8-K'ed on March 1, 2021

NorthWestern Energy

Investor Update

March 2021

NorthWestern Energy

Delivering a Bright Future

Forward Looking Statements

Forward Looking Statements

During the course of this presentation, there will be forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will.”

The information in this presentation is based upon our current expectations as of the date hereof unless otherwise noted. Our actual future business and financial performance may differ materially and adversely from our expectations expressed in any forward-looking statements. We undertake no obligation to revise or publicly update our forward-looking statements or this presentation for any reason. Although our expectations and beliefs are based on reasonable assumptions, actual results may differ materially. The factors that may affect our results are listed in certain of our press releases and disclosed in the Company’s most recent Form 10-K and 10-Q along with other public filings with the SEC.


Boulder River in Montana

Company Information

NorthWestern Corporation
dba: NorthWestern Energy
Ticker: NWE (Nasdaq)
www.northwesternenergy.com

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NorthWestern Energy
Delivering a Bright Future

NorthWestern Energy Value Proposition

A pure play electric and natural gas utility serving as stewards of critical energy infrastructure that provides essential services to a broad service territory spanning across Montana, South Dakota, Nebraska and Yellowstone National Park.

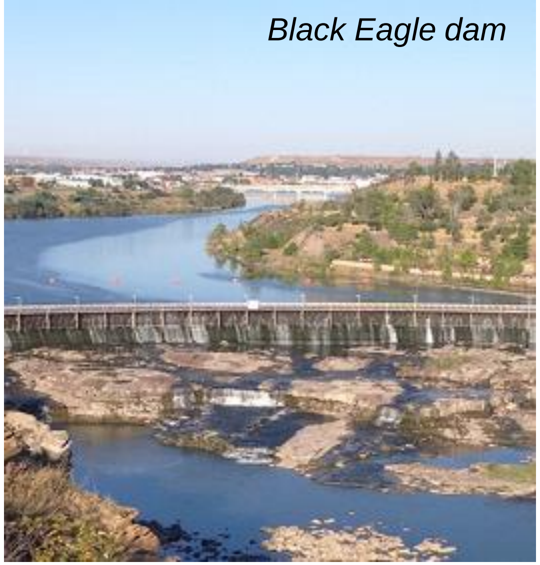
A Strong Financial Foundation and Investment for the Long Term

- Over 100 years of operating history
- History of strong earnings growth
  - 3.7% Non-GAAP EPS CAGR from 2011-2020
  - 3%-6% long-term EPS growth going forward
- History of annual dividend increases
  - Growing from $1.00 per share in 2005 to $2.40 in 2020
  - Competitive current dividend yield of 4.3%
- Growing capital investment program
  - $400+ million annual investment and approximately 2.4x depreciation in 2021
- Significant generation capacity deficit with opportunity for investment
- Diverse energy supply portfolio - already 65% carbon-free (MWh's delivered)
- Award winning and best practices corporate governance
- Stable and flexible investment grade balance sheet
- Ample liquidity (>$100 Millions) to weather uncertainty
- History of stable customer growth, in excess of national average
- Customer bills well below national average
- Highest ever customer satisfaction scores

NWE - An Investment for the Long Term

Pure Electric & Gas Utility

- 100% pure electric & natural gas utility business with over 100 years of operating history
- Solid economic indicators in service territory
- Diverse electric supply portfolio ~65% hydro, wind & solar



Black Eagle dam

Solid Utility Foundation

- Residential electric & gas rates below national average
- Solid system reliability
- Low leaks per 100 miles of pipe
- Solid JD Power Overall Customer Satisfaction scores

Strong Earnings & Cash Flow

- Consistent track record of earnings & dividend growth
- Strong cash flows aided by net operating loss carry-forwards anticipated to be available into 2021
- Strong balance sheet & investment grade credit ratings

Attractive Future Growth Prospects

- Disciplined maintenance capital investment program to ensure safety and reliability
- Significant investment in renewable resources (hydro & wind) will provide long-term energy supply pricing stability for the benefit of customers for many years to come
- Further opportunity for energy supply investment to meet significant capacity shortfalls

Financial Goals & Metrics

- Target debt to capitalization ratio of 50%-55% with liquidity of $100 million or greater
- Target 3%-6% EPS growth plus dividend yield to provide competitive total return
- Target dividend payout ratio of 60%-70%

Best Practices Corporate Governance

NYSE Governance Services – Governance, Risk and Compliance – Leadership Awards 2015 – Winner

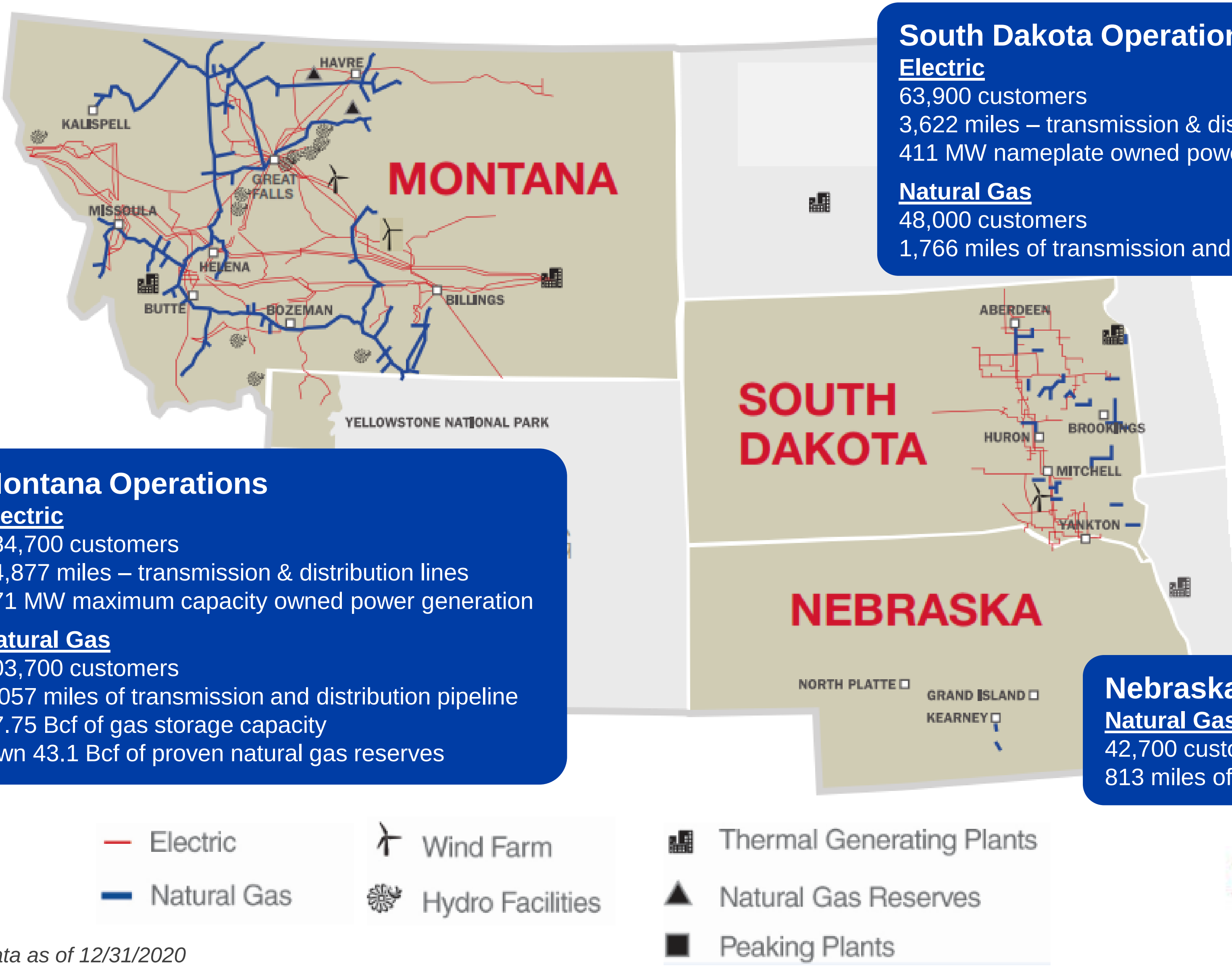
2015 Utility Customer Champion – Residential – Cogent Reports

20% by 2020 – Women on Boards

Corporate Governance Awards 2019 – corporate secretary – Winner

corpedia – Ethics. Elevated.

About NorthWestern



South Dakota Operations

Electric

63,900 customers
3,622 miles – transmission & distribution lines
411 MW nameplate owned power generation

Natural Gas

48,000 customers
1,766 miles of transmission and distribution pipeline

Montana Operations

Electric

384,700 customers
24,877 miles – transmission & distribution lines
871 MW maximum capacity owned power generation

Natural Gas

203,700 customers
7,057 miles of transmission and distribution pipeline
17.75 Bcf of gas storage capacity
Own 43.1 Bcf of proven natural gas reserves

Nebraska Operations

Natural Gas

42,700 customers
813 miles of distribution pipeline

Data as of 12/31/2020

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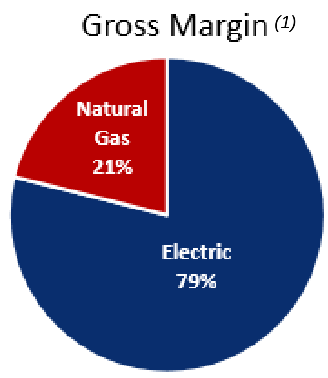
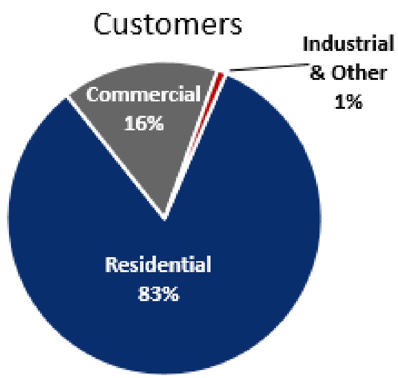
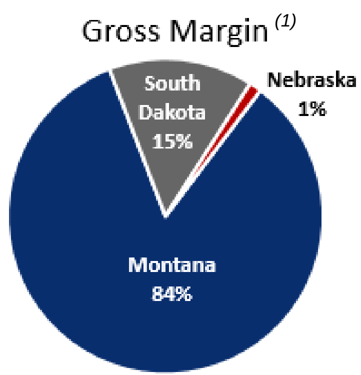
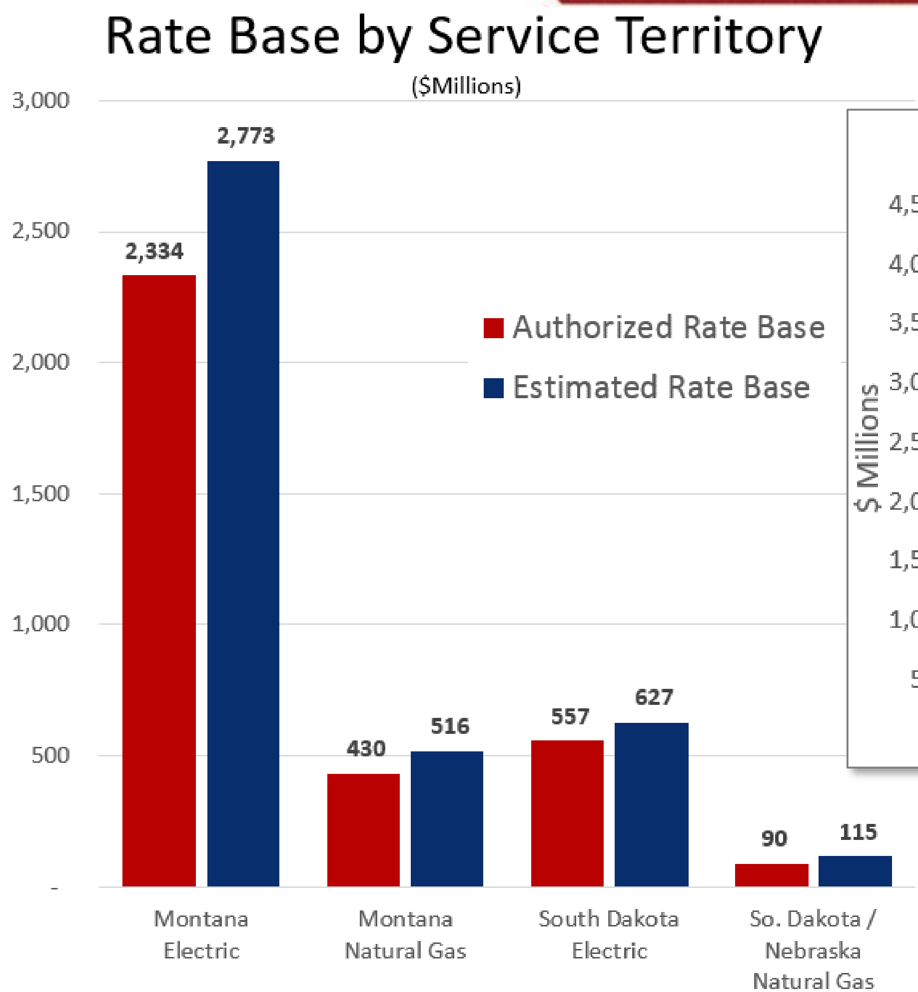
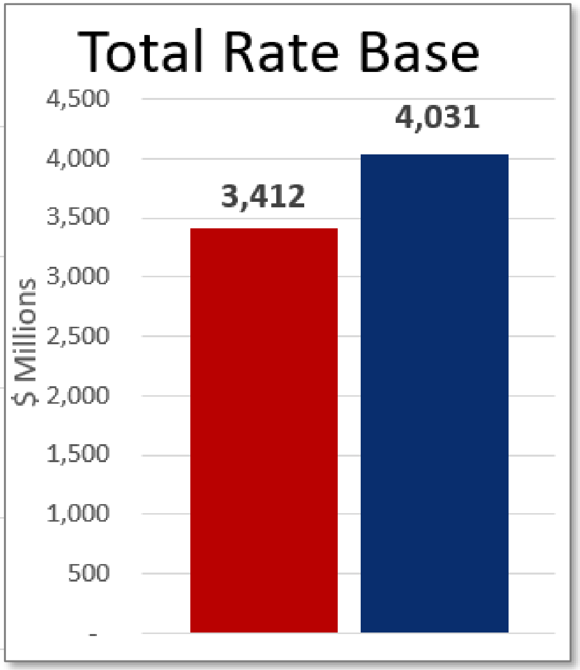
A Diversified Electric and Gas Utility











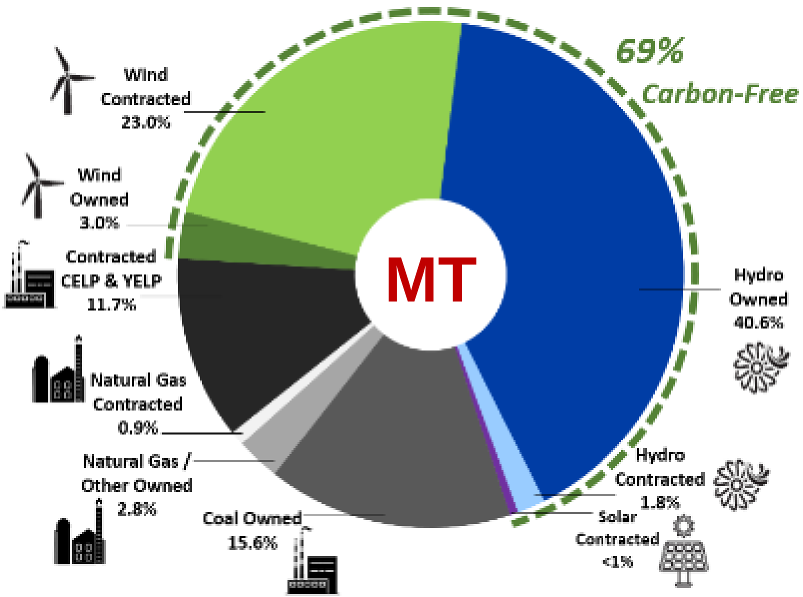
NorthWestern's '80/20' rules:
Approximately 80% Electric, 80% Residential and 80% Montana.
Over $4.0 billion of rate base investment to serve our customers

Data as reported in our 2020 10-K

(1) Gross Margin, defined as revenues less cost of sales, is a non-GAAP Measure. See appendix for additional disclosure.

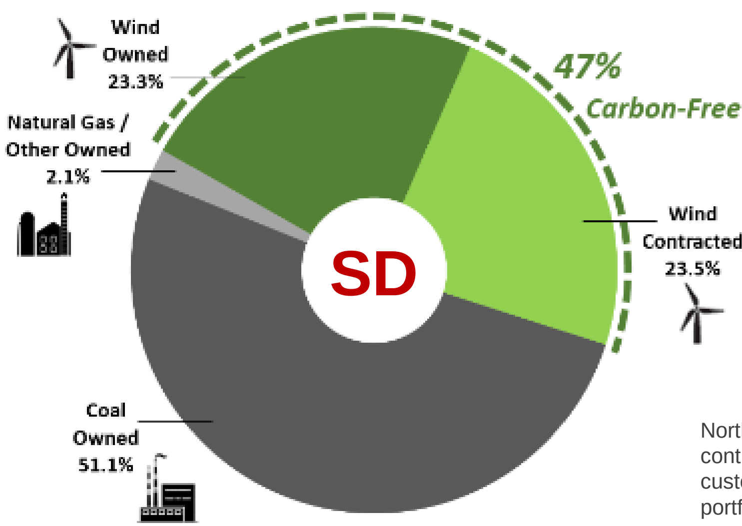
Highly Carbon-Free Supply Portfolio

2020 Electric Generation Portfolio - Montana

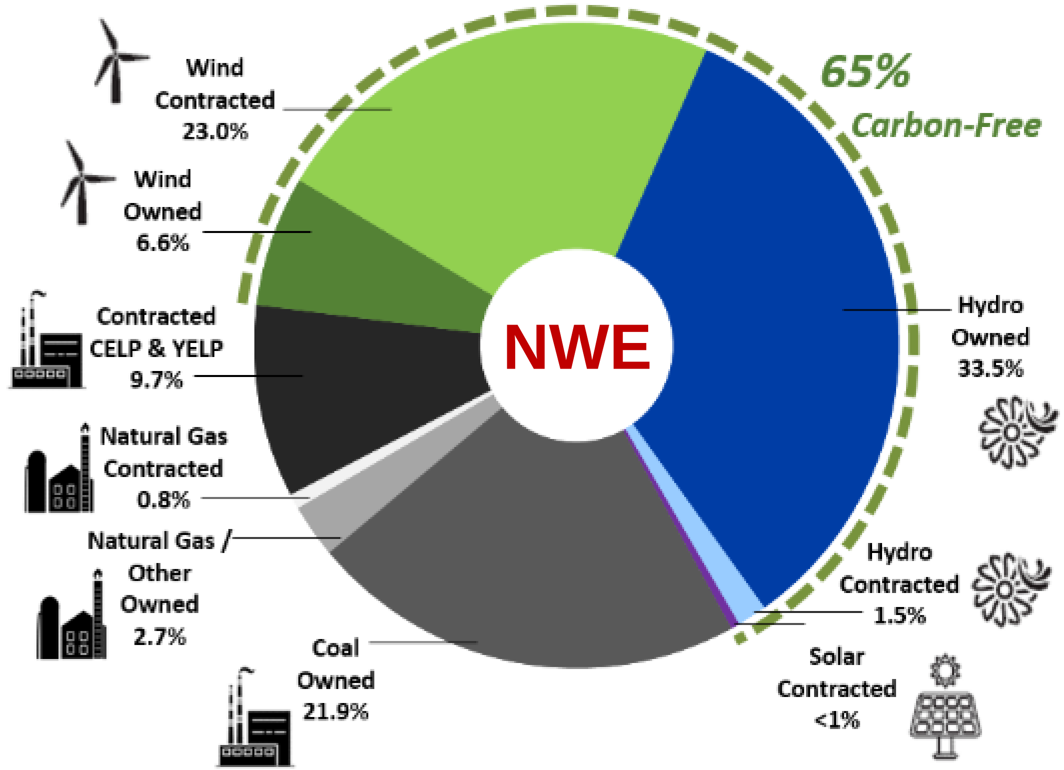


Contracted energy from Colstrip Energy Limited Partners (CELP), Yellowstone Energy Limited Partners (YELP) as well as a majority of the contracted wind, hydro and solar are federally mandated Qualifying Facilities, as defined under the Public Utility Regulatory Policies Act of 1978 (PURPA).

2020 Electric Generation Portfolio - South Dakota



2020 Electric Generation Portfolio - Total NWE



Based upon 2020 MWH's of owned and long-term contracted resources. Approximately 65% of our total company owned and contracted supply is carbon-free.

NorthWestern does not own all the renewable energy certificates (RECs) generated by contracted wind, and periodically sells its own RECs with proceeds benefiting retail customers. Accordingly, we cannot represent that 100% of carbon-free energy in the portfolio was delivered to our customers.

