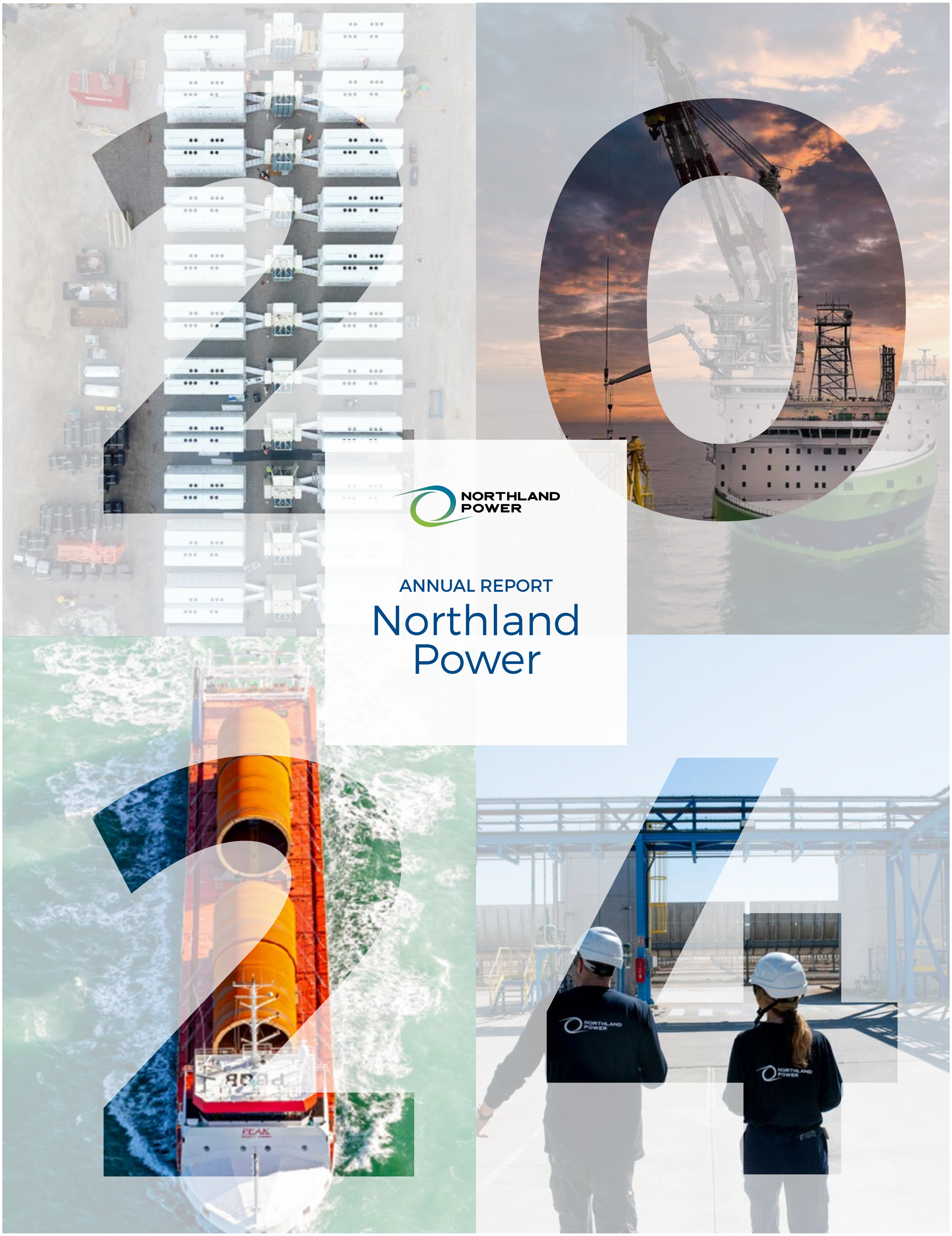

NORTHLAND POWER

ANNUAL REPORT

Northland Power

Intelligent Energy. Greener Planet.

NORTHLAND
POWER

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Corporate Profile

Northland Power is a Canadian-owned global power producer dedicated to accelerating the global energy transition. Founded in 1987, with almost four decades of experience, Northland has a long history of developing, owning and operating a diversified mix of energy infrastructure assets including offshore and onshore wind, solar, natural gas and battery energy storage. Northland also supplies energy through a regulated utility.

Headquartered in Toronto, Canada, with global offices in seven countries, Northland owns or has an economic interest in 3.2 GW of gross operating generating capacity and a significant inventory of early to mid-stage development opportunities encompassing approximately 10 GW of potential capacity.

Publicly traded since 1997, Northland's Common Shares, Series 1 and Series 2 Preferred Shares trade on the Toronto Stock Exchange under the symbols NPI, NPI.PR.A and NPI.PR.B, respectively.

$14 B
Total Assets

2.4 GW
In Construction[1]

3.2 GW
Operating Capacity[1]

BBB
Credit Rating[2]

95%+
Contracted/ Regulated Revenue

37+
Years of Success

1. Gross capacity gigawatts (GW)
2. S&P Global and Fitch ratings reaffirmed in 2024


Nordsee One Employees, Germany


Mont Louis, Quebec


Belleville South, Ontario

Message from the Board Chair

Dear Shareholders,

I'm pleased to share Northland's 2024 Annual Report highlighting our commitment and success in delivering our strategy. We achieved our full year financial guidance, further strengthened our already robust balance sheet, and delivered strong results across our diverse global portfolio.

In 2024, we entered the largest execution phase in Northland's history with 2.4 GW of capacity in construction across three projects, totalling $16 billion. With relentless focus and disciplined oversight, we delivered critical milestones for our 1.0 GW Hai Long offshore wind project in Taiwan, our 1.1 GW Baltic Power offshore wind project in Poland, and our 250 MW/1,000 MWh Oneida energy storage project in Canada. Critical to our success were the contributions from our talented teams on the ground and the support from our project partners: Mitsui and Gentari in Taiwan, ORLEN in Poland, and Oneida's partnership group including Indigenous equity partners Six Nations of the Grand River Development Corporation, NRStor and Aecon. Our partners' expertise complements Northland's depth of experience in developing, financing and delivering large-scale infrastructure projects.

Beginning with the expected commercial operations of Oneida in 2025 and through to Hai Long's completion in early 2027, the successful delivery of these three projects is expected to generate an aggregate Adjusted EBITDA of $570 – 615 million[1] and Free Cash Flow of $185 to $210 million[1] for the business, delivering value and accretion for Northland, our shareholders, and powering the next phase of our growth.

In parallel to our focus on execution, we continued to advance strategic priorities for growth and expansion, and progressed development on several high-quality projects within our ~10 GW pipeline, including our 900 MW fixed-bottom Spiorad na Mara offshore wind project in Scotland, our late-stage 80 MW Jurassic battery energy storage project in Alberta to name only a few. Global demand for energy is growing, highlighting the importance of energy security, reliability and affordability. In response, governments as well as commercial and industrial customers are looking to strengthen and stabilize electricity grids, procuring renewable, natural gas and storage capacity to meet supply-demand gaps. Harnessing the power of our exceptional teams, our rich history as experienced global energy providers, and our diverse portfolio across renewable, natural gas and storage technologies and markets, Northland is ready to capitalize on the next phase of growth, supporting global energy needs while creating long-term value for our shareholders.

Providing the consistency required to support this forward momentum, our operations teams across facilities in North America and Europe continued to deliver excellence in 2024, ensuring our assets ran safely and smoothly, addressing challenges head-on, and delivering revenues necessary to support our business. As long-term owners and operators, this is a critical part of Northland's business.

1. Based on a 5-year annual average from completion date.

Alongside all of our progress, this year brought with it significant reminders of the importance of our people in all that we do. In August of last year, project subcontractors responsible for work on the Hai Long onshore substation experienced a tragic incident that resulted in the loss of three of their employees, forever impacting their families. This was a deeply difficult moment for all of us. The importance of the health, safety and well-being of all people working across our projects and facilities cannot be overstated and remains our top priority. The lessons we carry forward from this incident have strengthened our safety protocols to ensure our global workforce, including our contractors, are protected and always supported. I am confident that we are better prepared to prevent similar tragedies in the future.

A Future of Potential and Our 2025 Focus

With our near-term priorities firmly in place and a robust, diversified portfolio that will fuel quality growth opportunities for the business, Northland enters 2025 in a stronger position than ever before at an exciting time for the industry with global demand for energy growing.

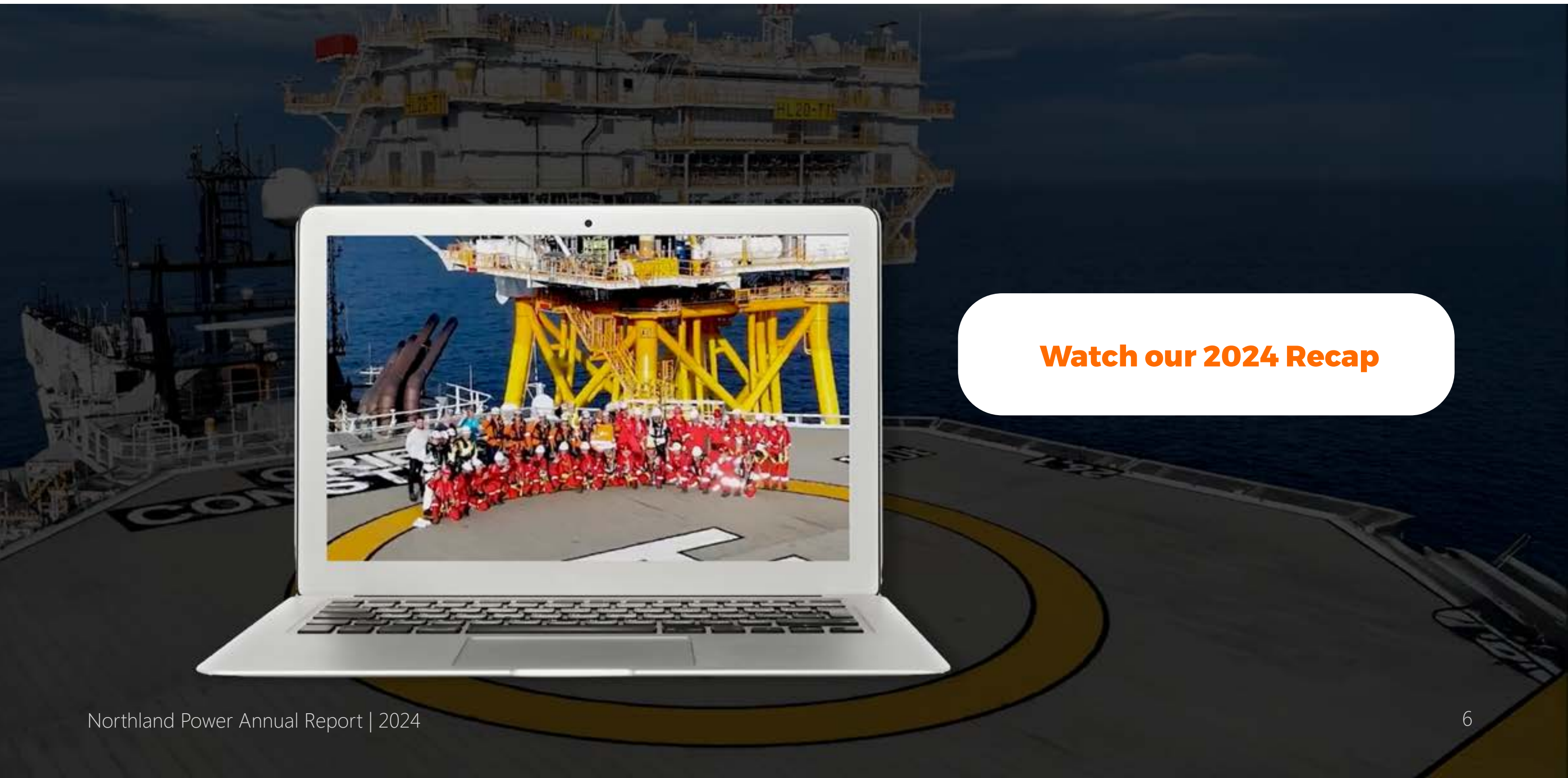
The safe and successful completion of Hai Long, Baltic Power and Oneida remains a core focus for the business in 2025 and will power future growth. Our diverse pipeline including wind, solar, storage and natural gas sets us apart and allows us to be technology and market-agnostic in our approach to building flexible energy solutions that meet the needs of today and tomorrow.

As global markets and the industry react and settle into new macroeconomic and geopolitical dynamics, I am confident Northland's proven track record and position as a trusted, experienced global energy provider will differentiate us as a partner of choice in any market. Signals highlighting the need for more electricity have never been stronger and quality opportunities are at our doorstep.

Finally, I'm excited to usher in new leadership and direction as Northland embarks on its next chapter, welcoming Christine Healy as Northland's new President and CEO. Christine's extensive experience across the energy industry and proven leadership in driving value creation, combined with the strength of our existing executive team, will bring renewed momentum across the organization.

