

# Northland Power (TSE:NPI)

*By: Mit Patel, Dishant Shah, Konrad Kozibroda, and Michael Himelsohn*

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## Investment & Company Overview

*Northland Power (TSX: NPI) is a leader in the production of clean, renewable energy with assets in strategic locations around the globe.*

### Company Management

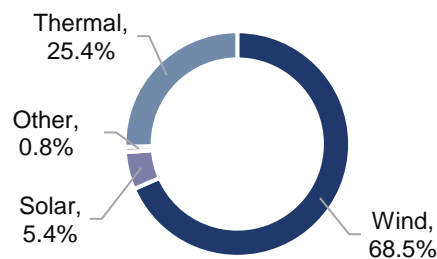


**Mike Crawley**  
*President & CEO*  
Mr. Crawley served as EVP, Development at Northland from 2015-2018 and assumed the role of CEO after John Brace's retirement in August 2018.



**Paul Bradley**  
*CFO*  
Mr. Bradley joined Northland in 2011 and brings a plethora of experience as the former MD and Head of Power & Utilities at Macquarie Canada.

### Revenue Segmentation by Asset



### Business Model

- Northland Power Inc. is a developer, owner, and operator of power generation facilities in North and Central America (Canada, Mexico), Europe (Netherlands, Germany), and Asia (Taiwan). They own or have net economic interest in 2,014 MW of power-producing assets with a total capacity of approximately 2,429 MW
- The company has construction projects totaling 399 MW between Mexico<sup>1</sup> and Germany<sup>2</sup>, 626 MW in Taiwan<sup>3</sup>, and as much as 600 MW from a JV for future projects in Japan<sup>4</sup>
- Northland generates and markets power from thermal, solar, and wind (both on- and off-shore) assets. Through their acquisition of EBSA in Colombia, they also earn revenue from the transmission and distribution of electricity from this asset in the region
- Differentiating Factors:
  - Consistently on-time, under-budget projects
  - Geographically diverse asset portfolio
  - Entirely renewable power generation platform



### Generation by Geography

				Total (MW)
	943	115	314	1,372
	n/a	n/a	360	360
	n/a	n/a	282	282
<b>Total (MW)</b>	<b>943</b>	<b>115</b>	<b>956</b>	<b>2,014</b>

### Financial Information

5-Year Revenue CAGR	17.9%
LTM EBITDA Margin	75.5%
LTM ROIC	7.6%
EV / LTM EBITDA	10.7x
P / LTM Earnings	16.3x
Net Debt / LTM EBITDA	6.0x
LTM Dividend Yield	4.5%
Price as of March 13, 2020	\$26.88

Source: Company Filings, Bloomberg

1. La Lucha solar project in Mexico, 199 MW

2. Deutsche Bucht wind project in Germany, 269 MW

3. Hai Long 2A, 2B, 3 wind projects in Taiwan, 626 MW

4. Joint Venture for future wind projects with Shizen Energy in Japan, 600MW

# Share Performance

## Annotated Stock Price Graph

Despite current market dynamics and appreciating by 24% from 03/19 – 03/20, NPI will continue to provide considerable capital growth and healthy dividend distributions due to a strong pipeline of projects.

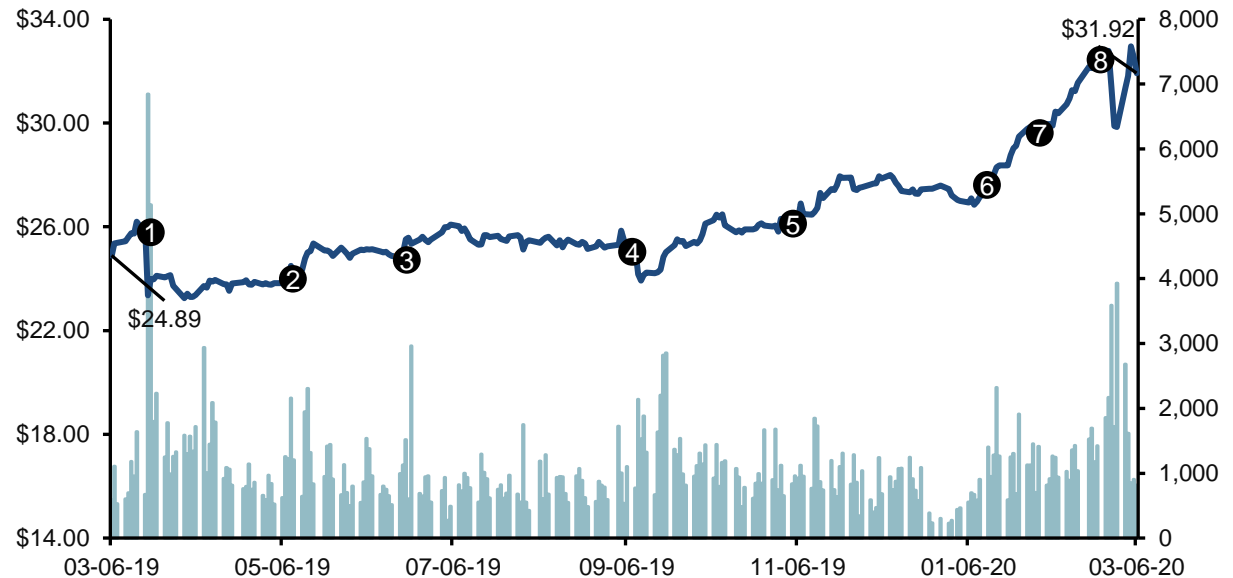
### Commentary

- Rate cuts, declining oil prices, and an overall higher level of uncertainty have pushed the share price higher as of late
- Positive response to acquisitions and solid earnings have been crucial to their success
- Must continue to execute their construction, advanced development project commitments moving forward

### Trading Statistics

Time Period	Trading Summary	
	Low	High
Last 30 Days	\$29.84	\$32.95
Last 60 Days	\$26.85	\$32.95
LTM	\$23.25	\$32.95

### 1-Year Price Performance



- |   |  |   |  |
|---|--|---|--|
| <p><b>1</b></p> <p><b>2</b></p> <p><b>3</b></p> <p><b>4</b></p> | <p><b>March 18, 2019:</b></p> <ul style="list-style-type: none"> <li>■ Secondary offering of 32.12M shares at \$23.35/share for \$750M</li> <li>■ Offering closed April 5, 2019</li> </ul> <p><b>May 8, 2019:</b></p> <ul style="list-style-type: none"> <li>■ Moderate Q1 Earnings –1% Adj. EBITDA growth, 15% Net Income growth from Q3 2018</li> <li>■ Announced approval decision to pursue 130MW La Lucha solar project in Mexico</li> </ul> <p><b>June 17, 2019:</b></p> <ul style="list-style-type: none"> <li>■ Markets pushed higher on speculation of rate cuts</li> </ul> <p><b>September 9, 2019:</b></p> <ul style="list-style-type: none"> <li>■ Announced acquisition of EBSA for 1.05B, plus \$315M concurrent Equity Financing</li> <li>■ Completed \$346.5M subscript. offering Sep. 18</li> </ul> | <p><b>5</b></p> <p><b>6</b></p> <p><b>7</b></p> <p><b>8</b></p> | <p><b>November 6, 2019:</b></p> <ul style="list-style-type: none"> <li>■ Strong Q3 Earnings –14% Adj. EBITDA growth, 19% Net Income growth from Q3 2018</li> <li>■ Later announced JV with Shizen Energy on Nov. 18 for projects totalling 600MW</li> </ul> <p><b>January 14, 2020:</b></p> <ul style="list-style-type: none"> <li>■ Announce closing of EBSA; working capital conditions met and tariff proposal approved</li> </ul> <p><b>January 31, 2020:</b></p> <ul style="list-style-type: none"> <li>■ Investors unofficially deem Fed's continued purchasing of T-Bills through Q2 2020 as 'QE Lite'; asset prices continue to adjust, appreciate</li> </ul> <p><b>February 25, 2020:</b></p> <ul style="list-style-type: none"> <li>■ COVID-19 overshadows modest Q4 earnings and LOI to acquire South Korean wind assets</li> </ul> |
|---|--|---|--|

# Renewable Energy Industry Outlook

## Increasing Profitability & Focus On Environment Driving Growth

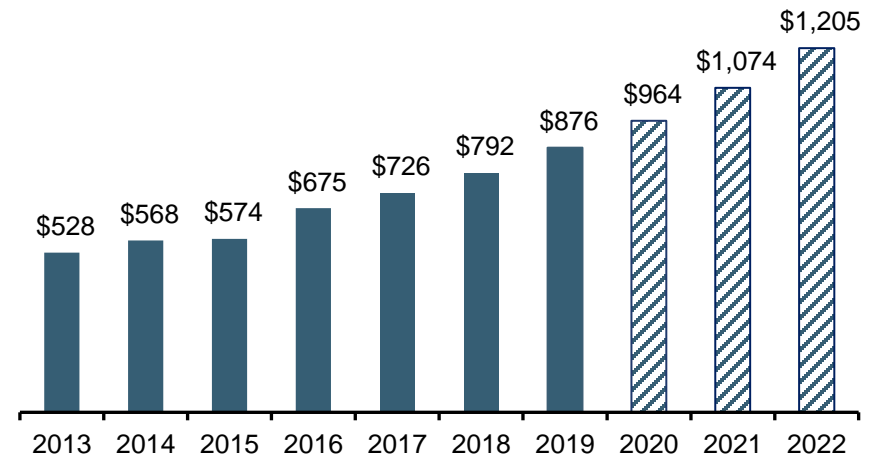
### Overall Industry Outlook<sup>1</sup>

- The Renewable Energy market is of increasing importance around the world as countries look to take meaningful steps in reducing their carbon footprints
  - 2018 global investment in renewable power was triple the investment in new coal and gas fired generators, combined
- Global industry size is expected to grow by 10.7% CAGR from 2017-2022
  - Renewable energy revenues had a CAGR of 8.3% from 2013-2017
- Most growth is expected to occur in solar and wind segments
  - Hydro and Geothermal are more mature sectors with less opportunity for growth

### North American Outlook<sup>1</sup>

- Expected growth in Canada is much smaller compared to global averages due to limiting geography
  - Canada is best suited to hydroelectric power generation, a mature industry with little room for growth
  - Expected annual growth of industry in Canada is 2.2% through 2024, an increase from 1.4% annual growth seen 2014-2019
- Outlook in the US much stronger with double-digit annual growth expected across wind and solar segments
  - Suitable geography paired with a favorable legislative environment lead to positive outlook on Renewables in the US

### Historical and Projected Revenues (in USD Billions)<sup>2</sup>



### International Outlook<sup>1, 3</sup>

- Global environmental concerns and emission targets drive aggressive investment into renewable power
- China leads the world with 8.5% annual growth forecasted through 2023
  - China is pursuing aggressive GHG emission reduction targets. Has reduced emission by ~5% in past 5 years
- Legislative environment paired with aging infrastructure create favorable environment throughout the EU
- India is currently underutilizing renewable power with only 25% of generation coming from renewable sources
  - Growth fueled by desire to be energy independent

## Discussion of Recessionary Impacts & the COVID-19 Threat

### Recession-proof Contract Structure

- Northland structures long-term contracts with creditworthy energy purchasers such that they will deliver value to shareholders at all points in the cycle:
  - **Power Purchasing Agreements (PPAs):** Agreements between producers and government/wholesale energy purchasers which fix the price of the electricity over long periods of time (15-20 years)
  - **Feed-in-Tariffs (FiTs):** Policies specific to individual governments pertaining to energy prices which are factored into PPAs; prices are sometimes structured to decrease over time to encourage technological innovation
- These contracts protect Northland from commodity-price risk and economic risk factors, as they provide consistent and stable revenues regardless of the status of the economy
  - Northland pursues further protection by ensuring electricity prices in contracts are tied to production costs in order to negate the risk of having a fixed price with rising costs

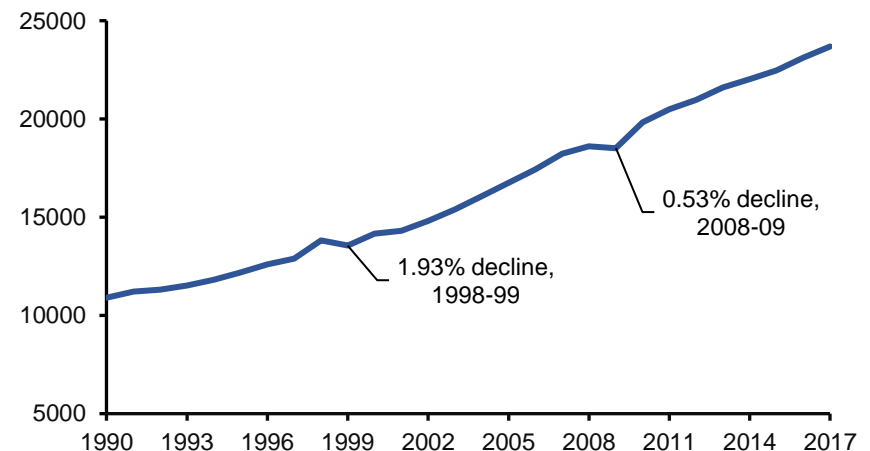
### Impact of Coronavirus on Renewable Energy Equipment

- COVID-19 is drawing concern from economists abroad, causing cuts in estimated worldwide growth figures:
  - China's FY 2020 GDP growth could fall to 5.5% from 6.1% in 2019, and Q1 2020 US GDP could growth slump to 1.2% from 2.1% in Q4 2019
  - MPM index has fallen to 35.7 from January's 50 on a 100-point scale,<sup>1</sup> and Chinese demand for oil has fallen by 3 million bpd
- Renewable energy equipment OEMs were affected, though many Chinese wind turbine OEMs have already stated they are back online. Solar PV manufacturers seem to be struggling, however:
  - **China's NECC<sup>2</sup>:** Production has been disrupted and will impact shipments of equipment to overseas markets
  - China produces more than two-thirds of the world's solar modules
  - Northland only has one solar project under construction, and they do not appear to be affected by this slump in manufacturing activity

### Potential Impact of Recession on Consumption of Renewables

- Renewables suffered greatly after the 2008 recession, as shares in the ICLN ETF fell 80% between 2008 and 2013
- With the recession came swift legislation, most notably the Renewable Energy and Job Creation Tax Act of 2008, which was designed to incentivize and lower the cost of renewable energy production
- Cost of energy today from onshore wind, solar, and thermal production are as low as \$0.04/kWh, \$0.03kWh, and below \$0.10/kWh, respectively;
  - This is compared to plants utilizing coal and oil at \$0.05 - \$0.15/kWh
- Electricity consumption fell in the short-term in 2008, but only slightly;
  - A recession's potential impact on electricity consumption is most likely to be negligible and would exist only in the short-run
  - With more competitive pricing and attractive contract structures, Northland's operations will remain relatively unaffected

### Electricity Consumption (TWh) From 1990-2017



## International & North American Major Players

### Global Operators



**Revenue:** US\$1046M  
**EBITDA Margin:** 70.9%

- Atlantica owns and operates 25 assets, comprising 1,496 MW of aggregate renewable energy installed generation capacity, 343 MW of efficient natural gas-fired power generation capacity, 1,166 miles of electric transmission lines, and 10.5 Mft<sup>3</sup> per day of water desalination assets
- Currently has operating facilities in North America (United States, Canada and Mexico), South America (Peru, Chile and Uruguay), and EMEA (Spain, Algeria and South Africa)



**Revenue:** US\$419M  
**EBITDA Margin:** 65.2%

- Boralex owns and operates 15+ assets, comprising 2040 MW of aggregate renewable energy installed generation capacity, with 88% generated through wind, 9% through hydro, 2% through thermal, and less than 1% through solar
- Based in Kingsey Falls, Quebec, Canada, for more than 25 years and have since expanded business in the United States and France



**Revenue:** US\$406M  
**EBITDA Margin:** 72.5%

- Innergex owns and operates a portfolio of 68 facilities totaling a net installed capacity of 2588 MW, with 57.5% generated through wind, 30.8% through hydro, and 11.7% through solar
- Based in Quebec, Canada, for more than 30 years and have since expanded operations throughout Canada, the United States, France, and Chile



**Revenue:** US\$326M  
**EBITDA Margin:** 61.2%

- TransAlta Renewables owns and operates 42 facilities totaling a net installed capacity of 2414 MW, with 46% generated through wind, 47% through natural gas, 5% through hydro, and less than 2% through solar
- Based in Calgary, Canada, for more than 20 years and have since expanded operations throughout Canada, the United States, and Australia



**Revenue:** US\$1032M  
**EBITDA Margin:** 70.4%

- Clearway Energy Group owns and operates a portfolio of 47 facilities totaling a net installed capacity of 5,469 MW, with 40% generated through wind, 20% through utility solar, 2.5% through geothermal, and less than 1% through distributed solar
- Based in San Francisco, USA for more than 15 years and have since expanded operations throughout 25 states with Global Infrastructure Partners as a sponsor



**Revenue:** US\$855M  
**EBITDA Margin:** 66.0%

- NextEra Energy Partners is a growth-oriented limited partnership formed by NextEra Energy that operates 32 facilities totaling a net installed capacity of 5330 MW, with 86% generated through wind, 14% through solar, and 4.3 Bcf of natural gas capacity
- Based in Florida, USA, for more than 20 years and have since expanded operations throughout the United States focusing predominantly on the West Coast and Mid-West