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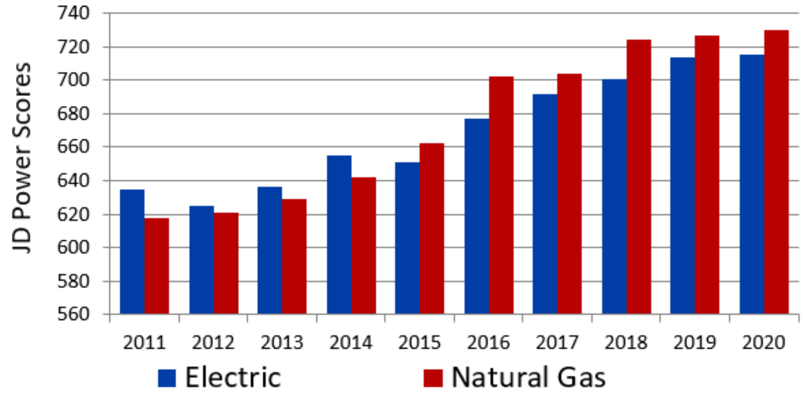
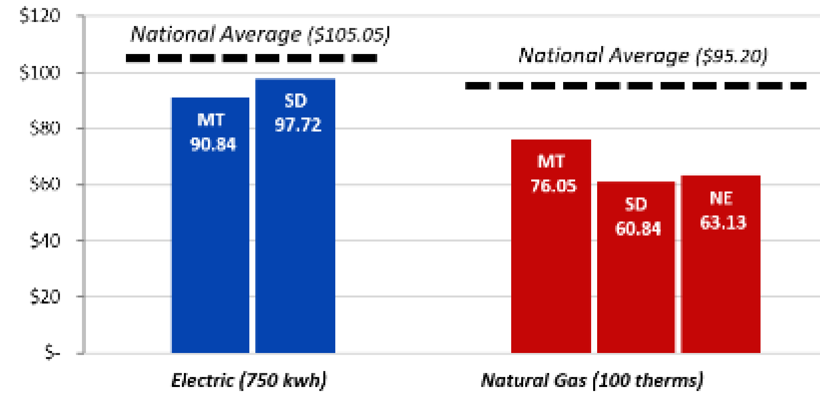
Strong Utility Foundation

NWE's Overall Customer Satisfaction Scores

via JD Power Electric & Gas Residential Studies



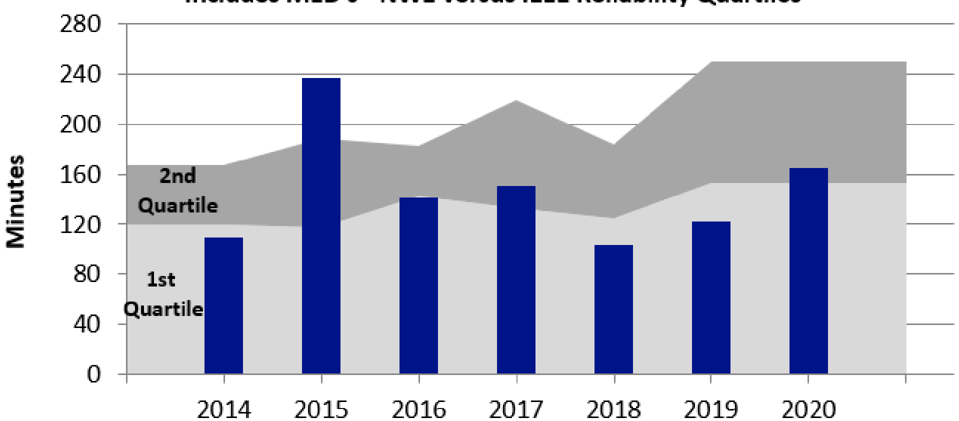
"Typical Bill" Residential Rate Comparison



NWE rates as of 1/1/2021
Electric source: Edison Electric Institute Typical Bills and Average Rates Report, 1/1/20
Natural Gas source: US EIA - Monthly residential supply and delivery rates as of January 2020

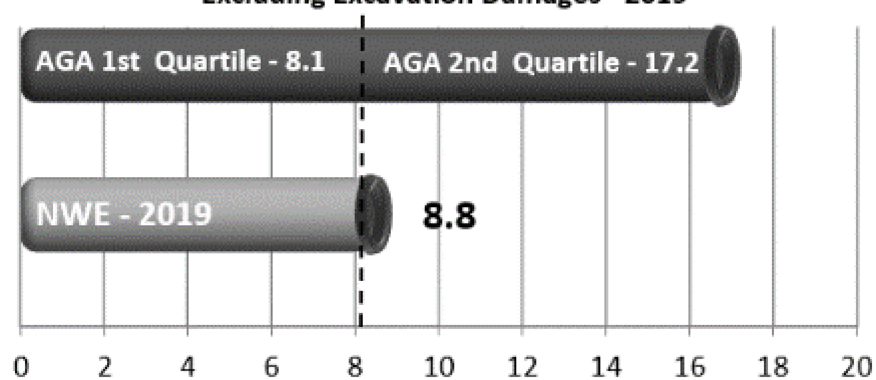
System Average Interruption Duration Index (SAIDI)

Includes MED's - NWE versus IEEE Reliability Quartiles



Leaks per 100 Miles of Pipe

Excluding Excavation Damages - 2019



- Solid and improving JD Power Overall Customer Satisfaction Scores
- Residential electric and natural gas rates below national average
- Solid electric system reliability
- Low gas leaks per mile – just outside 1st quartile

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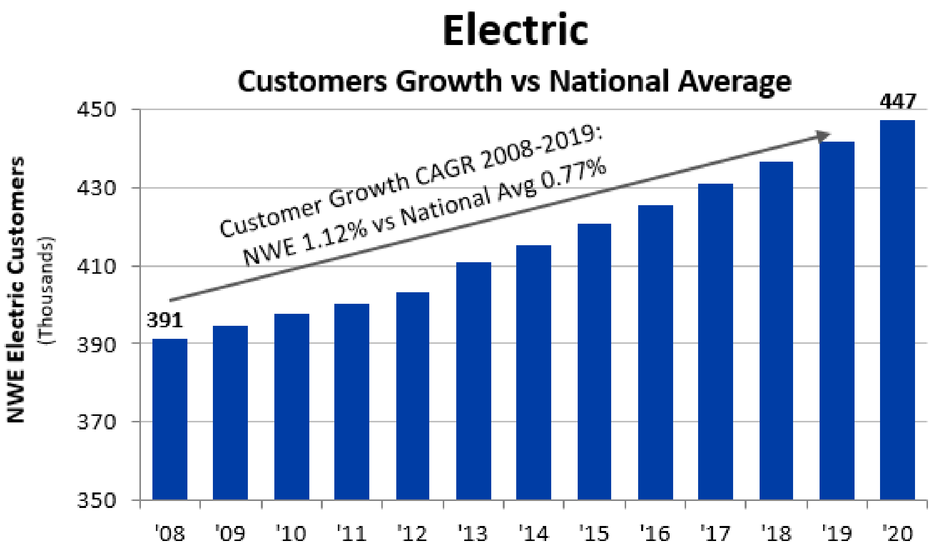
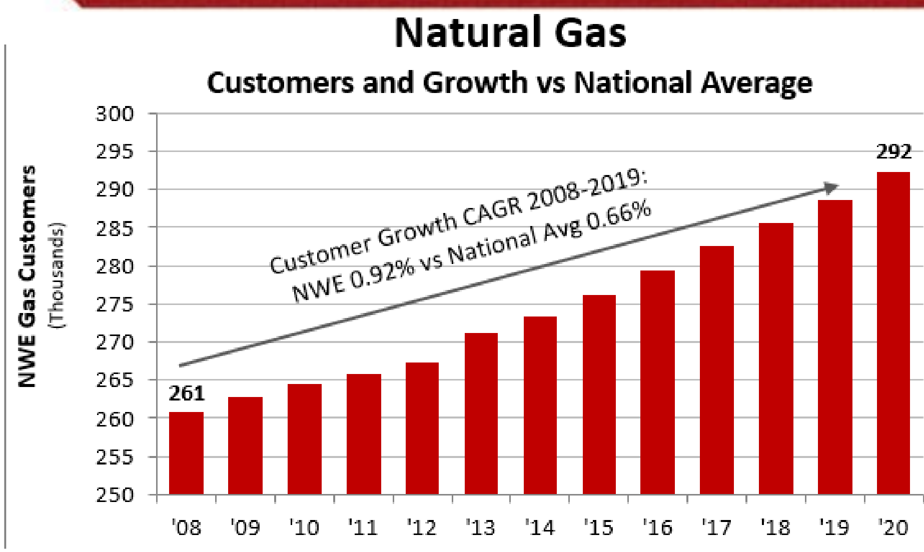
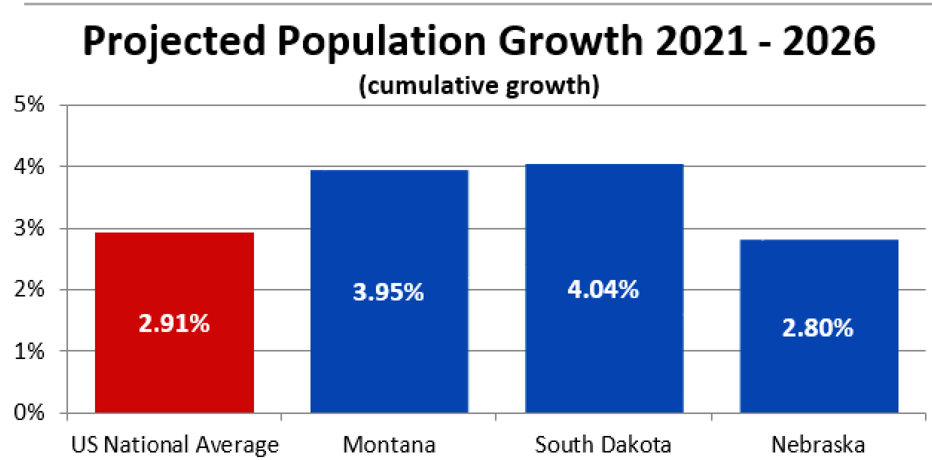
Solid Economic Indicators





Source: Company 10K's, 2018/2019 EEI Statistical Yearbook – Table 7.1 and EIA.gov

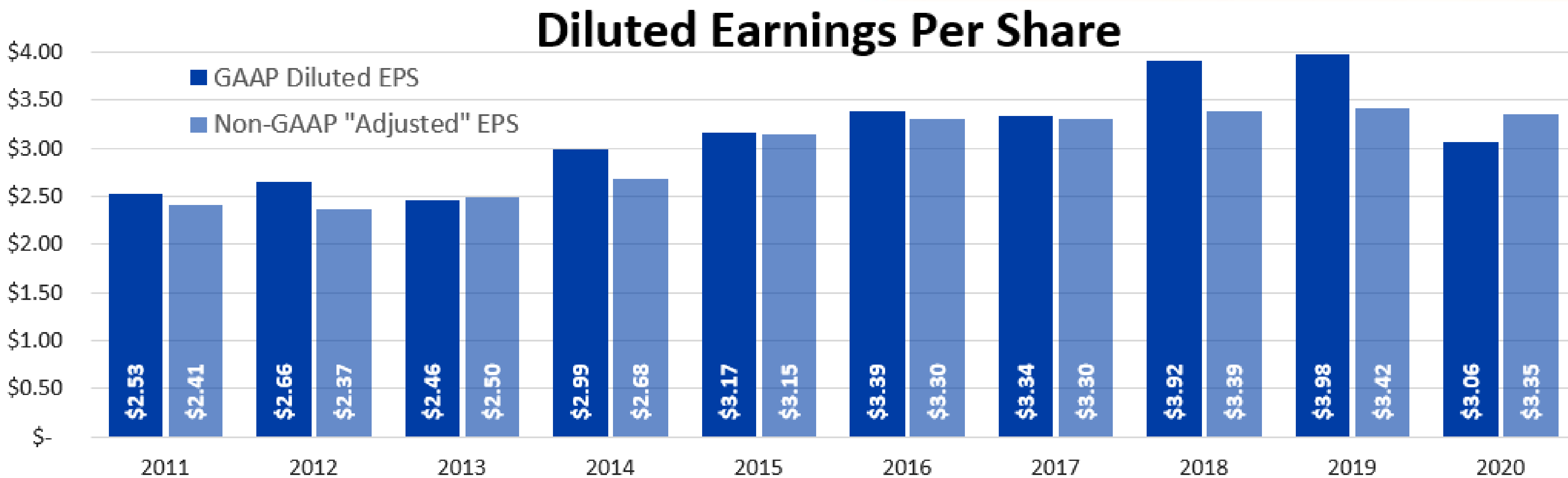


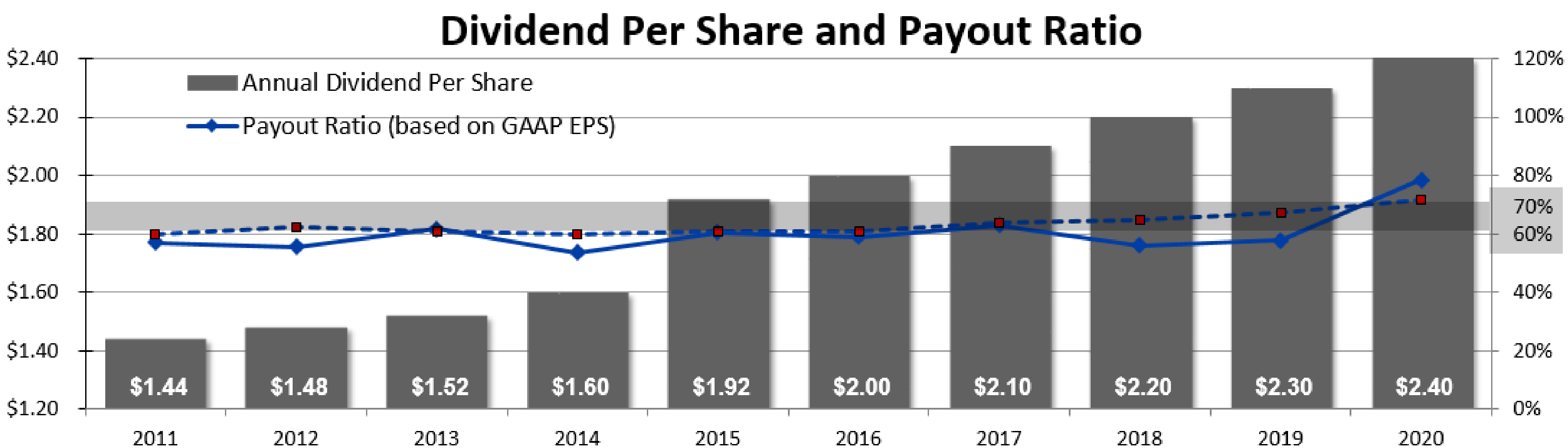

Black Eagle Power House

Source: Claritas via S&P Global Market Intelligence 2-18-21

- Customer growth rates historically exceed National Averages.
- Projected population growth in our service territories better than the National Average.

A History of Growth



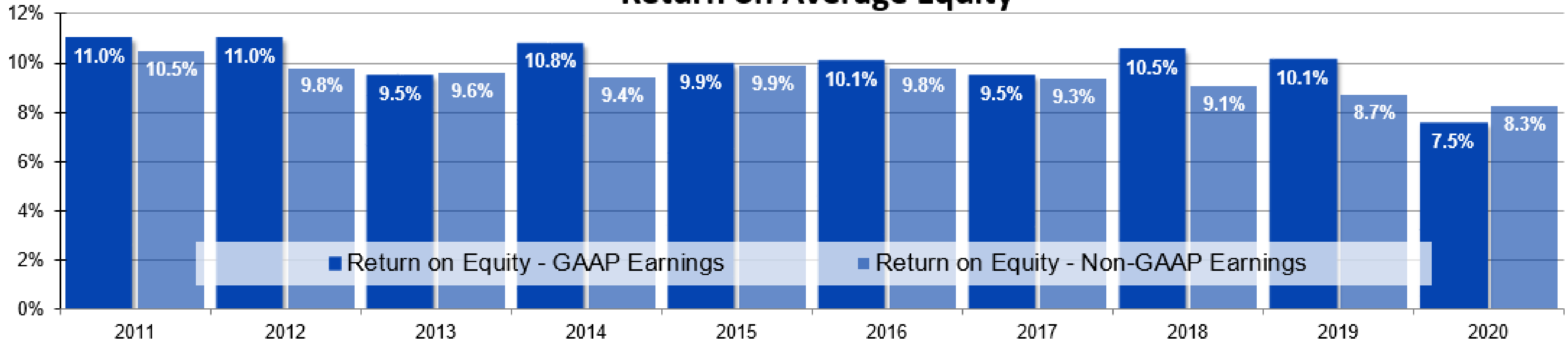


2011-2020 CAGR's: GAAP EPS: 2.1% - Non-GAAP EPS: 3.7% - Dividend: 5.8%

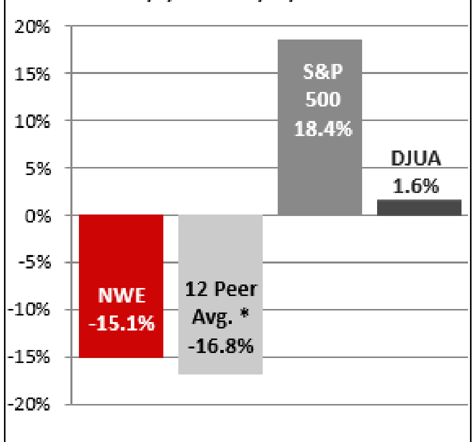
See appendix for "Non-GAAP Financial Measures"

Track Record of Delivering Results

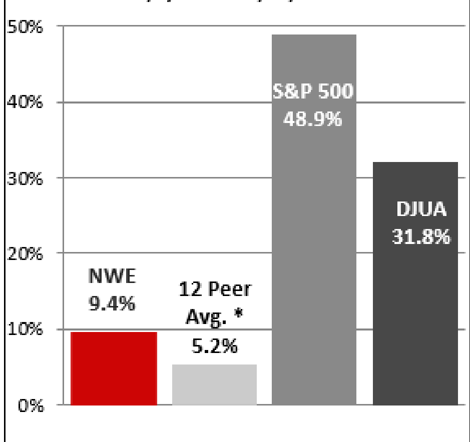
Return on Average Equity



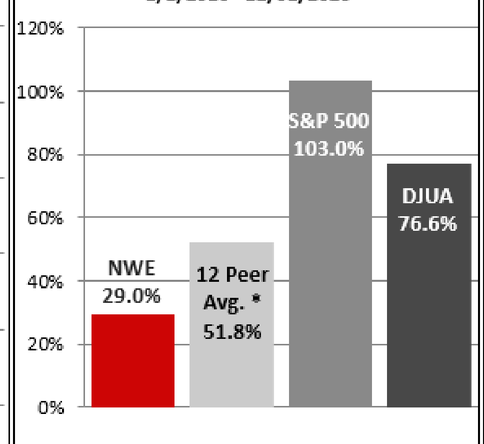
1 Year Total Shareholder Return
1/1/2020 - 12/31/2020



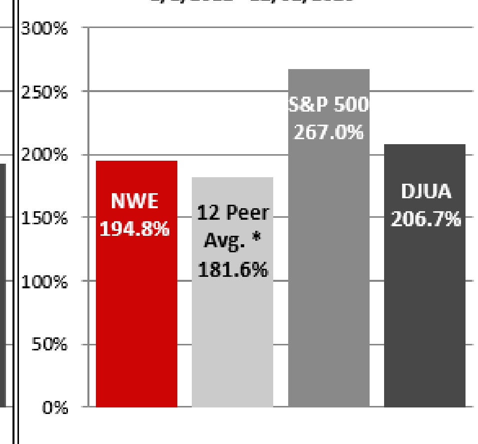
3 Year Total Shareholder Return
1/1/2018 - 12/31/2020



5 Year Total Shareholder Return
1/1/2016 - 12/31/2020



10 Year Total Shareholder Return
1/1/2011 - 12/31/2020

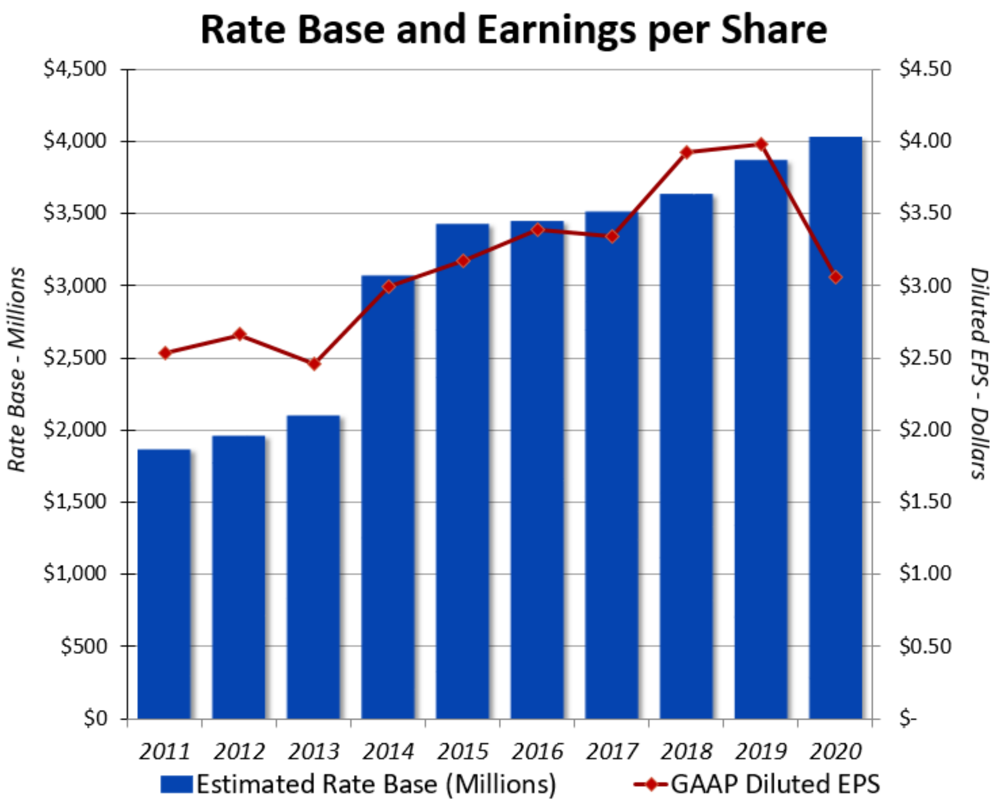


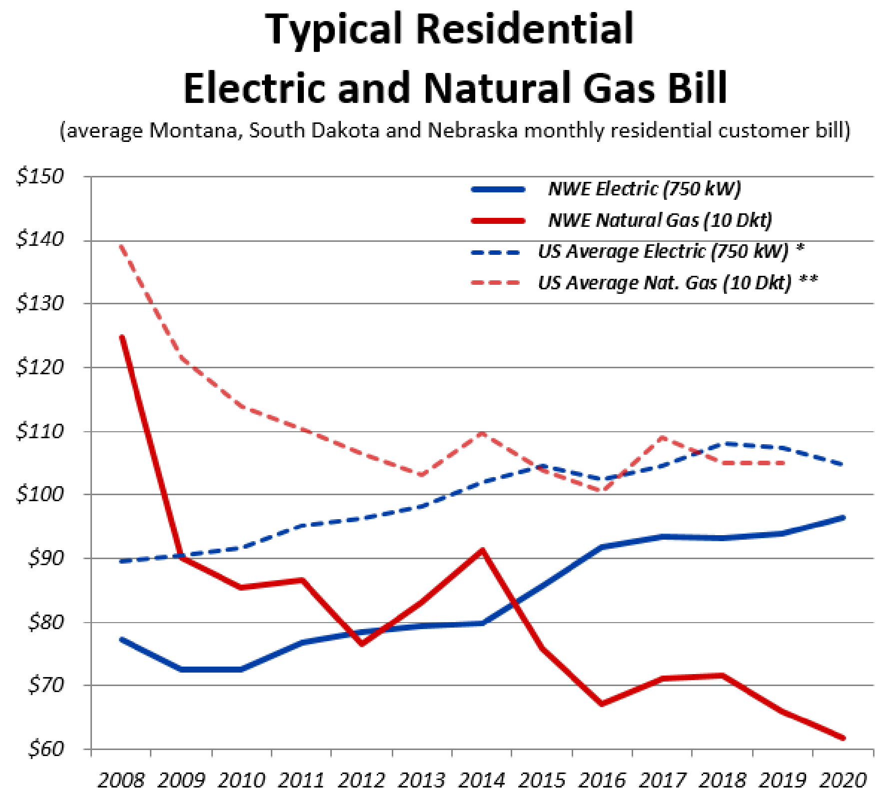
* *<u>Peer Group</u>: ALE, AVA, BKH, IDA, MGEE, NWN, OGE, OGS, OTTR, PNM, POR & SR*

Return on Equity on Non- GAAP Earnings within 8.3% - 10.5% band over the last 10 years with average of 9.4%. Total Shareholder Return is in line or better than our 12 peer average for the 1, 3 & 10 year periods but lags in the 5 year period, due in part to regulatory concerns in Montana during this period.

