

# Powering the North American energy expansion

Year End 2024 | *Analyst Presentation*



# Agenda

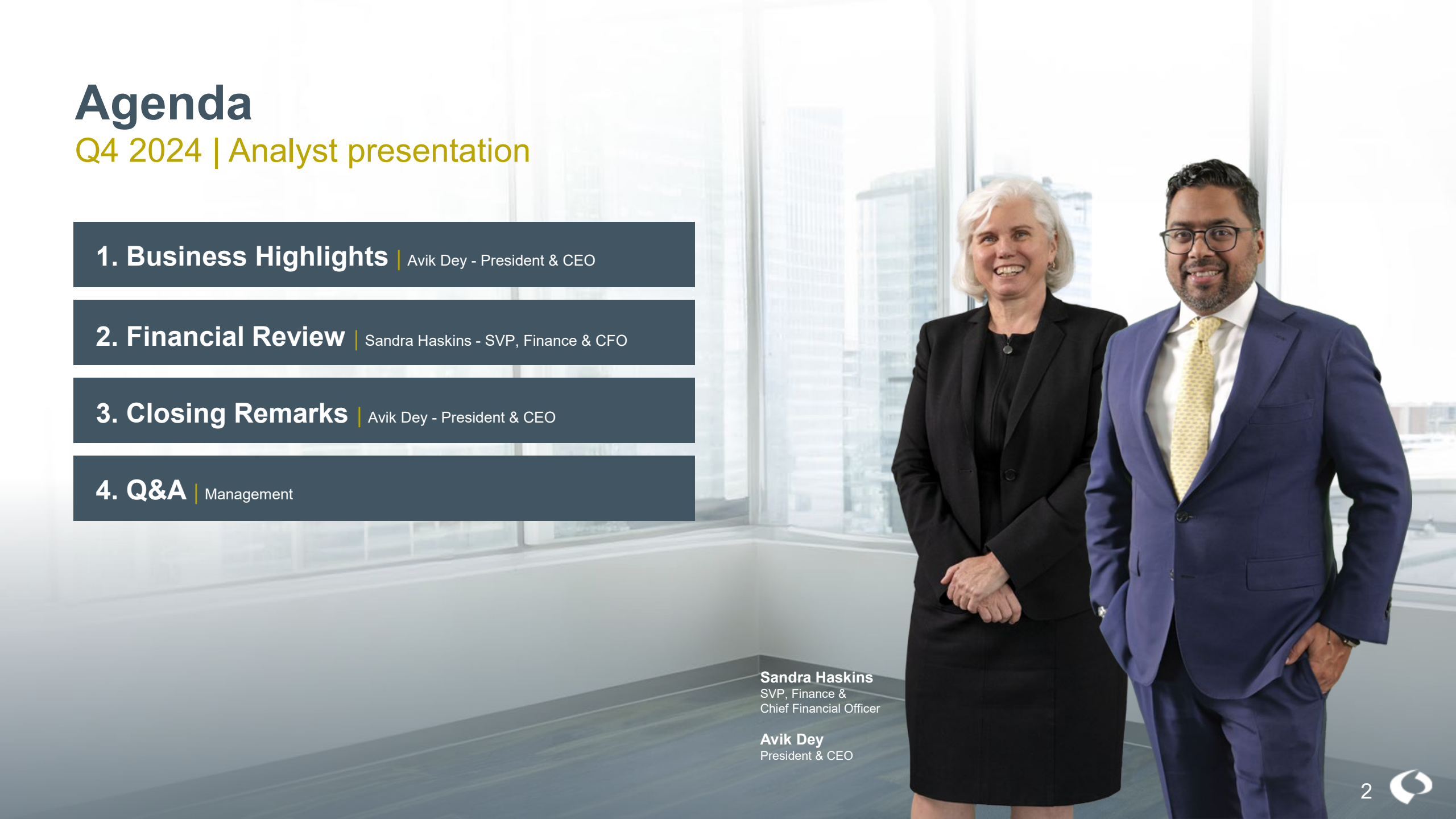
Q4 2024 | Analyst presentation

**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 20 of this presentation and the Company's fourth quarter Management's Discussion and Analysis (MD&A) prepared as of February 25, 2025 which is available under the Company's profile on SEDAR+ at [sedarplus.ca](https://sedarplus.ca) and on the Company's website at [capitalpower.com](https://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 measures. Adjusted EBITDA and AFFO are both non-GAAP financial 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 February 25, 2025, for the fourth quarter of 2024, which is available under the Company's profile on SEDAR+ at [sedarplus.ca](https://sedarplus.ca) and on the Company's website at [capitalpower.com](https://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.



# 2024 highlights

## Deliver

- ✓ Record generation from strategically positioned fleet
- ✓ Execution of major turnarounds at seven facilities
- ✓ Sell down of Canadian renewable assets

## Build

- ✓ Completed: Genesee 1 & 2 repower
- ✓ Advanced: Ontario flexible generation and renewable projects across North America

## Create

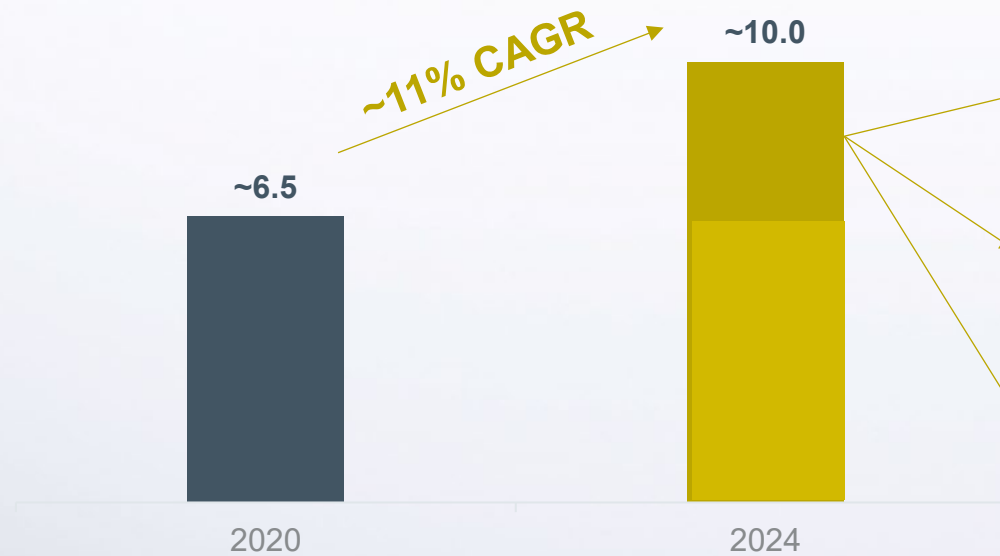
- ✓ Continue to evaluate data center opportunities in Alberta and the U.S.
- ✓ Qualified for SMR feasibility assessment funding



1. Includes Genesee Repower, Halkirk 2, Ontario projects, N. Carolina Solar. Expected in service 2024-2027. Reflects CPX ownership in York.

