



# Northland Power 2021 Investor Day

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February 4, 2021

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# John Brace

Chair of Board of Directors

# Welcome

# Northland Power

# Corporate Governance

## Fully Committed to Strong Corporate Governance Practices

Strong corporate governance is the foundation for effective oversight, accountability to shareholders and investor confidence

- **Commitment** to maintain the highest standards of corporate governance, ethics and corporate responsibility

*Conducted extensive review and adopted a number of new Governance policies and initiatives in 2020*

- **Integrating sustainability, corporate responsibility** and full breadth of ESG into Northland's strategic planning and business execution
- **Implement** enhanced Diversity & Inclusion policies

*Ensure an inclusive environment where different views and ideas lead to innovation and a stronger organization*

- **Enhance** the design and oversight of the executive compensation framework



**37%**

of female representation of **Executive Office**

**37%**

of female representation on **Board of Directors**

**88%**

of independent directors on **Board of Directors**



**ESG integrated into Board Mandate + creation of Executive led ESG Steering Committee**



# Mike Crawley

President & CEO

## Corporate Overview

## Northland Power

# Agenda

**1**

**Mike Crawley**

Corporate Overview

**2**

**David Povall**

Executing on Growth Strategy and Pipeline

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**RDO Spotlight**

Asia Growth Opportunities – David Povall/Baltic Power – Nigel Slater  
New York Wind - Michelle Chislett/Utility Strategy- Javier Chavarria

**4**

**Wendy Franks**

New Growth Initiatives

**5**

**Morten Melin**

Construction and Supply Chain and Procurement Strategy for Offshore Wind

**6**

**Troy Patton**

Operations

**7**

**Pauline Alimchandani**

Financial Overview

**8**

**Mike Crawley**

Closing Remarks and Q&A

# Themes for Today

## Resilient Operations and a Global Platform



### Continue to deliver superior value to shareholders

- 30+ Year track record of market leadership and value creation
- Accelerating growth with pivot into offshore wind

### Resilience and strength in our operations throughout COVID

- Continued operations with high availability, ensure reliable energy supply
- Health and safety of staff and communities is paramount

### Global de-carbonization is accelerating

- Next decade will see increasing global efforts to decarbonize energy grids
- Creating significant growth opportunities for renewable energy, with offshore wind being the fastest growing technology

### Northland well positioned to compete and deliver growth

- Increased growth pipeline dominated by offshore wind provides visible path to growth in Adjusted EBITDA and Free Cash Flow
- Strong balance sheet and liquidity to support growth objectives

### Preparing for the next wave of de-carbonization in fuels



# Evolution of Northland

## Highly Experienced Executive Team to Lead Next Wave of Growth



**Mike Crawley**, President & CEO

- Joined in 2015 as Head of Development
- Extensive experience in the Canadian independent renewable power sector
- Previously served as CEO of AIM and President of Engie Canada



**Pauline Alimchandani**, CFO

- Joined in 2020
- Over 15 years of professional experience
- Previously served as the CFO of Dream Unlimited, one of Canada's leading real estate, asset management and development companies



**Wendy Franks**  
EVP Strategy & Investment Management

- Joined in 2020
- Previously served as a Senior Principal in CPP Investment's Active Equities group and Associate Principal at McKinsey



**Morten Melin**  
EVP Construction

- Joined in 2017
- Prior senior roles include VP of Engineering, Procurement & Construction at Ørsted based in Europe



**David Povall**  
EVP Development

- Joined in 2019
- Prior senior roles include CEO of a Macquarie-owned developer focused on the Japanese market and CEO of RES Asia Pacific



**Troy Patton**  
Chief Operations Officer

- Joined in 2017
- Prior senior roles include SVP of Engineering & Products at Vestas and senior roles at General Electric in both the Gas Turbine and Wind Turbine businesses



**Michael Shadbolt**  
VP Legal & Corporate Affairs

- Joined in 2011
- Prior senior roles include Partner at private law practice Macleod Dixon LLP and Ladner Gervais LLP



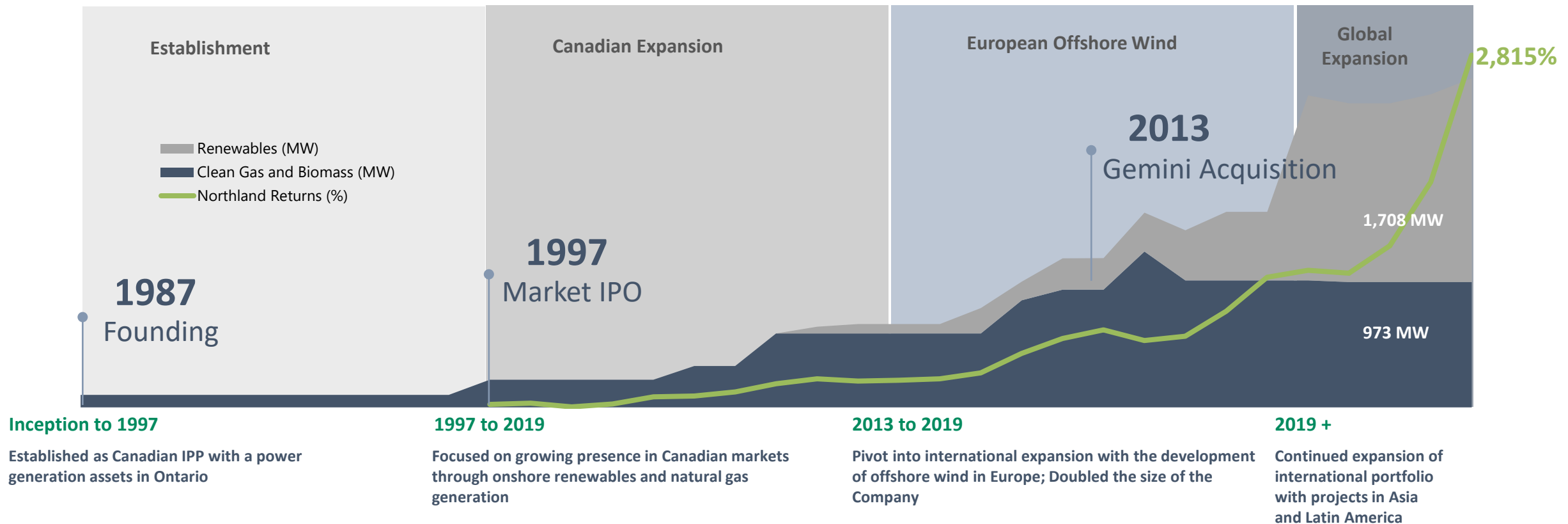
**Rachel Stephenson**  
Chief People Officer

- Joined in 2021
- Prior senior roles include Senior Vice President Human Resources at Signify and Vice President Human Resources at Schneider Electric

# Evolution of Northland

## Northland Becomes a Global Renewable Energy Producer

Since 1987, Northland has achieved tremendous growth by developing large scale clean and green power generation assets

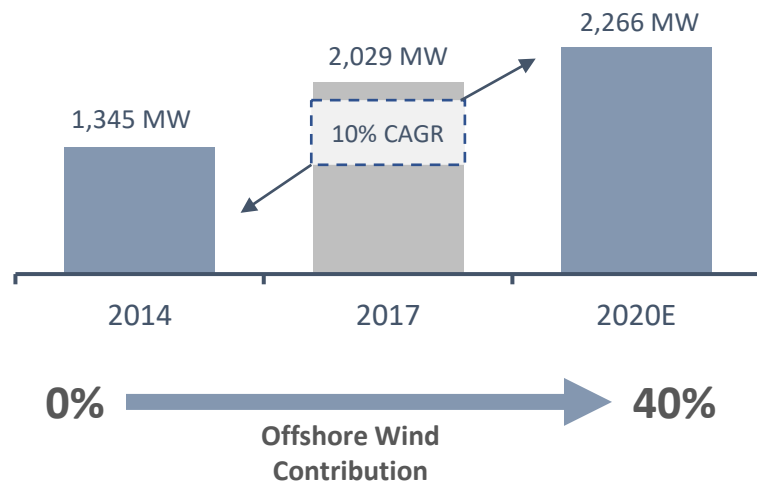




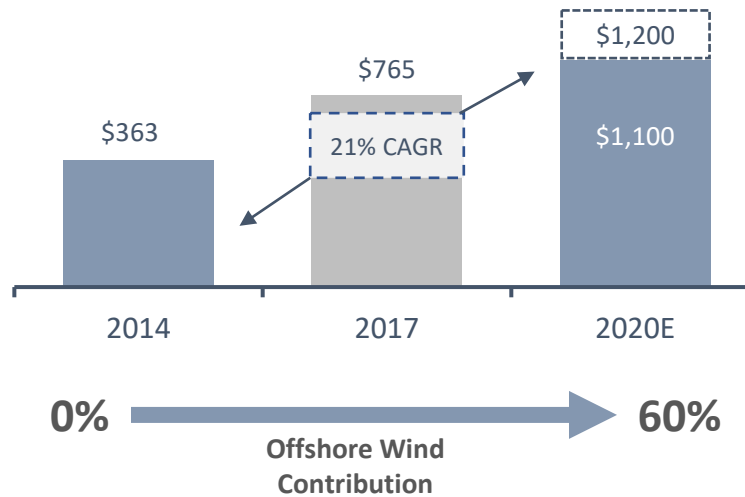
# Evolution of Northland

## Offshore Wind has Accelerated Growth

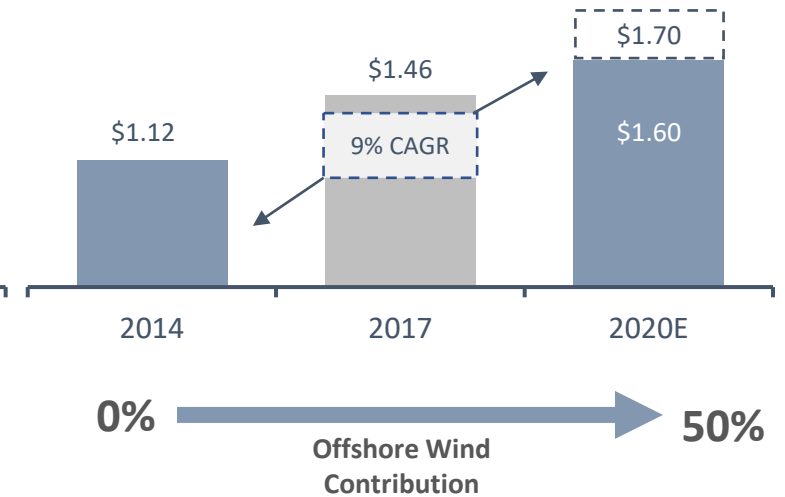
Net Capacity (MW)



Adjusted EBITDA (\$Mln)



Free Cash Flow/Share



1. CAGR is calculated using midpoint from 2020E guidance.

# Global Growth

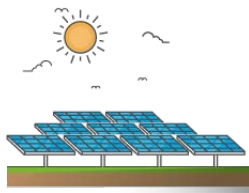
Renewable Energy Transition to Require US\$3.4T in Investments to 2030

- The next decade will be crucial for power industry as the transition toward renewable energy is expected to increase
- Global renewable energy transition to attract US\$3.4 trillion in investments through 2030<sup>1</sup>



