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Q3 2020 FINANCIAL UPDATE

November 16, 2020



Agenda

- **Stan Marshall**
President & CEO
- **Carla Russell**
EVP Finance & CFO
- **Questions**

Forward-Looking Information

Certain statements in this presentation are “forward-looking statements” based on Nalcor’s current expectations, estimates, projections and assumptions, subject to risks and uncertainties. Statements containing words such as “could”, “expect”, “may”, “anticipate”, “believe”, “intend”, “estimate”, “plan” and similar expressions constitute forward-looking statements. By their nature, forward-looking statements require Management to make assumptions and are not subject to important unknown risks and uncertainties, which may cause actual results in future periods to differ materially from forecasted results. While Management considers these assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate. Nalcor assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or any other reason.

Winter Driving: Tips to Stay Safe on the Road

Safety Moment



Take a
MOMENT
for Safety



Winter Driving

Winter weather can be very unpredictable – snow, slush and black ice are common on roadways, posing an increased risk for vehicle accidents.

Thankfully, there are some easy ways to make your drive as safe as possible this winter.

Winter Driving Tips

- **Make the switch to winter tires:** Winter tires provide better traction, handling and braking and can shorten your braking distance by as much as 25 per cent. In temperatures under 7 degrees, they grip the road better than all-season tires.
- **Clear your vehicle:** Make sure your entire vehicle is cleared of snow and ice. This protects you, other drivers and pedestrians.
- **Be prepared:** Check the weather forecast and road conditions before you get behind the wheel.

Winter Driving Tips

- **Slow down:** Slow down and maintain a safe braking distance of at least four seconds from the car ahead of you. Look far enough ahead so you can anticipate the need to change speed or to steer into another lane.
- **Create a vehicle safety kit:** Your safety kit can be kept in the trunk and should include items such as: gloves, booster cables, a small shovel, windshield wiper fluid, first aid kit, flashlight, snow brush, safety vest, water bottles and non-perishable energy foods.

Winter Driving Tips

- Remember the following tips if you do skid:
 - Stay calm
 - Do not accelerate
 - Do not brake
 - Look where you want your vehicle to go
 - Steer in that direction

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President & CEO





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EVP Finance & CFO



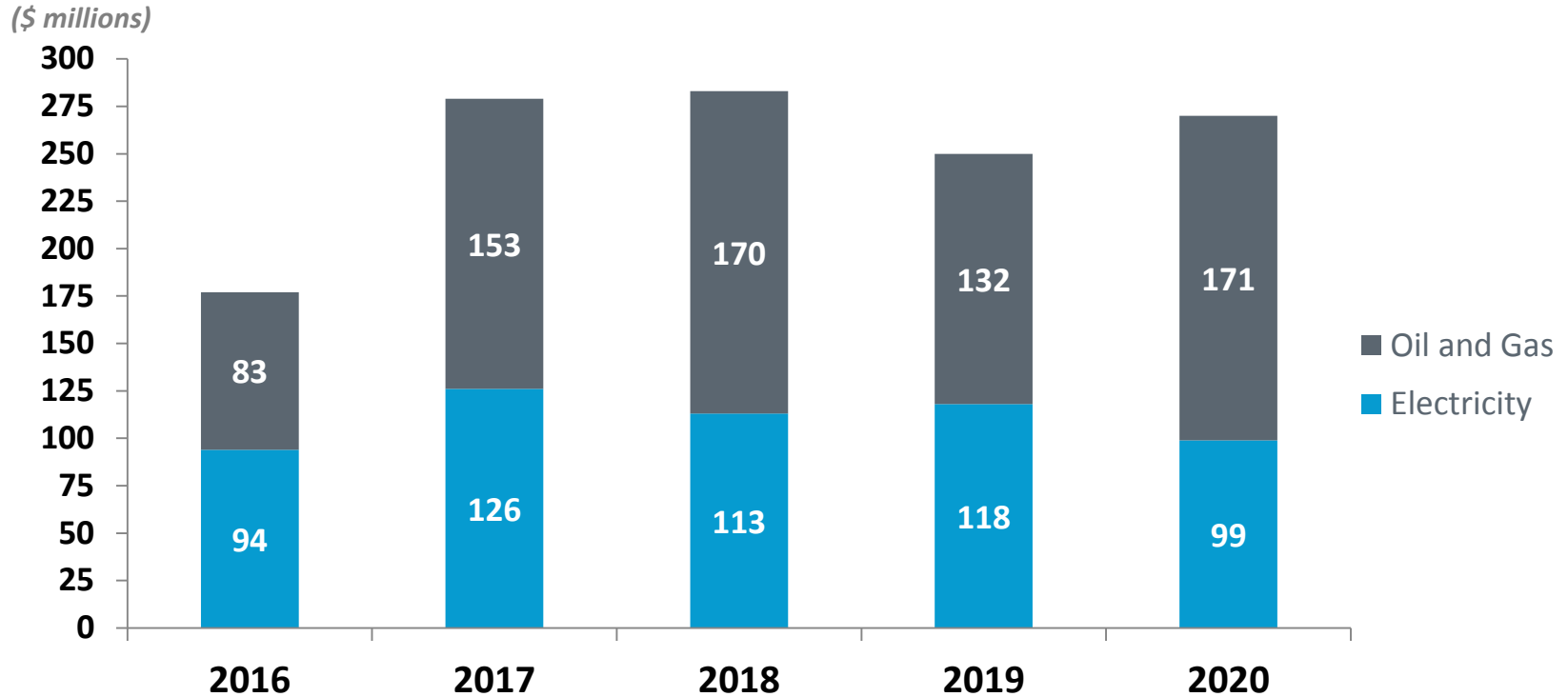
Q3 2020 Business Segment Profit (Loss)