See appendix for "Non-GAAP Financial Measures"

Investment for Our Customers' Benefit





* Electric - EEI Typical Bills and Average Summer and Winter Rates Report (2008-2020)

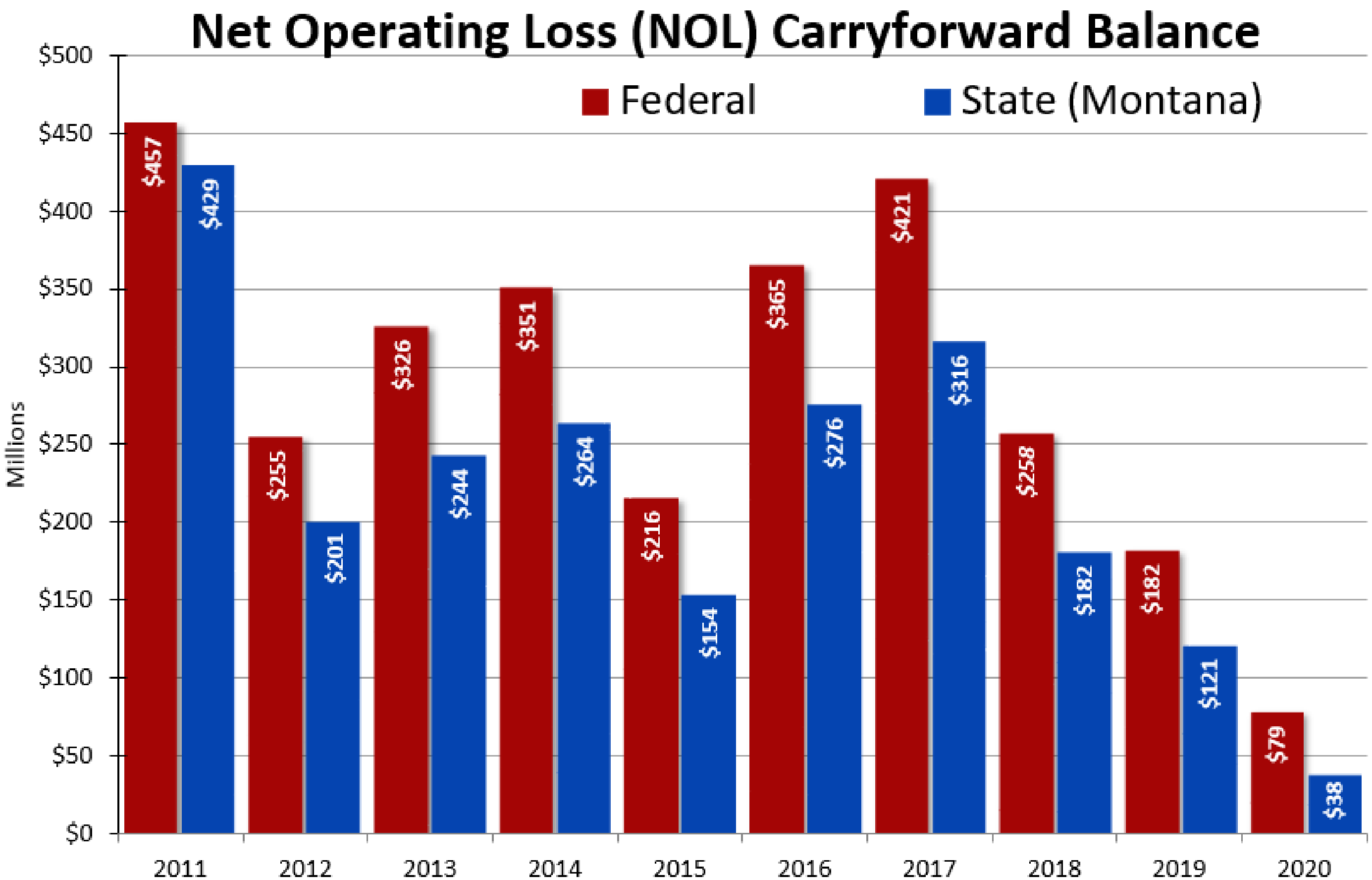
** Natural Gas - EIA U.S. Price of Natural Gas Delivered to Residential Customers (2008-2019)

Over the past decade we have been reintegrating our Montana energy supply portfolio and making additional investments across our entire service territory to enhance system safety, reliability and capacity.

We have made these enhancements with minimal impact to customers' bills while maintaining bills lower than the US average. As a result we have also been able to deliver solid earnings growth for our investors.

2011-2020 CAGRs	Estimated Rate Base: 8.9%	GAAP Diluted EPS: 2.1%
2008-2020 CAGRs	NWE typical electric bill: 1.9%	NWE typical natural gas bill: (5.7%)
2008-2020 CAGRs	US average electric bill: 1.3%*	US average natural gas bill: (2.5%)**

Net Operating Losses & Effective Tax Rate



Cash Taxes:
We anticipate NOLs to be available into 2021 with production tax and other credits to largely offset any federal cash tax obligations until 2024.

Effective Tax Rate:
We anticipate the effective tax rate (ETR) for 2021 to be approximately (2.5%) to 2.5% of pre-tax income. The ETR is expected to gradually approach 10% - 12% by 2025.

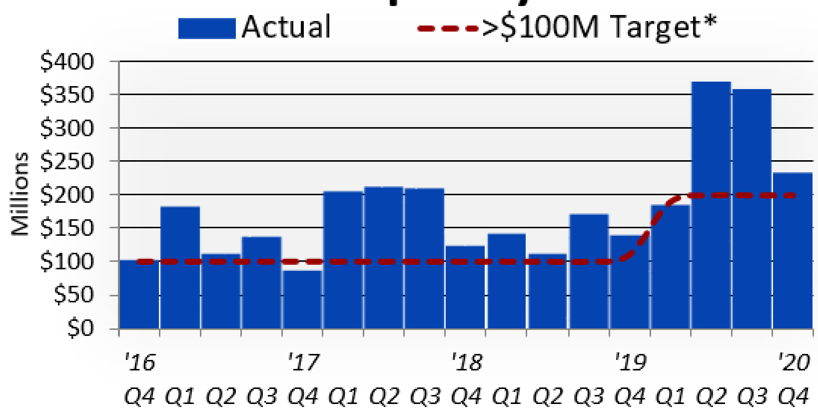
Balance Sheet Strength and Liquidity

Credit Ratings

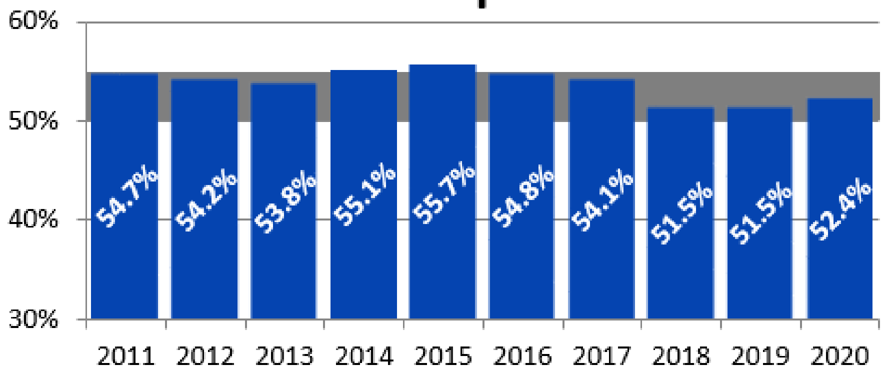
	Fitch	Moody's	S&P
Senior Secured Rating	A	A3	A-
Senior Unsecured Rating	A-	Baa2	BBB
Commerical Paper	F2	Prime-2	A-2
Outlook	Stable	Stable	Stable

A security rating is not a recommendation to buy, sell or hold securities. Such ratings may be subject to revisions or withdrawl at any time by the credit rating agency and each rating should be evaluated independently of any other rating.

Liquidity



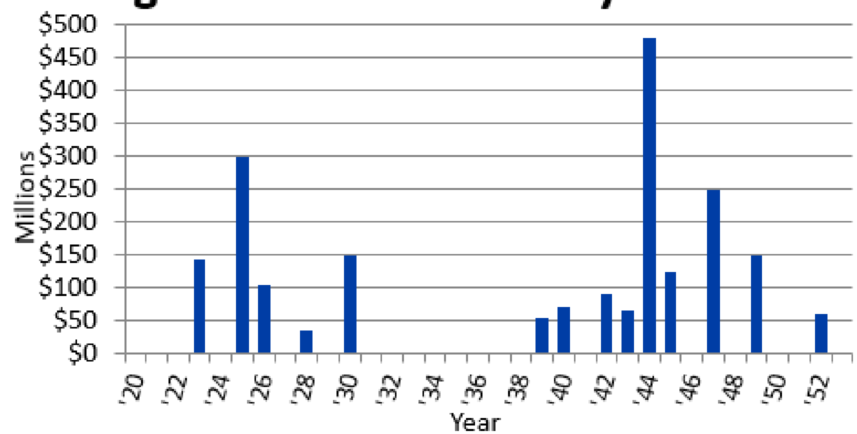
Debt to Capital Ratio



Target: 50% - 55% - Annual ratio based on average of each quarter's debt/cap ratio

Excludes Basin Creek capital lease and New Market Tax Credit Financing

Long-Term Debt Maturity Schedule



Investment grade credit ratings, liquidity in excess of $100 million target, debt to cap within our targeted 50%-55% range and no long-term debt maturities until 2023.

*Liquidity target increased to $200 million due to uncertain economic conditions brought about by COVID-19.

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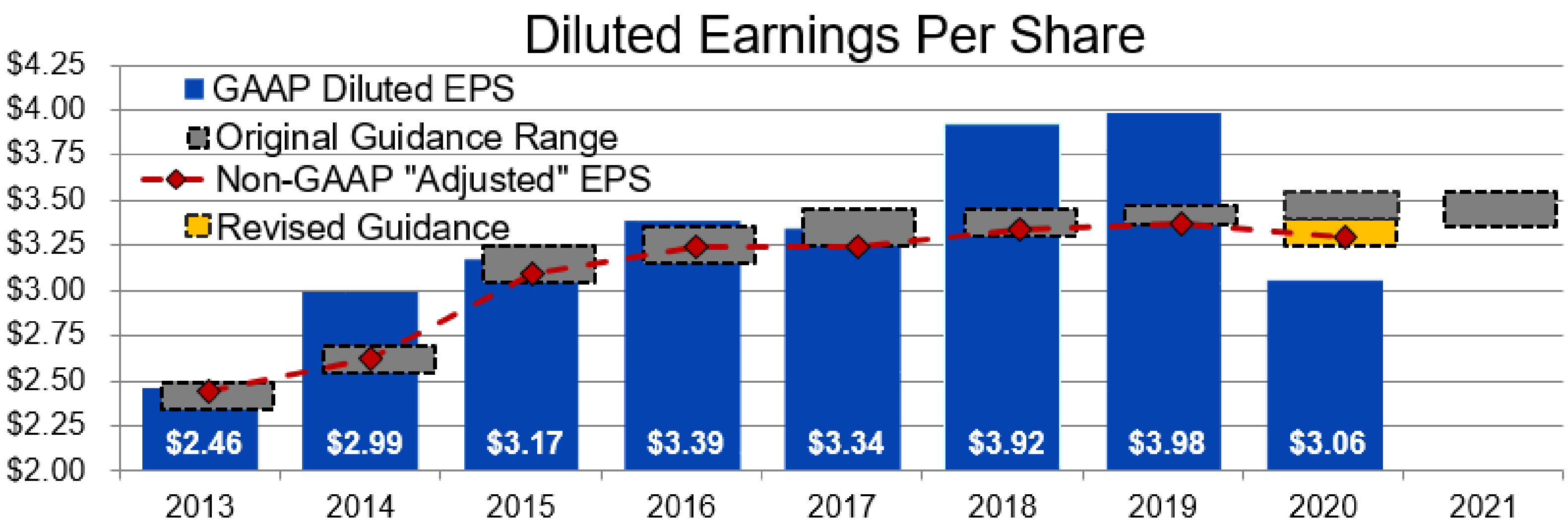
Earnings Growth



Non-GAAP Adjusted EPS Growth Averaged 4.3% from 2013 - 2020

NorthWestern affirms its 2021 earnings guidance range of $3.40 to $3.60 per diluted share based upon, but not limited to, the following major assumptions and expectations:

- **COVID-19 related reduction in our commercial and industrial sales volumes, offset in part by an increase in usage by residential customers through the second quarter of 2021;**
- Normal weather for the remainder of the year in our electric and natural gas service territories;
- A consolidated income tax rate of approximately (2.5%) to +2.5% of pre-tax income; and
- Diluted shares outstanding of approximately 51.5 million to 51.8 million.

Continued investment in our system to serve our customers and communities is expected to provide annualized 4% - 5% growth in rate base and a targeted long-term earnings per share growth rate of 3% - 6%. Maintaining our 60% - 70% targeted dividend payout ratio, we anticipate the dividend growth rate to be in line with the EPS growth rate going forward.

See “Non-GAAP Financial Measures” slide in appendix for “Non-GAAP Adjusted EPS”.

2020 Non-GAAP to 2021 EPS Bridge

	2021 Guidance Bridge Low		2021 Guidance Bridge High
2020 Non-GAAP Adjusted Diluted EPS	**$3.35**		**$3.35**
2021 Earnings Drivers (after-tax and per share)			
Gross Margin	0.39	-	0.54
OG&A expense	(0.05)	-	(0.03)
Property & other tax expense	(0.14)	-	(0.12)
Depreciation expense	(0.13)	-	(0.12)
Interest expense	-	-	0.01
Other income	0.04	-	0.05
Incremental tax impact*	(0.01)	-	(0.02)
Subtotal of anticipated changes	**0.10**	-	**0.31**
2021 EPS guidance range prior to potential equity dilution	**$3.45**		**$3.66**
Dilution from higher outstanding shares	(0.05)	-	(0.06)
EPS guidance range after potential equity dilution	**$3.40**		**$3.60**

* 2021 earnings drivers shown above are calculated using a 25.3% effective tax rate. The incremental tax impact line included above reflects anticipated changes in discrete tax items (such as tax repairs and meter deductions, production tax credits, and other permanent or flow-through items) from 2020 actual earnings to 2021 forecast.

We anticipate narrowing the 20 cent guidance range (to the standard 15 cent range) in the 2nd or 3rd quarter when we have a better sense Covid-19 impacts.

Non-GAAP 2020 to 2021 midpoint EPS growth rate of 4.5%.

$2.48 annualized dividend is expected to be at the upper end of our 60%-70% targeted payout of EPS.

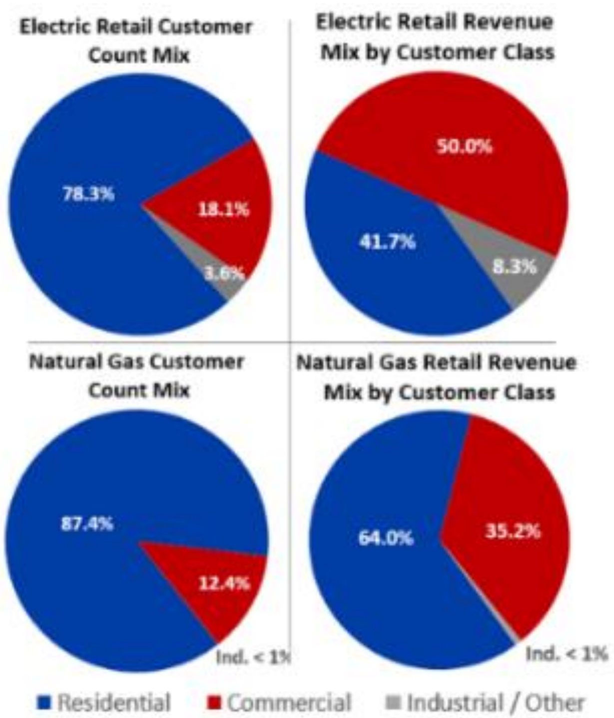
Assumptions included in the 2021 Guidance includes, but not limited to, the following major assumptions:

- *Normal weather in our electric and natural gas service territories;*
- *Continued Covid-19 related reduction in our commercial and industrial sales volumes, offset in part by an increase in usage by residential customers through the second quarter of 2021;*
- *A consolidated income tax rate of approximately (2.5%) to +2.5% of pre-tax income; and*
- *Diluted average shares outstanding of approximately 51.5 million to 51.8 million.*

Note: Gross Margin, defined as revenues less cost of sales, is a non-GAAP Measure See appendix for additional disclosure.

COVID-19: Margin Impact

Electric: High-Level COVID Load Impacts vs Planned 2020 Loads						
	Second Quarter		Third Quarter		Fourth Quarter	
	Forecast	Actual	Forecast	Actual	Forecast	Actual
Residential	4.0%	3.3%	1.5%	5.4%	0.3%	0.3%
Commercial	(12.0%)	(11.0%)	(4.5%)	(8.9%)	(0.8%)	(7.7%)
Industrial	(4.0%)	(1.2%)	(1.5%)	(17.3%)	(0.3%)	(22.8%)



Covid-19 impacts on gross margin continued into the fourth quarter with commercial and industrial customer classes impacted more than forecasted (residential in line with forecast). Industrial load was incrementally impacted by non-Covid related closures of a few industrial customers. These customers, who do not procure supply from NorthWestern, account for a significant potion of volumes but have a less material impact on gross margin.

For the fourth quarter, we estimate the gross margin detriment of Covid-19 to be $3 million - $4 million and $8 million to $11 million for the full year 2020.

COVID-19: Expense Impacts

Estimate of Covid Impacts	Second Quarter			Third Quarter			Fourth Quarter			Full Year 2020		
(millions)	Low		High	Low		High	Low		High	Low		High
Gross Margin	**($3.0)**	-	**($4.0)**	**($2.0)**	-	**($3.0)**	**($3.0)**	-	**($4.0)**	**($8.0)**	-	**($11.0)**
Operating Expense												
Medical	(0.9)	-	(0.9)	0.0	-	0.0	0.0	-	0.0	(0.9)		(0.9)
Labor	(0.7)	-	(0.7)	(0.4)	-	(0.4)	(0.7)	-	(0.7)	(1.8)	-	(1.8)
Travel & training	(1.2)	-	(1.2)	(0.8)	-	(0.8)	(0.8)	-	(0.8)	(2.8)	-	(2.8)
Uncollectible accounts	3.1	-	3.1	2.4	-	2.4	(2.4)	-	(2.4)	3.0	-	3.0
Total Operating Expense	**0.3**	-	**0.3**	**1.2**	-	**1.2**	**(3.9)**	-	**(3.9)**	**(2.4)**	-	**(2.4)**
Operating Loss	**(3.3)**	-	**(4.3)**	**(3.2)**	-	**(4.2)**	**0.9**	-	**(0.1)**	**(5.6)**	-	**(8.6)**
Interest expense	(0.7)	-	(0.7)	0.0	-	0.0	0.0	-	0.0	(0.7)	-	(0.7)
Pretax Loss	**(4.0)**	-	**(5.0)**	**(3.2)**	-	**(4.2)**	**0.9**	-	**(0.1)**	**(6.3)**	-	**(9.3)**
Income tax benefit	1.0	-	1.3	0.8	-	1.1	(0.2)	-	0.0	1.6	-	2.4
Net Loss	**($3.0)**	-	**($3.7)**	**($2.4)**	-	**($3.1)**	**$0.7**	-	**($0.1)**	**($4.7)**	-	**($6.9)**
ETR	25.3%		25.3%	25.3%		25.3%	25.3%		25.0%	25.3%		25.3%
Diluted Shares	50.6	-	50.6	50.7	-	50.7	51.7	-	51.7	50.7	-	50.7
Diluted EPS	($0.06)	-	($0.07)	($0.05)	-	($0.06)	$0.01	-	$0.00	($0.09)	-	($0.14)

Expenses that increased:

- Bad debt expense
  - Regulatory recovery in SD only
- Covid-19 related charitable contributions

Expenses that decreased:

- Distribution customer work
- Contract services and material costs
- Fleet fuel costs
- Travel and employee education
- Lower medical expense & incentive pay

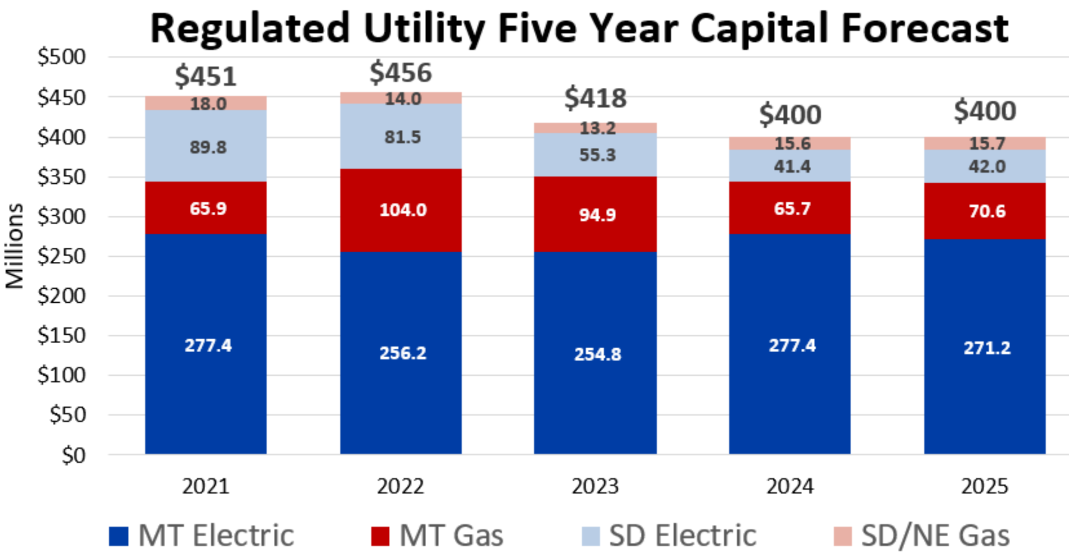
Areas unchanged but will monitor and manage appropriately in 2021

- Capital spending at our expected level of approximately $400 million in 2020
- Supply chain – No significant issues - nearly all vendors in USA
- Staffing levels – No layoffs and we still hired for critical positions

Covid-19 related expense reductions were generally in line with our expectations. However, without an approved recovery mechanism in place in Montana, increased uncollectable accounts expense and increased interest expense from higher liquidity needs more than offset Covid related savings.

Maintaining Capital Investment Forecast

- **$2.1 billion** of total capital investment over the five year period.
- We expect to finance this capital with a combination of cash flows from operations, first mortgage bonds and equity issuances. **We anticipate initiating a 3-year $200 million At-the-Market (ATM) offering during 2021** and begin issuing equity under that program. The ATM issuances will be sized to maintain and protect our current credit ratings. Capital investment in response to our Montana electric supply resource planning would be incremental to these amounts.
- **Financing plans are subject to change**, depending on capital expenditures, regulatory outcomes, internal cash generation, market conditions and other factors.



