

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*This short form prospectus has been filed under legislation in all provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of the securities.*

*This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and thereby only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws. Accordingly, subject to certain exceptions, these securities may not be offered or sold in the United States of America or to, or for the benefit of, U.S. persons. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States. See "Plan of Distribution".*

*Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Director, Investor Relations and Strategy of Northland Power Inc. at 30 St. Clair Avenue West, Suite 1200, Toronto, Ontario, Canada M4V 3A1, Telephone: (647) 288-1019, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

June 1, 2021



**NORTHLAND POWER INC.**

**\$2,000,000,000**

**Common Shares**

**Preferred Shares**

**Warrants**

**Debentures (unsecured)**

**Subscription Receipts**

**Units**

Northland Power Inc. ("**Northland**") may offer to the public from time to time common shares ("**Common Shares**"), preferred shares ("**Preferred Shares**"), warrants to purchase Common Shares or other Securities ("**Warrants**"), unsecured subordinated debentures, including convertible debentures and debentures payable on an instalment basis and represented by instalment receipts ("**Debentures**"), subscription receipts for Common Shares or other Securities, or any combination thereof ("**Subscription Receipts**"), or units which may consist of any combination of Securities ("**Units**" and, collectively with the Common Shares, Preferred Shares, Warrants, Debentures and Subscription Receipts, the "**Securities**") up to a total initial offering price of \$2,000,000,000 (or its equivalent in U.S. dollars or any other currency or currency unit used to denominate the Securities) during the 25-month period that this short form base shelf prospectus (the "**Prospectus**"), including any amendments hereto, remains valid.

The specific terms of any offering of Securities will be set forth in a prospectus supplement (a "**Prospectus Supplement**") including, where applicable: (i) in the case of Common Shares, the number of Common Shares being offered, the offering price (if the offering is a fixed price distribution), the manner of determining the offering price(s) (if the offering is not a fixed price distribution) and any other specific terms; (ii) in the case of Preferred Shares, the designation of the particular series, the number of Preferred Shares being offered, the offering price, the dividend rate, the dividend payment date, any terms of retraction or redemption, any exchange or conversion terms and any other specific terms; (iii) in the case of Warrants, the designation, the number and terms of the Common Shares or other Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, and any other specific terms; (iv) in

*(continued on next page)*

the case of Debentures, the designation of the Debentures, the aggregate principal amount of the Debentures being offered, the currency or currency unit for which the Debentures may be purchased, authorized denominations, any limit on the aggregate principal amount of the Debentures of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, at a discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debentures, whether the Debentures are payable on an instalment basis, any redemption provisions, any repayment provisions and any other specific terms; (v) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (if the offering is a fixed price distribution), the manner of determining the offering price(s) (if the offering is not a fixed price distribution), the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Common Shares and/or other Securities and any other specific terms; and (vi) in the case of Units, the designation, number and terms of the Securities comprising the Units and any other specific terms. Northland reserves the right to include in a Prospectus Supplement specific variable terms pertaining to the Securities that are not within the options and parameters set forth in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

Northland may sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell the Securities to one or more purchasers directly, if permitted under applicable securities laws, or through agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent engaged in connection with the offering and sale of Securities, and will set forth the method of distribution of such Securities, including the proceeds to Northland and any fees, commissions or any other compensation payable to underwriters, dealers or agents, and any other material terms of the plan of distribution.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale (including, without limitation, sales deemed to be “at-the-market” distributions as defined in National Instrument 44-102 – Shelf Distributions, including sales made directly on the TSX or other existing trading markets for the Securities), at prices related to such prevailing market prices or negotiated prices.

The issued and outstanding Common Shares, Cumulative Rate Reset Preferred Shares, Series 1 of Northland (the “**Series 1 Shares**”), Cumulative Floating Rate Preferred Shares, Series 2 of Northland (the “**Series 2 Shares**”), Cumulative Rate Reset Preferred Shares and Series 3 of Northland (the “**Series 3 Shares**”) are listed and posted for trading on the Toronto Stock Exchange (“**TSX**”) under the symbols “NPI”, “NPI.PR.A”, “NPI.PR.B” and “NPI.PR.C”, respectively.

**There is currently no market through which the Preferred Shares (other than the Series 1 Shares, the Series 2 Shares and the Series 3 Shares), Warrants, Debentures, Subscription Receipts or Units which may be offered under this Prospectus may be sold and purchasers may not be able to resell any Preferred Shares, Warrants, Debentures, Subscription Receipts or Units purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of issuer regulation. Prospective investors should review the “Risk Factors” section of this Prospectus and the applicable Prospectus Supplement before making any investment in the Securities.**

**No underwriter, dealer or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

Other than in relation to an “at-the-market” distribution, in connection with any offering of the Securities (unless otherwise specified in the relevant Prospectus Supplement) the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

Northland’s registered and head office is at 30 St. Clair Avenue West, Suite 1200, Toronto, Ontario, Canada M4V 3A1.

