

Contracted for stability; positioned for growth

January 2025

Guidance Presentation



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.



Today's Presenters



Sandra Haskins

SVP, Finance and
Chief Financial
Officer



Avik Dey

President and Chief
Executive Officer



Jason Comandante

SVP, Head of Canada



Focus Points

1

Shareholder value creation priorities | Avik Dey

2

Natural gas fueling the energy expansion | Jason Comandante

3

2025 Guidance | Sandra Haskins

4

Concluding Messages | Avik Dey



2024 was a remarkable year for Capital Power



Growth

Added ~2 GW of flexible generation



Decarbonization

~3.4MT annual emission reductions⁽¹⁾



Diversification

50/50 capacity Canada/US



Asset Rotation

\$340M renewable sell-down

2024 Total Shareholder Return (TSR): ~80%

1. Emission reductions from Genesee Repowering project

5th largest North American natural gas IPP

Large and diversified
generation footprint

~10 GW

Total owned capacity,
~85% natural gas

Unmatched in-house
operational expertise

14

Owned natural
gas facilities

Sound contractual
underpinning

9-11 Years⁽¹⁾

Historical weighted
average contract life

Proven ability to
acquire and optimize

~C\$6B⁽²⁾

Total asset value
from 11 deals

Strong balance
sheet and liquidity

BBB-/BBB (low)

Investment grade
rating (S&P / DBRS)

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

2. Denotes full transaction value inclusive of
partner working interest

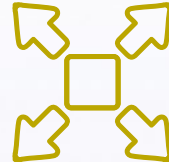


Shareholder value creation priorities

Flexible Generation and Renewables



Contract
Optimization



Optimize
& Expand



Acquire



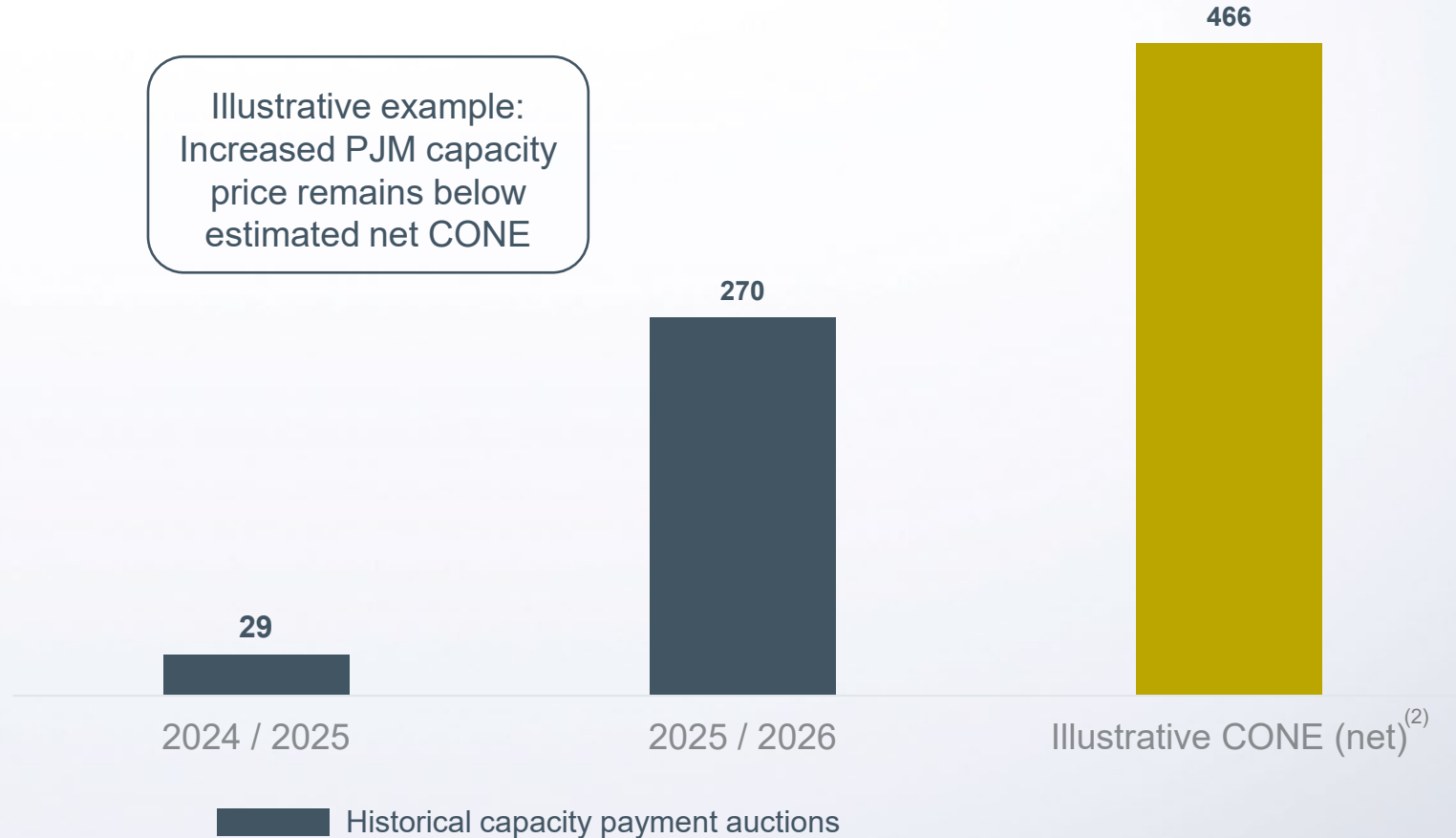
Develop

Targeted Annual TSR of 12-14%

Contract Optimization

Significant re-rate potential for US Flexible Generation

PJM Capacity Price Comparison (\$/MW-day)



1. Source: Historical PJM auction results

2. Source: Brattle's preliminary gross CONE and E&AS methodology (November 2024); represents natural gas combined cycle with historical average EAS Offset escalated to 2028 pricing

