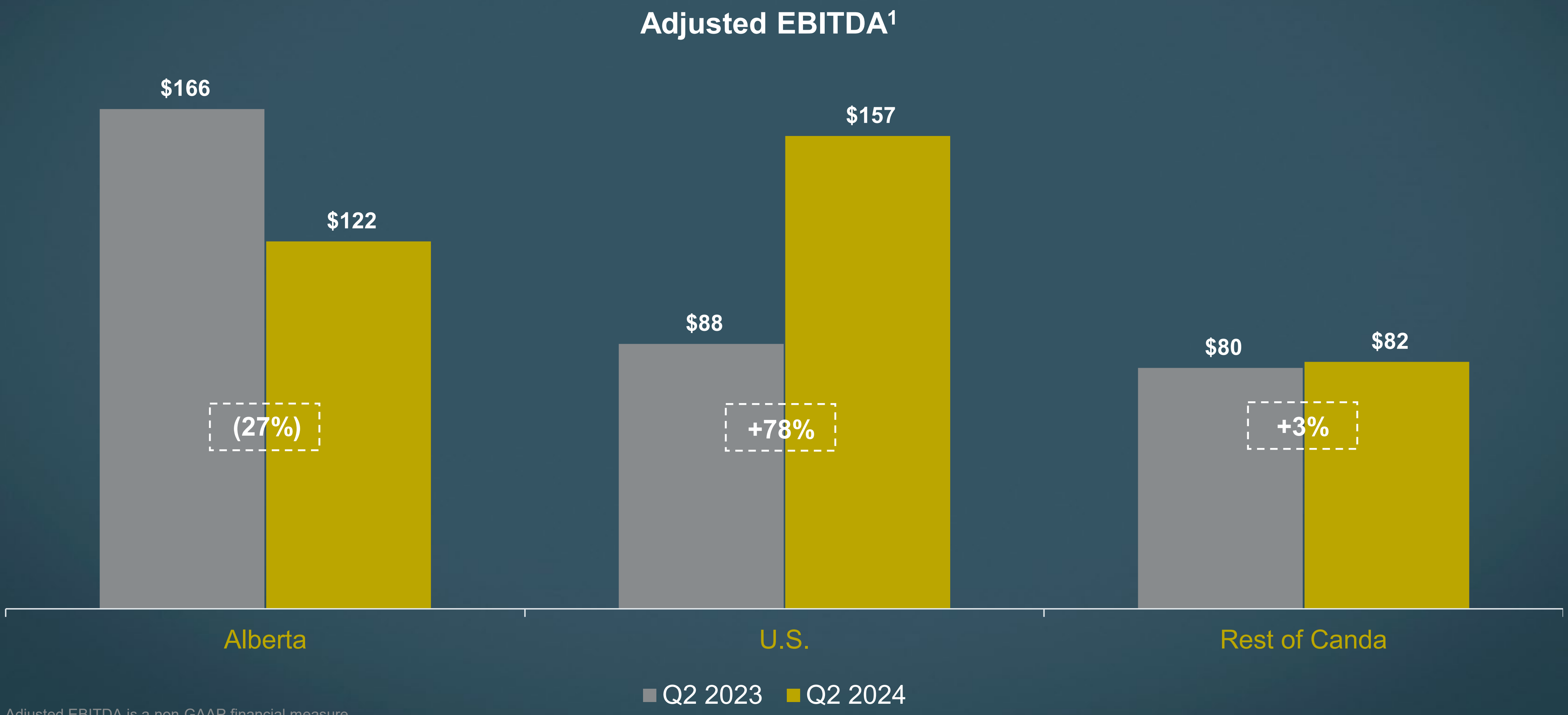
$470M
Net cash flows from operating activities
+ $110M YoY