On behalf of Northland, I thank you for your ongoing support and confidence. The future is full of potential, and I am excited for what lies ahead.

John Brace
Board Chair, Director



Message from our President and CEO

As I step into the role of President and CEO, I am honoured to lead a company that stands at the forefront of the energy transition.

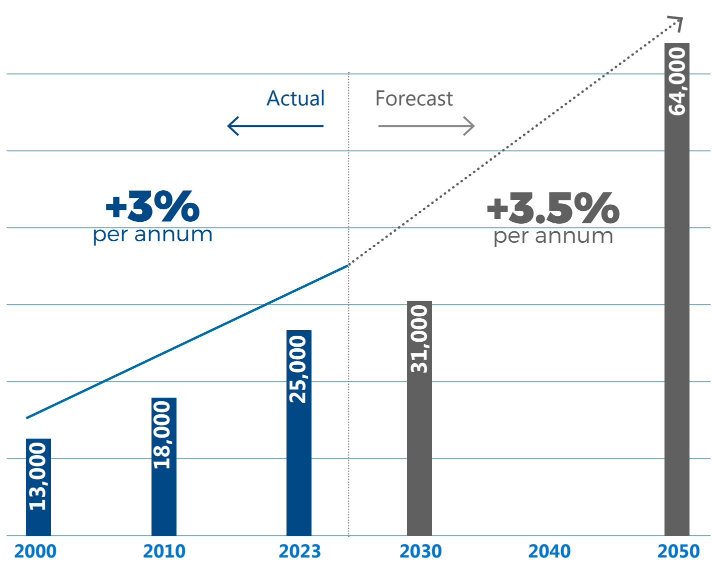
Northland's rich history, nearly four decades of experience and a robust portfolio spanning technologies and markets, uniquely positions the business to capitalize on emerging opportunities to support the build out of energy infrastructure globally. Our diversified technology mix – ranging from wind and solar to energy storage and natural gas – provides us with a resilient platform, enabling us to adapt to evolving market conditions and leverage growth across multiple sectors. This flexibility is especially valuable as global energy demand is growing at a rapid pace and energy consumption could more than double in slower energy transition scenarios, and nearly triple in faster scenarios, driven largely by ongoing electrification.

I look forward to driving growth, enhancing our capabilities, and creating long-term value for our shareholders as we continue to innovate and lead in this critical era of change. Together, we will capitalize on the momentum of this transition, building a future that is not only profitable but also sustainable for generations to come.

Christine Healy
President and CEO

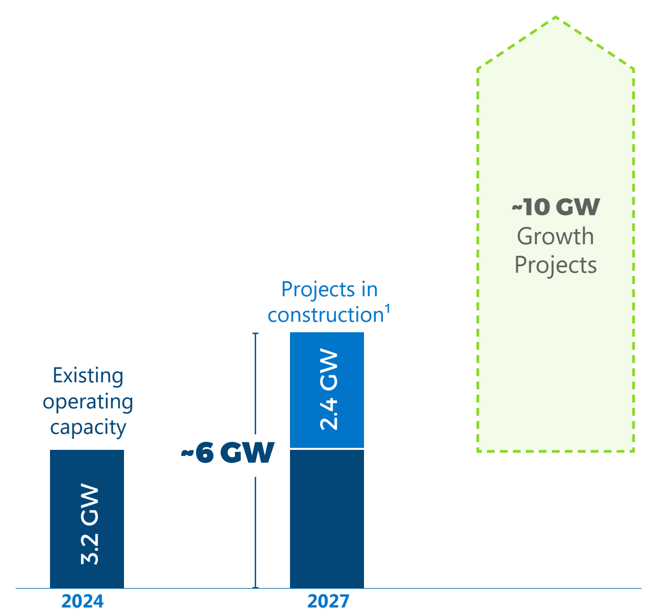
Global Energy Consumption*

Thousand TWh

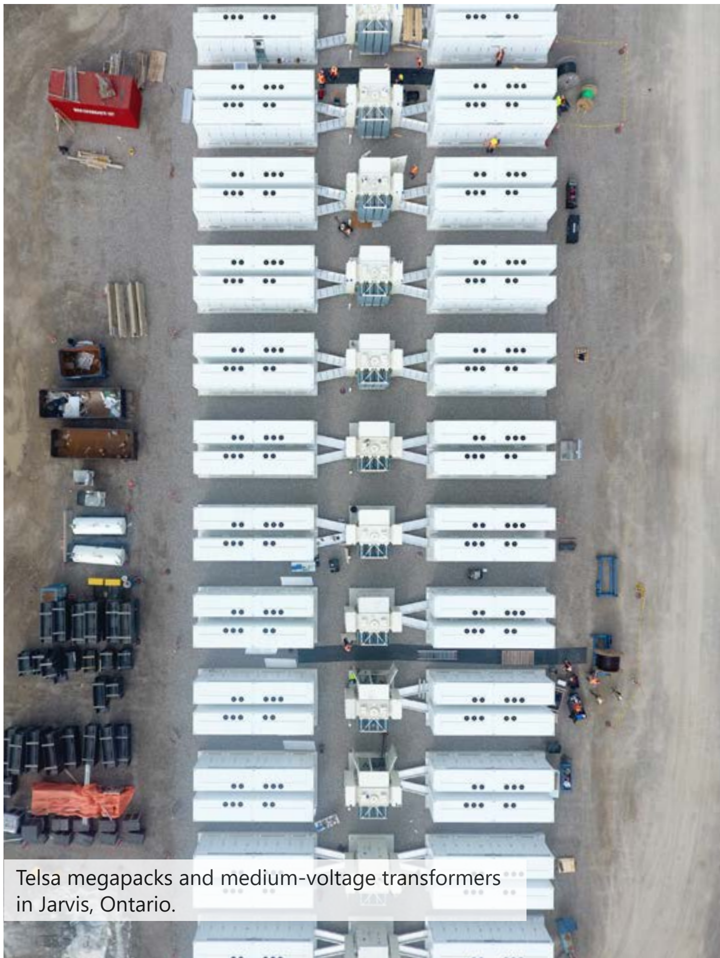


*McKinsey & Company, Global Energy Perspective 2024

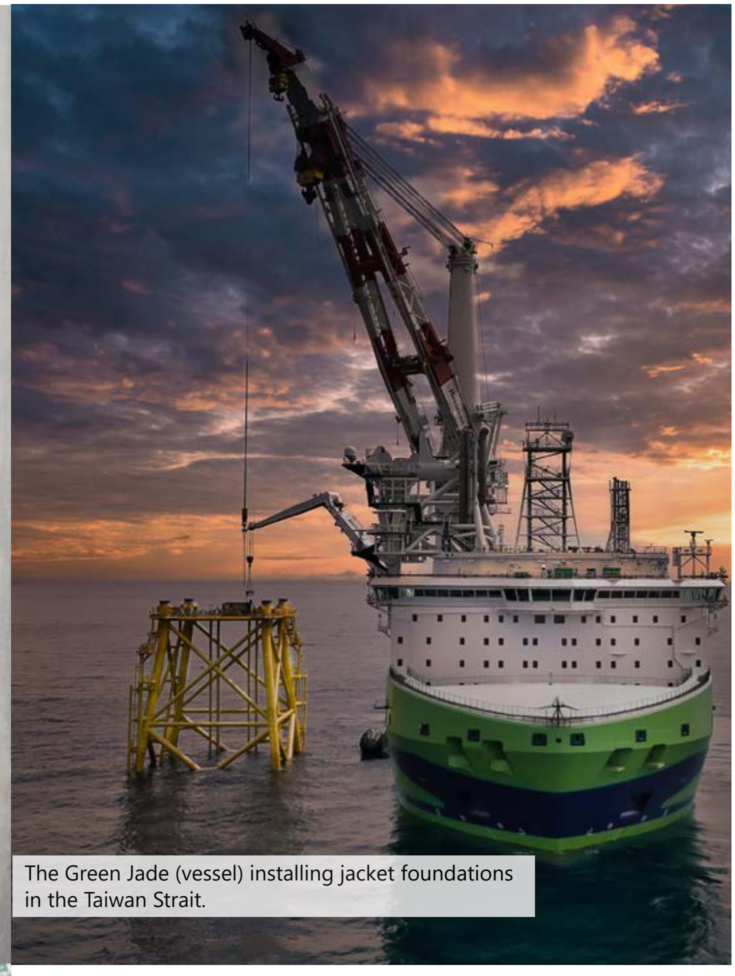
Northland's Gross Capacity Growth



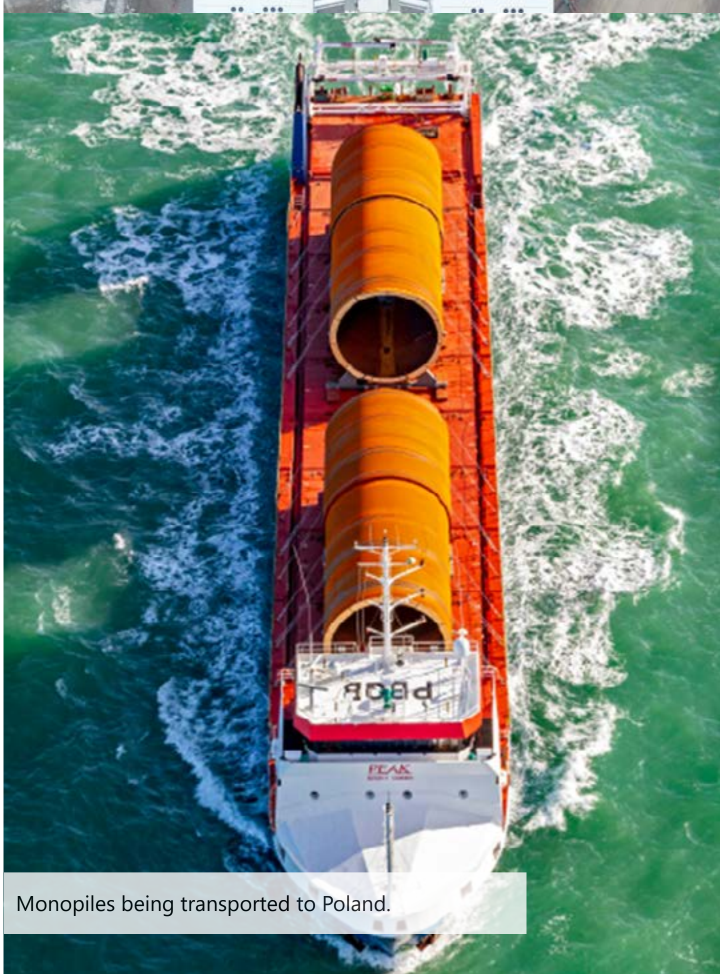
1. Includes current projects under construction.



Telsa megapacks and medium-voltage transformers in Jarvis, Ontario.



The Green Jade (vessel) installing jacket foundations in the Taiwan Strait.



Monopiles being transported to Poland.

"Our diversified technology mix – ranging from wind and solar to energy storage and natural gas – provides us with a resilient platform, enabling us to adapt to evolving market conditions and leverage growth across multiple sectors."

Christine Healy - President & CEO

Message from our Interim CFO

Dear Shareholders,

In 2024, Northland delivered another strong financial performance with our full year results at the higher end of our financial guidance. This performance is the result of the stability and predictability of our business that demonstrates our ability to operate assets effectively, responsibly fund our projects, and deliver on our objectives in a challenging market environment. This is a testament to the strength and resilience of Northland's business and the quality of its management team and our people.

We delivered on our key objective of advancing our three construction projects, Hai Long, Baltic Power and Oneida to critical milestones. The growth from these three projects will be substantial, increasing our capacity by 75%, adding 20 to 30 years of contracted cash flows and further diversifying our revenues. To date, Northland and project partners have invested 50% or $8 billion of the total $16 billion in project costs. These projects continue to progress on track, and we look forward with excitement to the significant milestones to come in 2025, including commercial operations on Oneida and receiving first power on Hai Long.

Northland has nearly four decades of experience executing on projects with disciplined risk management practices through dedicated functions such as project finance, risk management and our project management office. This is a key differentiator of Northland's business model and fundamental to ensure we deliver on our commitments and have flexibility to create opportunities for future optimizations. These capabilities enable us to fully surface the value of our assets while contracted, and maximize the optionality they afford us when revenue contracts expire and as we look at re-contracting.

At our Investor Day in March 2024, we outlined a clear strategy centered on four key strategic pillars: Resilience, Execution, Prudent Growth and Optimization, designed to propel us into the next phase of growth beyond 2027. Over the course of the year, we doubled our focus on operational excellence and the pursuit of only the highest quality opportunities that generate strong accretion and long-term value.

Looking forward, we've issued our 2025 financial guidance, underpinned by significant milestones we expect to achieve on our construction projects and further supported by positive energy market indicators tied to forecasted growth in demand. Our robust investment grade balance sheet and available liquidity of $1.1 billion positions us well to fund the high-quality projects in our development pipeline and profit from new opportunities in the future.

