



**NORTHLAND  
POWER**

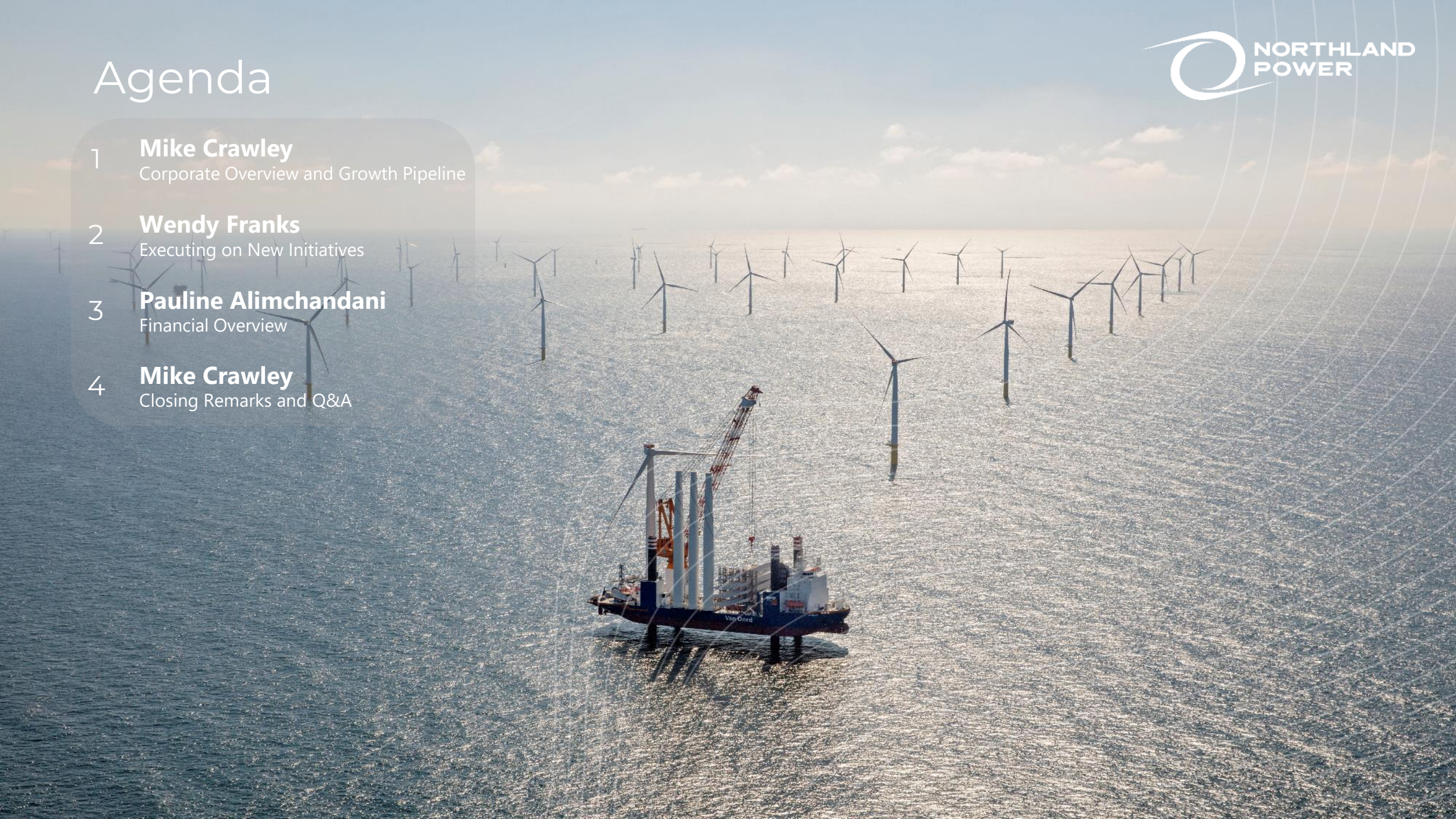
# Investor Day 2023

February 3, 2023



# Agenda

- 1 **Mike Crawley**  
Corporate Overview and Growth Pipeline
- 2 **Wendy Franks**  
Executing on New Initiatives
- 3 **Pauline Alimchandani**  
Financial Overview
- 4 **Mike Crawley**  
Closing Remarks and Q&A



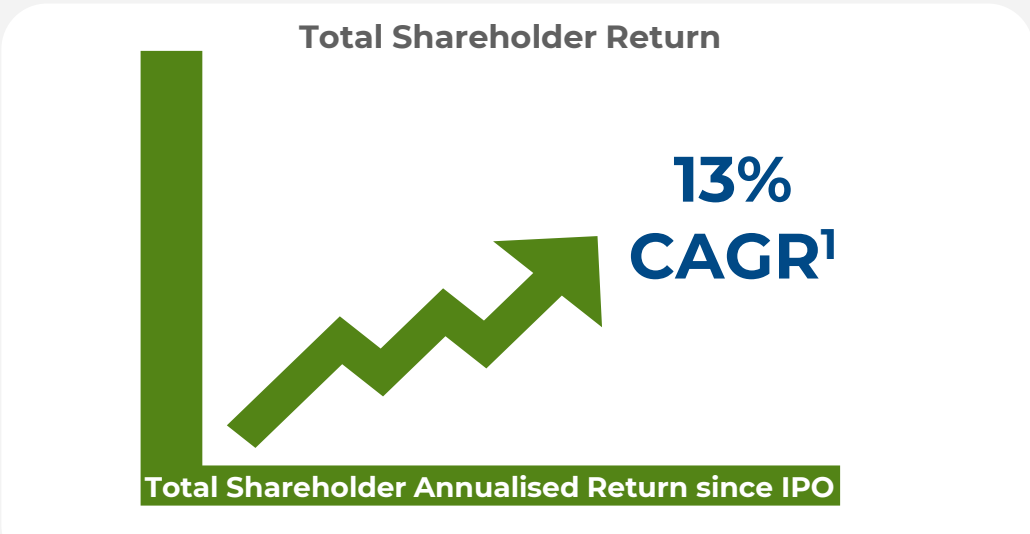
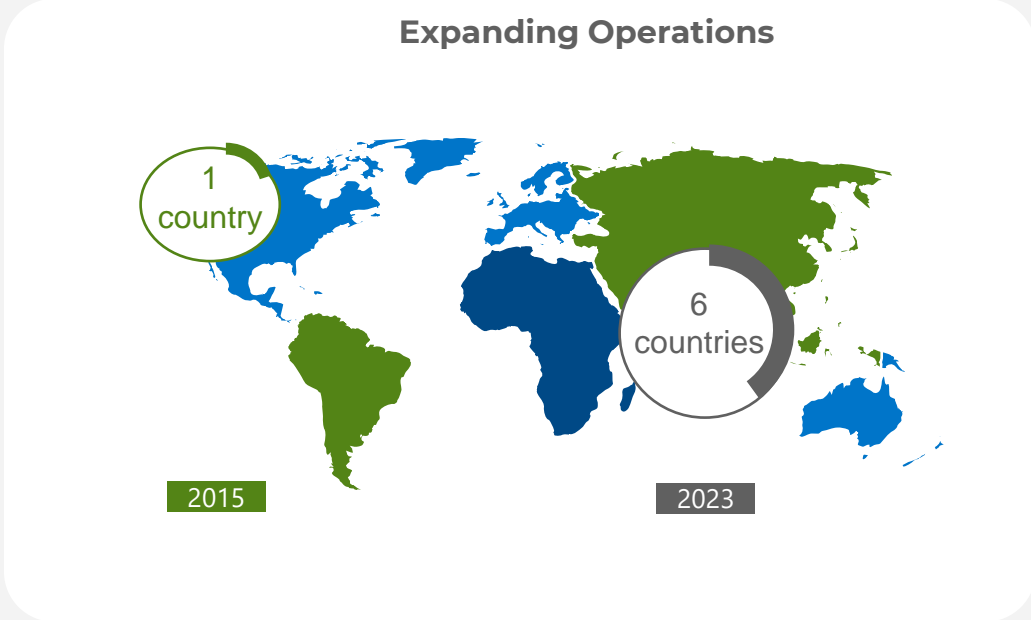
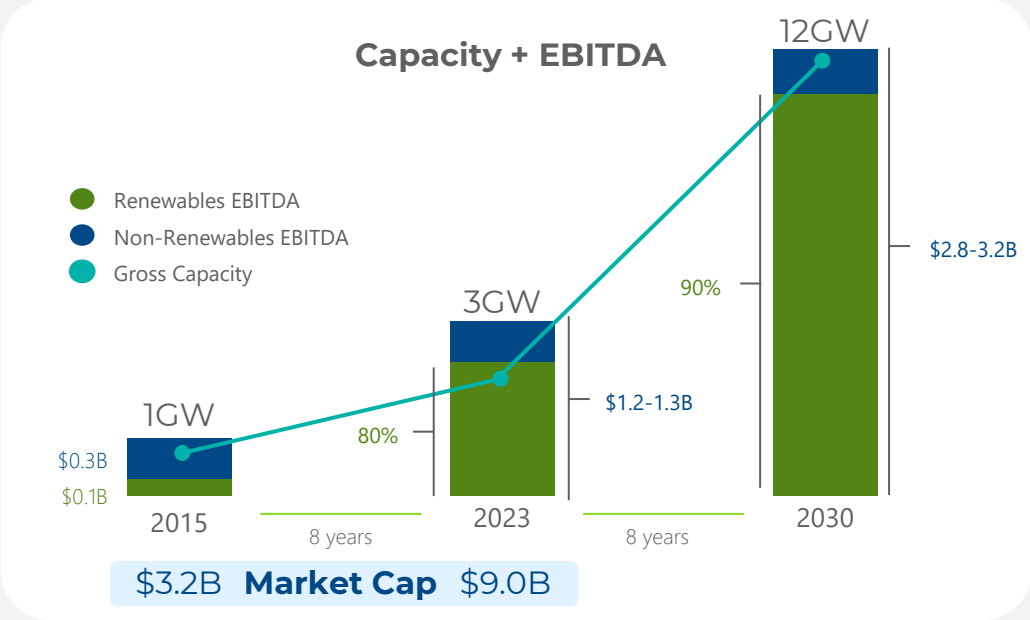
# Corporate Overview

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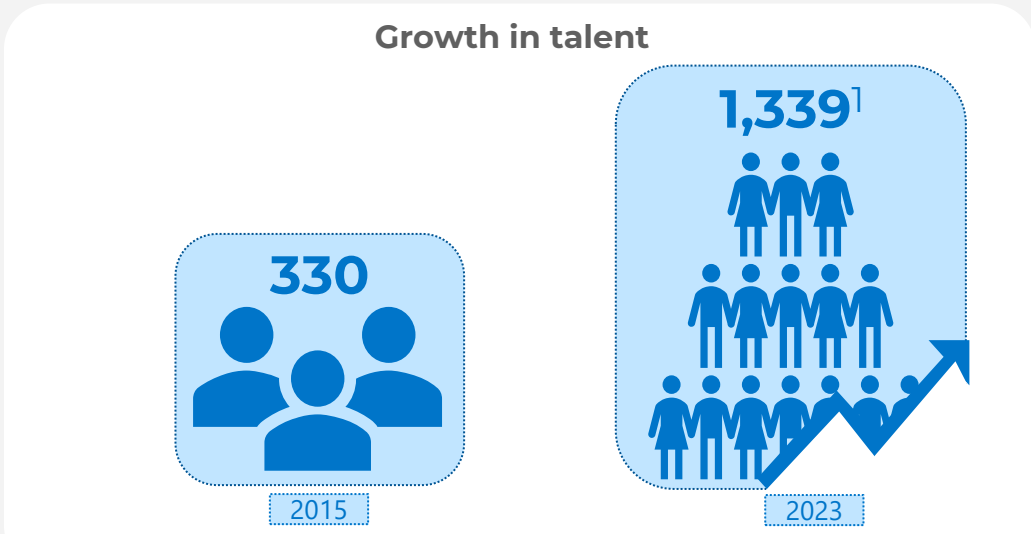
Mike Crawley  
President & CEO



# Northland - An Energy Transition Growth Story



1. Total shareholder return (annualized) include capital appreciation and dividend reinvestment as of January 24, 2023



1. As at December 31, 2022

# Northland Growth Drivers – Market Selection

## Top Offshore Wind Markets



Mature

- **Netherlands**
- **Germany**
- **UK (Scotland)**

Emerging

- **Poland**
- **Taiwan**
- **South Korea**

## High Growth Onshore Renewables Markets



Previously

- **Ontario**
- **Quebec**

Current

- **New York**
- **Alberta**
- **Spain**

Emerging

- **Colombia**
- **Poland**

## Battery Storage



Current Markets

- **Ontario**
- **New York**

## Hydrogen Export



**East Coast Canada feasibility assessment**

# Northland Growth Drivers – Forefront of New Technologies



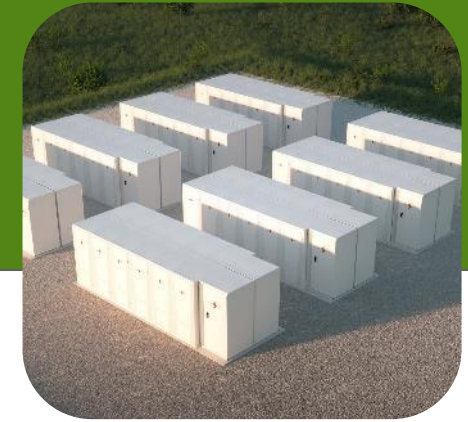
**Biomass and Gas  
Fired Generation**



**Canadian Onshore  
Wind and Solar**



**European Offshore Wind**



**Battery Storage  
Hydrogen  
Floating Offshore Wind**

1990's

2000's

2010's

2020's

2030's

# Northland Growth Drivers – Project Origination

First wave of Canadian wind and solar projects

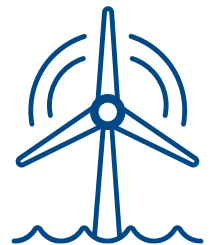
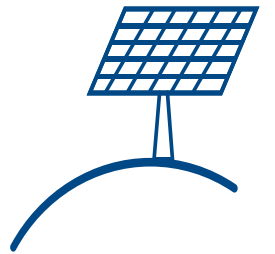
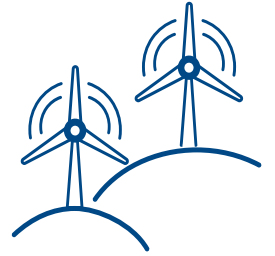
Gemini: Second largest offshore wind project globally in 2013

