
SUPPLEMENT TO THE DEFINITIVE PROXY STATEMENT

This is a supplement to the definitive information circular and proxy statement on Schedule 14A filed by Atlantic Power Corporation, a corporation existing under the laws of the Province of British Columbia (“**Atlantic Power**”, the “**Company**”, “**we**” or “**us**”) on March 2, 2021 (the “**Definitive Information Circular and Proxy Statement**”). The Definitive Information Circular and Proxy Statement was filed in connection with the special meetings of holders of Atlantic Power’s common shares (the “**Common Shares**”) and holders of Atlantic Power’s preferred shares (the “**Preferred Shares**”) to, among other things, consider, pursuant to an interim order of the Supreme Court of British Columbia, dated as of February 23, 2021 and, if deemed advisable, to pass, with or without variation, a special resolution to approve an arrangement in accordance with Division 5 of Part 9 of the *Business Corporation Act* (British Columbia) pursuant to the Arrangement Agreement (the “**Arrangement Agreement**”), dated as of January 14, 2021, by and among the Company, Atlantic Power Preferred Equity Ltd., a corporation existing under the laws of the Province of Alberta, Atlantic Power Limited Partnership, a limited partnership existing under the laws of the Province of Ontario, Tidal Power Holdings Limited, a private limited company existing under the laws of the United Kingdom, and Tidal Power Aggregator, L.P., a limited partnership existing under the laws of the Cayman Islands (together with Tidal Power Holdings Limited, the “**Purchasers**”), to effect, among other things, the acquisition by the Purchasers of all of the outstanding Common Shares in exchange for US\$3.03 in cash (less any applicable withholding taxes) per Common Share.

This supplement is being filed by Atlantic Power with the Securities and Exchange Commission (the “**SEC**”) and Canadian Securities Administrators to supplement certain information contained in the Definitive Information Circular and Proxy Statement and should be read in conjunction with the Definitive Information Circular and Proxy Statement, which should be read in its entirety. Except as otherwise set forth below, the information set forth in the Definitive Information Circular and Proxy Statement remains unchanged. New text within restated language from the Definitive Information Circular and Proxy Statement is highlighted by **bold, underlined text**. All page references in the information below are to the pages in the Definitive Information Circular and Proxy Statement, and all terms used by not defined below have the meanings ascribed to them in the Definitive Information Circular and Proxy Statement.

SUPPLEMENTAL DISCLOSURE

Under the heading “The Arrangement – Background of the Arrangement”, the first full paragraph on page 32 of the Definitive Information Circular and Proxy Statement is hereby amended and restated as follows:

During the course of negotiations with the Substantial Holder, representatives of I Squared Capital contacted Mr. Moore several times to discuss whether the purchase price for the Common Shares and Preferred Shares could be reduced from the US\$3.03 per Common Share and C\$22.00 per Preferred Share purchase price that had previously been proposed by I Squared Capital. Mr. Moore regularly updated the Board and the Special Committee regarding these discussions, and in each case communicated to I Squared Capital that it would need to maintain the consideration of US\$3.03 per Common Share and C\$22.00 per Preferred Share in order for the Board to be willing to agree to the proposed transaction. The representatives of I Squared Capital eventually confirmed I Squared Capital’s commitment to the respective purchase prices of US\$3.03 per Common Share and C\$22.00 per Preferred Share. **Accordingly, the negotiations with the Substantial Holder did not impact the consideration to be paid to holders of Common Shares or Preferred Shares in the Arrangement.**

Under the heading “Opinions of Financial Advisors – Opinions of Blair Franklin”, the sixth paragraph on page 57 of the Definitive Information Circular and Proxy Statement is hereby amended and restated as follows:

The Engagement Letter provides for the payment to Blair Franklin of fixed fees **of \$550,000** in respect of the preparation and delivery of the Opinions. No portion of the fees payable to Blair Franklin is or was contingent upon the completion of the Arrangement, or any other transaction of Atlantic Power or APPEL, or on the conclusions reached by Blair Franklin in the Opinions. In addition, Blair Franklin is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by Atlantic Power in certain circumstances, including liabilities under U.S. and Canadian securities laws. The terms of the fee arrangement with Blair Franklin, which are customary in transactions of this nature, were negotiated at arm's length.