$ Millions	**2021**	**2022**	**2023**	**2024**	**2025**
Electric	$367	$338	$310	$319	$313
Natural Gas	$84	$118	$108	$81	$87
Total Capital Forecast	**$451**	**$456**	**$418**	**$400**	**$400**

Based on the results of the competitive solicitation process in South Dakota, approximately $100 million of incremental investment for SD generation is included in the projections above (2021-2023). **This level of capital investment is anticipated to result in annualized rate base growth of 4%-5%.**

The projections do not include investment necessary to address generation capacity shortages in Montana. We are reviewing the independent administrators analyses in the current all-source competitive solicitation and expect to announce the selection of multiple projects during the first quarter of 2021. **We anticipate that at least one of our projects will be among those selected resulting in owned capacity generation investment in excess of $200 million over the next three years.**

Generation Portfolio Update

Montana

- Initial bids from the February 2020, 280 MW, competitive solicitation were submitted in July 2020. Bid submissions were evaluated by an independent party. **We are reviewing the analyses from the administrator and expect to announce the selection of multiple projects during the first quarter of 2021**. Bids were submitted on our behalf for generating facilities providing long-duration flexible capacity in excess of 200 MWs. **We anticipate that at least one of our projects will be among those selected resulting in owned capacity generation investment in excess of $200 million over the next 3 years, assuming we receive approval from the MPSC.**
- Extremely cost-effective upgrades planned and underway for our owned hydro-electric facilities. Generator rewinds, turbine upgrades and other improvements are expected to **add more than 40 MWs of hydro capacity** over the next 5 years in addition to preparing for FERC relicensing of Thompson Falls (94 MWs) in 2025.
- Entry into the Western Energy Imbalance Market (EIM)
  - Anticipated entry in the second quarter of 2021.
  - Real-time energy market could mean lower cost of energy, more efficient use of renewables and greater power grid reliability.

South Dakota

- Construction continues for **a 60MW flexible reciprocating internal combustion engines** in Huron, SD **to be online in late 2021** with construction costs of approximately $80 million (~$40 million invested in 2020).
- An **additional 30-40 MW of flexible generation** in Aberdeen, SD is in the planning stages and expected to be **online in 2023** with a cost of approximately $60 million.

Western Energy Imbalance Market

Significant investment opportunities identified to address critical generation capacity shortfall, including cost-effective hydro upgrades.

Transmission System Update

Electric Transmission:

- Continue planned retirements of generating resources in Montana in conjunction with increasing demand is placing more stress on the transmission system (two record peaks in the last three seasons). As a result, we are experiencing less available transmission capacity throughout the system.
- Continued investment is critical to address aging infrastructure, capacity concerns, reliability and compliance requirements.

Gas Transmission:

- Continued investment is critical to address aging infrastructure, capacity concerns, reliability and compliance (including the Pipeline and Hazardous Materials Safety Administration proposed rules).
- Three primary factors leading to the need for additional investment to address:
  - Overall reliability and capacity on the gas transmission system to withstand single large contingencies and to address the decline in on-system gas production;
  - The need to provide additional capacity for existing gas-fired electric generation (given expected growing dependence); and
  - The need to serve new gas-fired capacity generation in South Dakota.

Significant investment needs identified for transmission reliability, capacity and gas / electric interdependence.

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Distribution Grid Update

Accomplishments

- Emergency Management System (EMS)
- Mobile Work Force Management (MWM)
- Advanced Distribution Management System (ADMS)
- SD/NE Advanced Meters Infrastructure (AMI)
- Distribution Operations Center (DOC)
- Smart Switch
- Program Missoula Educational Solar Pilot Project
- Community Solar Pilots Projects in Bozeman, Helena, Missoula and Yellowstone National Park.
- Smart Grid Demonstration Project

5 Year Projects

System Efficiencies

- ADMS Enhancements
- Fault Location, Isolation and Service Restoration (FLISR) Implementation
- Distribution Energy Resource (DER) Integration

Operational Efficiencies

- DOC Transitions to Control
- Montana AMI

Customer Experiences

- Customer Portals
- Smart Apps

Actionable Data

- Key Performance Indicators
- Predictive Analytics
- Enterprise Connectivity

Grid of the Future

New Technology

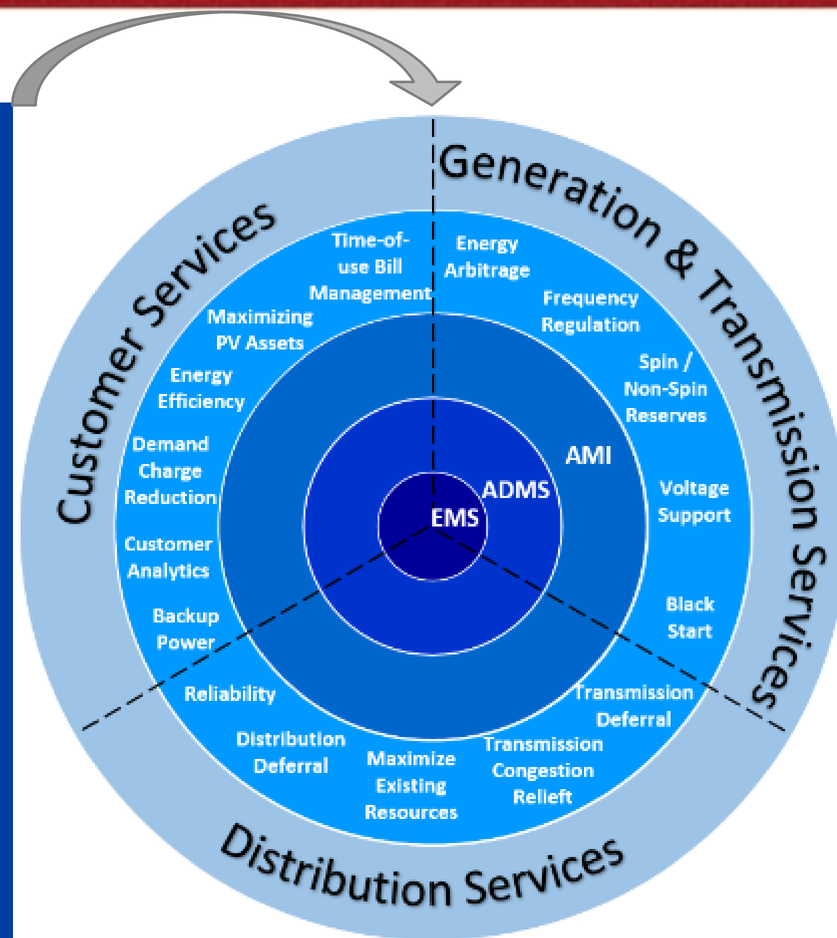
- EV Charging
- Micro Management System (MGMS)
- Advanced DER Integration
- Smart Cities

Customer Experiences

- Advanced Apps & Controls
- Predictive Analytics (i.e. Customer Bills)
- Home Area Network
- Customized Solutions

Data Sharing

- Multitenant Solutions
- Transactive Controls



VISION:
Turning risks into opportunities by evolving the business and adding new value systems.

Looking Forward (Regulatory)

- The MPSC recently approved a pilot **Fixed Cost Recovery Mechanism (FCRM)** effective July 1, 2020. We asked the MPSC to delay the start of the pilot for one year until July 1, 2021 due to the uncertainty created by the Covid-19 pandemic. **The MPSC granted the requested one-year delay**.

- In May 2019, we **filed proposed revisions to our FERC transmission rates**. In November 2020 we **reached a settlement** with intervenors establishing formula rates. The settlement, and a motion to implement settlement rates, were filed on November 16th. The motion was granted on November 25th and we began charging settlement rates on December 1st. As of December 31st, 2020 **we had cumulative deferred revenue of approximately $31.3 million that is expected to be refunded. We refunded approximately $20.5 million to our wholesale and choice customers in January 2021 and expect to submit a compliance filing with the MPSC adjusting the FERC credit in our retail rates upon receipt of a final order**.

- Each year we submit **filings for recovery of purchased power, natural gas and property tax costs**. The respective state commissions review these tracker filings and make cost recovery determinations based on prudency. The MPSC voted in October to **disallow recovery of approximately $9.4 million in prior period purchased power costs***. We issued refunds of these disallowed costs to customers in January 2021, with interest calculated from October 1, 2019 when interim rates went into effect.

* Of which $5.6 million related to a period in 2018 when Colstrip generation was operating intermittently to ensure it remained in compliance with environmental emission standards and $3.8 million related to the prorated application of the change in state law that eliminated the deadband component of the Power Cost and Credit Adjustment Mechanism. This disallowance was recorded as a $9.4 million reduction to revenues in the fourth quarter 2020.

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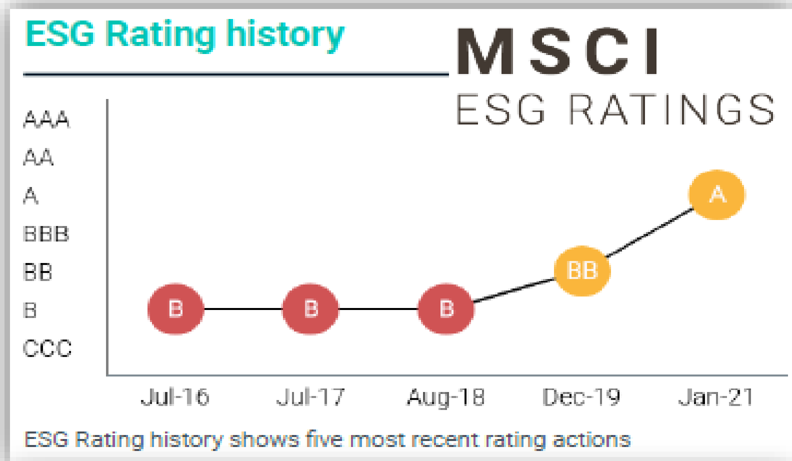
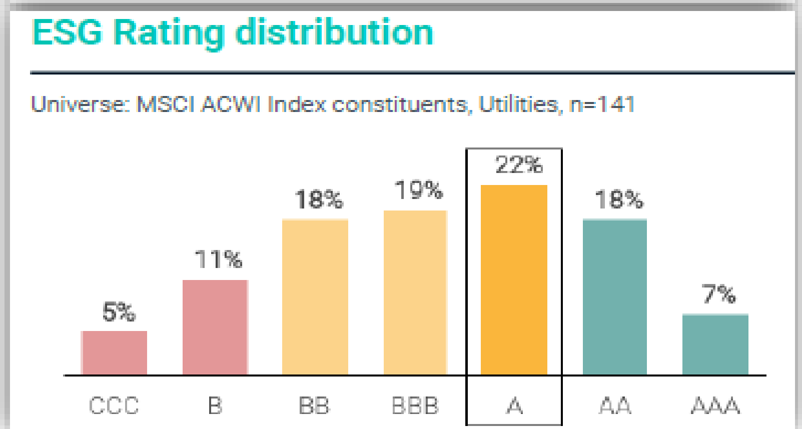
ESG Advancements

- NorthWestern has a new Environmental, Social and Governance landing page. The new page:
  - Consolidates existing ESG information;
  - Includes disclosures of 19 new and existing policies and standards necessary for a best-practices ESG program; and
  - Includes a new, easy reference, Sustainability Statistics Report to disclose 5-year trend of operational and financial ESG data and statistics.
- We continue to make progress on several ESG ratings with the most substantial improvement at MSCI (from BB to A in the latest report).
- Along with investment in a system-wide electric vehicle charging infrastructure, we are also committed to a transition in our fleet starting in 2021. We are targeting 30% of light duty and bucket trucks and 20% of medium and heavy duty to be electric by 2030.





www.northwesternenergy.com/our-company/investor-relations/ESG-Sustainability

ESG Publications

Environmental

Environmental Report

http://www.northwesternenergy.com/environment/our-environment

Social

Code of Conduct

http://www.northwesternenergy.com/docs/default-source/documents/corporategovernance/code-of-conduct.pdf

Community Works Report

http://www.northwesternenergy.com/community-works/community-works

Governance

Annual Report

http://www.northwesternenergy.com/our-company/investor-relations/annual-reports

Proxy Statement

http://www.northwesternenergy.com/our-company/investor-relations/proxy-materials

These five documents provide valuable insight in NorthWestern Energy's Environmental, Social and Governance (ESG) Sustainability practices.

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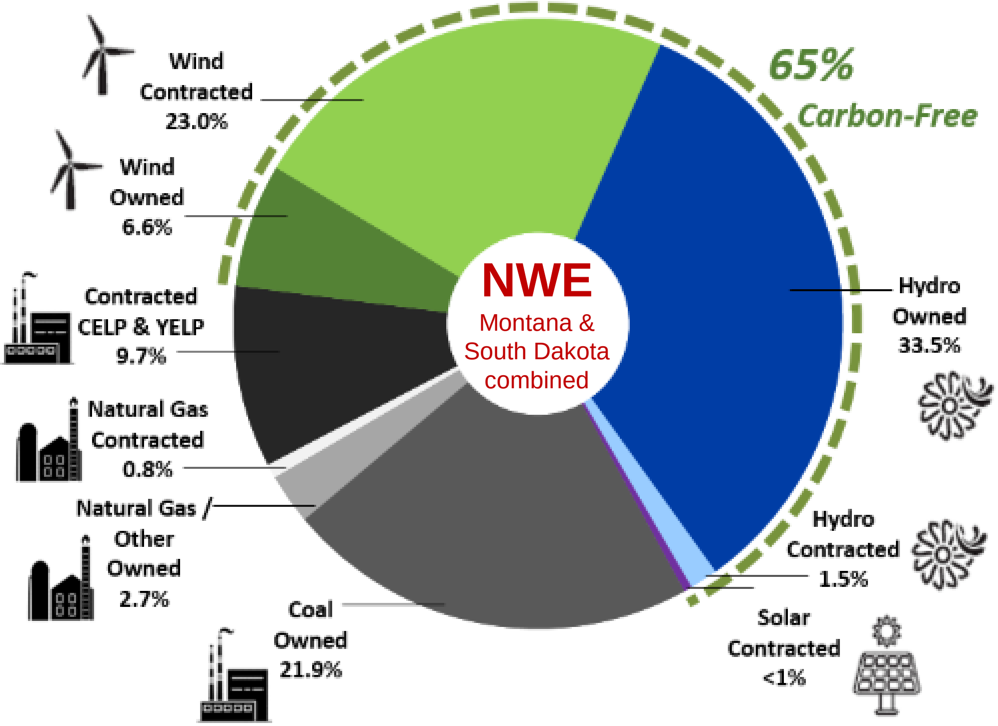
ESG - Environmental

2020 Electric Generation Portfolio - Total NWE



Based upon 2020 MWH's of owned and long-term contracted resources.

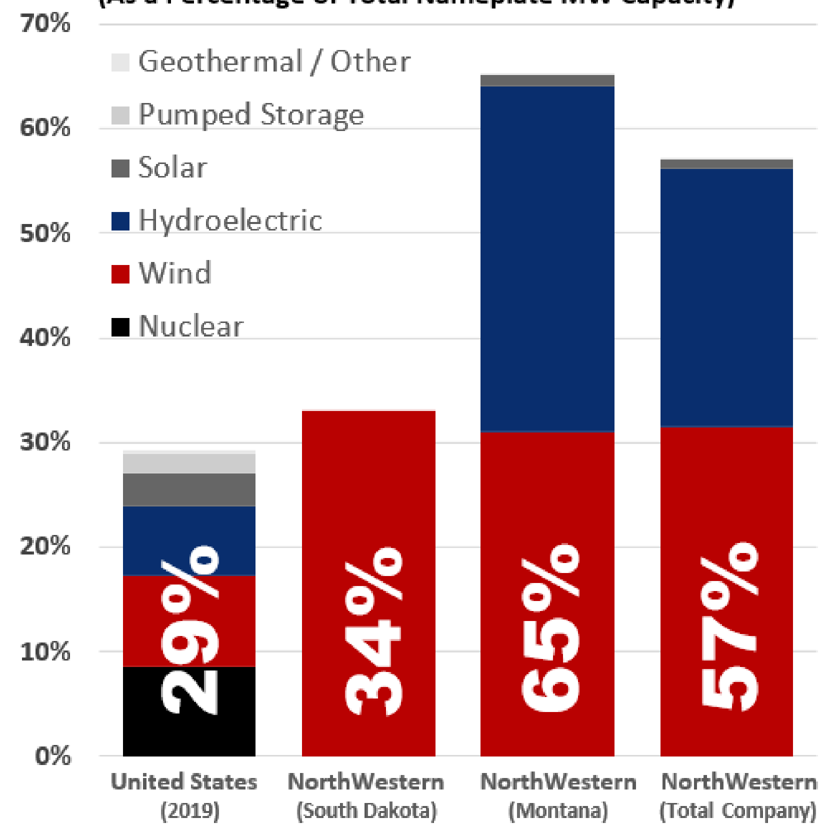
65% of NorthWestern Energy's 2020 Electric Generation Portfolio Delivered was Carbon-Free (based on megawatt hours)


Mystic Dam


Beethoven Wind Farm

2020 Carbon-Free Owned & Long Term Contracted Nameplate Generation Resources

(As a Percentage of Total Nameplate MW Capacity)



57% Carbon Free Nameplate Portfolio vs 29% National Average in 2019 (based nameplate megawatts)

ESG - Social

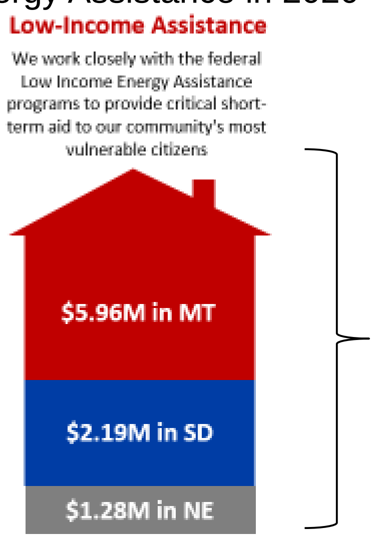
Community

$2.3 Billion Economic Output in 2020 ($2.013B in Montana & $249M in SD/NE) CIRCLE ANALYTICS

Over $5 million Donations, Sponsorships, Economic Development, Scholarship Funding, Public Recreation Support, Safety Awareness and Volunteer Program Grants in 2020

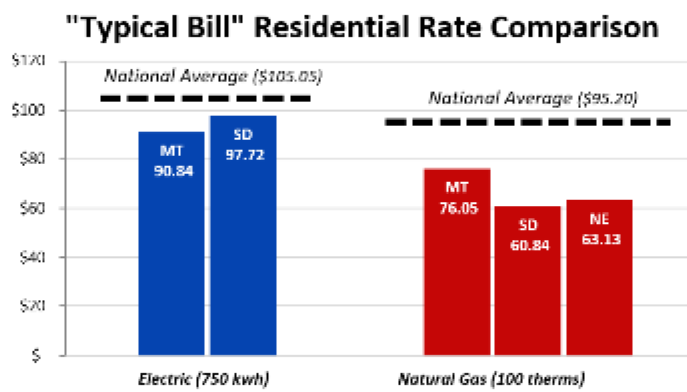
411 Number of nonprofits that received grants through Employee Volunteer Program

$9.4 Million Low-Income Energy Assistance in 2020

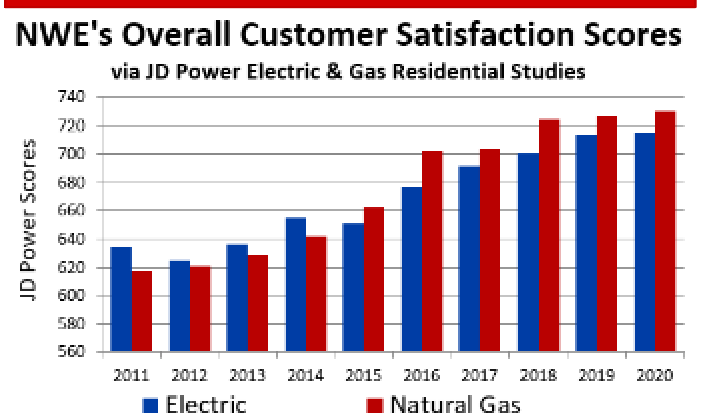


Customers

Typical Residential Bills Lower than National Average



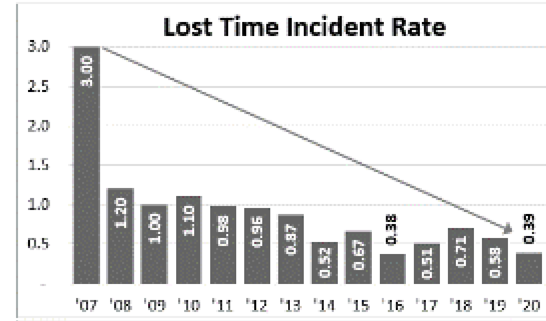
Building on Our Best – Improved Customer Satisfaction Scores

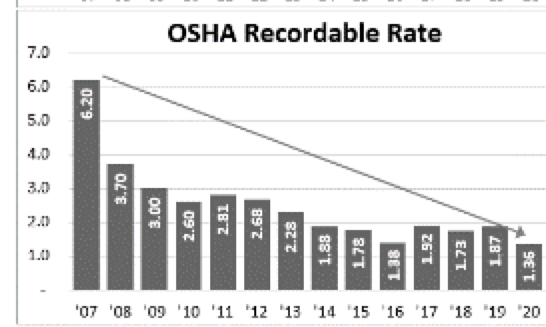


Over the last 13 years, our energy efficiency programs have helped customers save 685,041 MWh's of energy – enough to power 76,000 homes for a year.

Employees

Safety Culture Transformation





Diverse Employment

	2015	2020
Females as % of Total Management	22%	26%
Represented Employees as % of Total Employees	41%	42%

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ESG - Governance

5th Best Score Among **50** Publicly Traded North American Utility and Power Companies by **Moody's Investment Services** on **Best Governance Practices**

Corporate Governance

What We Do:

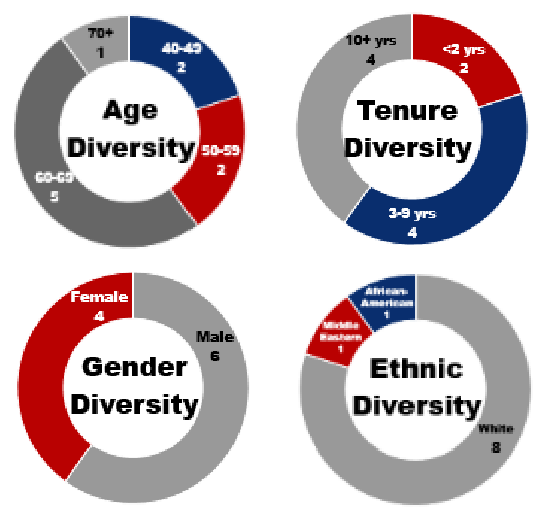
- Annual election of all directors.
- Majority vote plus resignation standard in uncontested elections. If a director receives more "WITHHOLD AUTHORITY" votes than "FOR" votes, the director must submit a resignation for the Board to consider.
- Allow shareholders owning 25 percent of our shares to call a special meeting.
- Independent Board of Directors, except our CEO.
- Independent Board Chair.
- Each of our Board committees (audit, compensation, and governance) is made up solely of independent directors.
- Committee authority to retain independent advisors, which will be paid for by the company.
- Code of Conduct and Ethics. Applies to all employees and Board, with a separate Code of Ethics for Chief Executive Officers and Senior Financial Officers concerning financial reporting and other related matters.
- Robust stock ownership guidelines for executive officers and directors.