Optimize & Expand
Building fleetwide
efficiencies through
optimization and
expansion

York⁽¹⁾ and Goreway Uprates

~60MW
Capacity
Added

~\$14M
Annual EBITDA
Benefit

3 & 6 year
Contract
Extensions

Decatur CT Uprate

~90MW
Capacity
Added

~\$8M
Annual EBITDA
Benefit

10 year
Contract
Extension

Acquire Compelling US M&A value proposition

Large and
fragmented market



Natural Gas Generation⁽¹⁾

~3,000
Facilities

~900 GW
Capacity

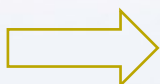
Owners motivated
to monetize



>2/3⁽²⁾

US natural gas capacity
acquired by financial buyers

Lower cost
with certainty



~20 – 50%⁽³⁾

Lower cost than build
(\$/kW)

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

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

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



Develop
Material renewables growth with future sell-down potential

CPX Renewables Capacity (MW)



Renewable assets: 13 operating, 4 under construction

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

2025 Strategic Priorities

Contract Optimization

Re-contract / contract flexible generation (including data centers)

Optimize and Expand

Maximize facility asset life and value

Acquire

Expand flexible generation portfolio

Develop

Grow renewables portfolio

Natural gas is fueling the energy expansion



Strong power fundamentals favour existing natural gas generation



Multi-faceted power demand growth

- C&I
- Residential
- Transportation
- Data centers



Natural gas: fueling the future