# 2024: Record annual generation | ~38 TWh

Total CPX generation capacity GW<sup>1</sup>



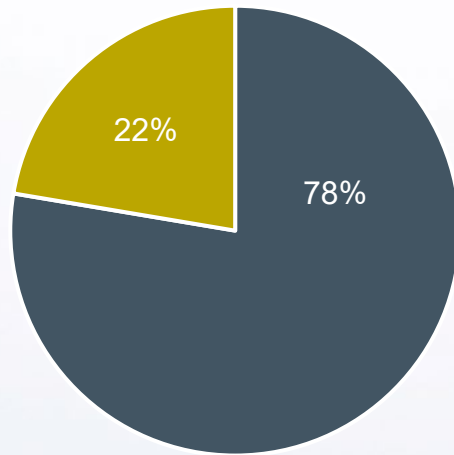
Capacity added<sup>1</sup>



1. Based on Capital Power's ownership interest

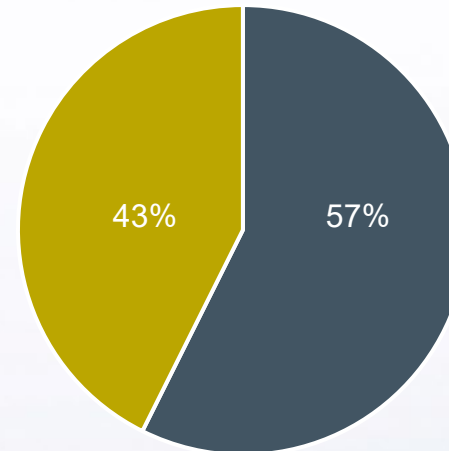
# 2024: Increased diversification | Highly contracted U.S. portfolio