$320M
AFFO
- $41M YoY

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

Q2 2024 Results – Adjusted EBITDA Breakdown

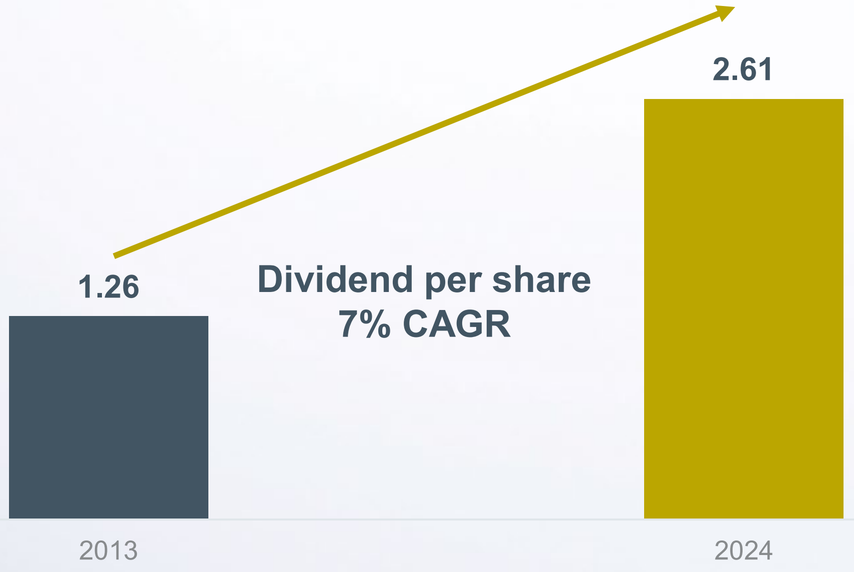
U.S. diversification reduces adjusted EBITDA volatility



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

Strong historical dividend per share growth:

6% Dividend increase



11th consecutive annual dividend increase

Hybrid bond issuance

First 30-year hybrid in Canada

- Cost-effective financing with economic savings of ~$3.4M per annum (initial 10 years)[1]
- Effective interest rate of ~7.7%[2]

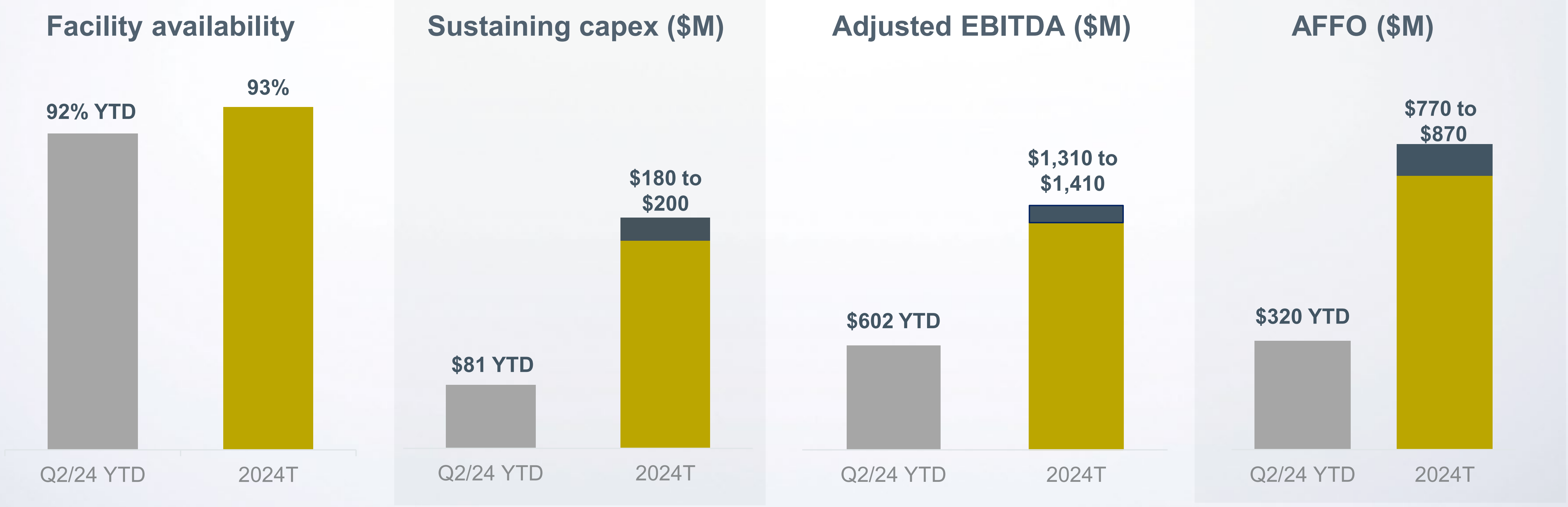
$450,000,000 CAN

8.125% 30NC10

Initial reset: June 5, 2034 | Maturity date: June 5, 2054

1. On an after-tax basis relative to reset rates of Preferred Shares, Series 11
2. Assumes inclusion of forward starting swap settlement put in place for the issuance