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## ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this Prospectus and in the documents incorporated by reference herein and is not entitled to rely on parts of the information contained in this Prospectus or documents incorporated by reference herein to the exclusion of others. Northland has not authorized anyone to provide investors with additional or different information. Northland is not offering to sell the Securities in any jurisdictions where the offer or sale of such Securities is not permitted. The information contained in this Prospectus or in the documents incorporated by reference herein is accurate only as of the date of this Prospectus or the respective date of the applicable document incorporated by reference herein, regardless of the time of delivery of this Prospectus or of any sale of the Securities.

For Investors outside Canada, Northland has not done anything that would permit the offering of the Securities or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the offering of the Securities and the possession or distribution of this Prospectus.

All dollar amounts herein are stated in Canadian dollars except where otherwise indicated.

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Director, Investor Relations and Strategy of Northland Power Inc. at 30 St. Clair Avenue West, Suite 1200, Toronto, Ontario M4V 3A1, telephone (647) 288-1019, and are also available electronically at [www.sedar.com](http://www.sedar.com) under Northland's profile.

The following documents, filed with the securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference in, and form an integral part of, this Prospectus:

- (a) annual information form of Northland dated February 22, 2021 for the year ended December 31, 2020 (the "**AIF**");
- (b) audited consolidated financial statements of Northland for the year ended December 31, 2020, including the consolidated balance sheets as at December 31, 2020 and 2019 and the consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the years ended December 31, 2020 and 2019 and related notes, together with the auditor's report thereon dated February 22, 2021 (the "**Annual Financial Statements**");
- (c) management's discussion and analysis related to the Annual Financial Statements (the "**Annual MD&A**");
- (d) unaudited interim condensed consolidated financial statements of Northland for the three months ended March 31, 2021, including the interim condensed consolidated balance sheets as at March 31, 2021 and the interim condensed consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the three months ended March 31, 2021 and 2020 and related notes (the "**Interim Financial Statements**");
- (e) management's discussion and analysis dated May 12, 2021 related to the Interim Financial Statements (the "**Interim MD&A**"); and
- (f) management information circular dated April 14, 2021 prepared in connection with the annual meeting of shareholders held on May 19, 2021.

Any documents of the type referred to in the preceding paragraph, any material change report (except confidential material change reports), comparative interim financial statements, comparative annual financial statements and the accompanying report of the auditor, any business acquisition report, any Prospectus Supplement disclosing additional or updated information, any exhibit to financial statements of Northland or Prospectus Supplement containing earnings coverage ratios, and the template version of any marketing materials filed by Northland with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this Prospectus and prior to the termination of the distribution of the applicable Securities shall be deemed to be incorporated by reference in this Prospectus.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.**

Upon a new annual information form and related annual audited consolidated financial statements (and the management's discussion and analysis in respect thereof) being filed by Northland with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual audited consolidated financial statements, all interim unaudited consolidated financial reports (and the management's discussion and analysis in respect thereof), material change reports and business acquisition reports filed by Northland prior to the commencement of Northland's fiscal year in which the new annual information form was filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon an interim unaudited consolidated financial report (and the management's discussion and analysis in respect thereof) being filed by Northland with the applicable securities regulatory authorities during the currency of this Prospectus, all interim unaudited consolidated financial reports (and the management's discussion and analysis in respect thereof) filed prior to the new interim unaudited consolidated financial report shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new management information circular relating to an annual meeting of shareholders of Northland being filed by Northland with the applicable securities regulatory authorities during the currency of this Prospectus, the management information circular for the preceding annual meeting of shareholders shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement containing the specific terms of an offering of Securities, updated disclosure of earnings coverage ratios, if applicable, and other information relating to the Securities, will be delivered to prospective purchasers of such Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the Securities covered by that Prospectus Supplement.

#### **NON-IFRS MEASURES**

This Prospectus (including the documents incorporated by reference herein) include references to Northland's adjusted earnings before interest, income taxes, depreciation and amortization ("**Adjusted EBITDA**"), free cash flow ("**Free Cash Flow**"), adjusted free cash flow ("**Adjusted Free Cash Flow**") and applicable payout ratios and per share amounts, measures not prescribed by International Financial Reporting Standards ("**IFRS**"), and therefore, do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. Non-IFRS financial measures are presented at Northland's share of underlying operations. These measures should not be considered alternatives to net income (loss), cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Rather, these measures are provided to complement IFRS measures in the analysis of Northland's results of operations from management's perspective. Management believes that Northland's non-IFRS financial measures and applicable payout ratios and per share amounts are widely accepted and understood financial indicators used by investors and securities analysts to assess the performance of a company, including its ability to generate cash through operations. For reconciliations of these non-IFRS measures, refer to (i) Section 5.5: Adjusted EBITDA in Northland's Annual MD&A for a reconciliation of consolidated net income (loss) under IFRS to reported Adjusted EBITDA, and (ii) Section 5.6: Free Cash Flow and Adjusted Free Cash Flow in Northland's Annual MD&A for a reconciliation of cash provided by operating activities under IFRS to reported Free Cash Flow and Adjusted Free Cash Flow.