What We Don't Do:

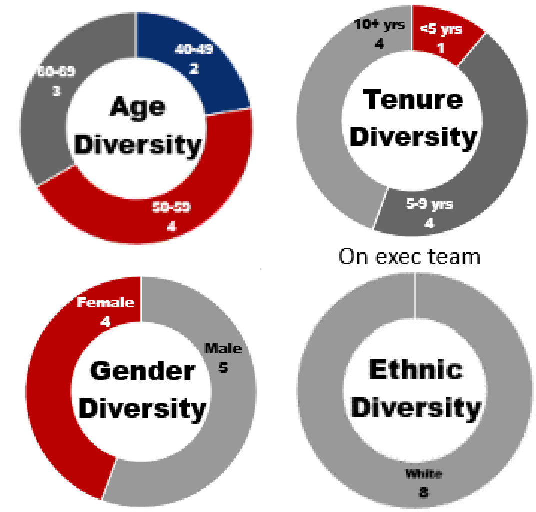
- Poison pill or a shareholder rights plan.
- Hedging of company securities.
- Corporate political contributions.
- Supermajority voting, except to approve certain business combinations or mergers.

Diverse Leadership

Board of Directors



Executive Team



Other Recent Governance Recognition

20 / 20 – Women on Boards
Recognized for gender diversity on its board of directors by 2020 Women on Boards. Four of the company's ten directors are female.

Corporate Governance Award Winner
NorthWestern Corporation's proxy statement has won governance awards – *Best Proxy Statement (Small to Mid-Cap)* by Corporation Secretary magazine (2014 & 2019) and *Exemplary Compensation Discussion and Analysis* from NYSE Governance Services (2014) and NorthWestern was recognized as a finalist by Corporate Secretary magazine in the same category for our '12, '13, '16, '17 & '18 statements

CEO Pay Ratio To Average Employee Salary

NWE

25:1

All Utilities Average

58:1

Peer Group Average

37:1

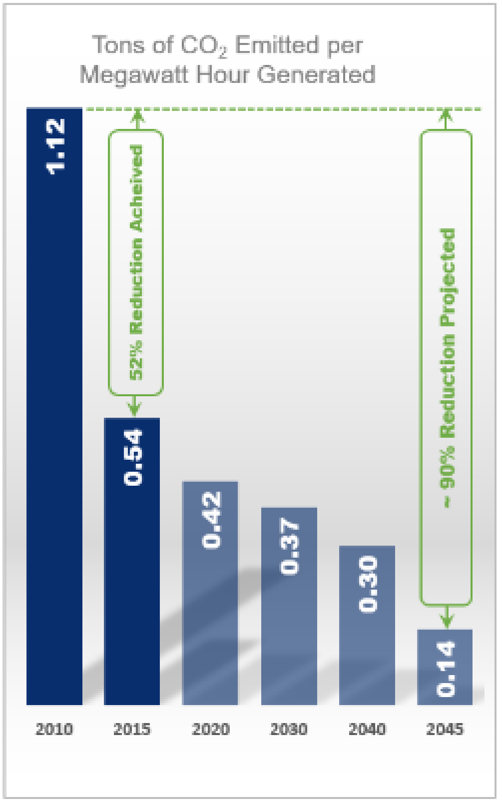
Our Carbon Reduction Vision for NorthWestern Energy in Montana

1

90% carbon reduction by 2045

NorthWestern Energy commits to reduce the carbon intensity of our electric energy portfolio for Montana 90% by 2045.*

** As compared with our 2010 carbon intensity as a baseline*



2

Already over 60% carbon free

Today, NorthWestern Energy serves Montana with an electric portfolio that is over 60% carbon free and more than two times better than the total U.S electric power industry (28% carbon free – 2018 metric). Over the last decade, we have already reduced the carbon intensity of our energy generation in Montana by more than 50%.

3

How we're going to get there

Our vision for the future builds on the progress we have already made. Already, the foundation of our energy generation is our hydro system, which is 100% carbon free and is available 24 hours a day, 365 days a year. Wind generation is a close second and continues to grow. While utility-scale solar energy is not a significant portion of our energy mix today, we expect it to evolve along with advances in energy storage. We are committed to working with our customers and communities to help them achieve their sustainability goals and add new technology on our system.

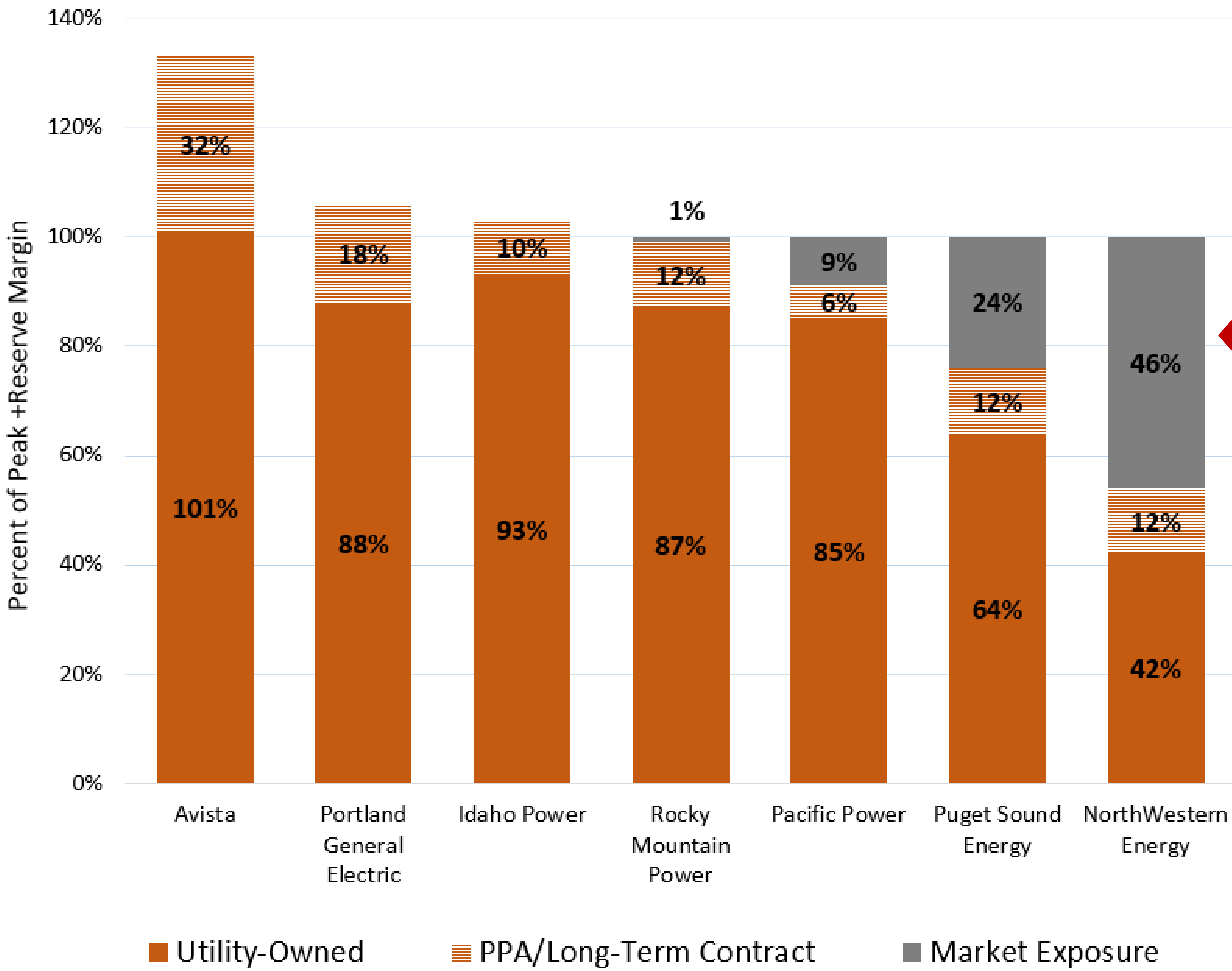
Conclusion

- Pure Electric & Gas Utility
- Solid Utility Foundation
- Best Practices Corporate Governance
- Attractive Future Growth Prospects
- Strong Earnings & Cash Flows

Delivering a **bright future**

NorthWestern® Energy

NWE Capacity as compared to Regional Peers



NWE's capacity deficit exposes our customers to greater market exposure (price and availability) than any of our regional peers.

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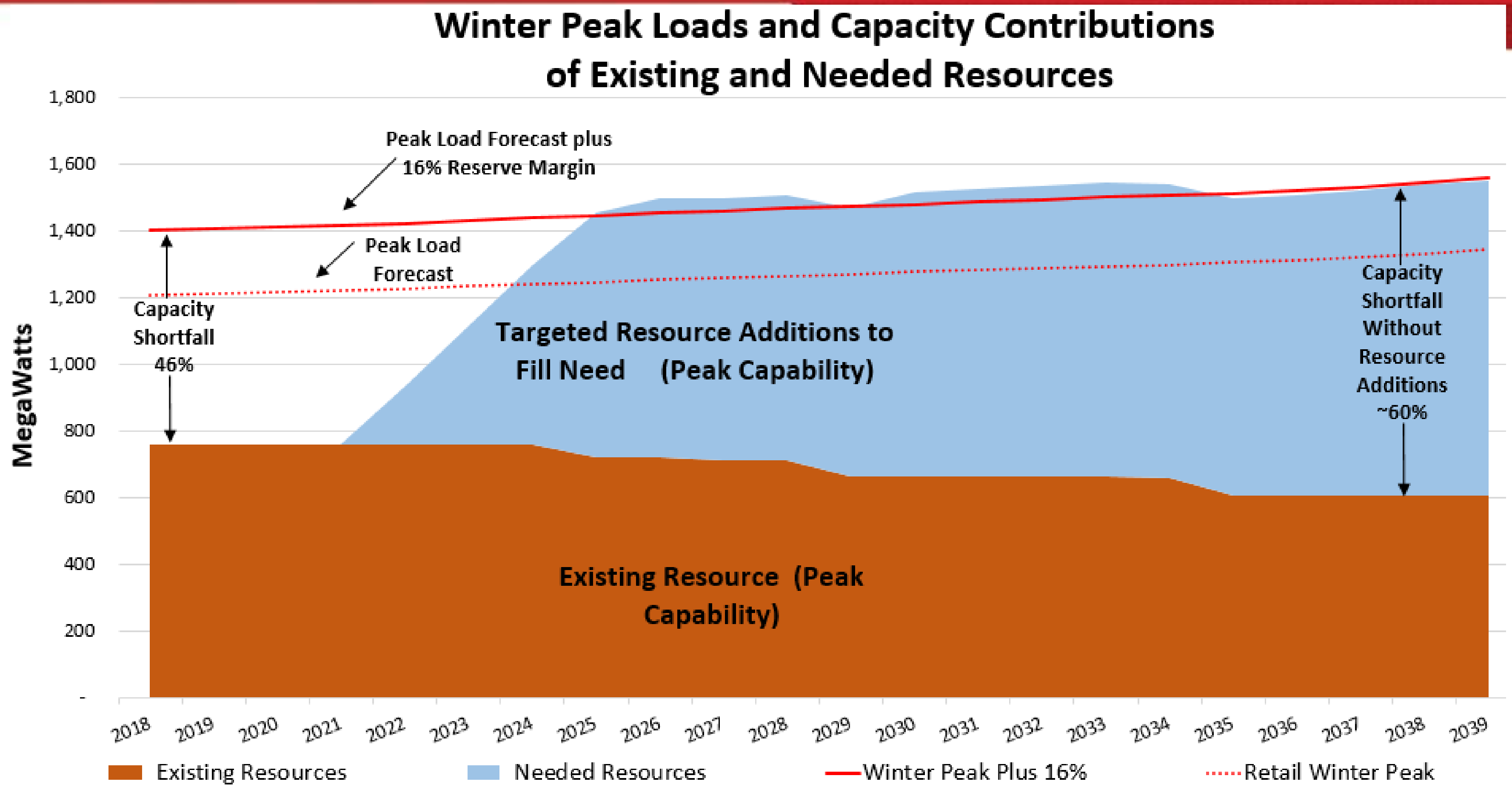
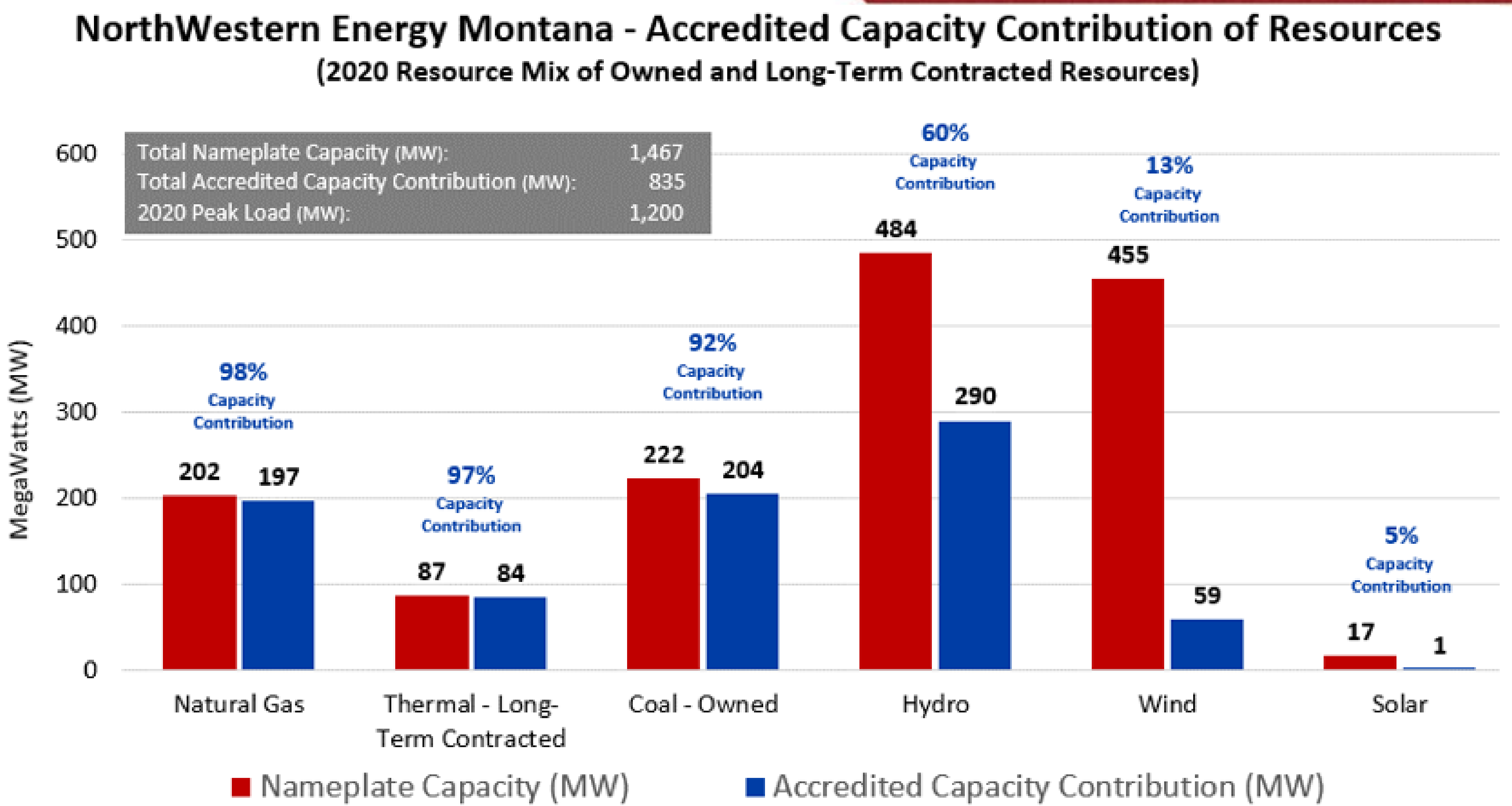
Significant Capacity Deficit in Montana



NorthWestern Energy's current resources provide about 755 MW of peaking capacity, which is the energy available during periods of our customers' highest demand. An additional 645 MW of peaking capacity must currently be purchased from the market to meet our needs. Without new capacity, the market exposure will increase to about 725 MW by 2025 (including reserve margins).

This need assumes continued development of cost effective demand side management (conservation) and small distributed generators (net-metering). Meeting peak load with market purchases means being exposed to the market at the worst possible time – when the market is most volatile and prices are high.

Accredited Capacity Contribution in Montana



Accredited Capacity Contribution is the ability of each resource fuel-type to contribute to meet demand during peak energy usage by customers.

Accredited Capacity Contribution or Peak Load Contribution is based on Effective Load Carrying Capability (ELCC) E3 Study on Peak Load Measurement included in NorthWestern Energy's 2020 Supplement to the 2019 Montana Electric Supply Resource Procurement Plan.

Note: 2020 Nameplate Capacity MW's include resources that are on-line or in service as of 12/31/2020. Thermal long-term contracted resources of Yellowstone Energy Limited Partnership (YELP) and Colstrip Energy Limited Partnership (CELP) are listed at their contracted capacity rather than nameplate capacity.

On a megawatt basis, wind generation comprises a very significant portion of our electric generation portfolio. However, based upon its 13% accredited capacity, it provides a much less significant contribution to our overall capacity deficit.

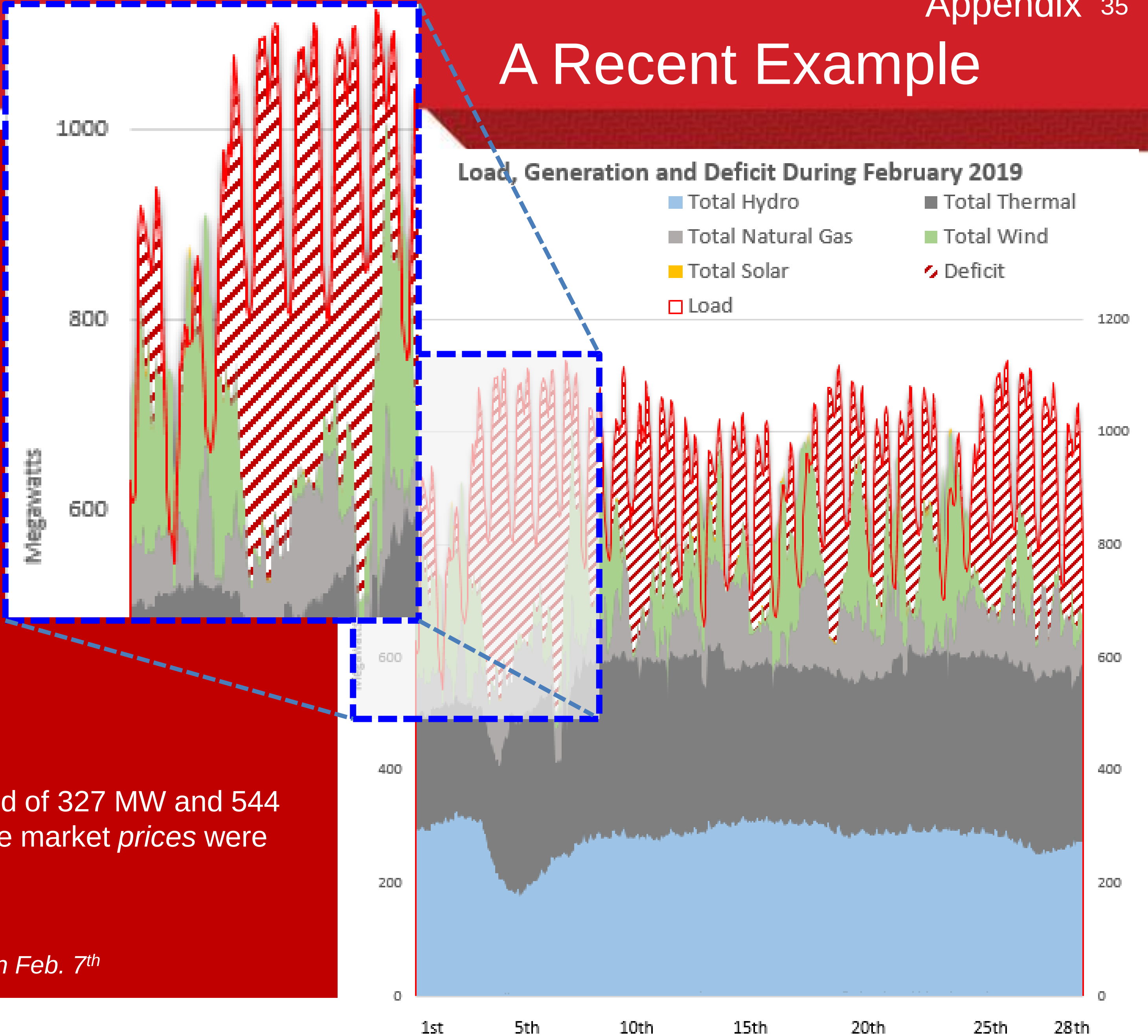
A Recent Example

In early February, 2019, NorthWestern experienced a nearly **five day span*** when the wind didn't blow and the sun was scant.

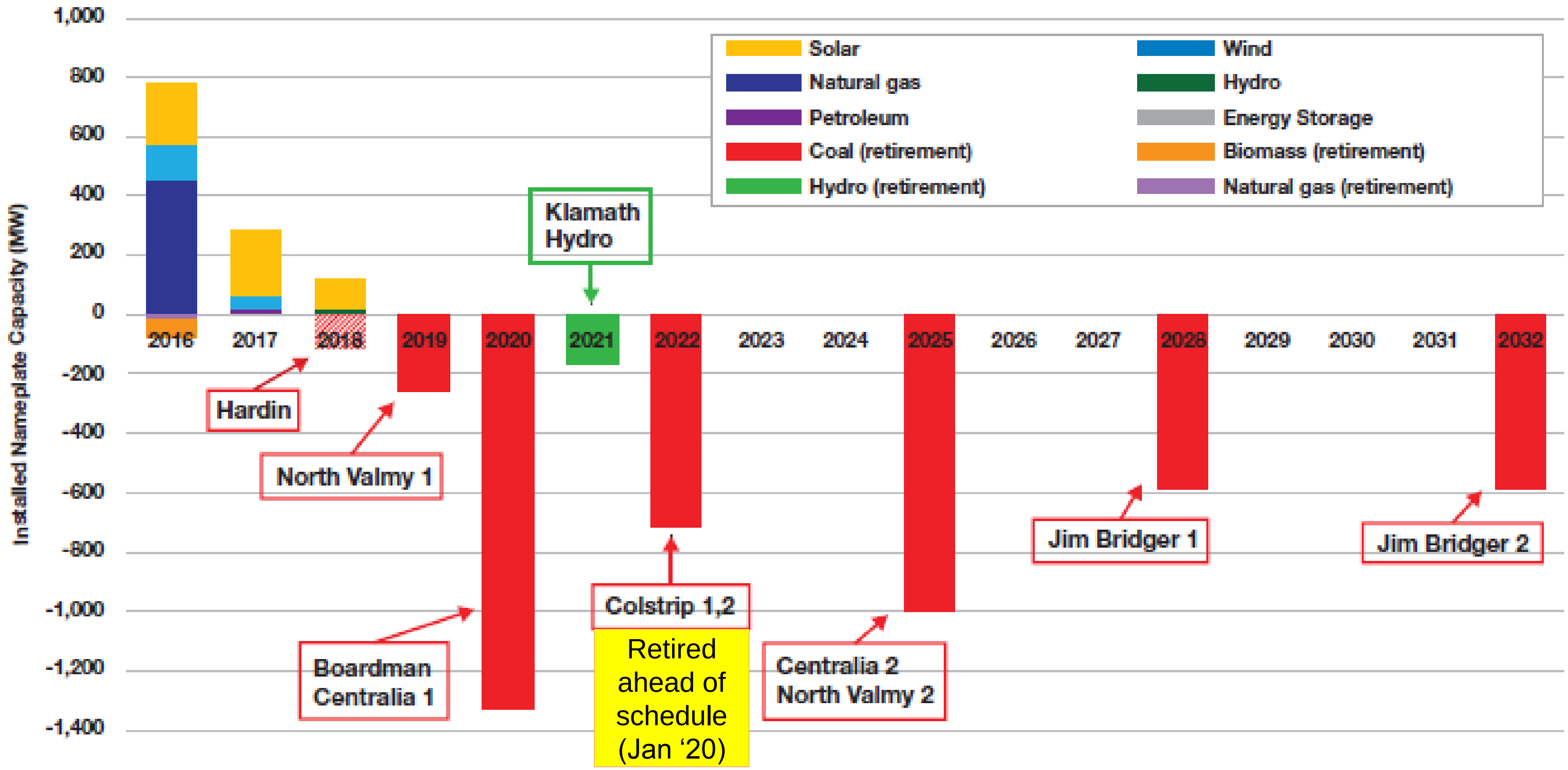
We were forced to rely upon an already strained market and transmission system for a significant amount of our required capacity (shown in red hatch).