### North American Operators

# Thesis I: Unique End-to-End Business Model

## Recent Push Into Energy Distribution Creates a Differentiated Business Model

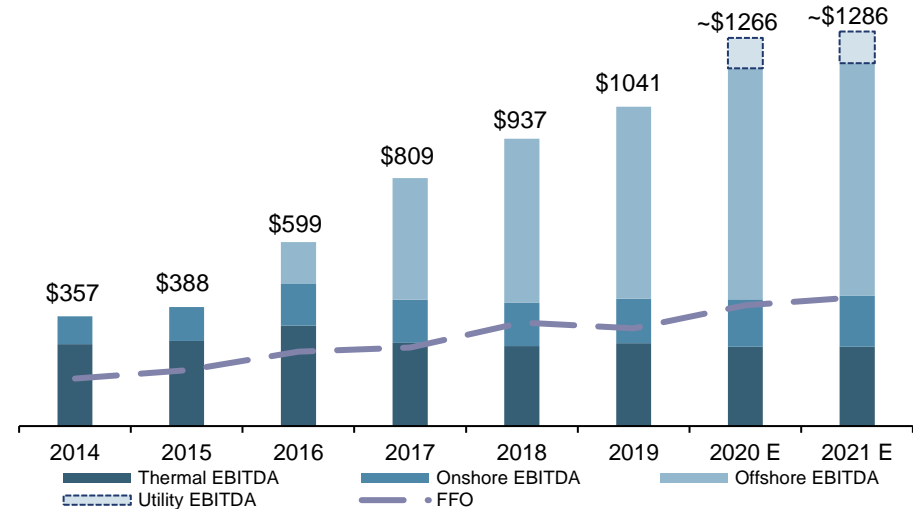
### Diversity of Generation and Geography<sup>1, 2</sup>

- Operations across NA, Europe, Asia, and South America reduce risk and provide runway for future expansion
  - Few players have similar diversification and growth opportunities, with majority operating in markets with less growth opportunity (North America, developed Europe)
- Extensive utilization of offshore wind places NPI ahead of most competitors
  - Offshore wind is being aggressively adopted by players in renewable energy due to increased profitability, as evidenced by offshore wind capacity growing 27% annually from 2013-2018
  - Offshore wind lowers reliance on favorable legislative environment

### Empresa de Energía de Boyacá<sup>4</sup>

- Acquisition of Empresa de Energía de Boyacá (EBSA) for \$1.05B in September 2019, with the deal closed in Q1 2020
- EBSA is the sole distribution company in Boyacá, Columbia
  - Serves 123 municipalities and 1.3 million residents
  - Revenue is sourced from transmission and distribution of energy rather than generation
  - Development pipeline expands into solar generation
- One of few companies with grandfathered rights allowing for vertical integration
  - EBSA can generate, transmit, and distribute power
- Regulated utilities offers predictable revenue and cashflow profile to shareholders for a 5-year period

### EBITDA and FFO Growth (in CAD Millions)<sup>2, 3</sup>



### Entry into Energy Distribution<sup>2, 4, 5</sup>

- Diversifies Northland's asset base beyond generation and expands operations into Latin America
  - Reduces concentration risk and exposure to re-contracting and merchant power risk
- Provides platform to drive further expansion into Latin America
  - Renewables are underutilized in South America with solar and wind accounting for 1% of Colombian generation in 2019
  - Columbia is currently exceeding targets of increasing nonconventional renewable energy pipeline 50x by 2022
- Expected to add ~\$100 Million CAD to 2020 adjusted EBITDA
  - Expected to generate average mid-single digit accretion to FCF through 2023, and increase accretion long-term

1. IBIS World

2. NPI Annual Reports

3. FFO = Net Income + Depreciation + Amortization - Gains on sale of property

4. January 2020 NPI Investor Presentation

5. Inter-American Development Bank

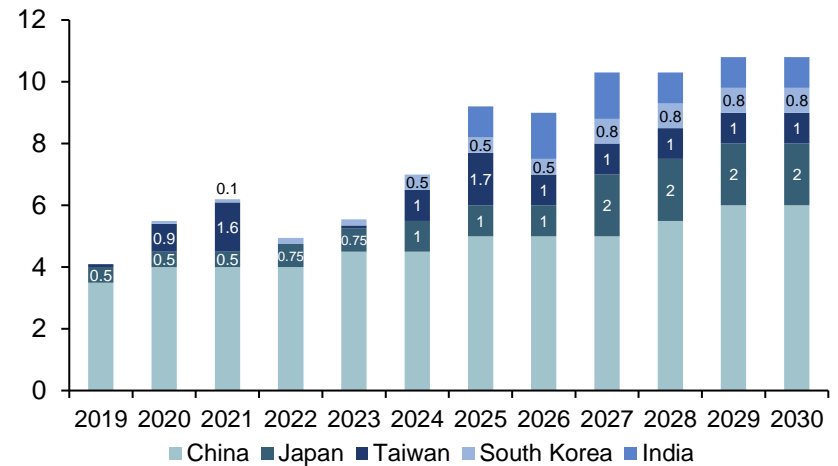
# Thesis II: Growth Position in Emerging Markets

## Strategically Placed Growth Pipeline to Capitalize on Energy Independence

### Energy Breakdown in Emerging Markets<sup>1</sup>

	South Korea	Taiwan	Japan	Germany	The Netherlands
Net Oil Exports [thsd of bbl/day]	-2949.00	-841.30	-3441.00	-1168.50	-1815.74
Net Coal Exports [Mtoe]	-81.7	-41.9	-115.7	-9.2	-32.3
Percentage of Energy Mix: Oil	44%	48%	41%	39%	4%
Percentage of Energy Mix: Coal	29%	29%	24%	12%	32%
Est. Wind LCOE [USD/MWh]	36.5				
Est. Solar LCOE [USD/MWh]	37.8				
Est. Conventional LCOE [USD/MWh]	34				

### Off-Shore Wind Growth Commitments in EM (GW)<sup>2</sup>



### Current Assets Under Construction<sup>3</sup>

Sub-Project	Gross Capacity (MW)	Net Capacity (MW)	Year of GC	% of OW in Country
Hai Long 2A	300	180	2024	5.00%
Hai Long 2B	232	139	2025	3.87%
Hai Long 3	512	307	2025	8.53%
SK Project 1	~220	~220	2025	7.33%
SK Project 2	~200	~200	2026	6.67%
SK Project 3	~150	~150	2026	5.00%
<b>Total</b>	<b>1614</b>	<b>626</b>	<b>-</b>	<b>17.93%</b>

### Commentary

- Global cumulative installed capacity reached 23GW in 2018, and is expected to increase almost ten-fold by 2030 to 228GW, and even more towards 2050
  - Emerging markets specifically are increasingly moving towards renewable energy as the LCOE falls and becomes competitive to traditional sources of energy production
  - Increasingly important for countries that have the capital and need to transition to renewable means to achieve energy independence
- Northland's pipeline of assets uniquely positions it to leverage this trend as existing energy producers are often given preference for incremental GW additions through FiT and other programs
  - Pipeline of assets have PPA's signed prior to grid connection ensuring visibility and stability in cash flow

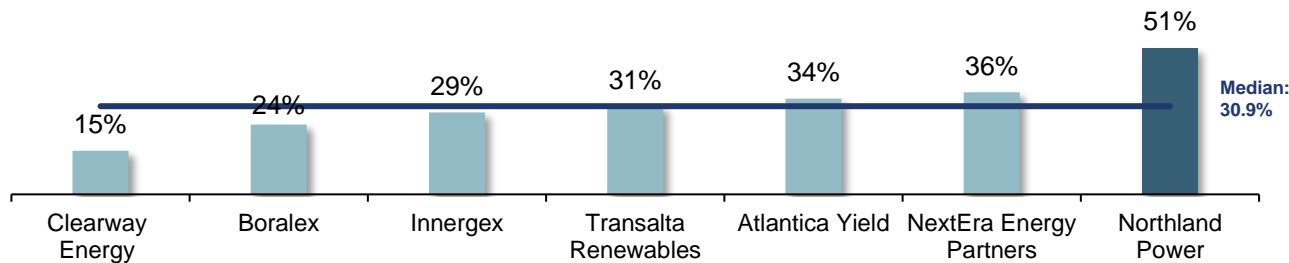
1. CIA World Factbook and Lazard LCOE Report for 2019  
 2. Windsights  
 3. Company Investor Presentation and Equity Research Reports



# Key Performance Indicators

## Efficiency, Revenue Visibility, & Capital Allocation Metrics

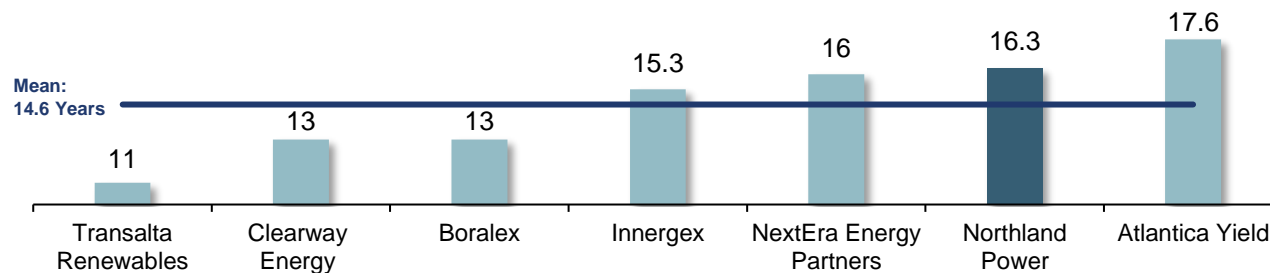
### Utilization Rate<sup>1</sup>



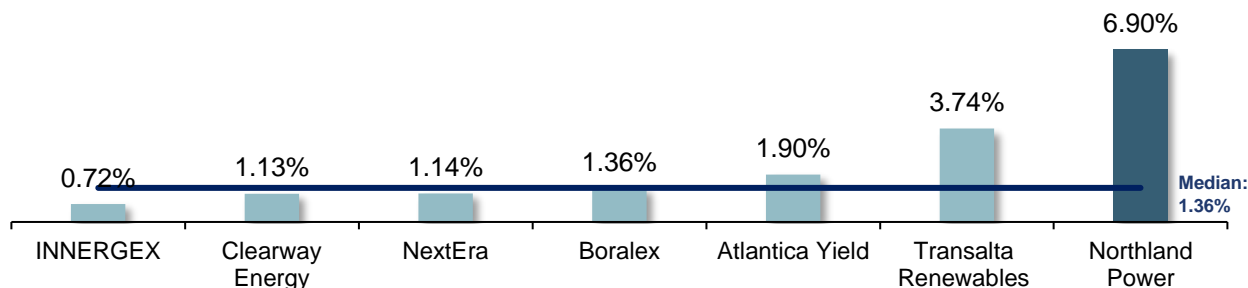
NPI's consistently above average utilization rate indicates an ability to service an above industry demand, indicating not only efficient operations, but also a stronger demand in its operating markets.

### Weighted Average Remaining Years on Power Purchase Agreement (in years)<sup>2</sup>

NPI's remaining PPA's contracts provide visibility for a longer term of steady cash flows than the industry average, while ensuring enough cash to aid its deleveraging initiatives and finance maintenance on existing projects.



### Return on Invested Capital



Despite operating in a capital-intensive industry, where peer ROIC's have remain stagnant or dropped, NPI has tangibly displayed an ability to create value through opportunistic acquisitions that have aided in significant top-line and bottom-line growth.

Source: Company Filings

1. Utilization Rate calculations for all competitors for a five year period can be found in Appendices under Competitor Details

2. NPI's PPA was adjusted to include acquisition of La Lucha, Hai Long, and projects from Dada

# Comparable Companies

## Relative Valuation Methodology

Company	Share Price	Market Cap.	Enterprise Value	Capital Structure		Net Debt / LTM EBITDA	EV / EBITDA		Margins		Dividend Yield		
				Debt	Equity		LTM	FY1	FY2	EBITDA	LTM	FY1	FY2
<b>Canadian Power Producers</b>													
Transalta Renewables	\$13.40	\$3,538	\$4,481	22.1%	77.9%	3.3x	16.4x	9.8x	9.7x	61.4%	7.0%	7.0%	7.0%
Boralex	\$25.77	\$2,335	\$5,778	58.5%	41.5%	7.7x	13.0x	11.8x	11.6x	77.4%	2.6%	2.7%	2.7%
INNERGEX	\$17.39	\$2,342	\$7,953	71.1%	28.9%	13.7x	19.4x	15.9x	15.7x	73.5%	4.1%	4.2%	4.2%
Median				58.5%	41.5%	7.7x	16.4x	11.8x	11.6x	73.5%	4.1%	4.2%	4.2%
<b>International Power Producers</b>													
Atlantica Yield	\$22.41	\$2,277	\$9,210	73.0%	27.0%	8.5x	11.6x	10.7x	9.0x	72.2%	7.2%	7.7%	8.2%
Clearway Energy	\$19.02	\$2,159	\$9,824	77.7%	22.3%	11.7x	15.8x	11.5x	10.6x	60.1%	4.3%	4.4%	4.4%
NextEra	\$47.31	\$2,782	\$11,904	76.9%	23.1%	8.3x	24.2x	9.0x	8.8x	57.4%	4.3%	4.8%	5.5%
Median				76.9%	23.1%	8.5x	15.8x	10.7x	9.0x	60.1%	4.3%	4.8%	5.5%
Northland Power	\$26.88	\$5,242	\$13,433	60.2%	39.8%	6.0x	10.7x	8.6x	8.7x	75.5%	4.5%	5.0%	5.7%
<b>Industry Median</b>						8.4x	16.1x	11.1x	10.1x	66.8%	4.3%	4.6%	5.0%
<b>Premium/(Discount)</b>						(2.4x)	(5.4x)	(2.5x)	(1.5x)	8.7%	0.2%	0.5%	0.7%

### Dividends per Share

	1.23	1.33	1.43	1.53	1.63	1.73	1.83
4.4%	\$ 25.06	\$ 27.10	\$ 29.14	\$ 31.18	\$ 33.21	\$ 35.25	\$ 37.29
4.6%	\$ 23.97	\$ 25.92	\$ 27.87	\$ 29.82	\$ 31.77	\$ 33.72	\$ 35.67
4.8%	\$ 22.97	\$ 24.84	\$ 26.71	\$ 28.58	\$ 30.45	\$ 32.31	\$ 34.18
5.0%	\$ 22.06	\$ 23.85	\$ 25.64	\$ 27.44	\$ 29.23	\$ 31.02	\$ 32.81
5.2%	\$ 21.21	\$ 22.93	\$ 24.66	\$ 26.38	\$ 28.10	\$ 29.83	\$ 31.55
5.4%	\$ 20.42	\$ 22.08	\$ 23.74	\$ 25.40	\$ 27.06	\$ 28.72	\$ 30.38
5.6%	\$ 19.69	\$ 21.29	\$ 22.89	\$ 24.50	\$ 26.10	\$ 27.70	\$ 29.30

### Dividends per Share

	1.23	1.33	1.43	1.53	1.63	1.73	1.83
4.4%	-6.76%	0.82%	8.40%	15.98%	23.57%	31.15%	38.73%
4.6%	-10.81%	-3.56%	3.69%	10.94%	18.19%	25.44%	32.69%
4.8%	-14.53%	-7.58%	-0.63%	6.32%	13.27%	20.22%	27.17%
5.0%	-17.95%	-11.28%	-4.60%	2.07%	8.74%	15.41%	22.08%
5.2%	-21.10%	-14.69%	-8.27%	-1.86%	4.56%	10.97%	17.38%
5.4%	-24.02%	-17.85%	-11.67%	-5.49%	0.68%	6.86%	13.04%
5.6%	-26.74%	-20.78%	-14.83%	-8.87%	-2.91%	3.04%	9.00%

# Dividend Discount Model

## Intrinsic Valuation Methodology

Northland Power											
Dividend Discount Model											
	\$CAD Thousands	2015A	2016A	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
Revenue		727,220	1,099,000	1,376,256	1,555,587	1,658,977	2,228,223	2,252,097	2,273,928	2,295,938	2,316,967
Free Cash Flow		182,158	242,324	256,100	337,623	318,480	386,077	434,770	440,285	453,468	477,815
FCF Margin		25.05%	22.05%	18.61%	21.70%	19.20%	17.33%	19.31%	19.36%	19.75%	20.62%
Cash Dividends Paid to Common Shareholders		177,766	184,459	188,005	211,877	216,373	236,068	279,134	297,515	323,276	360,220
Implied Payout Ratio		97.59%	76.12%	73.41%	62.76%	67.94%	61.15%	64.20%	67.57%	71.29%	75.39%
YoY Growth			(22.00%)	(3.56%)	(14.51%)	8.26%	(10.00%)	5.00%	5.25%	5.50%	5.75%
Weighted Avg. Shares Outstanding		167,555	172,910	175,383	177,757	180,322	195,000	195,000	195,000	195,000	195,000
Dividends Per Share		1.07	1.07	1.07	1.19	1.20	1.21	1.43	1.53	1.66	1.85
Dividend Growth			0.0%	0.0%	11.2%	0.8%	0.9%	18.2%	6.6%	8.7%	11.4%
Periods							1	2	3	4	5
Discount Factor							0.95	0.90	0.85	0.80	0.76
<b>PV of Projected Dividends</b>							1.15	1.28	1.30	1.33	1.41

### Cost of Equity

	4.86%	5.11%	5.36%	5.61%	5.86%	6.11%	6.36%
<b>0.95%</b>	\$ 38.16	\$ 37.74	\$ 37.32	\$ 36.91	\$ 36.51	\$ 36.11	\$ 35.71
<b>1.05%</b>	\$ 38.88	\$ 38.45	\$ 38.03	\$ 37.61	\$ 37.20	\$ 36.79	\$ 36.39
<b>1.15%</b>	\$ 39.64	\$ 39.20	\$ 38.77	\$ 38.34	\$ 37.92	\$ 37.50	\$ 37.09
<b>1.25%</b>	\$ 40.43	\$ 39.98	\$ 39.54	\$ 39.10	\$ 38.67	\$ 38.25	\$ 37.83
<b>1.35%</b>	\$ 41.26	\$ 40.80	\$ 40.35	\$ 39.90	\$ 39.46	\$ 39.03	\$ 38.60
<b>1.45%</b>	\$ 42.13	\$ 41.66	\$ 41.19	\$ 40.74	\$ 40.29	\$ 39.85	\$ 39.41
<b>1.55%</b>	\$ 43.04	\$ 42.56	\$ 42.08	\$ 41.62	\$ 41.16	\$ 40.70	\$ 40.26