Q2 2024 YTD vs. 2024 Targets



2024 Guidance

- The updated adjusted EBITDA guidance range is driven lower, most notably, by lower Alberta power prices in addition to the impact of outages at Genesee the first half of the year.
- Based on first half of 2024 and forecast for the balance of the year, 2024 full year AFFO is trending to the mid-point of the original guidance range

Restructured Energy Market (REM)

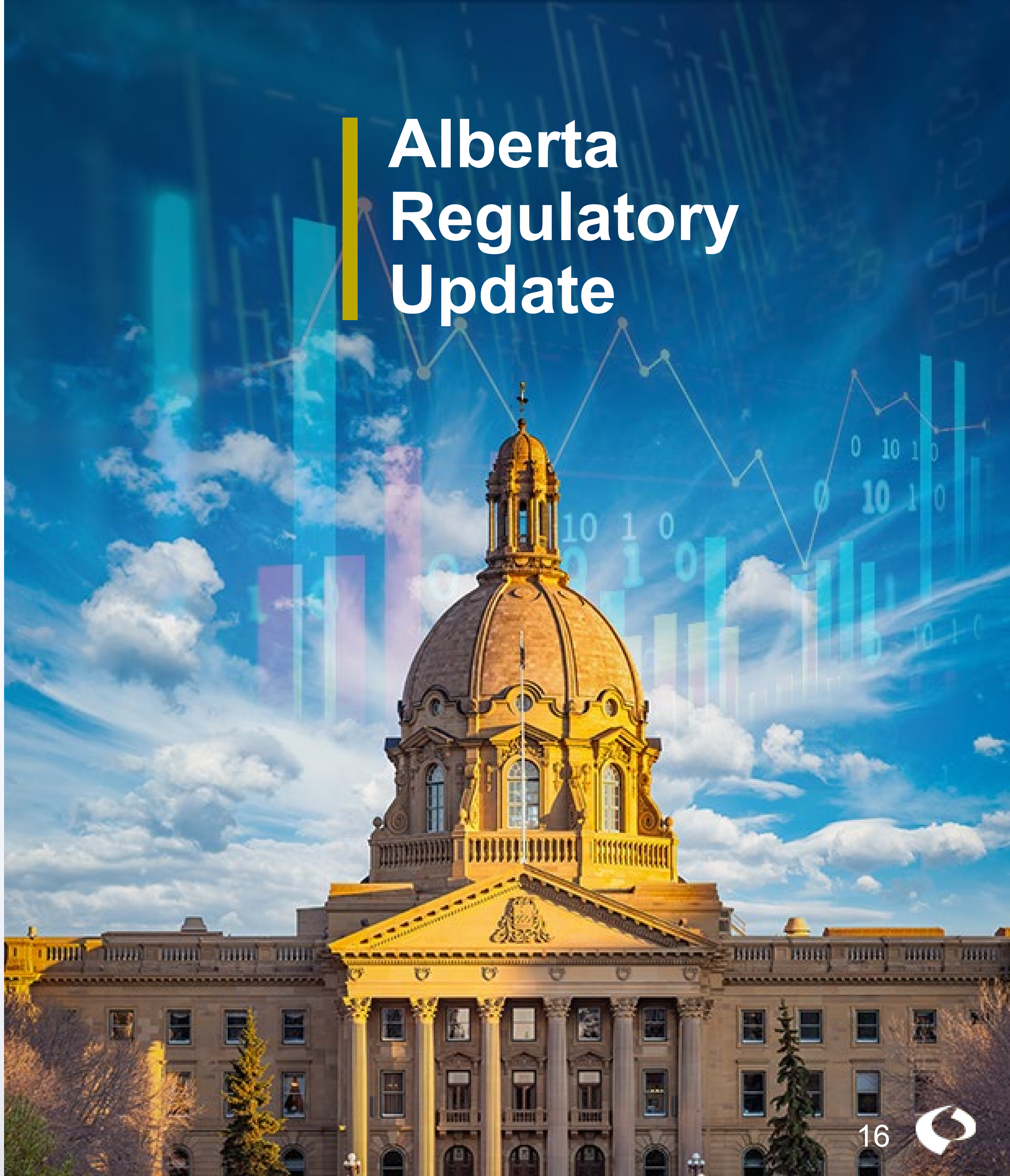