#### **FORWARD-LOOKING STATEMENTS**

This Prospectus and the documents incorporated by reference herein contain certain forward-looking statements that 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, the events anticipated by the forward-looking statements may or may not 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, guidance, 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.

Although these forward-looking statements are based upon management's current reasonable expectations and assumptions, they are subject to numerous risks and uncertainties. Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, revenue contracts, the impact of the COVID-19 pandemic, Northland's reliance on the performance of its offshore wind facilities at Gemini, Nordsee One and Deutsche Bucht for approximately 60% of its Adjusted EBITDA, Free Cash Flow and Adjusted Free Cash Flow, counterparty risks, contractual operating performance, variability of revenue from generating facilities powered by intermittent renewable resources, offshore wind concentration, natural gas and power market risks, operational risks, recovery of utility operating costs, permitting, construction risks, project development risks, acquisition risks, financing risks, interest rate and refinancing risks, liquidity risk, credit rating risk, currency fluctuation risk, variability of cash flow and potential impact on dividends, taxation, natural events, environmental risks, health and worker safety risks, market compliance risk, government regulations and policy risks, utility rate regulation risks, international activities, reliance on information technology, labour relations, reputational risk, insurance risk, risks relating to co-ownership, bribery and corruption risk, legal contingencies, and other factors described in the AIF and in the Annual MD&A and Interim MD&A, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com) under Northland's profile and on Northland's website at [northlandpower.com](http://northlandpower.com). Northland's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and the events anticipated by the forward-looking statements may not transpire or occur.

The foregoing does not constitute an exhaustive list of the factors that may affect Northland's forward-looking statements. Other risks and uncertainties not presently known to Northland or that Northland presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements.

The forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are based on assumptions that were considered reasonable as of the date of this Prospectus. Readers are cautioned not to place undue reliance on the forward-looking statements, which reflect Northland's expectations only as of the date of this Prospectus. Other than as specifically required by law, Northland undertakes no obligation to update any forward-looking statements to reflect events or circumstances after such date or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

## **NORTHLAND**

Northland is incorporated under the *Business Corporations Act* (Ontario) and has its registered and head office at 30 St. Clair Avenue West, Suite 1200, Toronto, Ontario, Canada M4V 3A1.

Northland is a global developer, owner, constructor and operator of sustainable infrastructure assets that deliver predictable cash flows. Northland was founded in 1987 and has been publicly traded since 1997 on the TSX.

Northland's business strategy is centered on establishing a significant global presence as a sustainable power provider. Northland aims to increase shareholder value by leveraging its expertise and early mover advantage in relevant markets to create and operate high-quality, sustainable projects supported by revenue contracts that deliver predictable cash flows. Northland leverages its operational knowledge and the application of appropriate technology to enhance operational performance, with the goal of reducing the impact of energy usage on the environment. Northland aims to inspire its people to achieve excellence by embracing and living Northland's values on a daily basis.

## **SUMMARY DESCRIPTION OF NORTHLAND'S BUSINESS**

Northland develops, constructs, and operates sustainable infrastructure projects across a range of clean and green technologies, such as wind (offshore and onshore), solar as well as supplying energy through a regulated utility. Northland is focused on pursuing renewable growth opportunities in jurisdictions that meet Northland's risk

management criteria such as North America, Europe, Latin America and Asia. Northland manages its development processes prudently by regularly balancing the probability of success against associated costs and risks.

Northland owns or has a net economic interest in 2,266 megawatts (“MW”) of power-producing facilities with a total operating capacity of approximately 2,681 MW. Northland’s operating power-producing facilities produce electricity from renewable resources and natural gas for sale primarily under long-term power purchase agreements or other revenue arrangements with creditworthy customers in order to generate predictable cash flows.

In addition, Northland has 130 MW of generating capacity under construction at its La Lucha solar project in Mexico, approximately 300 MW of on-shore wind under advanced development in New York State, a 60% equity stake in the 1,044 MW Hai Long project off the coast of Taiwan and a 49% equity stake in the up to 1,200 MW Baltic Power project off the coast of Poland. Furthermore, Northland actively pursues projects in various stages of development in Europe, North America, Latin America and Asia.

