
For immediate release

August 18, 2022

Capital Power announces its inaugural Green Subordinated Notes offering

EDMONTON, Alberta – Capital Power Corporation (“Capital Power” or the “Company”) (TSX:CPX) announced today that it has priced a public offering (the “Offering”) in Canada of C\$350 million 7.95% Fixed-to-Fixed Rate Subordinated Notes, Series 1, due September 9, 2082 (the “Notes”).

The Offering is expected to close on or about September 9, 2022. The Company intends to allocate an amount equal to the net proceeds from the sale of the Notes to finance or refinance new or existing “green” investments that meet the eligibility criteria as described in the Company’s Green Financing Framework. Pending such allocation, the Company expects to use the net proceeds from the sale of the Notes to redeem the Company’s outstanding Cumulative Minimum Rate Reset Preference Shares, Series 9 (TSX: CPX.PR.I) (the “Preferred Shares”), to repay certain amounts drawn on the Company’s credit facilities and for general corporate purposes. Although the Company intends to allocate an amount equal to the net proceeds of the Offering to eligible investments, it will not be an event of default under the Company’s indenture governing the Notes if the Company fails to do so.

The Offering represents the Company’s first green bond offering pursuant to its recently released Green Financing Framework, which Sustainalytics reviewed and provided a second-party opinion confirming its credibility. The [Green Financing Framework](#) and the [second-party opinion](#) from Sustainalytics can be found on the [Company’s website](#).

The Notes have been assigned a provisional rating of BB by S&P Global Ratings and BB by DBRS Limited.

The Offering is being made in Canada through a syndicate of underwriters co-led by BMO Capital Markets, RBC Capital Markets, and Scotia Capital, under Capital Power’s short form base shelf prospectus dated June 10, 2022, as supplemented by a prospectus supplement dated August 18, 2022 to be filed with the securities regulatory authorities in each of the provinces and territories of Canada. The short form base shelf prospectus and prospectus supplement contain important detailed information about the Notes. Copies of these documents are, and in the case of the prospectus supplement, will be available electronically on the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators (“SEDAR”), at www.sedar.com. Investors should read the short form base shelf prospectus and the prospectus supplement before making an investment decision.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction. The Notes have not been approved or disapproved by any regulatory authority. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities law, and may not be offered or sold within the United States, or to or for the account of, United States persons.

Forward-looking Information

Certain information in this press release is forward-looking information within the meaning of Canadian securities law as it relates to anticipated financial and operating performance, events or strategies. The forward-looking information or statements are provided to inform the Company's 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 press release 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 press release includes expectations regarding the Offering, including: (i) the timing of closing, and (ii) the expected use of proceeds, including the potential redemption of the Preferred Shares and the allocation of the net proceeds of the Offering to eligible investments.

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: (i) electricity and other energy prices, (ii) performance, (iii) business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects, (iv) status of and impact of policy, legislation and regulations, (v) effective tax rates, (vi) availability and sources of capital, and (vii) the ability to obtain required regulatory approvals.

Whether actual results, performance or achievements will conform to the Company's 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 the Company's expectations. Such material risks and uncertainties are: (i) changes in electricity, natural gas and carbon prices in markets in which the Company operates and the use of derivatives, (ii) regulatory and political environments including changes to environmental, financial reporting, market structure and tax legislation as well as the receipt and timing thereof of required regulatory approvals, (iii) generation facility availability and performance including maintenance of equipment, (iv) ability to fund current and future capital and working capital needs, (v) acquisitions and developments including timing and costs of regulatory approvals and construction, (vi) changes in market prices and availability of fuel, (vii) the ability to realize the anticipated benefits of acquisitions, (viii) limitations inherent in the Company's review of acquired assets, (viii) changes in general economic and competitive conditions including fluctuations in

interest and exchange rates, and (ix) changes in the performance and cost of technologies and the development of new technologies, new energy efficient products, services and programs. See “Risks and Risk Management” in the Company’s 2021 Management’s Discussion and Analysis 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 specified approval date. The Company 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 the Company’s expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

About Capital Power

Capital Power (TSX: CPX) is a growth-oriented North American wholesale power producer with a strategic focus on sustainable energy headquartered in Edmonton, Alberta. We build, own, and operate high-quality, utility-scale generation facilities that include renewables and thermal. We have also made significant investments in carbon capture and utilization to reduce carbon impacts and are committed to be off coal in 2023. Capital Power owns approximately 6,600 MW of power generation capacity at 27 facilities across North America. Projects in advanced development include approximately 385 MW of owned renewable generation capacity in North Carolina and Alberta and 512 MW of incremental natural gas combined cycle capacity, from the repowering of Genesee 1 and 2 in Alberta.

For more information, please contact:

Media Relations:

Katherine Perron
(780) 392-5335
kperron@capitalpower.com

Investor Relations:

Randy Mah
(780) 392-5305 or (866) 896-4636 (toll-free)
investor@capitalpower.com