Over the course of 2025, we will remain focused on continuing to deliver on our commitments, executing on our projects in construction and optimizing our capital structure to drive long-term shareholder value.

With Northland's strong foundation and diversified portfolio, the future is bright.

Thank you for your continued support.

Adam Beaumont
Interim Chief Financial Officer

Financial Highlights

Strong financial results delivered in alignment with our key strategic pillars.

Resilience

- Achieved 2024 full-year financial guidance.
- Maintained BBB investment grade credit rating.
- Completed the sale of La Lucha solar facility in Mexico, resulting in $250 million in liquidity.

Execution

- Northland and project partners reached 50% investment ($8 billion) of $16 billion total spend on project costs for Hai Long, Baltic Power and Oneida.
- Executed underwater repair campaign on 1 of 2 export cables within 60 days at the 600 MW Gemini offshore wind project.
- Completed 23 MW capacity upgrade at our Thorold natural gas facility on time and on budget.

Prudent Growth

- Secured Corporate Power Purchase Agreement (CPPA) in Alberta on Jurassic BESS.
- Advanced development and focus in priority markets and added natural gas power development focus.
- In alignment with our refocus on core markets, we strategically exited Japan and Mexico in 2024.

Optimization

- Increased corporate liquidity to $1.1 billion.
- Successfully reduced general and administrative costs.

Received industry recognition and accolades for project financing on **Hai Long** and **Baltic Power** including:

Key Accomplishments in 2024

Continued to advance key milestones across Hai Long, Baltic Power, and Oneida, and successfully completed of expansion work at our Thorold natural gas facility.

Hai Long offshore substation in the Taiwan Strait.

Hai Long (1.0 GW)

Installation of several critical components complete including the offshore substation and export cables at Hai Long 2, as well as pin pile and jacket foundations at all 37 turbine locations on Hai Long 2A and 2B. Manufacturing of wind turbines including blade and nacelle components continues into 2025 in preparation for installation.

Monopile loadout on the Svanen vessel in Poland.

Baltic Power (1.1 GW)

Steady progress on the fabrication and manufacturing of key project infrastructure including the onshore and offshore substation and operations base, wind turbine foundations, export cables and inter-array cables. The newly upgraded installation vessel Svanen arrived in Poland in preparation for installation of the first monopile turbine foundations.

Onshore substation at Oneida in Jarvis, Ontario.

Oneida (250 MW/1,000 MWh)

Completion of all major project works on megapack batteries, transformers (medium and high voltage), cabling and the onshore substation. Backfeed power successfully reached in December 2024 and early commissioning work now underway and continuing until Commercial Operation Date (COD) in the first half of 2025.

Thorold natural gas facility in Ontario

Thorold (265 MW)

Successfully completed the 23 MW capacity expansion work at our Thorold natural gas facility in Ontario. This work allows for a potential five-year extension of the contract. The extension of the PPA remains conditional upon the successful completion of an upgrade test scheduled for 2025.

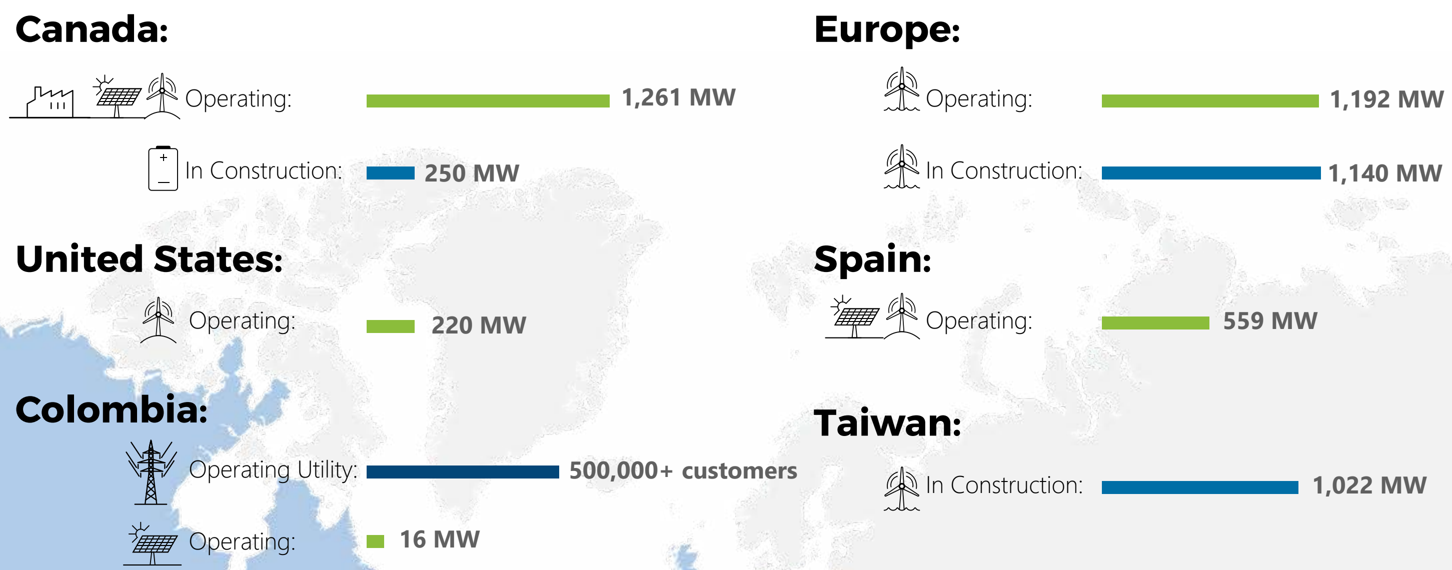
Business Highlights:

- Advanced development work on quality projects in our ~10 GW pipeline.
- Maintained strong performance of our operating fleet.
- Completed optimization and expansion work at several operating facilities to strengthen balance sheet and streamline operations.
- Strengthened leadership through the appointment of Christine Healy as New President and CEO.

Northland at a Glance

Our diversified global portfolio includes **3.2 GW of operating wind, solar and natural gas** capacity, **2.4 GW of projects** in construction, and a ~**10 GW pipeline** of high-quality projects spanning technologies and select markets.

Our Global Footprint



Operating Assets (Gross)

1.2 GW Offshore Wind

1.3 GW Onshore Wind/Solar

0.7 GW Natural Gas

Assets Under Construction (Gross)

2.2 GW Offshore Wind

0.3 GW Energy Storage

"As global markets and the industry react and settle into new macroeconomic and geopolitical dynamics, I am confident Northland's proven track record and position as a trusted, experienced global energy provider will differentiate us as a partner of choice in any market."

John Brace -Board Chair, Director

Our Technologies

Offshore Wind

As one of the top global producers of offshore wind, we operate three offshore wind farms in Europe (1.2 GW) and have 2.2 GW under construction in Taiwan and Poland. With a high-quality development pipeline, we are driving the future of renewable energy through scalable, impactful offshore wind projects.

Onshore Wind

With over a decade of experience in developing and operating onshore wind assets, we currently manage seven wind farms across Canada, the United States, and Spain, with approximately 1 GW of operating capacity. Our diverse development pipeline continues to offer various opportunities for expanding renewable energy capacity in key markets.

Solar

As an owner-operator of 13 ground-mounted solar facilities in Canada, along with a portfolio of photovoltaic and concentrated solar facilities in Spain, we manage a total capacity of 0.3 GW. Our strategic investments support the growth of sustainable energy through high-performing solar assets across diverse regions.

Storage

We are constructing the Oneida energy storage (250 MW/1,000 MWh) project, Canada's first utility-scale storage facility, and advancing a strong pipeline of additional storage projects across North America. These initiatives are key to enhancing grid reliability and supporting the transition to renewable energy.

Natural Gas and Utilities

We are trusted and experienced providers of natural gas facilities across Canada, operating four facilities that deliver over 0.7 GW of energy capacity in Ontario and Saskatchewan. Additionally, we supply energy through our regulated electric distribution utility, EBSA, in Colombia, contributing to reliable and sustainable energy solutions in the country.

Our Capabilities

Origination & Development

With nearly four decades of experience, we specialize in the origination and development of new energy projects across global markets and have ~10 GW of projects in our development pipeline. We know how to effectively identify opportunities, manage regulatory processes source and secure global supply chains and build innovative solutions that deliver on short-term needs while supporting global transition efforts.

Financing

With award-winning expertise in project financing and capital markets, we bring deep in-house knowledge to structure and secure optimal financial solutions with approximately ~$20 billion in financing secured to date. Our team excels in navigating complex transactions, ensuring successful funding and long-term financial sustainability for energy projects.

Construction and Execution

With a strong track record of successfully delivering projects on time and within budget, we excel in managing all phases of construction. Our team prioritizes safety, efficiency, and quality, ensuring projects are executed to the highest standards and exceed expectations.

Owner-Operator

With a long history as a committed owner-operator, we take pride in the long-term success and sustainability of our projects. Our hands-on approach ensures efficient operation, ongoing optimization, and the continued growth of our energy assets throughout their lifecycle.

Management's Discussion & Analysis

The Green Jade (vessel) loading jacket foundations

NORTHLAND POWER INC.

Management's Discussion and Analysis

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This Management's Discussion and Analysis (**"MD&A"**), dated February 26, 2025, compares Northland's financial results and financial position for the year ended December 31, 2024, with those for the year ended December 31, 2023. Certain prior period disclosures have been reclassified for consistency with the current period presentation. Northland's Audit Committee reviewed this MD&A and the associated audited consolidated financial statements and notes, and its Board of Directors approved these documents prior to their release.

SECTION 1: OVERVIEW

Introduction

The purpose of this MD&A is to explain the financial results of Northland Power Inc. (**"Northland"** or the **"Company"**) and to assist the reader in understanding the nature and importance of changes and trends as well as the risks and uncertainties that may affect the operating results and financial position of the Company. This MD&A should be read in conjunction with Northland's audited consolidated financial statements for the year ended December 31, 2024, and 2023, and Northland's most recent Annual Information Form for the year ended December 31, 2024, dated February 26, 2025 (**"2024 AIF"**). These materials are available on the Company's SEDAR+ profile at www.sedarplus.ca and on Northland's website at www.northlandpower.com.

All dollar amounts set out herein are in thousands of Canadian dollars, unless otherwise stated.

Forward-Looking Statements

This MD&A contains forward-looking statements that are based on certain estimates and assumptions that were considered reasonable on February 26, 2025; actual results may differ materially. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans. Readers are cautioned that such statements may not be appropriate for other purposes. Northland's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, the events anticipated by the forward-looking statements may or may not transpire or occur. Forward-looking statements include statements that are not historical facts and are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects," "anticipates," "plans," "predicts," "believes," "estimates," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions or future or conditional verbs such as "may," "will," "should," "would" and "could". These statements may include, without limitation, statements regarding future Adjusted EBITDA, Adjusted Free Cash Flow and Free Cash Flow, including respective per share amounts, dividend payments and dividend payout ratios, the timing for and attainment of the Hai Long and Baltic Power offshore wind, Oneida energy storage projects and other renewables growth activity and the anticipated contributions therefrom to Adjusted EBITDA, Adjusted Free Cash Flow and Free Cash Flow, the expected generating capacity of certain projects, guidance, anticipated dates of full commercial operations, forecasts as to overall project costs, the completion of construction, acquisitions, dispositions, whether partial or full, investments or financings and the timing thereof, the timing for and attainment of financial close and commercial operations for each project, the potential for future production from project pipelines, cost and output of development projects, the implementation of the DRIP changes, the all-in interest cost for debt financing, the impact of currency and interest rate hedges, litigation claims, anticipated results from the optimization of the Thorold Co-Generation facility and the timing related thereto, future funding requirements, and the future operations, business, financial condition, financial results, priorities, ongoing objectives, strategies and the outlook of Northland, its subsidiaries and joint ventures.