2020 - \$955M Adjusted EBITDA



■ Canada ■ US

2024 - \$1,333M Adjusted EBITDA

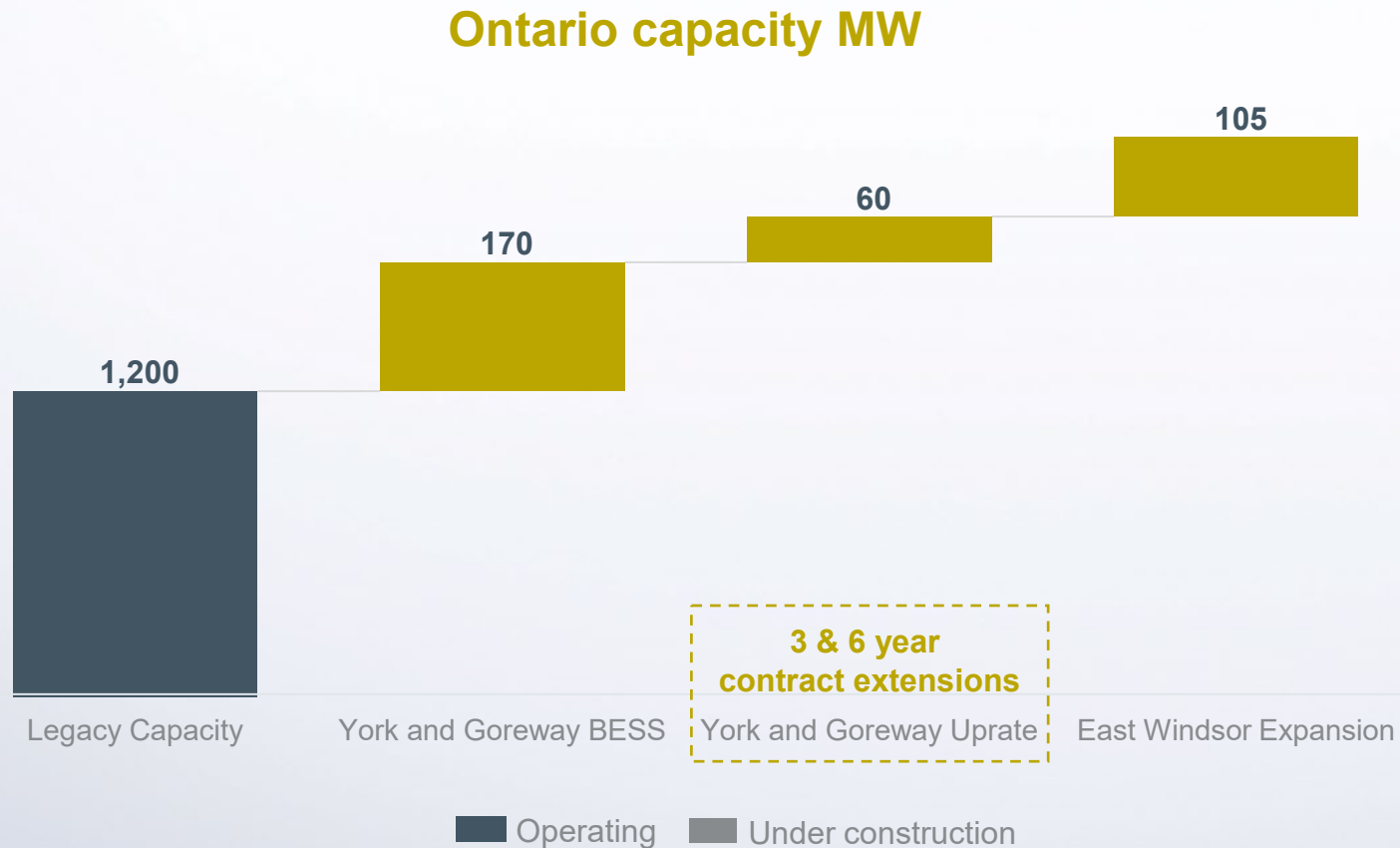


■ Canada ■ US

Significant increase in U.S. capacity and adjusted EBITDA, positions us for success in the energy expansion.

# 2024: Ontario facility expansions in progress

