

Record generation and diversification

Q3 2024 | Analyst presentation



Agenda

Q3 2024 | Analyst presentation

1. Business Highlights | Avik Dey - President & CEO

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

3. Closing Remarks | Avik Dey - President & CEO

4. Q&A | Management

Sandra Haskins
SVP, Finance & Chief Financial Officer

Avik Dey
President & CEO

Forward-looking information

Cautionary statement

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

Additional information about the material factors and risks that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information are disclosed on slide 18 of this presentation and the Company's third quarter Management's Discussion and Analysis (MD&A) prepared as of September 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 September 30, 2024, for the third 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.



Q3 2024 highlights



Deliver

- Generation of ~11TWh across our strategically positioned fleet
- U.S. assets contributed 53% of Q3 2024 EBITDA
- Investing in our assets; >60% of budgeted outage days complete



Build

- Advancing 10 projects across renewables and flexible generation
- Genesee 1 & 2 combined cycle commissioning underway; on track for Q4 2024 completion



Create

- Announced partnership with Maskwacis First Nations
- Entered connection queue for ~1.5GW data center at Genesee
- Continue to evaluate data center opportunities in the U.S.

Deliver



~11

Terawatt hours

Record quarterly generation

Build



~1.1

GW

Capacity under development / construction

Create



~1.5

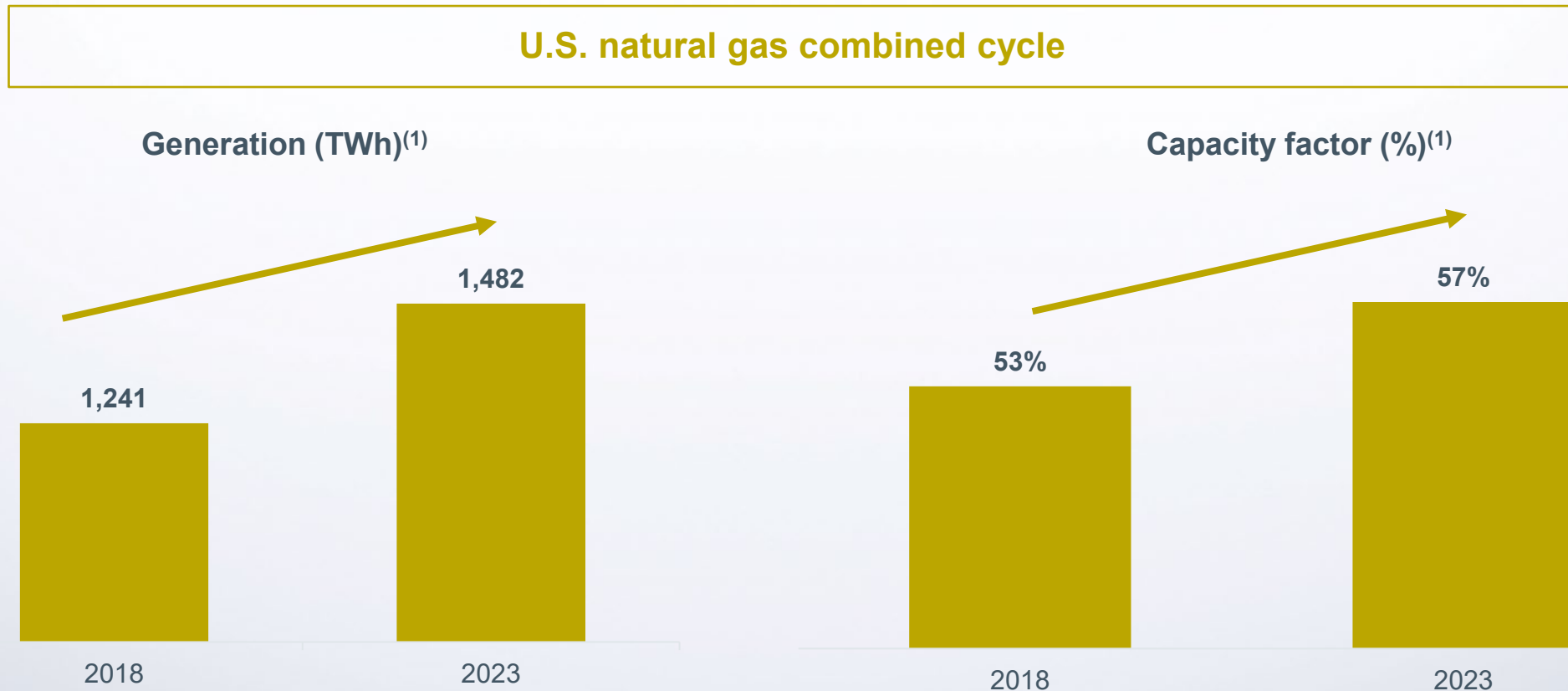
GW

Data center project connection



Strong power fundamentals

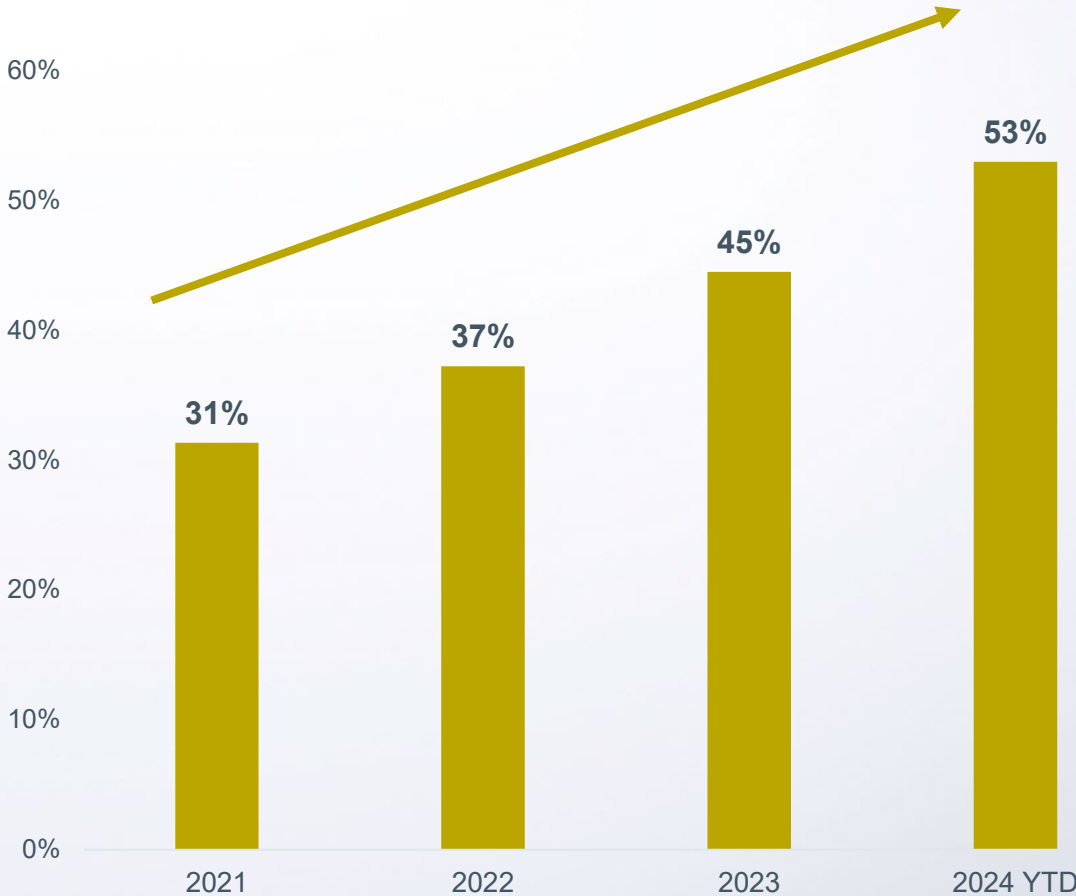
Rising capacity factors underpin opportunity for reliable generation



1. SNL (S&P Capital IQ), U.S. combined cycle units

There is a strong case for re-contracting our existing thermal assets.