### Cost of Equity

	4.86%	5.11%	5.36%	5.61%	5.86%	6.11%	6.36%
<b>0.95%</b>	41.97%	40.40%	38.85%	37.32%	35.81%	34.33%	32.86%
<b>1.05%</b>	44.66%	43.06%	41.48%	39.92%	38.38%	36.87%	35.37%
<b>1.15%</b>	47.47%	45.84%	44.22%	42.63%	41.06%	39.52%	37.99%
<b>1.25%</b>	50.41%	48.74%	47.10%	45.47%	43.87%	42.29%	40.73%
<b>1.35%</b>	53.49%	51.79%	50.10%	48.44%	46.81%	45.19%	43.60%
<b>1.45%</b>	56.72%	54.98%	53.25%	51.56%	49.88%	48.23%	46.61%
<b>1.55%</b>	60.11%	58.32%	56.56%	54.83%	53.11%	51.43%	49.76%

## Key Investment Considerations Impacting Outlook

### Select Investment Risks

- Unfavourable Weather Conditions
  - Adverse weather conditions can affect power generation capabilities leading to potential earnings misses and ensuing dips in share value
- Re-contracting Risks
  - Contract power prices might fall when the Purchase Power Agreement's are re-contracted upon their expiry date
- Currency Risks
  - Variations in the exchange rate for the Euro (OFSW), Columbian Peso (La Lucha, EBSA), U.S. dollar (Other) could impact future earnings and cash flows

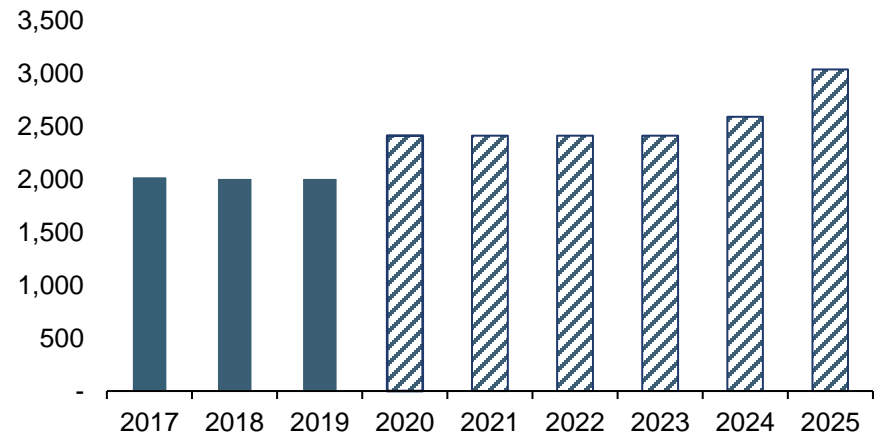
### Mitigation Strategies

- Unfavourable Weather Conditions
  - Well-diversified portfolio of various types of power generation assets across a variety of geographies
  - Long-run averages will not change in the foreseeable future
- Re-contracting Risks
  - Securing new revenue streams as contracts roll-off
  - Purchase Power Agreements are likely to be re-signed with the existing buyers to ensure operating capacities remain intact
- Currency Risks
  - Entered into foreign exchange contracts to effectively fix foreign exchange conversion rates on substantially all forecasted euro-denominated cash inflows

### Catalysts

- Interest Rates
  - Low interest rate environment lightens the burden of large interest payments associated with high company debt levels
- New Project Announcements
  - Actively seeking new power generation projects in emerging markets such as Latin America and Asia which will boost net operating capacity
- Positive Regulatory Environment
  - Government policies and clean energy targets supporting renewables growth
  - E.g., By 2030, the Taiwanese government is targeting more than 6GW of OFSW capacity, while simultaneously phasing out electricity generated through fossil fuels and nuclear energy

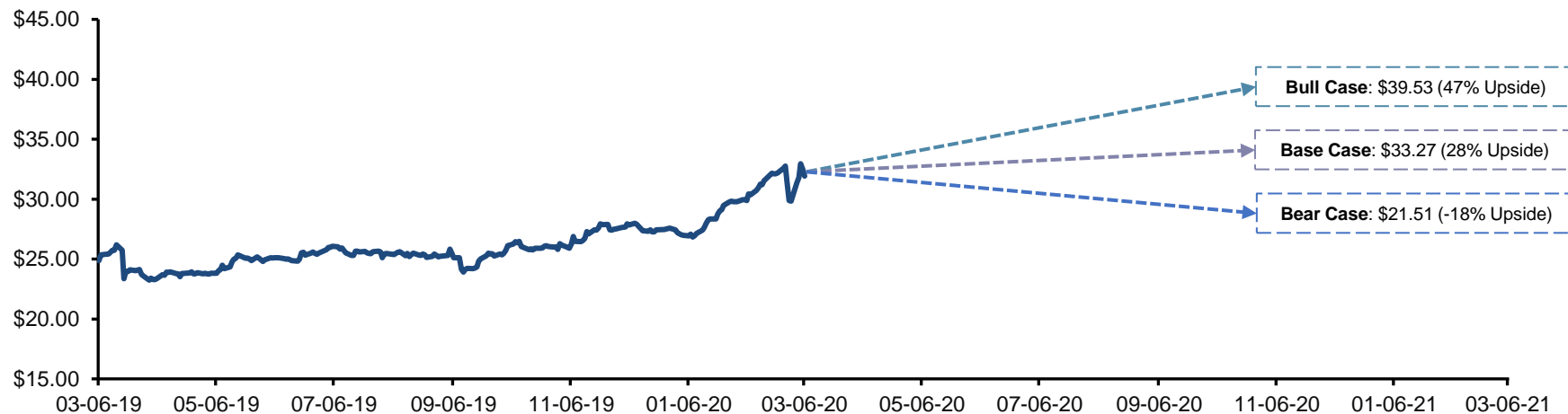
### Net Operating Capacity<sup>1</sup>



# Conclusion

## Price Target & Investment Summary

### Scenario Analysis



### Investment Summary

- NPI is a global independent power producer operating a well-diversified portfolio of renewable energy assets across North America, Europe, and Latin America
- Strong foothold in the growing Asian market for offshore wind energy which will boost NPI's net operating capacity
- NPI has diversified its revenue streams by recently expanding into the energy distribution segment thereby, creating a unique end-to-end business model
- Best-in-class EBITDA margins, utilization rates, PPA contract lengths, and return metrics
- Recommend a BUY on NPI at \$26.88, representing an all-inclusive margin of safety of ~28.27%

### Valuation Breakdown and Recommendation



- **Current Share Price:** \$26.88
- **Implied Capital Return:** 23.77%
- **Implied 2020 Yield:** 5.0%
- **Implied 2021 Yield:** 5.7%

**Thank You For Listening!**

*Starting of Appendices*

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# Appendices

*Supplemental Information*

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# Historical Analysis

*Supplemental Information*

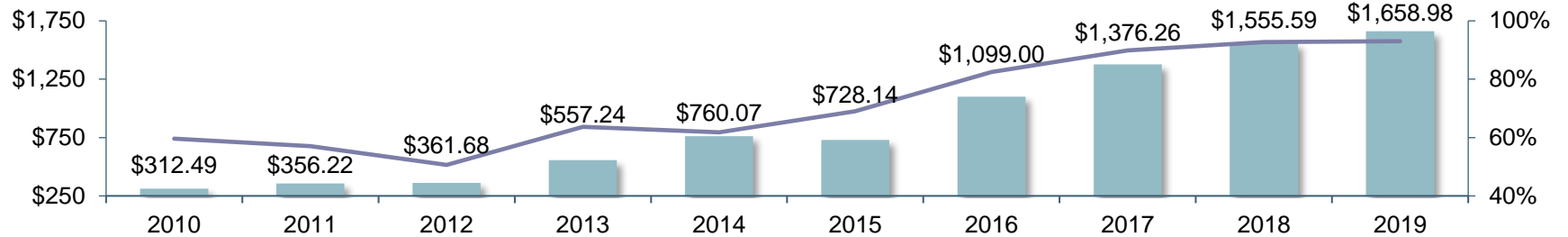
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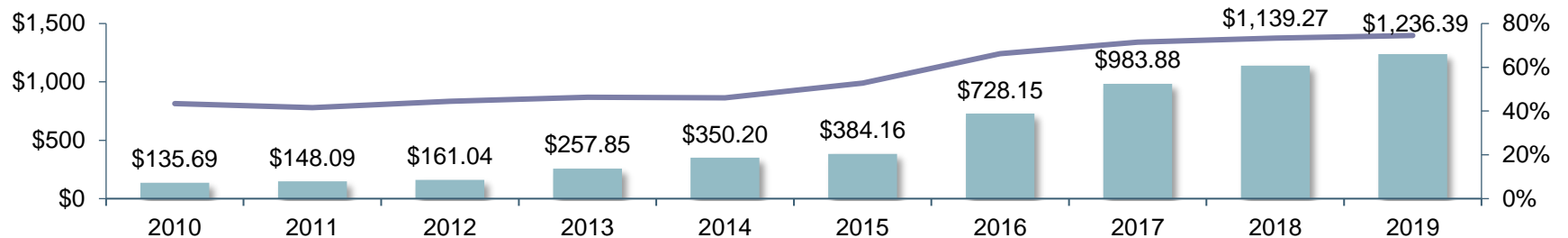
# Historical Analysis

## Profitability

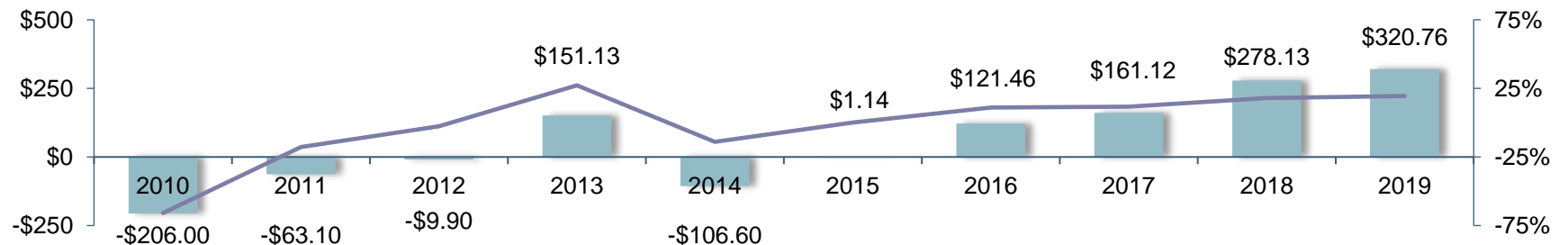
### Total Revenue and Gross Margin



### Total EBITDA & EBITDA Margin



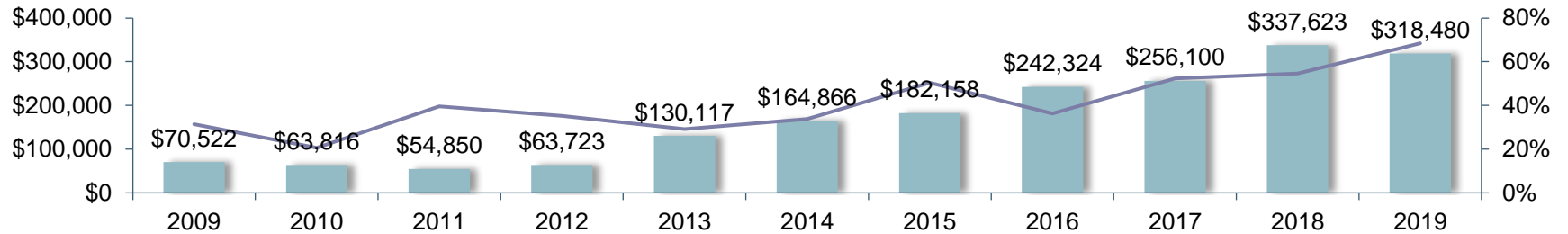
### Total Net Income & Net Income Margin