Hai Long and Baltic Power: First wave of offshore wind projects in Taiwan and Poland

A leader in securing Korean offshore wind site control

Secured large floating offshore wind site (1.5 GW Scotland)

Oneida 250 MW Battery Energy Storage project: Largest in Canada



# Northland Growth Drivers – Disciplined Investment Decisions



Decentralized Development Teams



Reference Rate Methodology



Market Analysis Team



Government Relations Team

Investment Framework

**Centralized  
Investment  
Committee  
Chaired by CFO**



# Northland Growth Drivers – Talent to Deliver Complex Projects

- **340**-person offshore wind team
- **150**-person onshore renewables team
- **6**-person energy storage team
- **11**-person project finance team
- **10**-member global offtake origination team
- **3**-member hydrogen team
- **22**-member project management office



# Northland Growth Drivers- Optimizing Facility Performance

## Operational Excellence

### Offshore availability Availability

Gemini	96.0%
Nordsee One	94.7%
DeBu	97.7%
<b>Total Offshore</b>	<b>96.1%</b>



### Onshore availability

McLean's Mountain	97.2%
Grand Bend	95.2%
Mt Louis	97.3%
Jardin	97.8%



### Ground Mounted Solar 99.7%



### EBSA operational excellence:

- The 2022 average quality indicators were at 120% compliance.
- Successful execution of 2022 investment plan (on time, scope and budget) as approved by the regulator

## Case Study:

# Nordsee Bearing Replacement

Team proactively identified serial defect in main bearings on turbines and initiated a campaign to replace main bearings:

- 54 Main Bearing replacement fabrication
  - 54 offshore installations
  - 60 supplier contracts
- **Completed replacement campaign ahead of schedule and within budget** to ensure turbines available before strong wind production months
  - Total wind farm (energy based) full year availability was **94.7%** through the campaign



# 2022 Highlights

## Project Execution

- Locked down 1GW Hai Long supply chain and Executed 744MW CPPA
- Completed 1.2GW Baltic Power supplier selection
- Secured Baltic Contract for Differences (CfD) Euro re-denomination & earlier indexation reference date
- Launched 1.6GW Nordsee Cluster supplier selection
- Completed first Colombia solar projects
- Bluestone and Ball Hill New York wind projects nearing COD

## Capital Funding

- Launched At-The-Market (ATM) program and secured \$800M+ CAD growth funding
- Signed Hai Long 49% sell down agreement with Gentari & launched two other processes
- High European energy prices generate organic capital funding

## Asset Optimization

- Refinanced \$3.1B CAD of project debt

## Growth Pipeline

- Formed 1.6GW Nordsee Cluster partnership with RWE
- Awarded 2.3GW in Scotwind offshore wind lease auction
- Awarded 500MW in Taiwan offshore wind round 3 auction
- Pursuing additional offshore wind opportunities in Korea with potential for up to 1.8GW
- Acquired 1.6GW Alberta solar development platform and team
- Secured 250MW Oneida Ontario battery energy storage project



# Our Sell-down Partnership Strategy

The partnership model is a flexible and proven funding source and will form part of our long-term funding plans to help position the company for long-term growth.

- **Enhance project returns and accelerate value creation** – expected to crystalize at FC
- **Enterprise risk management** – manages down exposure and capital at risk during construction
- **Enhances corporate liquidity** – reduced Northland’s project equity requirement
- **Maintain governance and operating control** – Northland to remain long-term owner and construction and operation of facilities
- **Strategic Partnership** – look to pursue further growth together
- **Attract high credit worthy partners** – seek partners with a strong investment grade credit rating

# Looking Ahead

## Capturing Tailwinds and Managing Headwinds

### Tailwinds

- Increased government support
- **US** – Inflation Reduction Act
- **Canada** – Proposed investment tax credits for renewables
- **EU** – European Green Deal, REPower EU and Green Deal Industrial Plan
- **EU** – Carbon Border Adjustment Mechanism (CBAM)
- **Energy security** in Europe and northeast Asia
- **Corporate Net Zero targets** and rise of corporate renewables power procurements
- Higher power prices
- **Hydrogen** and **Storage** policies

### Headwinds



Supply-chain challenges



Commodity and Equipment Inflation



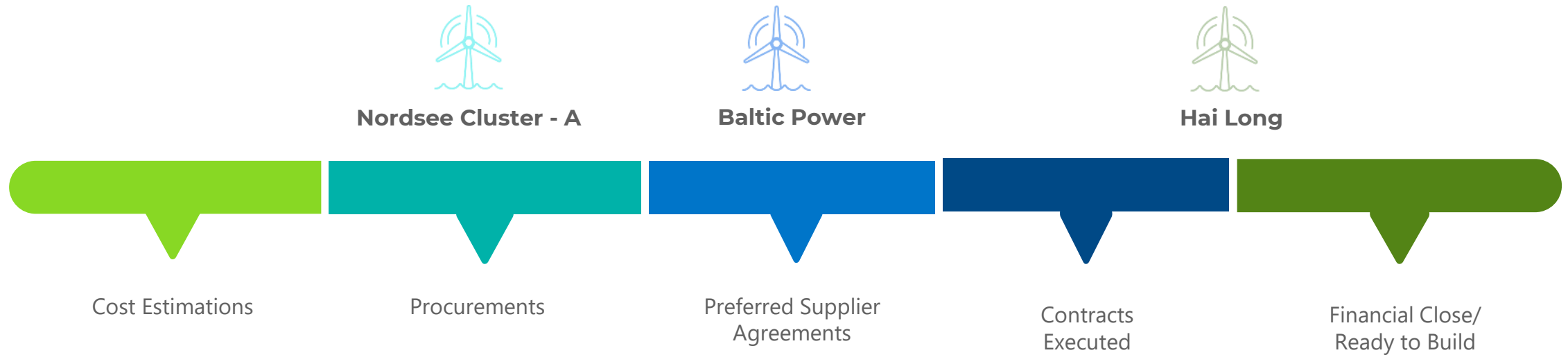
Labour shortages



Higher Financing Costs

# Project Development Timelines

Stage of development lifecycle



# Inflation and Cost Certainty

*Securing price agreements with suppliers earlier in the development process to mitigate inflationary price impacts*

20-30% increase in project costs

	Supply Chain Status	Offsets
Hai Long	Almost fully contracted	CPPA (partial) Other minor revenue enhancement
Baltic Power	Pricing + Key contract terms	Offtake changed from Polish Zloty to Euros Indexation year moved back to 2022
Nordsee Cluster A	Key supplier selection underway	CPPA to be secured Higher energy prices

# The Course Forward



Focus shifts to project execution from pipeline origination



Renewed focus on Canadian opportunities as market begins to grow again



Asset level partnerships



Increased H<sub>2</sub> and energy storage focus



More attention to corporate/ industrial offtake

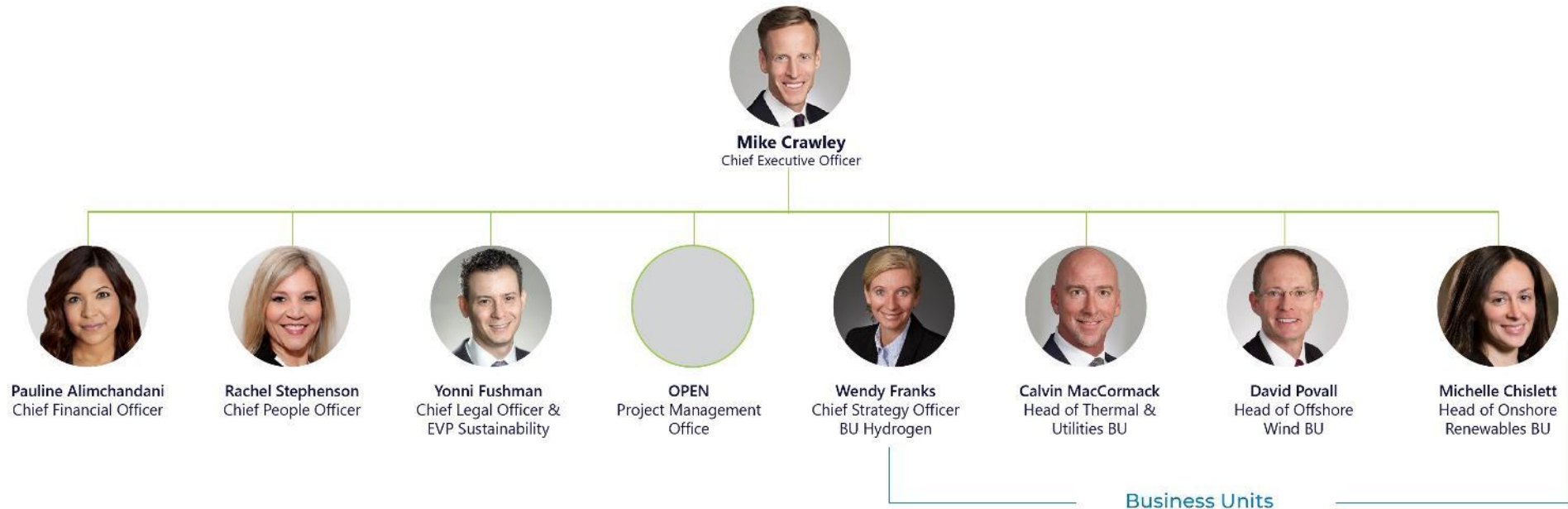


Tightening in on priority markets and projects



# Realigning our business operations

- Northland has evolved to a technology-focused business unit (BU) operating model to support scalability globally.
- From development, to engineering and construction, to operations, the new operating model enables streamlined end-to-end ownership throughout an asset’s full lifecycle.
- BUs are organized by our generating technologies vital to our business from an operating cash flow and growth perspective:
  - Offshore Wind
  - Onshore Renewables (includes onshore wind, ground mount and rooftop solar, and storage)
  - Hydrogen/Renewable Fuels
  - Thermal & Utilities
- Northland is driving business continuity for the organization by implementing our BU operating model in phases.



# 2023 Business Unit Priorities

### Offshore Wind (~13 GW)<sup>2</sup>

- Hai Long financial close
- Close Gentari Hai Long and Taiwan partnership
- Baltic Power financial close
- Lock down Nordsee Cluster A<sup>1</sup> supply chain and offtake
- Advance Korean and ScotWind projects.

### Onshore Renewables (Incl Storage) (~8 GW)<sup>2</sup>

- Bluestone/Ball Hill (New York) COD
- La Lucha (Mexico) COD
- Integrate Alberta platform and team plus advance projects
- Explore Spain wind fleet 'hybridization'
- Ontario Battery storage development
- New York Solar development
- Polish onshore renewables development

### Natural Gas & Utilities (743 MW)<sup>2</sup>

- Explore Thorold optimization and expansion opportunities
- Grow EBSA's distribution business

### Hydrogen

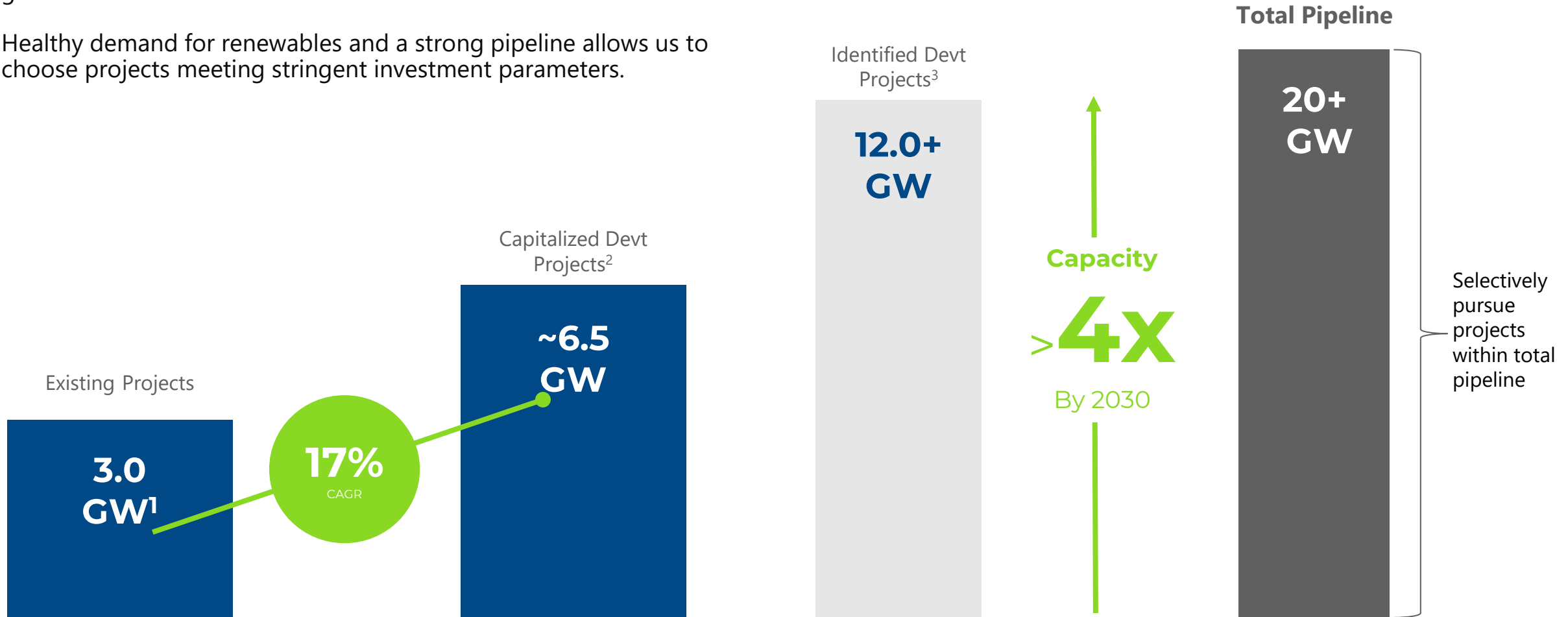
- Explore feasibility of green hydrogen to ammonia export opportunities in Atlantic Canada
- Colombian hydrogen opportunities (Eco-Petrol)

1. Nordsee Cluster – A includes Nordsee Two and Godewind  
 2. BU sizes includes operating and development capacity

# Looking forward

Northland's identified development projects to deliver substantial growth.