**7.4%**

Onshore Wind CAGR<sup>2</sup>



**5.6%**

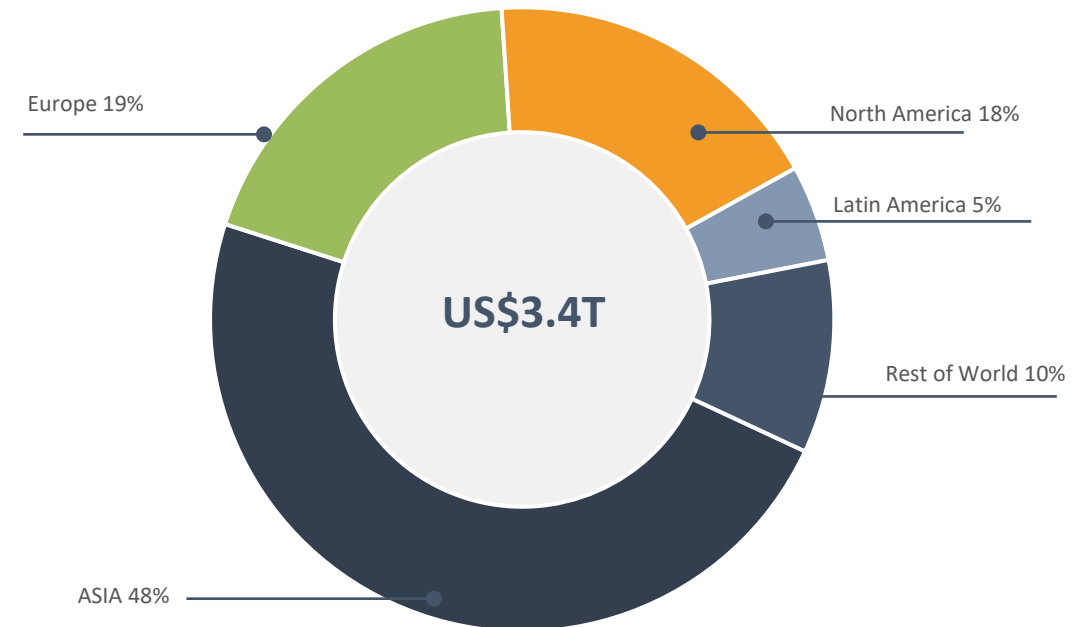
Solar CAGR<sup>2</sup>



**12.7%**

Offshore Wind CAGR<sup>2</sup>

## Significant Investment Opportunities In Renewables

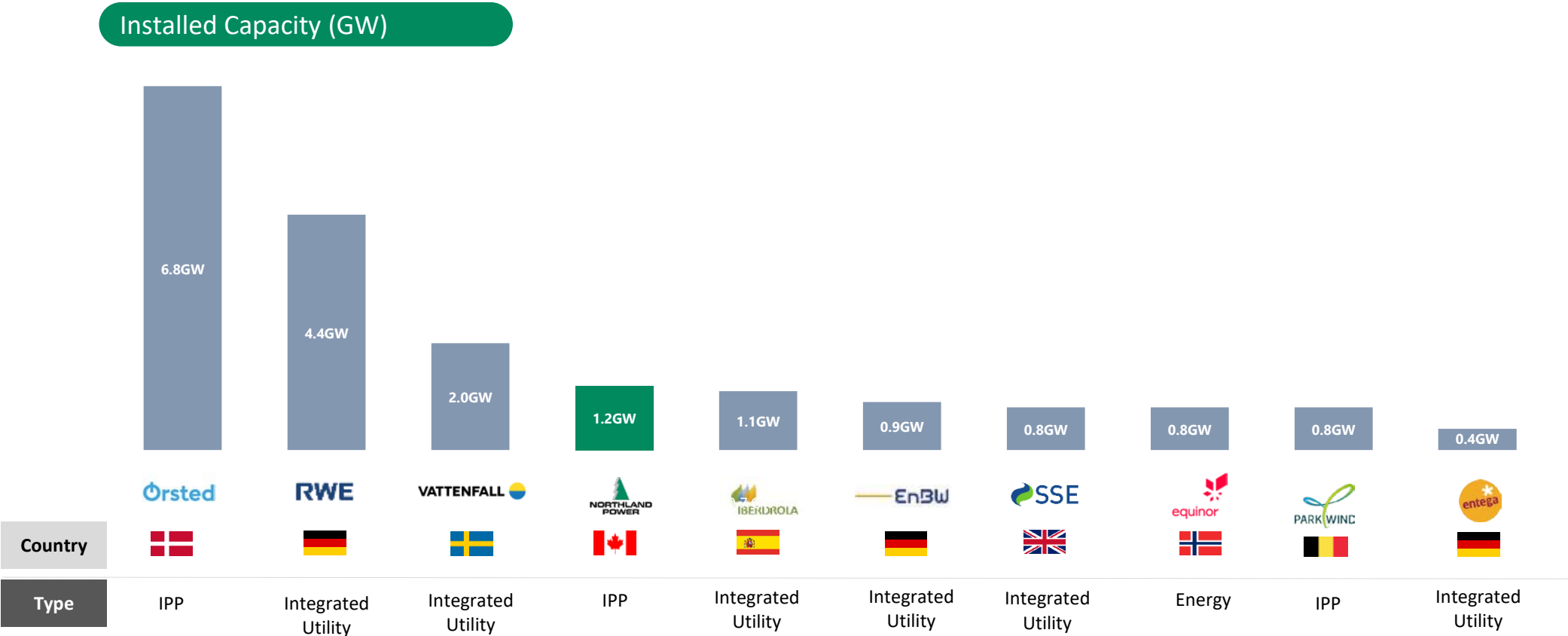


1. Source: BNEF, Statista  
2. Expected CAGR from 2019 to 2030

# Global Growth

## Northland is a Top 10 Incumbent in Global Offshore Wind

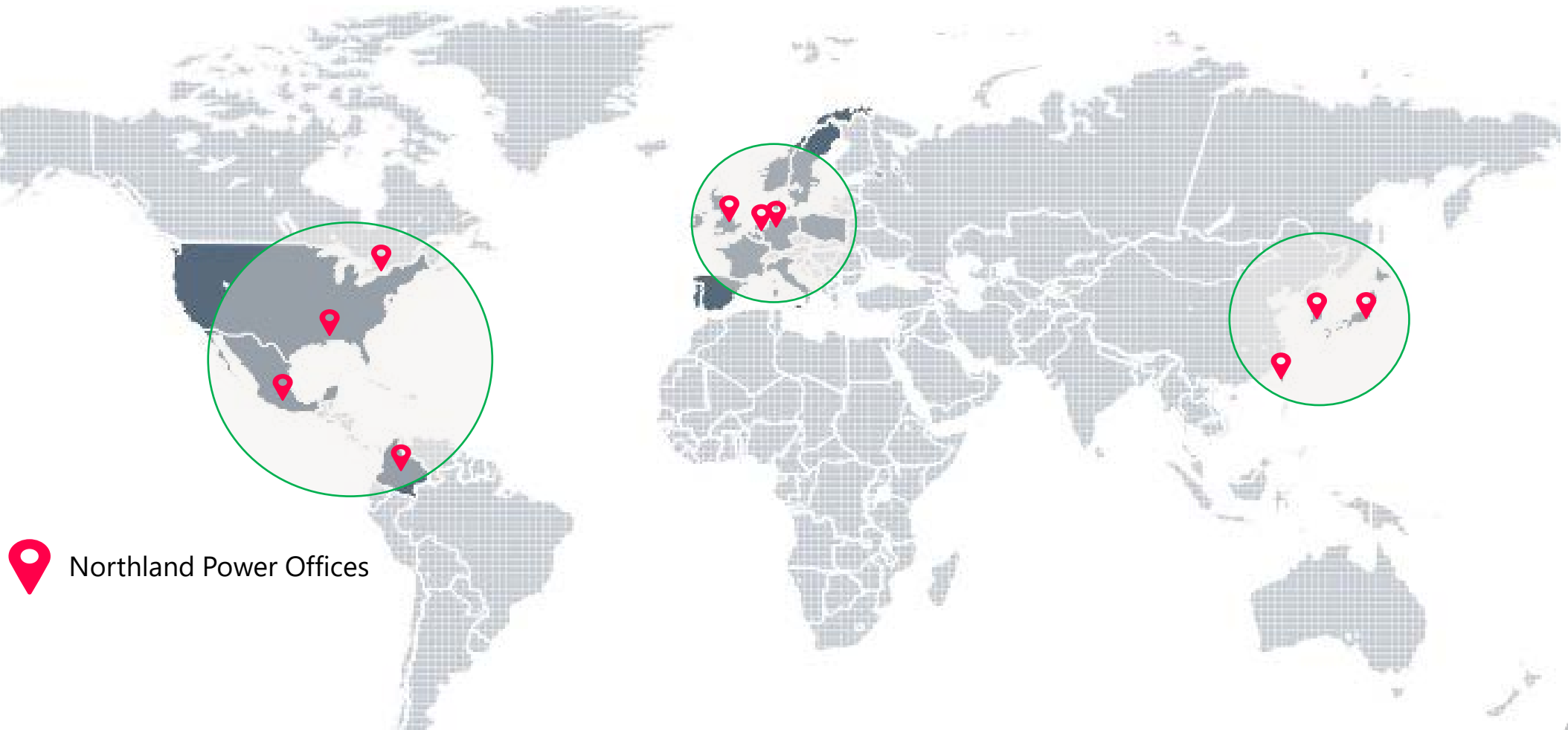
Northland is the 4<sup>th</sup> largest globally measured by operating capacity



Source: 4C Offshore, Company Filings.

# Global Competitive Position

Northland is on the Ground in Key Markets



# Global Competitive Position

## The Talent to Win



### REGIONAL DEVELOPMENT OFFICES

Toronto	Houston
Mexico City	Bogota
London	Amsterdam
Seoul	Tokyo



### OFFSHORE WIND

Offshore wind engineering and  
construction management

Hamburg

Taipei



### ONSHORE RENEWABLES

Onshore wind, solar and  
construction management

Toronto

# Accelerating Growth

Northland's Capital Allocation Focused on Renewable Growth



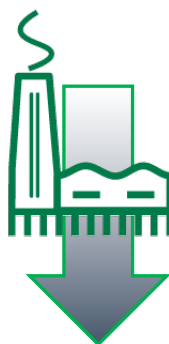
**Offshore Wind**  
Increase Exposure



**Onshore Renewables**  
Increase Exposure



**Utilities**  
Increase Exposure



**Efficient Natural Gas**  
Reduce Exposure



**Energy Storage**  
Establish Position



**Renewable Green Fuels**  
(E.g. RNG, Hydrogen)  
Establish Position



# Accelerating Growth

Balancing Long-term Growth with Near-term Cash Flow

2021 - 2025



- Development of onshore renewable projects with shorter incubation periods
- M&A to augment immediate cash flow

2026 - 2030



- Offshore wind drives significant growth in capacity and cash flow
- New initiatives to drive additional growth

# Evolution of Northland

Doubling the Company (again) by ~2030

4-5 GW

Identified Development Projects<sup>1</sup>

\$15-20+ Billion

Potential capital investment over next 5 years,  
anchored by Offshore Wind development  
(\$10-14 billion net Northland ownership interest)



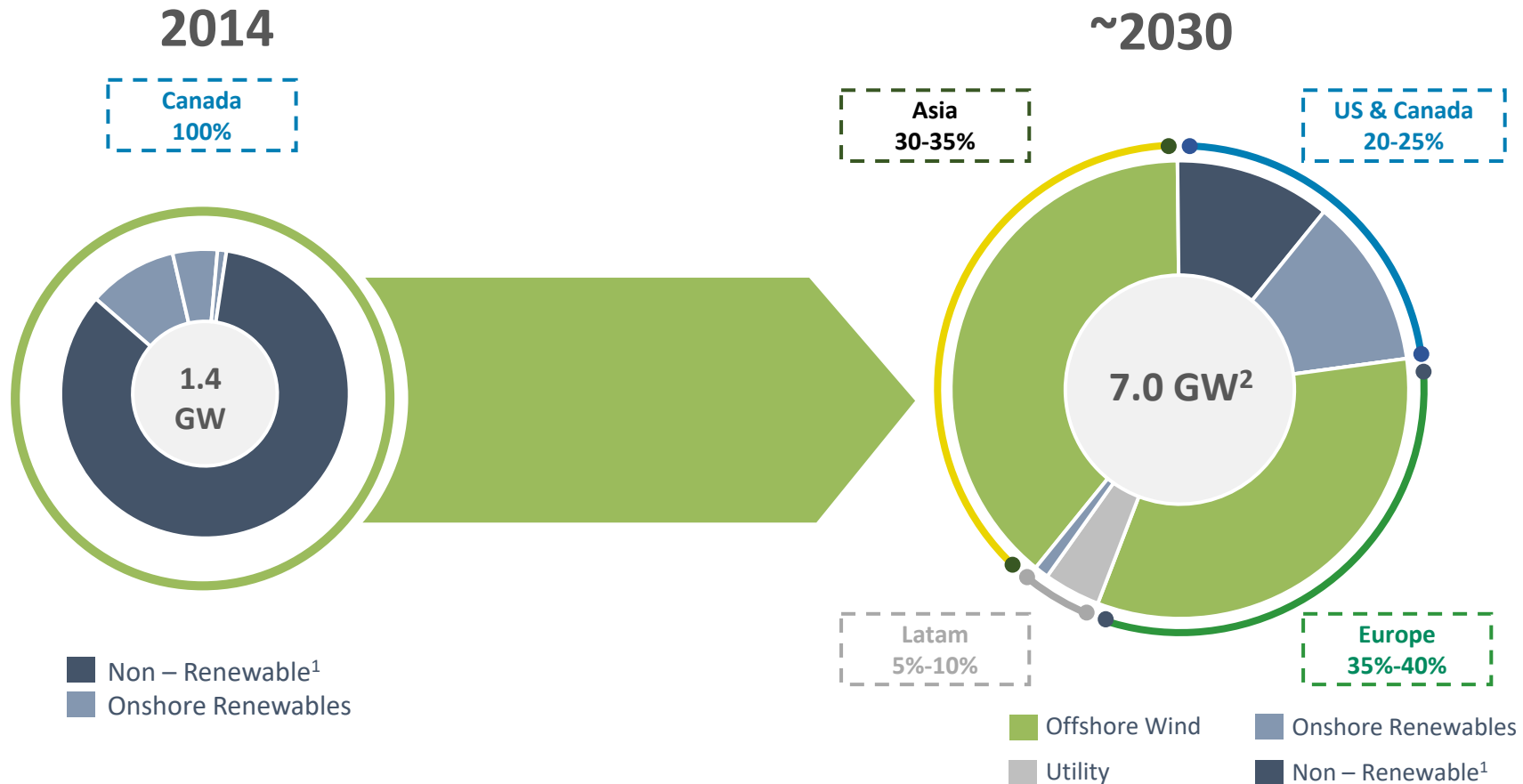
More projects being initiated and through M&A

1. Details for the Identified Development Projects have been provided later in the presentation which includes projects that are owned and active that Northland has publicly disclosed.

# Evolution of Northland

## Diversification Through Growth

Global expansion continues to diversify the business and de-risk the operating cash flows



1. Non-renewable assets primarily consist of efficient natural gas and biomass  
2. Includes Identified Projects

# Sustainability

## Our Commitment to Sustainable Growth

*Aligning our values with the United Nations Sustainability Development Goals*

### Our Planet



De-carbonization and footprint minimization

### Our Community



A positive and contributing community partner

### Our People



A safe, healthy, inspired and empowered workforce

### Our Company



Responsible and transparent governance and sustainable value creation



# Sustainability

Our Commitment to Develop a Carbon Free World

E



**4-5 GW**

of additional energy  
generation from  
**renewable sources**



**65%**

**Reduction**

**Carbon intensity**  
across our portfolio

S



**highest  
standards of  
Health & Safety**



A positive and  
contributing  
**community  
partner**

G



**30%**

of female  
representation on  
**Board of Directors/  
Executive Office**



**Continuing emphasis  
on Corporate  
Governance best  
practices**



# David Povall

EVP Development

**Executing on Growth Strategy  
and Pipeline**

**Northland Power**



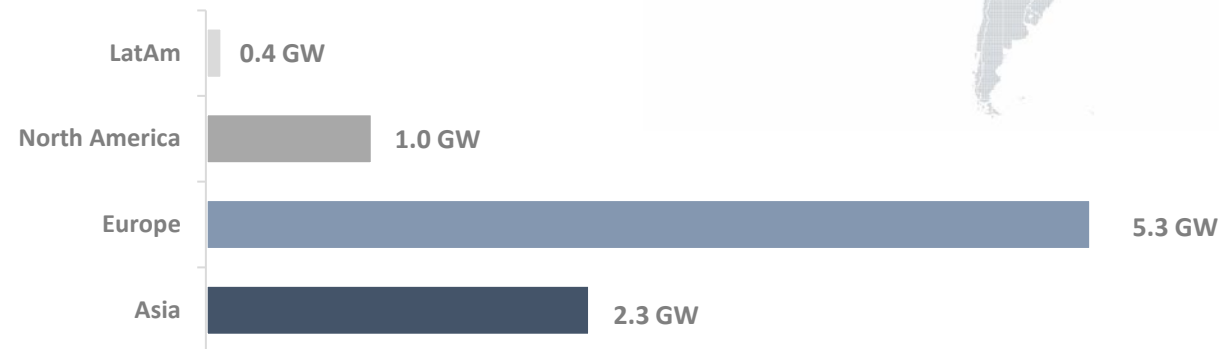
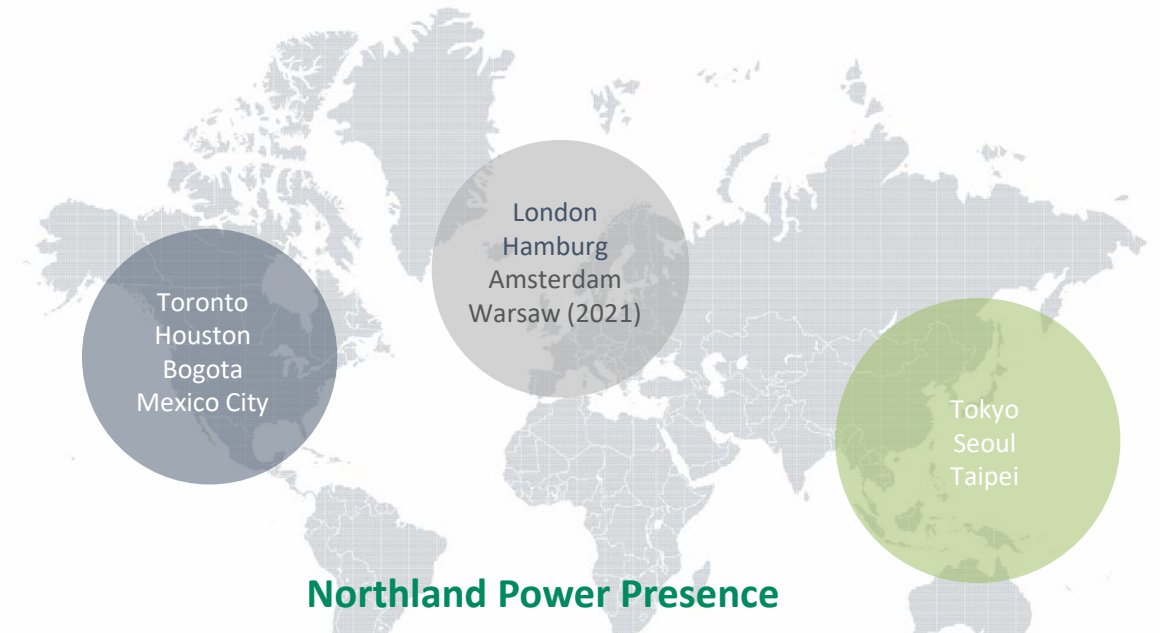
# Executing on Our Growth Strategy

## Global Footprint: Established Regional Presence Provides Competitive Advantage

Establishment of regional offices has allowed Northland to develop local market expertise and strategic local partnerships to accelerate market penetration