On April 14, 2021, Northland entered into an agreement with Helia Renovables, F.C.R to acquire a portfolio of operating onshore renewable assets in Spain with a total combined net capacity of 540 MW (the “**Acquisition**”). Closing of the Acquisition is expected to occur in the third quarter of 2021 subject to regulatory approvals, including foreign investment approval from the Spanish Government, and customary closing conditions.

### **USE OF PROCEEDS**

The Securities will be offered from time to time at the discretion of Northland in an aggregate principal amount of up to \$2 billion in Canadian currency, or the approximate equivalent thereof if Securities are issued in foreign currencies or currency units, during the 25-month period that this Prospectus remains valid. The net proceeds to be derived from the issue of the Securities offered by this Prospectus will be the issue price thereof less any commission paid in connection therewith. Such net proceeds cannot be estimated at the date hereof as the amount thereof will depend on the extent to which the Securities are issued hereunder and the terms and conditions of such Securities. The estimated amount of net proceeds and the specific use of proceeds and the business objectives to be achieved from the issuance of any Securities will be described in the relevant Prospectus Supplement. Proceeds that are not immediately required may be invested in short-term marketable securities.

### **CONSOLIDATED CAPITALIZATION OF NORTHLAND**

There have been no material changes in Northland’s share and loan capital, on a consolidated basis, since March 31, 2021 other than the issuance of 22,500,500 common shares of Northland for aggregate gross proceeds of \$990,022,000 (the “**Offering**”) and the expected assumption of approximately \$1,060,000,000 in non-recourse fixed rate debt as part of the anticipated closing of the Acquisition and the repayment of approximately \$345,000,000 of the corporate credit facilities with a portion of the proceeds from the Offering.

### **EARNINGS COVERAGE RATIOS OF NORTHLAND**

Earnings Coverage Ratios will be provided with respect to the issuance of any Securities, as required, in the Prospectus Supplement pursuant to which such Securities are issued.

### **RATINGS**

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A security rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

Northland’s issuer credit rating as rated by the credit agency Standard & Poor’s Rating Services, a division of The McGraw Hill Companies (Canada) Corporation (“**Standard & Poor’s**”), is currently BBB (Stable), which was reaffirmed in March 2020. In addition, the Series 1 Shares, Series 2 Shares and Series 3 Shares have each been given a preferred share rating of P-3 (High) on Standard & Poor’s Canada scale.

A Standard & Poor’s issuer credit rating is a forward-looking opinion about an obligor’s overall creditworthiness, focusing on the obligor’s capacity and willingness to meet its financial commitments as they come

due. Standard & Poor's rating methodology considers a number of factors, including but not limited to: Northland's business and financial risks, actual and projected financial ratios, corporate liquidity and debt levels, corporate and project financing strategies, the quality and diversity of cash flows and track record of operations and construction.

Northland pays fees to Standard & Poor's for its issuer credit rating and preferred share rating along with the annual review thereof.

## **DESCRIPTION OF THE COMMON SHARES**

Holders of Common Shares are entitled to one vote in respect of each Common Share held at any meeting of the shareholders of Northland except meetings at which only the holders of a specified class or series of shares of Northland, other than Common Shares, are entitled to vote. Subject to the rights of holders of Preferred Shares or any series thereof, and other shares of Northland ranking in priority to the Common Shares, the holders of Common Shares are entitled to receive dividends as and when declared by the board of directors of Northland (the "**Board of Directors**") in its discretion from time to time. In addition, subject to the prior rights of holders of Preferred Shares or any series thereof, and other shares of Northland ranking in priority to the Common Shares, the holders of the Common Shares are entitled to the assets of Northland upon the liquidation, dissolution or winding-up of Northland or other distribution of assets of Northland among its shareholders.

## **DESCRIPTION OF THE PREFERRED SHARES**

### **Issuance in Series**

The Board of Directors may from time to time issue Preferred Shares in one or more series, each series to consist of such number of shares as will before issuance thereof be fixed by the Board of Directors who will at the same time determine the designation, rights, privileges, restrictions and conditions attaching to that series of Preferred Shares.

### **Voting**

Subject to applicable corporate law, the Preferred Shares of each series shall be non-voting and not entitled to receive notice of any meeting of shareholders, provided that the designation, rights, privileges, restrictions and conditions may provide that if Northland shall fail, for a specified period, which is at least two years, to pay dividends at the prescribed rate on any series of the Preferred Shares, thereupon, and so long as any such dividends shall remain in arrears, the holders of that series of Preferred Shares shall be entitled to receive notice of, to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class or series of shares are entitled to attend.