Healthy demand for renewables and a strong pipeline allows us to choose projects meeting stringent investment parameters.



1. Based on installed gross capacity and before any potential sell downs

2. 2027 includes contributions from capitalized growth projects only (Hai Long, Baltic Power, Oneida, Nordsee Cluster A)

3. 2030 also includes risk weighted contributions from identified growth projects (Alberta solar, CanWind, Nordsee Cluster B, Dado, Bobae, Wando, Chiba, and Scotwind) in addition to capitalized projects

# Pathway to Net Zero

Committed to **reducing our GHG emissions intensity from Scope 1 & 2 by 65%** ( from a 2019 baseline) by 2030 and **reaching a science-aligned net zero over all emissions scopes (Scope 1,2 &3) by 2040.**

### Short-Term

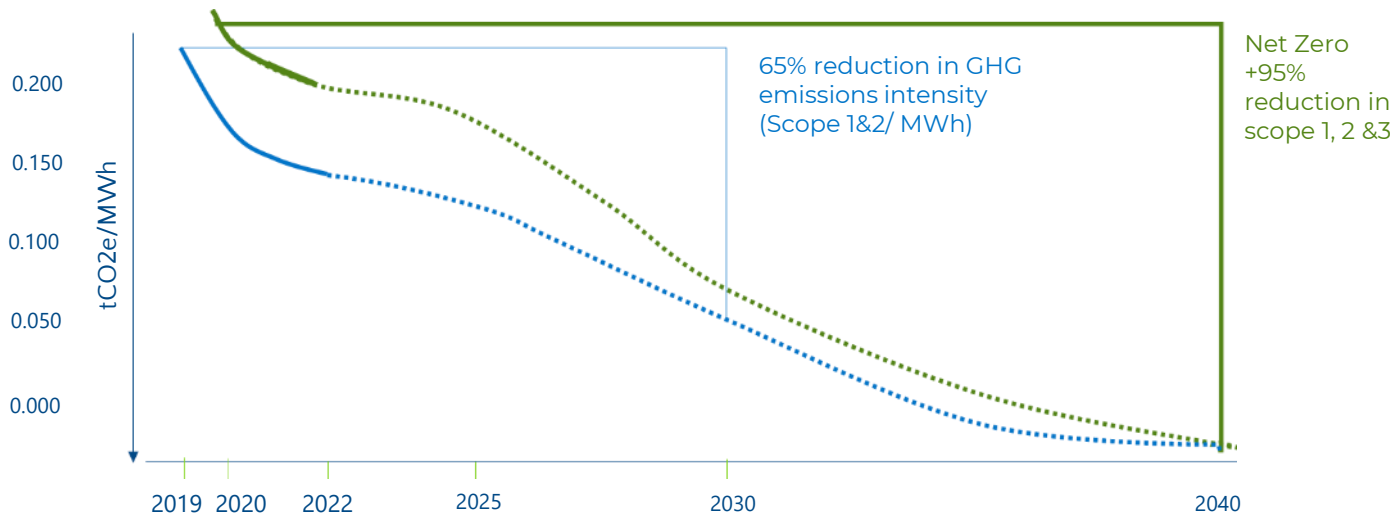
*Optimization and efficiency and increase in onshore renewable capacity decrease in baseload production from efficient natural gas*

### Medium-Term

*Offshore wind execution and reduction in direct fossil fuel exposure through operations*

### Long-Term

*Natural gas exposure reduction, reduction in scope 3 fossil fuel exposure*



## ESG

**33%**  
Board of Directors



**50%**  
Executive Office



Making a commitment to **diversity beyond gender on the Board of Directors by 2024**

Joining **UN Global compact** in line with our commitment to human and labour rights across our value chain

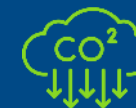


**72/100**

Overall engagement score in Engagement survey



Pledging support to



**30%**

CO<sub>2</sub>/MWh since 2019



**+2.4M**

tones of avoided emissions<sup>1</sup>

# Portfolio Overview

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**Mike Crawley**  
President & CEO



# Sustainable Growth

## Strong Growth Portfolio Across Multiple Technologies

Continue to target **Europe and Asia** as key markets for **offshore wind** development

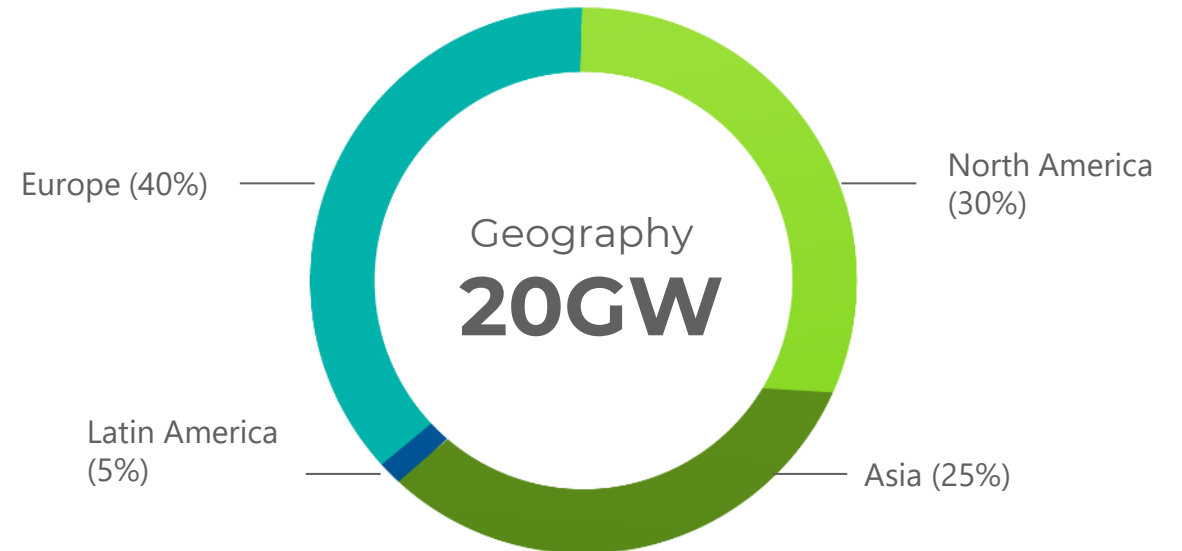
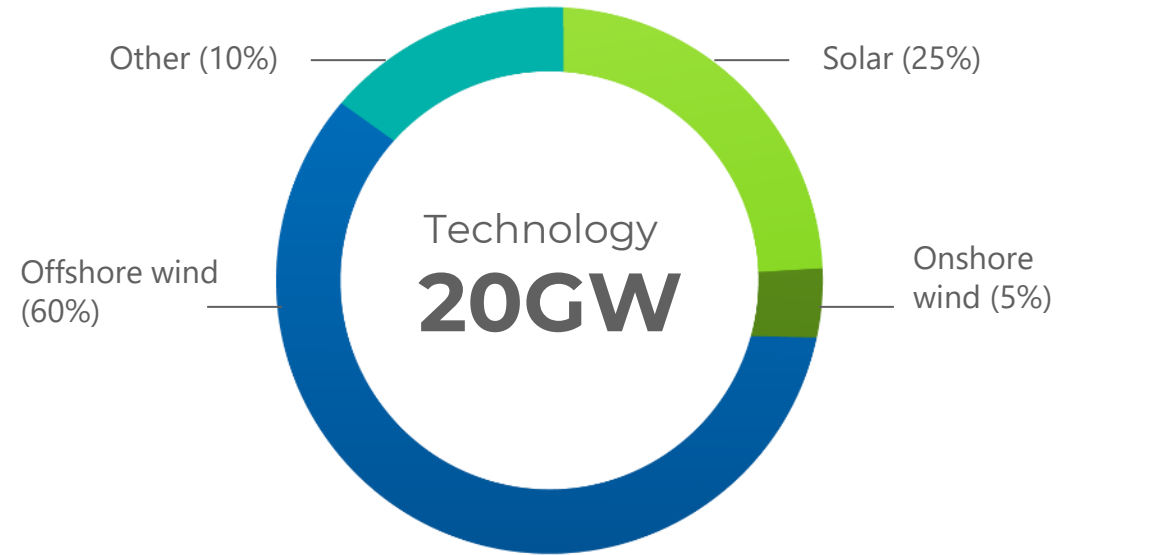
**Expand onshore footprint** in North America, Colombia as well as Europe, targeting Eastern Europe and Spain

Focus on establishing global position in renewable **hydrogen and storage**

### Northland Presence

- |             |           |
|-------------|-----------|
| Toronto     | Amsterdam |
| Houston     | Warsaw    |
| Bogota      | Madrid    |
| Mexico City | Tokyo     |
| Glasgow     | Seoul     |
| Hamburg     | Taipei    |

Total Pipeline



# Offshore Wind

## Catalyst for Long-Term Growth

- Countries expected to boost wind development to reduce soaring power prices and ensure national security and decarbonization
- Offshore wind deployment targets have increased
- Governments are also taking steps to speed up development timelines and reduce barriers for wind projects
- New national REPower EU Plans to support investment and reforms worth €300 billion

## Energy Transition Targets



### Germany

- Offshore wind: 30 GW by 2030, 40 by 2035, 70 by 2045
- Electrolyzers: 10 GW



### Poland

- 11 GW of installed capacity in offshore wind by 2040
- Poland supporting offshore strongly by improving existing CfD indexation and the introduction of a EUR/PLN mechanism



### Taiwan

- 13 GW by 2030 and 21 GW by 2035



### Japan

- 10 GW by 2030 and 40 GW by 2040



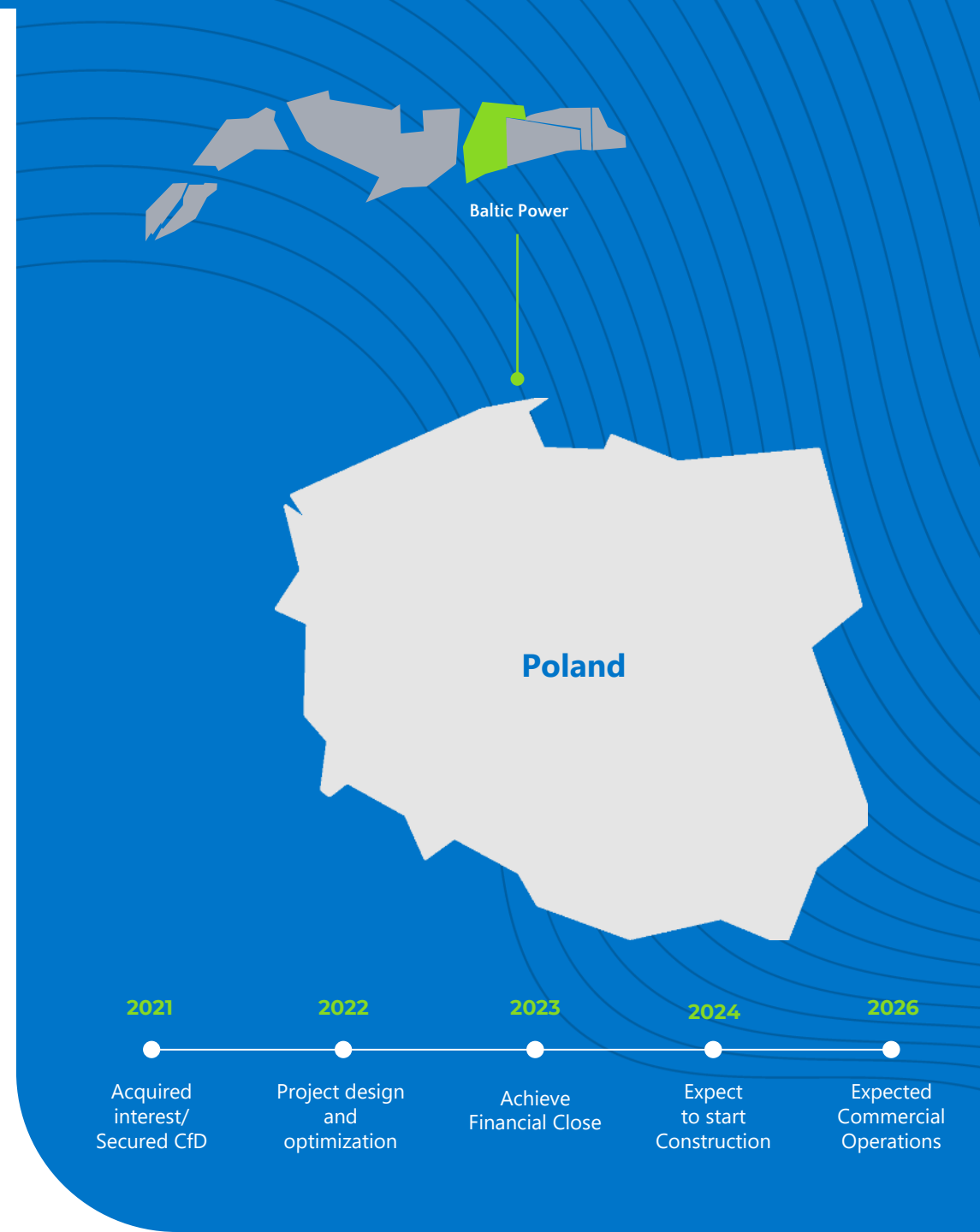
### Korea

- 6 GW by 2030 and 12 GW by 2035, including both fixed and floating bottom foundations