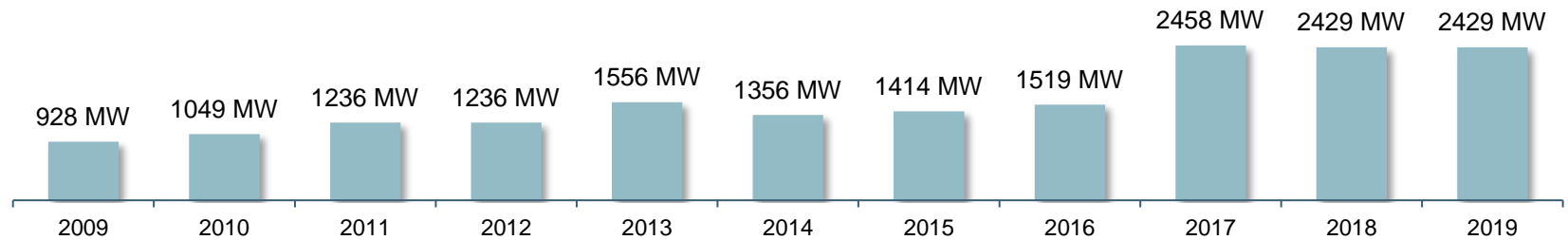
# Historical Analysis

## Free Cash Flow & Capacity

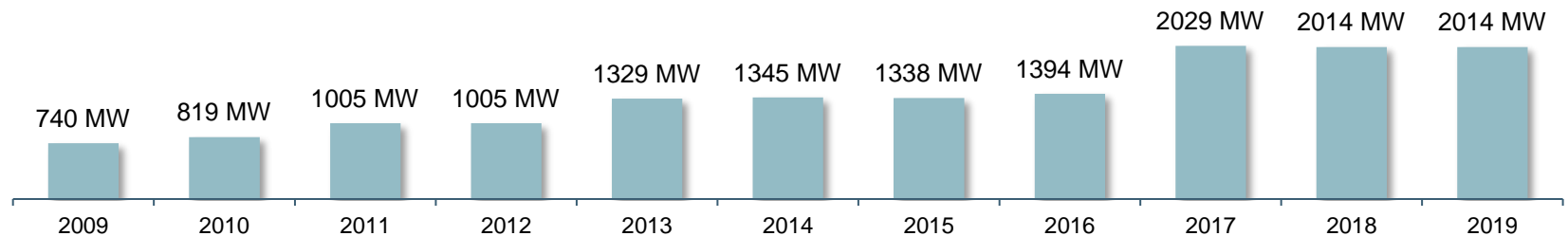
Total FCF & FCF Margin



Gross Operating Capacity



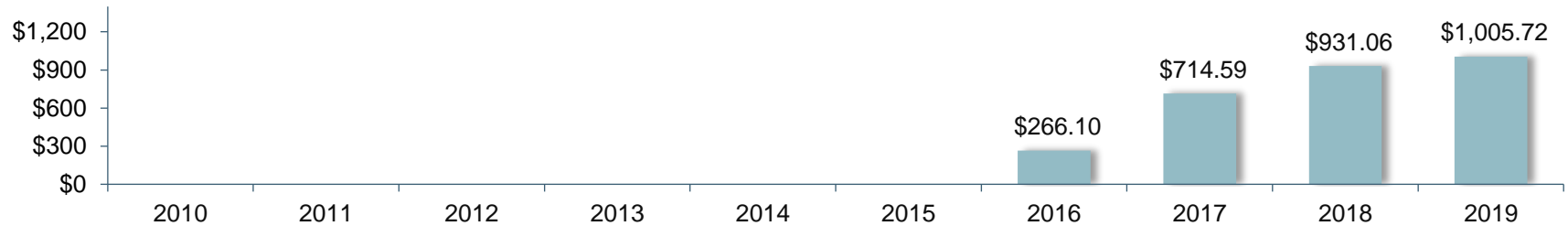
Net Operating Capacity



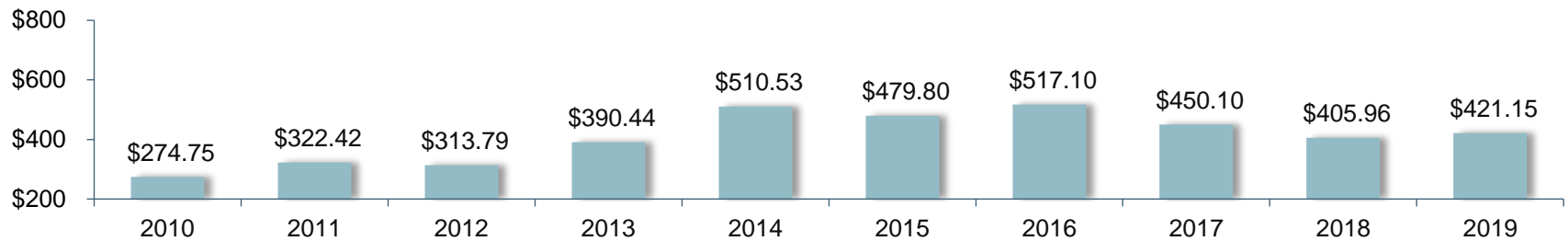
# Historical Analysis

## Segmented Revenue

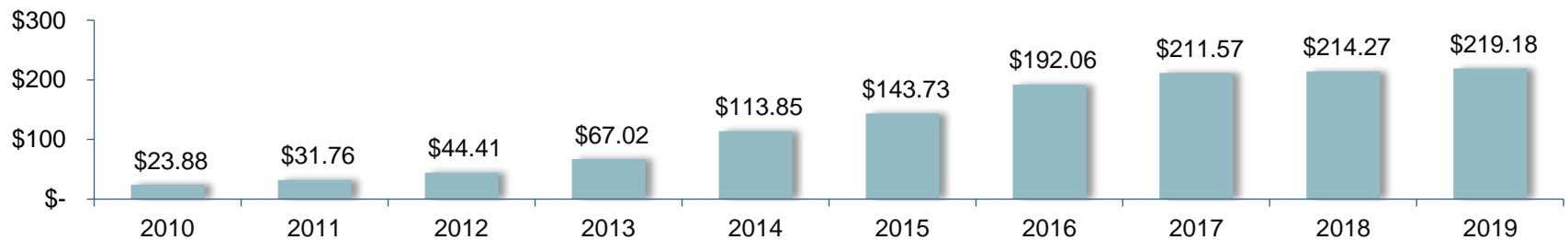
### Offshore Wind



### Thermal



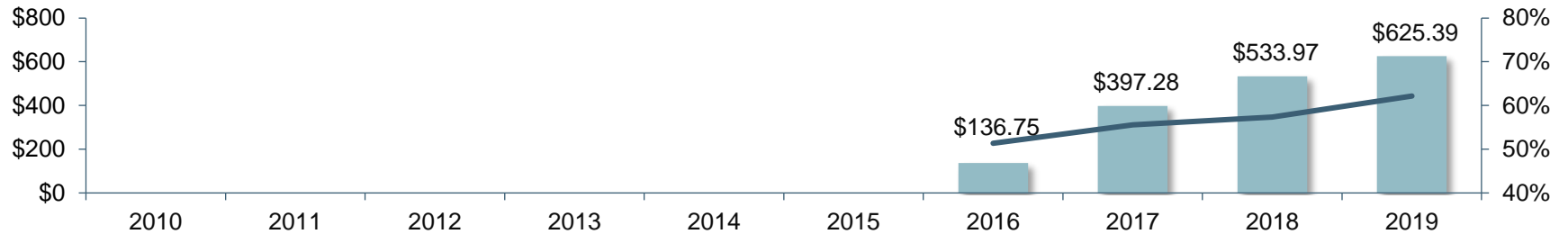
### On-shore Renewables



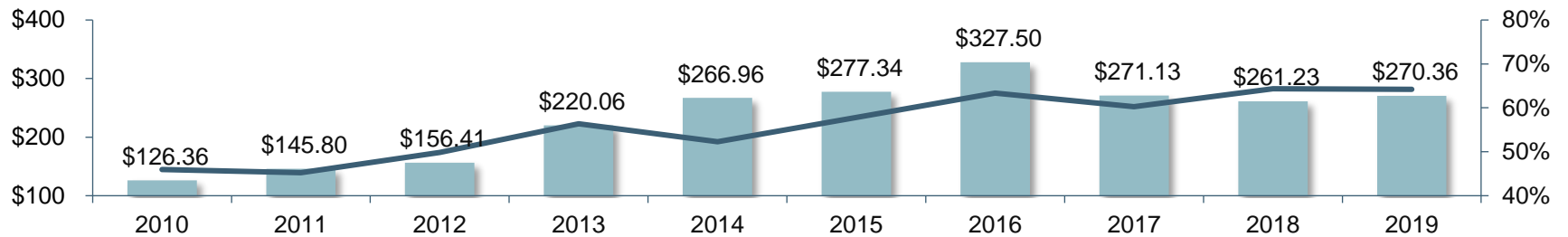
# Historical Analysis

## Segmented EBITDA & EBITDA Margin

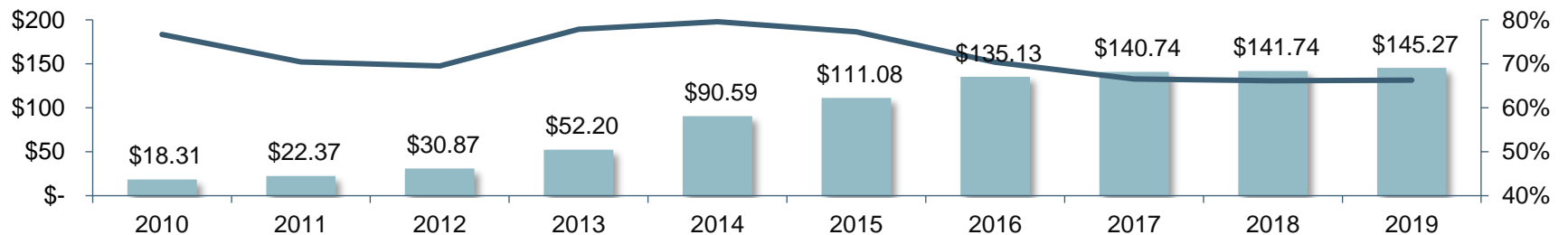
### Offshore Wind



### Thermal



### On-shore Renewables

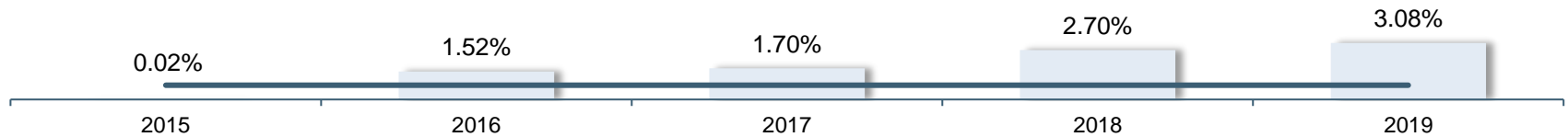


# Historical Analysis

## Return Metrics

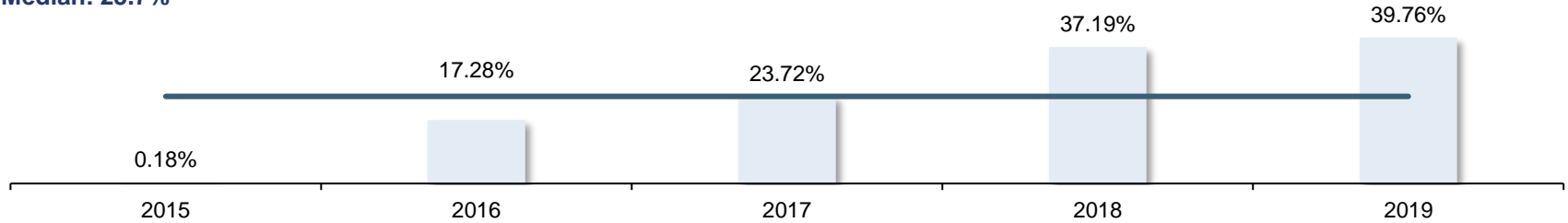
### Return on Assets (ROA)

Median: 0.77%



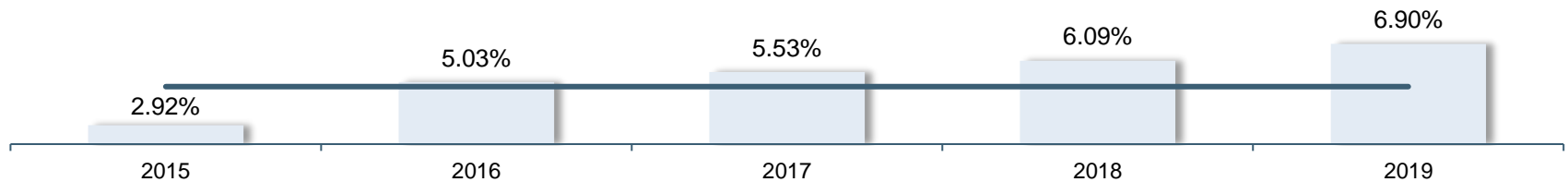
### Return on Equity (ROE)

Median: 23.7%



### Return on Invested Capital (ROIC)

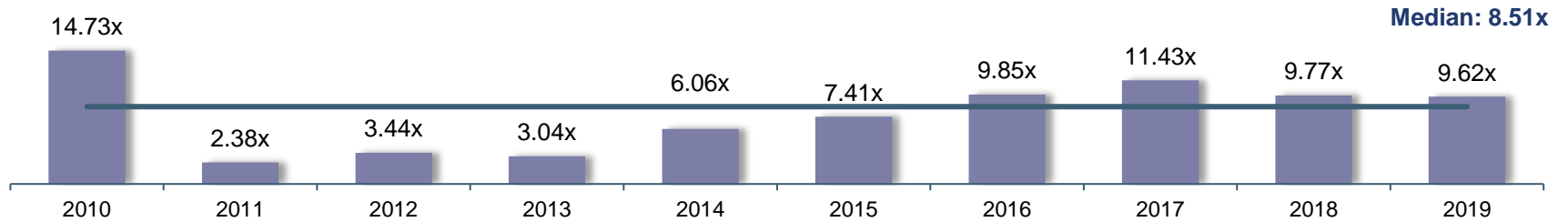
Median: 4.82%



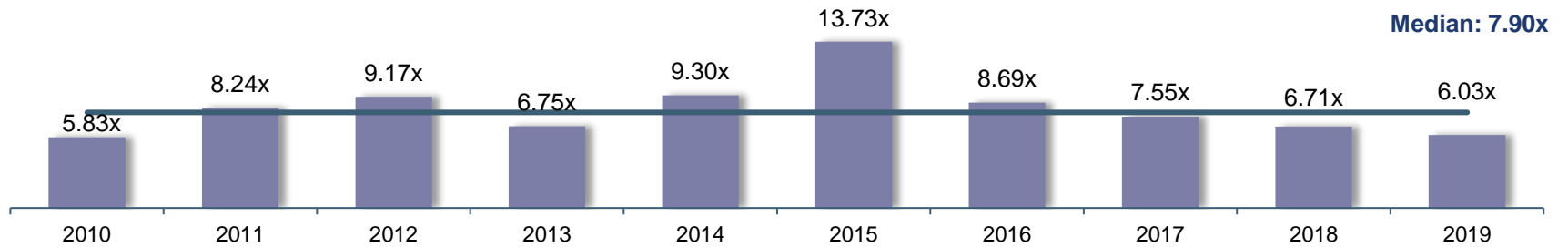
# Historical Analysis

## Leverage

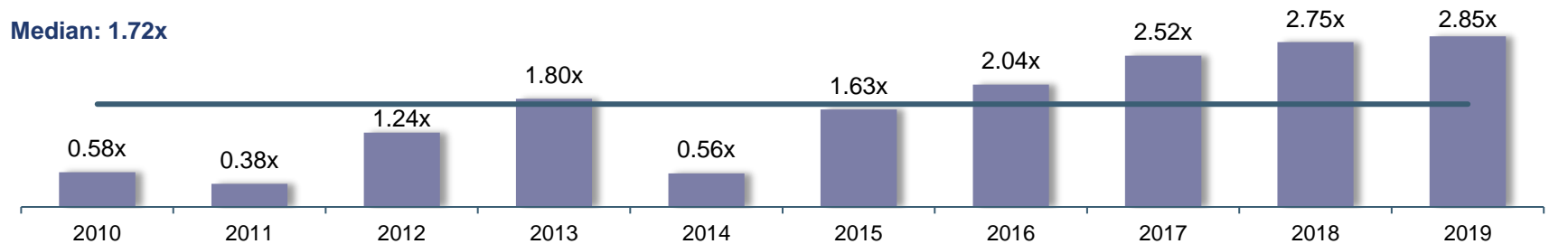
### Debt/Equity



### Net Debt/EBITDA



### Interest Coverage Ratio



# Competitor Benchmarking

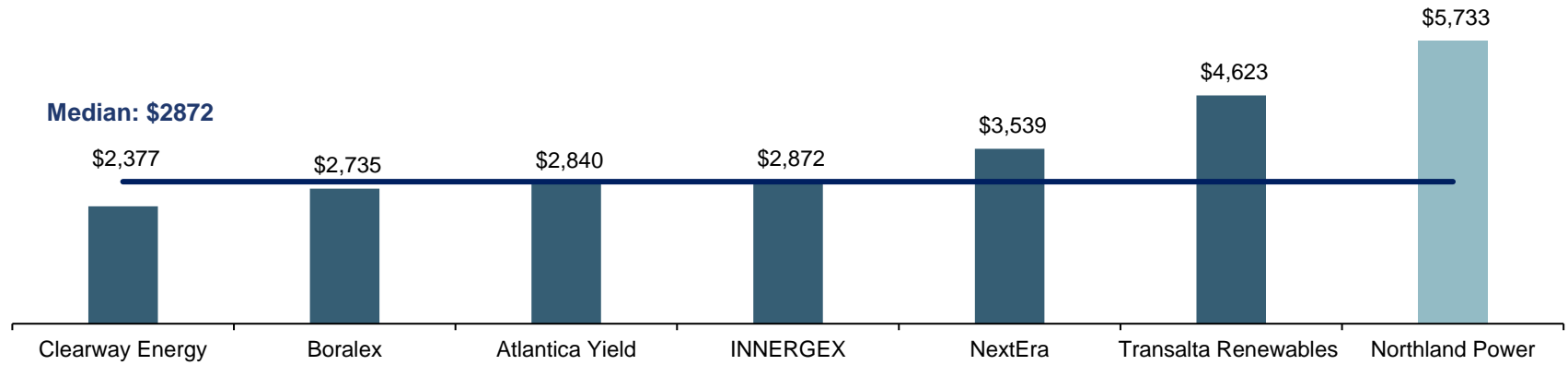
*Supplemental Information*

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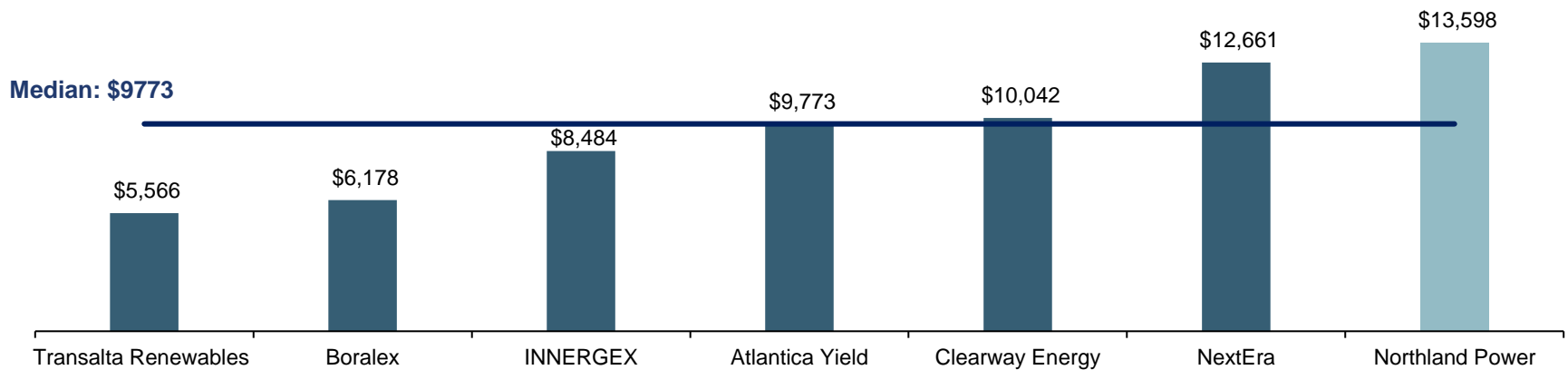
# Competitor Benchmarking

## Capitalization

Market Capitalization (in Millions)



Enterprise Value (in Millions)