## **DESCRIPTION OF WARRANTS**

### **General**

The following description of the Warrants is a brief summary of their material attributes and characteristics. The Warrants may be issued under and governed by the terms of one or more warrant indentures (each of which we refer to as a "**Warrant Indenture**") between Northland and a warrant trustee to be named in the relevant Prospectus Supplement, if applicable. A copy of the Warrant Indenture will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our SEDAR profile at [www.sedar.com](http://www.sedar.com).

Prospective investors should refer to the Warrant Indenture, if any, and the Warrant certificate relating to the specific Warrants being offered for the complete terms of the Warrants. The particular terms and provisions of Warrants offered by any Prospectus Supplement will be described in the Prospectus Supplement filed in respect of such Warrants. This description will include, without limitation, where applicable; (i) the designation and aggregate number of Warrants; (ii) the price at which the Warrants will be offered; (iii) the date or period during which the Warrants will be exercisable; (iv) the designation, number and terms of the Common Shares, or other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers; (v) the exercise price of the Warrants; (vi) the designation and terms of any Securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each Security; (vii) any material tax consequences of

acquiring, owning, exercising, and disposing of the Warrants; (viii) whether the Warrants will be listed on any exchange; (ix) the date or dates, if any, on or after which the Warrants and the other Securities with which the Warrants will be offered will be transferable separately; (x) whether the Warrants will be subject to redemption and, if so, the terms of such redemption provisions; and (xi) any other material terms and conditions of the Units.

## DESCRIPTION OF THE DEBENTURES

### General

The following description of the Debentures is a brief summary of their material attributes and characteristics. The following summary uses words and terms which are defined in the trust indenture (the “**Indenture**”) between Northland and Computershare Trust Company of Canada, in its role as trustee under the Indenture (the “**Debenture Trustee**”) dated August 26, 2004, as amended and restated as of October 14, 2009, as supplemented by a first supplemental indenture dated October 15, 2009, as supplemented by a second supplemental indenture dated January 1, 2011, as supplemented by a third supplemental indenture dated March 5, 2014, as supplemented by a fourth supplemental indenture dated January 22, 2015 and as may be further amended, restated and supplemented from time to time. This summary does not purport to be complete and is subject to, and is qualified in its entirety by, reference to the terms of the Indenture. The particular terms and provisions of Debentures offered by a Prospectus Supplement will be described in the Prospectus Supplement filed in respect of such Debentures.

The Debentures offered pursuant to this Prospectus and any Prospectus Supplement may be represented by instalment receipts which will provide for payment for the Debentures on an instalment basis, the particular terms and provisions of which will be described in the applicable Prospectus Supplement and set out in an instalment receipt and pledge agreement or similar agreement. Any such instalment receipt will evidence, among other things: (a) the fact that a first instalment payment has been made in respect of the Debentures represented thereby, and (b) the beneficial ownership of the Debentures represented by the instalment receipt, subject to a pledge of such Debentures securing the obligation to pay the balance outstanding under such Debentures on or prior to a certain date. A copy of any such instalment receipt and pledge agreement or similar agreement, once executed, will be made available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Debentures will be issued under and pursuant to the provisions of the Indenture. The Indenture permits the issuance of Debentures without limitation as to the aggregate principal amount.

The Debentures will be direct obligations of Northland and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to all Senior Indebtedness of Northland as described under “*Description of the Debentures — Subordination*”. The Debentures will rank *pari passu* with every other series of debentures that have been issued, or may hereafter be issued, under the Indenture.

### Subordination

The payment of the principal of, and interest on, Debentures will be subordinated in right of payment, in the circumstances referred to below and more particularly as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness of Northland. “**Senior Indebtedness**” of Northland is defined in the Indenture as all indebtedness of Northland (whether outstanding as at the date of the Indenture or thereafter incurred) which, by the terms of the instrument creating or evidencing the indebtedness, is not expressed to be *pari passu* with, or subordinate in right of payment to, the Debentures. The Indenture does not limit the ability of Northland to incur additional indebtedness, including additional Senior Indebtedness at any time or from time to time or other indebtedness or otherwise mortgaging, pledging or charging its real or personal property or properties to secure any indebtedness or other financing.

The Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to Northland, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of Northland, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of Northland, all creditors under any Senior Indebtedness will receive payment in full before the holders of Debentures (the “**Debentureholders**”) will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities,

which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon.