CPX U.S. flexible generation capacity factor¹



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

U.S. asset diversification

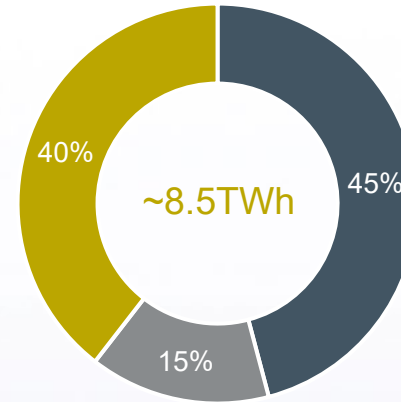
U.S. assets underscore value of diversification

- ~54% of generation in Q3 2024
- ~53% of adjusted EBITDA in Q3 2024

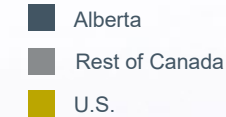
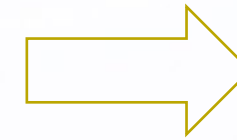
Value of existing generation is rising

- Potential to re-contract at superior pricing
- Upside from potential low-cost expansion

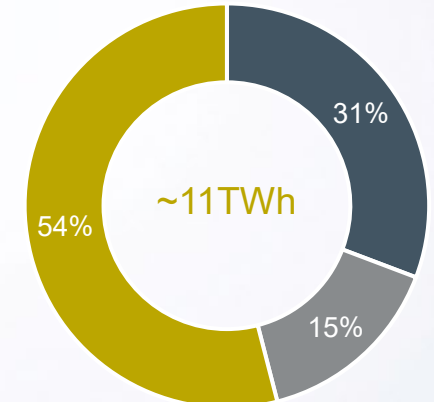
Q3 2023



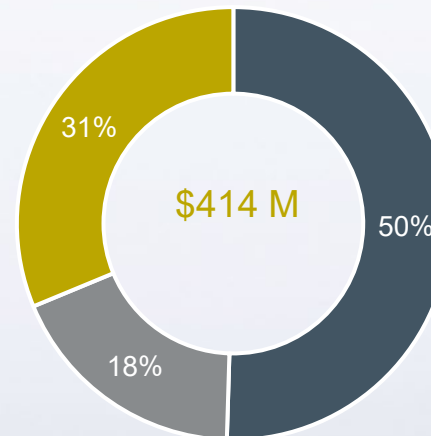
Generation



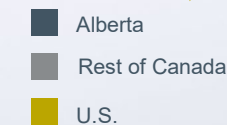
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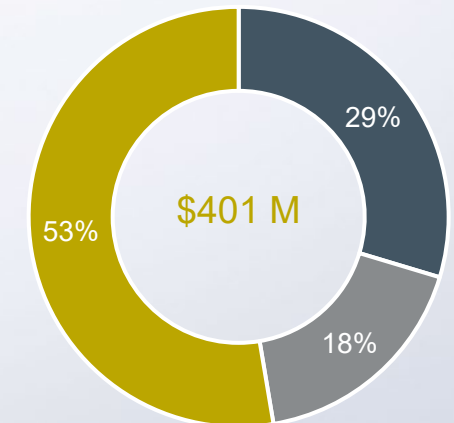
Q3 2023