These statements are based upon certain material factors or assumptions that were applied in developing the forward-looking statements, including the design specifications of development projects, the provisions of contracts to which Northland or a subsidiary is a party, management's current plans and its perception of historical trends, current conditions and expected future developments, the ability to obtain necessary approvals, satisfy any closing conditions, satisfy any project finance lender conditions to closing sell-downs or obtain adequate financing regarding contemplated construction, acquisitions, dispositions, investments or financings, as well as other factors, estimates and assumptions that are believed to be appropriate in the circumstances. Although these forward-looking statements are based upon management's current reasonable expectations and assumptions, they are subject to numerous risks and uncertainties. Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, risks associated with further regulatory and policy changes in Spain which could impair current guidance and expected returns, risks associated with merchant pool pricing and revenues, risks associated with sales contracts, the emergence of widespread health emergencies or pandemics, Northland's reliance on the performance of its offshore wind facilities at Gemini, Nordsee One and Deutsche Bucht for over 50% of its Adjusted EBITDA, counterparty and joint venture risks, contractual operating performance, variability of sales from generating facilities powered by intermittent renewable resources, wind and solar resource risk, unplanned maintenance risk, offshore wind concentration, natural gas and power market risks, commodity price risks, operational risks, recovery of utility operating costs, Northland's ability to resolve issues/delays with the relevant regulatory and/or government authorities, permitting, construction risks, project development risks, integration and acquisition risks, procurement and supply chain risks, financing risks, disposition and joint-venture risks, competition risks, interest rate and refinancing risks, liquidity risk, inflation risks, commodity availability and cost risk, construction material cost risks, impacts of regional or global conflicts, credit rating risk, currency fluctuation risk, variability of cash flow and potential impact on dividends, taxation, natural events, environmental risks, climate change, health and worker safety risks, market compliance *risk, government regulations and policy risks, utility rate regulation risks, international activities, cybersecurity, data protection and reliance on information technology, labour relations, labour shortage risk, management transition risk, geopolitical risk in and around the regions Northland operates in, large project risk, reputational risk, insurance risk, risks relating to co-ownership, bribery and corruption risk, terrorism and security, litigation risk and legal contingencies, and the other factors described in this MD&A and the* 2024 *AIF.*

Northland has attempted to identify important factors that could cause actual results to materially differ from current expectations; however, there may be other factors that cause actual results to differ materially from such expectations. Northland's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, and Northland cautions you not to place undue reliance upon any such forward-looking statements. The forward-looking statements contained in this MD&A are, unless otherwise indicated, stated as of the date hereof and are based on assumptions that were considered reasonable as of the date hereof. Other than as specifically required by law, Northland undertakes no obligation to update any forward-looking statements to reflect events or circumstances after such date or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Certain forward-looking information in this MD&A may also constitute a "financial outlook" within the meaning of applicable securities laws. Financial outlook involves statements about Northland's prospective financial performance, financial position or cash flows and is based on and subject to the assumptions about future economic conditions and courses of action and the risk factors described above in respect of forward-looking information generally, as well as any other specific assumptions and risk factors in relation to such financial outlook noted in this MD&A. Such assumptions are based on management's assessment of the relevant information currently available and any financial outlook included in this MD&A is provided for the purpose of helping readers understand Northland's current expectations and plans. Readers are cautioned that reliance on any financial outlook may not be appropriate for other purposes or in other circumstances and that the risk factors described above, or other factors may cause actual results to differ materially from any financial outlook. The actual results of Northland's operations will likely vary from the amounts set forth in any financial outlook and such variances may be material.

Non-IFRS Financial Measures

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

Adjusted EBITDA

Adjusted EBITDA represents the core operating performance of the business excluding leverage, income tax and non-core accounting items. Adjusted EBITDA is calculated as Northland's share of net income (loss) adjusted for net finance costs; interest income from Gemini; the provision for (recovery of) income taxes; depreciation of property, plant and equipment; amortization of contracts and other intangible assets; fair value (gain) loss on derivative contracts; foreign exchange (gain) loss; impairment/write-off of capitalized growth projects and operating assets; (gain) loss on sale of operating facilities; (gain) loss on full divestiture of development facilities; including gain (loss) on dilution of controlled development assets; exclusion of Northland's share of (profit) loss from equity accounted investees, net of sell-downs; including Northland's share of Adjusted EBITDA from equity accounted investees; costs attributable to an asset or business acquisition; elimination of non-controlling interests and other adjustments as appropriate, such as management and incentive fees earned by Northland from non-wholly owned assets. For clarity, Northland's Adjusted EBITDA reflects a reduction of its share of general and administrative costs during development and construction that do not qualify for capitalization.

Management believes Adjusted EBITDA is a meaningful measure of Northland's operating performance because it excludes certain items included in the calculation of net income (loss) that may not be appropriate determinants of long-term operating performance.

Adjusted Free Cash Flow

Adjusted Free Cash Flow represents the cash generated from the business before discretionary investment-related decisions (refer to *Section 5.3: Growth Expenditures*), and available to pay dividends. Adjusted Free Cash Flow is calculated as Northland's share of cash provided by operating activities adjusted for short-term changes in operating working capital; non-expansionary capital expenditures; major maintenance, decommissioning and debt reserves; interest incurred on outstanding debt (except for the interest on corporate-level debt raised to finance the capitalized growth project); scheduled principal repayments and net up financing proceeds; funds set aside (utilized) for scheduled principal repayments; preferred share dividends; elimination of non-controlling interests; Northland's share of Adjusted Free Cash Flow from equity accounted investees; interest income from Northland's subordinated loan to Gemini (**"Gemini sub-debt"**); repayment of Gemini sub-debt; proceeds from government grants; gain (loss) from the sale of operating and development facilities and where net proceeds are received in respect of certain transactions entered in to generate cash flow as part of an active asset management strategy of the overall portfolio; growth expenditures; and other adjustments as appropriate. Adjusted Free Cash Flow excludes pre-completion sales required to service debt and related operating costs for projects under construction and excludes costs attributable to an asset or business acquisition.

Where Northland controls the distribution policy of its investments, the Adjusted Free Cash Flow reflects Northland's portion of the investment's underlying Adjusted Free Cash Flow; otherwise, Northland includes the cash distributions received from the investment. Adjusted Free Cash Flow from foreign operations is translated to Canadian dollars at the exchange rate Northland realizes on cash distributions.

Management believes Adjusted Free Cash Flow is a meaningful measure of Northland's ability to generate cash flow after ongoing obligations to reinvest in growth and fund dividend payments.

Free Cash Flow

Free Cash Flow is calculated by deducting growth-related expenditures and adjusting for historically incurred growth expenditures' recovery due to sell-down, from Adjusted Free Cash Flow. Management believes Free Cash Flow is a meaningful measure of Northland's ability to generate cash flow after growth-related costs to fund dividend payments.

For clarity, Northland's Free Cash Flow includes a reduction for expenditures on development activities until an advanced project qualifies for capitalization under IFRS. The Adjusted Free Cash Flow and Free Cash Flow payout ratios, calculated using the respective financial measure, demonstrate the proportion of the respective measure paid as dividends, whether in cash, or in shares under Northland's dividend reinvestment plan (**"DRIP"**). The net payout ratios indicate the proportion of Free Cash Flow paid as cash dividends. The payout ratios generally reflect Northland's ability to fund growth-related expenditures and sustain dividends.

For reconciliations of these non-IFRS financial measures to their nearest IFRS measure, refer to *Section 5.5: Adjusted EBITDA* for a reconciliation of consolidated net income (loss) under IFRS to reported Adjusted EBITDA and *Section 5.6: Adjusted Free Cash Flow and Free Cash Flow* for a reconciliation of cash provided by operating activities under IFRS to reported Adjusted Free Cash Flow and Free Cash Flow.

SECTION 2: STRATEGY AND KEY FACTORS SUPPORTING SUSTAINABLE PERFORMANCE & GROWTH

Business Objective

Northland's objective is to provide its shareholders with a total return comprising dividends and share value growth from the successful management of its assets. Northland aims to deliver this objective by (i) owning and operating high-quality contracted assets that deliver long-term cash flow and (ii) growing its asset base by efficiently deploying capital into accretive investments through prudent market selection and disciplined project development.

Business Strategy

Northland's business strategy is centered on delivering energy and capacity in key strategic markets in Canada and internationally, with a primary focus on offshore wind, onshore solar and wind, battery storage and natural gas power generation.

As a global developer with extensive expertise in developing renewable and natural gas power assets, Northland has a global outreach with an operating, construction and development footprint spanning across four continents: North America, South America, Europe and Asia.

- ***Offshore Wind***

  Northland currently operates 1.2 gigawatts (**"GW"**) of gross offshore wind capacity from three operating offshore wind facilities, Gemini, Nordsee One and Deutsche Bucht, located off the coasts of the Netherlands and Germany, respectively.

  Northland also has 2.2 GW of generating capacity under construction, comprised of its 30.6% equity stake in the 1,022 megawatts (**"MW"**) Hai Long project and its 49% stake in the 1,140 MW Baltic Power offshore wind project, in Taiwan and Poland, respectively. Baltic Power is expected to achieve commercial operations in the second half of 2026 and Hai Long in 2026/2027.

- ***Onshore Renewables***

  Northland owns and operates 1.3 GW of gross onshore wind and solar capacity in Canada, the United States of America (the **"United States"**) and Spain. Northland also has a 250 MW battery storage facility under construction, comprised of its 72% equity stake in the Oneida energy storage project (**"Oneida"**) located in Ontario, Canada. The project is expected to be completed in the first half of 2025.

- ***Natural Gas & Utilities***

  Northland owns and operates 737 MW of gross natural gas assets located in the Canadian provinces of Ontario and Saskatchewan. Refer to "Natural Gas Facilities" section for more information.

Northland is strategically diversified both technologically and geographically, that separates it from some of its peers. It currently has a 10 GW development pipeline in Canada, the United States, Europe and Asia.

With its capabilities to develop offshore wind, onshore renewables, battery storage, and natural gas power generation, Northland is well positioned to capitalize on emerging global energy trends in years to come. A large part of its success lies within its resources including human capital and their capability to successfully originate, develop, construct and operate power generation infrastructure.

To successfully execute on its strategy, Northland has developed a comprehensive set of strategic pillars to guide the organization towards successful delivery of its objectives:

(i) Resiliency

With almost 40 years of history, Northland has the experience to weather market cycles and deliver on our commitment to high standards of excellence. To uphold this stability and quality, Northland's objectives are to maintain an investment grade credit rating, continue to pay dividends to its shareholders, deliver on its financial guidance and ensure successful construction and development of natural gas and renewable energy projects to increase shareholder value. As Northland continues to progress its approximately $16 billion construction program ($7 billion net to Northland) for the Hai Long, Baltic Power and Oneida projects, maintaining financial strength remains its key priority. Northland will continue to maintain sufficient financial buffers to ensure delivery of its strategic priorities while maintaining its strong balance sheet. From time to time, this may include Northland's decision to reduce exposure to or exit certain markets and repurpose capital towards more accretive opportunities or use the funds to strengthen its financial position, especially during intensive construction periods where it may be prudent to maintain such financial flexibility.

(ii) Execution

Following successful financial close and securing of funding for the Hai Long, Baltic Power and Oneida projects, Northland has advanced construction of each facility. One of Northland's strategic pillars over the next two years is the continued successful execution and delivery of these projects to their full completion between 2025-2027. Northland has a track record in successful project construction and its Project Management Office and Business Unit (**"BU"**) structure ensure strict focus on delivering on construction milestones aligning tools, reporting methods and processes in order to provide timely and accurate reporting. Northland will continue to manage and oversee construction of these projects against their targeted milestones to ensure successful delivery and execution.

(iii) Prudent Growth

Northland aims to increase shareholder value by developing high-quality projects that earn recurring income from long-term sales contracts with creditworthy counterparties (i.e. government or investment grade corporate offtakers), focusing on growth opportunities in jurisdictions that meet its risk management criteria. Northland exercises judgment, discipline and acumen in its development activities to continually assess opportunities against its investment criteria and capital allocation framework. Northland seeks to manage its development processes prudently by regularly balancing the probability of success against associated costs and risks and ensuring that only those projects that meet its investment criteria are actively pursued. This may result in full or partial exits from certain existing or prospective opportunities or assets and directing focus, resources and capital towards more strategic markets.

(iv) Optimization

Northland aims to maximize returns through a focus on efficient and effective facility operations, longer-term asset management, and structuring power supply and maintenance agreements to maximize profits, while carefully managing risk. In addition, Northland applies an active approach to overall portfolio management, which may result in optimizations from asset sales and financing/re-financing opportunities as part of its return objectives and funding strategy.

With a commitment to continuous improvement, Northland's operations group shares its experiences with the development, engineering and construction groups on an ongoing basis to ensure all knowledge gained is factored into the development and construction of any new project Northland undertakes.

As Northland continues to develop and grow its asset base and shareholder value, management will continue to develop plans to further optimize its operations. This may include asset optimization strategies such as operating and maintenance (**"O&M"**) contract consolidations, opportunities to add incremental growth or investments to existing assets or grow in other markets through synergies, opportunities to re-contract asset bases near the end of power purchase agreement (**"PPA"**) arrangements and the improvement of internal processes to gain efficiencies.

SECTION 3: NORTHLAND'S BUSINESS

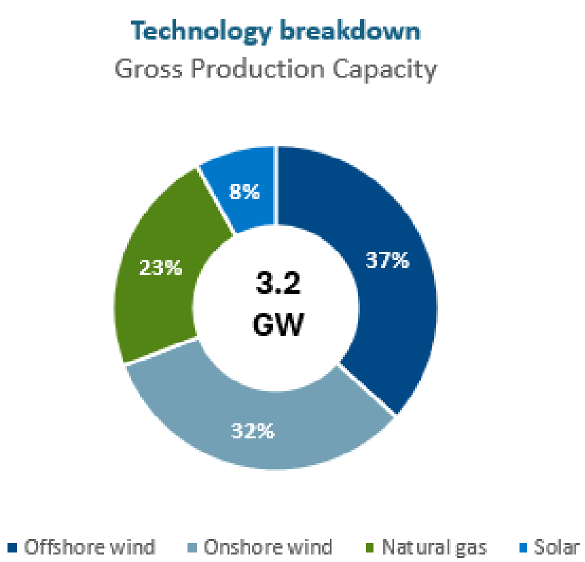
As of December 31, 2024, Northland owns or has a net economic interest in 2,840 MW of power-producing facilities with a total gross operating capacity of approximately 3,248 MW and a regulated utility. Northland's facilities produce electricity from clean energy sources for sale, primarily under long-term PPAs or other revenue arrangements with creditworthy counterparties. Northland's utility business is a distributor and retailer of electricity, compensated under a regulated framework. These operating assets provide stable cash flow and are primarily located in Canada, Colombia, Germany, the Netherlands, Spain, and the United States of America (the **"United States"**). Northland's significant assets under construction and development are located in Canada, Poland, South Korea, Scotland, Taiwan, and the United States. Refer to the 2024 AIF for additional information on Northland's key operating facilities as of December 31, 2024, and refer to *SECTION 9: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES* for additional information on Northland's key development projects.