## | Platform for capturing future value



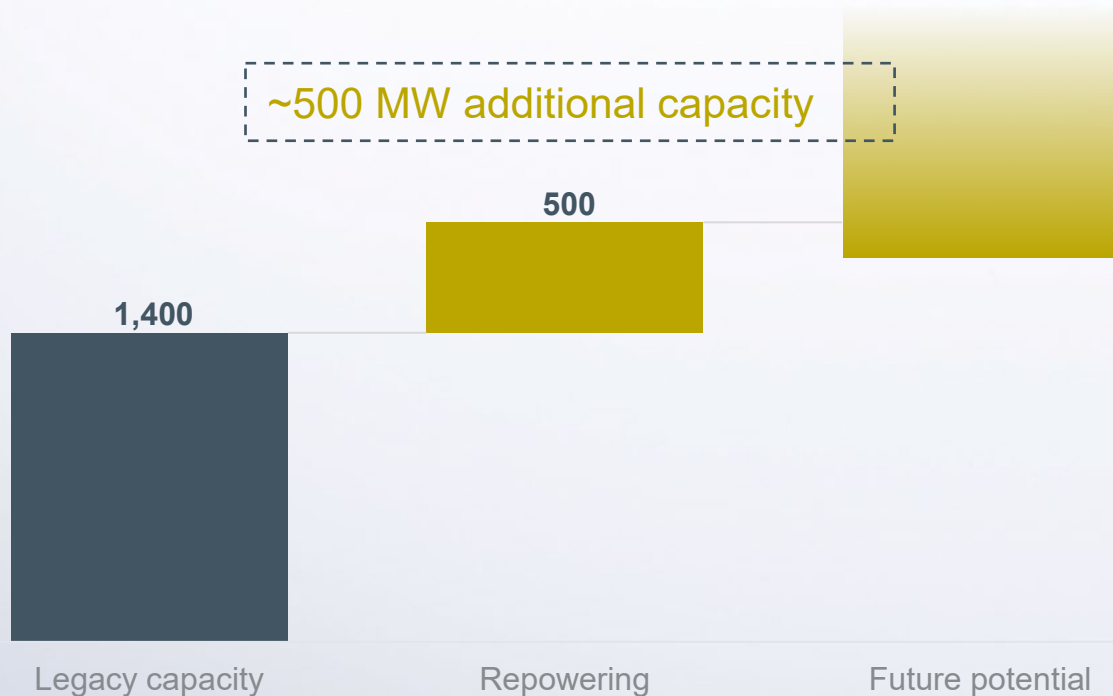
Investment in Canada's largest market enhances CPX value / positioning:

- ✓ ~335 MW additional capacity
- ✓ Increases weighted average contract life
- ✓ Dispatchable capacity
- ✓ Supports grid reliability