We had an average need of 327 MW and 544 MW peak need when the market *prices* were also peaking.

** 6am on Feb. 3rd – 10pm on Feb. 7th*



Significant Capacity Retirements in the Pacific NW



Source: Northwest Power and Conservation Council. Note: Hardin is idle, but has not been retired.

Planned retirements in the Pacific Northwest region exceed 3,600 MW and the Northwest Power and Conservation Council forecasts regional capacity shortfalls as early as 2021. NorthWestern's continued reliance on the market to purchase energy to fill the gap during peak customer demand will significantly increase price and reliability risk for NorthWestern's customers because of the reduced energy supply availability.

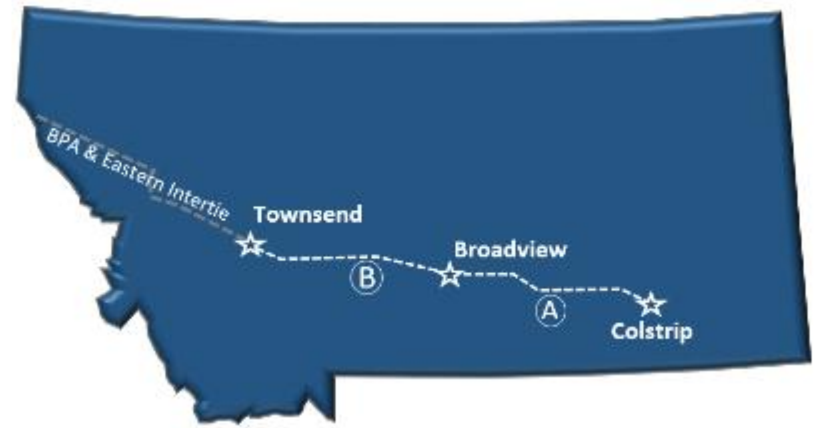
Existing Colstrip Ownership

Colstrip Power Plant

Facility Owner (%)	Unit 1	Unit 2	Unit 3	Unit 4
AVISTA Corporation	-	-	15%	15%
NorthWestern Energy	-	-	-	30%
PacifiCorp	-	-	10%	10%
Portland General	-	-	20%	20%
Puget Sound Energy	50%	50%	25%	25%
Talen Energy	50%	50%	30%	-
Total	**100%**	**100%**	**100%**	**100%**

Facility Owner (MW)	Unit 1	Unit 2	Unit 3	Unit 4
AVISTA Corporation	-	-	111.0	111.0
NorthWestern Energy	-	-	-	222.0
PacifiCorp	-	-	74.0	74.0
Portland General	-	-	148.0	148.0
Puget Sound Energy	153.5	153.5	185.0	185.0
Talen Energy	153.5	153.5	222.0	-
Total	**307.0**	**307.0**	**740.0**	**740.0**

Colstrip Transmission System



System Owner	Segment A	Segment B
AVISTA Corporation	10.2%	12.1%
NorthWestern Energy	36.4%	24.3%
PacifiCorp	6.8%	8.1%
Portland General	13.6%	16.2%
Puget Sound Energy	33.0%	39.3%

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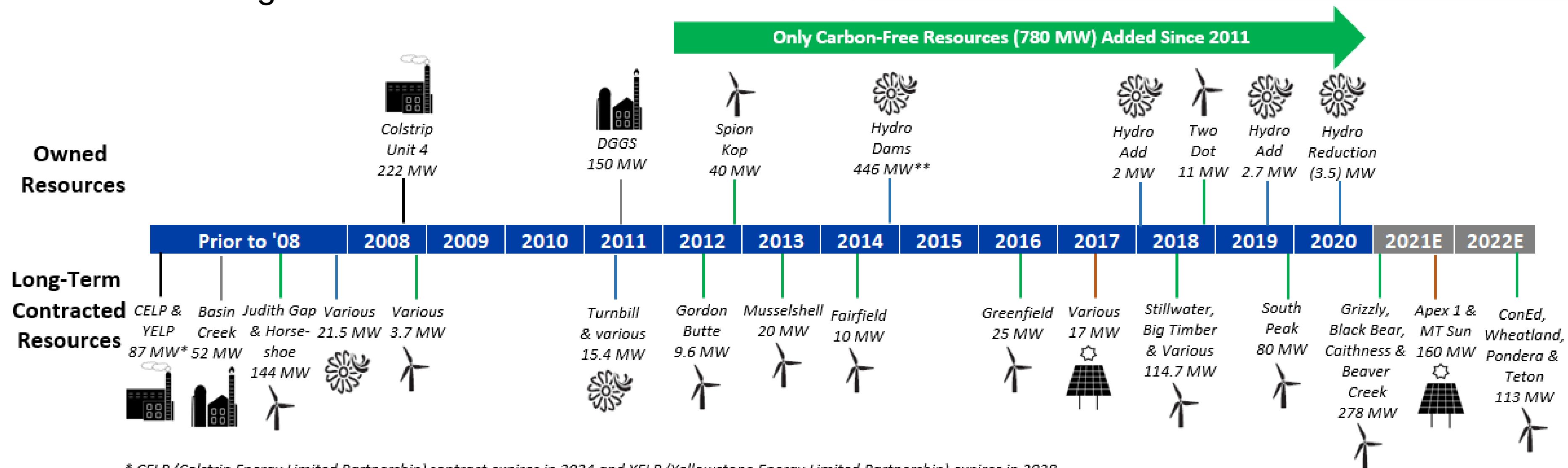
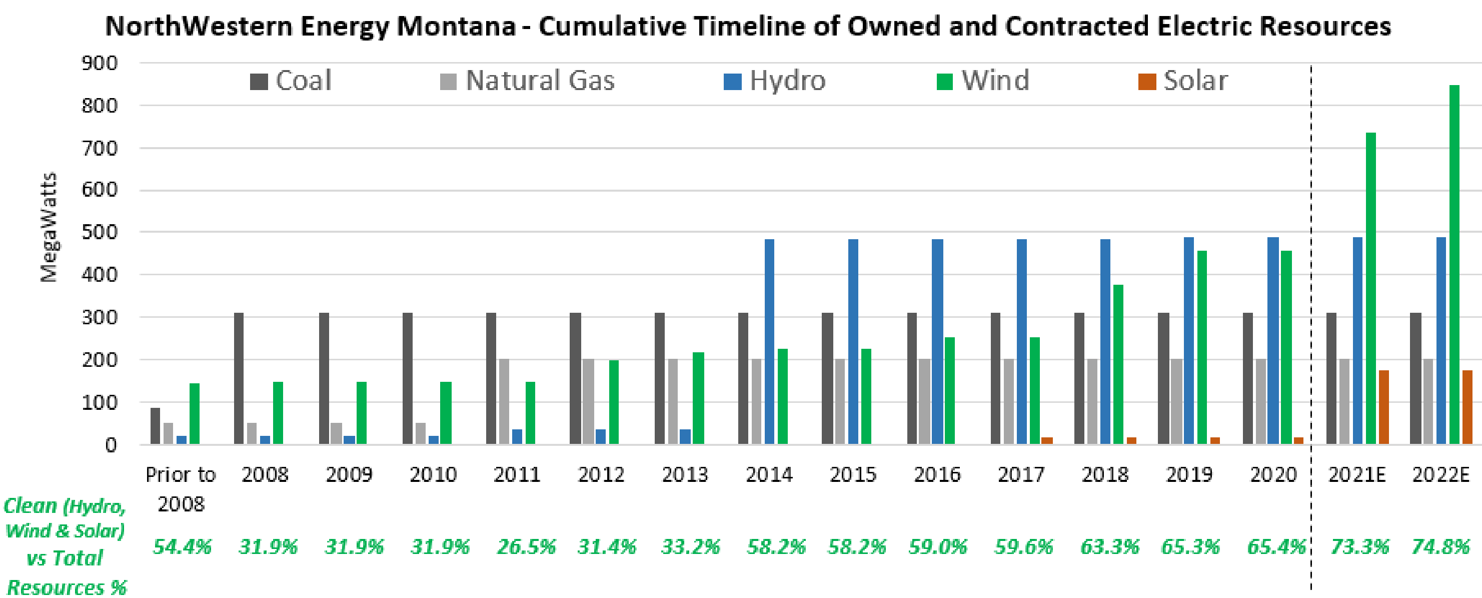
Timeline of Montana Generation Portfolio

Owned and Long-Term Resource Portfolio Timeline



* CELP (Colstrip Energy Limited Partnership) contract expires in 2024 and YELP (Yellowstone Energy Limited Partnership) expires in 2028

** Hydro dams 446 MW of normal max generation capability (439 MW Nameplate Capacity) excludes 194 MW of Kerr dam which was tansferred to the Salish & Kootenai Tribes in 2015

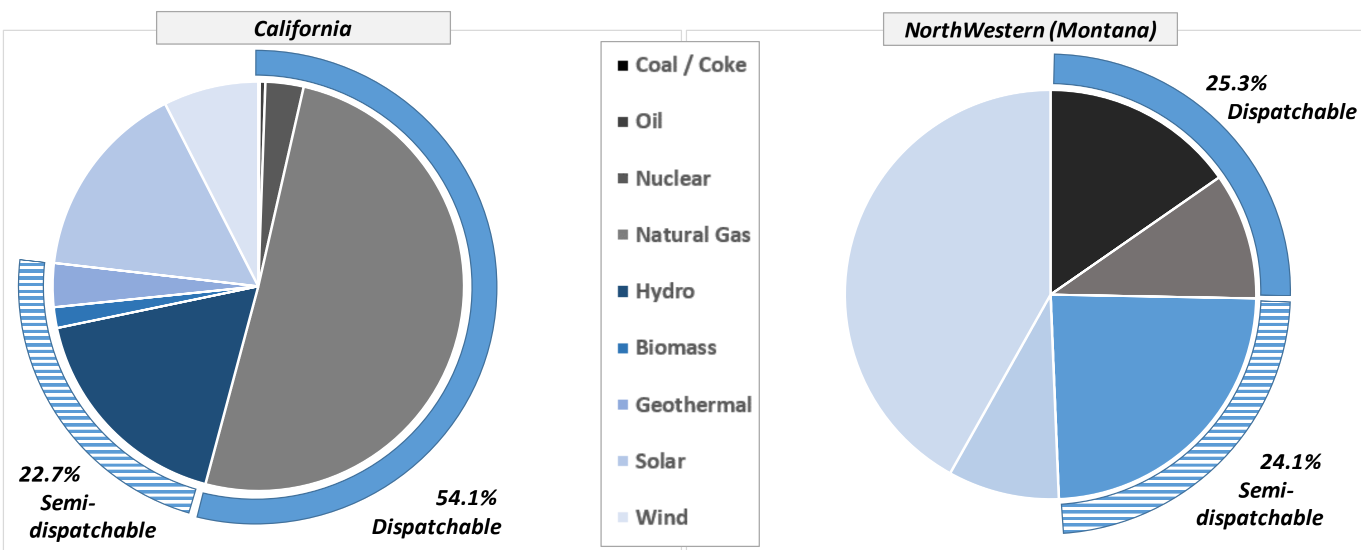


Since 2011, we have added 780 MW of generation, both owned and long-term contract, to our generation portfolio, all of which is from carbon-free resources.

Comparison of Installed Capacity

Comparison of Installed Capacity (MW) - Dispatchability and Carbon Emitting

	California				NorthWestern Energy (Montana)					
	MW	Percent			MW			Percent		
	2019	of Total	Dispatchable	Non-Carbon	2019	QF Adds	Proforma 2021	of Total	Dispatchable	Non-Carbon
Coal / Coke	91	0.1%	0.1%		309		309	15.3%	15.3%	
Oil	351	0.4%	0.4%		0		0	0.0%		
Nuclear	2,393	3.0%	3.0%				0	0.0%		
Natural Gas	40,382	50.6%	50.6%		202		202	10.0%	10.0%	
Hydro	14,039	17.6%		17.6%	486		486	24.1%		24.1%
Biomass	1,308	1.6%					0	0.0%		
Geothermal	2,760	3.5%		3.5%			0	0.0%		
Solar	12,527	15.7%		15.7%	17	160	177	8.8%		8.8%
Wind	5,973	7.5%		7.5%	455	391	846	41.9%		41.9%
	79,824	100.0%	54.1%	44.2%	1,469	551	2,020	100.0%	25.3%	74.7%



California is dealing with significant capacity issues DESPITE having a greater amount of dispachable generation and fewer renewables than NorthWestern Energy in Montana (as a percentage of the total).

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Summary Financial Results (Fourth Quarter)

(in millions except per share amounts)

	Three Months Ended December 31,			
	2020	2019	Variance	% Variance
Operating Revenues	$ 313.6	$ 328.1	$ (14.5)	(4.4%)
Cost of Sales	86.0	82.3	3.7	4.5%
Gross Margin [1]	**227.6**	**245.8**	**(18.2)**	**(7.4%)**
Operating Expenses				
Operating, general & administrative	73.1	79.3	(6.2)	(7.8%)
Property and other taxes	42.7	38.7	4.0	10.3%
Depreciation and depletion	45.3	43.1	2.2	5.1%
Total Operating Expenses	**161.1**	**161.1**	**(0.0)**	**(0.0%)**
Operating Income	**66.5**	**84.7**	**(18.3)**	**(21.5%)**
Interest Expense	(24.5)	(24.1)	(0.4)	(1.7%)
Other Income (Expense)	5.8	(0.5)	6.3	(1386.0%)
Income Before Taxes	**47.8**	**60.1**	**(12.3)**	**(20.5%)**
Income Tax Benefit (Expense)	5.8	(0.1)	5.9	5900.0%
Net Income	**$ 53.6**	**$ 60.0**	**$ (6.4)**	**(10.7%)**
Effective Tax Rate	(12.1%)	0.2%	-12.3%	
Diluted Shares Outstanding	50.7	50.8	(0.1)	(0.1%)
Diluted Earnings Per Share	$1.06	$ 1.18	$ (0.12)	(10.2%)
Dividends Paid per Common Share	$ 0.60	$ 0.575	$ 0.025	4.3%

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(1) Gross Margin, defined as revenues less cost of sales, is a non-GAAP Measure See appendix for additional disclosure.

Gross Margin (Fourth Quarter)

(dollars in millions)

	Three Months Ended December 31,			
	2020	2019	Variance[1]	
Electric	$ 170.8	$ 186.1	$ (15.3)	(8.2)%
Natural Gas	56.8	59.7	(2.9)	(4.8)%
Total Gross Margin [1]	**$ 227.6**	**$ 245.8**	**$ (18.2)**	**(7.4)%**

Decrease in gross margin due to the following factors:

$ (9.4)	Disallowance of prior period supply costs
(4.5)	Electric retail volumes and demand
(2.3)	Natural gas retail volumes
(0.9)	Electric transmission
(0.4)	Montana natural gas production rates
0.5	Montana electric supply cost recovery
(4.0)	Other
$ (21.0)	**Change in Gross Margin Impacting Net Income**
$ 2.8	Property taxes recovered in revenue, offset in property tax expense
1.1	Operating expenses recovered in trackers, offset in operating expense
(1.0)	Production tax credits reducing revenue, offset in income tax expense
(0.1)	Gas production taxes recovered in revenue, offset in property & other taxes
$ 2.8	**Change in Gross Margin Offset Within Net Income**
$ (18.2)	**Decrease in Gross Margin**

(1) Gross Margin, defined as revenues less cost of sales, is a non-GAAP Measure See appendix for additional disclosure.

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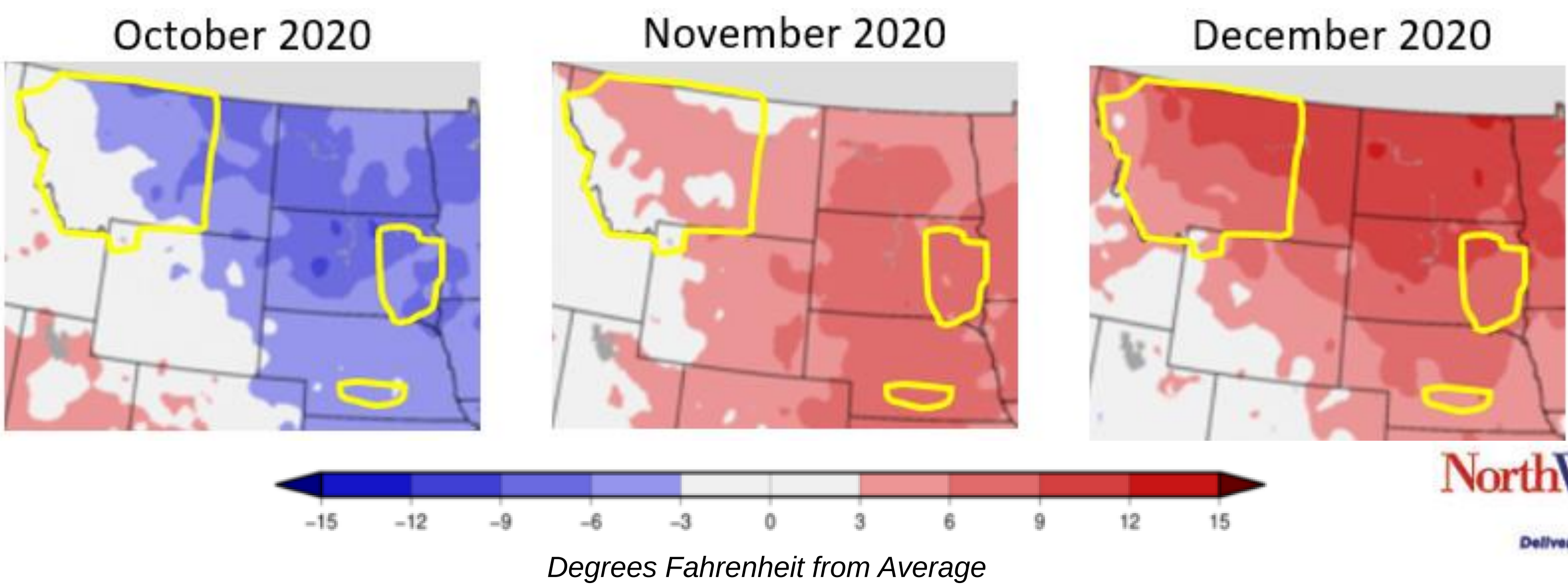
Weather (Fourth Quarter)

Heating Degree - Days	Qtr 4 Degree Days			Q4 2020 as compared with:	
	2020	2019	Historic Average	2019	Historic Average
Montana	2,798	3,043	2,956	8% warmer	5% warmer
South Dakota	1,881	2,128	2,016	12% warmer	7% warmer
Nebraska	1,426	1,705	1,681	16% warmer	15% warmer

We estimate unfavorable weather for the 4th quarter 2020 has contributed approximately $5.7M pretax detriment as compared to normal and $5.0M pretax detriment as compared to the same period in 2019.

Difference from Average Temperatures



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Operating Expenses (Fourth Quarter)

(dollars in millions)

	Three Months Ended December 31,			
	2020	2019	Variance	
Operating, general & admin.	$ 73.1	$ 79.3	$ (6.2)	(7.8%)
Property and other taxes	42.7	38.7	4.0	10.3%
Depreciation and depletion	45.3	43.1	2.2	5.1%
Operating Expenses	**$ 161.1**	**$ 161.1**	**$ 0.0**	**0.0%**

Decrease in Operating, general & admin expense due to the following factors:

$ (4.4)	Employee benefits
(2.5)	Uncollectible accounts
(1.2)	Environmental costs
(1.1)	Labor
(1.0)	Travel and training
(0.7)	Hazard tree trimming
1.2	Generation maintenance
(2.0)	Other
$ (11.7)	**Change in OG&A Items Impacting Net Income**
$ 2.9	Non-employee directors deferred compensation, offset in other income
1.4	Pension and other postretirement benefits, offset in other income
1.2	Operating expense recovered in trackers, offset in revenue
$ 5.5	**Change in OG&A Items Offset Within Net Income**
$ (6.2)	**Decrease in Operating, General & Administrative Expenses**

$4.0 million increase in property and other taxes was primarily due to plant additions and higher estimated property valuations in Montana.

$2.2 million increase in depreciation and depletion expense was primarily due to plant additions

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Operating to Net Income (Fourth Quarter)

(dollars in millions)

	Three Months Ended December 31,			
	2020	2019	Variance	
Operating Income	**$ 66.5**	**$ 84.7**	**$ (18.2)**	**(21.5)%**
Interest Expense	(24.5)	(24.1)	(0.4)	(1.7)%
Other Income / (Expense)	5.8	(0.5)	6.3	1,386.0%
Income Before Taxes	**47.8**	**60.1**	**(12.3)**	**(20.5)%**
Income Tax Benefit / (Expense)	5.8	(0.1)	5.9	5,900.0%
Net Income	**$ 53.6**	**$ 60.0**	**$ (6.4)**	**(10.7)%**

$0.4 million increase in interest expenses was primarily due to higher borrowings.

$6.3 million increase in other expense was due to a $2.9 million decrease in other pension expense, a $1.4 million increase in the value of deferred shares held in a trust for non-employee directors deferred compensation and higher AFUDC. These changes to both pension and value of deferred shares are offset in operating expense with no impact to net income.

$5.9 million increase in income tax benefits was primarily due to lower pre-tax income in 2020 as well as higher flow-through repairs deductions and higher production tax credits.