- Reliable
- Affordable
- Clean



Existing natural gas undervalued

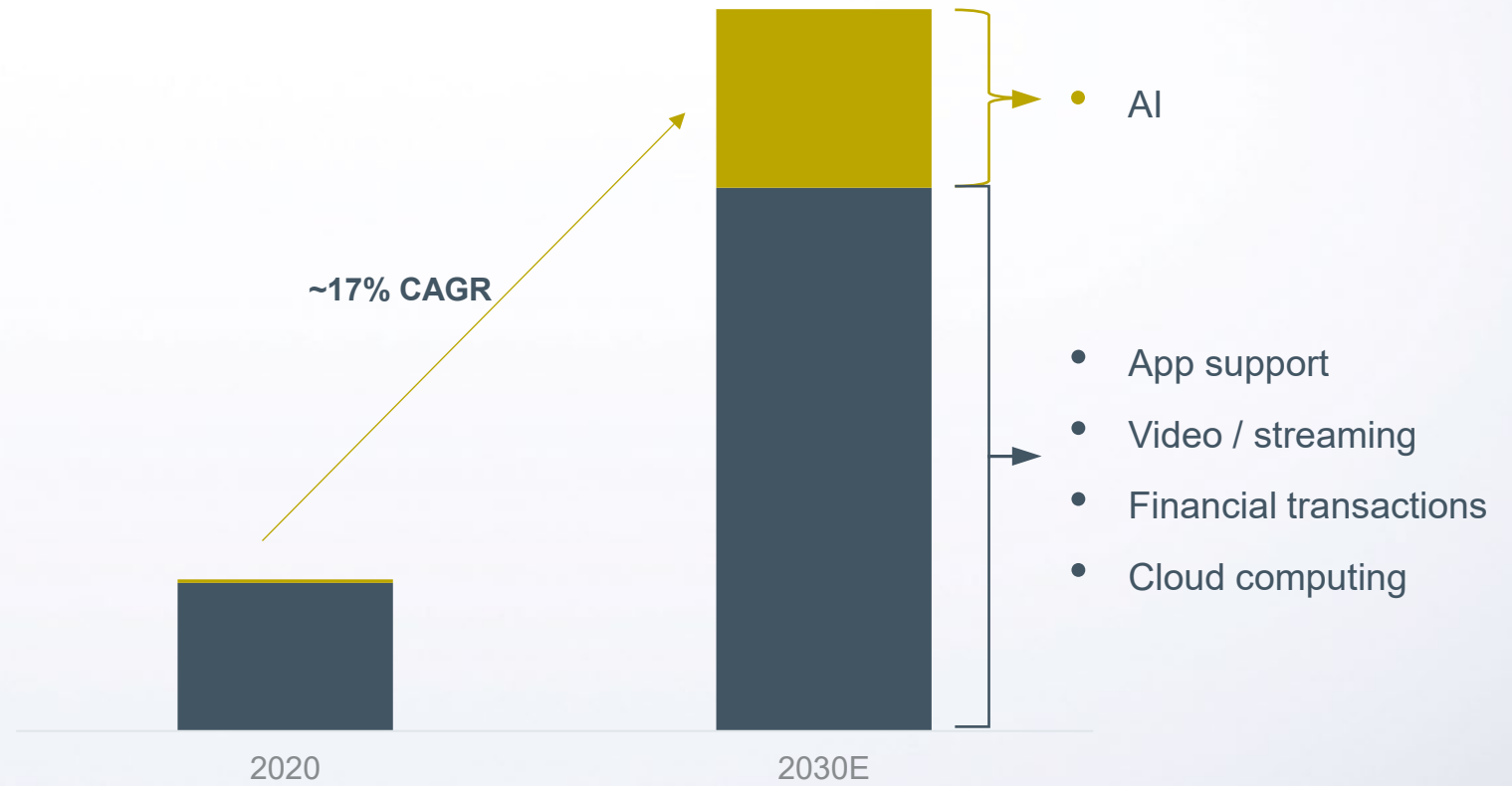
- Compelling acquisition opportunity

CPX has multiple ways to win



Robust and multi-faceted data center power demand growth

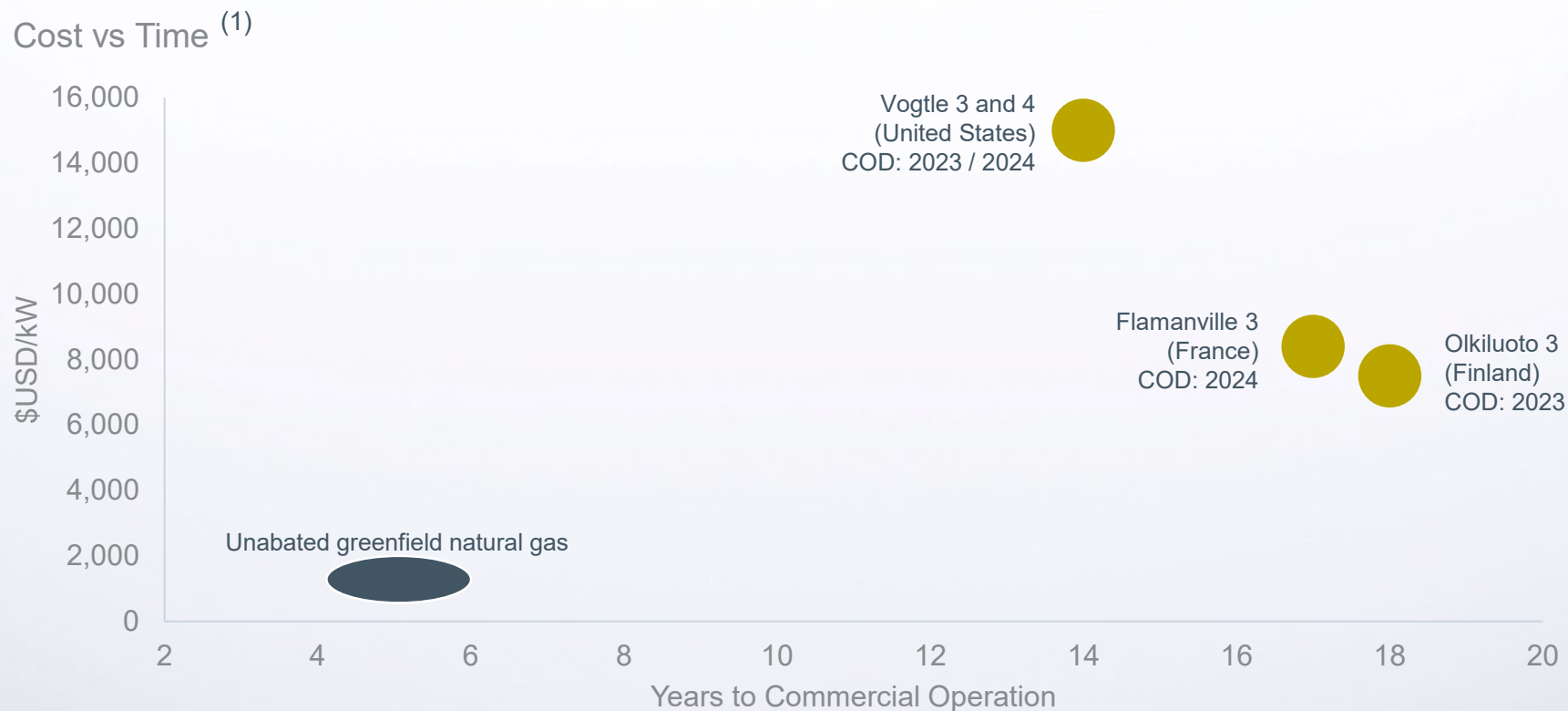
US Data Center Power Demand (TWh)⁽¹⁾



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

1. Goldman Sachs global investment research, EIA

Existing gas thermal capacity offers **certainty of cost and timing** over greenfield development



1. Approximate figures represent total capital costs of selected nuclear projects using various public sources

Capital Power's data center screening criteria for sites



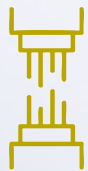
Reliable Power, Fast Deployment

- ✔ Available capacity
- ✔ Grid connection in the works



Strategic Locations with Available Land

- ✔ Co-location ready sites in strong markets
- ✔ Located near DC clusters



Infrastructure Assessed

- ✔ Water availability
- ✔ Fiber connectivity



Future-ready Sustainability & Compliance

- ✔ Tax and favorable regulation
- ✔ Green power solutions

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

Capacity Available at Genesee

~1.5+ GW

natural gas + CCS opportunity

Additional Capacity⁽¹⁾

2025 - 2027

1.6 GW

natural gas

2028+⁽²⁾

4.7 GW

natural gas

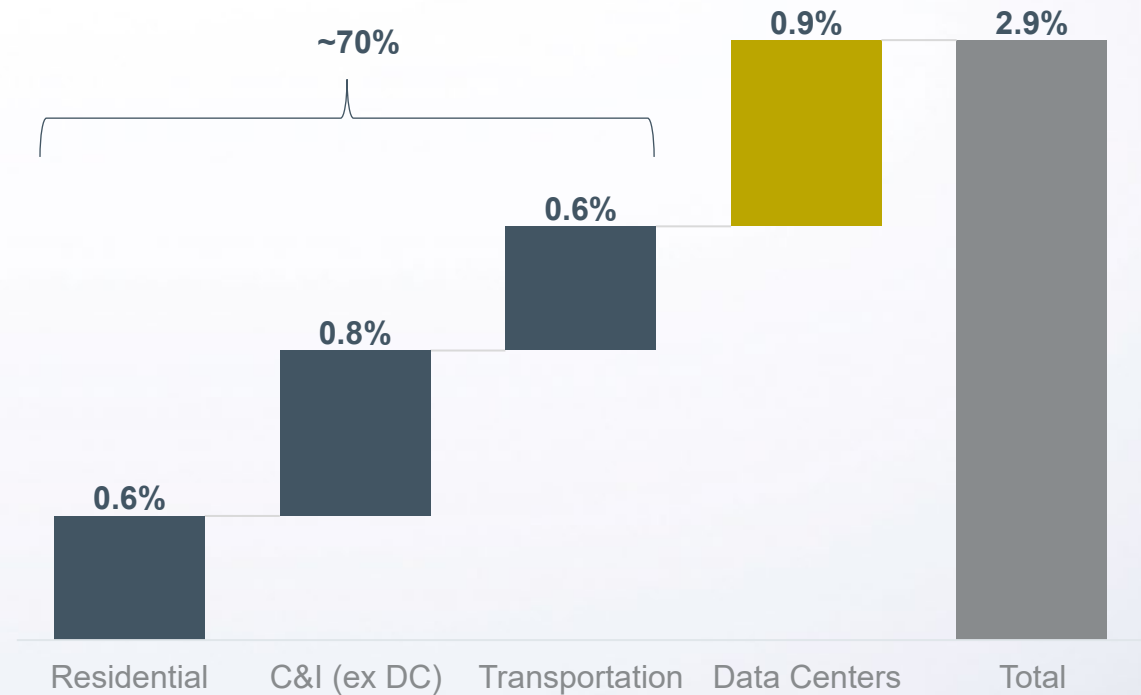
1. Includes flexible generation sites with capacity available for contracting or re-contracting, in addition to our the ~1.5MW available at Genesee.