# Europe Offshore Wind Development

## Poland | Baltic Power 1.2 GW

- Project moving forward towards 2023 financial close
- Preferred supplier agreements signed for wind turbines, export cables and onshore and offshore substations
- Selected Vestas 15 MW turbines in Poland is an attractive new country within the EU, with growth potential in onshore and offshore
- Booking agreement for transport and installation of turbines
- 25-year CfD converted from Polish Zloty to Euro at effectively same rate
- CfD indexation to Polish CPI starting in 2022

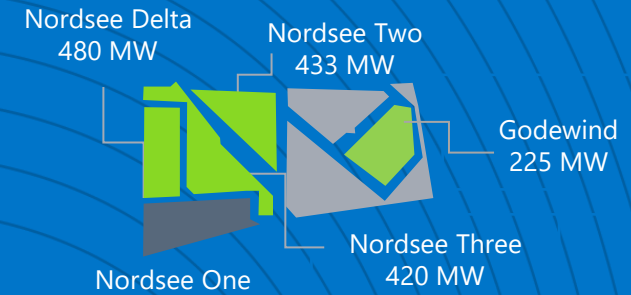




# Europe Offshore Wind Development

## Germany | Nordsee Cluster 1.6 GW

- Nordsee Two and Godewind sites secured through exercise of step-in rights
- **NSC-A:** Nordsee Two and Godewind (658 MW)
- **NSC-B:** Nordsee Three and Delta (900 MW)
- Auction for NSC-B projects in August 2023, partnership has right to match for both projects which it intends to exercise
- Commencing with procurement activities
- Enhanced offtake and financing capabilities through formation of cluster
- EU Innovation Fund Grant secured for NSC-A testing feasibility for hydrogen



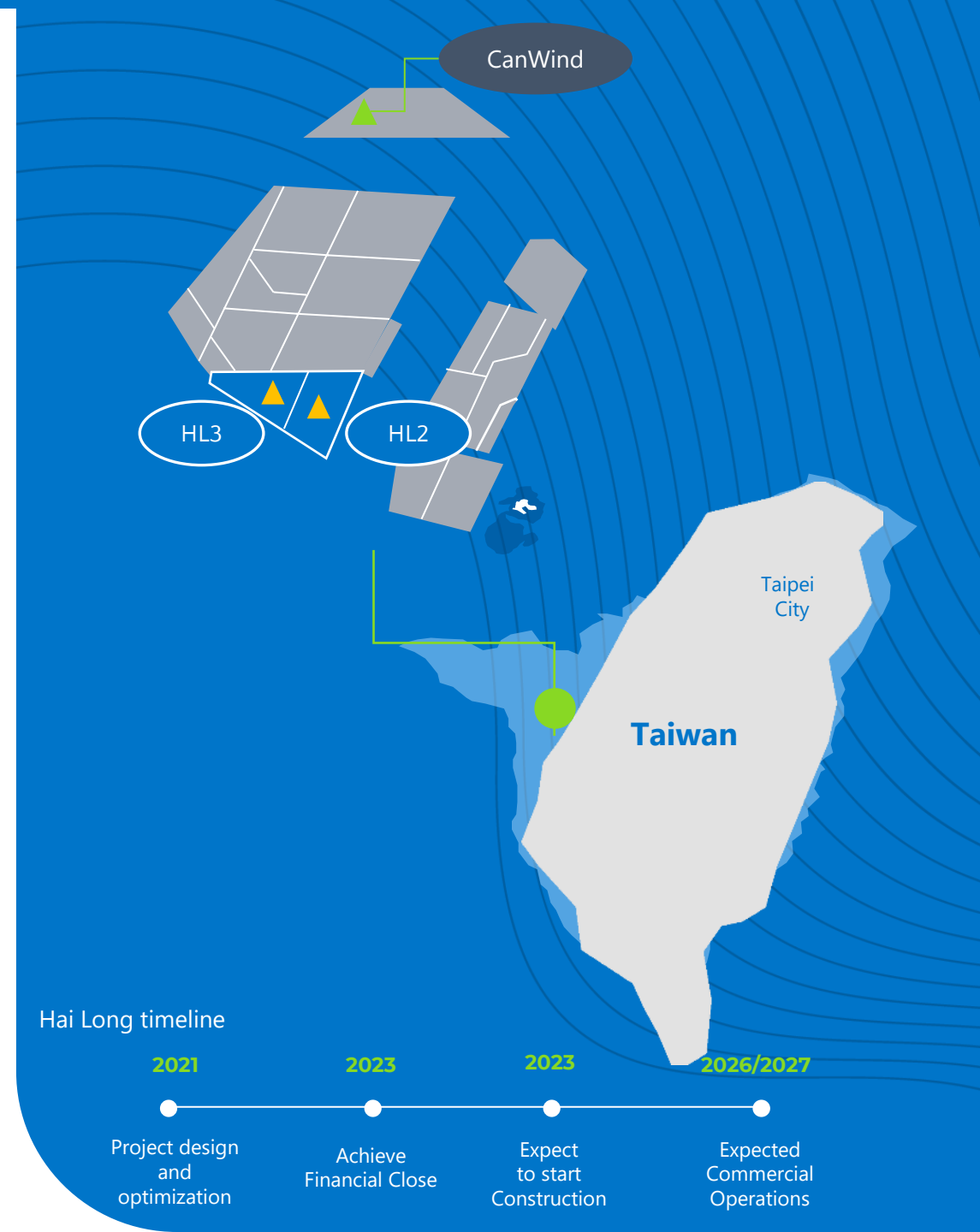
# Asia Offshore Wind Development

## Taiwan | Hai Long 1.0 GW

- Progressing to 2023 financial close
- Contracts signed for vast majority of the project
- Commenced early construction work/fabrication of key components
- Process to secure non-recourse financing ongoing
- Signed strategic sell-down partnership with Gentari

## Taiwan | Round 3 – CanWind 0.5 GW

- Early-stage development, fixed-foundation project
- Awarded 500 MW capacity in Round 3 auction, viability of project still being confirmed
- Leveraging synergies with Hai Long to develop project
- Northwind site situated adjacent to CanWind. Option to bid site into 2023 auction
- Zero bids with expectation to secure corporate offtake



# South Korea Offshore Wind Development

## Dado 1.0 GW

- 2022 key milestones achieved:
  - Secured electricity business licenses (EBLs) for 900 MW out of 1,000 MW, which grant priority development rights to Northland
  - First major permit on route to financial close. Gives Northland development exclusivity over the site area
- Project development is progressing and expecting to start offshore works, design and securing grid in 2023

## Bobae, Jindo County 0.6 GW

- Completed 12-months of onshore wind measurement for use in the initial EBL applications
- Secured EBLs for 400 MW out of the 600 MW. Expect to secure remaining capacity in H1 2023
- Project development is progressing and commencing offshore investigations, design and securing grid in 2023

## Wando, up to 1.8 GW

- Wando project is early-stage offshore wind farm development project with expected capacity up to 1.8 GW situated in Wando County, Korea



# Onshore Renewables

- The industry is expected to grow at upwards of 10% per annum over the next decade
- Favourable government policies
- We continue to build local capabilities in development to ensure that sufficient resources are available in supporting functions
- **Growth in near-term cash flow**
- M&A will continue to play a role to grow presence in select markets
- Focus will be on key markets including the U.S. Northeast, Alberta/Ontario, Spain, Poland and Colombia



## Europe

- Aggressive decarbonization / renewables public policy
- Largely Euro denominated cash flows
- Liquid sovereign, utility and corporate offtake markets
- Spain targeting 85 GW by 2030
- Poland to add 11-13 GW by 2030



## North America

- Favourable renewables policy (US: IRA)
- CAD or USD denominated cashflows
- Liquid sovereign, utility and corporate offtake markets
- Canada 10 GW by 2030
- NY State 30 GW by 2030



## Colombia

- One of last LATAM markets to begin deploying wind and solar
- Favourable renewables policy
- 6 GW by 2030

# North America Onshore Renewables Development

5.0 GW+ development portfolio

## Alberta

- Established presence with scale in highly sought-after power markets in North America
- 1.6 GW solar portfolio with near-term visible growth
- Additional opportunities in onshore wind also being developed

## Ontario

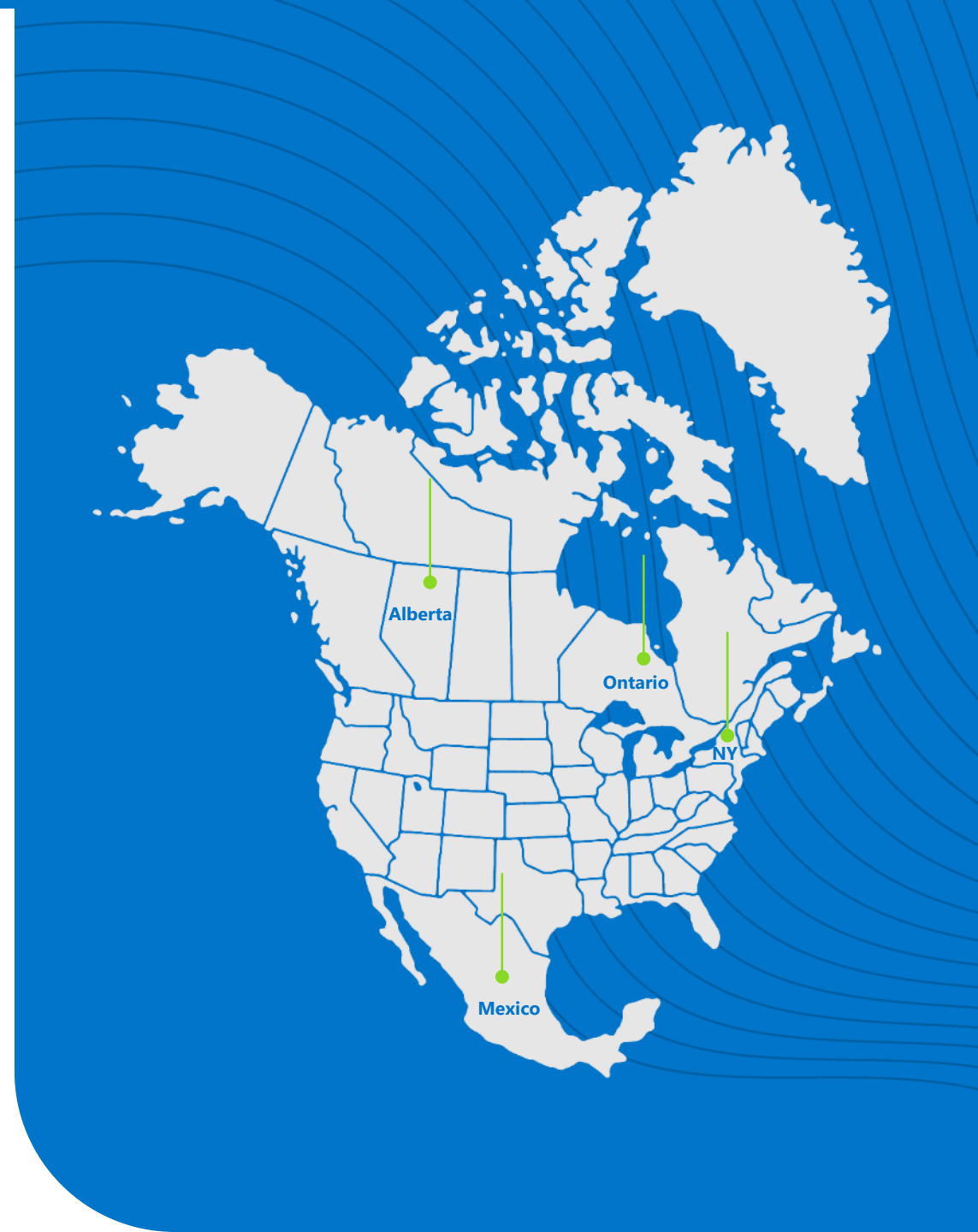
- Entered into partnership agreement in Ontario on a 250 MW ready-to-build Battery Energy Storage System ("BESS"), one of the largest standalone BESS projects in North America
- Actively pursuing +500 MW pipeline of BESS in Ontario