Overview

On July 11, 2024, the Minister of Affordability and Utilities announced policy decisions re: technical design of the Restructured Energy Market (REM).

Specific policy direction:

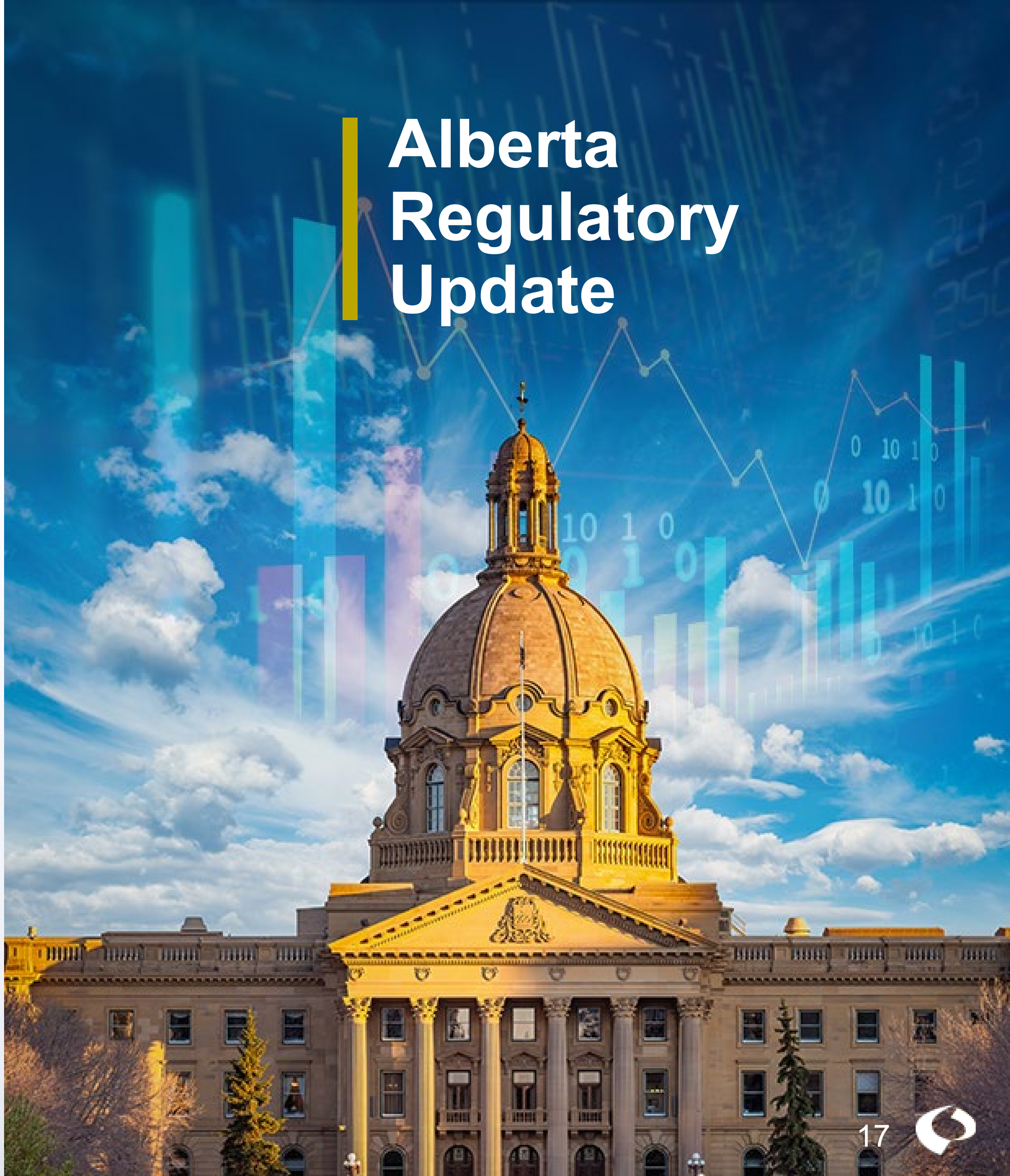
- Introduction of day ahead market
- Price to be determined by strategic offers
- Market power mitigation
- A review of the price cap and floor
- Transmission policy update; and
- Other market operational changes