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



Multiple sources of growth driving power demand

US Power Demand CAGR (%)⁽¹⁾

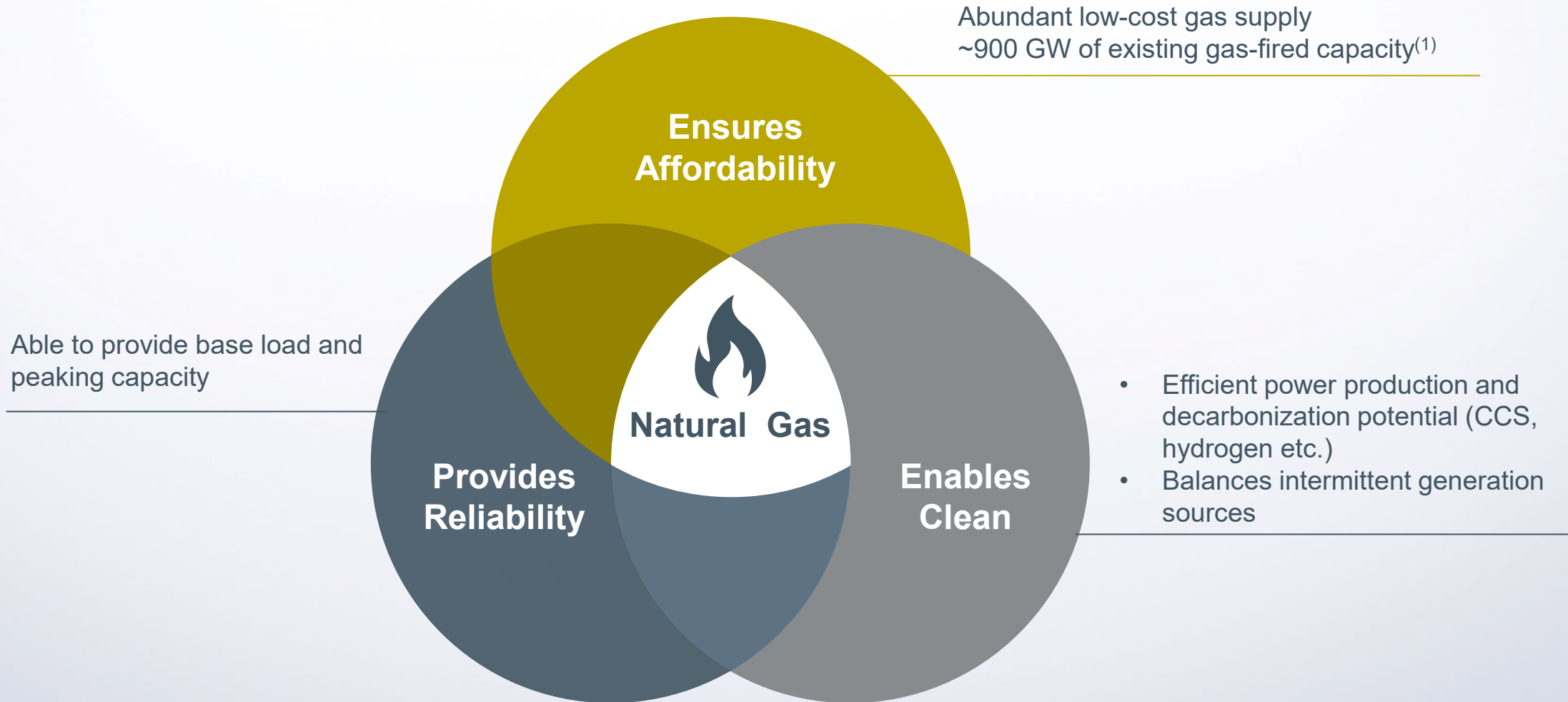


~70% of projected power demand growth is **not** from data centers

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



Natural gas is critical to meeting growing electricity demand



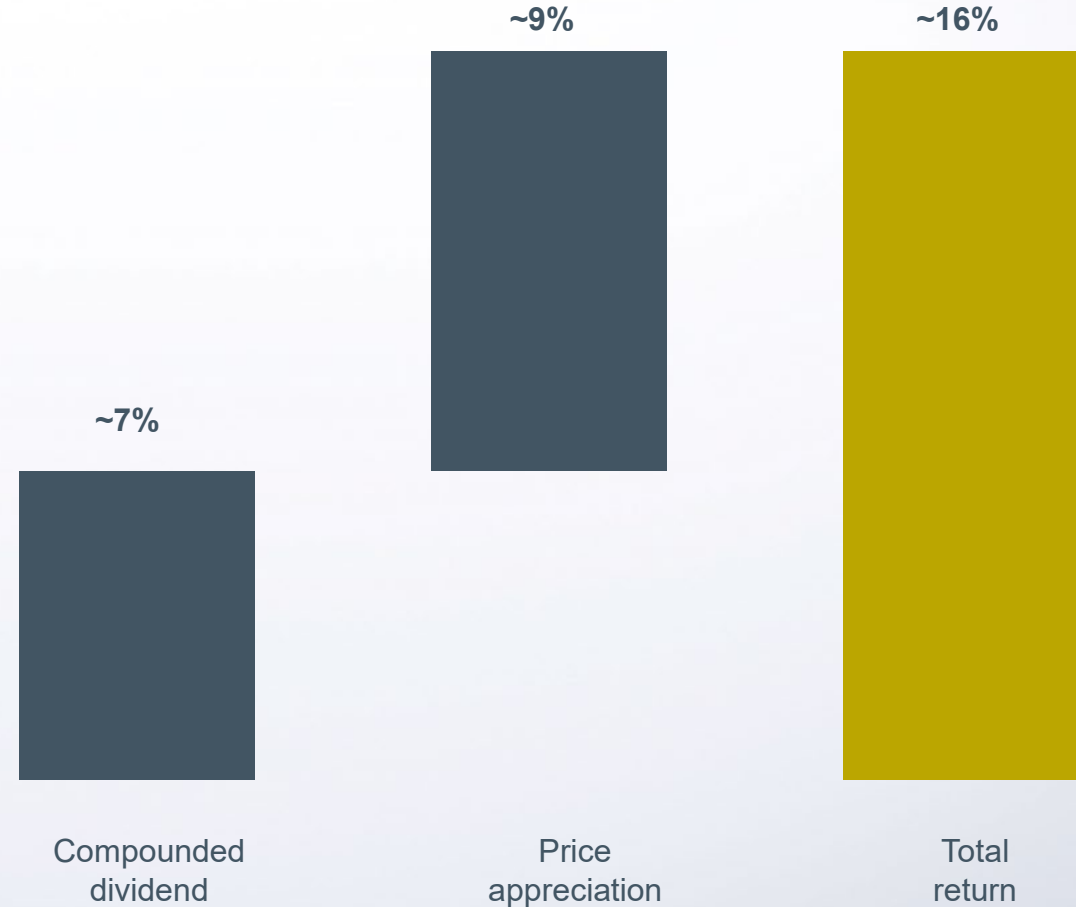
1. SNL (S&P) as of January 2025 inclusive of gas turbines, steam turbines and combined cycle units