# 2024: Genesee off-coal | Repowering complete

## Genesee Generating Station capacity MW



## Repowering positions CPX to succeed



Generation capacity  
~1.9 GW



Future data  
center potential



Maximization of  
asset life



Most efficient  
CCGT in Canada



# 2024: Renewable sell-down

## | Optimizing our portfolio and crystalizing returns



### Asset Rotation Proceeds

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



### Crystalized returns

Proceeds received  
exceeded targeted  
returns for renewables



### 49% sell-down of ownership interest

Two Canadian  
Wind facilities

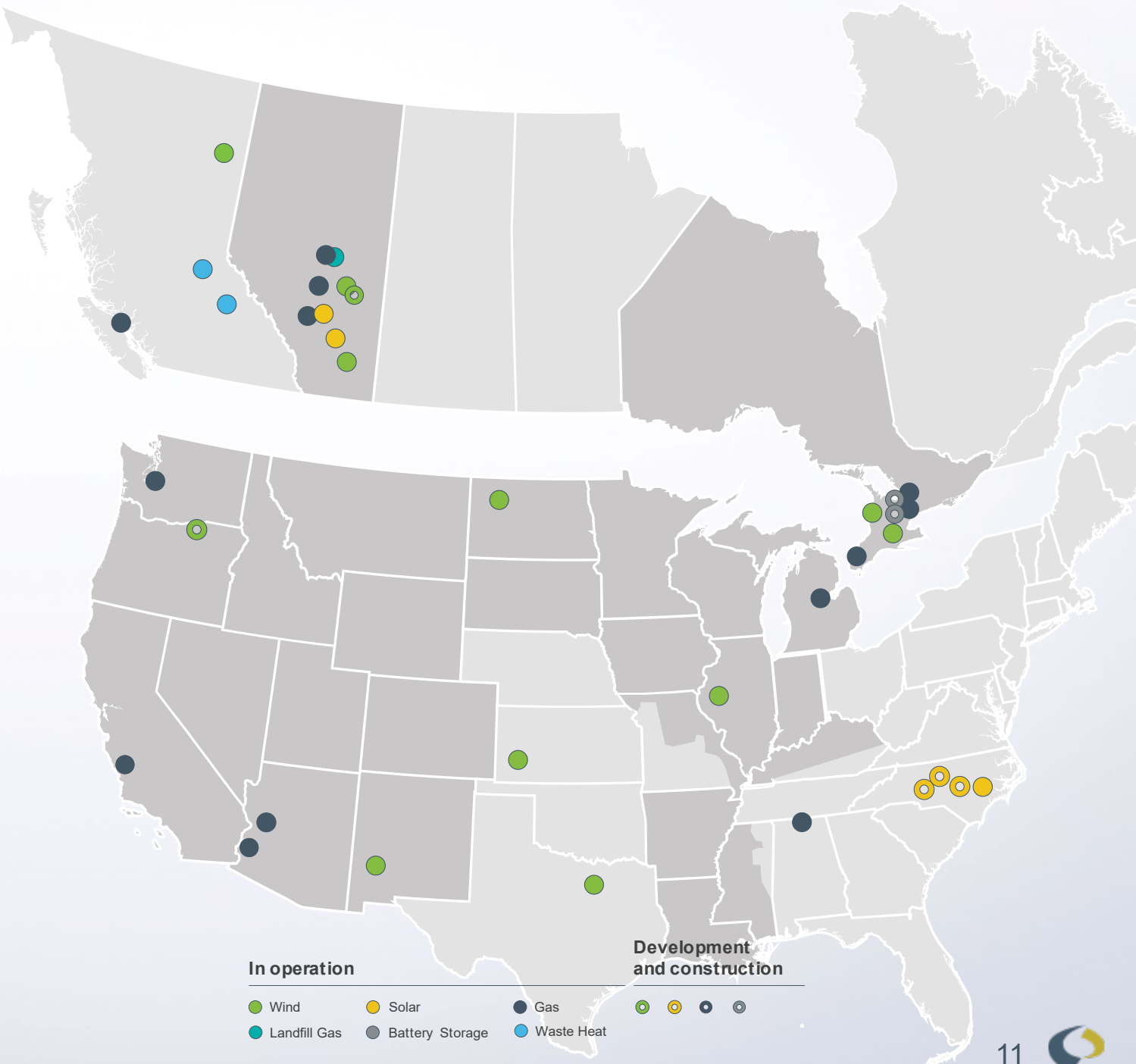
Renewable sell-down aligns with our portfolio optimization strategy