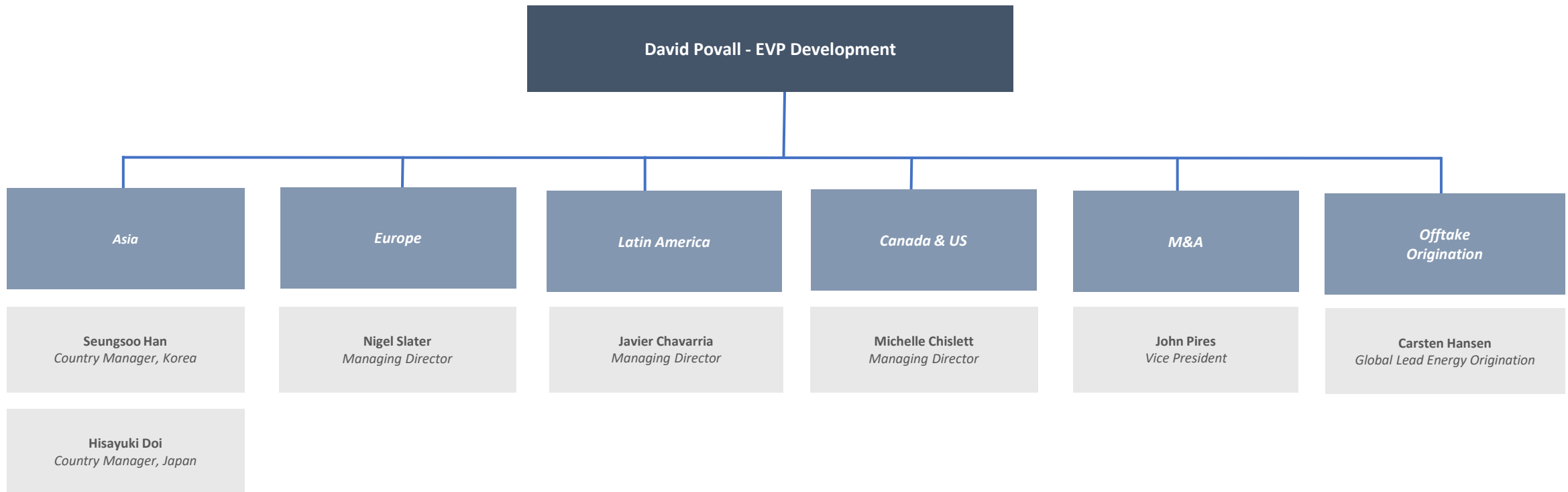
Regional teams have built up a robust growth pipeline of approximately 13-14 GW

- Significant growth opportunities across multiple technologies. Origination to financial close
- Offshore wind represents largest component of the growth pipeline representing 12 GW



# Organizational Structure

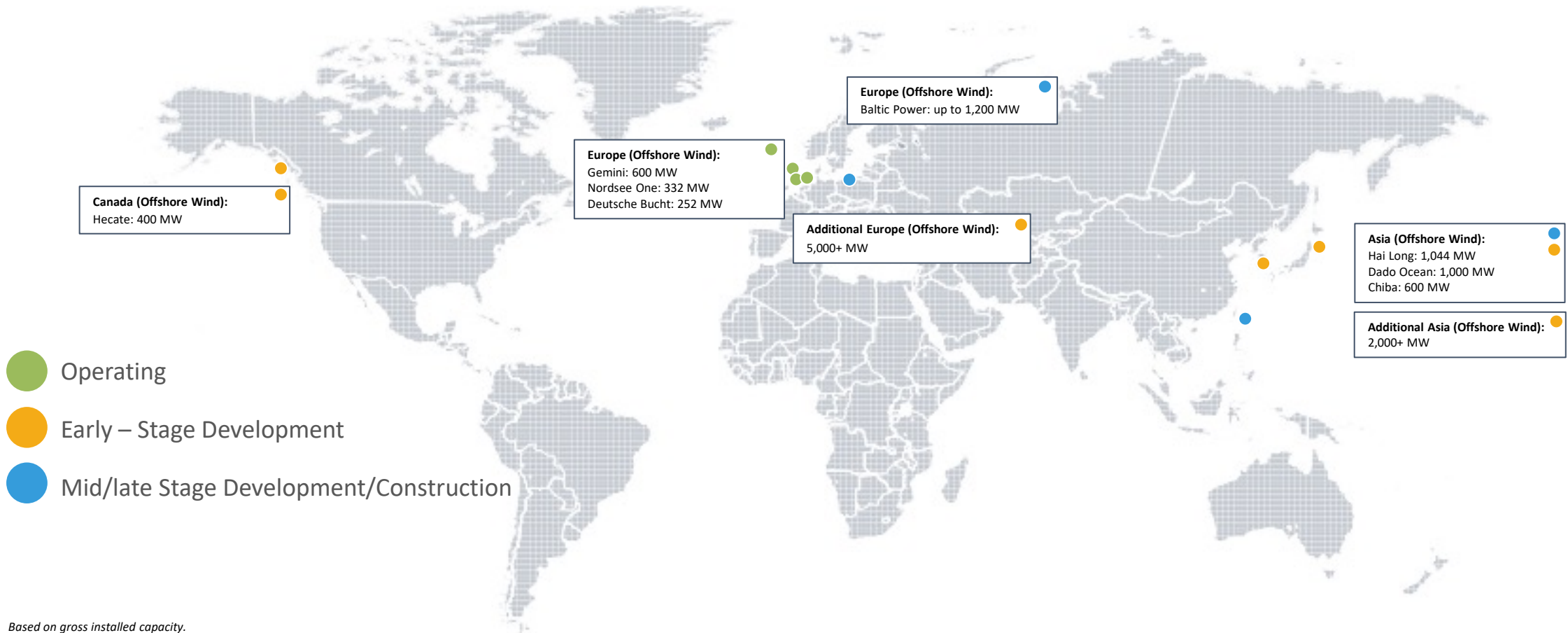
## Significant Team In-place to Achieve Growth Objectives



# Growth Strategy















## Offshore Wind Platform to Anchor Northland's Growth

Significant offshore wind platform of operating and development projects position Northland as a global leader in offshore wind development



# Growth Strategy

## New Offshore Wind Markets Opening Up Rapidly for Northland

		2030 Offshore Target	Contract Type	Contract Term	Subsidies
UK		40 GW	CfD	15 years	Trending to zero subsidy
Germany	 ★	20 GW	FiT	20 years	Zero subsidy
Netherlands	 ★	11 GW	FiT	15 years	Zero subsidy
Denmark		9 GW	FiT + CfD	20 years	Zero subsidy
France		6 GW	FiT	20 years	Zero subsidy
Belgium		4 GW	CfD	15 years	Zero subsidy
Poland	 ★	8 GW <sup>2</sup>	CfD	25 years	Subsidy expected
Ireland		5 GW	CfD	15 years	Subsidy expected
Estonia		1 GW	CfD	20 years	Subsidy expected
Lithuania		1 GW	CfD	20 years	Subsidy expected
Turkey		1 GW	FiT	15 years	Subsidy expected
Greece		0.5 GW <sup>3</sup>	CfD	20 years	Subsidy expected
South Korea	 ★	13 GW	REC	20 years	Subsidy expected
Taiwan	 ★	10.5 GW	FiT + PPA	20 years	Subsidy expected
Japan	 ★	10 GW	FiT	30 years	Subsidy expected
Vietnam		6 GW	FiT	20 years	Subsidy expected
Philippines		2 GW	FiT	20 years	Subsidy expected

New Markets
★ NPI Presence

1. Source: Government Disclosure; BVG Associates Global Offshore Wind Market Report, 2019.

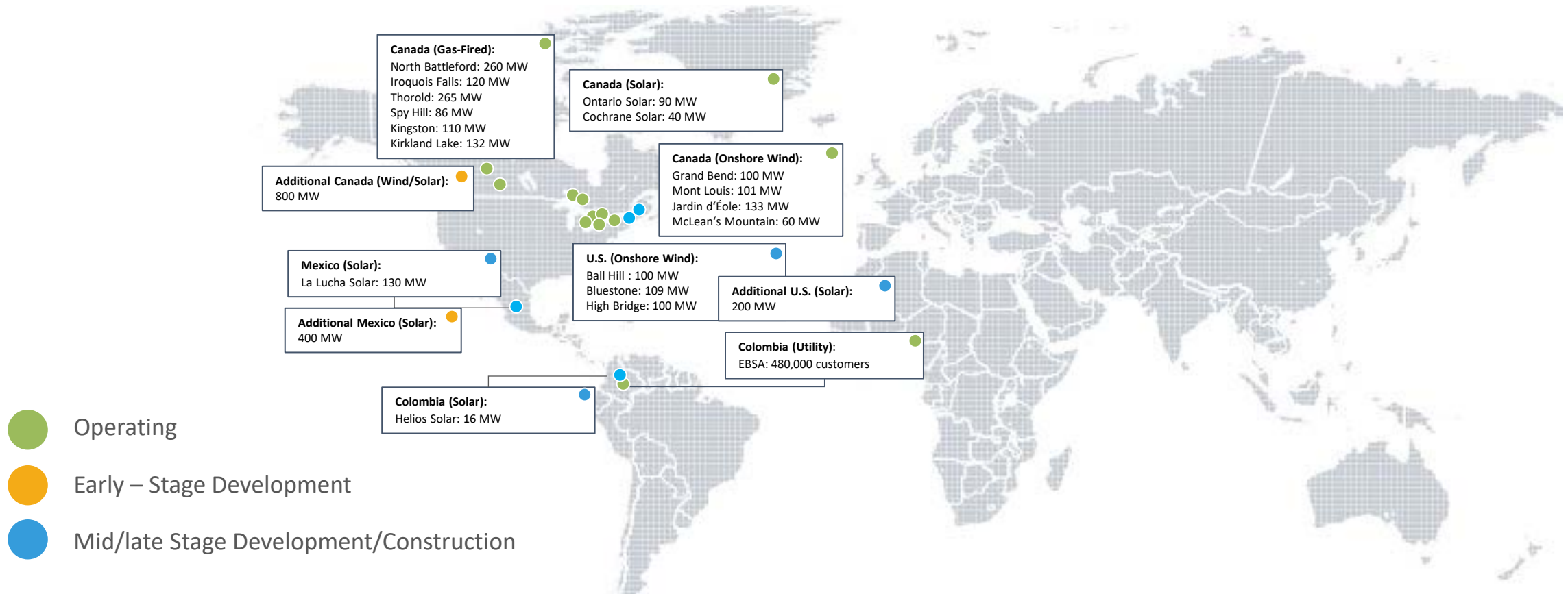
2. Denotes 2040 target.

3. Estimate of market size based on government initiating auction process.

# Growth Strategy

## Onshore Renewables to Support Near-term Growth

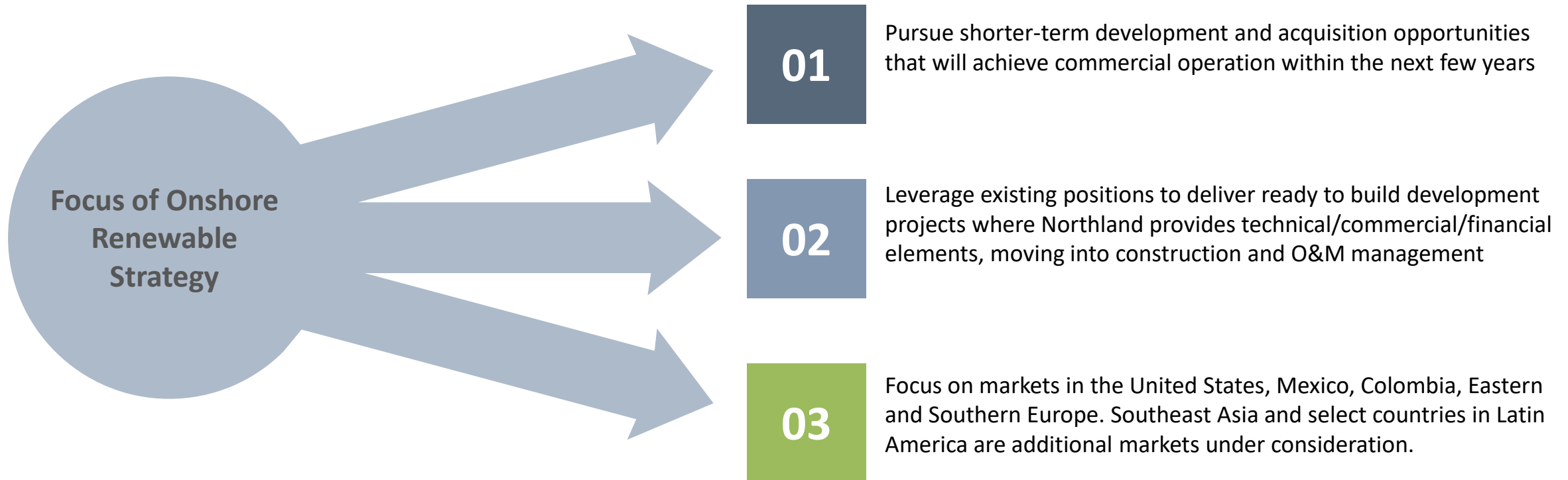
Targeted Approach to Developing Onshore Renewables



1. Based on gross installed capacity.

# Growth Strategy

## Targeted Approach to Developing Onshore Renewables





# Northland's M&A Team

## Activities and Objectives

*Northland's global M&A team focusses on larger-scale platform and corporate transactions that bring near term cash flow and/or visible equity deployment opportunities.*

01

### Near-Term Cash Flow

- Focus on acquisitions that generate meaningful near-term cash flow and a good degree of cash flow predictability

03

### Additional Utilities

- Acquisition of operating utilities in jurisdictions (primarily Latin America) with a compelling regulatory framework that provide long-term, stable cash flows.

02

### Renewable Development Platforms

- Acquisition of renewable developers to enable accelerated development growth in a specific region or jurisdiction
- Enhance scale, competitiveness and capabilities in sectors/jurisdictions

04

### Other Technologies

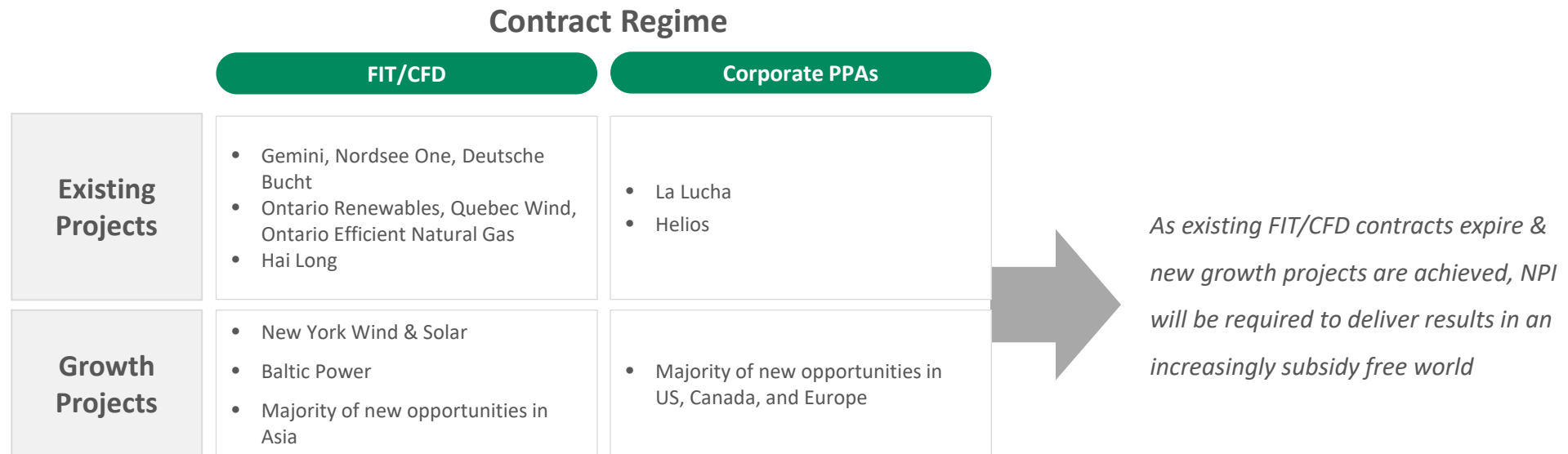
- Acquisition of platforms related to other technologies to facilitate entry into sectors (Bulk Storage, Hydrogen, renewable natural gas, etc.).