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Income Tax Reconciliation (Fourth Quarter)

(in millions)

	Three Months Ended December 31,				
	2020		2019		Variance
Income Before Income Taxes	**$47.8**		**$60.1**		**($12.3)**
Income tax calculated at federal statutory rate	10.0	21.0%	12.6	20.8%	(2.6)
Permanent or flow through adjustments:					
State income, net of federal provisions	(1.6)	(3.3%)	-	-	(1.6)
Flow - through repairs deductions	(8.9)	(18.7%)	(7.1)	(11.8%)	(1.8)
Production tax credits	(5.5)	(11.6%)	(4.2)	(7.1%)	(1.3)
Share-based compensation	0.6	1.3%	(0.2)	(0.3%)	0.8
Amortization of excess deferred income taxes	(0.3)	(0.6%)	0.2	0.4%	(0.5)
Release of unrecognized tax benefit	-	-	-	-	-
Impact of Tax Cuts and Jobs Act	-	-	(0.2)	(0.3%)	0.2
Plant and depreciation of flow-through items	(0.2)	(0.4%)	(1.5)	(2.4%)	1.3
Prior year permanent return to accrual adjustments	0.0	0.1%	0.0	0.1%	-
Other, net	0.1	0.1%	0.4	0.7%	(0.3)
Sub-total	(15.8)	(33.1%)	(12.5)	(20.7%)	(3.3)
Income Tax (Benefit) Expense	**$ (5.8)**	**(12.1%)**	**$ 0.1**	**0.2%**	**$ (5.9)**

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Balance Sheet

(dollars in millions)	As of December 31, 2020	As of December 31, 2019
Cash and cash equivalents	$ 5.8	$ 5.1
Restricted cash	11.3	6.9
Accounts receivable, net	168.2	167.4
Inventories	61.0	53.9
Other current assets	62.3	68.3
Goodwill	357.6	357.6
PP&E and other non-current assets	5,723.2	5,424.2
Total Assets	**$ 6,389.4**	**$ 6,083.5**
Payables	100.4	96.7
Current Maturities - debt and leases	102.7	2.5
Other current liabilities	263.4	235.1
Long-term debt & capital leases	2,330.0	2,250.7
Other non-current liabilities	1,513.9	1,459.4
Shareholders' equity	2,079.1	2,039.1
Total Liabilities and Equity	**$ 6,389.4**	**$ 6,083.5**
Capitalization:		
Short-Term Debt & Short-Term Finance Leases	102.7	2.5
Long-Term Debt & Long-Term Finance Leases	2,330.0	2,250.7
Less: Basin Creek Finance Lease	(17.4)	(19.9)
Less: New Market Tax Credit Financing Debt	(27.0)	(27.0)
Shareholders' Equity	2,079.1	2,039.1
Total Capitalization	**$ 4,467.4**	**$ 4,245.4**
Ratio of Debt to Total Capitalization	**53.5%**	**52.0%**

Debt to Capitalization remains within our targeted 50% - 55% range.

In 2020, we netted our excess deferred income taxes in regulatory liabilities. This reclassification had no effect on previously reported Net income or Shareholders Equity balance.

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Cash Flow

(dollars in millions)	December 31, 2020	December 31, 2019
Operating Activities		
Net Income	$ 155.2	$ 202.1
Non-Cash adjustments to net income	174.3	165.8
Changes in working capital	48.1	(53.0)
Other non-current assets & liabilities	(25.5)	(18.2)
Cash provided by Operating Activities	**352.1**	**296.7**
Investing Activities		
PP&E additions	(405.8)	(316.0)
Investment in equity securities	(0.0)	(0.1)
Cash used in Investing Activities	**(405.8)**	**(316.1)**
Financing Activities		
Issuance of long-term debt	150.0	150.0
Issuance of short-term borrowings	100.0	-
Line of credit repayments, net	(67.0)	(19.0)
Dividends on common stock	(120.4)	(115.1)
Financing costs	(2.6)	(1.1)
Other	(1.3)	1.4
Cash Provided by Financing Activities	58.7	16.2
Increase (Decrease) in Cash, Cash Equiv. & Restricted	**5.0**	**(3.2)**
Beginning Cash, Cash Equiv. & Restricted Cash	12.1	15.3
Ending Cash, Cash Equiv. & Restricted Cash	**$ 17.1**	**$ 12.1**

Cash from operating activities increased by $55.4M primarily due to improved collections of energy supply costs in the current period, as compared with higher procured supply costs and payments reducing cash flows in 2019, including TCJA credits to Montana customers of approximately $20.5 million and transmission generation interconnection refunds. These improvements were offset in part by reduced net income.

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Adjusted Non-GAAP Earnings (Fourth Quarter)

(in millions)	GAAP Three Months Ended Dec. 31, 2020	Unfavorable Weather	(1) Move Pension Expense to OG&A (disaggregated with ASU 2017-07)	Non-employee Deferred Compensation	Disallowance of prior period supply costs	Non GAAP Three Months Ended Dec. 31, 2020	Non-GAAP Variance Variance $	 %	Non GAAP Three Months Ended Dec. 31, 2019	Non-employee Deferred Compensation	(1) Move Pension Expense to OG&A (disaggregated with ASU 2017-07)	Unfavorable Weather	GAAP Three Months Ended Dec. 31, 2019
Revenues	$313.6	5.7			9.4	$328.7	($0.1)	0.0%	$328.8			0.7	$328.1
Cost of sales	86.0					86.0	3.7	4.5%	82.3			-	82.3
Gross Margin	**227.6**	**5.7**	**-**	**-**	**9.4**	**242.7**	**(3.8)**	**-1.5%**	**246.5**	**-**	**-**	**0.7**	**245.8**
Op. Expenses		-										-	
OG&A	73.1		0.2	(2.1)		71.2	(10.4)	-12.7%	81.6	0.7	1.6	-	79.3
Prop. & other taxes	42.7					42.7	4.0	10.3%	38.7			-	38.7
Depreciation	45.3					45.3	2.2	5.1%	43.1			-	43.1
Total Op. Exp.	**161.1**	**-**	**0.2**	**(2.1)**	**-**	**159.2**	**(4.2)**	**-2.6%**	**163.4**	**0.7**	**1.6**	**-**	**161.1**
Op. Income	**66.5**	**5.7**	**(0.2)**	**2.1**	**9.4**	**83.5**	**0.4**	**0.5%**	**83.1**	**(0.7)**	**(1.6)**	**0.7**	**84.7**
Interest expense	(24.5)				0.5	(24.0)	0.1	0.4%	(24.1)			-	(24.1)
Other (Exp.) Inc., net	5.8		0.2	(2.1)		3.9	2.1	113.6%	1.8	0.7	1.6	-	(0.5)
Pretax Income	**47.8**	**5.7**	**-**	**-**	**9.9**	**63.4**	**2.6**	**4.3%**	**60.8**	**-**	**-**	**0.7**	**60.1**
Income tax (Exp) / Ber	5.8	(1.4)	-	-	(2.5)	1.9	2.2	793.9%	(0.3)	-	-	(0.2)	(0.1)
Net Income	**$53.6**	**4.3**	**-**	**-**	**7.4**	**$65.3**	**$4.8**	**7.9%**	**$60.5**	**-**	**-**	**0.5**	**$60.0**
ETR	-12.1%	25.3%	-	-	25.3%	-2.9%			0.5%	-	-	25.3%	0.2%
Diluted Shares	50.7					50.7	(0.1)	-0.2%	50.8				50.8
Diluted EPS	**$1.06**	0.08	-	-	0.15	$1.29	$0.10	8.4%	$1.19	-	-	0.01	**$1.18**

The adjusted non-GAAP measures presented in the table are being shown to reflect significant items that are non-recurring or variance from normal weather, however they should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

(1) *As a result of the adoption of Accounting Standard Update 2017-07 in March 2018, pension and other employee benefit expense is now disaggregated on the GAAP income statement with portions now recorded in both OG&A expense and Other (Expense) Income lines. To facilitate better understanding of trends in year-over-year comparisons, the non-GAAP adjustment above re-aggregates the expense in OG&A - as it was historically presented prior to the ASU 2017-07 (with no impact to net income or earnings per share).*

Summary Financial Results (Full Year)

(in millions except per share amounts)

	Twelve Months Ended December 31,			
	2020	2019	Variance	% Variance
Operating Revenues	$ 1,198.7	$ 1,257.9	$ (59.2)	(4.7%)
Cost of Sales	306.2	318.0	(11.8)	(3.7%)
Gross Margin [1]	**892.5**	**939.9**	**(47.4)**	**(5.0%)**
Operating Expenses				
Operating, general & administrative	297.1	318.2	(21.1)	(6.6%)
Property and other taxes	179.5	171.9	7.6	4.4%
Depreciation and depletion	179.7	172.9	6.8	3.9%
Total Operating Expenses	**656.3**	**663.0**	**(6.7)**	**(1.0%)**
Operating Income	**236.2**	**276.9**	**(40.7)**	**(14.7%)**
Interest Expense	(96.8)	(95.1)	(1.7)	(1.8%)
Other Income, net	4.8	0.4	4.4	(1237.0%)
Income Before Taxes	**144.2**	**182.2**	**(37.9)**	**(20.8%)**
Income Tax Benefit	11.0	19.9	(8.9)	(44.7%)
Net Income	**$ 155.2**	**$ 202.1**	**$ (46.9)**	**(23.2%)**
Effective Tax Rate	(7.6%)	(10.9%)	3.3%	
Diluted: Average Shares Outstanding	50.7	50.8	(0.1)	(0.2%)
Diluted Earnings Per Share	$ 3.06	$ 3.98	$ (0.92)	(23.1%)
Dividends Paid per Common Share	$ 2.40	$ 2.30	$ 0.10	4.3%

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(1) *Gross Margin, defined as revenues less cost of sales, is a non-GAAP Measure. See appendix for additional disclosure.*

Gross Margin (Full Year)

(dollars in millions)

	Twelve Months Ended December 31,			
	2020	2019	Variance	
Electric	$ 704.2	$ 741.6	$ (37.4)	(5.0)%
Natural Gas	188.3	198.3	(10.0)	(5.0)%
Total Gross Margin [(1)]	**$ 892.5**	**$ 939.9**	**$ (47.4)**	**(5.0)%**

Decrease in gross margin due to the following factors:

$ (11.0)	Electric retail volumes and demand
(10.6)	Natural gas retail volumes
(9.4)	Disallowance of prior period supply costs
(3.3)	Lower electric QF liability adjustment
(2.7)	Montana electric supply cost recovery
(2.7)	Electric transmission
(1.2)	Montana natural gas production rates
1.6	Montana electric retail rates
(9.2)	Other
$ (48.5)	**Change in Gross Margin Impacting Net Income**
$ 6.3	Property taxes recovered in trackers, offset in property tax expense
(5.0)	Production tax credits flowed-through trackers, offset in income tax expense
(0.1)	Operating expenses recovered in trackers, offset in operating expense
(0.1)	Gas production taxes recovered in revenue, offset in property & other taxes
$ 1.1	**Change in Gross Margin Offset Within Net Income**
$ (47.4)	**Decrease in Gross Margin**

(1) Gross Margin, defined as revenues less cost of sales, is a non-GAAP Measure See appendix for additional disclosure.

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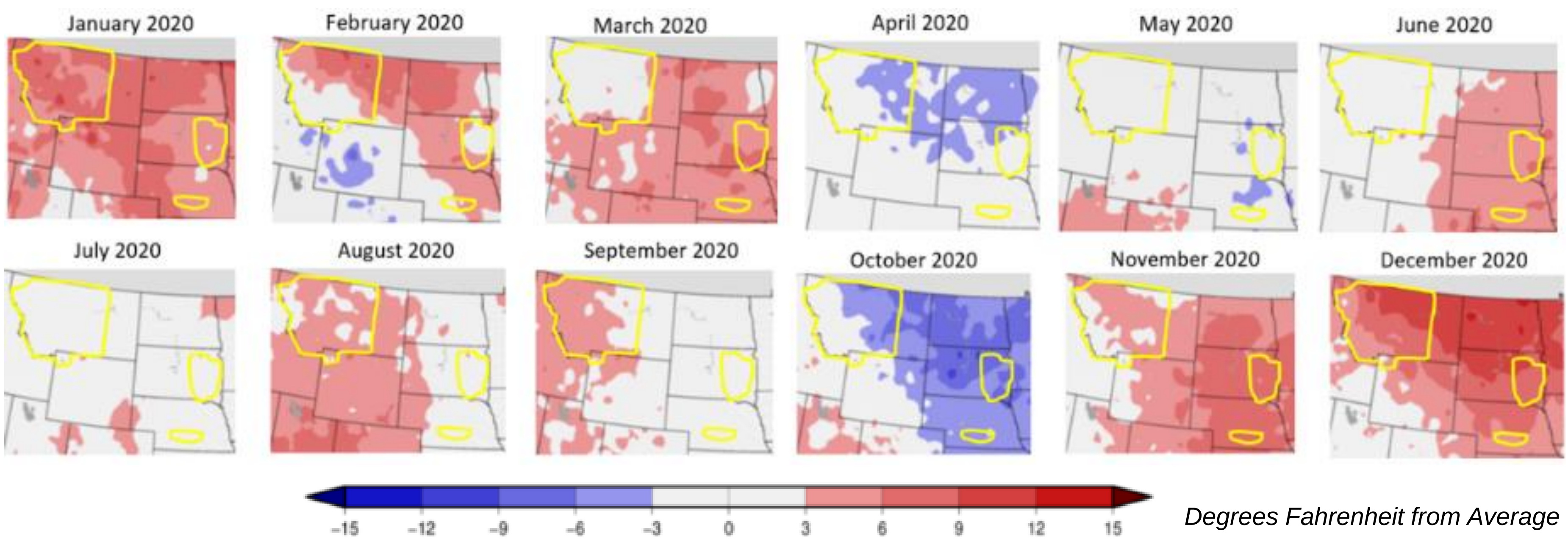
Weather (Full Year)

Heating Degree - Days	YTD thru 12/31 Degree Days			Full Year 2020 as compared with:	
	2020	2019	Historic Average	2019	Historic Average
Montana	7,505	8,647	7,819	13% warmer	4% warmer
South Dakota	7,445	8,478	7,702	12% warmer	3% warmer
Nebraska	5,676	6,571	6,359	14% warmer	11% warmer

Cooling Degree-Days	YTD thru 12/31 Degree Days			Full Year 2020 as compared with:	
	2020	2019	Historic Average	2019	Historic Average
Montana	398	370	405	8% warmer	2% cooler
South Dakota	879	715	734	23% warmer	20% warmer

We estimate overall unfavorable weather in 2020 resulted in a $9.8 million pretax detriment as compared to normal and a $17.1 million detriment as compared to 2019.

Difference from Average Temperatures



Operating Expenses (Full Year)

(dollars in millions)

	Twelve Months Ended December 31,			
	2020	2019	Variance	
Operating, general & admin.	$ 297.1	$ 318.2	$ (21.1)	(6.6)%
Property and other taxes	179.5	171.9	7.6	4.4%
Depreciation and depletion	179.6	172.9	6.7	3.9%
Operating Expenses	**$ 656.2**	**$ 663.0**	**$ (6.8)**	**(1.0)%**

Decrease in operating, general & administrative expense due to the following factors:

$ (10.1)	Employee benefits
(4.1)	Labor
(3.2)	Hazard tree removal
(3.0)	Travel and training
(1.2)	Environmental costs
(0.9)	Generation maintenance
3.0	Uncollectible Accounts
(3.2)	Other miscellaneous
$ (22.7)	**Change in OG&A Items Impacting Net Income**
$ 7.0	Pension and other postretirement benefits, offset in other income
(0.1)	Operating expenses recovered in trackers, offset in revenue
(5.3)	Non-employee directors deferred compensation, offset in other income
$ 1.6	**Change in OG&A Items Offset Within Net Income**
$ (21.1)	**Decrease in Operating, General & Administrative Expenses**

$7.6 million increase in property and other taxes was primarily due to plant additions and higher estimated property valuations in Montana.

$6.7 million increase in depreciation and depletion expense was primarily due to plant additions

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Operating to Net Income (Full Year)

(dollars in millions)

	Twelve Months Ended December 31,			
	2020	2019	Variance	
Operating Income	**$ 236.2**	**$ 276.9**	**$ (40.7)**	**(14.7)%**
Interest Expense	(96.8)	(95.1)	(1.7)	(1.8)%
Other Income, net	4.8	0.4	4.4	1,237.0%
Income Before Taxes	**144.2**	**182.2**	**(38.0)**	**(20.8)%**
Income Tax Benefit	11.0	19.9	(8.9)	(44.7)%
Net Income	**$ 155.2**	**$ 202.1**	**$ (46.9)**	**(23.2)%**

$1.7 million increase in interest expenses was primarily due to higher borrowings issued as a precautionary measure in order to increase our cash position and preserve financial flexibility in light of the uncertainty in the markets, partially offset by lower interest rates on our revolving credit facilities.

$4.4 million increase in other income was primarily due to a $7.0 million decrease in pension expense that was partly offset by a $5.3 million decrease in the value of deferred shares held in trust for non-employee directors deferred compensation (both of which are offset in operating, general and administrative expense with no impact to net income), and higher capitalization of AFUDC.

$8.9 million decrease in income tax benefit due primarily due to the release of approximately $22.8 million of unrecognized tax benefits in 2019, including $2.7 million of accrued interest and penalties, due to the lapse of statutes of limitation in the second quarter of 2019.

Income Tax Reconciliation (Full Year)

(in millions)

	Twelve Months Ended December 31,				
	2020		2019		Variance
Income Before Income Taxes	**$144.2**		**$182.2**		**($38.0)**
Income tax calculated at federal statutory rate	30.3	21.0%	38.3	21.0%	(8.0)
Permanent or flow through adjustments:					
State income, net of federal provisions	(1.5)	(1.1%)	1.2	0.7%	(2.7)
Flow - through repairs deductions	(23.8)	(16.5%)	(19.7)	(10.8%)	(4.1)
Production tax credits	(13.1)	(9.1%)	(11.5)	(6.3%)	(1.6)
Amortization of excess deferred income taxes	(1.0)	(0.7%)	(1.7)	(0.9%)	0.7
Release of unrecognized tax benefit	-	-	(22.8)	(12.5%)	22.8
Impact of Tax Cuts and Jobs Act	-	-	(0.2)	(0.1%)	0.2
Plant and depreciation of flow-through items	0.1	0.1%	(4.0)	(2.2%)	4.1
Prior year permanent return to accrual adjustments	(1.7)	(1.2%)	0.6	0.3%	(2.3)
Other, net	(0.3)	(0.1%)	(0.1)	(0.1%)	(0.2)
Sub-total	(41.3)	(28.6%)	(58.2)	(31.9%)	16.9
Income Tax Benefit	**$ (11.0)**	**(7.6%)**	**$ (19.9)**	**(10.9%)**	**$ 8.9**

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Adjusted Non-GAAP Earnings (Full Year)

(in millions)	GAAP Twelve Months Ended Dec. 31, 2020	Unfavorable Weather	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) (1)	Non-employee Deferred Compensation	Disallowance of prior period supply costs	Non GAAP Twelve Months Ended Dec. 31, 2020	Non-GAAP Variance: Variance $	Non-GAAP Variance: Variance %	Non GAAP Twelve Months Ended Dec. 31, 2019	Remove Benefit Related to Release of Previously Unrecognized Tax Benefits	Non-employee Deferred Compensation	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) (1)	Favorable Weather	GAAP Twelve Months Ended Dec. 31, 2019
Revenues	$1,198.7	9.8	-	-	9.4	$1,217.9	($32.7)	-2.6%	$1,250.6	-	-	-	(7.3)	$1,257.9
Cost of sales	306.2	-	-	-	-	306.2	(11.8)	-3.7%	318.0	-	-	-	-	318.0
Gross Margin	**892.5**	**9.8**	**-**	**-**	**9.4**	**911.7**	**(20.9)**	**-2.2%**	**932.6**	**-**	**-**	**-**	**(7.3)**	**939.9**
Op. Expenses														
OG&A	297.1	-	0.6	2.9	-	300.6	(22.8)	-7.0%	323.4	-	(2.4)	7.6	-	318.2
Prop. & other taxes	179.5	-	-	-	-	179.5	7.6	4.4%	171.9	-	-	-	-	171.9
Depreciation	179.7	-	-	-	-	179.7	6.8	3.9%	172.9	-	-	-	-	172.9
Total Op. Exp.	**656.3**	**-**	**0.6**	**2.9**	**-**	**659.8**	**(8.4)**	**-1.3%**	**668.2**	**-**	**(2.4)**	**7.6**	**-**	**663.0**
Op. Income	**236.2**	**9.8**	**(0.6)**	**(2.9)**	**9.4**	**251.9**	**(12.5)**	**-4.7%**	**264.4**	**-**	**2.4**	**(7.6)**	**(7.3)**	**276.9**
Interest expense	(96.8)	-	-	-	0.5	(96.3)	(1.2)	-1.3%	(95.1)	-	-	-	-	(95.1)
Other Inc. (Exp.), net	4.8	-	0.6	2.9	-	8.3	2.7	47.8%	5.6	-	(2.4)	7.6	-	0.4
Pretax Income	**144.2**	**9.8**	**-**	**-**	**9.9**	**163.9**	**(11.0)**	**-6.3%**	**174.9**	**-**	**-**	**-**	**(7.3)**	**182.2**
Income Tax Ben.(Exp.)	11.0	(2.5)	-	-	(2.5)	6.0	7.1	674.2%	(1.1)	(22.8)	-	-	1.8	19.9
Net Income	**$155.2**	**7.3**	**-**	**-**	**7.4**	**$169.9**	**($3.9)**	**-2.2%**	**$173.8**	**(22.8)**	**-**	**-**	**(5.5)**	**$202.1**
ETR	-7.6%	25.3%	-	-	25.3%	-3.7%			0.6%	-	-	-	25.3%	-10.9%
Diluted Shares	50.7					50.7	(0.1)	-0.2%	50.8					50.8
Diluted EPS	**$3.06**	0.14	-	-	0.15	**$3.35**	($0.07)	-2.0%	**$3.42**	(0.45)	-	-	(0.11)	**$3.98**

The adjusted non-GAAP measures presented in the table are being shown to reflect significant items that are non-recurring or variance from normal weather, however they should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

(1) As a result of the adoption of Accounting Standard Update 2017-07 in March 2018, pension and other employee benefit expense is now disaggregated on the GAAP income statement with portions now recorded in both OG&A expense and Other (Expense) Income lines. To facilitate better understanding of trends in year-over-year comparisons, the non-GAAP adjustment above re-aggregates the expense in OG&A - as it was historically presented prior to the ASU 2017-07 (with no impact to net income or earnings per share).

NorthWestern Energy
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Qualified Facility Earnings Adjustment

	Liability Adjustment due to underlying change in contract pricing assumptions	Actual Cost less than expected (due to price and volumes)	Total
Jun-15	($6.1)	1.8	**($4.3)**
Jun-16	$0.0	1.8	**$1.8**
Jun-17	$0.0	2.1	**$2.1**
Jun-18	$17.5	9.7	**$27.2**
Jun-19	$3.3	3.1	**$6.4**
Jun-20	$2.2	0.9	**$3.1**

Year-over-Year Better (Worse)			
Jun-16	$6.1	0.0	**$6.1**
Jun-17	$0.0	0.3	**$0.3**
Jun-18	$17.5	7.6	**$25.1**
Jun-19	($14.2)	(6.6)	**($20.8)**
Jun-20	($1.1)	(2.2)	**($3.3)**

Our electric QF liability consists of unrecoverable costs associated with contracts covered under PURPA that are part of a 2002 stipulation with the MPSC and other parties. Risks / losses associated with these contracts are born by shareholders, not customers. Therefore, any mitigation of prior losses and / or benefits of liability reduction also accrue to shareholders.