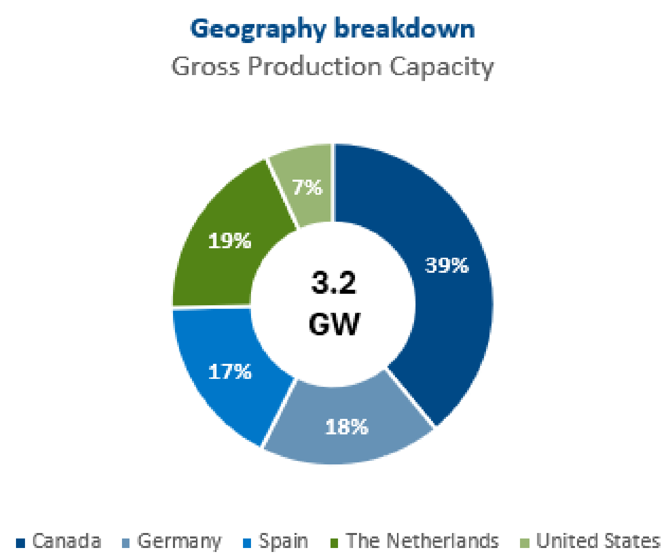
Northland's MD&A and audited consolidated financial statements include the results of its operating facilities, as summarized in the following table:

	Gross Production Capacity (MW) (1)	Net Production Capacity (MW) (1) (2)
Offshore Wind	1,192	902
Onshore Renewable		
Wind	1,057	968
Solar	262	247
Natural Gas	737	723
Utility	n/a	n/a
Total	**3,248**	**2,840**

(1) As at December 31, 2024, Northland's economic interest changed from December 31, 2023, due to the sale transaction close of La Lucha solar facility (130 MW) in June 2024, and grid connection capacity increase to approximately 260 MW from 252 MW at Deutsche Bucht offshore wind facility.

(2) Presented at Northland's economic interest.





In addition to operational assets, summarized below are Northland's most significant projects under construction and development, as well as other identified projects. Management continuously assesses the development project pipeline to determine their feasibility, alignment with the Company's investment criteria, and development stage. For this reason, the development pipeline below and the respective gross production capacities will change as projects move through various stages of their development cycles and are added or removed from the list.

Project	Geographic Region	Technology	Gross Capacity (GW)	Current ownership	Development Stage	Contract type	Estimated COD
Construction Projects							
Hai Long	Taiwan	Offshore Wind	1.0	31% (1)	Under construction	30-year PPA (2)	2026/2027
Baltic Power	Poland	Offshore Wind	1.1	49%	Under construction	25-year CfD (3)	2026
Oneida	Canada	Energy Storage	0.3	72%	Under construction	20-year capacity contract	2025
Total Construction Projects			**2.4**				
Growth Projects (4)							
Onshore Renewables	Canada and United States	Wind, Solar and Energy Storage	3.0		Early/mid/late-stage	2026 - 2030+	
Offshore Wind	Europe and Asia	Offshore Wind	6.0		Early-stage		
Natural Gas & Utilities (5)	Canada	Natural Gas	1.0		Early-stage		
Total Growth Projects			**10.0**				
Total Pipeline			**12.4**				

(1) Northland holds a 31% effective economic interest in the Hai Long offshore wind projects indirectly through a joint venture.

(2) Hai Long 2A (0.3 GW) has a Feed-In-Tariff (**"FIT"**) for 20 years. Hai Long 2B (0.2 GW) and Hai Long 3 (0.5 GW) have a Corporate Power Purchase Agreement (**"CPPA"**) for 30 years.

(3) CfD means Contract for Difference, a subsidy mechanism in which the difference between a fixed reference price and the market revenue is paid to the project.

(4) In the fourth quarter of 2024, this section has been changed to show the cumulative total of both "Identified Growth Projects" and "Additional Pipeline".

(5) Includes natural gas projects identified but not yet secured.

SECTION 4: CONSOLIDATED HIGHLIGHTS

4.1: Significant Events

Significant events during 2024 and through the date of this MD&A are described below. Refer to *SECTION 9: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES* of this MD&A for additional relevant information.

Growth updates:

Northland remains disciplined in prioritizing projects within its development pipeline that are strategically and financially consistent with its investment approach. The successful achievement of commercial operations of selected projects within the Company's pipeline is expected to deliver long-term, sustainable growth in the Company's Adjusted EBITDA, Adjusted Free Cash Flow and Free Cash Flow. The following provides updates on the progress of Northland's active growth initiatives.

Thorold Natural Gas Facility Upgrade

In November 2024, Northland completed a 23 MW capacity upgrade on time and on budget; demonstrating Northland's continued technical expertise and ability to deliver on natural gas assets. In the second quarter of 2023, Northland secured an amended PPA for the Thorold Co-Generation facility located in Ontario, Canada. This agreement allows for an increase in generating capacity and a five-year extension of the contract. The extension of the PPA remains conditional upon the successful completion of an upgrade test scheduled for 2025.

Hai Long Offshore Wind Project

The Hai Long project has completed over 50% of construction. During the fourth quarter of 2024, fabrication of key components that are required for the 2025 installation campaign progressed. For the full year, the project completed the installation of pin piles and turbine jacket foundations at approximately half of the turbine locations, which are ready for turbine installation in 2025. The fabrication of turbine components continues, including completion of the first sets of towers, generators and nacelles. On August 20, 2024, an incident occurred at the onshore substation due to a leak of carbon dioxide from the fire suppression system, which resulted in three fatalities. The onshore substation construction work was suspended during the investigation of the incident by the local authorities. Upon completion of the investigation, the work on the onshore substation resumed safely according to recovery plans. First power is expected in the second half of 2025. The project is on track to achieve full commercial operations expected in 2027 with overall project cost aligned with original expectations.

Baltic Power Offshore Wind Project

The Baltic Power project continues to make progress on fabrication of onshore and offshore substations, foundations, export cables, multiple turbine components and inter-array cables. Major in-water construction activity commenced in January 2025 with the first monopile foundation installation. The offshore substation installation commenced and the first load of transition pieces have been delivered to the project. Construction of the onshore substation and the operations and management building are progressing according to the plan. The project is on track to achieve full commercial operations expected in the latter half of 2026 with overall project cost aligned with original expectations.

Oneida Energy Storage Project

The Oneida project is being commissioned with all major construction activities completed. The project is on track to achieve full commercial operations expected in the first half of 2025 with overall project cost aligned with original expectations.

Other Growth Activity

Northland continues to make progress on its development activities in its core markets. For example, Northland signed a 15-year offtake agreement for 100% of the battery energy storage capacity from the Jurassic BESS project in Alberta with members of the Alberta Schools Commodities Purchasing Consortium. This is the first offtake agreement of its kind in Canada for a battery storage project. More recently, the Jurassic BESS project signed its key equipment supplier and construction contracts, and received a key permit to begin construction.

Balance Sheet:

Changes to Dividend Reinvestment Plan ("DRIP")

In February 2025, Northland approved a change in the discount on DRIP issuances from 3% to 0% and confirmed the intention to source shares through secondary market purchases rather than treasury issuances. Such changes will be effective from and as of April 15, 2025 and for the dividend payable thereon to shareholders of record on March 31, 2025. Pursuant to the terms of the DRIP, Northland has the discretion, from time to time, to change the applicable discount and source of shares.

Refinancing of EBSA's Credit Facility

In November 2024, Northland extended the maturity of the non-recourse credit facility associated with EBSA (the **"EBSA Facility"**) to November 2027 and upsized the facility by $35 million. The financing marginally improved debt terms, and the proceeds were largely used to fund capital investments in EBSA and settle foreign currency maturity hedges.

Increase in Corporate Credit Facility

During the third quarter of 2024, Northland increased the size of its corporate revolving credit facility from $1.0 billion to $1.25 billion to continue to enhance available liquidity and support future growth opportunities in its core markets. Northland currently has available liquidity of $1.1 billion.

Corporate Credit Rating Re-affirmed

Credit rating agencies Standard & Poor and Fitch Ratings re-affirmed Northland's investment grade corporate credit rating in 2024 at BBB (Stable).

Other:

Executive Updates

On December 2, 2024, Northland announced that Christine Healy would be appointed as President and Chief Executive Officer. In addition to serving as President and CEO, Ms. Healy was also appointed as a director of the Company. Ms. Healy's start date was January 20, 2025.

On October 1, 2024, John Brace assumed the role of Interim President and CEO following former President and CEO Mike Crawley's planned departure from the Company on September 30, 2024. Mr. Brace continued to serve as Chair of the Board and Ian Pearce continued as Lead Independent Director.

La Lucha Solar Facility Sale

On June 28, 2024, Northland completed the sale of its 100% stake in the La Lucha solar facility to Cometa Energía, S.A. de C.V., wholly owned by Saavi Energía (**"Saavi"**) for approximately $215 million in cash after taxes, transaction fees and other customary adjustments.

During the fourth quarter of 2024, Northland received the entire amount relating to a value added tax claim of $42 million (equivalent to MXN 604 million).

4.2: Operating Highlights

The following table presents key IFRS and non-IFRS financial measures and operational results:

Summary of Consolidated Results

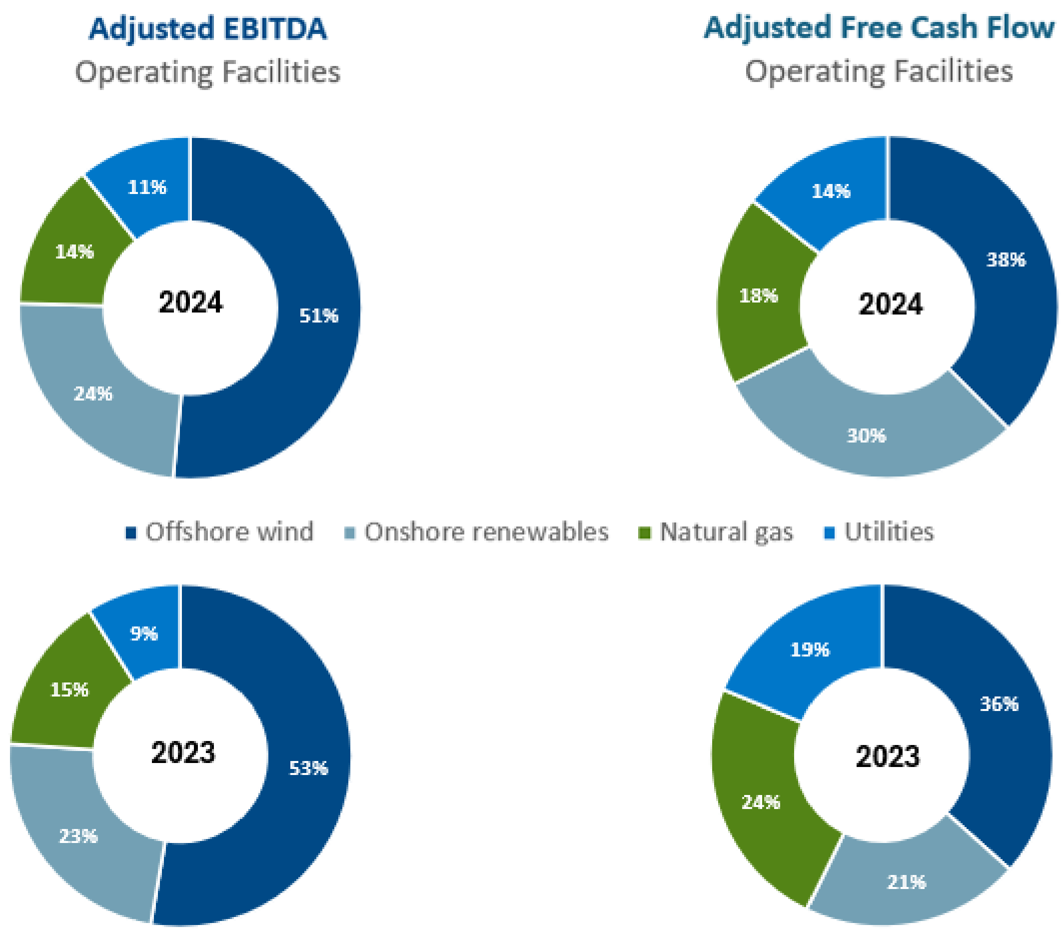
Year ended December 31,	2024	2023	2022
FINANCIALS			
Revenue from energy sales	**$ 2,346,264**	$ 2,232,779	$ 2,448,815
Operating income	**812,892**	577,988	1,050,784
Net income (loss)	**371,389**	(96,132)	955,457
Net income (loss) attributable to shareholders	**271,825**	(175,194)	827,733
Adjusted EBITDA (a non-IFRS measure) (2)	**1,261,951**	1,239,871	1,398,176
Cash provided by operating activities	**1,028,968**	810,699	1,832,983
Adjusted Free Cash Flow (a non-IFRS measure) (2)	**394,420**	497,978	460,892
Free Cash Flow (a non-IFRS measure) (2)	**327,579**	423,744	380,472
Cash dividends paid	**200,488**	205,072	196,845
Total dividends declared (1)	**$ 309,024**	$ 303,469	$ 284,582
Total assets (3)	**13,604,338**	13,626,298	14,222,609
Total non-current liabilities (3)	**$ 7,716,830**	$ 7,867,559	$ 7,589,484
Per Share			
Weighted average number of shares — basic and diluted (000s)	**257,300**	$ 252,710	236,157
Net income (loss) attributable to common shareholders — basic and diluted	**$ 1.03**	$ (0.72)	$ 3.46
Adjusted Free Cash Flow — basic (a non-IFRS measure) (2)	**$ 1.53**	$ 1.97	$ 1.95
Free Cash Flow — basic (a non-IFRS measure) (2)	**$ 1.27**	$ 1.68	$ 1.61
Total dividends declared	**$ 1.20**	$ 1.20	$ 1.20
ENERGY VOLUMES			
Electricity production in gigawatt hours (**GWh**)	**11,046**	10,380	10,139

(1) Represents total dividends paid to common shareholders, including dividends in cash or in shares under Northland's dividend reinvestment plan.