| 2025 Guidance



We have delivered **superior total shareholder** returns and have ample opportunity going forward

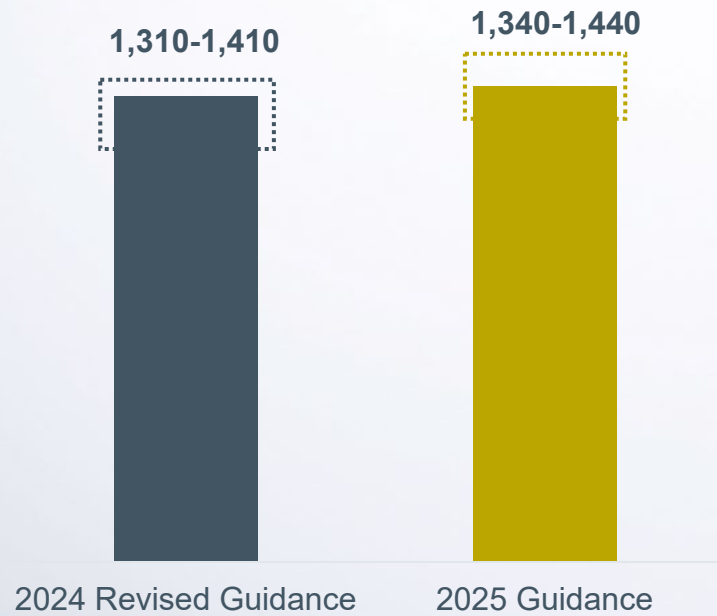
Total Shareholder Return⁽¹⁾ (10-year CAGR)



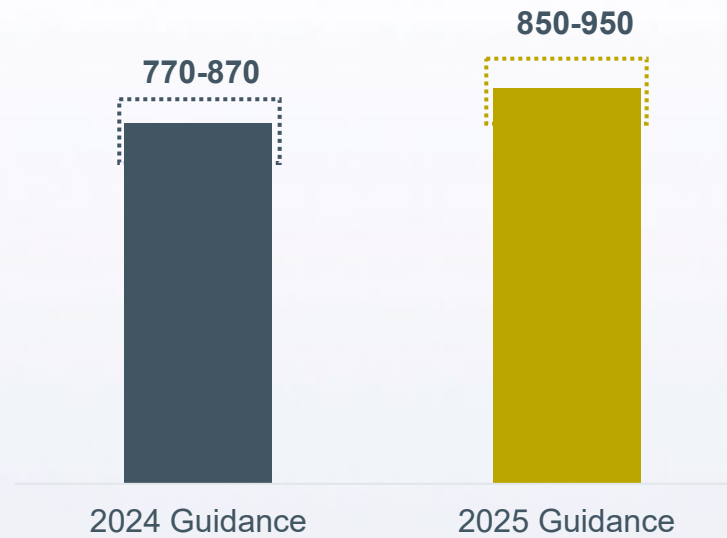
1. Total shareholder return is comprised of share price appreciation and dividends paid, expressed 1) via indexing, and 2) as annualized percentage. As of December 31, 2024