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

# CPX: Largely insulated from potential tariffs

## Limited direct impacts from tariffs:

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



1. Source: CER commodity statistics

# Capital Power investment thesis

**Strong fundamentals**  
favour existing gas generation capacity



Large, diversified  
**existing generation footprint**



In-house  
**operational and commercial expertise**



Proven ability to  
**acquire and optimize thermal generation assets**



Contracted cash flow provides  
**stability and low-cost capital**



# Q4 2024 Financial performance

**\$ 330 M**  
Adjusted  
EBITDA

+ \$17M YoY

**\$ 823 M**  
Revenues and  
other income<sup>(1)</sup>

- \$63M YoY

**\$ 438 M**  
Net cash flows  
from operating activities

+ \$456M YoY

**\$ 182 M**  
AFFO

+ \$20M YoY

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



# Year-end 2024 financial performance

**\$ 1,333 M**

Adjusted  
EBITDA

- \$122M YoY

**\$ 3,329 M**

Revenues and  
other income<sup>(1)</sup>

- \$389M YoY

**\$ 1,144 M**

Net cash flows  
from operating activities

+\$322M YoY

**\$ 817 M**

AFFO

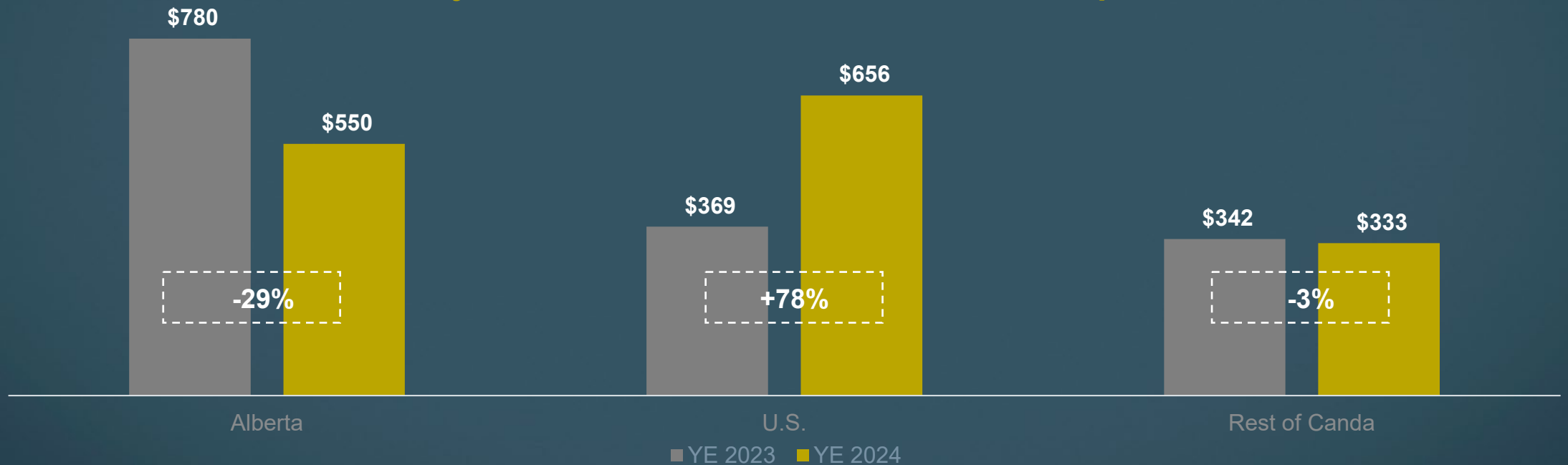
- \$2M YoY

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



# US growth and contractedness drives stability in our portfolio

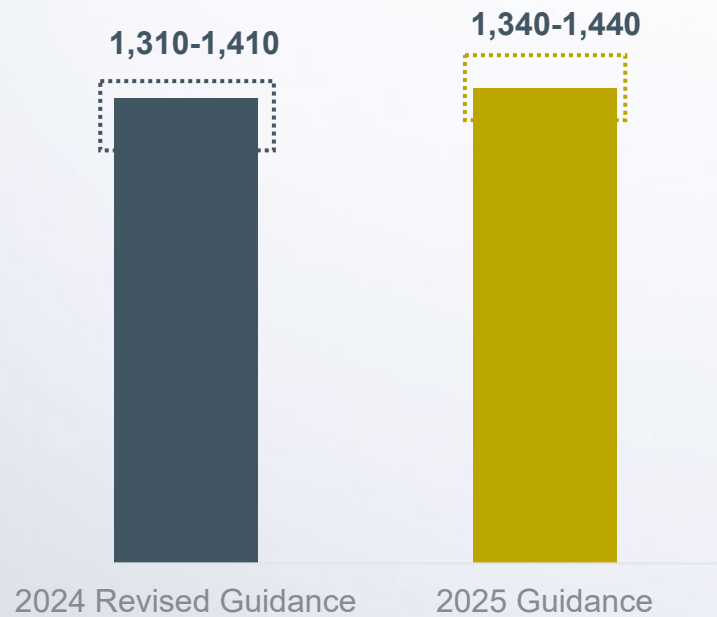
## Adjusted EBITDA YE 2023 to YE 2024 comparison



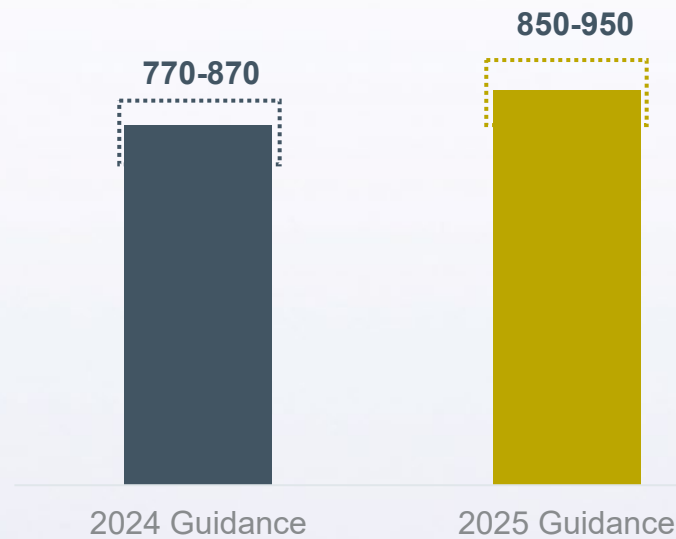
1. Adjusted EBITDA values do not include corporate costs.