(2) See Forward-Looking Statements and Non-IFRS Financial Measures above.

(3) As at December 31.

The following charts provide the contribution of each technology into Adjusted EBITDA and Adjusted Free Cash Flow reported by facilities:



SECTION 5: RESULTS OF OPERATIONS

The following table summarizes operating results by technology and geography:

Three months ended December 31,	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Electricity production (GWh)		Revenue from energy sales		Operating costs (5)		Operating income		Adjusted EBITDA (2)		Adjusted Free Cash Flow (1) (2)(4)	
Offshore Wind Facilities	**1,272**	1,444	**$ 279,756**	$ 341,104	**$ 44,632**	$ 47,111	**$ 136,252**	$ 190,723	**$ 181,137**	$ 218,203	**$ 29,105**	$ 58,219
Onshore Renewable Facilities												
North America (3)	**542**	451	**$ 69,980**	$ 55,275	**$ 13,351**	$ 9,867	**$ 30,844**	$ 15,891	**$ 44,630**	$ 34,891	**$ 21,722**	$ 12,750
Spain	**251**	287	**53,764**	48,810	**13,900**	14,481	**18,994**	11,184	**38,431**	33,858	**13,000**	29,637
	793	738	**$ 123,744**	$ 104,085	**$ 27,251**	$ 24,348	**$ 49,838**	$ 27,075	**$ 83,061**	$ 68,749	**$ 34,722**	$ 42,387
Natural Gas Facilities												
Canada	**764**	961	**$ 79,135**	$ 88,455	**$ 30,474**	$ 49,008	**$ 39,346**	$ 30,405	**$ 46,493**	$ 44,265	**$ 16,763**	$ 22,152
Utilities												
Colombia	**n/a**	n/a	**$ 91,797**	$ 85,352	**$ 48,647**	$ 51,038	**$ 32,640**	$ 25,157	**$ 41,194**	$ 32,451	**$ 18,494**	$ 21,467

Year ended December 31,	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Electricity production (GWh)		Revenue from energy sales		Operating costs (5)		Operating income		Adjusted EBITDA (2)		Adjusted Free Cash Flow (1) (2)(4)	
Offshore Wind Facilities	**4,471**	4,438	**$1,182,754**	$1,140,015	**$ 233,095**	$ 201,187	**$ 551,119**	$ 540,737	**$ 716,842**	$ 691,675	**$ 167,234**	$ 153,800
Onshore Renewable Facilities												
North America (3)	**1,784**	1,311	**$ 259,937**	$ 217,938	**$ 45,641**	$ 33,331	**$ 105,074**	$ 91,550	**$ 172,313**	$ 143,525	**$ 66,001**	$ 50,467
Spain	**985**	991	**218,073**	216,963	**50,064**	50,830	**80,314**	79,761	**158,889**	162,777	**67,749**	36,271
	2,769	2,302	**$ 478,010**	$ 434,901	**$ 95,705**	$ 84,161	**$ 185,388**	$ 171,311	**$ 331,202**	$ 306,302	**$ 133,750**	$ 86,738
Natural Gas Facilities												
Canada	**3,611**	3,430	**$ 318,039**	$ 339,848	**$ 129,783**	$ 155,242	**$ 151,377**	$ 148,474	**$ 191,536**	$ 195,764	**$ 80,386**	$ 100,813
Utilities												
Colombia	**n/a**	n/a	**$ 356,781**	$ 302,241	**$ 195,711**	$ 176,452	**$ 114,849**	$ 88,007	**$ 149,678**	$ 117,196	**$ 64,003**	$ 78,870

(1) Adjusted Free Cash Flow and Free Cash Flow are the same for operating facilities.

(2) See Forward-Looking Statements and Non-IFRS Financial Measures above.

(3) Onshore Renewables Facilities – North American geographical segment excludes Mexican La Lucha solar project because Northland monitors the financial performance of La Lucha separately for its financial and operational decision-making. In June 2024, Northland completed the sale transaction of La Lucha. Please refer to Section 4.1: Significant Events for further information.

(4) During the first quarter of 2024, Northland reclassified how the effects of the foreign exchange rate hedges are recorded in Adjusted Free Cash Flow at the corporate level, rather than in the respective operating segment, primarily because these arrangements are undertaken at the corporate level and are not always asset-specific. Previously, the effect of these foreign exchange rate hedges were recorded in the operating segments' Adjusted Free Cash Flow. The total Adjusted Free Cash Flow for previously reported prior periods on a consolidated basis shall not change but instead will be re-allocated within the respective operating segment and corporate. Adjusted Free Cash Flow for the comparative period has been represented using the new reporting approach.

(5) During the fourth quarter of 2024, Northland revised the presentation of the consolidated statements of income (loss) which reclassified 'cost of sales' within 'operating cost' mainly relating to natural gas facilities and utilities.

5.1: Operating Results

Offshore Wind Facilities

Northland's three operating offshore wind facilities, Gemini, Nordsee One and Deutsche Bucht, are located off the coasts of the Netherlands and Germany, respectively. Wind power generation harnesses renewable wind energy by converting the kinetic energy of wind into electrical energy. Wind facilities are subject to seasonality and, accordingly, tend to produce more electricity during the first and fourth quarters due to denser air and higher winds compared to the second and third quarters, the effect of which is reflected in the respective fiscal quarter's results. In addition, variability in offshore wind results in similar fluctuations in quarter-to-quarter financial results. Factors such as exposure to market prices, and turbine or grid availability can also have a significant effect on financial results. For the year ended December 31, 2024 Gemini, Nordsee One and Deutsche Bucht contributed approximately 20%, 17% and 15%, respectively, to Northland's reported Adjusted EBITDA from facilities.

Variability within Operating Results

Each of the offshore wind facilities participates in the power market and receives pool prices for their generation, which are then topped-up through a subsidy mechanism to the target subsidy price, if the market revenue is below the subsidy target price:

- Gemini has revenue agreements with the Government of the Netherlands which expire in 2031. Under these agreements, the subsidy mechanism (**"SDE"**) effectively tops up the revenue to €169/MWh for 2,385 GWh of generation.
- Nordsee One and Deutsche Bucht have revenue contracts with the German government under the German Renewable Energy Sources Act (the **"EEG"**), whereby the top-up mechanism ensures a minimum fixed unit price of €194 and €184, respectively, per MWh generated.

The subsidy mechanisms comprise other provisions that can impact the facilities' results:

- The SDE is subject to an annual contractual floor price (the **"SDE floor"**), thereby exposing Gemini to market price risk if the Dutch wholesale market price (**"APX"**) falls below the effective annual SDE floor of €51/MWh. As of December 31, 2024 the APX price for the year was €77/MWh.
- The SDE fixes the revenue at €169/MWh for 2,385 GWh of generation, but due to the settlement's formula, it is paid on the first 1,908 GWh. As a result, typically the revenue per MWh reported is higher in the first three quarters and lower in the last quarter of the year. However, it is only a matter of timing and the revenue averages to €169/MWh on an annual basis.
    - If the facility produces more than 2,385 GWh in the year, the additional volume produced earns the yearly average captured price (**"CP"**).
    - If the facility produces less than 2,385 GWh in the year, the asset effectively receives the subsidy for a volume higher than the actual volume produced.

  The subsidy received on 1,908 GWh is equal to [(€169 * 1.25) — (CP * 1.25)]. This calculation is applicable for every MWh up to 1,908 GWh. The yearly average CP is effectively calculated by reducing the APX with the Profile and Imbalance (**"P&I"**) factor, that accounts for the profile of the generation and the costs associated with grid balancing. The annual P&I factor is adjusted quarterly based on Gemini's own data. The final P&I factor number is officially published by the Netherlands Enterprise Agency in the subsequent year.
- Under the EEG mechanism, the tariff compensates for most of the production curtailments the system operator requires. However, the facilities do not receive revenue for periods where the market power price remains negative for longer than six consecutive hours (**"negative prices"**).
- Under the EEG, the facilities are also subject to unpaid curtailments by the German system operator for scheduled and unscheduled grid repairs (**"grid outages"**) of up to 28 days annually at each facility, which can significantly affect earnings depending on the season in which the outages occur.

Operating Performance

An important indicator for performance of offshore wind facilities is the current and historical average power production of the facility. The following tables summarize actual electricity production and the historical average, high and low, for the applicable operating periods of each offshore facility:

	Three months ended December 31,				
	2024 [(1)]	**2023** [(1)]	**Historical Average** [(2)]	**Historical High** [(2)]	**Historical Low** [(2)]
Electricity production (GWh)					
Gemini	**700**	832	773	832	700
Nordsee One	**331**	379	338	379	298
Deutsche Bucht	**241**	233	288	326	233
Total	**1,272**	1,444			

	Year ended December 31,				
	2024 [(1)]	**2023** [(1)]	**Historical Average** [(2)]	**Historical High** [(2)]	**Historical Low** [(2)]
Electricity production (GWh)					
Gemini	**2,394**	2,476	2,383	2,496	2,193
Nordsee One	**1,130**	1,090	1,072	1,130	968
Deutsche Bucht	**947**	872	946	1,003	872
Total	**4,471**	4,438			

(1) Includes GWh produced and attributed to paid curtailments.

(2) Represents the historical power production since the commencement of commercial operation of the respective facility (2017 for Gemini and Nordsee One and 2020 for Deutsche Bucht) and excludes unpaid curtailments.

In June 2024, one of Gemini's export cables was damaged and taken out of service. On September 4, 2024, the cable was successfully repaired and energized, bringing Gemini back to full operations safely and without incident. During the repair, Gemini's production continued via the second export cable. This was determined to be an isolated event and had a minimal impact on the Adjusted EBITDA and Adjusted Free Cash Flow for the full year, respectively, net of insurance claim.

In December 2024, Deutsche Bucht signed a settlement agreement with counterparties related to its two mono-bucket demonstrator foundations. Proceeds of €25 million ($37 million) net of taxes have been recorded in income but excluded from non-IFRS financial measures.

Electricity production for the three months ended December 31, 2024 decreased 12% or 172 GWh compared to the same quarter of 2023, primarily due to lower offshore wind resource, partially offset by lower unpaid curtailments related to negative prices and grid outages at our German offshore wind facilities. Electricity production for the year ended December 31, 2024 increased 1% or 33 GWh compared to 2023, primarily due to higher wind resource across all offshore wind facilities, partially offset by export cable damage at Gemini.

Revenue from energy sales of $280 million for the three months ended December 31, 2024 decreased 18% or $61 million, compared to the same quarter of 2023, primarily due to the lower production by $32 million, and P&I factor adjustment and various other items by $29 million. Revenue from energy sales of $1,183 million for the year ended December 31, 2024 increased 4% or $43 million compared to 2023, primarily due to higher production by $21 million, and P&I factor adjustment and various other items by $22 million. Further details are set forth in the table below.

Operating costs of $45 million for the three months ended December 31, 2024 decreased 5% or $2 million compared to the same quarter of 2023, primarily due to Gemini's export cable insurance claim relating to the third quarter repair costs, partially offset by higher maintenance costs across all offshore wind facilities. Operating costs of $233 million for the year ended December 31, 2024 increased 16% or $32 million compared to 2023, primarily due to higher maintenance costs across all offshore wind facilities.