In addition to the foregoing, pursuant to the terms of the Indenture, neither the Debenture Trustee nor the Debentureholders shall be entitled to demand or otherwise attempt to enforce in any manner, institute proceedings for the collection of, or institute any proceedings against Northland including, without limitation, by way of any bankruptcy, insolvency or similar proceedings or any proceeding for the appointment of a receiver, liquidator, trustee or other similar official (it being understood and agreed that the Debenture Trustee and/or the Debentureholders shall be permitted to take any steps necessary to preserve the claims of the Debentureholders in any such proceeding and any steps necessary to prevent the extinguishment or other termination of a claim or potential claim as a result of the expiry of a limitation period), or receive any payment or benefit in any manner whatsoever on account of indebtedness represented by the Debentures at any time when an event of default (howsoever designated) has occurred and is continuing under any Senior Indebtedness and is continuing and, in each case, notice of such event of default has been given by or on behalf of the lender or lenders party to such Senior Indebtedness to Northland (the “**Senior Indebtedness Postponement Provisions**”).

### **Modification**

The rights of the holders of the Debentures or of any series of Debentures may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Indenture contains certain provisions which will make binding on all Debentureholders resolutions passed at meetings of the Debentureholders by votes cast thereat by holders of not less than 66⅔% of the principal amount of the then outstanding Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66⅔% of the principal amount of the then outstanding Debentures. In certain cases, the modification will, instead of or in addition to the foregoing, require assent by the holders of the required percentage of Debentures of each particularly affected series. Under the Indenture, the Debenture Trustee will have the right to make certain amendments to the Indenture in its discretion, without the consent of the Debentureholders.

### **Events of Default**

The Indenture provides that an event of default (“**Event of Default**”) in respect of the Debentures will occur if certain events described in the Indenture occur, including if any one or more of the following described events has occurred and is continuing with respect to the Debentures: (i) failure for 15 days to pay interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the Debentures, whether at the Maturity Date, upon redemption, by acceleration or otherwise; (iii) default in the performance of any material covenant in the Indenture that is not cured within 30 days of Northland receiving notice in writing specifying such default and requiring it to be cured; or (iv) certain events of bankruptcy, insolvency or reorganization of Northland under bankruptcy or insolvency laws. Subject to the Senior Indebtedness Postponement Provisions, if an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% in principal amount of the then outstanding Debentures, declare the principal of (and premium, if any) and accrued interest on all outstanding Debentures to be immediately due and payable.

### **Offers for Debentures**

The Indenture contains provisions to the effect that if an offer is made for the Debentures which is a take-over bid for Debentures within the meaning of the *Securities Act* (Ontario) and not less than 90% of the Debentures (other than Debentures held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Debentures held by Debentureholders who did not accept the offer on the terms offered by the offeror.

### **Reports to Holders**

Northland shall file with the Debenture Trustee, within 15 days after the filing thereof with the Ontario Securities Commission, copies of Northland’s annual report and the information, documents and other reports that Northland is required to file with the Ontario Securities Commission and deliver to security holders. Notwithstanding that Northland may not be required to remain subject to the reporting requirements of the Ontario Securities Commission, Northland shall provide to the Debenture Trustee (a) within 90 days after the end of each fiscal year, an

audited annual financial statement of Northland, and (b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, interim financial statements of Northland which shall, at a minimum, contain such information as is required to be provided in financial statements under the laws of Canada or any province thereof to security holders of a company with securities listed on the TSX, whether or not Northland has any of its securities so listed. Each of such reports will be prepared in accordance with applicable Canadian disclosure requirements and generally accepted accounting principles. Northland will provide copies of such information, documents and reports to Debentureholders upon request.

## **Governing Law**

Each of the Indenture and the Debentures are governed by, and construed in accordance with, the laws of the Province of Ontario applicable to contracts executed and to be performed entirely in such Province.

## **DESCRIPTION OF THE SUBSCRIPTION RECEIPTS**

The following description of the Subscription Receipts is a brief summary of their material attributes and characteristics. The Subscription Receipts will be issued under a subscription receipt agreement. The particular terms and provisions of Subscription Receipts offered by any Prospectus Supplement will be described in the Prospectus Supplement filed in respect of such Subscription Receipts. This description will include, without limitation, where applicable; (i) the number of Subscription Receipts; (ii) the price at which the Subscription Receipts will be offered; (iii) the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Common Shares and/or other Securities; (iv) the number of Common Shares and/or other Securities that may be issued or delivered upon exchange of each Subscription Receipt; and (v) any other material terms and conditions of the Subscription Receipts. Common Shares and/or other Securities issued or delivered upon the exchange of Subscription Receipts will be issued for no additional consideration.

## **DESCRIPTION OF THE UNITS**

The following description of the Units is a brief summary of their material attributes and characteristics. The Units may be issued under a unit agreement. The particular terms and provisions of Units offered by any Prospectus Supplement will be described in the Prospectus Supplement filed in respect of such Units. This description will include, without limitation, where applicable; (i) the number of Units; (ii) the price at which the Units will be offered; (iii) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately; (iv) provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; (v) any material tax consequences of acquiring, owning, exercising, and disposing of the Units; (vi) whether the Units will be listed on any exchange; (vii) how for income tax purposes, the purchase price paid for the Units is to be allocated among the component Securities; and (viii) any other material terms and conditions of the Units.