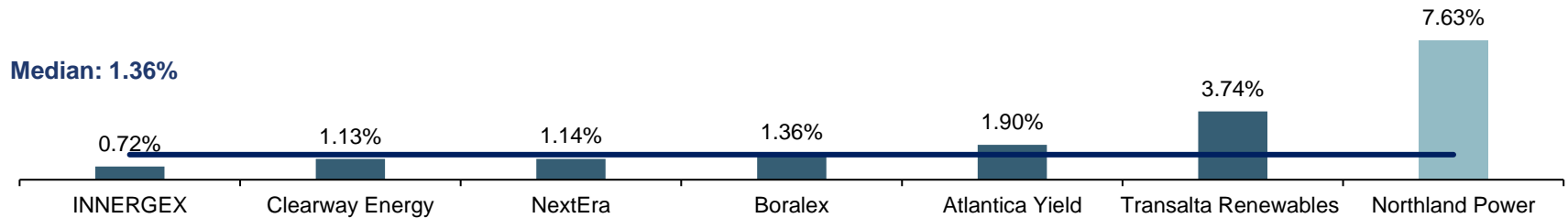




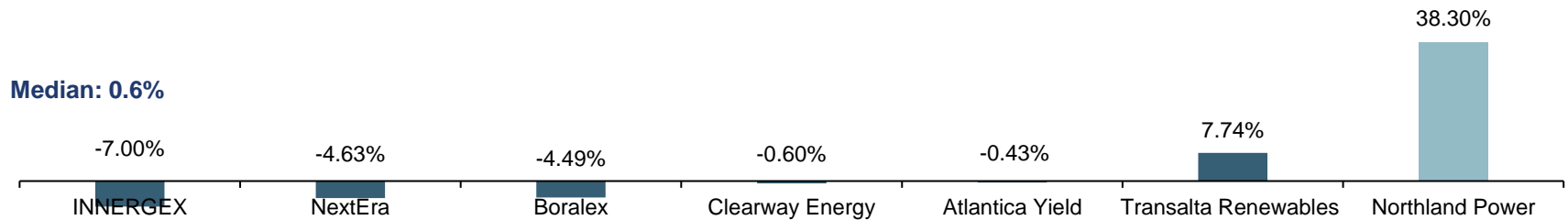
# Competitor Benchmarking

## Return Metrics

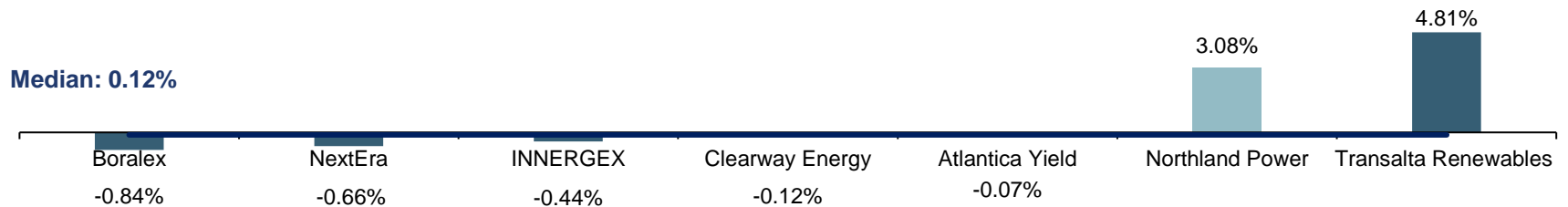
### Return on Invested Capital



### Return on Equity



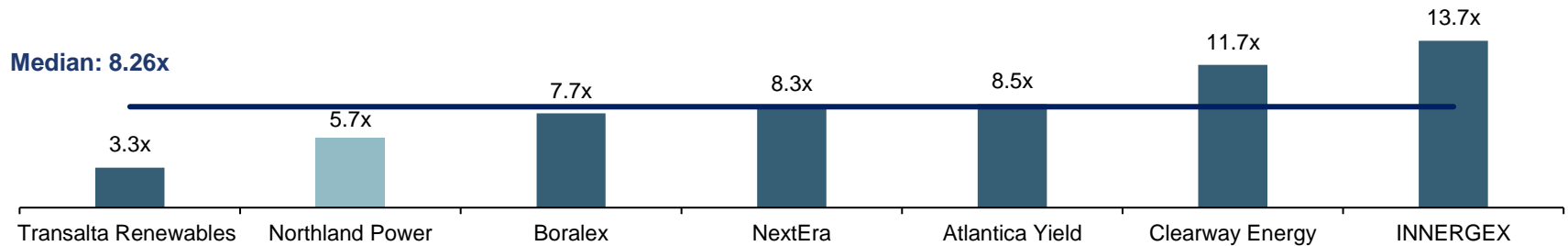
### Return on Assets



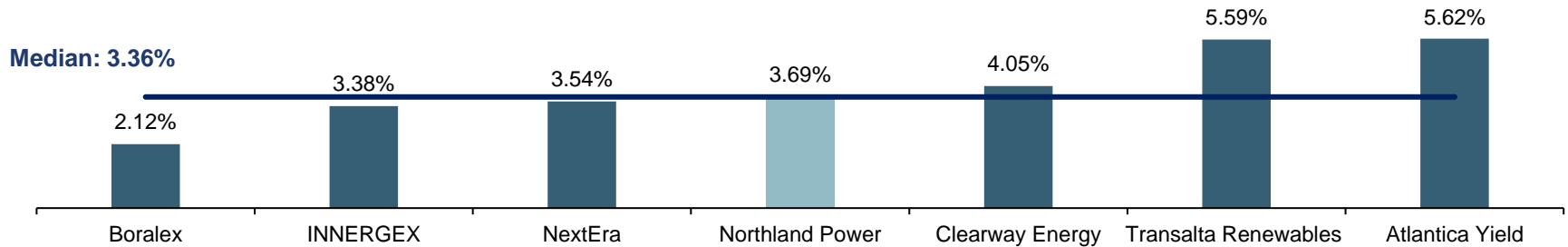
# Competitor Benchmarking

## Additional Metrics

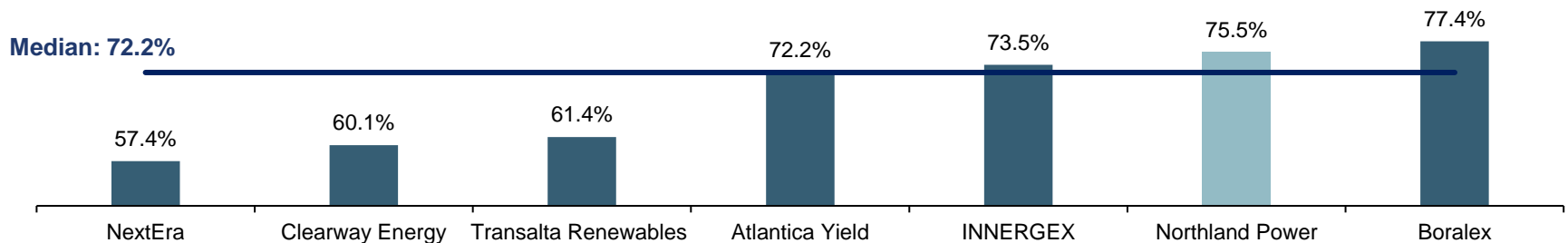
### Net Debt/EBITDA



### Dividend Yield



### EBITDA Margin



# Utilization Rate Calculation

## Breakdown of Utilization Rates for Competitors & NPI

Northland Power								
Metric	2015	2016	2017	2018	2019	Median	Average	CAGR
Net Operating Capacity (MW)	1,338	1,394	2,029	2,014	2,014	2,014	1,801	8.5%
Annual Production Capacity (GWh)	11,721	12,211	17,774	17,643	17,643	-	-	-
Total Energy Production (GWh)	5,244	5,388	10,214	8,254	9,060	8,254	7,736	11.6%
Utilization	44.7%	44.1%	57.5%	46.8%	51.4%	46.8%	48.5%	2.8%

Canadian Competitors			
Statistic	Utilization	Total Energy Production (GWh)	Net Operating Capacity (MW)
2019 Mean	28.0%	5,906	2,385
2019 Median	28.7%	6,510	2,527
Relative to NPI	51.4%	9,060	2,014

American Competitors			
Statistic	Utilization	Total Energy Production (GWh)	Net Operating Capacity (MW)
2019 Mean	28.2%	9,956	4,339
2019 Median	33.6%	7,855	5,331
Relative to NPI	51.4%	9,060	2,014

Overall Competitors			
Statistic	Utilization	Total Energy Production (GWh)	Net Operating Capacity (MW)
2019 Median	28.1%	7,931	3,362
Premium (Discount) to NPI	23.3%	1,129	-1,348

# Utilization Rate Calculation

## Canadian Competitors

Innergex								
Metric	2015	2016	2017	2018	2019	Median	Average	CAGR
Net Operating Capacity (MW)	708	909	1,124	2,082	2,588	1,124	1,423	29.6%
Annual Production Capacity (GWh)	6,202	7,963	9,846	18,238	22,671	-	-	-
Total Energy Production (GWh)	3,130	3,522	4,394	6,283	6,510	4,394	4,706	15.8%
Utilization	50.5%	44.2%	44.6%	34.5%	28.7%	44.2%	41.1%	-10.7%

TransAlta Renewables								
Metric	2015	2016	2017	2018	2019	Median	Average	CAGR
Net Operating Capacity (MW)	1,708	2,319	2,344	2,414	2,527	2,344	2,276	8.1%
Annual Production Capacity (GWh)	14,962	20,314	20,533	21,147	22,137	-	-	-
Total Energy Production (GWh)	4,200	6,446	6,698	6,621	6,836	6,621	6,237	10.2%
Utilization	28.1%	31.7%	32.6%	31.3%	30.9%	31.3%	31.0%	1.9%

Borex								
Metric	2015	2016	2017	2018	2019	Median	Average	CAGR
Net Operating Capacity (MW)	1,094	1,365	1,456	1,942	2,040	1,456	1,559	13.3%
Annual Production Capacity (GWh)	9,583	11,957	12,755	17,012	17,870	-	-	-
Total Energy Production (GWh)	2,186	2,441	3,129	3,415	4,371	3,129	3,112	14.9%
Utilization	22.8%	20.4%	24.5%	20.1%	24.5%	22.8%	22.5%	1.4%

# Utilization Rate Calculation

## American Competitors

Atlantica Yield								
Metric	2015	2016	2017	2018	2019	Median	Average	CAGR
Net Operating Capacity (MW)	1,741	1,772	1,772	1,796	1,812	1,772	1,778	0.8%
Annual Production Capacity (GWh)	15,251	15,523	15,523	15,733	15,873	-	-	-
Total Energy Production (GWh)	5,001	5,503	5,539	5,376	5,326	5,376	5,354	1.3%
Utilization	32.8%	35.5%	35.7%	34.2%	33.6%	34.2%	34.3%	0.5%

Clearway Energy Class A Shares								
Metric	2015	2016	2017	2018	2019	Median	Average	CAGR
Net Operating Capacity (MW)	4,435	4,563	5,118	5,272	5,875	5,118	5,064	5.8%
Annual Production Capacity (GWh)	38,851	39,972	44,834	46,183	51,465	-	-	-
Total Energy Production (GWh)	9,196	9,004	8,688	8,901	7,855	8,901	8,758	-3.1%
Utilization	23.7%	22.5%	19.4%	19.3%	15.3%	19.4%	19.9%	-8.4%

NextEra Energy Partners								
Metric	2015	2016	2017	2018	2019	Median	Average	CAGR
Net Operating Capacity (MW)	2,210	2,787	3,728	4,859	5,331	3,728	3,774	19.3%
Annual Production Capacity (GWh)	19,360	24,414	32,657	42,565	46,700	-	-	-
Total Energy Production (GWh)	7,373	10,215	11,117	11,471	16,687	11,117	11,330	17.7%
Utilization	38.1%	41.8%	34.0%	26.9%	35.7%	35.7%	35.4%	-1.3%

## Additional Company Details

*Supplemental Information*

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## Experienced Management Team

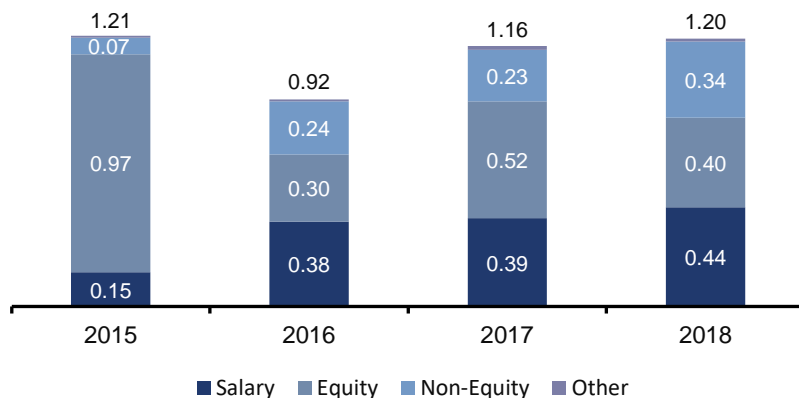
### Mike Crawley – President & CEO

- Mike joined Northland in July 2015 and previously served as Northland’s Executive Vice President of Development
  - Assumed the role of President, CEO in August 2018 after John Brace stepped down
- He was previously CEO of AIM PowerGen, where he led the company from initial concept to one of the largest independent renewable power developers in Canada
  - Oversaw more than \$1 billion in project financings and the eventual sale of the company to GDF Suez Canada
- Crawley attended the University of Western Ontario in London, ON

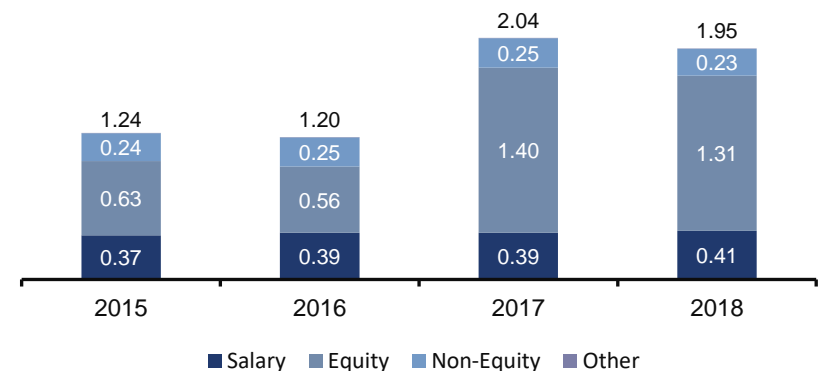
### Paul Bradley – CFO

- Paul joined Northland as CFO and has acted in that capacity since April 2011
- In July 2019, Paul announced his resignation and desire to serve until a replacement is found
  - The search for his replacement is still underway, and more information is to be provided closer to Paul’s official resignation date
- Prior to joining Northland, Paul was the Managing Director and Head of Power and Utilities at Macquarie Canada. He was also the Executive Director at CIBC’s Global Power and Utilities group and VP of the Ontario Power Authority
- Paul is a graduate of Boston College in Newton, MA

### Compensation System (\$M)



### Compensation System (\$M)



# Ownership Analysis

## Dive Into the Key Shareholders

### Top 25 Shareholders – Common Shares

Shareholder Name	% Ownership	Cumulative Ownership
Northland Power Holdings Inc	5.32%	5.32%
Canadian Imperial Bank of Commerce	2.76%	8.08%
CI Investments Inc/Canada	2.67%	10.75%
BMO Financial Corp	2.62%	13.37%
Royal Bank of Canada	2.61%	15.98%
Vanguard Group Inc/The	1.72%	17.70%
Sentry Investments Corp	1.43%	19.13%
Temerty James C	1.34%	20.47%
Dimensional Fund Advisors LP	0.96%	21.43%
Toronto-Dominion Bank/The	0.90%	22.33%
Power Corp of Canada	0.84%	23.17%
1832 Asset Management LP	0.81%	23.98%
Fundrock Partners Ltd	0.81%	24.79%
BlackRock Inc	0.66%	25.45%
First Asset Investment Management	0.60%	26.05%
Copper Rock Capital Partners LLC	0.46%	26.51%
London Life Insurance Co	0.39%	26.90%
London Life Investment Management	0.36%	27.26%
British Columbia Investment Manage	0.34%	27.60%
GAM Holding AG	0.31%	27.91%
Brace John W	0.30%	28.21%
IGM Financial Inc	0.28%	28.49%
Invesco Ltd	0.24%	28.73%
PREMIER MITON GROUP PLC	0.24%	28.97%
Clarington Capital Management Inc	0.22%	29.19%
<b>Top 25 Shareholders</b>	<b>29.19%</b>	<b>-</b>
Other	70.81%	100.0%

### Insider Ownership – Class A Shares

- James C. Temerty, Director and Chair of the Board for NPI holds 100% of class A shares
- Class A shares were issued as part of the consideration for the 2009 merger between Northland Power and Northland Power Income Fund
  - Class A shares can be converted into common shares on a 1:1 basis
  - Should all class A shares be converted to common shares, the converted shares would only represent 0.4% of total outstanding shares
- Class A shares are entitled to the same distributions and voting rights as common shares














### Commentary

- **Common Shares:** NPI's initial public offering took place during 1997 on the Toronto Stock Exchange
  - Ownership of Common shares is highly diluted with the top 25 shareholders controlling less than 30% of the company
- **Preferred Shares:**
  - Northland's balance sheet currently contains Series 1, Series 2, and Series 3 preferred shares
  - These are entitled to fixed cumulative dividends, payable quarterly and are indexed to various Government of Canada bond yields
- **Voting Power:** Common Shares and Class A shares are entitled to voting rights



# Operating Facilities

## Global Operations & Strong Ownership of Renewable Energy Projects

Project	Location	Gross Capacity	NPI Ownership	Technology	PPA Term
Thorold	ON, CA	265 MW	100%		2030
Iroquois Falls	ON, CA	120 MW	100%		2021
Spy Hill	SK, CA	86 MW	100%		2036
Kirkland Lake	ON, CA	132 MW	68% <sup>1</sup>		2030
Mont Louis	QC, CA	100 MW	100%		2031
Jardin d'Éole	QC, CA	134 MW	100%		2029
Loblaws (Roof-top)	Various	1 MW	100%		2031
North Battleford	SK, CA	260 MW	100%		2033
Ground-Mount Solar	ON, CA	130 MW	100% (90 MW) 62.5% (40 MW)		2034
McLean's Mountain	ON, CA	60 MW	50%		2034
Grand Bend	ON, CA	100 MW	50%		2036
Gemini	Netherlands	600 MW	60%		2032
Nordsee One	Germany	332 MW	85%		2027

**Northland has a geographically and generationally diversified operating portfolio**

1. Northland has an effective 77% residual economic interest.

# Project Delivery Track Record

## Track Record of On-time & On-budget Project Completion

Project		Technology	MW (Gross)	Year Completion	On/Ahead of Schedule	Under Budget
Iroquois Falls	●	Gas	120	1997	✓	✓
Mont Miller	●	Onshore Wind	54	2005	✓	✓
Jardin d'Éole	●	Onshore Wind	133	2009	✓	✓
Thorold	●	Gas	265	2010	✓	✓
Mont Louis	●	Onshore Wind	101	2011	✓	✓
Spy Hill	●	Gas	86	2011	✓	✓
North Battleford	●	Gas	260	2013	✓	✓
Northland Solar	●	Solar	90	2013 – 15	✓	✓
McLean's Mountain	●	Onshore Wind	60	2014	✓	✓
Cochrane Solar	●	Solar	40	2015	✓	x
Grand Bend	●	Onshore Wind	100	2016	✓	✓
Gemini	●	Offshore Wind	600	2017	✓	✓
Nordsee One	●	Offshore Wind	332	2017	✓	✓
Deutsche Bucht	●	Offshore Wind	269	2019E	✓	✓
<b>Total</b>			<b>2,510 MW</b>			

**Northland has a track record of successfully delivering projects on-time and on-budget**

1. Cochrane Solar was over budget due to the failure, and subsequent commencement of restructuring proceedings of the contractor.
2. As at November 15, 2019.