(\$ millions)	QTR			YTD		
	2020	2019	Change	2020	2019	Change
Hydro	(7)	(17)	10	34	36	(2)
Power Development	-	(1)	1	(1)	(1)	-
Power Supply ¹	(4)	(1)	(3)	(1)	16	(17)
Oil and Gas ²	31	10	21	83	68	15
Corporate	(3)	(1)	(2)	(9)	(7)	(2)
Other & Intersegment	-	(1)	1	(1)	(1)	-
Operating Profit (Loss)	17	(11)	28	105	111	(6)
Muskat Falls Inquiry Costs/PUB Reference	-	(2)	2	-	(5)	5
Impairment – Oil & Gas	-	-	-	(225)	-	(225)
Profit (Loss)	17	(13)	30	(120)	106	(226)

¹ Includes Nalcor's 65.8% ownership of Churchill Falls.

² Oil and Gas includes Bull Arm Fabrication in 2019. Effective January 1, 2020, the shares of Bull Arm Fabrication were distributed to the new Crown corporation, Oil and Gas Corporation of Newfoundland and Labrador, for a nominal amount.

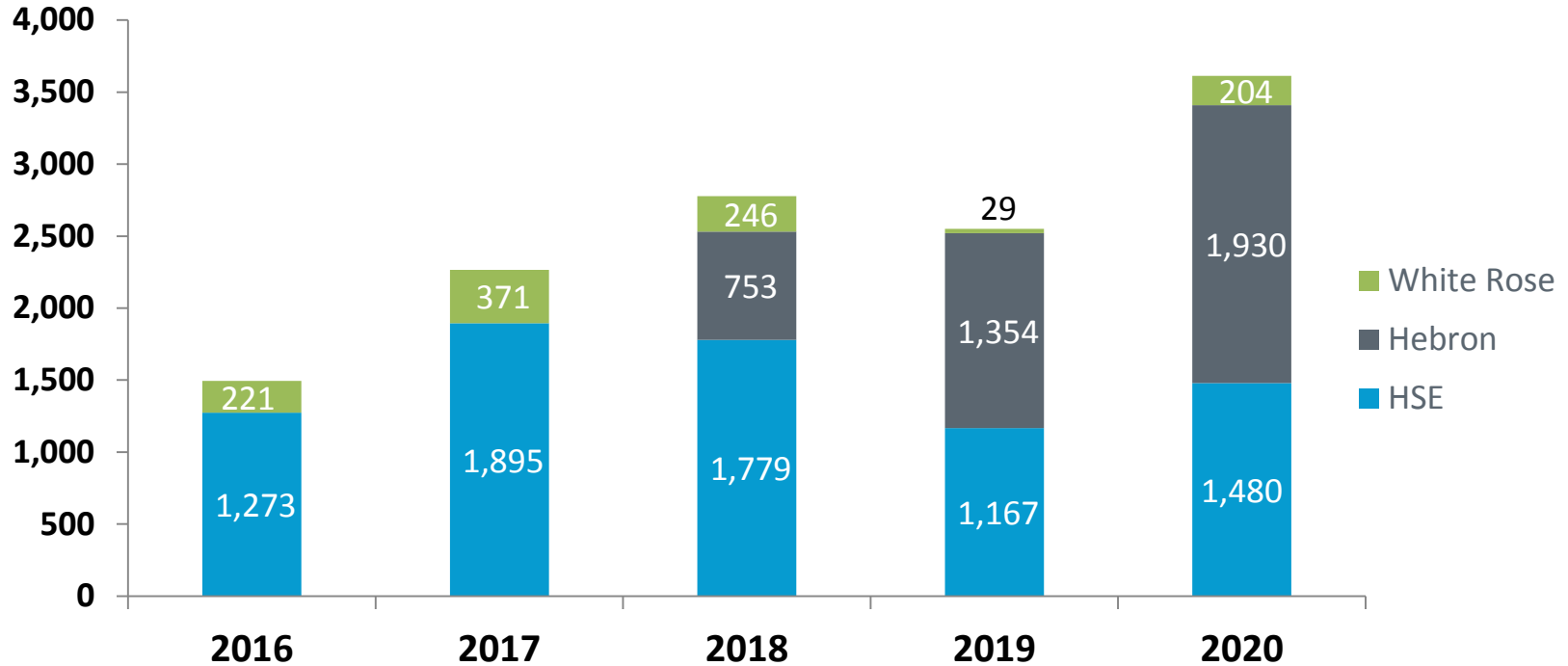
YTD September Funds From Operations¹



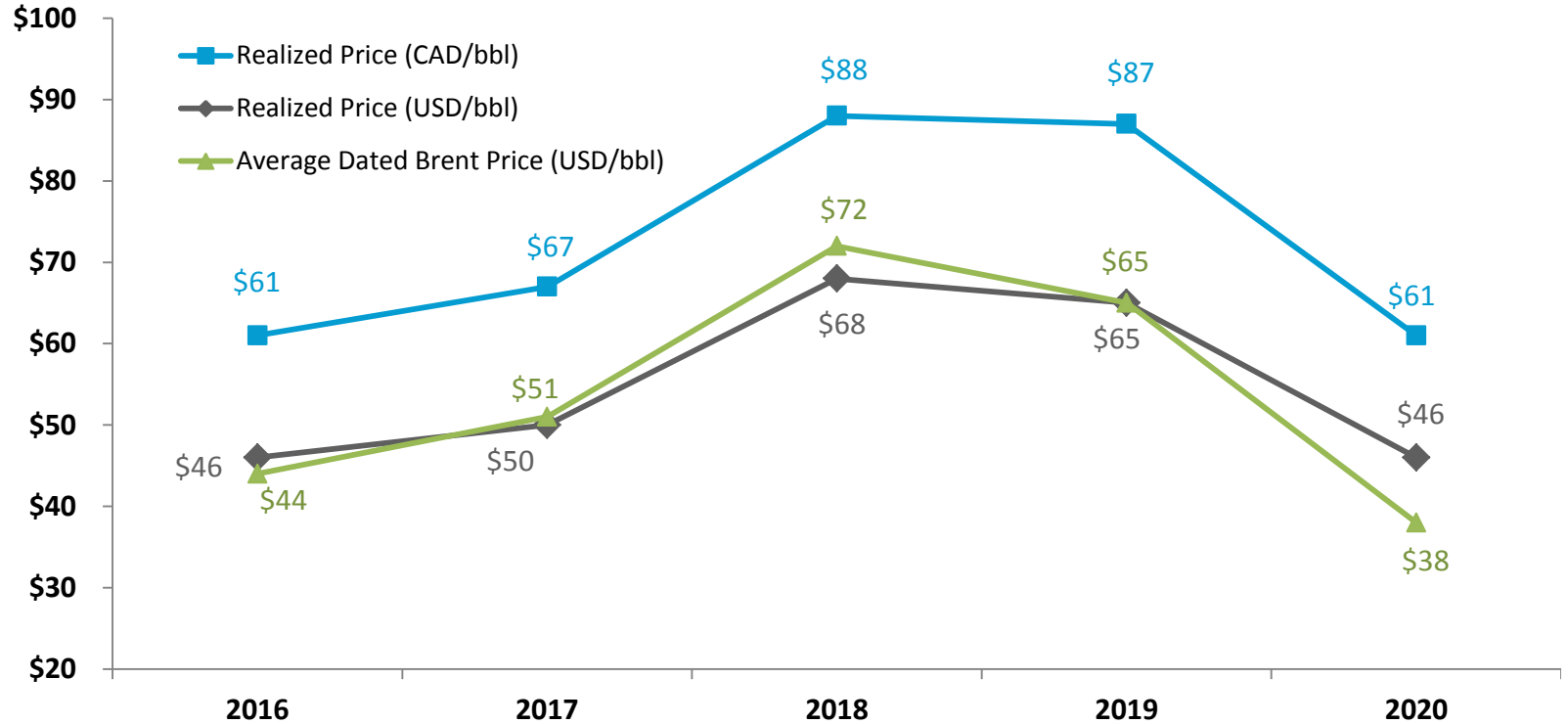
¹ Profit (loss) excluding depreciation, depletion, amortization, impairment and accretion.