2025 Guidance Summary (\$M)

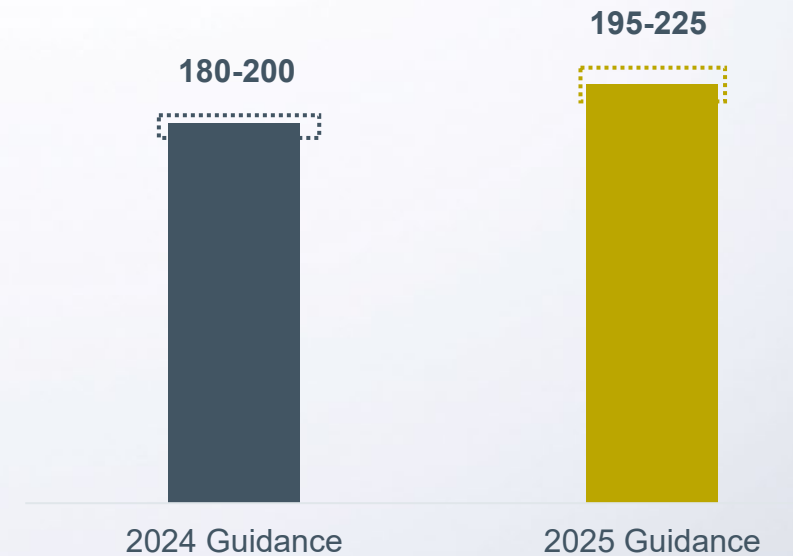
Adjusted EBITDA



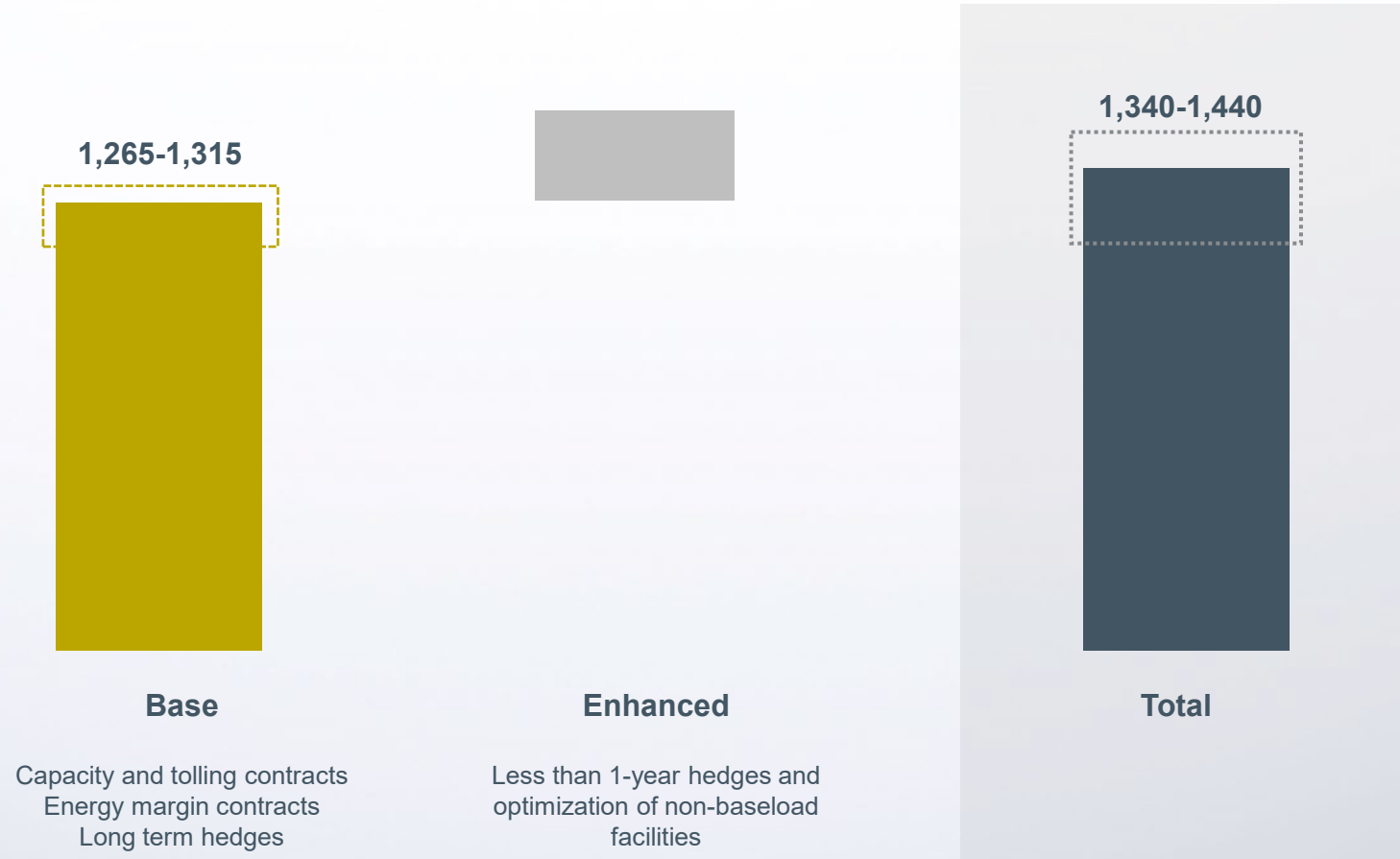
AFFO