*Northland is strategically expanding its in-house M&A team and draws on its Regional Development Offices to source opportunities and execute on M&A processes*

# Offtake Strategy

## Optimizing Returns through - PPA Origination/Energy Trading

- Pursuing offshore wind opportunities in new markets that still deliver long-term sovereign backed PPAs
- ESG driven renewable power corporate mandates are now also creating opportunities for onshore renewable power development and post subsidy/FIT contracting opportunities for offshore wind projects
- Demand continues to grow in developed markets due to de-carbonization goals and ESG
- Renewable generators are reliant on the wholesale power markets and seek fixed revenue streams through different types of hedge contracts





# David Povall

EVP Development

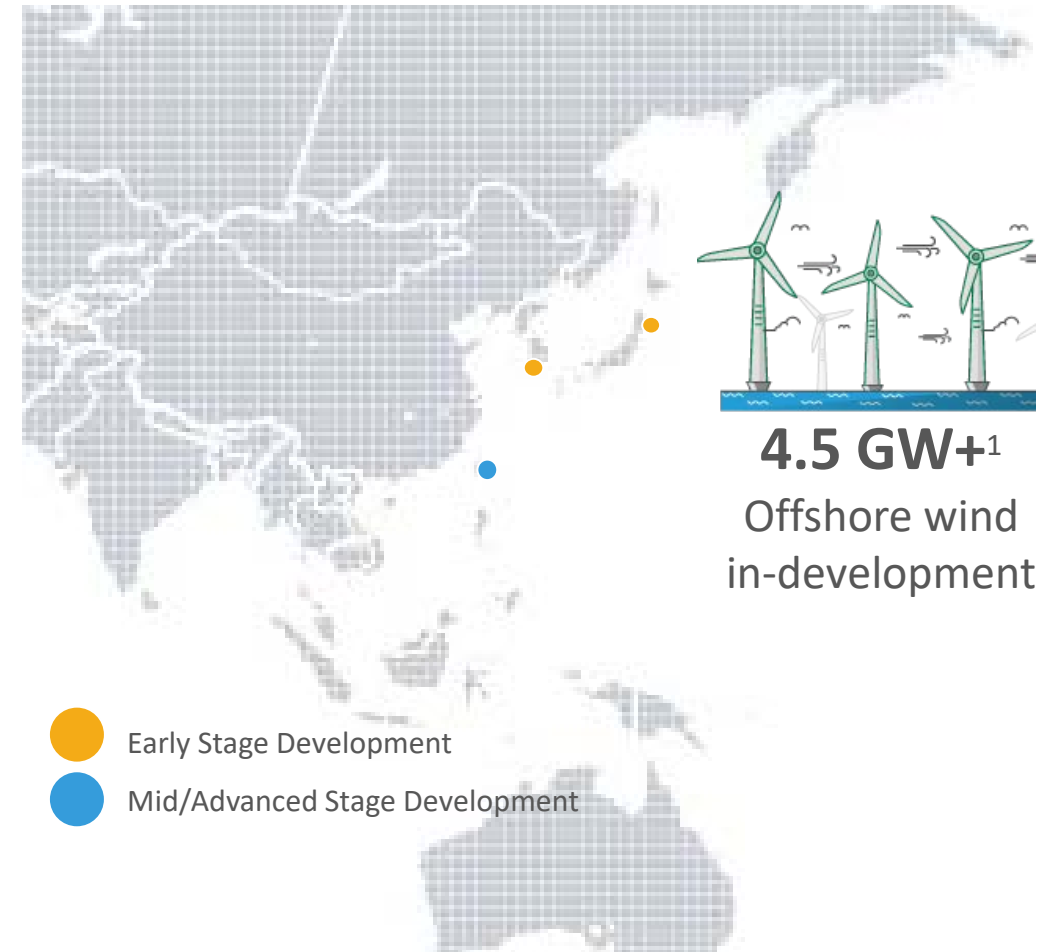
**Asia Growth  
Opportunities**

**Northland Power**

# Asia

Growth leading from the anchor project across the region

<b>Why Asia?</b>	<ul style="list-style-type: none"> <li>• 50% of all renewable energy investment<sup>2</sup> will be in APAC</li> <li>• De-carbonization targets provide investment opportunities</li> <li>• Markets are still developing, providing greenfield opportunities and subsidies</li> <li>• Announced offshore wind targets: Taiwan 10.5 GW, Japan 10 GW, Korea 13 GW, all by 2030</li> </ul>
<b>Northland Strategy</b>	<ul style="list-style-type: none"> <li>• Follows strategy of early mover into new markets</li> <li>• Leverage presence in Taiwan, Japan and Korea to anchor projects and expand offshore wind development pipeline</li> </ul>
<b>Existing Strong Partnerships</b>	<ul style="list-style-type: none"> <li>• Northland has developed strong partnerships in each active market such as Shizen Energy, Tokyo Gas and Mitsui Co.</li> <li>• Focused on growing and developing existing and new partnerships regionally</li> </ul>
<b>Opportunities for New Initiatives</b>	<ul style="list-style-type: none"> <li>• Markets continue to develop and focus on new initiatives. With the local offices and teams, Northland is positioned to be able to capitalize on new opportunities</li> <li>• Additional markets for renewables South East Asia and markets for new technologies in Australia and New Zealand</li> </ul>



1. Represents total gross in development pipeline 2. BNEF

# Asia

## Unique capabilities and approach to early market entry



# Asia

How are we progressing



**2016**

Established Asia presence



**70+**

Dedicated experienced  
offshore people



**4.5 GW+**

Offshore wind  
in-development



## Taiwan

Hai Long  
1,044 MW



## South Korea

Dado Ocean  
Up to 1,000 MW



## Japan

Chiba  
600 MW



## Asia Growth

Additional projects  
2,000+ MW





# Nigel Slater

Managing Director Development – Europe

**Baltic Power**

**Northland Power**

# Poland

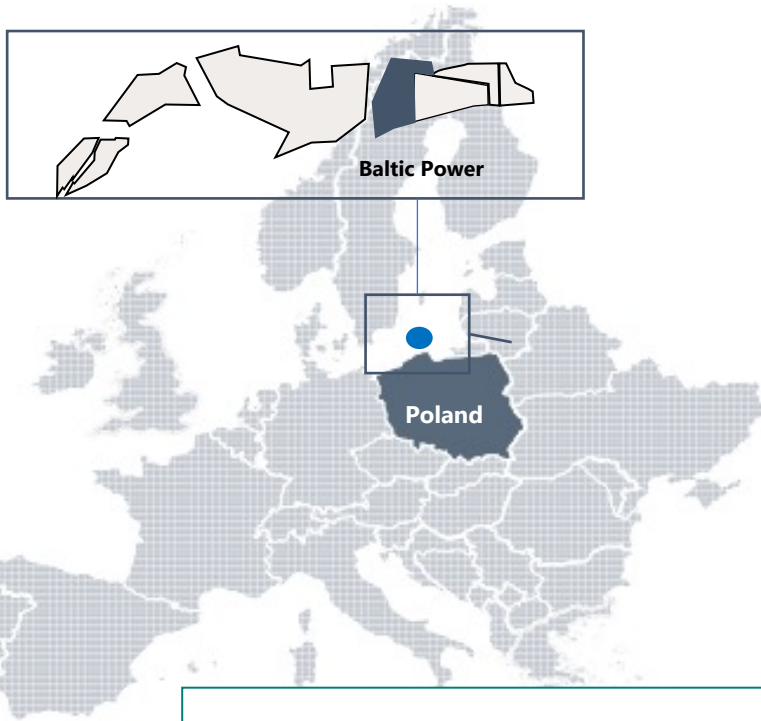
## Emerging Offshore Wind Market

<b>Why Poland?</b>	<ul style="list-style-type: none"><li>• 5th largest country in EU and biggest market in Central &amp; Eastern Europe region</li><li>• Strong economic growth and healthy Investment grade credit rating</li><li>• De-carbonization efforts and fleet replacement imperatives provide renewable investment opportunities</li><li>• Polish energy policy foresees 10 GW offshore wind by 2040</li></ul>
<b>Why Baltic Power</b>	<ul style="list-style-type: none"><li>• Provides scale and entry point into growing eastern EU market</li><li>• Mid-stage development project with secured grid connection</li><li>• Strong local partner</li><li>• Unique offtake support system</li></ul>
<b>Northland Strategy Fit</b>	<ul style="list-style-type: none"><li>• Continuation of Northland's strategy to expand its offshore wind portfolio</li><li>• Early mover in emerging offshore wind market</li><li>• New market entry via local partnership</li><li>• CfD backed offtake provides long-term revenue and cash flow</li></ul>



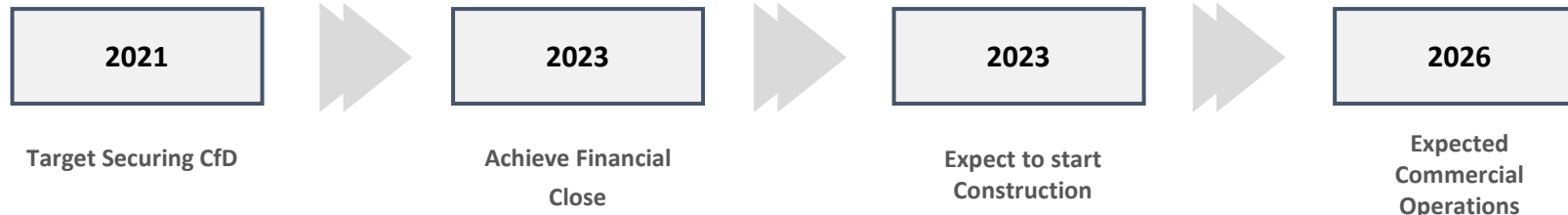
# Poland

## Expanded Portfolio with Baltic Power Offshore Wind Project



- Acquired 49% interest in mid-stage offshore wind development project with potential for up to 1.2 GW of capacity
- Continuation of Northland's strategy of leveraging its top ten sector position globally to expand offshore wind portfolio
- Project expected to benefit from long-term, 25-year revenue contract
- Market entry with strategic partner PKN Orlen, Poland's largest company; synergy between Orlen's significant local presence and Northland's offshore wind expertise

### Timeline For Baltic Power Development



# Beyond Baltic Power

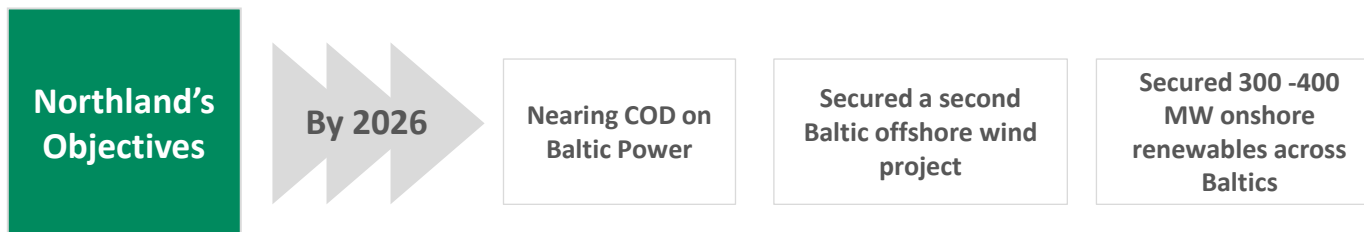
## Other Baltic Renewables Markets

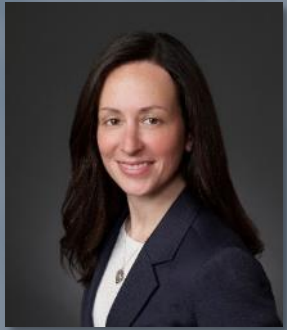
Baltic Power is a platform from which Northland can expand its presence in Poland and the wider Baltic region

- Northland also investigating solar and onshore wind development platforms in Poland

Additional offshore wind opportunities in the region:

- **Poland:** Additional 5GW of offshore wind capacity in 2025 and 2027
- **Baltic region:** Potential for up to 83 GW of capacity
  - Lithuania is expected to begin offshore wind auctions in 2023





# Michelle Chislett

Managing Director Development – Canada & US

**New York Wind**

**Northland Power**



# United States

## Attractive Markets to Support Renewables

Why United States?	<ul style="list-style-type: none"><li>• Large renewable deployment opportunity (~460 GW of new renewables generation expected by 2035)<sup>1</sup></li><li>• Advanced Market structures that enable renewable growth</li><li>• US denominated cash flows provide jurisdictional balance to NPI's global portfolio</li></ul>
Why New York?	<ul style="list-style-type: none"><li>• Strong Clean Energy Standard that enables attractive contractual structures (e.g. 20-year iREC contracts)</li><li>• Access to multiple off-take strategies</li><li>• Liquid energy market with strong fundamentals and transparent pricing mechanisms that allow for payback of capital within the contracted period</li><li>• Geographic proximity to Northland head office</li></ul>
Northland Strategy Fit	<ul style="list-style-type: none"><li>• Northland is expanding into the U.S. market with the development of three onshore wind assets in New York<ul style="list-style-type: none"><li>— Opportunity to leverage platform to expand into solar and new jurisdictions (e.g. New York, New England, PJM and California)</li></ul></li></ul>



1. Source: Americas Clean Energy, a Goldman Sachs report, January 2021

# United States

## New York State: Significant Renewable Growth Potential

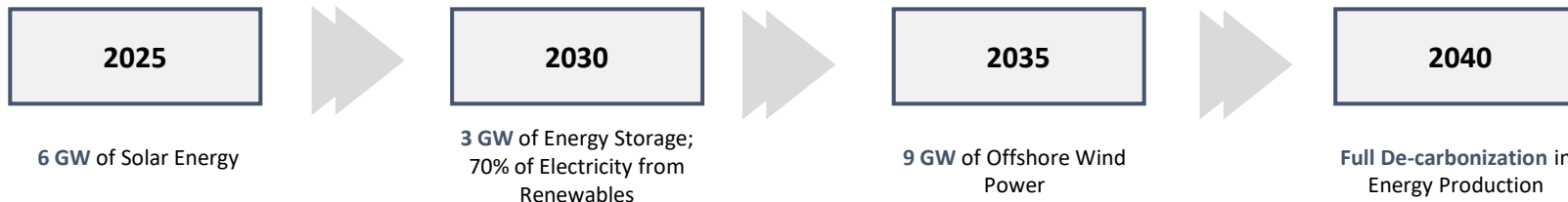
### Energy Policy

- New York is a rapidly evolving market for renewables driven by aggressive policy targets translating into ~26 GW of incremental new build by 2030
  - State has target of 70% renewable energy by 2030 and 100% zero emissions by 2040
- State revamped their renewable permitting regime to enable more deployment of projects
- NYSEDA updated their contracting mechanism, now procures under a 20-year all-in indexed REC contract

### High Growth Region

- Largest Clean Energy Solicitation in U.S. History: NYSEDA<sup>1</sup> will procure ~4,500 GWh per year in annual solicitations from 2021 to 2026 to meet the State's aggressive renewables targets
- State target of 9 GW of offshore wind by 2035, 3 GW of energy storage by 2030 and 6 GW of solar by 2025
- Regional team plans to grow the development pipeline with solar, wind and storage projects in NY and surrounding markets
  - Leverage Northland's strong development experience working in complicated markets

### Timeline of Renewables Targets in New York

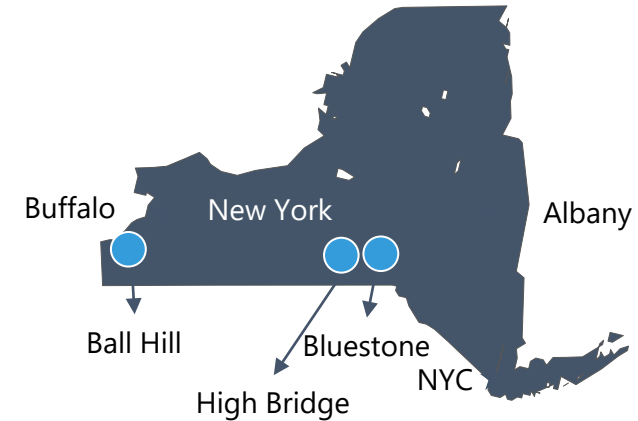


1. New York State Energy Research and Development Authority ("NYSEDA")

# United States

## New York Onshore Wind Project Overview

<b>Description</b>	<ul style="list-style-type: none"> <li>Acquired three New York onshore wind development projects in 2020</li> </ul>
<b>Key Benefits</b>	<ul style="list-style-type: none"> <li>Well positioned from a competitive standpoint relative to the state's wind development pipeline</li> <li>USD cash flows from stable and high demand market</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>100%</li> </ul>
<b>Capacity</b>	<ul style="list-style-type: none"> <li>309 MW (109 MW, 100 MW &amp; 100 MW for Bluestone, High Bridge and Ball Hill, respectively)</li> </ul>
<b>Capital Costs</b>	<ul style="list-style-type: none"> <li>~C\$0.9 billion</li> <li>Qualifies for Federal Tax Credits</li> </ul>
<b>Offtake Description</b>	<ul style="list-style-type: none"> <li>20-year fixed REC PPA</li> <li>Expecting to convert to indexed REC contract (CfD all-in PPA)</li> </ul>



