

Power & Renewables Introduction

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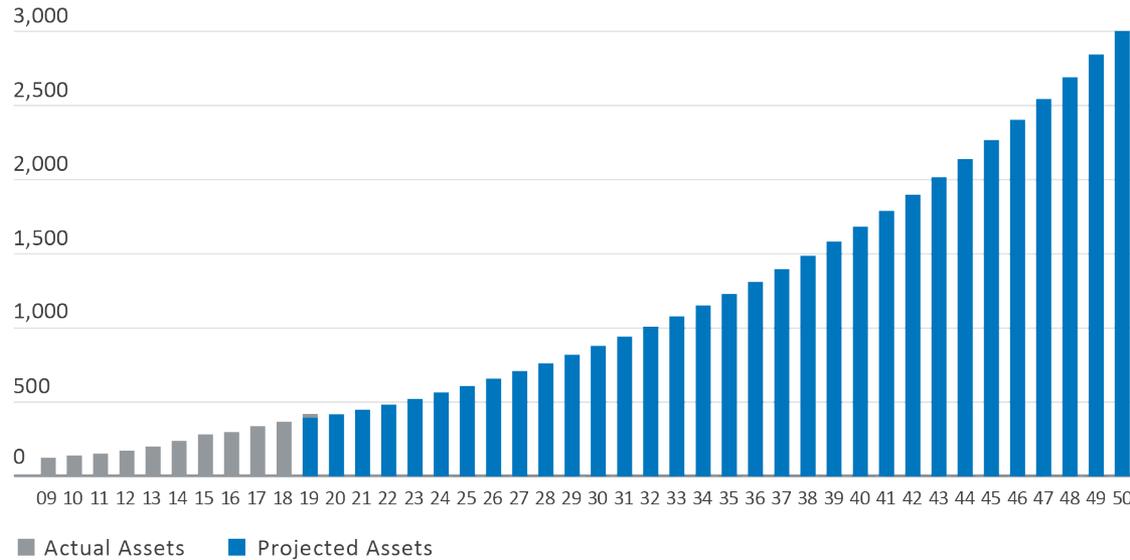
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Scale and Certainty of Assets

Sustainability of the CPP

AS AT DECEMBER 31 (\$ BILLIONS)



- Our scale allows us to shape investments, not just respond to them
- The certainty of our assets and cash inflows means that we can be patient and flexible investors

C\$420.4
BILLION

TOTAL CPP FUND
AS AT DECEMBER 31, 2019

The most recent triennial report by the Chief Actuary of Canada indicated that both the base and additional portions of the CPP are sustainable over a 75-year projection period at the currently legislated contribution rates.

Projections of the CPP Fund, being the combined assets of the base and additional CPP accounts, are based on the nominal projections from the 30th Actuarial Report on the Canada Pension Plan as at December 31, 2018.

Investment Focus



<p>Nature of Assets</p>	<ul style="list-style-type: none"> • Power generation assets, predominantly renewables but can include conventional generation
<p>Geographic Focus</p>	<ul style="list-style-type: none"> • Target portfolio split between developed and emerging markets (current EM focus on Brazil, India and China)
<p>Risk Profile</p>	<ul style="list-style-type: none"> • Mix of long-term PPAs (providing stable cash flows during the duration of the contract) and merchant pricing risk (as long as the investment offers an attractive risk-return profile) • Appetite for a portfolio with a mix of operating assets along with development and construction risk
<p>Scale</p>	<ul style="list-style-type: none"> • Primarily target investments above ~C\$500m • Can target smaller investments through platforms / JVs if there is a clear path to growth and additional capital deployment over time
<p>Hold Period</p>	<ul style="list-style-type: none"> • Potential for long hold (to maturity) with consistent and predictable performance • Value realisations will be considered opportunistically and based on market conditions
<p>Investment Structure</p>	<ul style="list-style-type: none"> • No control requirement • Preference to invest alongside aligned partners with a similar risk appetite and investment horizon

Since P&R's establishment in late 2017, we have closed six investments, acquiring both operating and development assets

Votorantim JV (VTRM)

- Purchase price (2018): C\$ 272m
- CESP acquisition (2018): C\$ 300m
- Region: Brazil
- Assets: 2 operating wind farms (565MW) and 3 hydro plants (1,653MW)



50-50 JV with Votorantim Energia to invest up to ~C\$1.2bn in operational & development assets in Brazil

Pattern Energy

- Purchase price (2020): US\$ 2.6bn
- Region: U.S., Canada, Japan
- Assets: 26 wind farms and 2 solar farms (2.8 GW); 10+ GW onshore and offshore development pipeline



Acquired 100% of Pattern Energy, a large listed YieldCo, and merged with Pattern Development, its privately-held development affiliate.

Maple Power

- JV formed in June 2019
- Region: Europe
- Assets: European offshore wind; currently 2 operating in Germany, 1 in construction in France and 2 in development in France



50-50 JV with Enbridge to pursue European offshore wind projects across the asset lifecycle

P&R generates value through project development, operational improvements and risk management

Power & Renewables



CASE STUDY: Joint Venture with Votorantim Energia

BACKGROUND

- The 50/50 joint venture between CPPIB and Votorantim Energia was created to invest in Brazil's power generation sector. Votorantim Energia is a best-in-class partner with extensive experience in developing and operating hydro, wind, and thermal power plants in Brazil.

INVESTMENT DESCRIPTION

- In May 2018, CPPIB invested approximately C\$272 million for a 50% interest in a power generation joint-venture that owns 571MW of operating wind assets in Brazil
- In December 2018, we closed the acquisition of a 35.6% stake in Companhia Energética de São Paulo (CESP) through VTRM and CPPIB's 50-50 joint venture with Votorantim Energia – for a total consideration of R\$1.7 billion
- CPPIB and Votorantim Energia are committed to expand the partnership and make additional investments in both operational and development power projects in Brazil

TIMELINE

- **Dec 2017:** CPPIB and Votorantim Energia reach an agreement with Casa dos Ventos to acquire 100% of the operating wind park Ventos do Araripe III in the northeast of Brazil
- **May 2018:** Votorantim Energia and CPPIB close the transaction with Casa dos Ventos; Votorantim Energia contributes its wind park asset Ventos do Piauí I to the joint-venture, and CPPIB funds approximately C\$272 million for a 50% stake
- **Dec 2018:** Privatization of Companhia Energetica de Sao Paulo (CESP) alongside Votorantim Energia