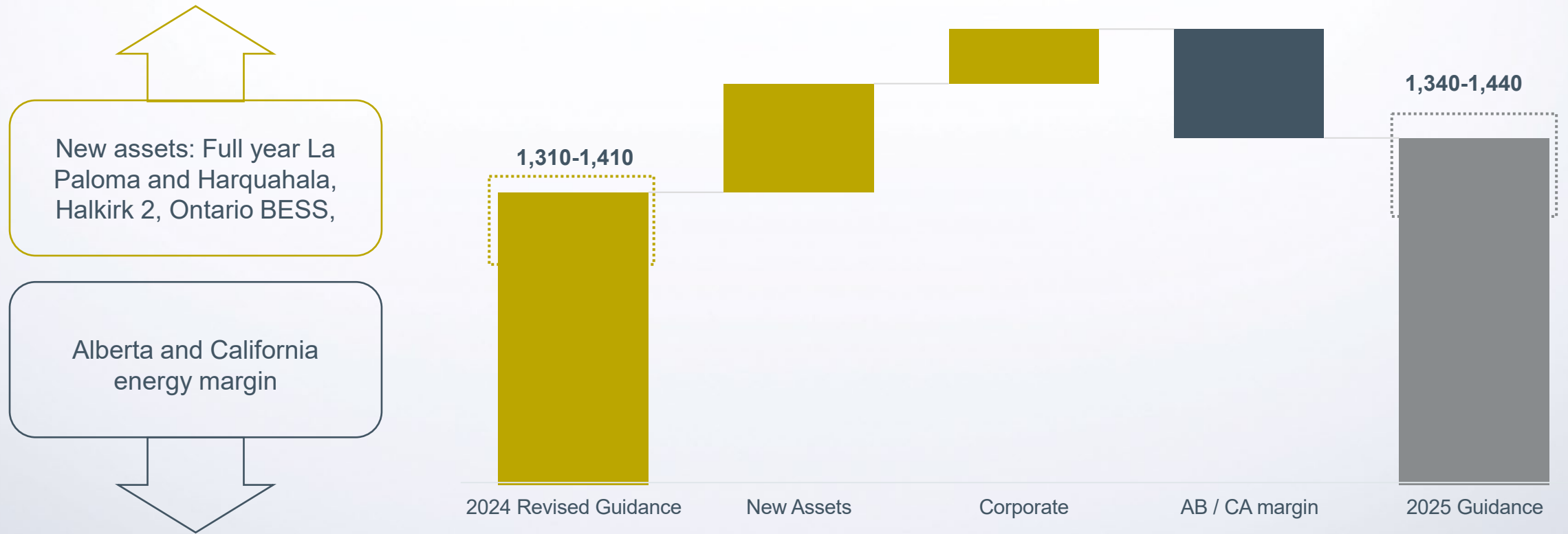
Sustaining Capex



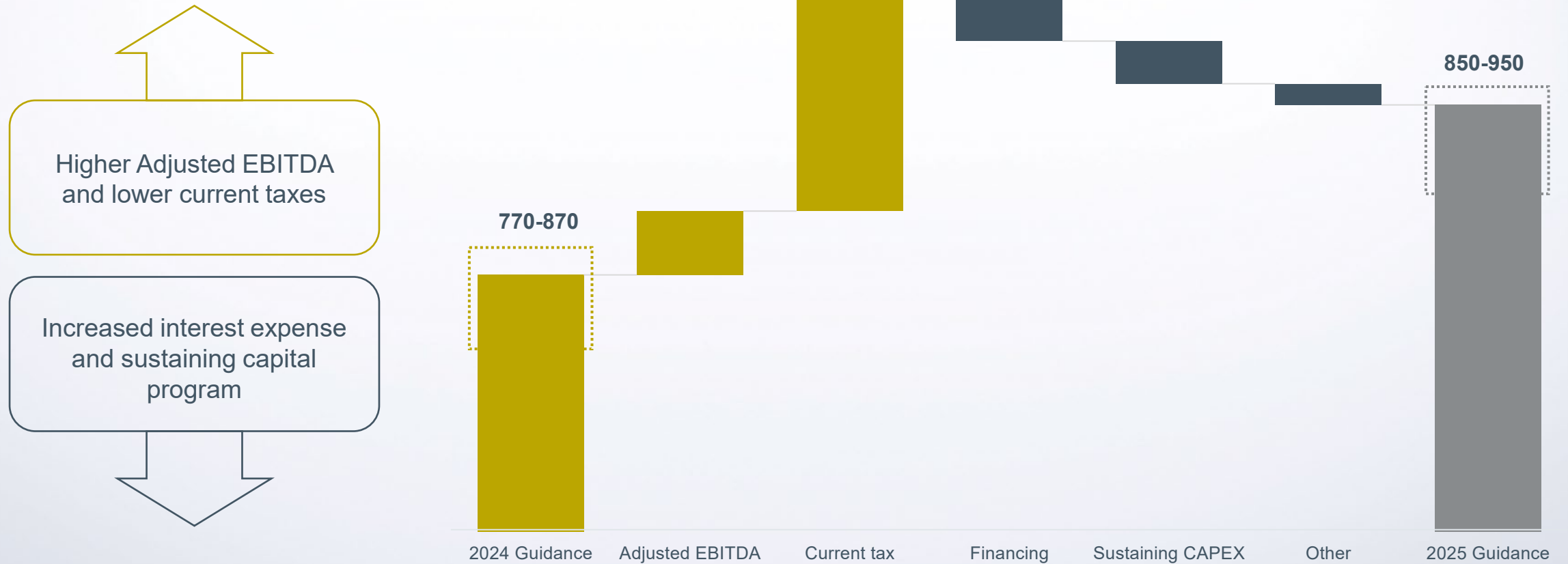
Stable and contracted EBITDA with potential for growth (\$M)