YTD September Oil Production

(thousands of bbls)



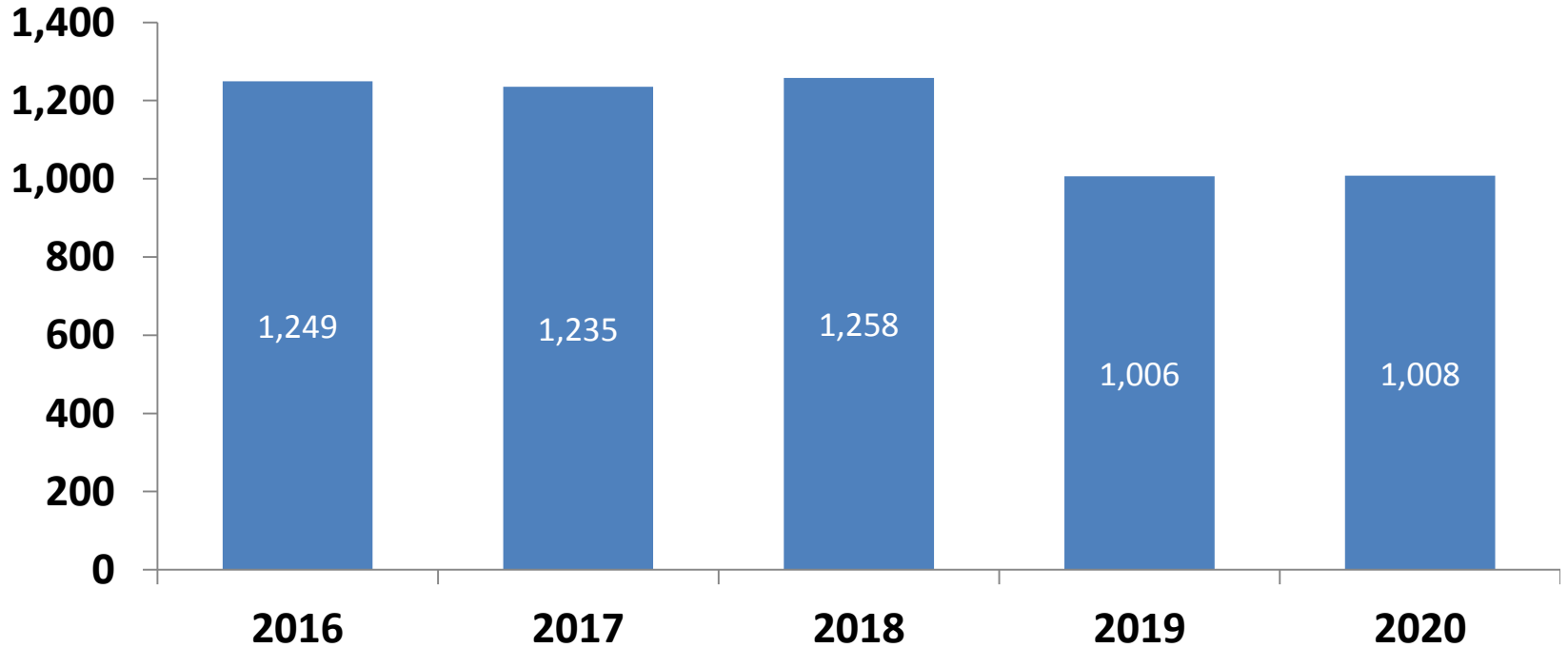
YTD September Oil Price



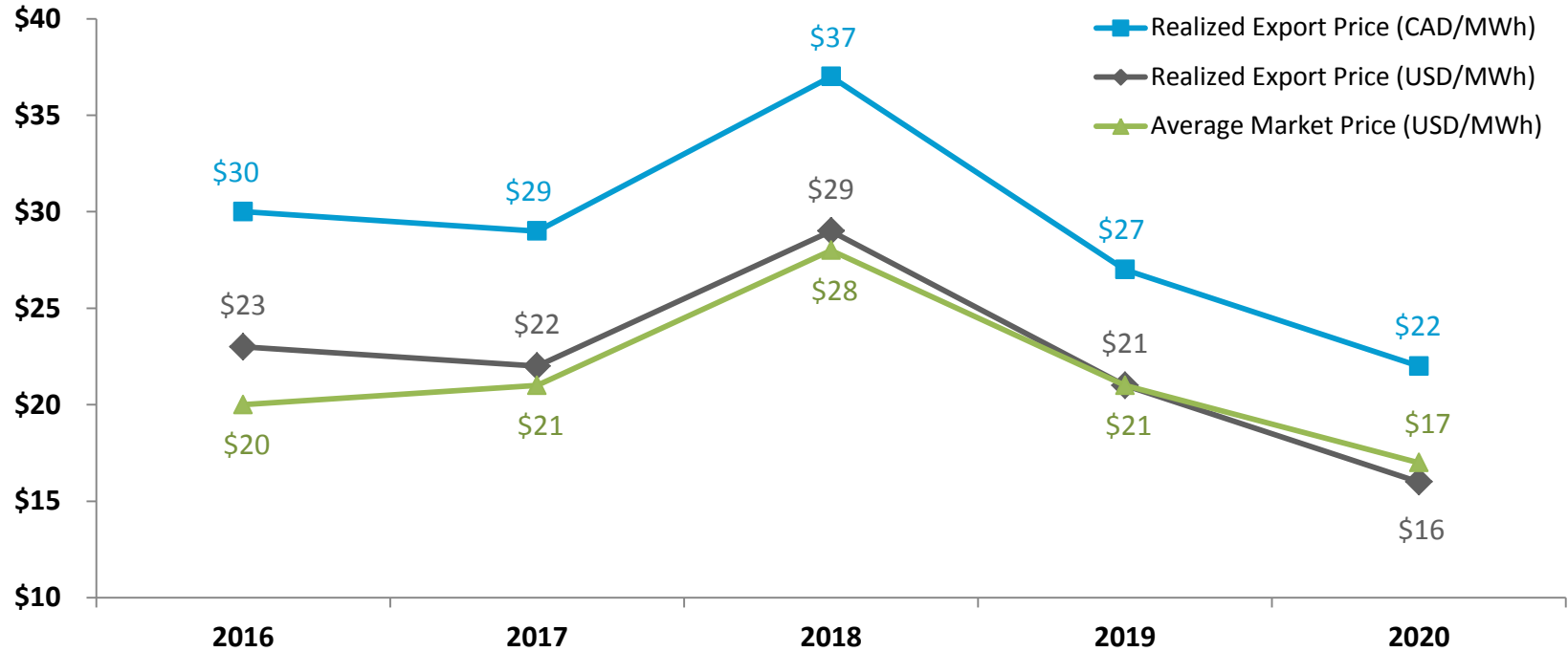
Difference between green line and grey line is the result of commodity hedging (if applicable)
 Difference between grey line and blue line is the result of FX hedging (if applicable) and other FX impacts