## **MARKET FOR SECURITIES**

### **Common Shares**

The outstanding Common Shares are listed and posted for trading on the TSX under the trading symbol "NPI". The following table sets forth, for the period indicated, the monthly high and low trading prices and the trading volumes of the Common Shares as reported by the TSX:

<b><u>Period</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>	<b><u>Volume</u></b>
<b>2021</b>			
May	\$42.67	\$37.25	17,482,706
April .....	\$47.32	\$42.22	31,665,849
March .....	\$45.76	\$41.31	18,990,024
February .....	\$51.45	\$41.57	15,879,787
January .....	\$50.98	\$44.95	13,905,470
<b>2020</b>			
December .....	\$47.00	\$42.12	20,032,180
November .....	\$47.62	\$40.66	32,069,279

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
October .....	\$45.06	\$40.25	12,521,776
September .....	\$40.80	\$35.34	14,491,736
August.....	\$37.91	\$36.03	8,369,181
July.....	\$36.82	\$33.39	9,676,384
June.....	\$34.37	\$31.09	12,089,122
May.....	\$31.89	\$29.15	11,489,315

### Preferred Shares

The outstanding Series 1 Shares are listed and posted for trading on the TSX under the trading symbol “NPI.PR.A”. The following table sets forth, for the period indicated, the monthly high and low trading prices and the trading volumes of the Series 1 Shares as reported by the TSX:

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
<b>2021</b>			
May	\$19.55	\$18.38	47,258
April.....	\$18.61	\$17.99	63,396
March .....	\$18.25	\$17.17	167,926
February .....	\$17.30	\$16.30	138,039
January.....	\$16.60	\$15.57	123,702
<b>2020</b>			
December.....	\$16.31	\$16.08	95,502
November.....	\$15.50	\$14.50	60,786
October .....	\$14.67	\$13.88	81,5231
September .....	\$14.15	\$13.60	48,353
August.....	\$14.00	\$13.10	31,007
July.....	\$13.87	\$11.76	69,089
June.....	\$13.71	\$11.99	51,867
May.....	\$12.50	\$11.19	121,971

The outstanding Series 2 Shares are listed and posted for trading on the TSX under the trading symbol “NPI.PR.B”. The following table sets forth, for the period indicated, the monthly high and low trading prices and the trading volumes of the Series 2 Shares as reported by the TSX:

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
<b>2021</b>			
May	\$19.60	\$18.30	6,472
April.....	\$18.30	\$17.80	21,910
March .....	\$18.59	\$17.25	11,050
February .....	\$17.25	\$16.61	31,986
January.....	\$16.45	\$15.52	10,700
<b>2020</b>			
December.....	\$16.35	\$15.02	41,157
November.....	\$15.71	\$13.97	17,795
October .....	\$14.25	\$13.36	22,899
September .....	\$14.14	\$12.58	27,425
August.....	\$14.23	\$13.00	223,056
July.....	\$13.50	\$12.00	16,578
June.....	\$14.00	\$11.85	17,538
May.....	\$12.18	\$11.00	37,815

The outstanding Series 3 Shares are listed and posted for trading on the TSX under the trading symbol “NPI.PR.C”. The following table sets forth, for the period indicated, the monthly high and low trading prices and the trading volumes of the Series 3 Shares as reported by the TSX:

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
<b>2021</b>			
May	\$24.75	\$23.43	164,189
April	\$23.45	\$22.20	260,006
March	\$23.77	\$21.75	106,835
February	\$22.47	\$22.17	91,815
January	\$21.10	\$20.96	35,862
<b>2020</b>			
December	\$20.99	\$19.43	97,842
November	\$20.00	\$17.76	81,406
October	\$18.25	\$17.53	48,198
September	\$18.26	\$17.28	38,930
August	\$17.86	\$16.18	32,961
July	\$16.96	\$15.00	43,063
June	\$17.49	\$14.49	72,251
May	\$16.40	\$14.61	106,873

#### **PLAN OF DISTRIBUTION**

Northland may sell the Securities to or through underwriters or dealers, and may sell Securities to one or more other purchasers directly, if permitted under applicable securities law, or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or dealers, the purchase price or prices of the Securities and the proceeds to Northland from the sale of the Securities.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale (including, without limitation, sales deemed to be “at-the-market” distributions as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the TSX or other existing trading markets for the Securities), at prices related to such prevailing market prices or negotiated prices.