# Deutsche Bucht – Construction on Schedule

## Agreement Signed with Germany in 2017

### Project Overview

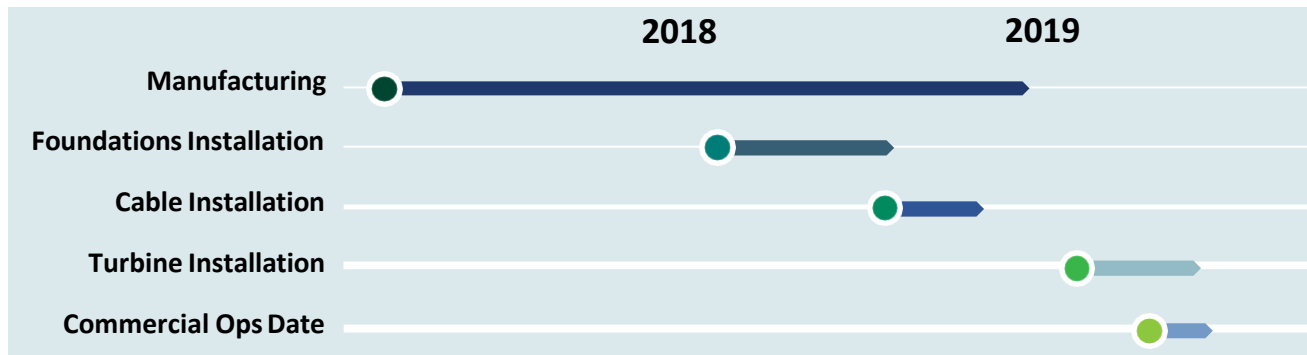
- In 2015, Northland acquired 100% interest in offshore development project Deutsche Bucht
- Northland developed, financed and has lead the construction of project through its Hamburg office. Leveraged offshore experience and operations at Nordsee One and Gemini
  - Project will interconnect to the 800 MW BorWin beta offshore substation (TenneT), which was commissioned in January 2015
  - Two-contract structure
  - Van Oord (contractor of Gemini) for entire balance of plant
  - MHI Vestas to supply 31 V164 (8.37 MW) wind turbines and provide operations and maintenance service for 15 years

### Key Project Highlights

- **Status of COD:** May 2017 / February 2020
- **Location:** North Sea, Germany; Offshore wind project is located 95 km Northwest of the island of Borkum
- **Contract:** 13 years PPA Feed In Tariff subsidy with German Govt. €184/MWh (8 years) and €149/MWh (additional 5 years)
- **Technology and Capacity:** Offshore Wind and 269MW (Net)
- **Ownership:** Northland Power – 100%



**On-Time, On-Budget**



Project Completion <sup>1</sup> :	
Manufacturing:	100%
Found. Install.:	100%
Cable Install.:	100%
Turbine Install.:	94%

1. Metrics exclude 17MW Demonstrator Project

# Taiwan – Hai Long Offshore Wind

*Agreement Signed with Taiwan in 2018*

## Project Overview

- Northland and its partner Yushan Energy continue to advance development and work to execute PPAs<sup>1</sup> for two remaining projects
- Hai Long awarded 1,044 MW grid allocation for 2025E COD<sup>2</sup>
- Major Milestones:
  - April 2018 – FIT<sup>3</sup> allocation (Hai Long 2A: 300 MW)
  - June 2018 – Competitive auction (Hai Long 2B and 3: 744 MW)
  - February 2019 – Executed PPA<sup>1</sup> for 300 MW FIT3 allocation
  - 20-year tiered FIT<sup>3</sup> price structure

## Key Project Highlights

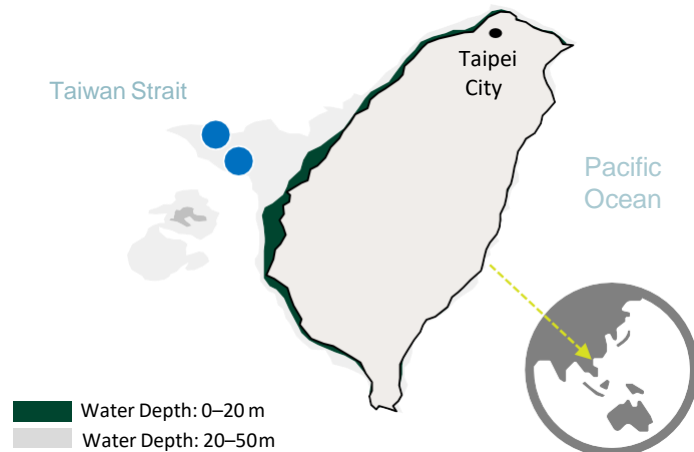
- **Status:** Advanced Development
- **Location:** 40-50 km off the west coast of Taiwan, in Taiwan Straits, located in Changhua County
  - Water depth between 35 and 50 meters
  - 10 m/s average wind speed
- **Contract:** Signed 20-year PPA<sup>1</sup> under FIT<sup>3</sup> (300 MW); pursuing 20-year PPA<sup>1</sup> for remaining (744 MW) with Taipower
- **Technology and Capacity:** Offshore Wind and 1044 MW (Gross)
- **Ownership:** Northland Power - 60% Yushan Energy - 40%

## Project Components

Project Name	Capacity	PPA <sup>1</sup> Rate (NTD <sup>4</sup> /kWh)
Hai Long 2A	300MW	Yrs 1-10 <sup>4</sup> : 6.2795 Yrs 11-20 <sup>4</sup> : 4.1422
Hai Long 2B	232MW	In Pursuit
Hai Long 3	512MW	In Pursuit

1. PPA represents Power Purchase Agreement.
2. COD represents Commercial Operations Date.
3. FIT represents Feed In Tariff.
4. NTD represents New Taiwan Dollar.

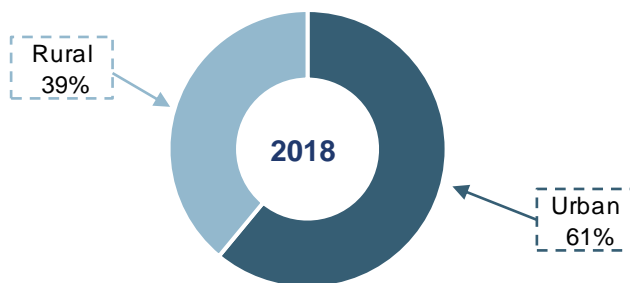
## Asset Location



## Premier Regulated Columbian Utility

### Asset Highlights

- Business Overview
  - Sole distribution company in Boyacá, operating in 123 municipalities with 1.3 million residents
  - Currently serving electricity needs for approximately 480,000 customers
- Business Segments
  - Distributions
    - 2019 RAB of over COP 1,600 billion (\$630 million)
    - Regulatory mechanism provides for fixed annual income to distributors, limiting demand risk
  - Commercialisation
    - Electricity retailer for 100% of regulated customers in Boyacá
  - Transmission & Others
    - Owns and operates transmission assets
- Customer Base
  - Customer base is primarily comprised of the residential sector, which is entirely regulated



### Geographic Location



Headquarters located in Tunja, 150 km from Bogotá

*The department of Boyacá is a region located near the capital of Bogotá and has abundant natural resources and a growing economy supported by agricultural, mining, and industrial activities*

### Key Operating Metrics

**32,541 km**  
Distribution Lines  
(SDL + STR)

**104**  
Substations

**1.8 TWh**  
Energy  
Distributed

# Historical Financial Statements

## 10-Year Balance Sheet: Assets

Balance Sheet as of:	Restated Dec-31-2010	Dec-31-2011	Restated Dec-31-2012	Restated Dec-31-2013	Restated Dec-31-2014	Reclassified Dec-31-2015	Dec-31-2016	Dec-31-2017	Dec-31-2018	Dec-31-2019
Currency	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD
<b>ASSETS</b>										
Cash And Equivalents	111.5	49.5	31.7	138.5	193.4	151.9	307.5	400.6	278.4	268.2
Short Term Investments	-	-	-	3.1	-	-	-	-	-	-
Trading Asset Securities	-	-	-	-	-	-	-	0.1	0.1	0.1
Accounts Receivable	78.3	123.5	128.8	127.1	87.1	121.8	161.3	275.5	278.9	280.6
Other Receivables	-	-	-	-	-	-	-	-	-	19.0
<b>Accounts Receivable, Total</b>	<b>78.3</b>	<b>123.5</b>	<b>128.8</b>	<b>127.1</b>	<b>87.1</b>	<b>121.8</b>	<b>161.3</b>	<b>275.5</b>	<b>278.9</b>	<b>299.6</b>
Inventory	7.9	7.2	7.5	12.8	15.7	14.4	16.1	17.4	18.0	21.5
Prepaid Exp.	5.4	13.9	11.2	7.6	12.0	16.7	-	18.1	17.9	18.8
Restricted Cash	72.2	9.6	27.3	74.4	45.2	283.8	171.3	287.6	450.4	623.0
Other Current Assets	-	-	-	-	0.9	4.6	15.9	12.6	8.1	47.6
<b>Total Current Assets</b>	<b>275.3</b>	<b>203.7</b>	<b>206.4</b>	<b>363.4</b>	<b>354.4</b>	<b>593.3</b>	<b>672.1</b>	<b>1,011.9</b>	<b>1,051.8</b>	<b>1,278.8</b>
Gross Property, Plant & Equipment	1,546.8	1,780.1	2,136.4	2,795.7	4,608.8	6,863.0	8,334.0	9,447.2	9,994.5	10,353.6
Accumulated Depreciation	(304.4)	(361.0)	(419.0)	(701.5)	(820.2)	(948.1)	(1,176.6)	(1,515.1)	(1,888.7)	(2,281.1)
<b>Net Property, Plant &amp; Equipment</b>	<b>1,242.4</b>	<b>1,419.1</b>	<b>1,717.5</b>	<b>2,094.3</b>	<b>3,788.6</b>	<b>5,914.8</b>	<b>7,157.4</b>	<b>7,932.1</b>	<b>8,105.8</b>	<b>8,072.5</b>
Goodwill	249.5	241.8	222.6	220.2	219.2	206.5	206.5	204.9	204.9	204.9
Other Intangibles	240.7	195.2	174.1	154.3	242.0	257.4	234.3	584.0	581.1	521.1
Long-term Investments	5.5	5.4	8.8	4.9	4.7	8.2	0.2	0.5	0.3	0.2
Accounts Receivable Long-Term	-	166.7	163.8	161.2	158.5	155.5	152.3	148.7	144.9	140.7
Deferred Tax Assets, LT	-	-	-	23.2	89.0	111.1	112.4	85.8	56.2	50.8
Deferred Charges, LT	10.4	22.1	25.5	32.8	106.2	-	-	-	-	-
Other Long-Term Assets	-	-	-	8.8	36.6	119.6	128.2	312.6	190.9	209.7
<b>Total Assets</b>	<b>2,023.9</b>	<b>2,254.0</b>	<b>2,518.7</b>	<b>3,063.2</b>	<b>4,999.1</b>	<b>7,366.4</b>	<b>8,663.4</b>	<b>10,280.5</b>	<b>10,336.0</b>	<b>10,478.7</b>

# Historical Financial Statements

## 10-Year Balance Sheet: Liabilities and Equity

Balance Sheet as of:	Restated Dec-31-2010	Restated Dec-31-2011	Restated Dec-31-2012	Restated Dec-31-2013	Restated Dec-31-2014	Reclassified Dec-31-2015	Dec-31-2016	Dec-31-2017	Dec-31-2018	Dec-31-2019
Currency	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD
<b>LIABILITIES</b>										
Accounts Payable	91.1	101.4	92.9	85.0	229.5	237.0	228.9	342.6	197.8	185.4
Short-term Borrowings	-	8.3	1.1	-	-	-	-	-	-	-
Curr. Port. of LT Debt	42.9	76.4	40.0	59.2	277.1	158.0	230.9	512.9	545.7	831.4
Short-Term Debt	42.9	84.6	41.1	59.2	277.1	158.0	230.9	512.9	545.7	831.4
Curr. Port. of Leases	-	-	-	-	-	-	-	-	-	7.8
Other Current Liabilities	6.8	7.0	10.4	15.4	15.5	21.3	21.9	33.0	38.0	373.4
<b>Total Current Liabilities</b>	<b>140.8</b>	<b>193.0</b>	<b>144.4</b>	<b>159.6</b>	<b>522.1</b>	<b>416.3</b>	<b>481.6</b>	<b>888.4</b>	<b>781.6</b>	<b>1,398.0</b>
Long-Term Debt	859.3	1,194.0	1,468.5	1,818.6	3,172.9	5,268.2	6,404.6	7,316.4	7,379.4	6,888.5
Long-Term Leases	-	-	-	-	-	-	-	-	-	59.3
Def. Tax Liability, Non-Curr.	100.7	42.0	44.9	106.6	135.3	140.2	165.0	249.1	235.7	243.0
Other Non-Current Liab., Total	715.9	145.3	159.7	25.6	66.5	134.6	237.0	368.7	398.7	379.2
<b>Total Liabilities</b>	<b>1,816.7</b>	<b>1,574.3</b>	<b>1,817.6</b>	<b>2,110.5</b>	<b>3,896.9</b>	<b>5,959.3</b>	<b>7,288.3</b>	<b>8,822.6</b>	<b>8,795.3</b>	<b>8,967.9</b>
Common Stock	806.8	1,343.4	1,463.3	1,652.1	1,919.5	2,233.9	2,281.5	2,335.9	2,438.0	2,443.2
Additional Paid In Capital	-	-	-	-	1.3	0.2	0.3	0.6	0.3	0.4
Retained Earnings	(746.5)	(900.7)	(1,045.9)	(1,041.9)	(1,319.7)	(1,524.6)	(1,600.0)	(1,640.0)	(1,558.9)	(1,466.2)
Treasury Stock	-	-	-	-	-	-	-	-	-	-
Comprehensive Inc. and Other	1.0	91.4	21.5	7.5	(31.6)	22.6	(8.2)	(11.5)	(68.7)	(174.6)
<b>Total Common Equity</b>	<b>61.3</b>	<b>534.1</b>	<b>438.9</b>	<b>617.7</b>	<b>569.5</b>	<b>732.1</b>	<b>673.6</b>	<b>684.9</b>	<b>810.8</b>	<b>802.7</b>
Minority Interest	145.9	145.6	262.2	335.0	532.7	675.0	701.5	772.9	729.8	708.0
<b>Total Equity</b>	<b>207.2</b>	<b>679.7</b>	<b>701.1</b>	<b>952.7</b>	<b>1,102.2</b>	<b>1,407.1</b>	<b>1,375.1</b>	<b>1,457.9</b>	<b>1,540.6</b>	<b>1,510.8</b>
<b>Total Liabilities And Equity</b>	<b>2,023.9</b>	<b>2,254.0</b>	<b>2,518.7</b>	<b>3,063.2</b>	<b>4,999.1</b>	<b>7,366.4</b>	<b>8,663.4</b>	<b>10,280.5</b>	<b>10,336.0</b>	<b>10,478.7</b>

# Historical Financial Statements

## 10-Year Income Statement

For the Fiscal Period Ending	Restated 12 months Dec-31-2010	Reclassified 12 months Dec-31-2011	Reclassified 12 months Dec-31-2012	Restated 12 months Dec-31-2013	Reclassified 12 months Dec-31-2014	Reclassified 12 months Dec-31-2015	Reclassified 12 months Dec-31-2016	Reclassified 12 months Dec-31-2017	12 months Dec-31-2018	12 months Dec-31-2019
Currency	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD
Revenue	312.5	356.2	361.7	557.2	760.1	728.1	1,099.0	1,376.3	1,555.6	1,659.0
Other Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>312.5</b>	<b>356.2</b>	<b>361.7</b>	<b>557.2</b>	<b>760.1</b>	<b>728.1</b>	<b>1,099.0</b>	<b>1,376.3</b>	<b>1,555.6</b>	<b>1,659.0</b>
Fuel & Purchased Power	-	-	-	-	-	-	-	-	-	-
Ops. and Maintenance	30.2	33.5	40.4	64.2	78.7	77.4	113.8	170.6	226.3	214.2
Selling General & Admin Exp.	20.5	22.0	27.5	33.1	41.3	41.8	65.3	86.0	80.2	89.6
Depreciation & Amort.	55.0	57.0	62.3	89.9	120.2	125.7	233.6	361.4	415.2	438.8
Amort. of Goodwill and Intangibles	19.6	20.1	19.4	19.9	19.8	18.6	13.5	8.8	19.1	24.8
Other Operating Exp.	126.5	152.9	133.2	202.5	290.7	225.7	193.2	139.5	114.2	116.3
<b>Total Operating Exp.</b>	<b>251.8</b>	<b>285.5</b>	<b>282.8</b>	<b>409.7</b>	<b>550.7</b>	<b>489.2</b>	<b>619.4</b>	<b>766.3</b>	<b>855.0</b>	<b>883.7</b>
<b>Operating Income</b>	<b>60.7</b>	<b>70.7</b>	<b>78.9</b>	<b>147.6</b>	<b>209.4</b>	<b>238.9</b>	<b>479.6</b>	<b>610.0</b>	<b>700.6</b>	<b>775.3</b>
Interest Expense, Total	(105.0)	(183.7)	(63.6)	(81.8)	(372.9)	(146.9)	(235.0)	(241.8)	(254.9)	(272.5)
Interest and Invest. Income	13.0	4.5	15.3	16.0	22.4	19.0	25.0	16.8	16.6	18.4
<b>Net Interest Exp.</b>	<b>(92.0)</b>	<b>(179.2)</b>	<b>(48.3)</b>	<b>(65.7)</b>	<b>(350.5)</b>	<b>(128.0)</b>	<b>(210.0)</b>	<b>(225.0)</b>	<b>(238.3)</b>	<b>(254.0)</b>
Income/(Loss) from Affiliates	-	-	0.3	0.3	0.3	0.3	-	-	-	-
Currency Exchange Gains (Loss)	(0.3)	3.6	0.1	3.8	0.6	(2.4)	2.0	2.3	11.4	(5.2)
Other Non-Operating Inc. (Exp.)	(1.6)	(13.7)	(9.7)	128.3	(47.4)	(73.0)	(29.2)	(53.8)	9.7	114.2
<b>EBT Excl. Unusual Items</b>	<b>(33.1)</b>	<b>(118.6)</b>	<b>21.3</b>	<b>214.2</b>	<b>(187.7)</b>	<b>35.9</b>	<b>242.4</b>	<b>333.5</b>	<b>483.4</b>	<b>630.2</b>
Total Merger & Rel. Restruct. Charges	-	-	-	-	-	-	-	-	-	(1.3)
Impairment of Goodwill	-	(7.7)	(19.3)	(2.4)	(0.9)	(12.7)	-	-	-	-
Gain (Loss) on Sale of Invest.	(217.1)	-	(2.1)	(0.4)	(3.1)	-	-	-	-	-
Gain (Loss) On Sale Of Assets	-	-	-	-	-	-	-	2.8	5.7	(0.7)
Asset Writedown	(3.4)	(27.3)	(1.7)	-	(41.3)	(8.1)	(23.1)	-	-	(97.8)
Other Unusual Items	(6.6)	35.0	-	-	-	-	-	(14.6)	-	-
<b>EBT Incl. Unusual Items</b>	<b>(260.2)</b>	<b>(118.6)</b>	<b>(1.7)</b>	<b>211.4</b>	<b>(233.0)</b>	<b>15.1</b>	<b>219.3</b>	<b>321.7</b>	<b>489.1</b>	<b>530.5</b>
Income Tax Expense	(54.4)	(55.5)	8.2	44.4	(55.5)	(12.5)	28.8	45.8	83.6	78.7
<b>Earnings from Cont. Ops.</b>	<b>(205.8)</b>	<b>(63.1)</b>	<b>(9.9)</b>	<b>167.0</b>	<b>(177.5)</b>	<b>27.5</b>	<b>190.6</b>	<b>275.8</b>	<b>405.5</b>	<b>451.8</b>
Earnings of Discontinued Ops.	-	-	-	-	-	-	-	-	-	-
Extraord. Item & Account. Change	-	-	-	-	-	-	-	-	-	-
<b>Net Income to Company</b>	<b>(205.8)</b>	<b>(63.1)</b>	<b>(9.9)</b>	<b>167.0</b>	<b>(177.5)</b>	<b>27.5</b>	<b>190.6</b>	<b>275.8</b>	<b>405.5</b>	<b>451.8</b>
Minority Int. in Earnings	(0.2)	-	-	(15.9)	70.9	(26.4)	(69.1)	(114.7)	(127.4)	(131.0)
<b>Net Income</b>	<b>(206.0)</b>	<b>(63.1)</b>	<b>(9.9)</b>	<b>151.1</b>	<b>(106.6)</b>	<b>1.1</b>	<b>121.5</b>	<b>161.1</b>	<b>278.1</b>	<b>320.8</b>
Basic EPS	(2.9)	(0.61)	(0.18)	1.08	(0.82)	(0.07)	0.64	0.85	1.5	1.71
Weighted Avg. Basic Shares Out.	72.3	117.0	120.5	126.7	146.8	167.6	172.9	175.4	177.8	180.3
Diluted EPS	(2.9)	(0.61)	(0.18)	1.03	(0.82)	(0.07)	0.64	0.85	1.46	1.68
Weighted Avg. Diluted Shares Out.	72.3	117.0	120.5	133.5	146.8	167.6	172.9	175.4	189.6	187.6