Operating income and Adjusted EBITDA of $136 million and $181 million, respectively, for the three months ended December 31, 2024 decreased 29% or $54 million and 17% or $37 million compared to the same quarter of 2023, due to the same factors noted above. Operating income and Adjusted EBITDA of $551 million and $717 million, respectively, for the year ended December 31, 2024 increased 2% or $10 million and 4% or $25 million compared to 2023, due to the same factors noted above.

Revenue per MWh of each facility

For the year ended December 31, 2024, the revenue per MWh from the offshore wind facilities was in line with expectations:

- Revenue per MWh on Nordsee One and Deutsche Bucht was stable for the non-curtailed production.
- Revenue per MWh for Gemini averaged to approximately €169/MWh annually. However, as described above, due to the timing of the subsidy payment, revenue per MWh was higher in the first ten months of this year.

The following table summarizes operating results by facility:

Three months ended December 31, 2024		Total	Gemini	Nordsee One	Deutsche Bucht
Production	GWh	**1,272**	700	331	241
Non-curtailed production	GWh	**1,136**	693	248	195
Revenue per MWh (1) (2)	€/MWh	**139**	108	190	183
From market	€/MWh	**85**	70	112	103
From subsidy	€/MWh	**54**	38	78	80

Year ended December 31, 2024		Total	Gemini	Nordsee One	Deutsche Bucht
Production	GWh	**4,471**	2,394	1,130	947
Non-curtailed production	GWh	**4,131**	2,354	937	840
Revenue per MWh (1) (2)	€/MWh	**177**	167	192	182
From market	€/MWh	**89**	63	128	118
From subsidy	€/MWh	**88**	104	64	64
Subsidy price	€/MWh		169	194	184

(1) Revenue from non-curtailed production only.

(2) Revenue from curtailed production amounted to $39 million (2023: $29 million) and $87 million (2023: $109 million) for the three months and the year ended December 31, 2024, respectively.

The following table summarizes the unpaid curtailments in German offshore wind facilities at 100% share:

		Three months ended December 31,		Year ended December 31,	
		2024	**2023**	**2024**	**2023**
Unpaid curtailment production					
Due to negative prices	GWh	**(16)**	(40)	**(96)**	(94)
Due to grid outages	GWh	**(57)**	(105)	**(112)**	(129)
		(73)	(145)	**(208)**	(223)
Adverse impact on revenue					
Due to negative prices		**$ 4,585**	$ 11,064	**$ 27,011**	$ 26,077
Due to grid outages		**15,599**	28,003	**30,507**	34,626
		$ 20,184	$ 39,067	**$ 57,518**	$ 60,703

Onshore Renewable Facilities

Northland's onshore renewables comprise 1,215 MW (at Northland's share) of onshore wind and solar facilities located in Canada, the United States and Spain. Onshore wind facilities are similar in nature operationally to offshore wind; however, with lower operating costs and generally lower wind resource. Solar power facilities have lower fixed operating costs per unit of capacity than other renewable power technologies. Electricity production from solar facilities tends to be less variable than wind but is limited to available sunlight, which is generally higher in the second and third quarters than in the first and fourth quarters. For the year ended December 31, 2024, Northland's onshore renewable facilities in North America and Spain contributed approximately 12% and 11%, respectively, to Northland's reported Adjusted EBITDA from facilities.

Spain revenue structure and regulatory changes

Northland's Spanish portfolio is comprised of onshore wind (435 MW), solar photovoltaic (66 MW) and concentrated solar (50 MW) assets located throughout Spain. The Spanish portfolio operates under a regulated asset base framework that guarantees a specified pre-tax rate of return of 7.4% for 20 sites and 7.1% for 12 sites, over the full regulatory life of the facilities, regardless of settled wholesale power price (**"pool price"**). During the first quarter of 2024, the regulatory period of one 50 MW onshore wind facility ended, which resulted in the facility receiving the merchant revenue. During the first quarter of 2025, the facility secured a 10-month CPPA providing a stable revenue stream for the most of 2025.

The revenue for each facility has four components:

- The return on investment (**"Ri"**), sized to complete the target return based on the market revenue assumed ex-ante (the **"posted price"**);
- The return on operations (**"Ro"**), sized to compensate a facility when its operating costs are higher than its market revenues. To note, Ro is not being received in the current environment;
- The market revenue, at pool prices; and
- The **"band adjustments"**, which are an ex-post positive or negative settlement to compensate for the difference between the market revenue, at pool prices and the revenue at the regulatory posted price. If the pool price is lower than the regulatory posted price, the band adjustment mechanism adds the additional revenue to achieve a reasonable return. Conversely, if the pool price is higher than the posted pool price, the band adjustment mechanism reduces revenues in the period.

For a given year, both market revenue and the corresponding band adjustment are recognized in Adjusted EBITDA, Adjusted Free Cash Flow and Free Cash Flow. However, the band adjustments are paid in the following years. Accordingly, the current year's cash distributions depend only on the pool prices, capture rate, Ri and Ro components of revenue.

The table below outlines revenue components from the Spanish asset portfolio included in the consolidated results:

	Three months ended December 31,		Year ended December 31,	
	2024	**2023**	**2024**	**2023**
Ri revenue	**€ 10,244**	€ 9,920	**€ 40,202**	€ 40,655
Market revenue	**16,360**	16,431	**46,468**	68,649
Band adjustment	**9,438**	6,967	**60,507**	39,382
Total revenue	**€ 36,042**	€ 33,318	**€ 147,177**	€ 148,686
Regulated Posted price per MWh	**€ 109**	€ 109	**€ 109**	€ 109
Market Revenue per MWh	**€ 65**	€ 57	**€ 47**	€ 69
Production (GWh)	**251**	287	**985**	991

	Three months ended December 31,		Year ended December 31,	
	2024	**2023**	**2024**	**2023**
Ri revenue	**$ 15,281**	$ 14,532	**$ 59,567**	$ 59,324
Market revenue	**24,404**	24,070	**68,852**	100,172
Band adjustment	**14,079**	10,208	**89,654**	57,467
Total revenue	**$ 53,764**	$ 48,810	**$ 218,073**	$ 216,963

Operating Performance

Electricity production at the onshore renewable facilities for the three months ended December 31, 2024 was 7% or 55 GWh higher than the same quarter of 2023, primarily due to higher wind and solar resource at the Canadian and New York onshore renewable facilities, partially offset by lower wind resource at the Spanish onshore renewable facilities. Electricity production for the year ended December 31, 2024 was 20% or 467 GWh higher than 2023, primarily due to full year contribution from the New York onshore wind projects, in addition to higher wind resource at the Canadian and Spanish onshore renewable facilities, partially offset by lower solar resource at the Spanish onshore renewable facilities.

Revenue from energy sales of $124 million for the three months ended December 31, 2024 increased 19% or $20 million compared to the same quarter of 2023, primarily due to higher revenue from the Canadian, New York and Spanish onshore renewable facilities. Revenue from energy sales of $478 million for the year ended December 31, 2024 increased 10% or

$43 million compared to 2023, primarily due to the full year contribution from the New York onshore wind projects, in addition to higher revenue from the Canadian onshore renewable facilities.

Operating income and *Adjusted EBITDA* of $50 million and $83 million, respectively, for the three months ended December 31, 2024 increased 84% or $23 million and 21% or $14 million, respectively, compared to the same quarter of 2023, primarily due to the same factors noted above. Operating income and Adjusted EBITDA of $185 million and $331 million for the year ended December 31, 2024 increased 8% or $14 million and 8% or $25 million, respectively, compared to 2023, primarily due to the same factors noted above.

Natural Gas Facilities

The contractual structures of Northland's natural gas facilities ensure each facility's gross profit is generally stable, within a seasonal profile, regardless of production or sales levels, so long as the plant is available. Under certain revenue agreements, the facility is reimbursed for certain costs of sales, including the cost of natural gas, by the counterparty. For the year ended December 31, 2024, Northland's natural gas facilities contributed approximately 14% of reported Adjusted EBITDA from facilities, with the two largest facilities, North Battleford and Thorold accounting for approximately 12%.

Electricity production of 764 GWh for the three months ended December 31, 2024 decreased 21% or 197 GWh compared to the same quarter of 2023, primarily due to lower operating availability because of outages at the natural gas facilities including the planned capacity upgrade at Thorold. Electricity production for the year ended December 31, 2024 increased 5% or 182 GWh compared to 2023, primarily due to higher market demand for dispatchable power, partially offset by lower operating availability because of outages at the natural gas facilities.

Revenue from energy sales of $79 million for the three months ended December 31, 2024 decreased 11% or $9 million as compared to the same quarter of 2023, primarily due to lower operating availability because of outages at the natural gas facilities. Revenue from energy sales of $318 million for the year ended December 31, 2024 decreased 6% or $22 million compared to 2023, primarily due to lower natural gas prices resulting in lower energy rates, in addition to lower operating availability because of outages at the natural gas facilities.

Adjusted EBITDA of $46 million for the three months ended December 31, 2024 was largely in line with the same quarter of 2023. Adjusted EBITDA of $192 million for the year ended December 31, 2024 was largely in line with 2023.

Utility

Empresa de Energía de Boyacá S.A E.S.P (**"EBSA"**) holds the sole franchise rights for electricity distribution in the Boyacá region of Colombia and is an electricity retailer for the regulated residential sector in the region. EBSA owns and operates an extensive distribution network, serving just over half a million customers. EBSA's net sales are almost entirely regulated, of which the vast majority is earned from its distribution business and the remainder primarily from its electricity retail business. For the year ended December 31, 2024, EBSA contributed approximately 11% of reported Adjusted EBITDA from facilities.

EBSA earns revenue by charging customers a rate approved under the regulatory framework administered by the local regulator, the CREG. The rate charged is set for an expected five-year period and includes amounts retained by EBSA, as retailer and distributor, and amounts passed through to other electricity system participants, such as the transmission operator. EBSA's portion of the rate is determined based on its asset base (i.e. the **"rate base"**), inflation indexation per the established Colombian producer price index and a regulated weighted average cost of capital of approximately 12.09% for an expected five-year period. The rate base takes into account the depreciated cost of existing equipment and anticipated future investments for maintenance and growth. EBSA's portion of the rate also includes standardized allowances set by the regulator intended to cover fixed and variable operating costs. The rate is designed to ensure EBSA earns a predictable and stable return.

Revenue from energy sales of $92 million for the three months ended December 31, 2024 increased 8% or $6 million compared to the same quarter of 2023, primarily due to the growth in asset base and rate escalations. Revenue from energy sales of $357 million for the year ended December 31, 2024 increased 18% or $55 million compared to 2023, primarily due to foreign exchange changes, in addition to the same factors noted above.

Operating income and *Adjusted EBITDA* of $33 million and $41 million, respectively, for the three months ended December 31, 2024 increased 30% or $7 million and 27% or $9 million respectively, compared to the same quarter of 2023, primarily due to the same factors noted above. Operating income and Adjusted EBITDA of $115 million and $150 million, respectively, for the year ended December 31, 2024 increased 30% or $27 million and 28% or $32 million, respectively, compared to 2023, primarily due to the same factors noted above.

5.2: General and Administrative Costs

The following table summarizes Northland's general and administrative (**"G&A"**) costs:

	Three months ended December 31,		Year ended December 31,	
	2024	**2023**	**2024**	**2023**
Corporate G&A	**$ 21,264**	$ 24,178	**$ 85,476**	$ 77,921
Operations G&A (1)	**5,967**	14,257	**27,624**	37,245
Total G&A costs	**$ 27,231**	$ 38,435	**$ 113,100**	$ 115,166

(1) Operations G&A is included in the respective segment's Adjusted EBITDA and Adjusted Free Cash Flow presented in *Section 5.1: Operating Results.*

Corporate G&A costs of $21 million for the three months ended December 31, 2024 were 12% or $3 million lower compared to the same quarter of 2023, primarily due to restructuring of operating and corporate functions earlier in the year. Corporate G&A costs of $85 million for the year ended December 31, 2024 were 10% or $8 million, higher, compared to the same period of 2023, primarily due to higher one-time personnel cost and restructuring of operating, development and corporate functions in addition to the same factors noted as above.

Operations G&A costs of $6 million for the three months ended December 31, 2024 were 58% or $8 million lower compared to the same quarter of 2023, primarily due to the timing of expenditures in 2023 and La Lucha solar project entering commercial operations in 2023, which was sold in the second quarter of 2024. *Operations G&A* costs of $28 million for the year ended December 31, 2024 were 26% or $10 million lower compared to 2023, primarily due to the same factors as noted above.