## New York State

- Finalizing construction of first onshore wind projects (Ball Hill and Bluestone)
- Development of solar pipeline in state (700 MW+) with plans to bid in annual auctions

## Mexico

- Recently obtained extension to generation permit for 130 MW La Lucha solar project, which allows the project to start testing and commissioning process

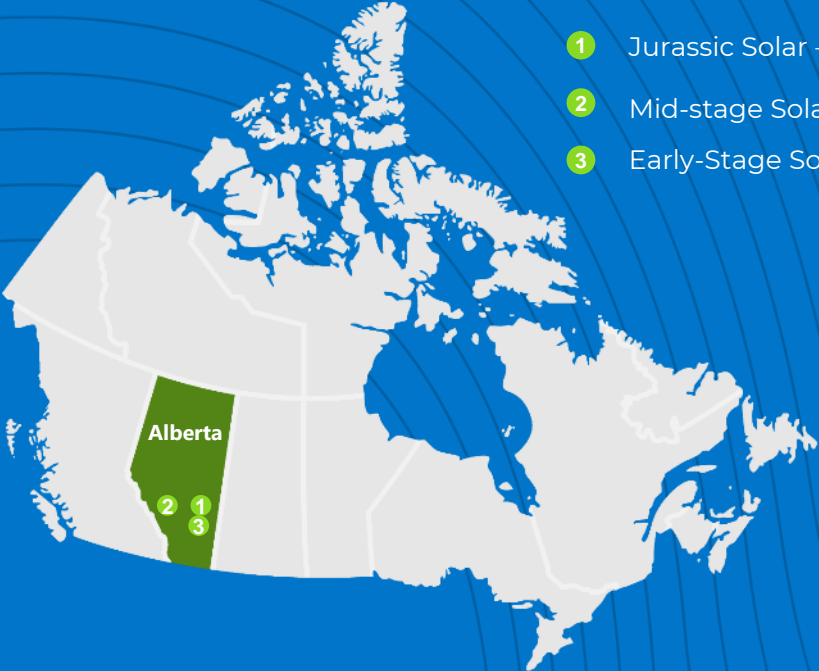


# North America Onshore Renewables Development

## Alberta development portfolio

### Alberta

- Established presence with scale in highly sought after power market in North America
- Large scale solar portfolio with near-term visible growth
- Additional opportunities on onshore wind also being developed
- Alberta as an attractive market for renewable development and strong commercial & industrial (C&I) demand for offtake
- Canada's only open, energy-only market which provides clear price signals to generators
- Provincial regulation requiring emitters to purchase carbon offsets
- Expectation of increasing power prices due to high dependence on gas and escalating federal carbon price
  - Alberta mandate to achieve net zero by 2035 further strengthens the need for renewable energy development



- 1 Jurassic Solar – Late Stage
- 2 Mid-stage Solar
- 3 Early-Stage Solar

### Portfolio

- Portfolio provides scale in a highly sought after power market in North America
- Provides near-term visible growth
- Additional opportunities on onshore wind also being developed

	Jurassic	Mid-Stage	Early-Stage	
Gross Capacity (MW)	220 MW + 80 MW BESS	930 MW	465 MW	
COD	2025 - 2027			
Technology	Solar + Storage	Solar	Solar	Solar
Off-taker	C&I	C&I	C&I	C&I



# Europe Onshore Renewables Development

3.0 GW+ development portfolio

## Spain

- Exploring optimization of available interconnection capacity at current sites via hybridization
- Strategic M&A transactions to consolidate and increase portfolio position

## Poland

- Exploring opportunity for development of onshore solar and wind opportunities
- Monitoring changes in the Polish regulations (10H rule) which will unlock onshore wind opportunities



# Colombia Onshore Renewables Development

1.0 GW+ development portfolio

## Colombia

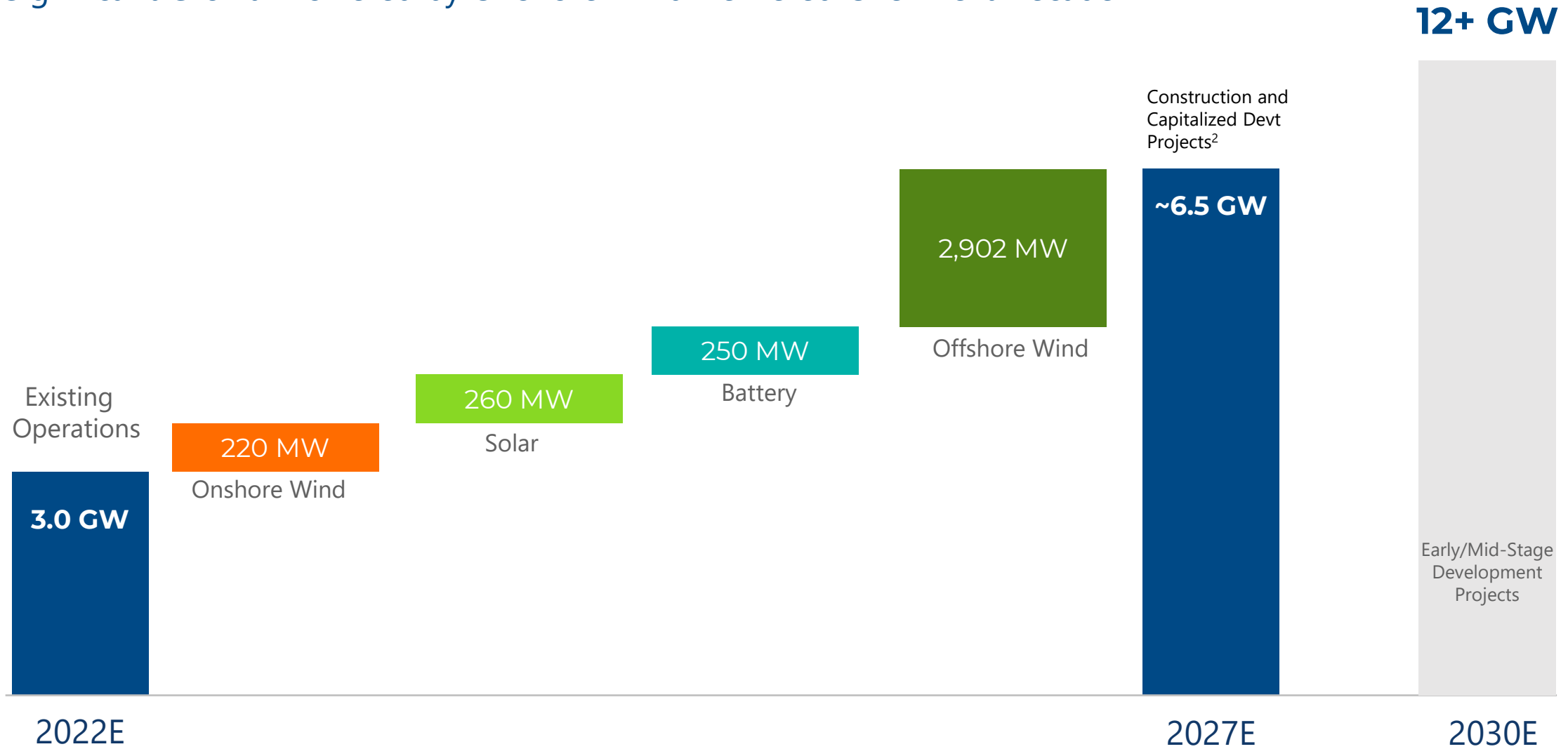
- Leveraging position in EBSA utility to build out renewable portfolio
- First solar development achieved commercial operations in 2022 (Helios 16 MW solar)
- Suba solar project (130 MW) has secured PPA
- Agreement with Ecopetrol for hydrogen deployment signed





# Northland Growth Pipeline

Significant Growth Powered by Offshore Wind Delivered Over Next Decade



1. Based on installed gross capacity and before any potential sell downs

2. 2027 includes contributions from construction and capitalized growth projects only (NY Wind, La Lucha, Hai Long, Baltic Power, Suba, NSC-A)

3. 2030 also includes contributions from identified growth projects (CanWind, Dado, Bobae, Wando, Chiba, NSC-B, Alberta solar, and Scotwind N4 (fixed)) in addition to capitalized projects

# Storage & Hydrogen

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Wendy Franks  
Chief Strategy Officer,  
BU Hydrogen



# Growth Strategy

## Energy Storage – Energy Storage Industry Overview



### Global Market Size<sup>1</sup>: \$1.2-1.9 Trillion

Expected Global Investment in  
Utility-Scale Storage through  
2050

## Market Trends

- Demand for energy storage driven by capacity needs of a 100% carbon-free electricity grid
- Strong policy support for energy storage in existing markets for Northland, e.g., 7 GW of storage needed in Ontario through 2030
- Energy storage costs cost competitive with gas peakers especially considering longer market potential for batteries over thermal assets

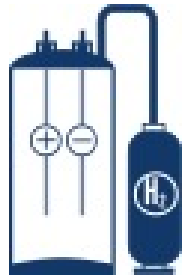
## Northland's Storage Opportunities

- **Ontario**
  - Signed agreement with leading local developer to acquire majority interest in Oneida battery storage project
  - Pumped Storage in Ontario
  - Other provinces likely to follow
- **New York**
  - Co-location with existing projects

<sup>1</sup> Source: BNEF, IEA.

# Growth Strategy

## Green Fuels – Hydrogen and P2X Industry Overview



### Global Market Size<sup>1</sup>: \$15 Trillion

Expected Global Investment in Hydrogen Infrastructure Through 2050

## Market Trends

- Decarbonizing hard-to-abate sectors such as transportation, industry and power generation
- Diversification of supply key priority in Europe
- New policies and higher carbon prices supporting transition to renewable green fuels

## Northland's Hydrogen Opportunities

- **Canada**
  - East and west coasts: exploring project feasibility
- **Europe**
  - Partner in Aquaventus, H2Mare and H2Global
- **Colombia**
  - Strategic partnership with Ecopetrol for the production and supply of green hydrogen to refineries and mobility applications

<sup>1</sup> Source: BNEF, IEA.

# Financial Overview

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**Pauline Alimchandani**  
Chief Financial Officer



# We Delivered On Our Promises

## Finance Objectives As Per Last Investor Day

Delivered stronger operating and financial performance resulting in revised guidance ahead of original guidance

Complete

Launched ATM and refinanced over \$3B of project and corporate financings, increasing both near-term liquidity and future cash flows, improving liquidity to \$1B at year-end

Complete

Refinanced debt at Gemini, Spain Portfolio & Kirkland Lake (reprofiled cash flows & increased returns)

Complete

Executed Northland's first tax equity financing for New York onshore wind projects

Near-Complete

Advancing financings to be completed in 2023 – most notably, Hai Long (Taiwan) & Baltic Power (Poland)

In Progress

EBSA HoldCo debt up-financing driven from growth in business from annual growth in EBITDA (recurring)

In Progress

Executed on ESG related strategies (supply chain, net zero and enhanced reporting)

Complete

Brought value forward of our development assets through planning for first potential sell-down

Complete

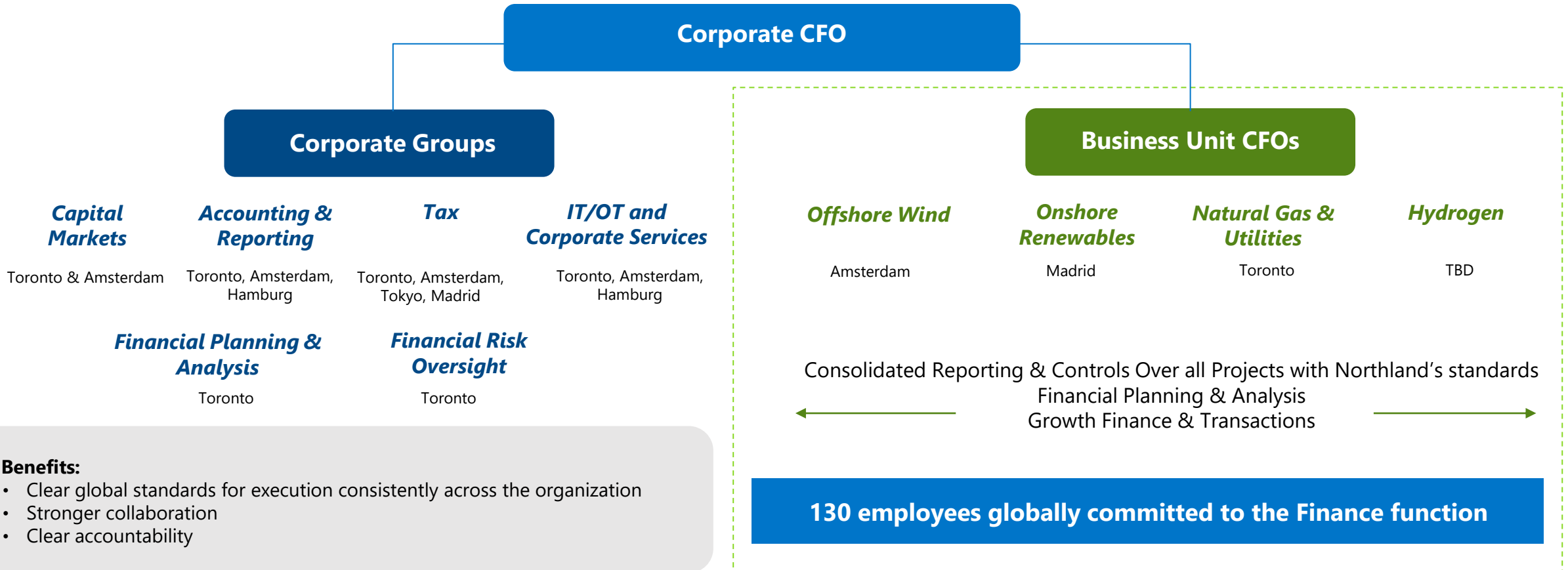
Finalizing preferred debt and equity hedging strategy for Hai Long and preparing for Baltic Power