# Historical Financial Statements

## 10-Year Cash Flow Statement

For the Fiscal Period Ending	Reclassified 12 months Dec-31-2009	Restated 12 months Dec-31-2010	12 months Dec-31-2011	Restated 12 months Dec-31-2012	12 months Dec-31-2013	12 months Dec-31-2014	12 months Dec-31-2015	12 months Dec-31-2016	12 months Dec-31-2017	Reclassified 12 months Dec-31-2018	12 months Dec-31-2019
Currency	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD
<b>Net Income</b>	<b>35.3</b>	<b>(206.0)</b>	<b>(63.1)</b>	<b>(9.9)</b>	<b>151.1</b>	<b>(106.6)</b>	<b>1.1</b>	<b>121.5</b>	<b>161.1</b>	<b>278.1</b>	<b>320.8</b>
Depreciation & Amort.	24.9	55.0	57.0	62.3	89.9	120.2	125.7	233.6	361.4	415.2	438.8
Amort. of Goodwill and Intangibles	14.9	20.0	20.4	19.8	20.4	20.6	19.6	14.9	12.5	23.5	29.3
<b>Depreciation &amp; Amort., Total</b>	<b>39.8</b>	<b>75.0</b>	<b>77.4</b>	<b>82.1</b>	<b>110.3</b>	<b>140.8</b>	<b>145.2</b>	<b>248.5</b>	<b>373.9</b>	<b>438.7</b>	<b>468.1</b>
Other Amortization	3.9	1.7	2.7	2.4	1.0	5.2	-	-	13.8	25.9	36.2
(Gain) Loss On Sale of Assets	-	(7.3)	-	-	-	-	-	-	(2.8)	(5.7)	0.7
(Gain) Loss On Sale Of Invest.	(9.2)	53.8	129.0	2.1	0.4	3.1	-	-	-	-	-
Total Asset Writedown	-	3.4	33.3	21.0	2.4	37.0	20.8	23.1	-	-	97.8
(Income) Loss on Equity Invest.	-	-	-	(0.3)	0.4	-	-	-	-	-	-
Change in Other Net Operating Assets	(13.9)	(0.6)	(15.1)	(11.8)	(8.0)	5.6	10.4	2.3	(94.8)	18.0	17.1
Other Operating Activities	3.4	221.1	(36.7)	76.8	(0.5)	281.5	221.2	324.4	397.8	379.0	283.8
Net Cash From Discontinued Ops.	5.3	-	-	-	-	-	-	-	-	-	-
<b>Cash from Ops.</b>	<b>64.6</b>	<b>141.1</b>	<b>127.5</b>	<b>162.4</b>	<b>257.1</b>	<b>366.6</b>	<b>398.7</b>	<b>719.8</b>	<b>849.0</b>	<b>1,133.9</b>	<b>1,224.4</b>
Capital Expenditures	(142.8)	(320.2)	(361.9)	(302.6)	(335.3)	(1,814.6)	(1,936.4)	(1,626.2)	(815.8)	(396.9)	(766.0)
Sale of Property, Plant and Equipment	-	-	-	-	-	-	10.8	-	5.5	-	-
Cash Acquisitions	5.0	(21.5)	-	-	10.9	(37.8)	(84.2)	-	(301.3)	(4.1)	-
Purch./Sale of Real-Estate Prop.	-	(0.8)	(0.4)	(1.1)	-	-	-	-	-	-	-
Net Cash from Investments	-	-	-	-	-	-	-	-	-	-	(2.5)
Net (Increase)/Decrease in Loans Orig/Sold	-	65.6	-	-	-	-	-	-	-	-	-
Deferred Charges	(4.1)	(14.6)	(13.4)	(60.7)	(84.4)	(46.0)	(73.3)	-	-	-	-
Total Other Investing Activities	16.7	(1.3)	39.6	(9.7)	(35.3)	89.6	(154.6)	89.9	(77.6)	(188.1)	10.6
<b>Cash from Investing</b>	<b>(125.2)</b>	<b>(292.8)</b>	<b>(336.0)</b>	<b>(374.1)</b>	<b>(444.2)</b>	<b>(1,808.9)</b>	<b>(2,237.7)</b>	<b>(1,536.3)</b>	<b>(1,189.2)</b>	<b>(589.1)</b>	<b>(758.0)</b>
Short Term Debt Issued	-	-	8.3	-	-	-	-	-	-	-	-
Long-Term Debt Issued	95.5	199.9	300.4	327.6	1,262.2	1,511.1	2,049.8	1,382.2	1,032.6	1,142.6	1,194.9
<b>Total Debt Issued</b>	<b>95.5</b>	<b>199.9</b>	<b>308.7</b>	<b>327.6</b>	<b>1,262.2</b>	<b>1,511.1</b>	<b>2,049.8</b>	<b>1,382.2</b>	<b>1,032.6</b>	<b>1,142.6</b>	<b>1,194.9</b>
Short Term Debt Repaid	(34.7)	-	-	(7.2)	(1.1)	-	-	-	-	-	-
Long-Term Debt Repaid	(9.1)	(65.1)	(29.9)	(80.4)	(719.6)	(273.6)	(244.2)	(79.6)	(140.7)	(1,203.7)	(1,125.0)
<b>Total Debt Repaid</b>	<b>(43.7)</b>	<b>(65.1)</b>	<b>(29.9)</b>	<b>(87.5)</b>	<b>(720.6)</b>	<b>(273.6)</b>	<b>(244.2)</b>	<b>(79.6)</b>	<b>(140.7)</b>	<b>(1,203.7)</b>	<b>(1,125.0)</b>
Issuance of Common Stock	161.4	-	-	-	-	275.7	271.3	-	-	-	-
Common Dividends Paid	(72.1)	(78.0)	(80.7)	(88.7)	(98.9)	(115.3)	(137.9)	(139.9)	(134.3)	(163.6)	(216.4)
<b>Total Dividends Paid</b>	<b>(72.1)</b>	<b>(78.0)</b>	<b>(80.7)</b>	<b>(88.7)</b>	<b>(98.9)</b>	<b>(115.3)</b>	<b>(137.9)</b>	<b>(139.9)</b>	<b>(134.3)</b>	<b>(163.6)</b>	<b>(216.4)</b>
Special Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activities	(9.0)	89.7	(51.6)	43.9	(149.0)	126.1	(145.7)	(191.6)	(349.4)	(453.6)	(324.6)
<b>Cash from Financing</b>	<b>132.1</b>	<b>146.6</b>	<b>146.5</b>	<b>195.3</b>	<b>293.7</b>	<b>1,524.0</b>	<b>1,793.4</b>	<b>971.1</b>	<b>408.1</b>	<b>(678.3)</b>	<b>(471.1)</b>
Foreign Exchange Rate Adj.	(0.2)	(0.1)	0.0	0	0.1	(26.8)	4.1	1.0	25.1	11.4	(5.5)
<b>Net Change in Cash</b>	<b>71.3</b>	<b>(5.3)</b>	<b>(62.0)</b>	<b>(16.4)</b>	<b>106.7</b>	<b>55.0</b>	<b>(41.5)</b>	<b>155.6</b>	<b>93.1</b>	<b>(122.2)</b>	<b>(10.2)</b>

# Additional Intrinsic Valuation Details

*Supplemental Information*

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# Dividend Discount Model

## Revenue Schedule

Northland Power									
Revenue Schedule - Energy Generation									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
<b>Offshore Wind Capacity</b>									
Beginning of Period	MW	-	642	642	642	911	911	911	911
Additions/(Disposals)	MW	642	-	-	269	-	-	-	-
End of Period	MW	642	642	642	911	911	911	911	911
<b>Thermal Capacity</b>									
Beginning of Period	MW	943	943	943	943	943	943	943	943
Additions/(Disposals)	MW	-	-	-	-	-	-	-	-
End of Period	MW	943	943	943	943	943	943	943	943
<b>On-shore Renewables Capacity</b>									
Beginning of Period	MW	452	444	429	429	559	559	559	559
Additions/(Disposals)	MW	(8)	(15)	-	130	-	-	-	-
End of Period	MW	444	429	429	559	559	559	559	559
Total Net Operating Capacity	MW	2,029	2,014	2,014	2,413	2,413	2,413	2,413	2,413
<b>Annual Production Capacity</b>									
Offshore Wind	GWh	5,624	5,624	5,624	7,980	7,980	7,980	7,980	7,980
Thermal	GWh	8,261	8,261	8,261	8,261	8,261	8,261	8,261	8,261
On-shore Renewables	GWh	3,889	3,758	3,758	4,897	4,897	4,897	4,897	4,897
Total Annual Capacity	GWh	17,774	17,643	17,643	21,138	21,138	21,138	21,138	21,138
<b>GWh Production</b>									
Offshore Wind	GWh	2,828	3,447	3,876	5,586	5,626	5,666	5,706	5,746
Utilization Rate		50.29%	61.29%	68.92%	70.00%	70.50%	71.00%	71.50%	72.00%
Thermal	GWh	3,021	3,443	3,787	3,800	3,841	3,883	3,924	3,965
Utilization Rate		36.57%	41.68%	45.84%	46.00%	46.50%	47.00%	47.50%	48.00%
On-shore Renewables	GWh	1,344	1,364	1,397	1,425	1,453	1,468	1,483	1,490
Utilization Rate		34.56%	36.30%	37.17%	38.00%	38.50%	39.00%	39.50%	40.00%
Total GWh Production	GWh	7,194	8,255	9,061	10,812	10,922	11,018	11,114	11,202
Total Utilization Rate		40.47%	46.79%	51.36%	51.15%	51.67%	52.12%	52.58%	53.00%
<b>Price per GWh</b>									
Offshore Wind	\$CAD/GWh	253	270	259	259	259	259	259	259
Thermal	\$CAD/GWh	149	118	111	111	111	111	111	111
On-shore Renewables	\$CAD/GWh	157	157	157	157	157	157	157	157

# Dividend Discount Model

## Revenue Schedule

Northland Power									
Revenue Schedule - Energy Distribution									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
<b>EBSA</b>									
Rate Base				630,000	651,168	673,047	695,662	719,036	743,195
Core Inflation Rate				3.36%	3.36%	3.36%	3.36%	3.36%	3.36%
Weighted Avg. Cost of Capital				11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Expenses				55,829	57,704	59,643	61,647	63,719	65,860
Core Inflation Rate				3.36%	3.36%	3.36%	3.36%	3.36%	3.36%
<b>Total Revenue Requirement</b>		-	-	128,279	132,589	137,044	141,648	146,408	151,327

Northland Power									
Revenue Schedule									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
<b>Energy Generation</b>									
Offshore Wind	\$CAD Thousands	714,589	931,056	1,005,717	1,449,481	1,459,834	1,470,188	1,480,541	1,490,895
Thermal	\$CAD Thousands	450,102	405,956	421,154	422,590	427,183	431,777	436,370	440,964
On-shore Renewables	\$CAD Thousands	211,565	214,266	219,180	223,564	228,035	230,315	232,618	233,781
Total Energy Generation Revenue	\$CAD Thousands	1,376,256	1,551,278	1,646,051	2,095,635	2,115,053	2,132,280	2,149,530	2,165,640
<b>Energy Distribution</b>									
EBSA	\$CAD Thousands	-	-	-	132,589	137,044	141,648	146,408	151,327
Total Energy Distribution Revenue	\$CAD Thousands	-	-	-	132,589	137,044	141,648	146,408	151,327
<b>Other</b>									
Other	\$CAD Thousands	-	4,309	12,926	-	-	-	-	-
Total Other Revenue	\$CAD Thousands	-	4,309	12,926	-	-	-	-	-
<b>Total Revenues</b>	\$CAD Thousands	1,376,256	1,555,587	1,658,977	2,228,223	2,252,097	2,273,928	2,295,938	2,316,967

# Dividend Discount Model

## Operating Costs Schedule

Northland Power									
Operating Costs Schedule									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
<b>Cost of Sales</b>									
Offshore Wind	\$CAD Thousands	-	-	-	-	-	-	-	-
% of offshore wind revenue		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Thermal	\$CAD Thousands	139,539	110,643	106,022	117,523	118,801	120,078	121,356	122,633
% of thermal revenue		31.00%	27.25%	25.17%	27.81%	27.81%	27.81%	27.81%	27.81%
On-shore Renewables	\$CAD Thousands	-	-	-	-	-	-	-	-
% of on-shore renewables revenue		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Cost of Sales</b>		139,539	110,643	106,022	117,523	118,801	120,078	121,356	122,633
<b>Plant Operating Costs</b>									
Offshore Wind	\$CAD Thousands	95,404	143,443	128,582	160,728	192,873	221,804	243,984	256,184
YoY Growth Rate			50.35%	(10.36%)	25%	20%	15%	10%	5%
Thermal	\$CAD Thousands	51,051	51,499	54,229	56,940	59,218	60,995	62,215	62,837
YoY Growth Rate			(0.88%)	(5.30%)	5%	4%	3%	2%	1%
On-shore Renewables	\$CAD Thousands	30,188	31,353	31,365	34,502	37,089	38,944	39,917	40,915
YoY Growth Rate			3.86%	0.04%	10%	8%	5%	3%	3%
<b>Total Plant Operating Costs</b>		176,643	226,295	214,176	252,169	289,180	321,742	346,116	359,935
<b>G&amp;A Costs</b>									
G&A Costs - Operations	\$CAD Thousands	43,157	46,874	46,629	66,548	67,261	67,913	68,570	69,199
% of revenue		3.14%	3.01%	2.81%	2.99%	2.99%	2.99%	2.99%	2.99%
G&A Costs - Development	\$CAD Thousands	36,785	33,332	44,200	55,556	56,151	56,695	57,244	57,769
% of revenue		2.67%	2.14%	2.66%	2.49%	2.49%	2.49%	2.49%	2.49%
<b>Total G&amp;A Costs</b>		79,942	80,206	90,829	122,104	123,412	124,609	125,815	126,967
<b>EBSA</b>									
Operating Expenses	\$CAD Thousands			13,436	13,887	14,354	14,836	15,335	15,850
% of EBSA revenue				10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
<b>Total EBSA Costs</b>				13,436	13,887	14,354	14,836	15,335	15,850

# Dividend Discount Model

## Debt Schedule

Northland Power									
Debt Schedule									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
<b>Project Debt</b>									
Kirkland Lake									
Beginning Balance	\$CAD Thousands				11,800	8,850	5,900	2,950	
(-) Payments	\$CAD Thousands				(2,950)	(2,950)	(2,950)	(2,950)	
Ending Balance	\$CAD Thousands			11,800	8,850	5,900	2,950	-	
Interest Expense	\$CAD Thousands				361	258	155	52	
Interest Rate	%				3.50%	3.50%	3.50%	3.50%	
Nordsee One									
Beginning Balance	\$CAD Thousands				957,164	820,426	683,689	546,951	410,213
(-) Payments	\$CAD Thousands				(136,738)	(136,738)	(136,738)	(136,738)	(136,738)
Ending Balance	\$CAD Thousands			957,164	820,426	683,689	546,951	410,213	273,475
Interest Expense	\$CAD Thousands				19,553	16,545	13,537	10,529	7,521
Interest Rate	%				2.20%	2.20%	2.20%	2.20%	2.20%
Jardin									
Beginning Balance	\$CAD Thousands				86,776	78,098	69,421	60,743	52,066
(-) Payments	\$CAD Thousands				(8,678)	(8,678)	(8,678)	(8,678)	(8,678)
Ending Balance	\$CAD Thousands			86,776	78,098	69,421	60,743	52,066	43,388
Interest Expense	\$CAD Thousands				4,946	4,426	3,905	3,384	2,864
Interest Rate	%				6.00%	6.00%	6.00%	6.00%	6.00%
Thorold									
Beginning Balance	\$CAD Thousands				263,090	239,173	215,255	191,338	167,421
(-) Payments	\$CAD Thousands				(23,917)	(23,917)	(23,917)	(23,917)	(23,917)
Ending Balance	\$CAD Thousands			263,090	239,173	215,255	191,338	167,421	143,504
Interest Expense	\$CAD Thousands				16,826	15,223	13,621	12,018	10,416
Interest Rate	%				6.70%	6.70%	6.70%	6.70%	6.70%
Gemini									
Beginning Balance	\$CAD Thousands				2,620,897	2,382,634	2,144,370	1,906,107	1,667,844
(-) Payments	\$CAD Thousands				(238,263)	(238,263)	(238,263)	(238,263)	(238,263)
Ending Balance	\$CAD Thousands			2,620,897	2,382,634	2,144,370	1,906,107	1,667,844	1,429,580
Interest Expense	\$CAD Thousands				102,572	92,804	83,035	73,266	63,497
Interest Rate	%				4.10%	4.10%	4.10%	4.10%	4.10%