YTD September Electricity Export Volume



YTD September Electricity Export Price

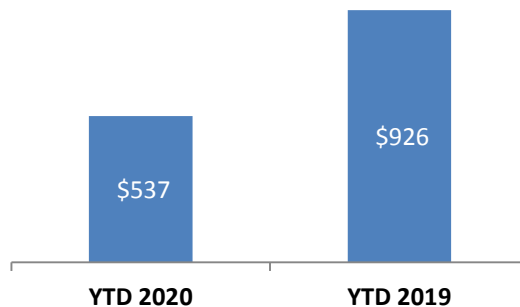


Difference between green line and grey line is the result of commodity hedging (if applicable)
 Difference between grey line and blue line is the result of FX hedging (if applicable) and other FX impacts



YTD September Capital Expenditures

(\$ millions)



<i>For the period ended September 30 (\$ millions)</i>	YTD 2020	YTD 2019	Change
Hydro	52	82	(30)
Power Development	260	525	(265)
Power Supply ^{1, 2}	195	263	(68)
Oil and Gas	30	56	(26)
Corporate, Other & Intersegment	-	-	-
Total	537	926	(389)

¹ Includes Nalcor's 65.8% ownership of Churchill Falls

² Excludes Maritime Link

Lower Churchill Project Expenditures

<i>For the period ended September 30 (\$ millions)</i>	YTD 2020	YTD 2019	Change	Total To Date	Cost Update (September 2020) ¹
Muskrat Falls	156	434	(278)	5,236	5,560
Labrador Transmission Assets	2	12	(10)	868	880
Labrador-Island Link	29	67	(38)	3,596	3,737
Nalcor Facilities Costs	187	513	(326)	9,700	10,177
Interest & Financing Costs	207	195	12	1,485	1,838
Class B Limited Partnership Unit Interest	37	33	4	206	258
Transition to Operations	28	23	5	102	190
Total Nalcor Consolidated Project Expenditures	459	764	(305)	11,493	12,463
Class A Limited Partnership Unit Interest ²	37	34	3	222	300
Financing Reserves ³	-	-	-	-	348
Total Lower Churchill Project Expenditures	496	798	(302)	11,715	13,111

¹ Cost update in September 2020 reflects additional cost as a result of COVID-19 impacts and management's assessment of major contractor performance.

² Class A Limited Partnership Unit Interest is eliminated on consolidation.

³ Represents debt service related cash reserves that are required to be funded at in-service and held for various periods per the financing agreements.



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QUESTIONS





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APPENDIX



Key Metrics

<i>As at:</i>	Sept 30, 2020	Dec 31, 2019	Change
Total Assets (\$ billions)	\$19.2	\$19.3	(\$0.1)
Income Producing Assets (\$ billions)	\$4.6	\$4.8	(\$0.2)
Capital Structure (Debt / Capital)	63%	62%	1%
<i>For the period ended September 30:</i>	YTD 2020	YTD 2019	Change
Operating Profit (\$ millions)	\$105	\$111	(\$6)
(Loss) Profit (\$ millions)	(\$120)	\$106	(\$226)
Funds from Operations (\$ millions)	\$270	\$250	\$20
Capital Expenditures (\$ millions) ¹	\$537	\$926	(\$389)
Electricity Sales (TWh):			
Regulated	5.3	5.7	(0.4)
Export – Hydro-Québec (HQ) ²	21.7	21.7	-
Export – Other Markets	1.0	1.0	-

¹ Excludes Maritime Link.

² Export sales to Hydro-Québec reflect energy billed.



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THANK YOU