The following disclosure supplements as an additional table to the section of the Definitive Information Circular and Proxy Statement captioned “The Arrangement – Projected Financial Information” beginning on page 57 of the Definitive Information Circular and Proxy Statement, after the tables previously included in the Definitive Information Circular and Proxy Statement:

The following table presents an additional summary of the forecasts provided to Goldman Sachs and to Blair Franklin:

	Forecasts (US\$ in millions)									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total Revenue	434	431	423	393	303	299	275	281	244	234
Gross Margin	310	318	302	268	194	189	163	165	144	131
Project Adjusted EBITDA⁽¹⁾	182	195	187	157	113	106	84	84	68	70
Administration	(23)	(22)	(23)	(23)	(24)	(24)	(25)	(25)	(26)	(26)
EBITDA	159	173	164	134	89	81	59	59	42	44
Unlevered Free Cash Flow⁽²⁾	142	154	141	120	78	75	56	47	38	32

(1) “Project Adjusted EBITDA” means project income (loss) plus interest, taxes, depreciation and amortization (including non-cash impairment charges) and changes in fair value of derivative instruments.

(2) “Unlevered Free Cash Flow” means EBITDA minus capital expenditures, taxes, change in net working capital and project-level debt service obligations.

Forward-Looking Statements

To the extent any statements made in this communication contain information that is not historical, these statements are forward-looking statements or forward-looking information, as applicable, within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and under Canadian securities law (collectively “**forward-looking statements**”).

Forward-looking statements can generally be identified by the use of words such as “should,” “intend,” “may,” “expect,” “believe,” “anticipate,” “estimate,” “continue,” “plan,” “project,” “will,” “could,” “would,” “target,”

“potential” and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Although Atlantic Power believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved. Please refer to the factors discussed under “Risk Factors” and “Forward-Looking Information” in Atlantic Power’s periodic reports as filed with the SEC from time to time for a detailed discussion of the risks and uncertainties affecting Atlantic Power, including, without limitation, the effects of the coronavirus pandemic on Atlantic Power’s business and results, including the measures taken by governmental authorities to address it, which may precipitate or exacerbate other risks and/or uncertainties; the outcome or impact of Atlantic Power’s business strategy to increase the intrinsic value of Atlantic Power on a per-share basis through disciplined management of its balance sheet and cost structure and investment of its discretionary cash in a combination of organic and external growth projects, acquisitions, and repurchases of debt and equity securities; Atlantic Power’s ability to enter into new power purchase agreements on favorable terms or at all after the expiration of existing agreements, and the outcome or impact on Atlantic Power’s business of any such actions; the anticipated benefits of the transaction with I Squared Capital; the receipt of required regulatory, court and securityholder approvals for the transaction; the receipt of third-party consents necessary to satisfy closing conditions to the transaction; the ability of the parties to satisfy the other conditions to, and to complete, the transaction; Atlantic Power’s intention to hold securityholder meetings; and the anticipated timing of the closing of the transaction. Although the forward-looking statements contained in this communication are based upon what are believed to be reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward-looking statements, and the differences may be material. These forward-looking statements are made as of the date of this communication and, except as expressly required by applicable law, Atlantic Power assumes no obligation to update or revise them to reflect new events or circumstances. Atlantic Power’s ability to achieve its longer-term goals, including those described in this communication, is based on significant assumptions relating to and including, among other things, the general conditions of the markets in which it operates, revenues, internal and external growth opportunities, its ability to sell assets at favorable prices or at all and general financial market and interest rate conditions. Atlantic Power’s actual results may differ, possibly materially and adversely, from these goals.

Additional Information about the Arrangement and Where to Find It

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. In connection with the transaction with I Squared Capital, Atlantic Power has filed a management information circular and proxy statement relating to a special meeting of its common shareholders with the SEC and Canadian Securities Administrators. Additionally, Atlantic Power will file other relevant materials in connection with the transaction with the SEC. Securityholders of Atlantic Power are urged to read the management information circular and proxy statement regarding the transaction and any other relevant materials carefully in their entirety before making any voting or investment decision with respect to the transaction because they contain important information about the transaction and the parties to such transaction. Securityholders of Atlantic Power are able to obtain a copy of the management information circular and proxy statement, and the filings with the SEC and Canadian Securities Administrators that will be incorporated by reference into the management information circular and proxy statement as well as other filings containing information about the transaction and the parties to such transaction made by Atlantic Power with the SEC and Canadian Securities Administrators free of charge on EDGAR at www.sec.gov, on SEDAR at www.sedar.com, or on Atlantic Power’s website at www.atlanticpower.com. Information contained on, or that may be accessed through, the websites referenced in this communication is not incorporated into and does not constitute a part of this communication. These website addresses are included only as inactive textual references and do not intend them to be active links.

Participants in the Solicitation

Atlantic Power and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Atlantic Power's common shares in respect of the transaction with I Squared Capital. Investors may obtain additional information regarding the interest of such participants by reading the definitive management information circular and proxy statement regarding the transaction.