Milestone	Ball Hill	Bluestone	High Bridge
SPA Signed	✓	✓	✓
Secured Environmental Permit	✓	✓	Pending
Signed PPA (Fixed REC)	2015	2018	2019
Secured Interconnection	✓	✓	✓
Financial Close	H2 2021	H2 2021	H1 2022
COD	H2 2022	H2 2022	H2 2023



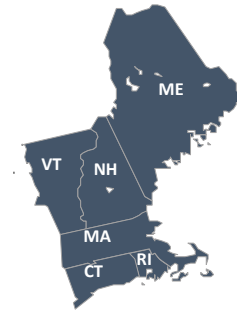
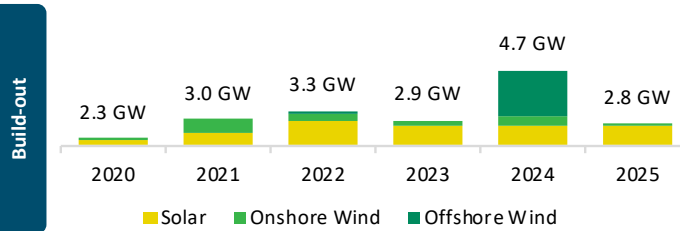
# United States

## Beyond New York State

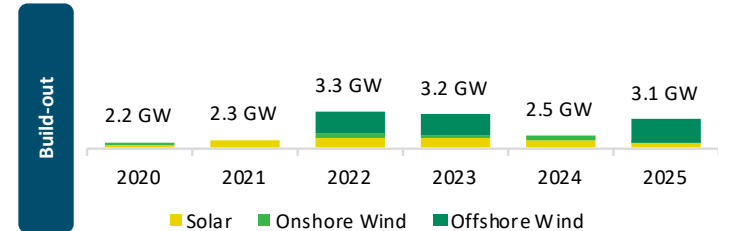
- Leverage platform of New York wind projects to establish an in-state solar & storage pipeline
- Expand presence in other identified priority markets (e.g. New England, PJM, California & others)
- Target platform of 1GW over next few years by acquisition and greenfield development
- Utilize platform synergies and Northland's strong development skill set to be successful



70% by 2030



NE

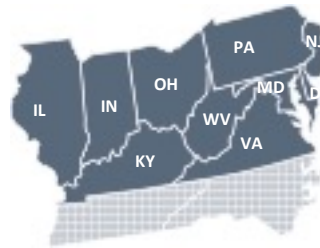
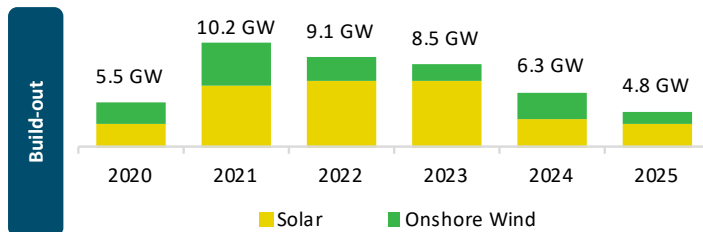


ME: 80% by 2030 / NH: 25% by 2025 / VT: 75% by 2032 / MA: 35% by 2030 / CT: 44% by 2030 / RI: 39% by 2035

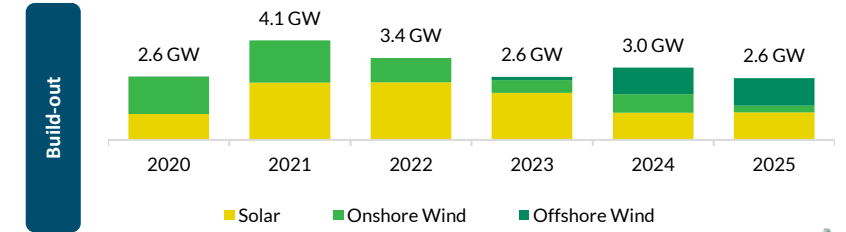


NY

CA



PJM





# Javier Chavarria

Managing Director Development – Latin America

**Utility Strategy**

**Northland Power**

# Latin America

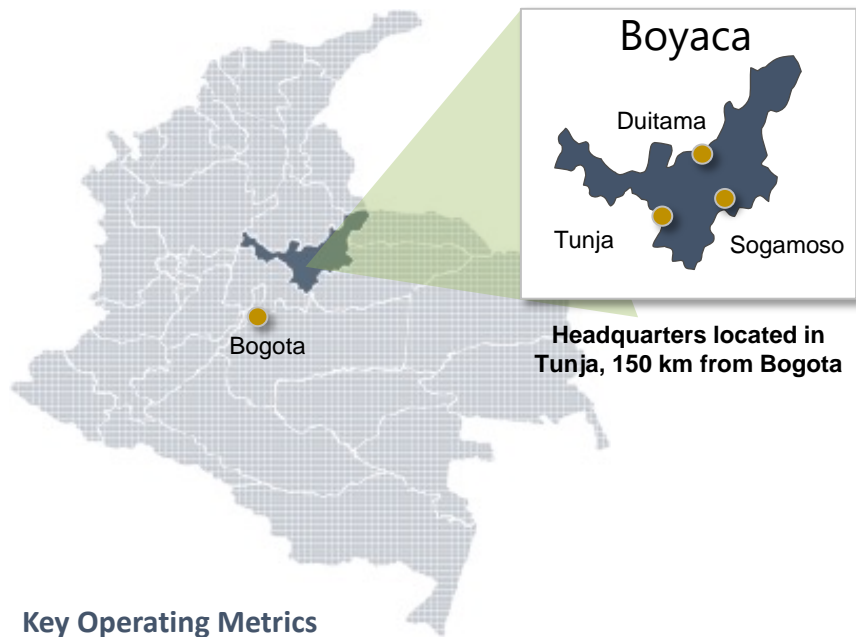
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Why Utilities	<ul style="list-style-type: none"><li>• Perpetual and predictable cash flow profile</li><li>• Sustained value over time supported by growth of regulated asset base</li></ul>
Why Colombia	<ul style="list-style-type: none"><li>• Member of the OECD and a creditworthy jurisdiction that has maintained an investment grade credit rating with S&amp;P (BBB-), Moody's (Baa2) and Fitch (BBB) since 2011</li><li>• Significant support for infrastructure investments from robust economic and regulatory framework and supportive government policies</li><li>• 3<sup>rd</sup> largest population in the region with a growing middle class and attractive GDP growth profile with real GDP growth averaging 3.5% over the past 10 years</li></ul>
Northland Strategy Fit	<ul style="list-style-type: none"><li>• EBSA provided strategic value to existing asset portfolio<ul style="list-style-type: none"><li>◦ Strong management team</li><li>◦ Provided a measure of stability and predictability to Free Cash Flow</li><li>◦ Well positioned to expand into generation and transmission thanks to grandfathered rights</li></ul></li></ul>



# Latin America

## EBSA Utility



### Key Operating Metrics

<b>34,035 km</b> Distribution Lines	<b>COP 1,670 Bn</b> RAB (C\$ 622M)	<b>1.7 TWh</b> Energy Distributed
<b>105</b> Substations		
<b>503,000</b> Regulated Clients	<b>573</b> Full Time Employees	<b>915 MVA</b> 220kV/115kV

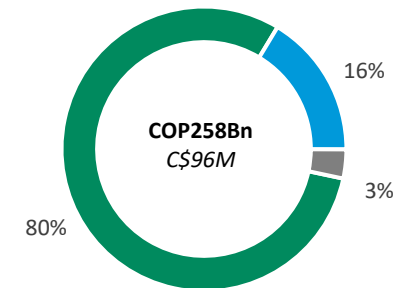
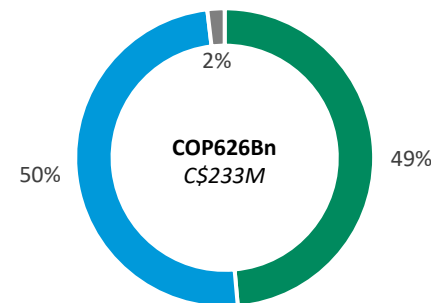
### Business Segments

Distribution	Regulated revenue subject to revenue cap and five-year tariff review process – No volume risk
Commercialization	Power retailer for 100% of regulated clients in Boyacá and 44% market share of commercialization segment
Transmission	Operator of 790km of national and regional transmission lines and 18 substations; fixed annual revenue for 25 years

### Key Financial Highlights

2020E Gross Sales

2020E Cash EBITDA



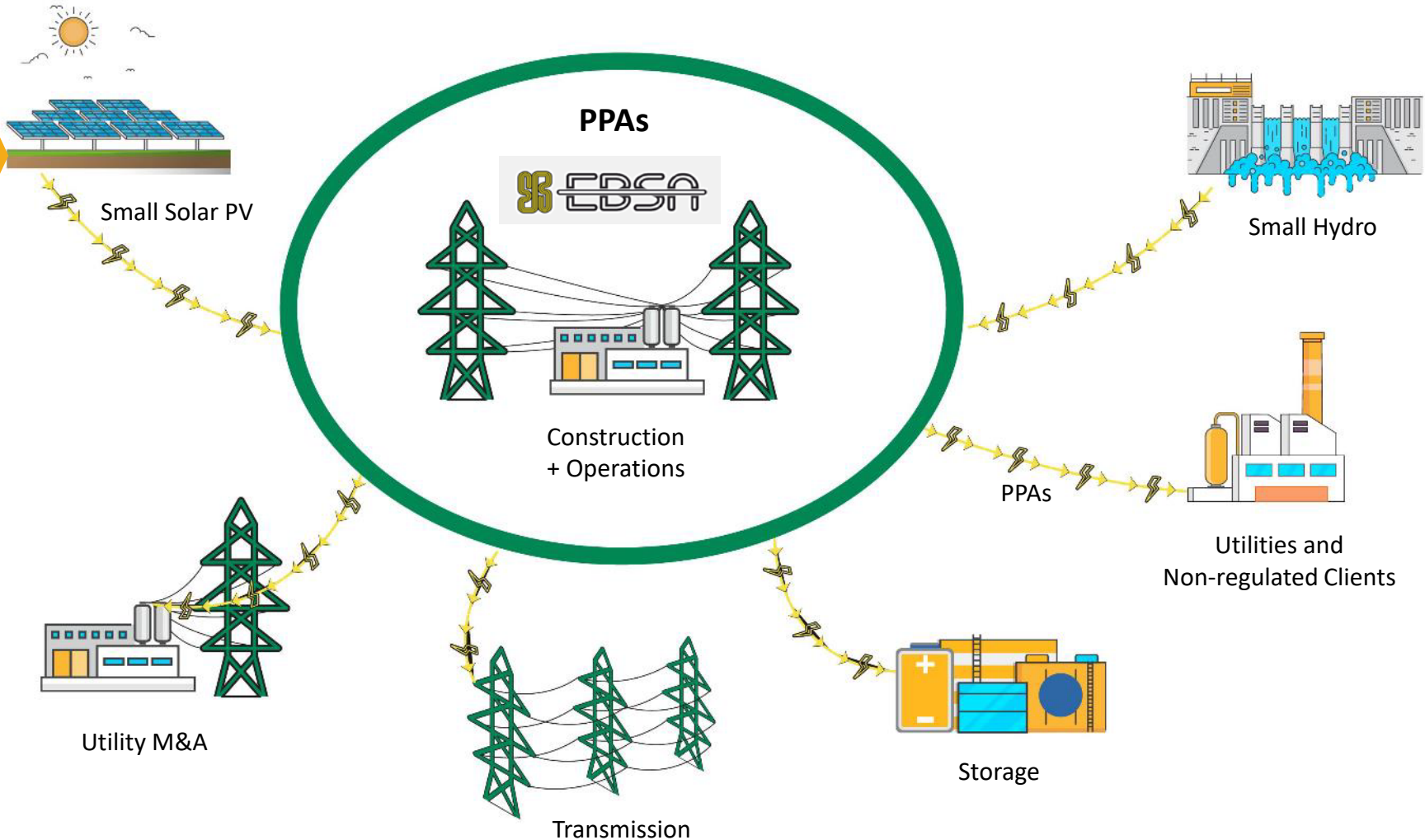
■ Distribution ■ Commercialization ■ Transmission & other

# Latin America

## Additional Growth Opportunities

### Helios Solar Project

- FID: Dec 2020
- COD: Dec 2021
- 16MW
- Energy will be sold through EBSA to non-regulated clients
- Non-recourse project financing with Colombian bank



# Latin America

## Utilities: Competitive Dynamics and Strategy

- Along with the EBSA acquisition, Northland believes adding utilities to the portfolio will complement existing asset base with perpetual or long-term stable cashflows.
- The current focus is on select jurisdictions in Latin America including Colombia, Chile and Brazil

### Utility Advantages

Provide visible, stable, perpetual cash flow profiles matching perpetual dividend obligations

Diversify and stabilize cash flow from growing renewable generation variability

Operating business provides immediate accretive cash flows and attractive cash yields

Opportunity to invest in adjacent assets to generate growth

### Utility Strategy

Markets with stable economy and established legal and regulatory frameworks

Regulatory framework encouraging investment and with adequate regulated returns

Mature and diversified industries with multiple sectors represented

Solid macroeconomic fundamentals underpinning growth prospects





# Wendy Franks

EVP Strategy & Investment Management

**New Growth Initiatives**

**Northland Power**

# Strategy and Investment Management

## Introduction and Objectives

01

Incubate new businesses that will support the next wave of growth

02

Drive long-term strategic planning with the support of proprietary market analysis

03

Enhance investment performance through the use of key performance data and analysis

*Strategy*

*Investment  
Mgmt.*



# New Growth Initiatives

## Significant Markets Forming

### Meeting the challenges of 100% carbon-free electricity grids

Strong policy support for energy storage

Need for grid stabilization

Storage costs declining

01



### Energy Storage

\$500 Bn

Global investment in utility-scale storage through 2040

### Decarbonizing energy used in heat, transportation, and industry

New policies and higher carbon prices

Energy consumptive sectors

Molecule needed

02



### Renewable Fuels: hydrogen and RNG

\$400 Bn

Estimated global RNG investment potential by 2040

\$5-12 T

Estimated global infrastructure investment in hydrogen by 2040

# New Growth Initiatives

## Northland Approach to Storage

**The opportunity for storage is likely to be larger than most forecasts as storage takes market share from new gas peakers**

### **Two streams of active development for Northland**

1. Co-locating storage alongside existing and future generation projects
2. Seeking a platform or joint development partnership for stand-alone storage development in U.S. and/or Canadian markets
  - Projects are typically smaller (\$10-30M) therefore our approach is to back a developer
  - Technology agnostic
  - Asset management is a core Northland expertise

# New Growth Initiatives

## Northland Approach to Hydrogen and Renewable Natural Gas (“RNG”)

### RNG

- Develop a partnership to form a stand-alone platform to develop individual RNG projects
  - Seek revenue streams backed by long-term contracts and/or stable regulatory mechanisms
  - Partner with experienced developers and operators
- 




### Hydrogen

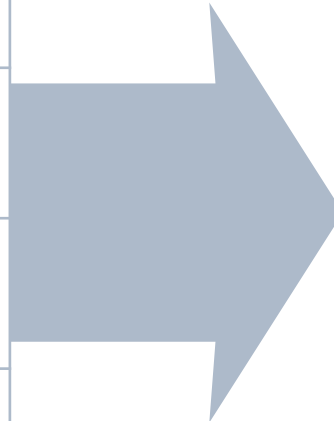
- Building dedicated team initially focused on Europe but with global purview
- Evaluating multiple avenues to approach the market from partnering to provide the green electrons to direct involvement in hydrogen production

# Market Analysis

Proprietary Research Drives Long-Run Strategy

Core trends being tracked to develop a consistent long-term view on the global energy markets....