In Progress

# Northland's Finance Team – Reorganizing to “Level Up”

## Re-Alignment of Finance Team with Business Unit Structure

- Global finance team continues to implement changes as the organization grows. Recent changes ensure strong finance leadership and accountability within the new Business Units (BU), through promotion of three finance leaders within Northland to serve as the BU CFO's
- Corporate functions have been harmonized to ensure cohesive alignment of teams and functions to support the overall business
- Each function and BU is managed by strong and capable global leaders



**Benefits:**

- Clear global standards for execution consistently across the organization
- Stronger collaboration
- Clear accountability

# Long-Term Financial Objectives

## Long-term financial strategy remains unchanged

Maintaining flexibility, adding corporate funding tools to diversify sources of capital and addressing variability in macro economic environment



## Cash Flow Resiliency

- Source long-term contracts and hedge variable costs and cash flow streams

## Strong Investment Grade Balance Sheet

- Maintain investment grade balance sheet to support the business and growth

## Disciplined Capital Allocation

- Importance of robust Capital Allocation Strategy to balance diversity of cash flows between near and long-term opportunities

## Prudent Funding Plan

- Pro-actively manage risk especially in inflationary and increasing interest rate environment



# Prudent Financial Leverage

## Corporate Card Rating

**S&P Global**  
Ratings

BBB (Stable)  
(since 2013)

**FitchRatings**

BBB (Stable)  
(since Fall 2021)

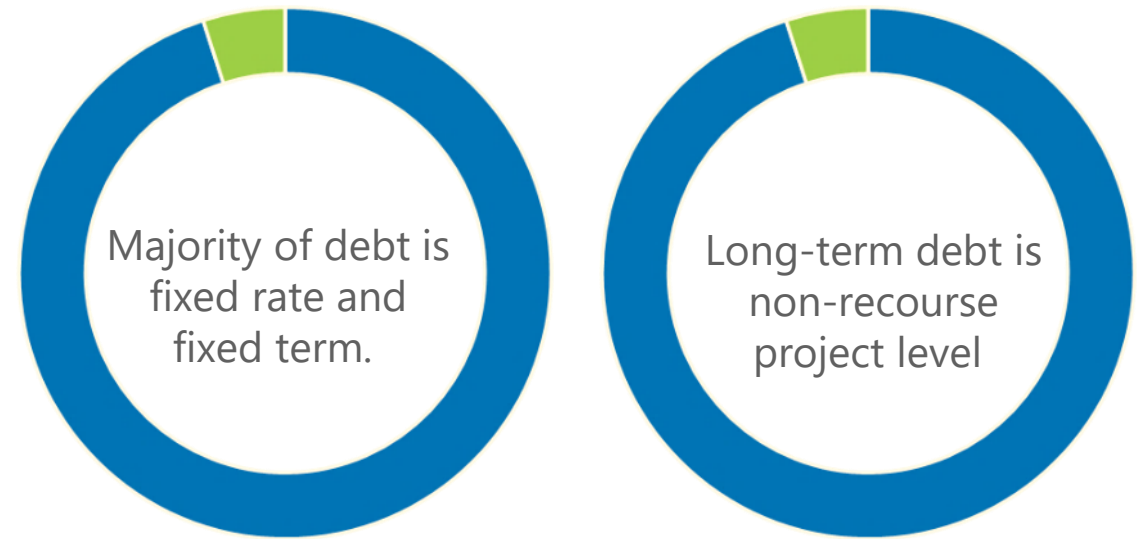
- Permanent growth funding starts with non-recourse project debt to align with contracted revenue term
  - Majority of revenues are contracted through long-term PPAs
- Remaining sources of capital selected and optimized to maintain a strong investment grade credit rating
- Prudent level of financial buffer maintained to provide sufficient downside risk protection
- No corporate leverage at the moment providing significant funding flexibility

## Funding Model Reduces Equity Risk

Project finance continues to be pillar of our funding philosophy and risk management.

The majority of Northland's debt is fixed rate debt and the only variable debt is corporate credit facilities and currently undrawn

**2023E<sup>1</sup>**



• Fixed • Variable

• Fixed • Variable

1. Corporate debt assumes issuance of hybrid debt in 2023

*A jurisdiction-specific approach to prudently and proactively manage key financial risks stabilizes our economic returns and cash flow to shareholders*

Hedging Strategy to manage interest rate and foreign exchange exposure

**Europe**  
(long-term protection: 15+ years)

**Asia**  
(medium-term protection: 3-10 years)

**Colombia**  
(short-term protection: 2-3 years)

**Foreign Exchange**

**Interest Rates**

**Repatriation of Cash Distributions**

<ul style="list-style-type: none"> <li>• Currency match between revenue, PF loan funding and most major construction costs</li> </ul>	<ul style="list-style-type: none"> <li>• All project debt is fully hedged at or before financial close</li> </ul>	<ul style="list-style-type: none"> <li>• Majority of cash distributions are hedged over the contract period (15+ years), e.g. Spain, Gemini</li> </ul>
<ul style="list-style-type: none"> <li>• Currency match between revenue and most PF debt</li> <li>• Foreign-denominated costs fixed via EPC contracts</li> <li>• Most construction exposures to be hedged by financial close</li> </ul>	<ul style="list-style-type: none"> <li>• Variable rate exposures are largely hedged over the liquid period (10 years) at or before financial close</li> </ul>	<ul style="list-style-type: none"> <li>• Intend to implement rolling strategy for liquid period (5+ years)</li> </ul>
<ul style="list-style-type: none"> <li>• Prices fixed under terms of EPC contracts</li> <li>• Construction exposures hedged by financial close</li> <li>• Match between revenue currency and debt</li> </ul>	<ul style="list-style-type: none"> <li>• Limited to short-term rolling hedges due to local market conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Use of layered hedges over the liquid period (2-3 years) to balance market liquidity and economic returns</li> </ul>

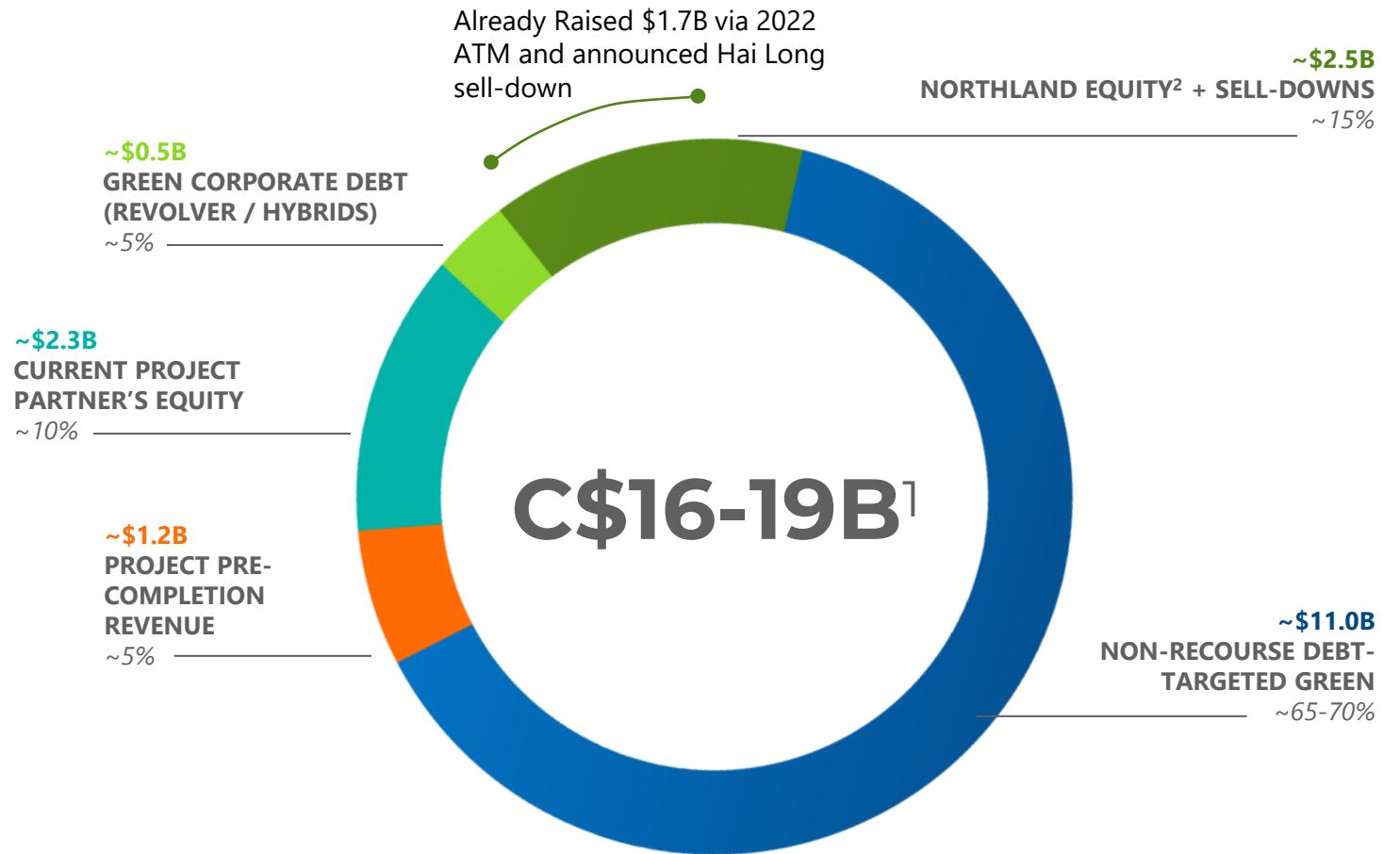
# Growth Investments Funding

## Illustrative Capital Funding Plan of Capitalized Growth projects Over Next Five Years

### Illustrative Funding Plan for Capitalized Projects (2023-2027)

#### Key takeaways:

- Flexible funding plan given the **diverse sources of capital available at corporate and asset level**
- Continuing to adapt and **diversify our tool kit & partner prospects** to achieve optimal cost of capital



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

2. Northland intends to fund common equity portion through a combination of cash on hand, proceeds from financings/optimizations of existing facilities and new share issuances. ~\$0.9B was raised towards this total in 2022 through ATM proceeds and ~\$0.8B to be provided through a strategic partnership with Gentari for the Hai Long project, announced December 14, 2022.

# Growth Funding Capital Requirements

## Capitalized Projects on Northland's Balance Sheet

Capitalized Development Projects <sup>1</sup>	Northland Ownership	Financial Close Dates	2022 Investor Day		2023 Investor Day		Variance From Last Investor Day	Commercial Operations Post-2025
			Gross Capacity	Gross Capital Investment (CAD)	Gross Capacity	Gross Capital Investment (CAD)		
<b>Hai Long</b>	60% <sup>2</sup>	H1 2023	1.0 GW	\$7-8B	1.0 GW	\$8-9B	Increase costs and delay financial close. No change to COD and added Financial partner	✓
<b>Baltic Power</b>	49%	2023	Up to 1.2 GW	\$3-5B	1.2 GW	\$5-6B	Increased size of project, increased costs and conversion of CFD to EUR enhances project finance structure/economics	✓
<b>Nordsee Cluster A</b>	49%	2024	0.4 GW (N2 only)	\$1B (N2 only)	0.7 GW	\$2-3B	Increased costs, added Godewind project	✓
<b>Oneida</b>	Majority	2023	n/a	n/a	0.25 GW	\$0.8B	New project secured in 2022	✓
			<b>~3GW</b>	<b>\$12-15B</b>	<b>~3GW</b>	<b>\$16-19B</b>		

**~3.3 GW** gross of growth projects totaling **\$16-19 billion<sup>3</sup>**  
**(\$6-9 billion<sup>4</sup> at Northland expected net interest)**

Despite the higher costs year over year, on a portfolio basis, still expect to generate low double digit returns for offshore wind projects and mid to high single digit returns for onshore renewables, including select sell-downs

1. Capitalized projects are those projects that have secured a long-term offtake agreement or grid interconnection rights (i.e. Nordsee Two) and have visibility towards achieving financial close.