Adjusted EBITDA^{1,2}



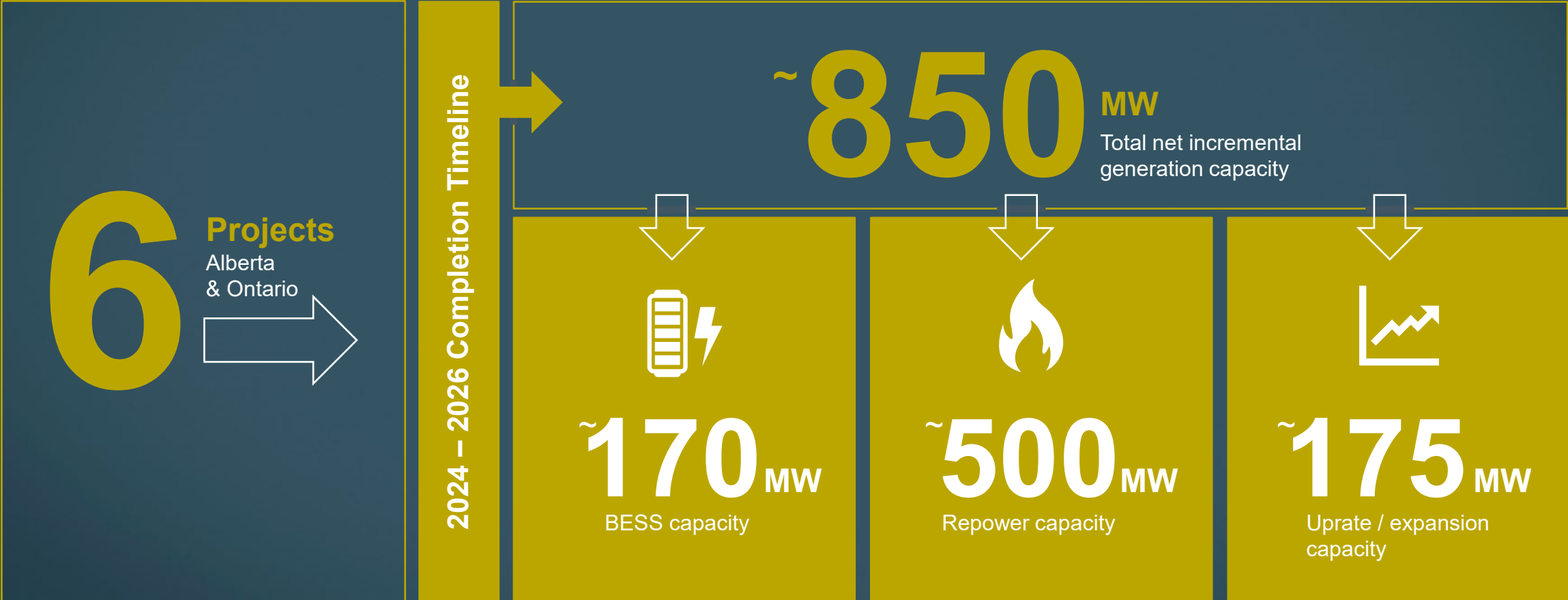
Q3 2024



1. Adjusted EBITDA is a non-GAAP financial measure.
 2. % values calculated gross of corporate costs while total EBITDA figures are net of total EBITDA