# Dividend Discount Model

## Debt Schedule

Northland Power									
Debt Schedule									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
<b>Project Debt</b>									
<b>Mont Louis</b>									
Beginning Balance	\$CAD Thousands				73,468	67,346	61,223	55,101	48,979
(-) Payments	\$CAD Thousands				(6,122)	(6,122)	(6,122)	(6,122)	(6,122)
Ending Balance	\$CAD Thousands			73,468	67,346	61,223	55,101	48,979	42,856
Interest Expense	\$CAD Thousands				4,647	4,243	3,839	3,435	3,031
Interest Rate	%				6.60%	6.60%	6.60%	6.60%	6.60%
<b>Solar Phase I</b>									
Beginning Balance	\$CAD Thousands				187,758	173,315	158,872	144,429	129,986
(-) Payments	\$CAD Thousands				(14,443)	(14,443)	(14,443)	(14,443)	(14,443)
Ending Balance	\$CAD Thousands			187,758	173,315	158,872	144,429	129,986	115,543
Interest Expense	\$CAD Thousands				7,944	7,308	6,673	6,037	5,402
Interest Rate	%				4.40%	4.40%	4.40%	4.40%	4.40%
<b>Solar Phase II</b>									
Beginning Balance	\$CAD Thousands				99,461	91,810	84,159	76,508	68,858
(-) Payments	\$CAD Thousands				(7,651)	(7,651)	(7,651)	(7,651)	(7,651)
Ending Balance	\$CAD Thousands			99,461	91,810	84,159	76,508	68,858	61,207
Interest Expense	\$CAD Thousands				5,164	4,751	4,338	3,925	3,512
Interest Rate	%				5.40%	5.40%	5.40%	5.40%	5.40%
<b>North Battleford</b>									
Beginning Balance	\$CAD Thousands				543,260	501,471	459,682	417,892	376,103
(-) Payments	\$CAD Thousands				(41,789)	(41,789)	(41,789)	(41,789)	(41,789)
Ending Balance	\$CAD Thousands			543,260	501,471	459,682	417,892	376,103	334,314
Interest Expense	\$CAD Thousands				26,118	24,029	21,939	19,850	17,760
Interest Rate	%				5.00%	5.00%	5.00%	5.00%	5.00%
<b>Cochrane Solar</b>									
Beginning Balance	\$CAD Thousands				163,587	151,902	140,217	128,533	116,848
(-) Payments	\$CAD Thousands				(11,685)	(11,685)	(11,685)	(11,685)	(11,685)
Ending Balance	\$CAD Thousands			163,587	151,902	140,217	128,533	116,848	105,163
Interest Expense	\$CAD Thousands				8,360	7,741	7,122	6,503	5,883
Interest Rate	%				5.30%	5.30%	5.30%	5.30%	5.30%

# Dividend Discount Model

## Debt Schedule

Northland Power									
Debt Schedule									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
<b>Project Debt</b>									
<b>Deutsche Bucht</b>									
Beginning Balance	\$CAD Thousands				1,308,283	1,214,834	1,121,385	1,027,937	934,488
(-) Payments	\$CAD Thousands				(93,449)	(93,449)	(93,449)	(93,449)	(93,449)
Ending Balance	\$CAD Thousands			1,308,283	1,214,834	1,121,385	1,027,937	934,488	841,039
Interest Expense	\$CAD Thousands				32,801	30,371	27,941	25,512	23,082
Interest Rate	%				2.60%	2.60%	2.60%	2.60%	2.60%
<b>McLean's</b>									
Beginning Balance	\$CAD Thousands				118,708	110,794	102,880	94,966	87,053
(-) Payments	\$CAD Thousands				(7,914)	(7,914)	(7,914)	(7,914)	(7,914)
Ending Balance	\$CAD Thousands			118,708	110,794	102,880	94,966	87,053	79,139
Interest Expense	\$CAD Thousands				6,885	6,410	5,935	5,461	4,986
Interest Rate	%				6.00%	6.00%	6.00%	6.00%	6.00%
<b>Grand Bend</b>									
Beginning Balance	\$CAD Thousands				325,645	305,292	284,939	264,587	244,234
(-) Payments	\$CAD Thousands				(20,353)	(20,353)	(20,353)	(20,353)	(20,353)
Ending Balance	\$CAD Thousands			325,645	305,292	284,939	264,587	244,234	223,881
Interest Expense	\$CAD Thousands				13,565	12,690	11,815	10,940	10,064
Interest Rate	%				4.30%	4.30%	4.30%	4.30%	4.30%
<b>Spy Hill</b>									
Beginning Balance	\$CAD Thousands				133,330	125,487	117,644	109,801	101,958
(-) Payments	\$CAD Thousands				(7,843)	(7,843)	(7,843)	(7,843)	(7,843)
Ending Balance	\$CAD Thousands			133,330	125,487	117,644	109,801	101,958	94,115
Interest Expense	\$CAD Thousands				5,306	4,984	4,663	4,341	4,020
Interest Rate	%				4.10%	4.10%	4.10%	4.10%	4.10%
<b>Total Project Debt - Principal Payments</b>					(621,794)	(621,794)	(621,794)	(621,794)	(618,844)
<b>Total Project Debt - Interest Payments</b>					255,049	231,783	208,517	185,251	162,037



# Dividend Discount Model

## Debt Schedule, Capex Schedule, & Depreciation Schedule

Northland Power									
Debt Schedule									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
<b>Corporate Credit Facilities</b>									
Beginning Balance	\$CAD Thousands				171,384	137,107	102,830	68,554	34,277
(-) Payments	\$CAD Thousands				(34,277)	(34,277)	(34,277)	(34,277)	(34,277)
Ending Balance	\$CAD Thousands			171,384	137,107	102,830	68,554	34,277	-
Interest Expense	\$CAD Thousands				6,016	4,679	3,342	2,005	668
Interest Rate	%				3.90%	3.90%	3.90%	3.90%	3.90%
<b>Total Corporate Credit Facilities - Principal Payments</b>					(34,277)	(34,277)	(34,277)	(34,277)	(34,277)
<b>Total Corporate Credit Facilities - Interest Payments</b>					6,016	4,679	3,342	2,005	668
<b>Total Principal Payments</b>					(656,071)	(656,071)	(656,071)	(656,071)	(653,121)
<b>Total Interest Payments</b>					261,065	236,462	211,859	187,256	162,705

Northland Power									
Capex Schedule									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
Maintenance Capex	\$CAD Thousands	3,612	5,658	9,582	15,331	21,464	25,756	28,332	29,749
YoY Growth Rate			57%	69%	60%	40%	20%	10%	5%

Northland Power									
D&A Schedule									
	Units	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
Total Depreciation	\$CAD Thousands	361,365	415,161	438,804	589,705	596,023	601,801	607,626	613,191
% of total revenue		26.3%	26.7%	26.5%	26.5%	26.5%	26.5%	26.5%	26.5%
Total Amortization	\$CAD Thousands	8,766	19,116	24,848	24,983	25,250	25,495	25,742	25,978
% of total revenue		0.6%	1.2%	1.5%	1.1%	1.1%	1.1%	1.1%	1.1%

# Dividend Discount Model

## Levered Free Cash Flow Build-up & Scenario Analysis

Northland Power									
Free Cash Flow Build									
	\$CAD Thousands	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
Net Income		161,122	278,130	320,764	491,730	505,913	522,350	544,882	574,639
Add: D&A					614,688	629,520	643,789	658,108	672,155
Less: Changes in Operating Working Capital					(48,938)	(4,622)	(4,447)	(4,462)	(4,378)
Less: Capex					(15,331)	(19,931)	(22,920)	(24,639)	(25,871)
Less: Mandatory Debt Repayments					(656,071)	(656,071)	(656,071)	(656,071)	(653,121)
Free Cash Flow		256,100	337,623	318,480	386,077	454,809	482,701	517,817	563,424

Northland Power									
Scenario Analysis									
		2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
	LIVE CASE		1						
<b>Live Case</b>									
Utilization Rate - Offshore Wind		50.29%	61.29%	68.92%	70.00%	70.50%	71.00%	71.50%	72.00%
Utilization Rate - Thermal		36.57%	41.68%	45.84%	46.00%	46.50%	47.00%	47.50%	48.00%
Utilization Rate - On-shore Renewables		34.56%	36.30%	37.17%	38.00%	38.50%	39.00%	39.50%	40.00%
YoY Growth - Capital Expenditures			57%	69%	60.00%	40.00%	20.00%	10.00%	5.00%
YoY Growth - Implied Payout Ratio		(3.56%)	(14.51%)	8.26%	(10.00%)	5.00%	5.25%	5.50%	5.75%
<b>Scenario 1 - Base Case</b>									
Utilization Rate - Offshore Wind		50.29%	61.29%	68.92%	70.00%	70.50%	71.00%	71.50%	72.00%
Utilization Rate - Thermal		36.57%	41.68%	45.84%	46.00%	46.50%	47.00%	47.50%	48.00%
Utilization Rate - On-shore Renewables		34.56%	36.30%	37.17%	38.00%	38.50%	39.00%	39.50%	40.00%
YoY Growth - Capital Expenditures			57%	69%	60.00%	40.00%	20.00%	10.00%	5.00%
YoY Growth - Implied Payout Ratio		(3.56%)	(14.51%)	8.26%	(10.00%)	5.00%	5.25%	5.50%	5.75%
<b>Scenario 2 - Bear Case</b>									
Utilization Rate - Offshore Wind		50.29%	61.29%	68.92%	65.00%	65.00%	65.50%	65.50%	66.00%
Utilization Rate - Thermal		36.57%	41.68%	45.84%	42.00%	42.00%	42.50%	42.50%	43.00%
Utilization Rate - On-shore Renewables		34.56%	36.30%	37.17%	33.00%	33.00%	33.50%	33.50%	34.00%
YoY Growth - Capital Expenditures			57%	69%	65.00%	45.00%	25.00%	15.00%	10.00%
YoY Growth - Implied Payout Ratio		(3.56%)	(14.51%)	8.26%	(15.00%)	3.00%	3.25%	3.50%	3.75%
<b>Scenario 3 - Bull Case</b>									
Utilization Rate - Offshore Wind		50.29%	61.29%	68.92%	70.00%	71.50%	73.00%	74.50%	76.00%
Utilization Rate - Thermal		36.57%	41.68%	45.84%	46.00%	47.50%	49.00%	50.50%	52.00%
Utilization Rate - On-shore Renewables		34.56%	36.30%	37.17%	38.00%	39.50%	41.00%	42.50%	44.00%
YoY Growth - Capital Expenditures			57%	69%	60.00%	30.00%	15.00%	7.50%	5.00%
YoY Growth - Implied Payout Ratio		(3.56%)	(14.51%)	8.26%	(2.50%)	5.00%	5.50%	6.00%	6.50%

# Bear Case: Dividend Discount Model

## Intrinsic Valuation Methodology

Northland Power											
Dividend Discount Model											
	\$CAD Thousands	2015A	2016A	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
Revenue		727,220	1,099,000	1,376,256	1,555,587	1,658,977	2,087,942	2,096,868	2,118,700	2,125,763	2,146,792
Free Cash Flow		182,158	242,324	256,100	337,623	318,480	297,458	323,856	326,647	328,855	350,038
FCF Margin		25.05%	22.05%	18.61%	21.70%	19.20%	14.25%	15.44%	15.42%	15.47%	16.31%
Cash Dividends Paid to Common Shareholders		177,766	184,459	188,005	211,877	216,373	171,777	192,632	200,607	209,031	230,840
Implied Payout Ratio		97.59%	76.12%	73.41%	62.76%	67.94%	57.75%	59.48%	61.41%	63.56%	65.95%
YoY Growth			(22.00%)	(3.56%)	(14.51%)	8.26%	(15.00%)	3.00%	3.25%	3.50%	3.75%
Weighted Avg. Shares Outstanding		167,555	172,910	175,383	177,757	180,322	195,000	195,000	195,000	195,000	195,000
Dividends Per Share		1.07	1.07	1.07	1.19	1.20	.88	.99	1.03	1.07	1.18
Dividend Growth			0.0%	0.0%	11.2%	0.8%	(26.6%)	12.1%	4.1%	4.2%	10.4%
Periods							1	2	3	4	5
Discount Factor							0.95	0.90	0.85	0.80	0.76
<b>PV of Projected Dividends</b>							0.83	0.89	0.87	0.86	0.90

Cost of Equity

	4.86%	5.11%	5.36%	5.61%	5.86%	6.11%	6.36%
0.95%	\$ 24.67	\$ 24.40	\$ 24.13	\$ 23.87	\$ 23.61	\$ 23.35	\$ 23.10
1.05%	\$ 25.13	\$ 24.86	\$ 24.58	\$ 24.32	\$ 24.05	\$ 23.79	\$ 23.53
1.15%	\$ 25.62	\$ 25.34	\$ 25.06	\$ 24.78	\$ 24.51	\$ 24.24	\$ 23.98
1.25%	\$ 26.13	\$ 25.84	\$ 25.55	\$ 25.27	\$ 25.00	\$ 24.72	\$ 24.45
1.35%	\$ 26.66	\$ 26.36	\$ 26.07	\$ 25.78	\$ 25.50	\$ 25.22	\$ 24.95
1.45%	\$ 27.21	\$ 26.91	\$ 26.61	\$ 26.32	\$ 26.03	\$ 25.75	\$ 25.46
1.55%	\$ 27.80	\$ 27.49	\$ 27.18	\$ 26.88	\$ 26.59	\$ 26.30	\$ 26.01

Cost of Equity

	4.86%	5.11%	5.36%	5.61%	5.86%	6.11%	6.36%
0.95%	-8.22%	-9.23%	-10.22%	-11.21%	-12.17%	-13.13%	-14.07%
1.05%	-6.49%	-7.52%	-8.54%	-9.54%	-10.53%	-11.50%	-12.46%
1.15%	-4.69%	-5.74%	-6.78%	-7.80%	-8.81%	-9.80%	-10.79%
1.25%	-2.81%	-3.88%	-4.94%	-5.98%	-7.01%	-8.03%	-9.03%
1.35%	-0.83%	-1.93%	-3.01%	-4.08%	-5.13%	-6.17%	-7.19%
1.45%	1.24%	0.12%	-0.99%	-2.08%	-3.16%	-4.22%	-5.26%
1.55%	3.41%	2.26%	1.13%	0.01%	-1.09%	-2.17%	-3.24%

# Bull Case: Dividend Discount Model

## Intrinsic Valuation Methodology

Northland Power											
Dividend Discount Model											
	\$CAD Thousands	2015A	2016A	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E
Revenue		727,220	1,099,000	1,376,256	1,555,587	1,658,977	2,228,223	2,281,990	2,333,716	2,385,619	2,436,541
Free Cash Flow		182,158	242,324	256,100	337,623	318,480	386,077	454,809	482,701	517,817	563,424
FCF Margin		25.05%	22.05%	18.61%	21.70%	19.20%	17.33%	19.93%	20.68%	21.71%	23.12%
Cash Dividends Paid to Common Shareholders		177,766	184,459	188,005	211,877	216,373	255,741	316,332	354,198	402,763	466,722
Implied Payout Ratio		97.59%	76.12%	73.41%	62.76%	67.94%	66.24%	69.55%	73.38%	77.78%	82.84%
YoY Growth			(22.00%)	(3.56%)	(14.51%)	8.26%	(2.50%)	5.00%	5.50%	6.00%	6.50%
Weighted Avg. Shares Outstanding		167,555	172,910	175,383	177,757	180,322	195,000	195,000	195,000	195,000	195,000
Dividends Per Share		1.07	1.07	1.07	1.19	1.20	1.31	1.62	1.82	2.07	2.39
Dividend Growth			0.0%	0.0%	11.2%	0.8%	9.3%	23.7%	12.0%	13.7%	15.9%
Periods							1	2	3	4	5
Discount Factor							0.95	0.90	0.85	0.80	0.76
<b>PV of Projected Dividends</b>							1.24	1.45	1.54	1.66	1.82

### Cost of Equity

	4.86%	5.11%	5.36%	5.61%	5.86%	6.11%	6.36%
0.95%	\$ 48.78	\$ 48.24	\$ 47.70	\$ 47.17	\$ 46.65	\$ 46.14	\$ 45.63
1.05%	\$ 49.72	\$ 49.16	\$ 48.61	\$ 48.08	\$ 47.54	\$ 47.02	\$ 46.50
1.15%	\$ 50.70	\$ 50.13	\$ 49.57	\$ 49.02	\$ 48.48	\$ 47.94	\$ 47.41
1.25%	\$ 51.72	\$ 51.14	\$ 50.57	\$ 50.01	\$ 49.45	\$ 48.91	\$ 48.37
1.35%	\$ 52.79	\$ 52.20	\$ 51.62	\$ 51.04	\$ 50.48	\$ 49.92	\$ 49.37
1.45%	\$ 53.92	\$ 53.31	\$ 52.72	\$ 52.13	\$ 51.55	\$ 50.98	\$ 50.41
1.55%	\$ 55.10	\$ 54.48	\$ 53.87	\$ 53.27	\$ 52.67	\$ 52.09	\$ 51.51

### Cost of Equity

	4.86%	5.11%	5.36%	5.61%	5.86%	6.11%	6.36%
0.95%	81.47%	79.45%	77.45%	75.49%	73.55%	71.63%	69.75%
1.05%	84.96%	82.89%	80.86%	78.85%	76.87%	74.92%	73.00%
1.15%	88.60%	86.50%	84.42%	82.37%	80.35%	78.36%	76.39%
1.25%	92.41%	90.26%	88.14%	86.05%	83.98%	81.95%	79.94%
1.35%	96.40%	94.20%	92.04%	89.90%	87.79%	85.71%	83.66%
1.45%	100.59%	98.34%	96.12%	93.93%	91.78%	89.65%	87.55%
1.55%	104.97%	102.67%	100.40%	98.17%	95.96%	93.79%	91.64%