Commodity Prices	
Policy	
Technology Changes and Build Costs	
Competitive dynamics	

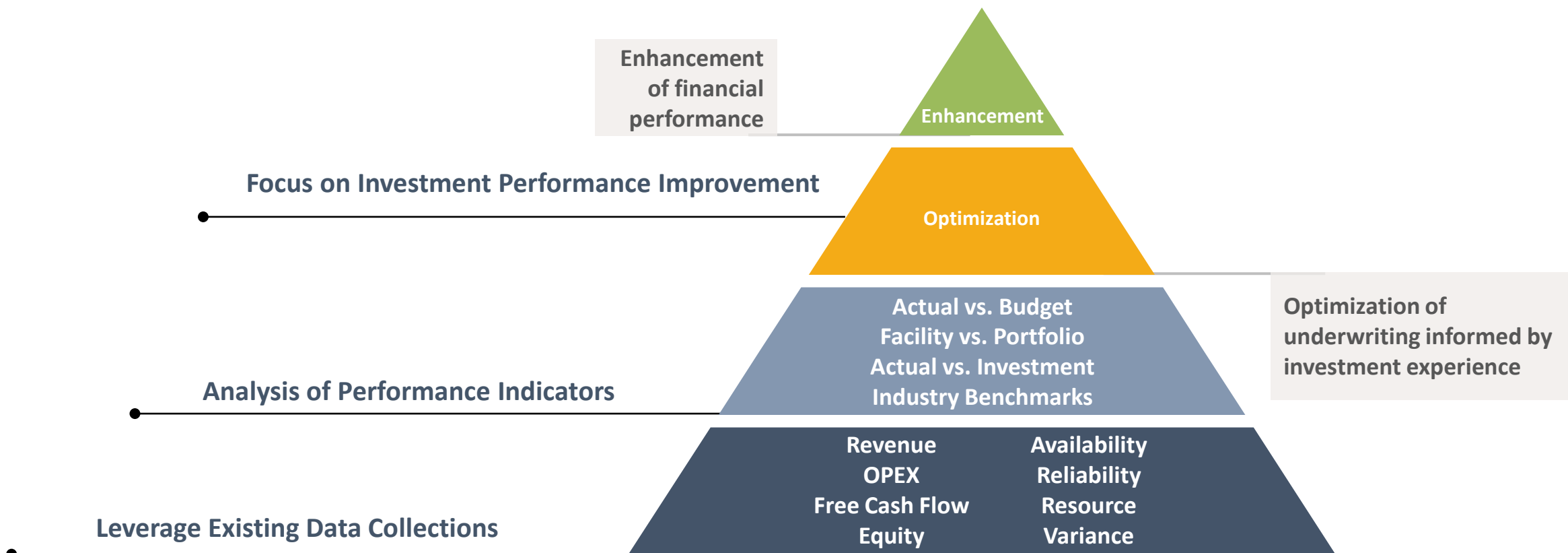


....driving strategic decision making across the company

Distribution of assets across markets	
Growth markets	
Offtake strategy	
Market LCOE	

# Investment Management

## Proprietary Data Drives Investment Performance





# Morten Melin

EVP Construction

**Northland Power**

**Construction  
Supply Chain and Procurement Strategy for  
Offshore Wind**



# La Lucha

## 130MW Solar Under Construction



# Construction Update

## Mexico: La Lucha Solar

Description	<ul style="list-style-type: none"><li>Solar project located in the Mapimí municipality, State of Durango, Mexico; ~78 km from the city of Torreon</li><li>EPC contract with Grupo Ortiz who will provide first two years of O&amp;M services</li><li>In advanced discussions with Qualified Suppliers to secure 100% of the project's output</li></ul>
Ownership	<ul style="list-style-type: none"><li>100%</li></ul>
Capacity	<ul style="list-style-type: none"><li>130 MW</li></ul>
Key Dates	<ul style="list-style-type: none"><li>COD: Q2 2021</li><li>Financial Close: Q2 2021</li></ul>
Offtake Description	<ul style="list-style-type: none"><li>E3: 10-year pay-as-generated PPA</li><li>NP Energia: 12-year pay-as-generated PPA</li></ul>



### Timeline For La Lucha Development

2019

Final Investment  
Decision



2019

Start of  
Construction



2021

Expected  
Commercial  
Operations

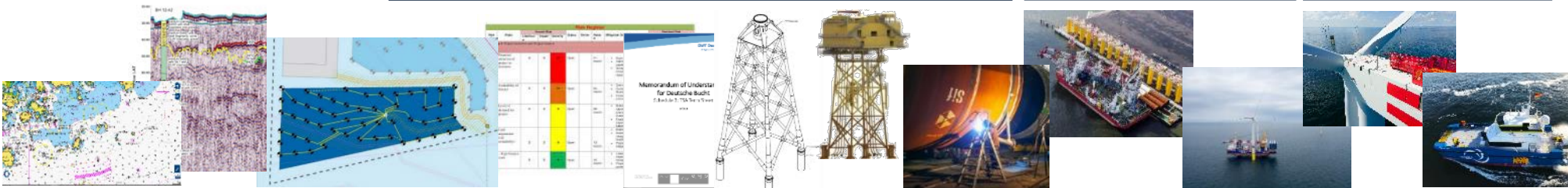
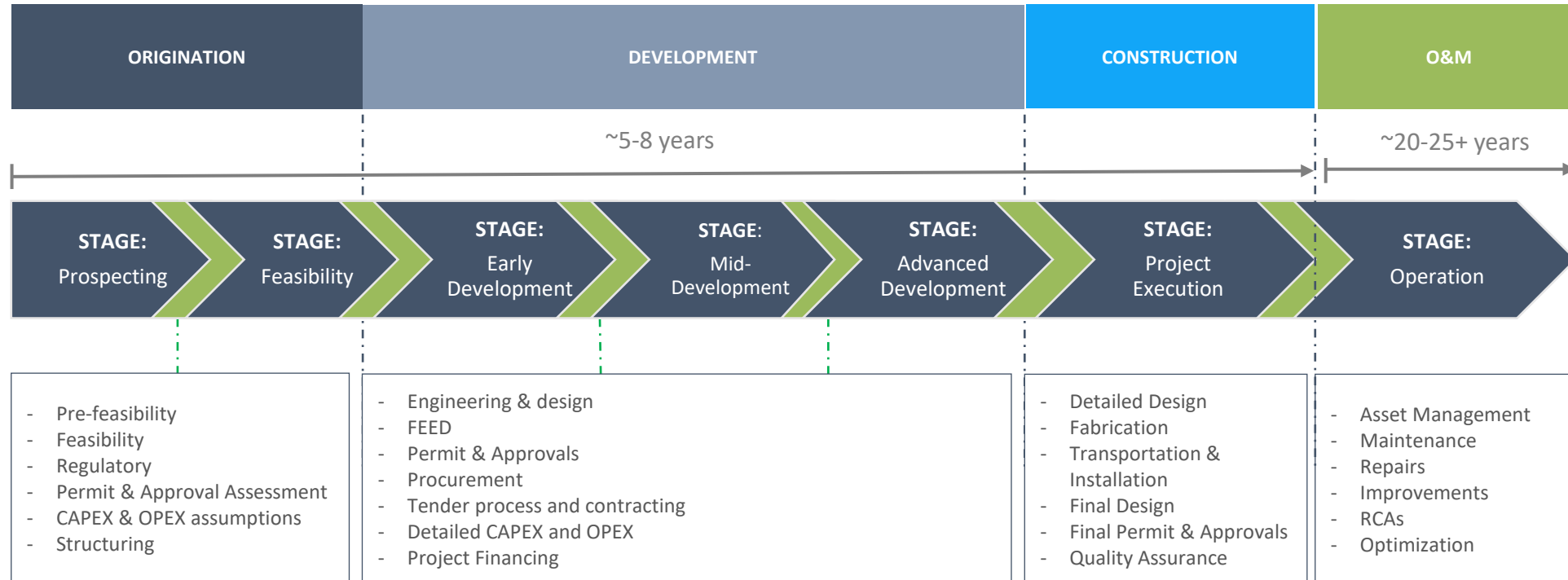


A photograph of an offshore wind farm with several white wind turbines on a dark sea under a cloudy sky. A semi-transparent dark blue banner is at the bottom.

## Supply Chain and Procurement Strategy for Offshore Wind

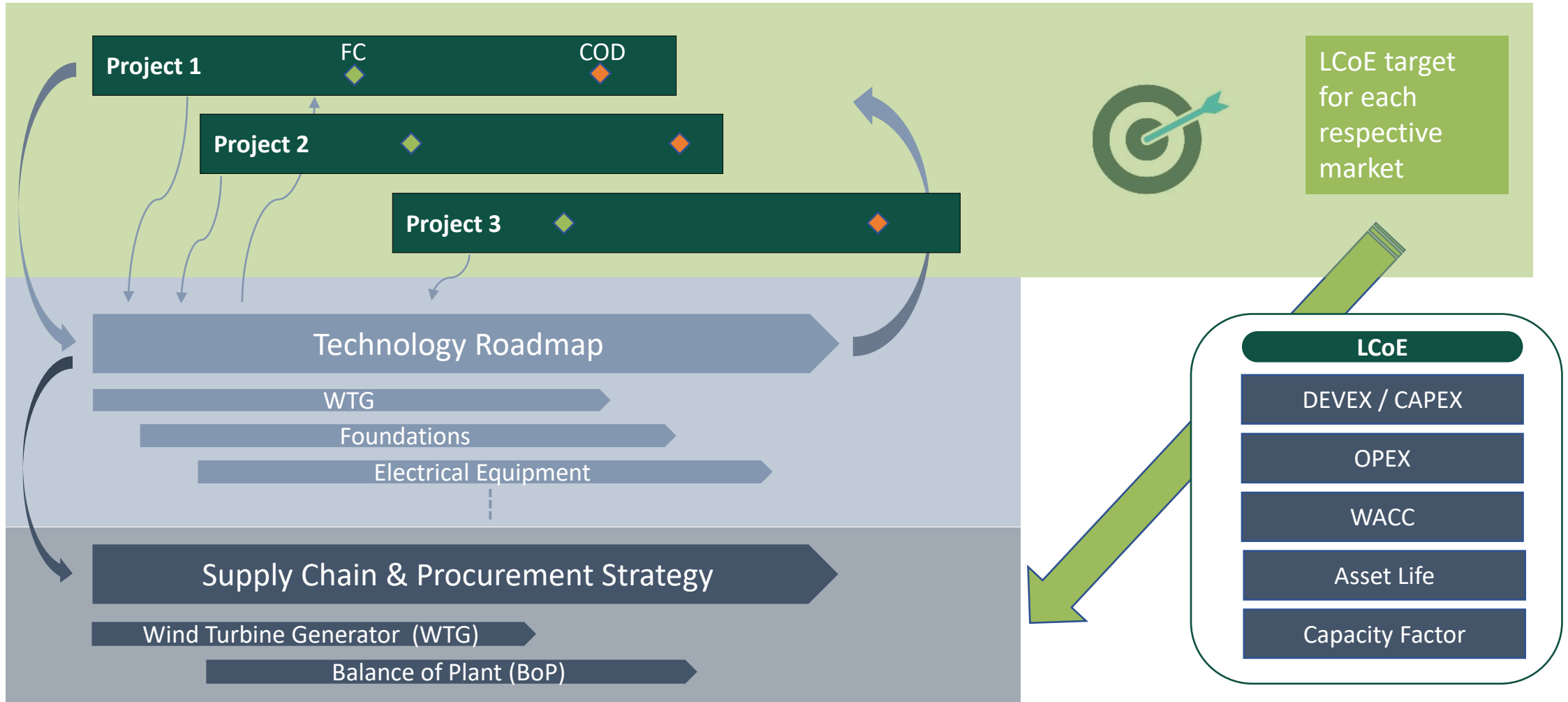
# Portfolio Approach in Offshore Wind

## Project Stages and Technology Roadmap



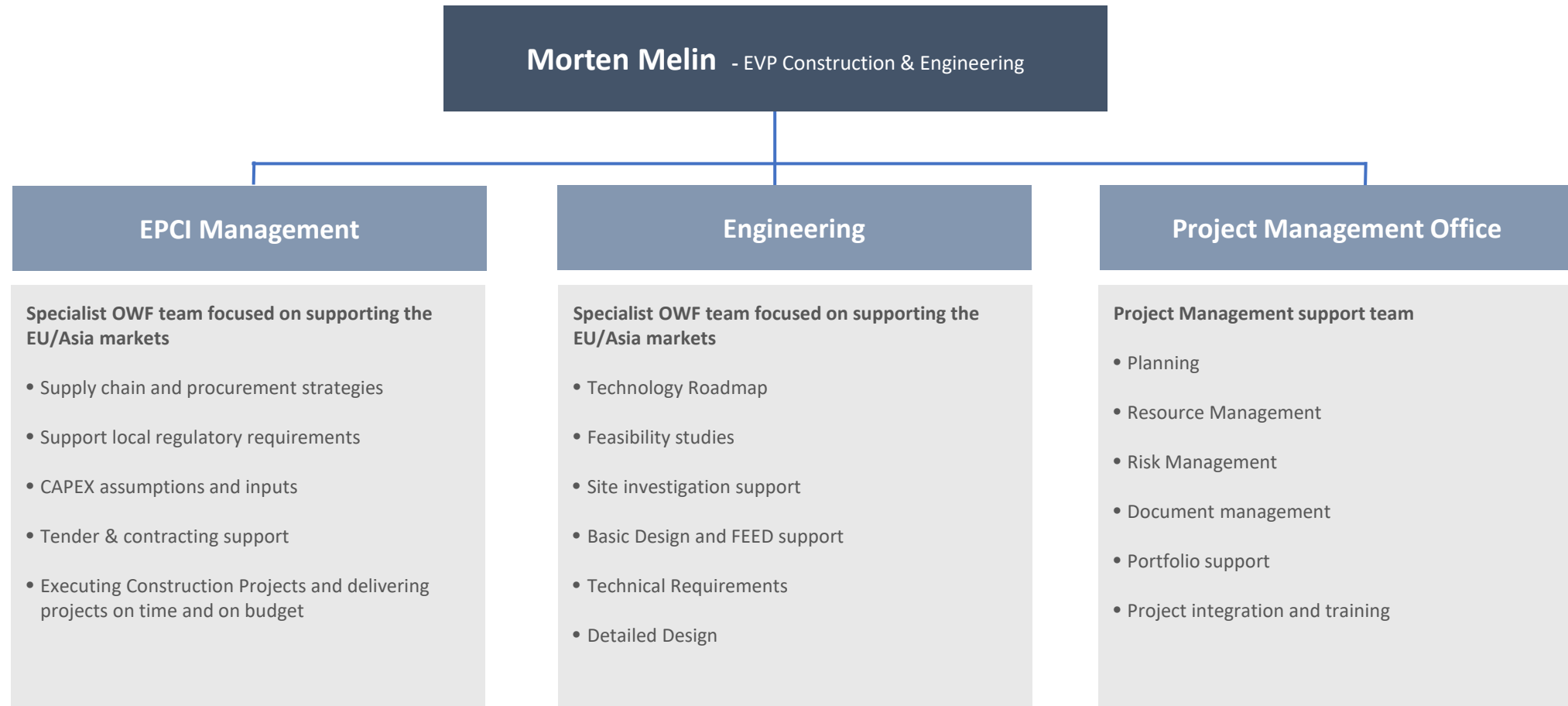
# Portfolio Approach in Offshore Wind

Leveraging Scale to Optimize Project Levelized Cost of Electricity (LCoE)



# Organizational Expertise

## Robust organization to support growth teams





# Troy Patton

Chief Operating Officer

**Operations**

**Northland Power**



# Operations

## Wide Breadth of Generation and Utility Experience

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- Offshore Wind, Onshore Wind, Solar, Gas Turbine, Electricity Transmission, Distribution and Marketing Activities In-House
- Industry-leading Generation availability factors and Utility reliability rates across the fleet in 2020 despite COVID-19
- Perform all balance of plant operations (substations, transmission) at most of our facilities
- Operators and Technicians fully certified in plant operations and leveraging shared best practices to ensure cost efficiency and economies of scale by technology
- Operating teams provide Due Diligence services to Development Teams to ensure lessons learned and best practices in assessing new opportunities