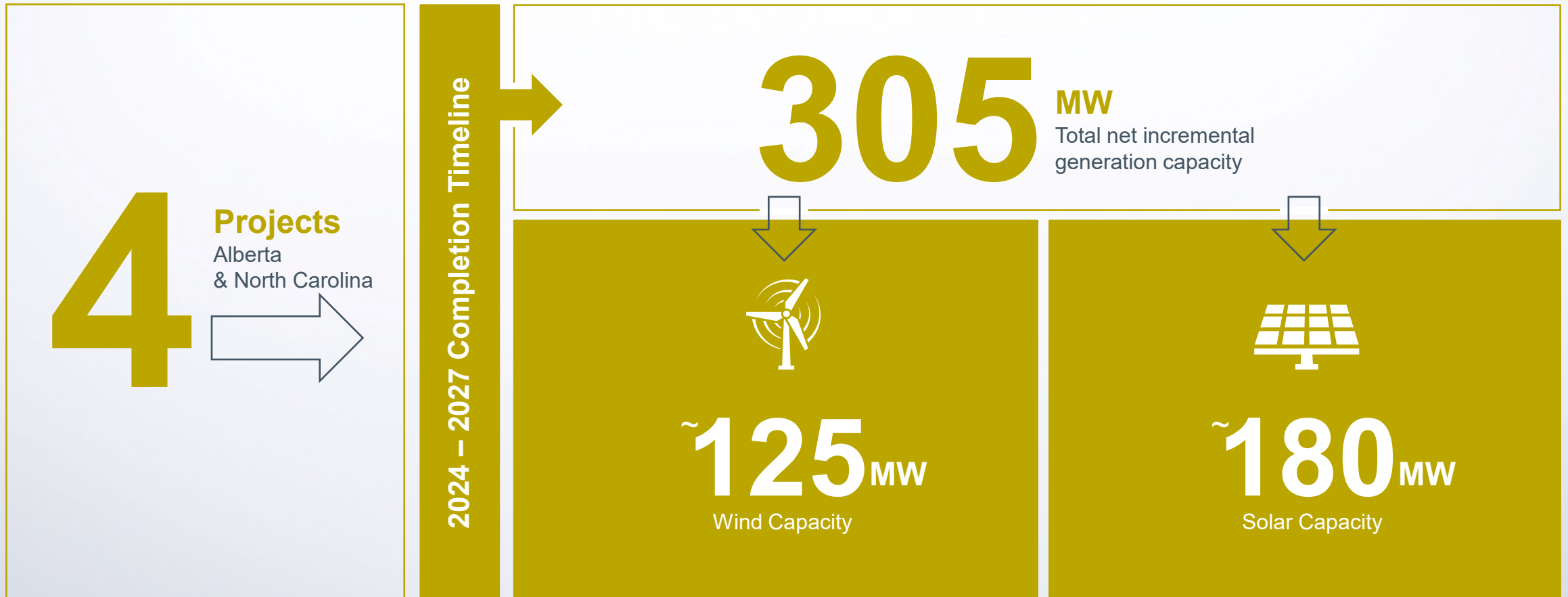
Flexible generation

Project Portfolio Update



Renewables

Project Portfolio Update



Superior data center value proposition; speed to market with confidence



Existing reliable generation

14 flexible generation sites with ~7.8 GW of capacity



Top tier land position with expansion potential

~18,000 acres of developable land



In-house operational capabilities

Dedicated and highly trained specialists



Stakeholder relations

Track record for constructive engagement



Commercial and trading expertise

Thoughtful and creative approach; IG credit rating



**Balanced
energy
solution for
data centers**



Q3 Results

\$401_M

Adjusted
EBITDA

- \$13 YoY

\$885_M

Revenues and
other income⁽¹⁾

- \$82M YoY

\$236_M

Net cash flows
from operating activities

- \$244M YoY

\$315_M

AFFO

+ \$19M YoY

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



9-month financial performance

\$ 1,003 M

Adjusted
EBITDA

- \$139M YoY

\$ 2,506 M

Revenues and
other income⁽¹⁾

- \$326M YoY

\$ 706 M

Net cash flows
from operating activities