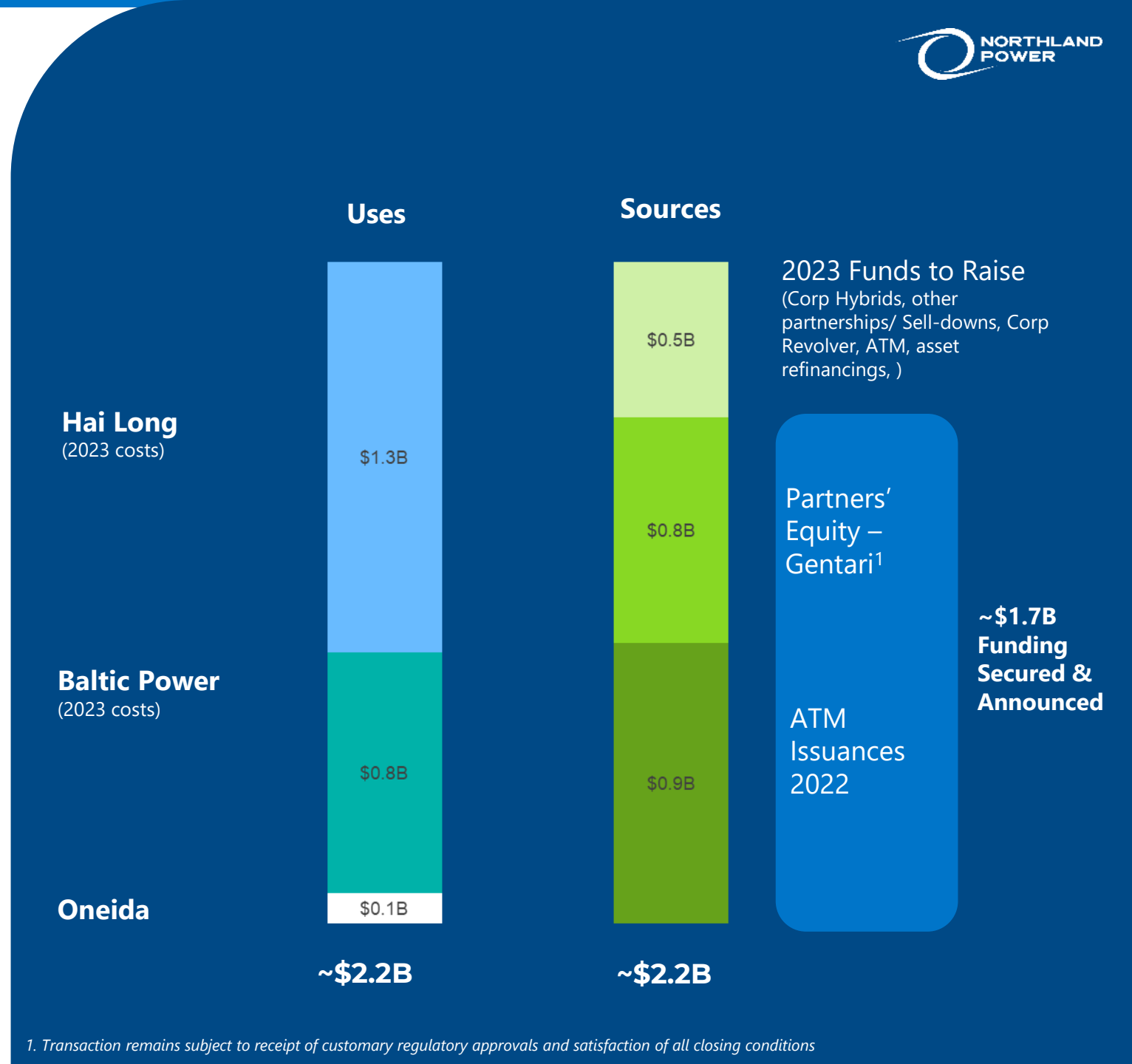
2. Following the closing of the Gentari transaction, Northland's ownership interest will be 30.6%

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

4. Assumes Northland's ownership interest in Hai Long at 30.6%

# Growth Investment Funding

- Funding plan is consistent with maintaining access to various sources of capital, preserving low cost of capital and investment grade balance sheet
- Majority of the 2023 growth equity capital has been secured
- **We have ~\$1.0 billion of corporate liquidity to support capital needs**



1. Transaction remains subject to receipt of customary regulatory approvals and satisfaction of all closing conditions

# Development Asset Partial Sell-downs

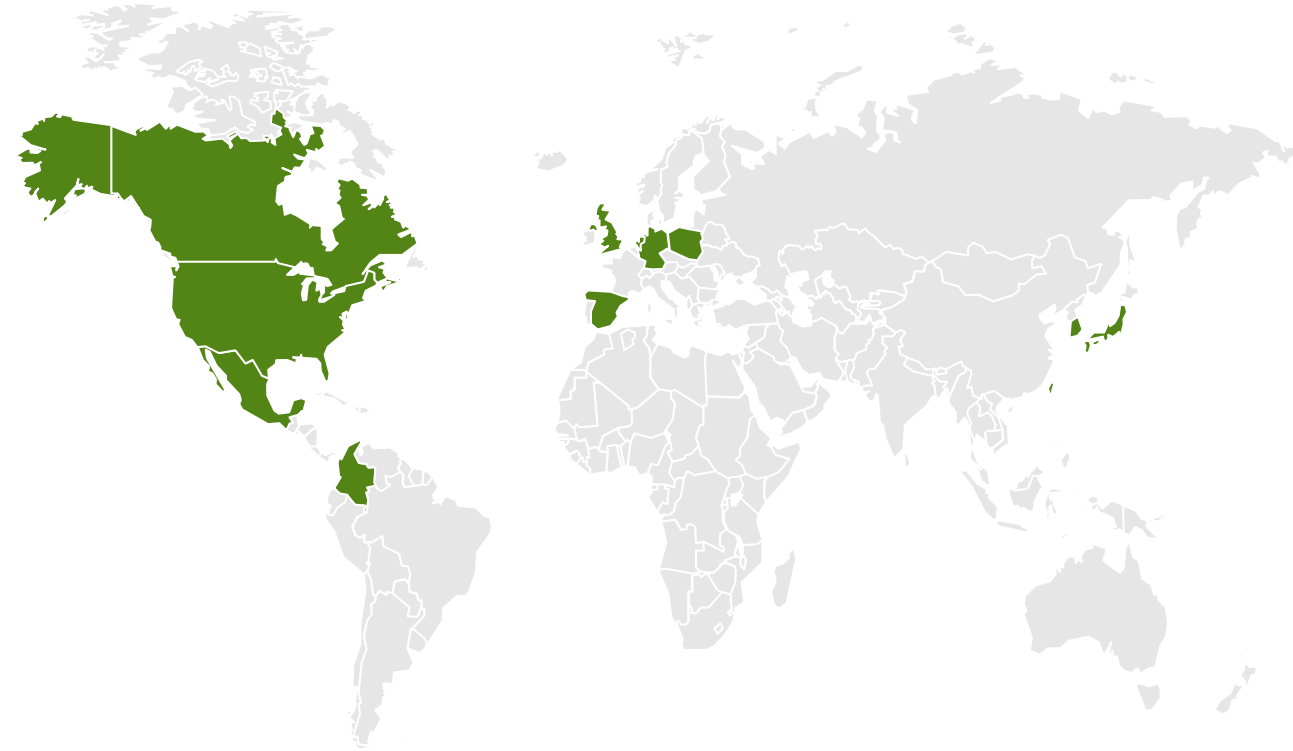
Enhances Funding Flexibility, Diversification  
and Project Returns

## Our partnering strategy

- Align low cost of capital with high quality long-term contracted cash flows
- Allows partners to meet ESG/renewable investment targets
- Attract high credit-worthy players comfortable with investing at financial close/at time of construction
- Enhance local stakeholder relationships
- Targeting sell down of between 25-49% of development projects

Northland is targeting to generate incremental 200 to 400 bps on average of value from later stage sell-downs of development projects

## Focus by region & technology



### 2022 Success

Signed strategic partnership for Hai Long

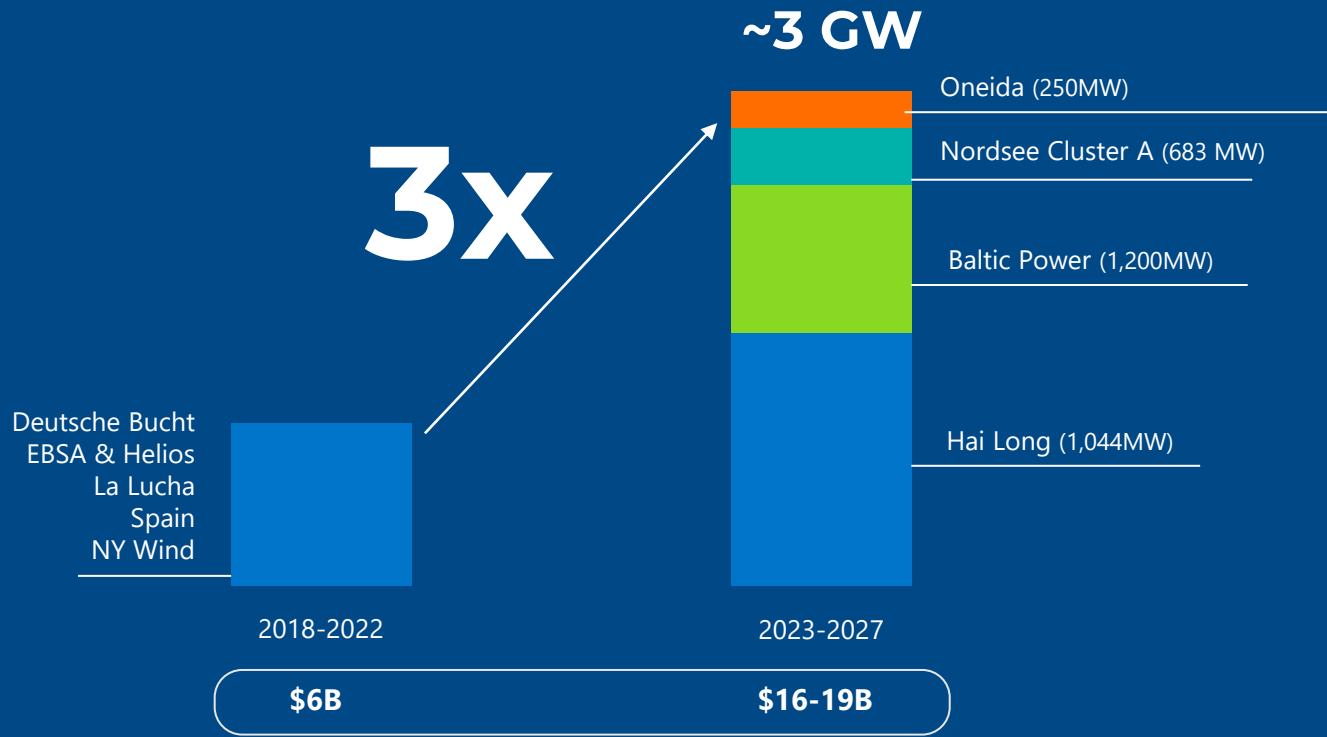
### 2023 Focus

Evaluate and potentially execute additional partner(s) for Asian, European, Canadian projects and potentially others

# Annual Growth Investments

Significant Value in Pipeline to 2027 and Beyond

## Capitalized Projects



## Other Publicly Announced Projects (Early Stage)

**~10GW**



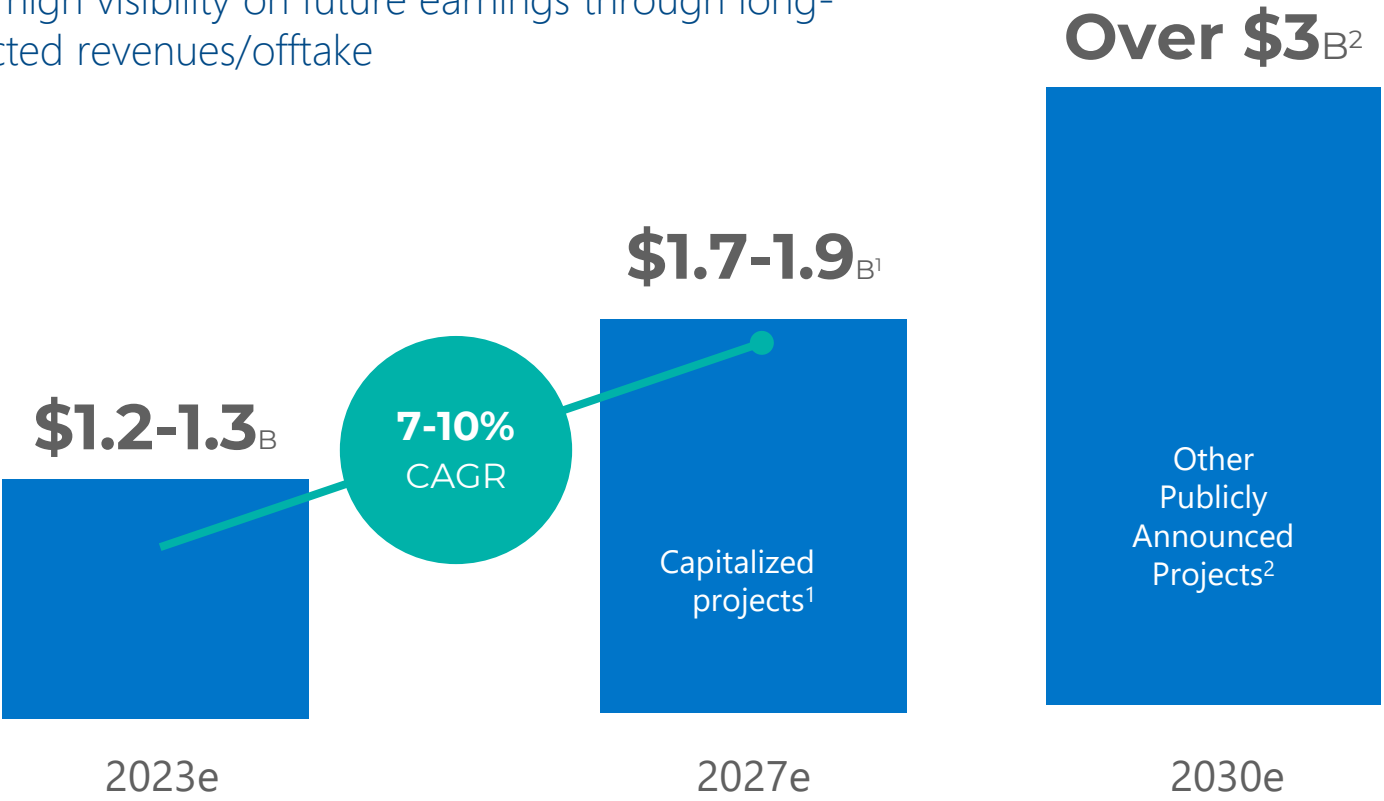
- Nordsee Cluster B (900 MW)
- Canwind (500MW)
- Dado Ocean (1,000MW)
- Bobae (600MW)
- Wando (up to 1,800MW)
- Chiba (600MW)
- Alberta (1,600MW)
- Hecate (400MW)
- Scotwind (2,340MW)