# German Offshore Wind Farms

584 MW  
In Operations



# Operations

## Europe Offshore Wind Platform with Full O&M Capabilities

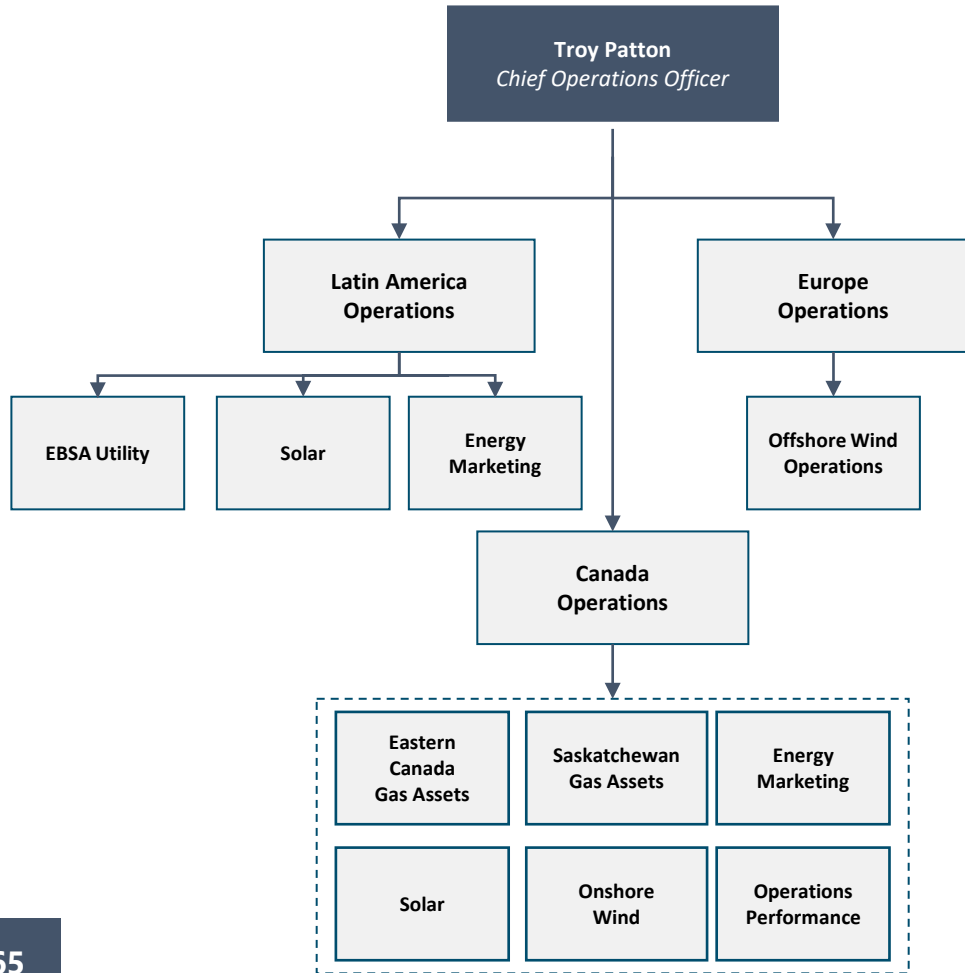
<b>Description</b>	Nordsee One/Deutsche Bucht Offshore Wind Farms
<b>Ownership</b>	85%/100%
<b>Key Dates</b>	COD: 2017/2020
<b>Operations</b>	<ul style="list-style-type: none"> <li>Deutsche Bucht - Long-term contracted O&amp;M providers supplemented with Northland technicians</li> <li>Nordsee One – Turbine fault resetting and maintenance, spares procurement, engineering</li> <li>At Both – Asset management, contract management, performance monitoring, insurance/risk management, grid switching operations, HSE, compliance, lender relations</li> </ul>

- Northland’s European offshore wind team has ~150 employees that are fully responsible for the operations and maintenance of offshore wind projects in the North Sea
- Northland’s offshore wind platform has developed in-house capabilities that can be leveraged to support future opportunities in the increasingly competitive North Sea and Asian region
- In 2020, Northland leveraged operational expertise to capitalize on an opportunity and secured a lower-risk, 7-year O&M service contract for Nordsee One
- This has already demonstrated many advantages:
  - Self-performing has incentivized performance at the highest level and gained a better fundamental understanding of the cost assumptions underpinning this offshore wind investment
  - Developed knowledge in-house that allows for learnings to be applied on future offshore wind developments to enhance profitability while balancing operational risk
  - Positions the Company for cost-competitiveness in the post-tariff landscape



# Operations

## Deep Operations Experience and Capability



In-house engineering capabilities for performance analysis and quick issue resolution

Successfully achieved a 97% availability factor rate across the generation fleet

Grown and maintained key industry relationships with multiple best in class OEMs and contractors

Perform all balance of plant operations (substations, transmission) at most of our facilities

Assumed operations of all turbines at Nordsee One (including asset management, turbine fault resetting and maintenance and grid switching operations)

### Select Industry Relationships

OEMs

ABB

SIEMENS

MHI

MHI VESTAS OFFSHORE WIND



Vestas



# Pauline Alimchandani

Chief Financial Officer

**Financial Overview**

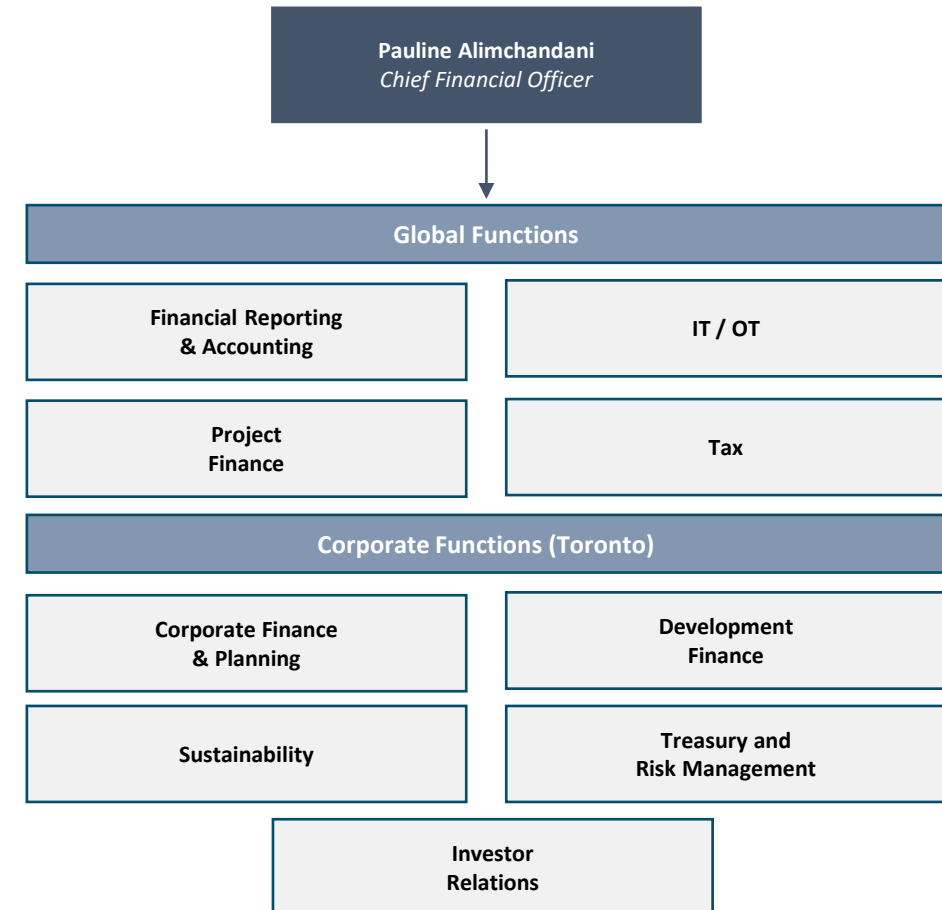
**Northland Power**

# Northland Finance Team

## Deep Rooted Experienced Global Finance Team

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- Northland's highly experienced finance team has completed over ~\$15 billion in corporate and project finance transactions since 1997
- Strong and growing team to execute across global markets
- Strong controls and governance frameworks in each global office with support from corporate finance functions



# Financial Overview

## Funding Plan to Support Growth and Maintain Discipline

Identified Development  
Projects Gross Capital  
Investment Plan  
Next 5 Years<sup>1</sup>

Green and maintain  
investment grade balance  
sheet to support growth

Significant growth in adj. EBITDA  
expected on completion of  
Identified Development projects

\$15B to  
\$20B+<sup>2</sup>

BBB  
(Stable)

X2  
(Double)







Maintaining flexibility, adding corporate funding tools to diversify sources of capital, preserving low cost of capital and investment grade balance sheet are key to the successful growth execution of Northland

1. Represents the total gross capital costs of the 4-5 GW visible development projects.

2. \$10B to \$14B net represents Northland's current ownership interest in Identified Development Projects

# Growth Capital Funding Requirements

## Visible Capital Investment Plan

	Identified Development Project	Northland Ownership	Gross Capacity	Gross Capital Investment	Net Capital Investment	Advanced Development	Early to Mid-Stage Development Projects	Commercial Operations Pre-2025	Commercial Operations Post-2025
	NY Onshore Wind	100%	0.3 GW	~\$7 billion	~\$5 billion	✓		✓	
	Taiwan – Hai Long	60%	1.0 GW			✓			✓
	Baltic Power	49%	Up to 1.2 GW	~ \$8 to \$13 billion	~ \$5 to \$9 billion		✓		✓
	Nordsee 2/3	85%	0.9 GW				✓		✓
	Korea – Dado	100%	Up to 1.0 GW				✓		✓
	Japan – Chiba	50%	0.6 GW				✓		✓
			4.0 - 5.0 GW	\$15 to \$20+ Bn	\$10 to \$14 Bn				

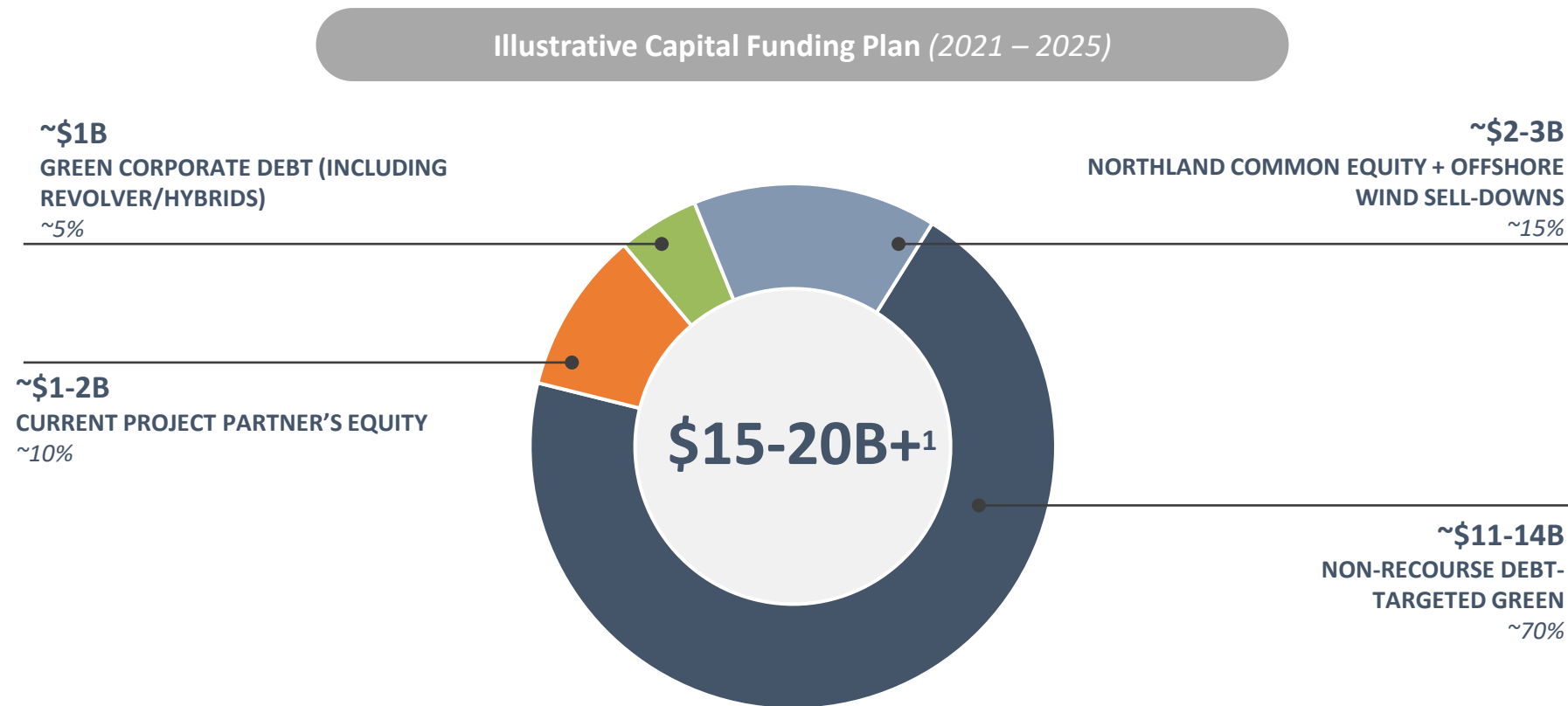
Targeting double-digit equity returns (IRR) on average across projects

**4 to 5 GW** current Identified Visible Capital Investment Plan of  
**\$15 to \$20+ billion\*** (\$10 to \$14 billion @ Northland interest) over next 5 years

\* Excludes incremental Greenfield Development and M&A. Total capital investments are based on recent estimates of Identified Development Projects that are subject to change that Northland has publicly disclosed

# Strong Balance Sheet will Support Growth

Illustrative Capital Funding Plan of Identified Development Project Over Next Five Years



1. The capital funding plan is based on recent estimates of total capital costs for Identified Development Projects, that Northland has publicly disclosed. The chart illustrates potential sources of funding that is subject to change/update.

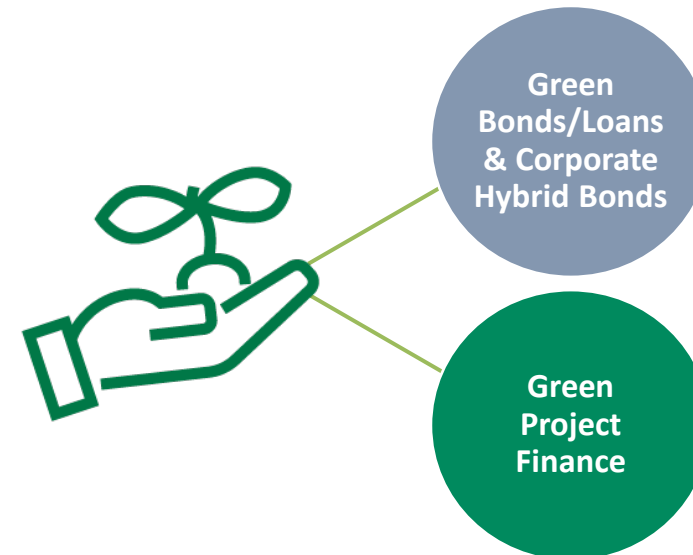
# Green Financing Framework

## Adding Financial Optionality to Portfolio

Green Financing Framework allows Northland to diversify and optimize additional sources of capital to fund growth plan

- Northland has advanced several capital markets initiatives to diversify and optimize our sources of capital
- Green the balance sheet
- Increase our available liquidity
- Capitalize on strong investor demand
- Our Green Financing Framework allows Northland to issue green bonds and corporate hybrids at any point in the future
- Key benefits:
  - Lower cost than traditional unsecured senior debt
  - Enhanced ESG positioning
  - Access to European debt capital markets
  - Strong Euro base allows to better match tenor and currency
  - Very strong demand/subscription levels for green products
  - Favourable treatment by lenders and S&P for corporate hybrids

Allows the issuance of green debt instruments that benefit from lower margins and a new pool of investors





# Project Finance

## Primary Funding Tool – on a Non-Recourse Basis

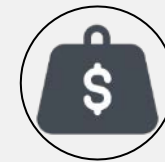
Strong level of expertise and experience with project finance as primary funding tool

- Over \$11 billion in project finance transactions since 1997
- Focus on securing high-quality projects with long-term contracted cash flows
- Ideal fit with Northland's risk management mindset

To finance offshore wind pipeline with project level capital, it will remain important to:

- Continue to actively engage with the global lending community to ensure we remain at the forefront of the prevailing market terms and dynamics in both mature and emerging offshore wind jurisdictions
- Work collaboratively with partners and lenders
- Maintaining flexibility is key to optimizing financings as markets mature (demonstrated by refinancing existing European offshore wind projects, that were financed in early days of project finance in Europe).