# 2025: Guidance summary \$M

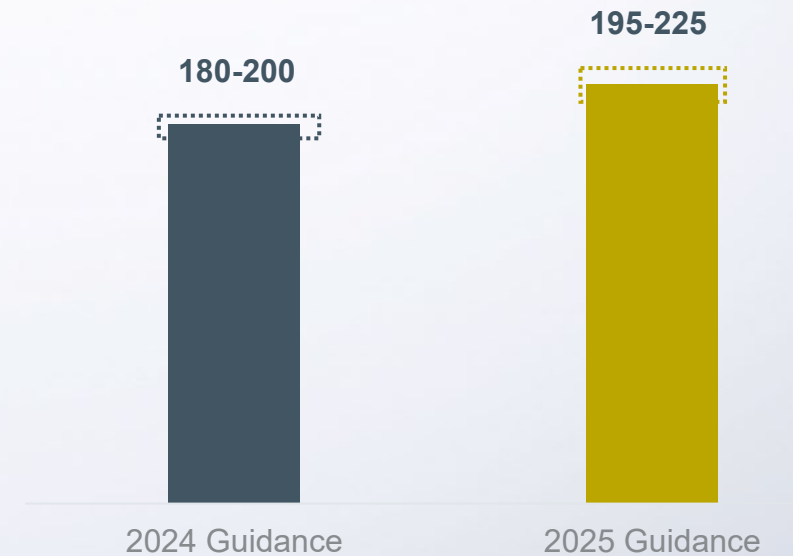
## Adjusted EBITDA



## AFFO



## Sustaining Capex



# Delivered 2024 Strategic Priorities



- ✓ **Provide safe, reliable generation**
  - ~38 TWh across our fleet
- ✓ **Execution of major turnarounds**
  - Completed turnarounds at seven facilities
- ✓ **Successful integration of US assets**



- ✓ **Complete Genesee Repower and transition off coal**
  - COD Genesee 1 & 2 Repower
- ✓ **Advance construction and expand renewables**
  - Completed / advanced ~1.2 GW of capacity



- ✓ **Advance balanced energy / low carbon solutions**
  - Evaluated data center opportunities (AB and U.S.)
  - Advanced SMR feasibility



# 2025: Strategic Priorities

## **Contract Optimization**

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

## **Upgrade and Expand**

Maximize facility asset life and value

## **Acquire**

Expand flexible generation portfolio

## **Develop**

Grow renewables portfolio





# 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 consists of forward-looking statements including, but not limited to, statements regarding:

- our priorities and long-term strategies, including our corporate, and decarbonization strategies;
- our 2025 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 projected 2025 and long-term targeted dividend growth;
- our expected 2025 common share and preferred share dividend dates;
- 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 Halkirk 2 Wind, the repowering of Genesee Generating Station Units 1 and 2, the upgrades at Goreway and York Energy, Goreway BESS, York Energy BESS, East Windsor expansion, Maple Leaf Solar, Bear Branch Solar and Hornet Solar), including expectations around timing, funding, project and acquisition costs, generation capacity, costs of technologies selected, environmental and sustainability benefits, and commercial and partnership arrangements;
- the financial impacts of the La Paloma and Harquahala acquisitions;
- the anticipated timing for completing the operational integration of the La Paloma acquisition;
- our 2025 estimated capital expenditures for previously announced growth projects;
- future development opportunities arising from the completion of the Genesee Generating Station project;
- our expectation around changes to the U.S. Clean Air Act and the resulting impact to Capital Power's decarbonization obligations in connection with future expansions to our thermal fleet;
- the targeted timeline for capital allocation that includes prioritizing the advancement of SMR and CCS technologies, and data centre co-location opportunities;
- the targeted timeline for completing the feasibility study of SMR in Alberta;
- our commitment to allocating growth capital towards low-carbon solutions;
- the ability to provide power for the growing build-out of data centres in North America including at our Genesee Generating Station site;
- the anticipated growth in North American data centre electricity consumption and total U.S. power demand;
- the ability to capitalize on our 2025 growth plans including contracting existing assets, expansion and optimization of our fleet, acquisition of incremental U.S. flexible generation capacity, and developments of renewables;
- the targeted average annual total shareholder return;
- the ability of profit-sharing arrangements to support partner communities;
- the anticipated impacts of the organizational review and anticipated benefits of the organizational review;
- the performance of future projects and the performance of such projects in comparison to the market;
- future growth and emerging opportunities in our target markets;
- the future energy needs of certain jurisdictions;
- anticipated resolution of dispute with contractor regarding construction work on the Genesee Repowering project;
- 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;

- 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 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;
- electricity and other energy (including natural gas) 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 2025 performance targets section.

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 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 2024 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.





## Investor Relations

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