*Northland will selectively progress the projects that meet its strategic objectives and return requirements*

Next 5-yr capital plan is expected to grow by approximately 3x from historical levels which reflects a solid but manageable growth trajectory for Northland

# Significant & Sustainable Adjusted EBITDA Growth

Capitalized Growth Projects will increase Adjusted EBITDA and provide high visibility on future earnings through long-term contracted revenues/offtake



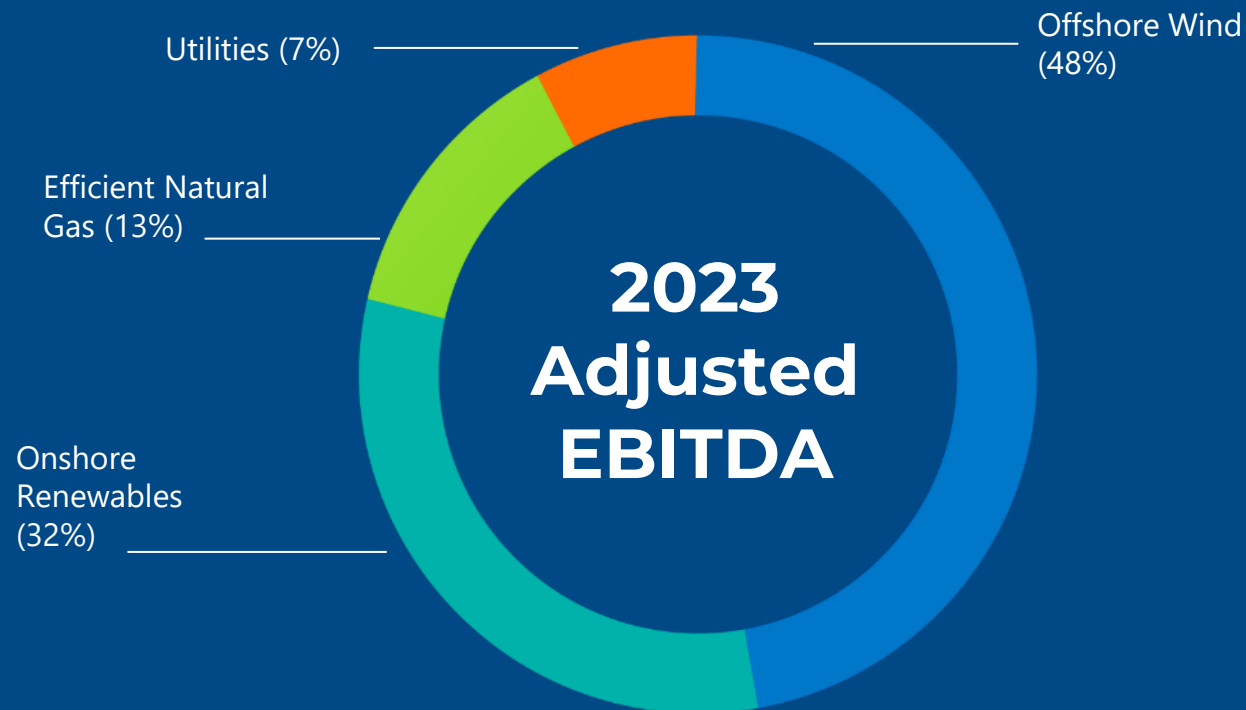
EBITDA Growth  
~3x  
By 2030

1. 2027 includes contributions from capitalized growth projects only (Hai Long, Baltic Power, Oneida, Nordsee Cluster A)  
 2. 2030 also includes risk weighted contributions from identified growth projects (Alberta solar, Canwind, Nordsee Cluster B, Dado, Bobae, Wando, Chiba, and Scotwind) in addition to capitalized projects



# 2023 Financial Guidance

Adjusted EBITDA and Adjusted Free Cash Flow



Adjusted EBITDA

**\$1.2 to \$1.3 Billion**

Adjusted Free Cash Flow (excl.  
growth expenditures)

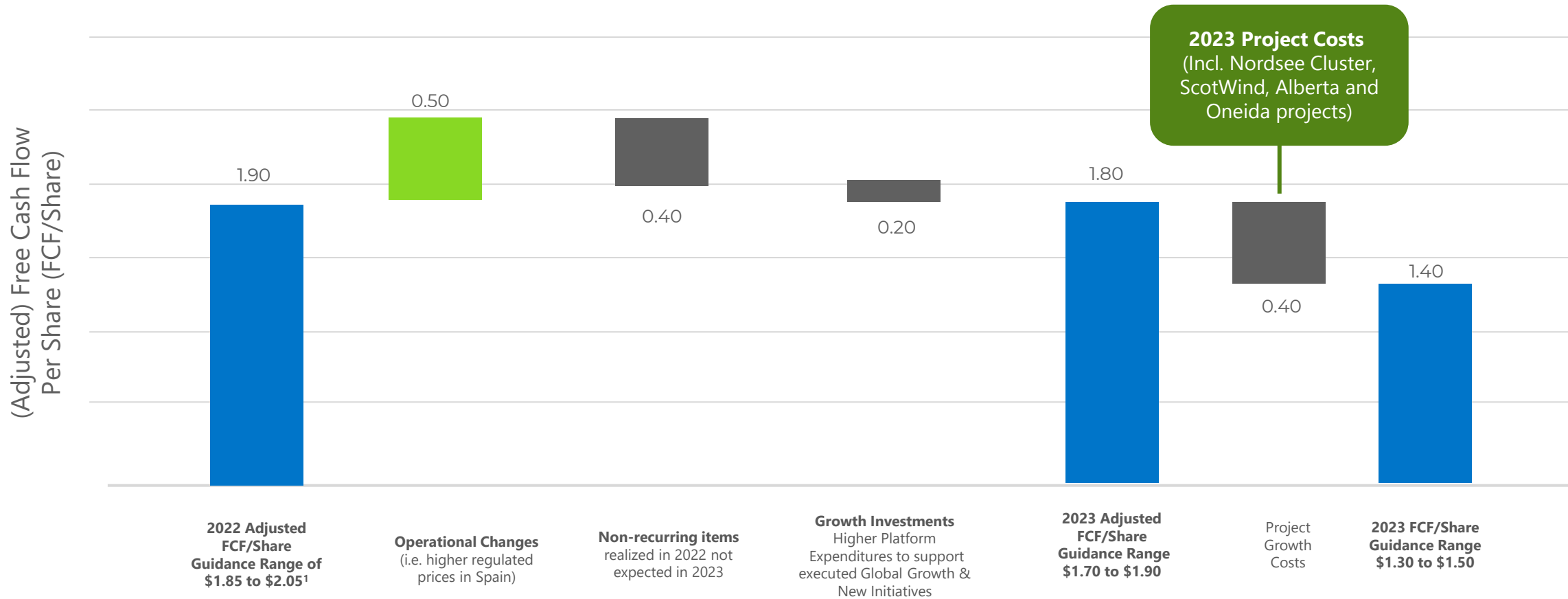
**\$1.70 to \$1.90 Per  
Share**

Free Cash Flow  
(incl. growth expenditures)

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

# 2023 Adjusted Free Cash Flow Guidance Bridge

Increased contributions from Spain are expected to benefit 2023 Operating Results



1. Northland updated its 2022 financial guidance in Q2, 2022 increasing guidance for Adjusted EBITDA, Adjusted Free Cash Flow and Free Cash Flow per share

# Finance Team

## 2023 Key Activities



Diversifying sources of corporate capital to enhance financing flexibility while maintaining our investment grade ratings

- Continue to enhance liquidity and funding redundancy through further project finance optimizations



Onboard new Business Unit CFO's and new org structure to support growth, execution and capital allocation focused by technology/BU structure



Execute on non-recourse Project Financings and re-financings

- Project Finance – projects achieving FC in 2023 - Hai Long in Taiwan and Baltic Power in Poland
- First storage project financing in Ontario (Oneida)
- EBSA HoldCo debt up-financing driven from growth in business from annual growth in EBITDA (recurring)



Continue to strengthen corporate global position and relationships with Canadian and international financial institutions along with export credit agencies to support growth ambitions and enhance liquidity through further project finance optimizations



Continue to diversify and bring value forward of our development assets through planning additional sell-downs (i.e. reviewing alternatives in Korea, Europe, Canadian projects and potentially others)



Finalize our preferred debt and equity hedging strategy for Hai Long and Baltic Power

# Closing Remarks

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**Mike Crawley**  
President & CEO



INVESTOR DAY 2023



# Q&A



# Forward looking statement

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 2021 Annual Report and 2021 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 February 3, 2023.

# Reporting of Non-IFRS Financial Measures

This investor presentation includes references to Northland's adjusted EBITDA and free cash flow, measures not prescribed by International Financial Reporting Standards (**IFRS**). Adjusted EBITDA and free cash flow, as presented, may not be comparable to other similarly-titled measures presented by other publicly-traded companies, as these measures do not have a standardized meaning under IFRS. These measures should not be considered in isolation or as alternatives to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. These measures are also not necessarily indicative of operating income or cash flows from operating activities as determined under IFRS. Rather, these measures are provided to complement IFRS measures in the analysis of Northland's results of operations and are used by management to evaluate the performance of the company for internal assessment purposes. Management believes that adjusted EBITDA and free cash flow are widely-accepted financial indicators used by investors to assess the performance of a company. These measures provide investors with additional information to assist them in understanding these critical components of the company's financial performance, including its ability to generate cash through its current operations. These measures have been applied consistently for all periods presented in this document.

## **Adjusted EBITDA**

Adjusted EBITDA provides investors with an indication of Northland's capacity to generate income from operations and investments before taking into account management's financing decisions and the costs of consuming tangible and intangible capital assets, which vary according to asset type and management's estimate of their useful lives.

Adjusted EBITDA is calculated as income (loss) before income taxes adjusted for depreciation of property, plant and equipment, amortization of contracts and other intangible assets, net finance costs, Gemini subordinated debt earned by Northland, fair value losses (gains) on derivative contracts, unrealized foreign exchange losses (gains), elimination of non-controlling interests and finance lease and equity accounting.

## **Free cash flow**

Free cash flow is calculated as cash flow provided by operating activities adjusted for net change in non-cash working capital balances, capital expenditures, interest paid, scheduled principal repayments on term loans, funds set aside for scheduled principal repayments and for asset purchases, restricted cash (funding) for major maintenance, write-off of deferred development costs, consolidation of managed facilities, income from equity accounted investments, proceeds from sale of assets, and preferred share dividends. This measure, along with cash flow provided by operating activities, is considered to be a key indicator for investors to understand Northland's ability to generate cash flow from its current operations.

## **Adjusted Free Cash Flow**

Commencing with the 2020 Annual Report, Northland introduced Adjusted Free Cash Flow, a supplementary non-IFRS Free Cash Flow measure, and associated per share amounts and payout ratios. Adjusted Free Cash Flow is calculated by excluding growth-related expenditures from Free Cash Flow. Management believes this measure provides a relevant presentation of cash flow generated from the business before investment-related decisions (refer to Section 4.3: Growth Expenditures for additional information). Management believes Adjusted Free Cash Flow is a meaningful measure of Northland's ability to generate cash flow, after on-going obligations, to reinvest in growth and fund dividend payments. The Free Cash Flow and adjusted payout ratios, calculated using Free Cash Flow and Adjusted Free Cash Flow, respectively, demonstrate the proportion of the respective measure paid as dividends, whether in cash, or in shares under Northland's dividend reinvestment plan (DRIP). The net payout ratios indicate the proportion of Free Cash Flow paid as cash dividends. The payout ratios generally reflect Northland's ability to fund growth-related expenditures and sustain dividends.

Readers should refer to our MD&As accompanying our financial statements for an explanation of adjusted EBITDA and free cash flow, and for a reconciliation of Northland's reported adjusted EBITDA to its consolidated income (loss) before taxes and a reconciliation of Northland's free cash flow to its cash provided by operating activities. These are filed from time to time on our company's website [www.northlandpower.com](http://www.northlandpower.com)



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