The gain in 2020 for our QF liability was $3.1 million in total, it was comprised of $2.2 million adjustment to the liability and $0.9 million lower actual costs over last 12 months (QF contract year). This $3.1 million benefit is $3.3 million less than the $6.4 million total benefit we recognized in Q2 last year.

Due to our expectations regarding the remeasurement frequency of our QF liability, we no longer reflect this adjustment as a non-GAAP measure.

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Quarterly PCCAM Impacts

Pretax Millions

	Q1	Q2	Q3	Q4	Full Year
'17/'18 Tracker	Full year recorded in Q3		$3.3		$3.3
'18/'19 Tracker			($5.1)	$0.3	(4.8)
2018 (Expense) Benefit	**$0.0**	**$0.0**	**($1.8)**	**$0.3**	**($1.5)**
					Full Year
'18/'19 Tracker	($1.6)	$4.6			$3.0
'19/'20 Tracker			$0.1	($0.7)	(0.6)
2019 (Expense) Benefit	**($1.6)**	**$4.6**	**$0.1**	**($0.7)**	**$2.4**
					Year-to-Date
CU4 Disallowance ('18/'19 Tracker)				($9.4)	($9.4)
'19/'20 Tracker	$0.1	$0.2			$0.3
'20/'21 Tracker			($0.4)	($0.2)	(0.6)
2020 (Expense) Benefit	**$0.1**	**$0.2**	**($0.4)**	**($9.6)**	**($9.7)**
Year-over-Year Variance	***$1.7***	***($4.4)***	***($0.5)***	***($8.9)***	***($12.1)***

In 2017, the Montana legislature revised the statute regarding our recovery of electric supply costs. In response, the MPSC approved a new design for our electric tracker in 2018, effective July 1, 2017. The revised electric tracker, or PCCAM established a baseline of power supply costs and tracks the differences between the actual costs and revenues. Variances in supply costs above or below the baseline are allocated 90% to customers and 10% to shareholders, with an annual adjustment. From July 2017 to May 2019, the PCCAM also included a "deadband" which required us to absorb the variances within +/- $4.1 million from the base, with 90% of the variance above or below the deadband collected from or refunded to customers. In 2019, the Montana legislature revised the statute effective May 7, 2019, prohibiting a deadband, allowing 100% recovery of QF purchases, and maintaining the 90% / 10% sharing ratio for other purchases.

NorthWestern Energy Profile

Jurisdiction and Service	Implementation Date	Authorized Rate Base (millions)	Estimated Rate Base (millions)	Authorized Overall Rate of Return	Authorized Return on Equity	Authorized Equity Level
Montana electric delivery and production (1)	April 2019	$ 2,030.1	$ 2,500.9	6.92%	9.65%	49.38%
Montana - Colstrip Unit 4	April 2019	304.0	272.4	8.25%	10.00%	50.00%
Montana natural gas delivery and production (2)	September 2017	430.2	516.1	6.96%	9.55%	46.79%
Total Montana		2,764.3	3,289.4			
South Dakota electric (3)	December 2015	557.3	626.8	7.24%	n/a	n/a
South Dakota natural gas (3)	December 2011	65.9	77.4	7.80%	n/a	n/a
Total South Dakota		623.2	704.2			
Nebraska natural gas (3)	December 2007	24.3	37.8	8.49%	10.40%	n/a
Total NorthWestern Energy		**$ 3,411.8**	**$ 4,031.4**			

(1) The revenue requirement associated with the FERC regulated portion of Montana electric transmission and ancillary services are included as revenue credits to our MPSC jurisdictional customers. Therefore, we do not separately reflect FERC authorized rate base or authorized returns.

(2) The Montana gas revenue requirement includes a step down which approximates annual depletion of our natural gas production assets included in rate base.

(3) For those items marked as "n/a," the respective settlement and/or order was not specific as to these terms.

Note:
Data as reported in our 2020 10-K

We anticipate current capital investment projections to result in annualized rate base growth of 4%-5%

NorthWestern Energy
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2020 System Statistics

Owned Energy Supply

Electric (MW)	MT	SD	Total
Base load coal	222	210	432
Wind	51	80	131
Hydro	448	-	448
Other resources (2)	150	121	271
	871	411	1,282

Natural Gas (Bcf)	MT	SD	Total
Proven reserves	43.1	-	43.1
Annual production	3.5	-	3.5
Storage	17.8	-	17.8

Transmission

Trans for Others	MT	SD	Total
Electric (GWh)	11,432	26	11,457
Natural Gas (Bcf)	42.0	31.2	73.2

System (miles)	MT	SD	Total
Electric	6,809	1,308	8,117
Natural gas	2,165	55	2,220
Total	8,974	1,363	10,337

Distribution

Demand	MT	SD / NE (1)	Total
Daily MWs	750	200	950
Peak MWs	1,200	328	1,528
Annual GWhs	6,600	1,750	8,350
Annual Bcf	21.3	10.3	31.7

Customers	MT	SD / NE	Total
Electric	384,700	63,900	448,600
Natural gas	203,700	90,700	294,400
Total	588,400	154,600	743,000

System (miles)	MT	SD / NE	Total
Electric	18,068	2,314	20,382
Natural gas	4,892	2,523	7,415
Total	22,960	4,837	27,797

Note: Statistics above are as of 12/31/2020 except for electric transmission for others which is 2019 data
(1) Nebraska is a natural gas only jurisdiction
(2) Dave Gates Generating Station (DGGS) in Montana is a 150 MW nameplate facility but consider it a 105 MW (60 MW FERC & 45MW MPSC jurisdictions) peaker

NorthWestern Energy
Delivering a Bright Future

Experienced & Engaged Board of Directors

Stephen P. Adik
- Chairman of the Board
- Independent
- Director since Nov. 2004

Anthony T. Clark
- Committees: Governance, Human Resources
- Independent
- Director since Dec. 2016

Dana J. Dykhouse
- Committees: Human Resources (chair), Audit
- Independent
- Director since Jan. 2009

Jan R. Horsfall
- Committees: Operations (chair), Audit,
- Independent
- Director since April 2015

Britt E. Ide
- Committees: Governance, Operations
- Independent
- Director since April 2017

Julia L. Johnson
- Committees: Governance (chair), Human Resources
- Independent
- Director since Nov. 2004

Robert C. Rowe
- Committees: None
- CEO and President
- Director since August 2008

Linda G. Sullivan
- Committees: Audit (Chair), Operations
- Independent
- Director since April 2017

Mahvash Yazdi
- Committees: Human Resources, Operations
- Independent
- Director since December 2019

Jeff W. Yingling
- Committees: Audit, Governance
- Independent
- Director since October 2019

Strong Executive Team

Robert C. Rowe
- Chief Executive Officer
- Current position since 2008

Heather H. Grahame
- General Counsel and Vice President of Regulatory and Federal Government Affairs
- Current position since 2010

Curtis T. Pohl
- Vice President - Distribution
- Current position since 2003

Brian B. Bird
- President and Chief Operating Officer
- Current position since 2021 (formerly Chief Financial Officer since 2003)

John D. Hines
- Vice President – Supply/Montana Affairs
- Current Position since 2011

Bobbi L. Schroeppel
- Vice President – Customer Care, Communications and Human Resources
- Current Position since 2002

Michael R. Cashell
- Vice President - Transmission
- Current Position since 2011

Crystal D. Lail
- Vice President and Chief Financial Officer
- Current position since 2021 (formerly VP and Chief Accounting Officer since 2020)

Jeanne M. Vold
- Vice President – Technology
- Current Position since 2021 (former Business Technology Officer since 2012)

NorthWestern Energy
Delivering a Bright Future

Our Commissioners

Montana Public Service Commission

Commissioners are elected in statewide elections from each of five districts. Chairperson is elected by fellow Commissioners. Commissioner term is four years, Chairperson term is two years.

Name	Party	Began Serving	Term Ends
Roger Koopman	R	Jan-13	Jan-21
Brad Johnson (Chairperson)	R	Jan-15	Jan-23
Bob Lake (Vice Chairperson)	R	Jan-13	Jan-21
Tony O'Donnell	R	Jan-17	Jan-21
Randy Pinocci	R	Jan-19	Jan-23

2020 Election

Koopman termed out. **James Brown (R)** defeated Tom Woods (D)

Lake termed out. **Jennifer Fielder (R)** defeated Monica Tranel (D)

O'Donnell (R), incumbent, defeated Valarie McMurty (D)

South Dakota Public Utilities Commission

Commissioners are elected in statewide elections. Chairperson is elected by fellow Commissioners. Commissioner term is six years, Chairperson term is one year.

Name	Party	Began Serving	Term Ends
Kristie Fiegen	R	Aug-11	Jan-25
Gary Hanson (Chairperson)	R	Jan-03	Jan-21
Chris Nelson (Vice Chairperson)	R	Jan-11	Jan-23

2020 Election

Hanson (R), incumbent, defeated Remi Bald Eagle (D) and Devin Saxon (L)

Nebraska Public Service Commission

Commissioners are elected in statewide elections. Chairperson is elected by fellow Commissioners. Commissioner term is six years, Chairperson term is one year.

Name	Party	Began Serving	Term Ends
Rod Johnson (Vice Chairperson)	R	Jan-93	Jan-23
Crystal Rhoades	D	Jan-15	Jan-21
Mary Ridder (Chairperson)	R	Jan-17	Jan-23
Tim Schram	R	Jan-07	Jan-25
Dan Watermeier	R	Jan-19	Jan-25

2020 Election

Rhoades (D), incumbent, defeated Tim Davis (R)

Non-GAAP Financial Measures (1 of 3)

Use of Non-GAAP Financial Measures - Reconcile to Non-GAAP diluted EPS

Pre-Tax Adjustments ($ Millions)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Reported GAAP Pre-Tax Income	**$ 102.6**	**$ 116.5**	**$ 108.3**	**$ 110.4**	**$ 181.2**	**$ 156.5**	**$ 176.1**	**$ 178.3**	**$ 182.2**	**$ 144.2**
Non-GAAP Adjustments to Pre-Tax Income:										
Weather	(3.0)	8.4	(3.7)	(1.3)	13.2	15.2	(3.4)	(1.3)	(7.3)	9.8
Release of MPSC DGGS deferral	-	(3.0)	-	-	-	-	-	-	-	-
Lost revenue recovery related to prior periods	-	(3.0)	(1.0)	-	-	(14.2)	-	-	-	-
DGGS FERC ALJ initial decision - portion related to 2011	-	7.2	-	-	-	-	-	-	-	-
MSTI Impairment	-	24.1	-	-	-	-	-	-	-	-
Favorable CELP arbitration decision	-	(47.5)	-	-	-	-	-	-	-	-
Remove hydro acquisition transaction costs	-	-	6.3	15.4	-	-	-	-	-	-
Exclude unplanned hydro earnings	-	-	-	(8.7)	-	-	-	-	-	-
Remove benefit of insurance settlement	-	-	-	-	(20.8)	-	-	-	-	-
QF liability adjustment	-	-	-	-	6.1	-	-	(17.5)	-	-
Electric tracker disallowance of prior period costs	-	-	-	-	-	12.2	-	-	-	9.9
Transmission impacts (unfavorable hydro conditions)	3.0	-	-	-	-	-	-	-	-	-
Settlement of Workers Compensation Claim	3.0	-	-	-	-	-	-	-	-	-
Income tax adjustment	(10.1)	(3.6)	-		-		-	9.4	-	-
Unplanned Equity Dilution from Hydro transaction								-	-	-
Adjusted Non-GAAP Pre-Tax Income	**$ 95.5**	**$ 99.1**	**$ 109.8**	**$ 115.8**	**$ 179.7**	**$ 169.7**	**$ 172.7**	**$ 168.9**	**$ 174.9**	**$ 163.9**

Tax Adjustments to Non-GAAP Items ($ Millior	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GAAP Net Income	**$ 92.6**	**$ 98.4**	**$ 94.0**	**$ 120.7**	**$ 151.2**	**$ 164.2**	**$ 162.7**	**$ 197.0**	**$ 202.1**	**$ 155.2**
Non-GAAP Adjustments Taxed at 38.5% ('08-'17) and 25.3% ('18-currrent):										
Weather	(1.8)	5.2	(2.3)	(0.8)	8.1	9.3	(2.1)	(1.0)	(5.5)	7.3
Release of MPSC DGGS deferral	-	(1.9)	-	-	-	-	-	-	-	-
Lost revenue recovery related to prior periods	-	(1.9)	(0.6)	-	-	(8.7)	-	-	-	-
DGGS FERC ALJ initial decision - portion related to 2011	-	4.4	-	-	-	-	-	-	-	-
MSTI Impairment	-	14.8	-	-	-	-	-	-	-	-
Favorable CELP arbitration decision	-	(29.2)	-	-	-	-	-	-	-	-
Remove hydro acquisition transaction costs	-	-	3.9	9.5	-	-	-	-	-	-
Exclude unplanned hydro earnings	-	-	-	(5.4)	-	-	-	-	-	-
Remove benefit of insurance settlement	-	-	-	-	(12.8)	-	-	-	-	-
QF liability adjustment	-	-	-	-	3.8	-	-	(13.1)	-	-
Electric tracker disallowance of prior period costs	-	-	-	-	-	7.5	-	-	-	7.4
Transmission impacts (unfavorable hydro conditions)	1.8	-	-	-	-	-	-	-	-	-
Settlement of Workers Compensation Claim	1.8	-	-	-	-	-	-	-	-	-
Income tax adjustment	(6.2)	(2.2)	-	(18.5)	-	(12.5)	-	(12.8)	(22.8)	-
Unplanned Equity Dilution from Hydro transaction										
Non-GAAP Net Income	**$ 88.2**	**$ 87.7**	**$ 94.9**	**$ 105.5**	**$ 150.3**	**$ 159.8**	**$ 160.6**	**$ 170.1**	**$ 173.8**	**$ 169.9**

Non-GAAP Diluted Earnings Per Share	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Diluted Average Shares (Millions)	*36.5*	*37.0*	*38.2*	*40.4*	*47.6*	*48.5*	*48.7*	*50.2*	*50.8*	*50.7*
Reported GAAP Diluted earnings per share	**$ 2.53**	**$ 2.66**	**$ 2.46**	**$ 2.99**	**$ 3.17**	**$ 3.39**	**$ 3.34**	**$ 3.92**	**$ 3.98**	**$ 3.06**
Non-GAAP Adjustments:										
Weather	(0.05)	0.14	(0.05)	(0.02)	0.17	0.19	(0.04)	(0.02)	(0.11)	0.14
Release of MPSC DGGS deferral	-	(0.05)	-	-	-	-	-	-	-	-
Lost revenue recovery related to prior periods	-	(0.05)	(0.02)	-	-	(0.18)	-	-	-	-
DGGS FERC ALJ initial decision - portion related to 2011	-	0.12	-	-	-	-	-	-	-	-
MSTI Impairment	-	0.40	-	-	-	-	-	-	-	-
Favorable CELP arbitration decision	-	(0.79)	-	-	-	-	-	-	-	-
Remove hydro acquisition transaction costs	-	-	0.11	0.24	-	-	-	-	-	-
Exclude unplanned hydro earnings	-	-	-	(0.14)	-	-	-	-	-	-
Remove benefit of insurance settlements & recoveries	-	-	-	-	(0.27)	-	-	-	-	-
QF liability adjustment	-	-	-	-	0.08	-	-	(0.26)	-	-
Electric tracker disallowance of prior period costs	-	-	-	-	-	0.16	-	-	-	0.15
Transmission impacts (unfavorable hydro conditions)	0.05	-	-	-	-	-	-	-	-	-
Settlement of Workers Compensation Claim	0.05	-	-	-	-	-	-	-	-	-
Income tax adjustment	(0.17)	(0.06)	-	(0.47)	-	(0.26)	-	(0.25)	(0.45)	-
Unplanned Equity Dilution from Hydro transaction	-	-	-	0.08	-	-	-	-	-	-
Non-GAAP Diluted Earnings Per Share	**$ 2.41**	**$ 2.37**	**$ 2.50**	**$ 2.68**	**$ 3.15**	**$ 3.30**	**$ 3.30**	**$ 3.39**	**$ 3.42**	**$ 3.35**

These materials include financial information prepared in accordance with GAAP, as well as other financial measures, such as Gross Margin and Adjusted Diluted EPS, that are considered "non-GAAP financial measures." Generally, a non-GAAP financial measure is a numerical measure of a company's financial performance, financial position or cash flows that exclude (or include) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. Gross Margin (Revenues less Cost of Sales) is a non-GAAP financial measure due to the exclusion of depreciation from the measure. Gross Margin is used by us to determine whether we are collecting the appropriate amount of energy costs from customers to allow recovery of operating costs. Adjusted Diluted EPS is another non-GAAP measure. The Company believes the presentation of Adjusted Diluted EPS is more representative of our normal earnings than the GAAP EPS due to the exclusion (or inclusion) of certain impacts that are not reflective of ongoing earnings.

The presentation of these non-GAAP measures is intended to supplement investors' understanding of our financial performance and not to replace other GAAP measures as an indicator of actual operating performance. Our measures may not be comparable to other companies' similarly titled measures.

Non-GAAP Financial Measures (2 of 3)

Use of Non-GAAP Financial Measures - Dividend Payout Ratio to GAAP and Non-GAAP diluted EPS

(per share)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Dividend per Share	$ 1.44	$ 1.48	$ 1.52	$ 1.60	$ 1.92	$ 2.00	$ 2.10	$ 2.20	$ 2.30	$ 2.40
Reported GAAP diluted EPS	$ 2.53	$ 2.66	$ 2.46	$ 2.99	$ 3.17	$ 3.39	$ 3.34	$ 3.92	$ 3.98	$ 3.06
Dividend Payout Ratio - GAAP diluted EPS	56.9%	55.6%	61.8%	53.5%	60.6%	59.0%	62.9%	56.1%	57.8%	78.4%
Reported Non-GAAP diluted EPS	$ 2.41	$ 2.37	$ 2.50	$ 2.68	$ 3.15	$ 3.30	$ 3.30	$ 3.39	$ 3.42	$ 3.35
Dividend Payout Ratio - Non-GAAP diluted EPS	59.8%	62.4%	60.8%	59.7%	61.0%	60.6%	63.6%	64.9%	67.3%	71.6%

Use of Non-GAAP Financial Measures - Return on Average Equity for GAAP and Non-GAAP Earnings

(per share)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GAAP Net Income ($M's)	$ 92.6	$ 98.4	$ 94.0	$ 120.7	$ 151.2	$ 164.2	$ 162.7	$ 197.0	$ 202.1	$ 155.2
Average Quarterly Equity ($M's)	$ 842.8	$ 895.9	$ 991.1	$ 1,119.3	$ 1,520.2	$ 1,632.3	$ 1,720.4	$ 1,875.7	$ 1,998.8	$ 2,056.9
Return On Average Equity (ROAE) - GAAP Earnings	11.0%	11.0%	9.5%	10.8%	9.9%	10.1%	9.5%	10.5%	10.1%	7.5%
Reported Non-GAAP diluted EPS	$2.41	$2.37	$2.50	$2.68	$3.15	$3.30	$3.30	$3.39	$3.42	$3.35
Average Diluted Shares (M)	36.5	37.0	38.2	39.3	47.6	48.5	48.7	50.2	50.8	50.7
Calculated Non-GAAP Adjusted Net Income ($M's)	$88.2	$87.7	$94.9	$105.3	$150.3	$160.2	$160.6	$170.8	$174.3	$170.4
Return on Average Equity (ROAE) - Non-GAAP Earnings	10.5%	9.8%	9.6%	9.4%	9.9%	9.8%	9.3%	9.1%	8.7%	8.3%

Net Operating Losses (NOL's):

The expected tax rate and the expected availability of NOLs are subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. For discussion of some of the important factors that could cause these variations, please consult the "Risk Factors" section of our most recent 10-K filed with the SEC.

NorthWestern Energy
Delivering a Bright Future

Non-GAAP Financial Measures (3 of 3)

Use of Non-GAAP Financial Measures - Free Cash Flow - 2011 to 2020

(in millions)	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*
Total Capital Spending	188.7	322.5	299.1	1,174.0	430.4	287.9	276.4	305.0	316.2	405.8
Less: Infrastructure Programs (DSIP/TSIP)	(15.2)	(18.7)	(47.4)	(52.0)	(51.6)	(47.8)	(37.3)	-	-	-
Less: Investment Growth	(43.9)	(170.5)	(126.6)	(964.2)	(195.9)	(7.5)	(3.9)	(31.3)	(13.7)	(84.8)
Maintenance Capex	129.7	133.2	125.2	157.8	182.9	232.6	235.3	273.7	302.5	321.0
Free Cash Flow										
Cash Flow from Operations	233.8	251.2	193.7	250.0	339.8	286.8	322.7	382.0	296.7	352.1
Less: Maintenance Capex	(129.7)	(133.2)	(125.2)	(157.8)	(182.9)	(232.6)	(235.3)	(273.7)	(302.5)	(321.0)
Less: Dividends	(51.9)	(54.2)	(57.7)	(65.0)	(90.1)	(95.8)	(101.3)	(109.2)	(115.1)	(120.4)
Free Cash Flow	52.2	63.7	10.9	27.2	66.9	(41.5)	(13.8)	(0.9)	(120.9)	(89.2)

Use of Non-GAAP Financial Measures - Gross Margin Full Year Thru December 31, 2020

(in millions)	**Electric**	**Gas**	**Other**	**Total**
Operating Revenues	$ 940.8	$ 257.9	$ -	$ 1,198.7
Cost of Sales	$ 236.6	$ 69.6	$ -	$ 306.2
Gross Margin	$ 704.2	$ 188.2	$ -	$ 892.5

Use of Non-GAAP Financial Measures - Gross Margin Full Year Thru December 31, 2020

(in millions)	**Montana**	**South Dakota**	**Nebraska**	**Eliminations**	**Total**
Operating Revenues	$ 966.0	$ 211.8	$ 27.7	$ -	$ 1,205.4
Cost of Sales	$ 216.8	$ 79.4	$ 16.7	$ -	$ 312.9
Gross Margin	$ 749.2	$ 132.4	$ 10.9	$ -	$ 892.5

The data presented in this presentation includes financial information prepared in accordance with GAAP, as well as other Non-GAAP financial measures such as Gross Margin (Revenues less Cost of Sales), Free Cash Flows (Cash flows from operations less maintenance capex and dividends) and Net Debt (Total debt less capital leases), that are considered "Non-GAAP financial measures." Generally, a Non-GAAP financial measure is a numerical measure of a company's financial performance, financial position or cash flows that exclude (or include) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. The presentation of Gross Margin, Free Cash Flows and Net Debt is intended to supplement investors' understanding of our operating performance. Gross Margin is used by us to determine whether we are collecting the appropriate amount of energy costs from customers to allow recovery of operating costs. Net Debt is used by our company to determine whether we are properly levered to our Total Capitalization (Net Debt plus Equity). Our Gross Margin, Free Cash Flows and Net Debt measures may not be comparable to other companies' similarly labeled measures. Furthermore, these measures are not intended to replace measures as determined in accordance with GAAP as an indicator of operating performance.

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