AESO will be consulting on market design changes this fall with objective to have legislative changes in-place in early 2025 and full implementation by late 2025 / early 2026



Key Takeaways for Alberta

- Preserves Alberta's competitive **Energy Only Market**
- **Enhances price and operational certainty** with day ahead market
- **Competition based** ensuring price signals are based on market participant's competitive offers
- Improves upon interim market rules to **maintain customer affordability**
- **Clarity on transmission planning** going forward



Key Takeaways for Capital Power

Trading & origination portfolio

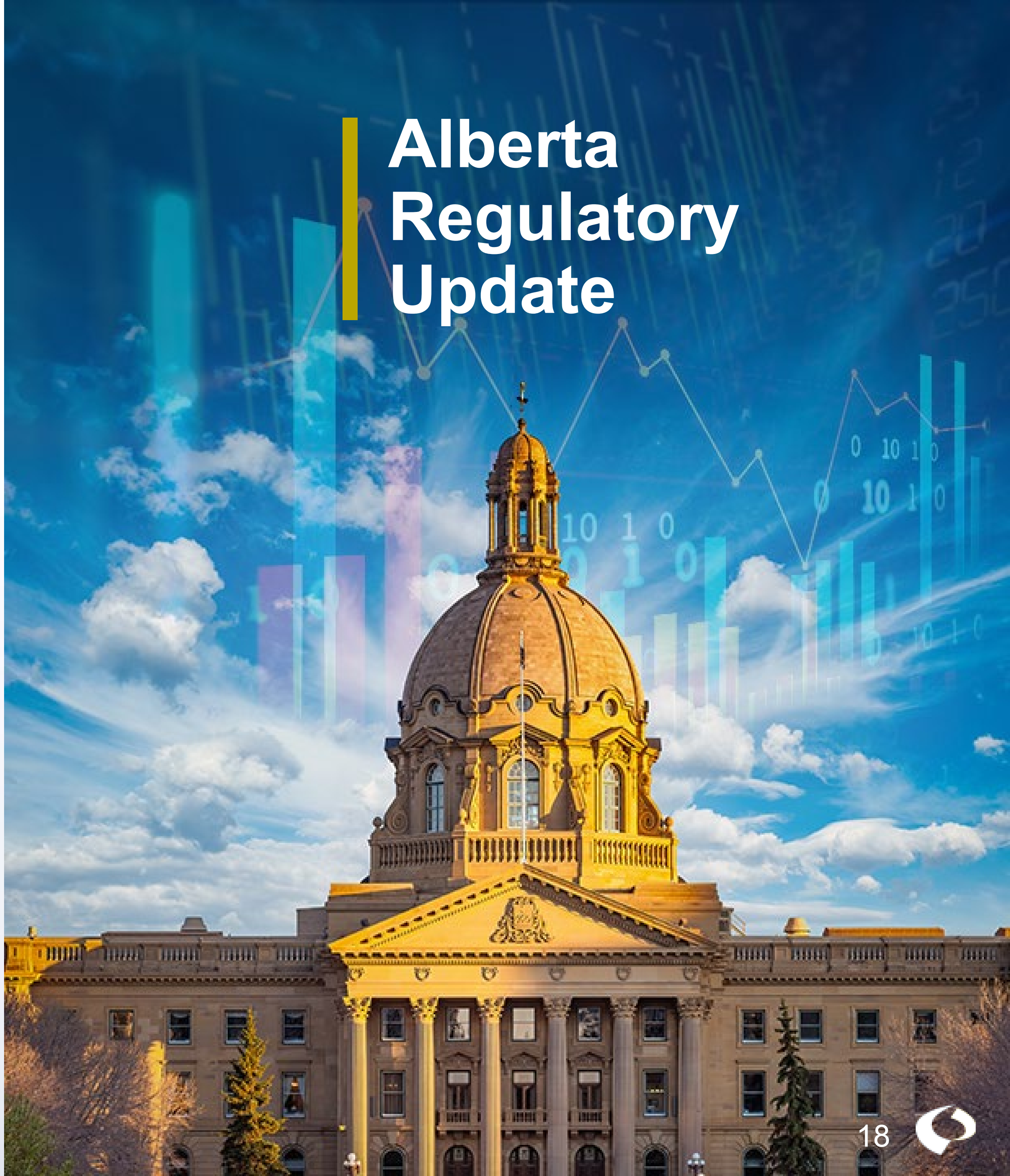
- Continued ability to actively trade power