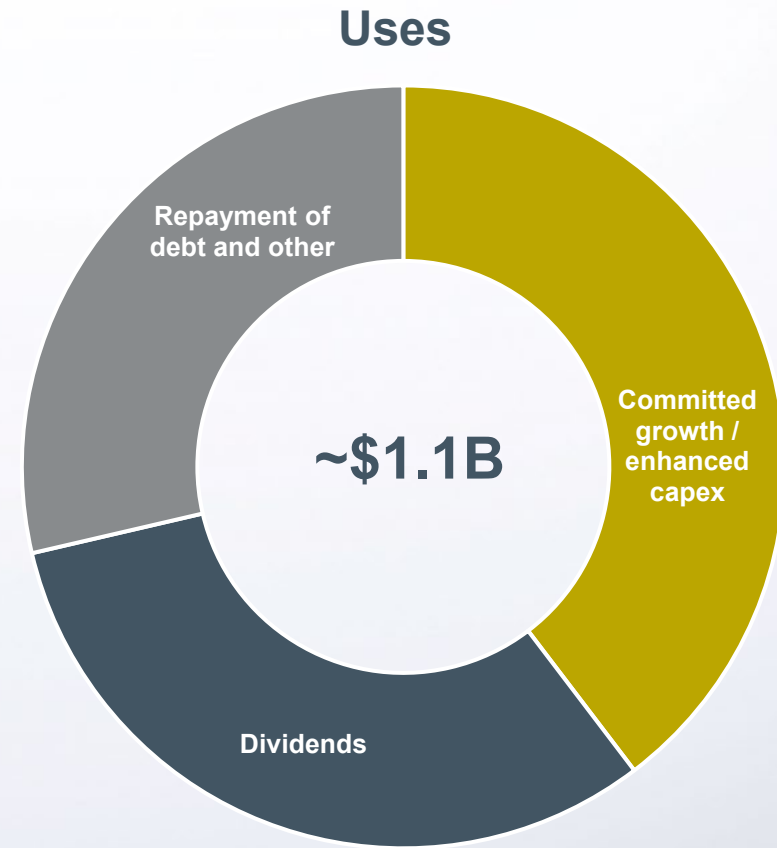
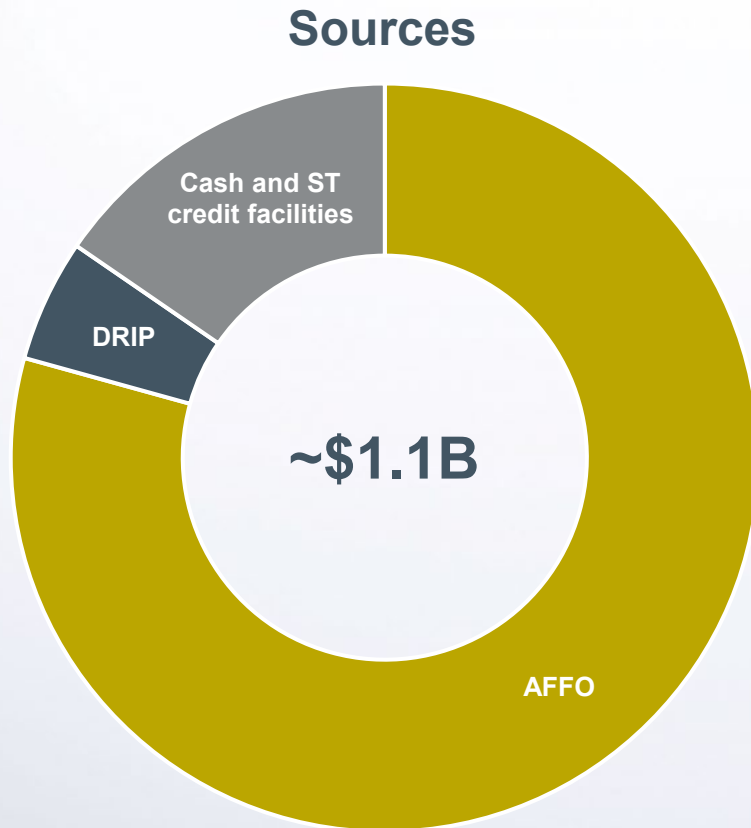
Year over year adjusted EBITDA reconciliation (\$M)



Year over year AFFO reconciliation (\$M)



2025: Fully Funded | Strong Liquidity | Ready to Grow



Concluding Messages



CPX Investment Thesis

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



Questions & Answers



Forward-looking information

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

Material forward-looking information in this presentation includes expectations regarding:

- our 2025 performance targets including for facility availability, sustaining capital expenditures, hedged position, FFO to debt ratio, adjusted funds from operations (AFFO) and adjusted EBITDA;
- our plans to transition off-coal and commercial application of carbon conversion, capture and storage technologies;
- future revenues, expenses, earnings, adjusted EBITDA and AFFO;
- the future pricing of electricity and market fundamentals in existing and target markets;
- future dividend growth;
- the Company's future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions;
- the Company's sources of funding, adequacy and availability of committed bank credit facilities and future borrowings;
- the timing of, funding of, generation capacity of, operational performance and financial returns of, costs of technologies selected for, environmental and sustainability benefits including contributions to affordability, reliability, and decarbonization, commercial and partnership arrangements regarding existing, planned and potential development projects and acquisitions (including phase 2 of Halkirk Wind, the repowering of Genesee 1 and 2, the upgrade at Goreway and York Energy, Goreway Battery Energy Storage System (BESS), York Energy BESS, East Windsor expansion, and the Bear Branch, Hornet and Maple Leaf Solar project);
- future growth and emerging opportunities in our target markets;
- the impact of the regulatory developments on our projects and business;
- potential opportunities and partnerships with Indigenous communities;
- market and regulation designs and proposals and the impact thereof on the Company's core markets; and
- the impact of climate change.

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

- electricity and other energy and carbon prices;
- performance;
- business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects;
- status and impact of policy, legislation and regulations;
- effective tax rates;
- the development and performance of technology;
- foreign exchange rates; and
- other matters discussed under the Performance Overview, Outlook and Risks and Risk Management sections in the Company's 2023 Integrated Annual Report.

Whether actual results, performance or achievements will conform to our expectations and predictions is subject to several known and unknown risks and uncertainties which could cause actual results and experience to differ materially from our expectations. Such material risks and uncertainties are:

- changes in electricity, natural gas and carbon prices in markets in which we operate and the use of derivatives;
- regulatory and political environments including changes to environmental, climate, financial reporting, market structure and tax legislation;
- disruptions, or price volatility within the Company's supply chains;
- generation facility availability, wind capacity factor and performance including maintenance expenditures;
- ability to fund current and future capital and working capital needs;
- acquisitions and developments including timing and costs of regulatory approvals and construction;
- changes in the availability of fuel;
- ability to realize the anticipated benefits of acquisitions;
- limitations inherent in our review of acquired assets;
- changes in general economic and competitive conditions, including inflation;
- changes in the performance and cost of technologies and the development of new technologies, new energy efficient products, services and programs; and
- risks and uncertainties discussed under the Risks and Risk Management section.

See Risks and Risk Management in our 2023 Integrated Annual Report for further discussion of these and other risks. Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Capital Power does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.





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