The Prospectus Supplement relating to each offering of Securities will identify each underwriter, dealer, or agent, as the case may be, and will also set forth the terms of that offering of Securities, including the purchase price of such Securities, the proceeds to Northland and any underwriters’, dealers’ or agents’ fees, commission or other such items constituting underwriters’, dealers’ or agents’ compensation. Only underwriters, dealers or agents so named in the applicable Prospectus Supplement are deemed to be underwrites, dealers or agents, as the case may be, in connection with the Securities offered thereby.

Underwriters or dealers who participate in the distribution of Securities may be entitled under agreements to be entered into with Northland to indemnification by Northland against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters or dealers may be required to make in respect thereof. Such underwriters or dealers may be customers of, engage in transactions with, or perform services for, Northland in the ordinary course of business.

Other than in relation to an “at-the-market” distribution, in connection with any offering of Securities, the underwriters or dealers may over allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. A purchaser that acquires Securities forming part of an over-allocation position acquires such Securities under this Prospectus.

## **RISK FACTORS**

Prospective investors in a particular offering of the Securities should carefully consider, in addition to information contained in the Prospectus Supplement relating to that offering and the information incorporated by reference herein for the purposes of the offering, the risk factors listed below and risks described in Northland's then current annual information form, as well as Northland's then current annual management's discussion and analysis and interim management's discussion and analysis, if applicable, to the extent incorporated by reference herein for the purposes of that particular offering of Securities.

### **No Market for the Securities**

There is currently no trading market for any Preferred Shares (other than the Series 1 Shares, Series 2 Shares and the Series 3 Shares), Warrants, Debentures, Subscription Receipts or Units that may be offered. No assurance can be given that an active or liquid trading market for such Securities will develop or be sustained. If an active or liquid market for such Securities fails to develop or be sustained, the prices at which such Securities trade may be adversely affected. Whether or not such Securities will trade at lower prices depends on many factors, including liquidity of such Securities, prevailing interest rates and the markets for similar securities, the market price of the Common Shares, general economic conditions and Northland's financial condition, historic financial performance and future prospects.

### **Prior Ranking Indebtedness**

The Debentures will be unsecured and will be subordinate to all Senior Indebtedness of Northland. The Debentures will also be effectively subordinate to claims of creditors of Northland and its subsidiaries relating to all indebtedness, liabilities and obligations of Northland or its subsidiaries for the payment of which Northland is responsible, whether absolutely or contingently. The Indenture does not limit the ability of Northland to incur additional debt or liabilities (including Senior Indebtedness) or to make distributions on the Common Shares, except, in respect of distributions, where an Event of Default has occurred and such default has not been cured or waived. The Indenture does not contain any provision specifically intended to protect holders of Debentures in the event of a future leveraged transaction involving Northland.

## **LEGAL MATTERS**

Certain legal matters relating to Canadian law in connection with the offering of the Securities will be passed upon on behalf of Northland by Borden Ladner Gervais LLP.

As at May 31, 2021, the partners and associates of Borden Ladner Gervais LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of Northland. If any underwriters or dealers named in a Prospectus Supplement retain their own counsel to pass upon legal matters relating to the Securities, such counsel will be named in the Prospectus Supplement.

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of Northland are Ernst & Young LLP, Chartered Professional Accountants, Toronto, Ontario. To the knowledge of Northland, Ernst & Young LLP is independent of Northland within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus or the accompanying prospectus supplement relating to securities purchased by a purchaser and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or revision of the price or damages are exercised by the purchaser within the time limit prescribed by the applicable

provisions of the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Original purchasers of Securities which are convertible or exchangeable into other securities of Northland will have a contractual right of rescission against Northland in respect of the conversion or exchange of such convertible or exchangeable Securities. The contractual right of rescission will entitle such original purchasers to receive the amount paid for the applicable convertible or exchangeable Securities and any additional amount paid by such original purchasers on conversion or exchange of such Securities, upon surrender of the underlying securities issued upon conversion or exchange of such convertible or exchangeable Securities, in the event that this Prospectus, the relevant Prospectus Supplement or an amendment contains a misrepresentation, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the Securities which are convertible or exchangeable under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the Securities which are convertible or exchangeable under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law. Original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible or exchangeable securities that were purchased under a prospectus, and therefore a further payment at the time of conversion or exchange may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights, or consult with a legal adviser.

**CERTIFICATE OF NORTHLAND**

Dated: June 1, 2021

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

**NORTHLAND POWER INC.**

(SIGNED) MIKE CRAWLEY  
Chief Executive Officer

(SIGNED) PAULINE ALIMCHANDANI  
Chief Financial Officer

On Behalf of the Board of Directors

(SIGNED) RUSSELL GOODMAN  
Director

(SIGNED) JOHN BRACE  
Director