- \$134M YoY

\$ 635 M

AFFO

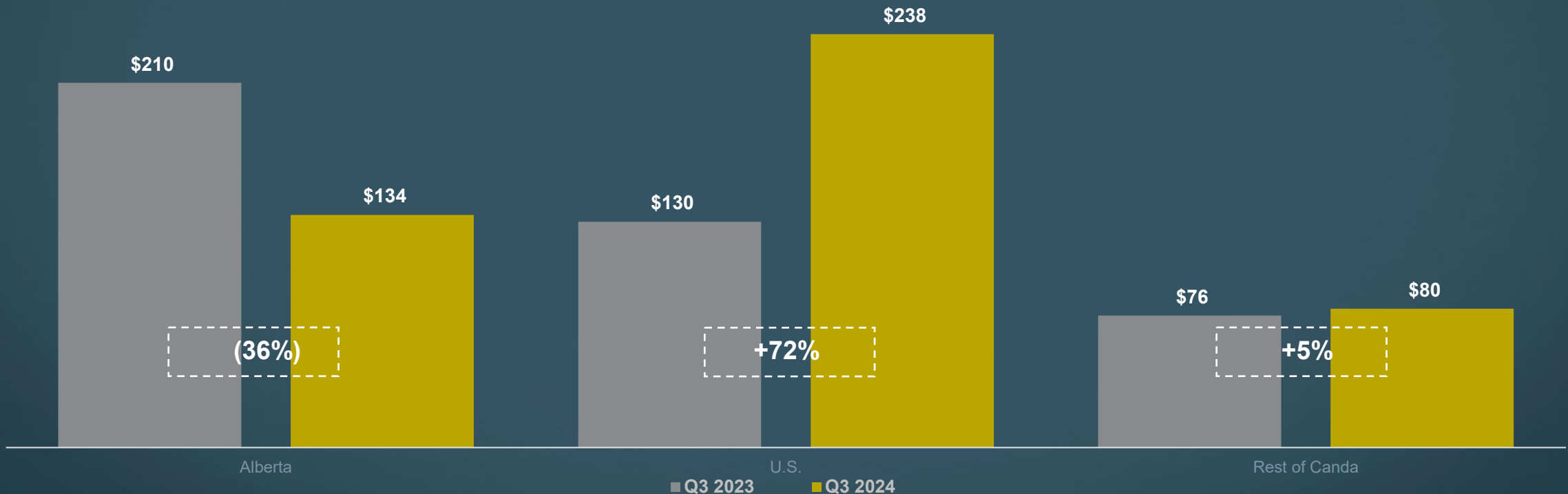
- \$22M YoY

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



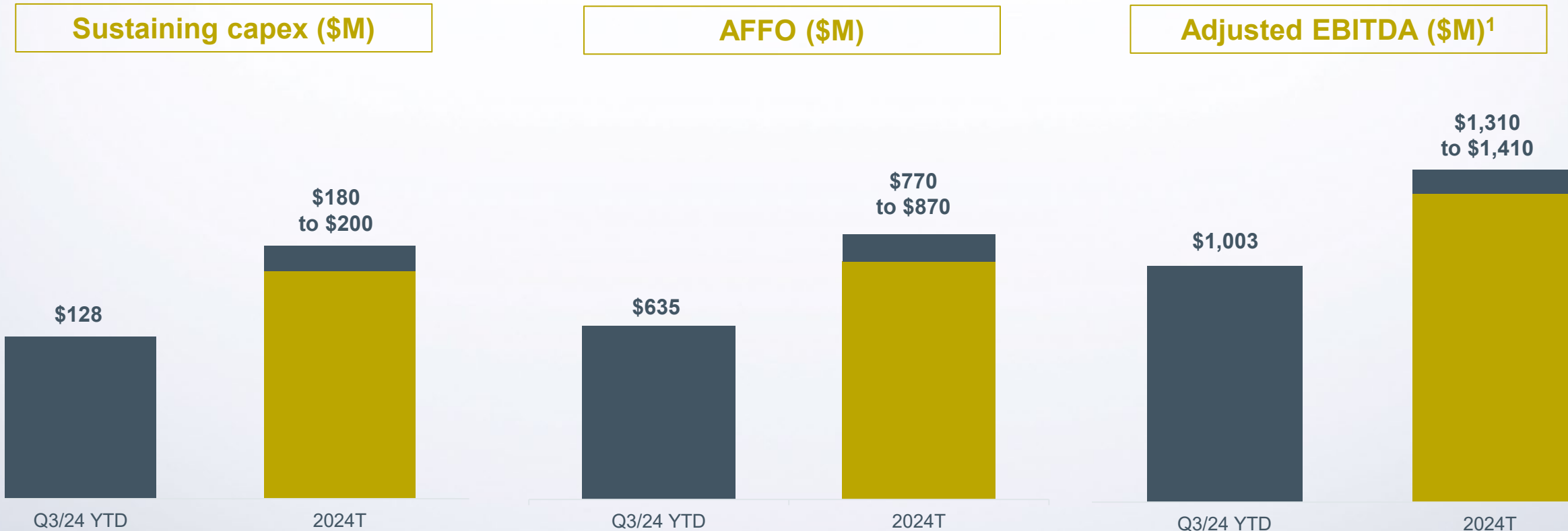
Diversification of U.S. assets reduces adjusted EBITDA volatility

Adjusted EBITDA¹ Q3 2023 to Q3 2024 comparison



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

Re-affirming guidance ranges for sustaining capex, AFFO and Adjusted EBITDA



1. Adjusted EBITDA revised guidance range



Powering Change
by Changing Power™

2025 Guidance

Virtual Call | January 2025

Investor Day

In-person | December 2025



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;
- the ability of profit-sharing arrangements to support partner communities;
- the anticipated impacts of the organizational review, including expenses, and anticipated benefits of the organizational review;
- 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. and
- the eligibility of certain projects for the Clean Technology ITC.

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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