Investment certainty for CPX

- Similar structure to existing market design
- Supports continued investment in Alberta market opportunities (e.g., data centres)

Alberta outlook

- Near term: does not materially alter our fundamental view of the market
- Long term: revised price cap and floor should provide positive portfolio value



Questions & Answers

Forward-looking information

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

- our priorities and long-term strategies, including our corporate, and decarbonization strategies;
- our company-wide targets and plans specific to climate-related performance, including reduction of emissions and emission intensity and our pathway to net zero by 2045;
- our 2024 performance targets, including facility availability, sustaining capital expenditures, AFFO and adjusted EBITDA;
- future revenues, expenses, earnings, adjusted EBITDA and AFFO;
- the future pricing of electricity and market fundamentals in existing and target markets;
- our future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions;
- our sources of funding, adequacy and availability of committed bank credit facilities and future borrowings;
- the timing of, funding of and costs of, generation capacity of, costs of technologies selected for, environmental and sustainability benefits, commercial and partnership arrangements regarding existing, planned and potential development projects and acquisitions (including phase 2 of Halkirk Wind, the repowering of Genesee 1 and 2, the upgrade at Goreway and York Energy, Goreway Battery Energy Storage System (BESS), York Energy BESS, East Windsor expansion, Maple Leaf Solar project, Bear Branch Solar and Hornet Solar);
- the financial impacts of the La Paloma and Harquahala acquisitions;
- future growth and emerging opportunities in our target markets;
- anticipated litigation in respect of Environmental Protection Agency (EPA) rules and plans and the outcome thereof;
- market and regulation designs and regulatory and legislative proposals and changes, regulatory updates and the impact thereof on the Company's core markets and business; and
- the impact of climate change, including our assumptions relating to our identification of future risks and opportunities from climate change, our plans to mitigate transition and physical climate risks, and opportunities resulting from those risks.

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

:

- electricity and other energy and carbon prices;
- performance;
- business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects;
- status and impact of policy, legislation and regulations;
- effective tax rates;
- the development and performance of technology;
- foreign exchange rates; and
- other matters discussed under the Performance Overview, Outlook and Risks and Risk Management sections.
- Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results and experience to differ materially from our expectations. Such material risks and uncertainties are:
- changes in electricity, natural gas and carbon prices in markets in which we operate and the use of derivatives;
- regulatory and political environments including changes to environmental, climate, financial reporting, market structure and tax legislation;
- disruptions, or price volatility within our supply chains;
- generation facility availability, wind capacity factor and performance including maintenance expenditures;
- ability to fund current and future capital and working capital needs;
- acquisitions and developments including timing and costs of regulatory approvals and construction;
- changes in the availability of fuel;
- ability to realize the anticipated benefits of acquisitions;
- limitations inherent in our review of acquired assets;
- changes in general economic and competitive conditions, including inflation and recession;
- changes in the performance and cost of technologies and the development of new technologies, new energy efficient products, services and programs; and
- risks and uncertainties discussed under the Risks and risk management section.

See Risks and Risk Management in our 2023 Integrated Annual Report, for further discussion of these and other risks.

Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Capital Power does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

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