General guiding principles



**Long tenor; high quality and stable cash flows**



**Long standing global lending relationships**



**Flexible structure for partnerships and re-financings**

# Development Asset Partial Sell-downs

Enhance Project Returns and Cash Flows without increasing capital deployed

Northland's funding strategy will consider selling down select opportunities when the project is materially de-risked



Diversification

## Reduce capital investments

Capital recycle up-front cash-flows

Potential to secure strategic partner for future opportunities

Accelerate Value Creation

## Benefits of the Sell-down strategy

Gains recognized in Free Cash Flow and proceeds to be re-invested in accretive growth while minimizing equity requirements

Opportunity to provide operating and maintenance services in exchange for asset management fee

Enhance Project Returns

## 200 to 400bps

Basis point increase in project returns for contracted offshore wind assets

=

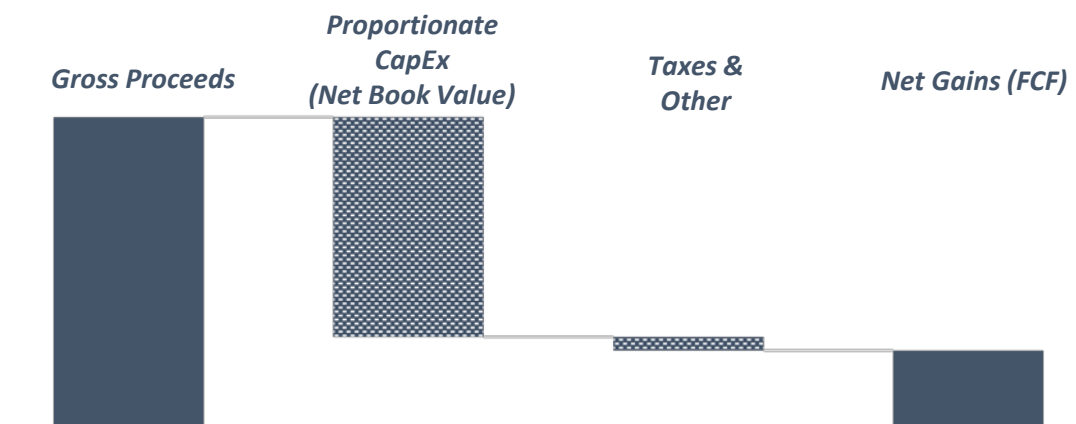
Strong double digit returns on equity deployed

# Development Asset Sell-downs

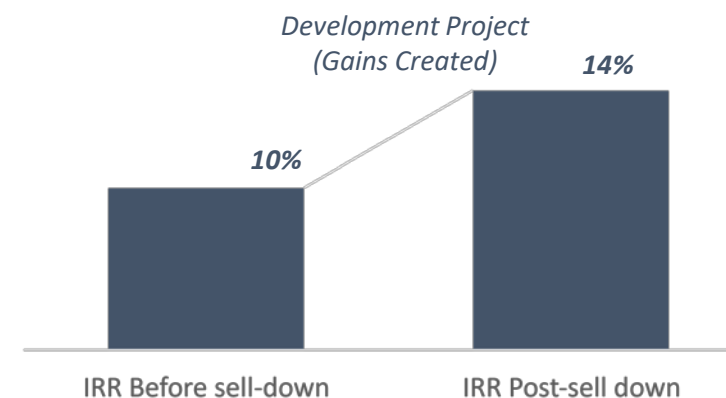
## Illustrative Example of Asset Sell-down

Illustrative Sell-down Example	Devex	Capex	FC Equity	Total NPI Equity	Annual FCF Yield (pre-sell down)	Ownership Sell-down %	Total NPI Equity <sup>1</sup> (Post-sell-down)	Cash Gains at FC	Value Created on Invested Equity	Annual FCF Yield (post-sell down)
Project A	\$25M	\$100M	\$375M	\$500M	12%	50%	\$175M	\$75M	~30%	17%

### Treatment for Free Cash Flow



### Project Returns (Over Asset Life)



1. Northland's total net equity in this illustrative example is calculated after receiving proceeds from 50% partner which includes a 300bps promote and is net of taxes

# Disciplined Approach to Managing Risk

As the business grows globally its approach to risk management remains



# 2021 Financial Guidance

## Adjusted EBITDA and Free Cash Flow

Adjusted EBITDA

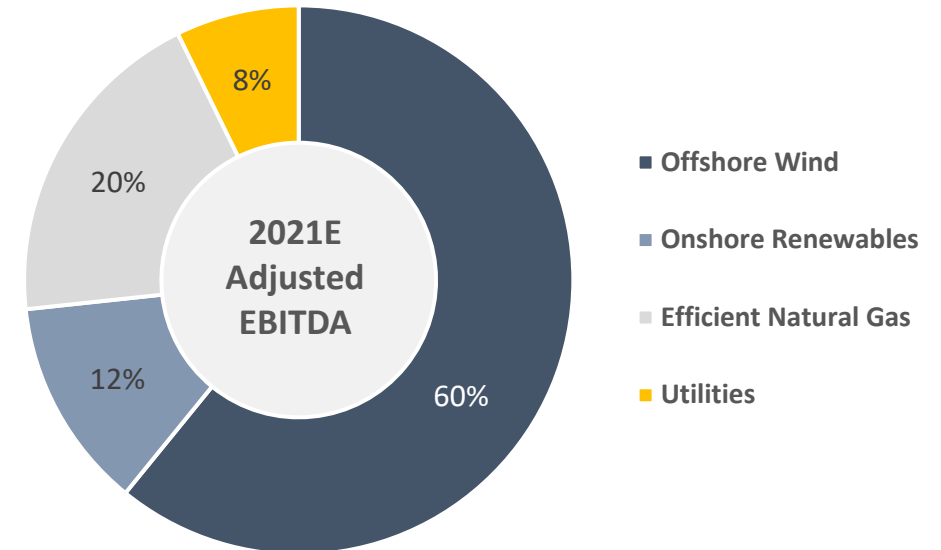
**\$1.1 to \$1.2  
Billion**

Free Cash Flow (incl. growth expenditures)

**\$1.30 to \$1.50  
Per Share**

Adjusted Free Cash Flow (excl. growth expenditures)

**\$1.80 to \$2.00  
Per Share**



New for 2021, Northland plans to report on Adjusted Free Cash Flow before all growth-related expenditures

# New Supplementary Financial Metric

## Adjusted Free Cash Flow

For 2021 Northland plans to report on Adjusted Free Cash Flow before all growth-related expenditures

- A cash flow metric generated from the business before investment-related decisions
- Enhances the understanding of Northland's ability to generate cash flow, after on-going obligations to re-invest in growth and fund dividends.
- Re-investing in growth and our identified projects is a key part of our overall strategy.

	2018A	2019A	2020F	2021F
Free Cash Flow (FCF)/Share	\$1.90	\$1.77	\$1.60-\$1.70 <sup>2</sup>	\$1.30-\$1.50

Growth-related expenditures <sup>1</sup>	\$0.18	\$0.24	\$0.35-0.45 <sup>2</sup>	\$0.50
Adjusted FCF/Share <sup>3</sup>	\$2.08	\$2.01	\$1.95-\$2.15	\$1.80-\$2.00

Adjusted Payout Ratio <sup>3</sup>	58%	60%	56%-62%	60%-67%
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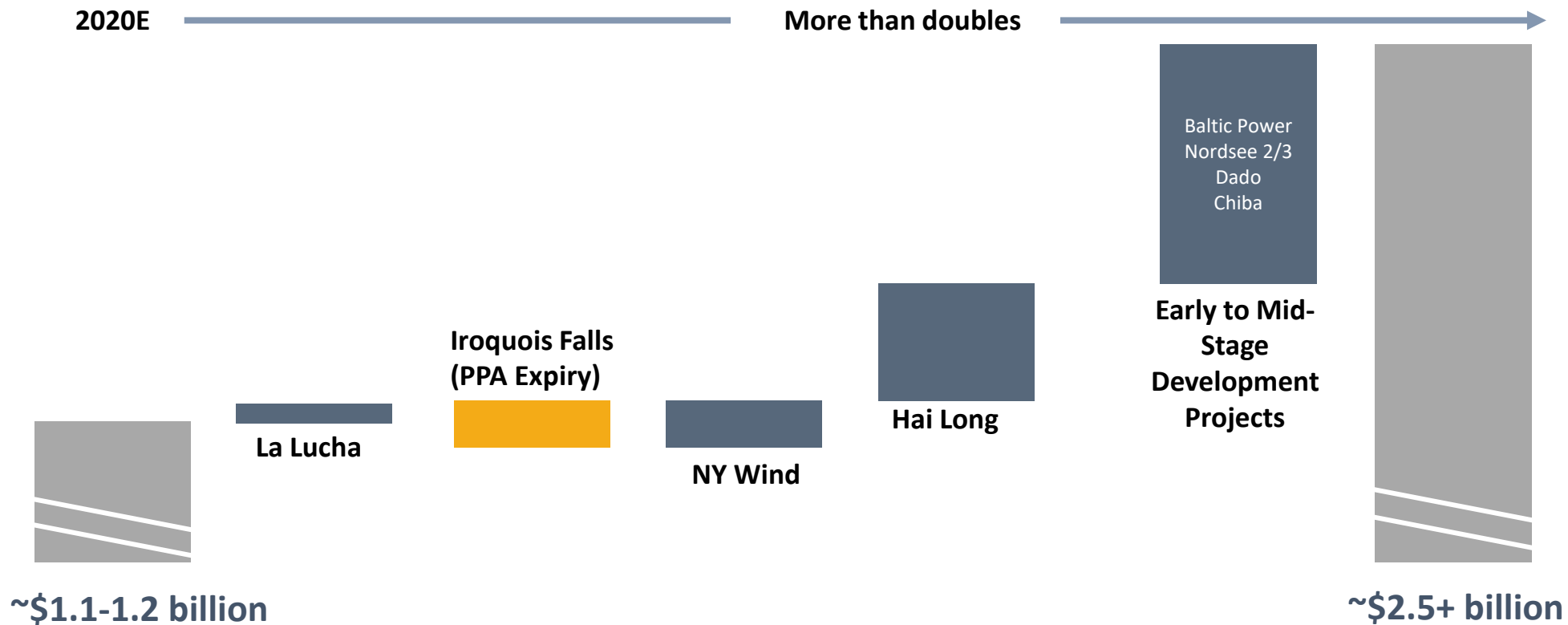
Identified Development Projects in Growth-related expenditures	Hai Long	Hai Long	Hai Long	Baltic Power NY Wind Chiba Dado Nordsee Two
--	----------	----------	----------	---

1. Growth related costs include expenditures on identified projects, other projects in the pipeline, and operating costs of the global development platform (i.e. payroll and third-party costs).
2. As disclosed in the Q3 2020 Quarterly Report and earnings call.
3. Adjusted Free Cash Flow and Adjusted Payout Ratio is shown before all growth-related expenditures.
4. Hai Long met criteria for capitalization in the third quarter of 2020.

# Adjusted EBITDA Growth Outlook

Identified Projects Alone Expected to Double Adjusted EBITDA

Adjusted EBITDA Growth of Identified Projects (plus La Lucha & Iroquois Falls)



This chart has been compiled by management for illustrative purposes based on current Identified Development Project forecasts. Adjusted EBITDA reflects Northland's current ownership interest



# Finance Team

## Focus for 2021

Launch Green Financing Framework and first steps to green the balance sheet



Diversifying sources of capital (e.g. potential to issue first green corporate debt) to enhance financing flexibility



Continue to grow and diversify Northland's long-term and/or institutional base of shareholders



Execute on non-recourse Project Financings and re-financings

- Refinance Deutsche Bucht project debt
- EBSA HoldCo debt up-financing driven from growth in business
- Finance La Lucha
- Finance (debt and tax equity) New York Wind Projects



Finalize preferred FX hedging strategy for Asia specifically Hai Long



Commence analytical work and first steps to bring value forward through monetization of asset-level sell-downs





# Mike Crawley

President & CEO

**Closing Remarks and Q&A**

**Northland Power**



# Evolution of Northland

## Key Priorities Over the Next five Years

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01

### Leverage Strong Position in Offshore Wind

Press strong position in offshore wind by sourcing and advancing large scale projects as the sector grows and new markets open up

02

### Near-term Growth

Secure near-term growth through onshore renewables and Transmission and Distribution assets in select markets

03

### Positioned for New Wave of Global De-carbonization

Targeting further growth from storage and renewable fuels

# Q&A



## FORWARD LOOKING STATEMENTS DISCLAIMER

This written and accompanying oral presentation contains certain forward-looking statements which are provided for the purpose of presenting information about management's current expectations and plans. Readers are cautioned that such statements may not be appropriate for other purposes. Northland's actual results could differ materially from those expressed in, or implied by, these forward-looking statements, and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur. Forward-looking statements are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "predicts", "believes", "estimates", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions or future or conditional verbs such as "may", "will", "should", "would" and "could".

These statements may include, without limitation, statements regarding future adjusted EBITDA, free cash flow, adjusted free cash flow, dividend payments and dividend payout ratios; the construction, completion, attainment of commercial operations, cost and output of development projects; litigation claims; plans for raising capital; and the future operations, business, financial condition, financial results, priorities, ongoing objectives, strategies and outlook of Northland and its subsidiaries. These statements are based upon certain material factors or assumptions that were applied in developing the forward-looking statements, including the design specifications of development projects, the provisions of contracts to which Northland or a subsidiary is a party, management's current plans and its perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances.

This presentation contains forward-looking statements and information, within the meaning of Canadian securities laws and in any applicable Canadian securities regulations, concerning the business and operations of Northland Power Inc. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this presentation include statements regarding the quality of Northland's assets and the resiliency of the cash flow they will generate, Northland's anticipated financial performance and payout ratio, future commissioning of assets and expected returns from such assets, technology diversification, acquisition opportunities, expected completion of acquisitions, contract, contract counterparties, operating performance, variability of renewable resources and climate change, offshore wind concentration risk, market power prices, fuel supply, transportation and price, operations and maintenance, permitting, construction, development prospects and advanced stage development, financing and refinancing opportunities, certain information regarding the company's expected cash flow profile and liquidity, , liquidity, credit rating, currency fluctuations, variability of cash flows and potential impact on dividends, taxes, natural events, environmental, health and safety, government regulations and policy, international activities, relationship with stakeholders, reliance on information technology, reliance on third parties, labour relations, insurance, co-ownership, bribery and corruption, legal contingencies, future energy prices and demand for electricity, economic recovery, project development and capital expenditure costs, energy policies, economic growth, growth potential of the renewable asset class, the future growth prospects and distribution profile of Northland Power and its access to capital and the other factors described in Northland's 2019 Annual Report and 2019 Annual Information Form, which are both filed electronically at [www.sedar.com](http://www.sedar.com) and Northland's website [www.northlandpower.com](http://www.northlandpower.com).

All figures are presented in Canadian dollars unless otherwise indicated. Unless otherwise indicated, the statistical and financial data in this presentation is presented as of January 31, 2021.



# Northland Power

## Contact US

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Toronto, ON Canada M4V 3A1



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Senior Director Investor Relations & Strategy  
647.288.1019



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**Website:** [northlandpower.com](http://northlandpower.com)