5.3: Growth Expenditures

The following table summarizes development costs (charged to expense under IFRS) and growth expenditures for non-IFRS financial measures:

	Three months ended December 31,		Year ended December 31,	
	2024	**2023**	**2024**	**2023**
Business development (4)	**$ 2,530**	$ 6,674	**$ 5,868**	$ 35,698
Project development (1)	**7,457**	7,661	**14,533**	28,978
Development overhead	**9,515**	12,680	**42,707**	49,504
Development costs	**$ 19,502**	$ 27,015	**$ 63,108**	$ 114,180
Joint venture project costs (2)	**6,285**	958	**8,164**	3,355
Growth expenditures (3)	**$ 23,054**	$ 26,635	**$ 66,841**	$ 112,786

(1) Includes successful acquisition costs for the three months and the year ended December 31, 2024 of $0.1 million and $0.6 million, respectively. Excluded from growth expenditures.

(2) Includes Northland's share of development costs incurred at Baltic Power, Hai Long and other joint venture projects.

(3) Excludes acquisition costs but includes share of project development costs incurred by joint ventures. Excludes non-controlling portion of the development costs for the three months and the year ended December 31, 2024 of $2.6 million and $3.9 million, respectively.

(4) During the first quarter, Northland was reimbursed for business development costs relating to certain early-stage development activity from prior years.

To achieve its long-term growth objectives, Northland deploys early-stage investment capital (growth expenditures) to advance projects in its pipeline.

Growth expenditures are excluded from Adjusted Free Cash Flow. However, these growth expenditures reduce near-term Free Cash Flow until projects achieve capitalization under IFRS but are expected to deliver sustainable growth in Free Cash Flow over the long-run.

Business development costs are incurred to identify and explore prospective business and development opportunities, which are expected to result in identifiable development projects intended to be pursued to completion. These may include costs incurred for projects that ultimately may not be pursued to acquisition or to completion. Business development costs for the year ended December 31, 2024 were lower compared to 2023, primarily due to lower growth activities in the onshore renewables business as a result of a disciplined market strategy.

Project development costs are attributable to identified early- to mid-stage development projects that are likely to generate cash flow over the long-run, though do not yet meet capitalization criteria under IFRS. For the year ended December 31, 2024 project development costs were lower than 2023, primarily due to disciplined spending on priority development activities, as planned, and timing of the expenditures. Development costs incurred included activities mainly related to offshore and onshore renewable power opportunities being pursued. Refer to *SECTION 9: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES* for additional information on identified development projects.

Development overhead primarily relates to personnel, rent and other office costs not directly attributable to specific development projects. Development overhead reflects Northland's resources and development offices in key target jurisdictions focused on securing long-term growth opportunities in those jurisdictions. Development overhead costs for the year ended December 31, 2024 were lower than 2023, primarily due to restructuring of development and corporate functions.

5.4: Consolidated Results

The following discussion of the significant factors contributing to the consolidated financial results should be read in conjunction with Northland's audited consolidated financial statements for the year ended December 31, 2024.

	Three months ended December 31,		Year ended December 31,	
	2024	**2023**	**2024**	**2023**
Electricity production (GWh)	**2,836**	3,353	**11,046**	10,380
Revenue from energy sales	**$ 571,867**	$ 626,221	**$ 2,346,264**	$ 2,232,779
Finance lease income	**2,551**	2,670	**10,383**	10,899
Total income	**$ 574,418**	$ 628,891	**$ 2,356,647**	$ 2,243,678
Expenses				
Operating costs (1)	**147,584**	172,510	**649,936**	620,560
General and administrative costs	**27,231**	38,435	**113,100**	115,166
Development costs	**19,502**	27,015	**63,108**	114,180
Impairment of non-financial assets	**—**	163,169	**—**	163,169
Fair value adjustment relating to the disposal group classified as held for sale	**—**	—	**43,884**	—
Depreciation of property, plant and equipment	**148,796**	156,619	**615,343**	595,600
Amortization of contracts and intangible assets	**14,734**	14,510	**58,384**	57,015
Total expenses	**$ 357,847**	$ 572,258	**$ 1,543,755**	$ 1,665,690
Operating income	**$ 216,571**	$ 56,633	**$ 812,892**	$ 577,988
Finance costs	**(97,116)**	(136,149)	**(392,022)**	(383,328)
Finance income	**17,358**	25,036	**71,388**	61,516
Foreign exchange gain (loss)	**(6,353)**	3,570	**716**	39,732
Fair value gain (loss) on financial instruments	**9,797**	(190,198)	**(93,695)**	(303,898)
Share of profit (loss) from joint ventures	**23,105**	(265,599)	**43,734**	(279,849)
Other income (expense)	**53,722**	183,212	**120,543**	230,836
Income (loss) before income taxes	**$ 217,084**	$ (323,495)	**$ 563,556**	$ (57,003)
Income taxes (provision) recovery				
Current	**(65,419)**	(49,112)	**(198,035)**	(143,554)
Deferred	**(1,196)**	104,689	**5,868**	104,425
Total income taxes	**$ (66,615)**	$ 55,577	**$ (192,167)**	$ (39,129)
Net income (loss)	**$ 150,469**	$ (267,918)	**$ 371,389**	$ (96,132)
Net income (loss) attributable to common shareholders per share - basic and diluted	**$ 0.49**	$ (1.13)	**$ 1.03**	$ (0.72)

(1) During the fourth quarter of 2024, Northland revised the presentation of the consolidated statements of income (loss) which reclassified 'cost of sales' within 'operating cost' mainly relating to natural gas facilities and utilities.

Fourth Quarter

Revenue from energy sales of $572 million decreased 9% or $54 million compared to the same quarter of 2023, primarily due to lower production at offshore wind facilities and lower operating availability because of outages at the natural gas facilities. This decrease was partially offset by higher revenue from Canadian, New York and Spanish onshore renewables facilities, and higher revenue from EBSA due to growth in asset base and rate escalations.

Operating costs of $148 million decreased 14% or $25 million compared to the same quarter of 2023, primarily due to Gemini's export cable insurance claim relating to third quarter repair cost, lower natural gas prices and lower operating availability because of outages at the natural gas facilities, partially offset by higher maintenance costs across all offshore wind facilities.

Corporate and Operational G&A costs of $27 million decreased 29% or $11 million compared to the same quarter of 2023, primarily due to restructuring of operating and corporate functions, and La Lucha solar project entering commercial operations in 2023.

Development costs of $20 million decreased 28% or $8 million compared to the same quarter of 2023, primarily due to disciplined spending on priority development activities, as planned, and timing of the expenditures.

Finance costs of $97 million decreased 29% or $39 million primarily due to one-time debt modification loss resulting from optimization of Spanish portfolio debt agreement in 2023 and scheduled principal repayments on facility-level loans.

Fair value gain on financial instruments was $10 million primarily due to net movement in the fair value of derivatives related to interest rate and foreign exchange contracts.

Foreign exchange loss of $6 million was primarily due to fluctuations in the foreign exchange rates.

Share of profit from joint ventures was $23 million primarily due to gain on fair value of derivatives at the joint ventures.

Other income was $129 million lower than the same quarter of 2023, primarily due to the gain on partial sell-down of Hai Long offshore wind projects in 2023, partially offset by the proceeds relating to Deutsche Bucht construction.

Net income of $150 million in the fourth quarter of 2024 compared to a net loss of $268 million in the same quarter of 2023, was primarily as a result of the factors described above.

2024

Revenue from energy sales of $2,346 million increased 5% or $113 million compared to 2023, primarily due to higher wind resource across all offshore wind facilities, full year contribution from the New York onshore wind projects, and higher revenue from EBSA due to growth in asset base, foreign exchange changes and rate escalations, partially offset by the export cable damage at Gemini and lower operating availability because of outages at the natural gas facilities.

Operating costs of $650 million increased 5% or $29 million compared to 2023, primarily due to higher maintenance costs across all offshore wind facilities, full year contribution from the New York onshore wind facilities, and higher maintenance and administrative expenses at EBSA, partially offset by lower natural gas prices and lower operating availability because of higher outages at the natural gas facilities.

Corporate and Operational G&A costs of $113 million for the year ended December 31, 2024 was largely in line with 2023, as one-time management changes were offset by restructuring of operating and corporate functions.

Development costs of $63 million decreased 45% or $51 million compared to 2023, primarily due to disciplined spending on priority development activities, as planned, and timing of the expenditures.

Fair value adjustment relating to disposal group classified as held for sale was $44 million due to a fair value adjustment upon classification of the La Lucha solar facility as a disposal group held for sale. Please refer to *Section 4.1: Significant Events* for further information.

Finance costs of $392 million for the year ended December 31, 2024 was largely in line with 2023.

Fair value loss on financial instruments was $94 million, primarily due to net movement in the fair value of derivatives related to interest rate and foreign exchange contracts.

Foreign exchange gain of $1 million was primarily due to fluctuations in the foreign exchange rates.

Share of profit from joint ventures was $44 million primarily due to gain on fair value of derivatives at the joint ventures.

Other income was $110 million lower than 2023, primarily due to gains associated with the sale of offshore wind assets in Europe and Asia in 2023, partially offset by gain on disposal of La Lucha solar facility and the proceeds relating to Deutsche Bucht construction.

Net income of $371 million in the year ended December 31, 2024 compared to net loss of $96 million in 2023 was primarily as a result of the factors described above.

5.5: Adjusted EBITDA

The following table reconciles net income (loss) to Adjusted EBITDA:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net income (loss)	**$ 150,469**	$ (267,918)	**$ 371,389**	$ (96,132)
Adjustments:				
Finance costs, net	**79,758**	111,113	**320,634**	321,812
Provision for (recovery of) income taxes	**66,615**	(55,577)	**192,167**	39,129
Depreciation of property, plant and equipment	**148,796**	156,619	**615,343**	595,600
Amortization of contracts and intangible assets	**14,734**	14,510	**58,384**	57,015
Fair value (gain) loss on derivative contracts	**(11,333)**	187,830	**87,592**	294,544
Foreign exchange (gain) loss	**6,353**	(3,570)	**(716)**	(39,732)
Impairment of non-financial assets / Fair value adjustment relating to disposal group classified as held for sale	**—**	163,169	**43,884**	163,169
Elimination of non-controlling interests	**(62,892)**	(71,813)	**(267,108)**	(258,202)
Finance lease (lessor)	**(1,053)**	(1,291)	**(4,577)**	(5,609)
Share of (profit) loss from joint ventures	**(23,105)**	265,599	**(43,734)**	279,849
Others [(1)]	**(56,203)**	(110,013)	**(111,307)**	(111,572)
Adjusted EBITDA [(2)]	**$ 312,139**	$ 388,658	**$ 1,261,951**	$ 1,239,871

(1) Others primarily include Northland's share of Adjusted EBITDA from equity accounted investees, gain on sale of La Lucha solar facility, proceeds relating to Deutsche Bucht construction, Gemini interest income and other expenses (income).

(2) See Forward-Looking Statements and Non-IFRS Financial Measures above.

Fourth Quarter

Adjusted EBITDA of $312 million for the three months ended December 31, 2024 decreased 20% or $77 million compared to the same quarter of 2023. The significant factors decreasing Adjusted EBITDA include:

- $74 million in gains from the partial sell-down of Hai Long offshore wind project in 2023; and
- $37 million decrease in operating results at the offshore wind facilities, primarily due to lower offshore wind resource, partially offset by lower unpaid curtailments related to negative prices and grid outages at our German offshore wind facilities, as described above.

The factor partially offsetting the decrease in the Adjusted EBITDA was:

- $23 million increase due to higher operating results from onshore renewable facilities and EBSA, as described above.

Full Year

Adjusted EBITDA of $1,262 million for the year ended December 31, 2024 increased 2% or $22 million compared to the same period of 2023. The significant factors increasing Adjusted EBITDA include:

- $25 million increase in operating results at the offshore wind facilities, primarily due to higher wind resource across all offshore wind facilities, partially offset by export cable damage at Gemini, as described above;
- $57 million increase due to higher operating results from onshore renewable facilities and EBSA, as described above; and
- $53 million decrease in development expenditures, as described above.

The factor partially offsetting the increase in the Adjusted EBITDA was:

- $115 million in gains from partial sell-down of development assets in 2023.

5.6: Adjusted Free Cash Flow and Free Cash Flow

The following table reconciles cash flow from operations to Adjusted Free Cash Flow and Free Cash Flow:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Cash provided by operating activities	**$ 359,631**	$ 161,354	**$ 1,028,968**	$ 810,699
Adjustments:				
Net change in non-cash working capital balances related to operations	**(43,309)**	205,865	**305,084**	440,828
Non-expansionary capital expenditures	**(1,789)**	(1,947)	**(5,272)**	(3,215)
Restricted funding for major maintenance, debt and decommissioning reserves	**(8,532)**	(8,200)	**(20,677)**	(11,435)
Interest	**(61,913)**	(142,890)	**(263,499)**	(325,841)
Scheduled principal repayments on facility debt	**(340,184)**	(323,800)	**(714,051)**	(705,119)
Funds set aside (utilized) for scheduled principal repayments	**148,788**	158,020	**—**	—
Preferred share dividends	**(1,500)**	(1,573)	**(6,162)**	(6,103)
Consolidation of non-controlling interests	**(19,810)**	(22,194)	**(93,254)**	(87,380)
Investment income (1)	**6,791**	7,374	**26,888**	29,685
Others (2)	**19,423**	159,439	**69,554**	281,625
Free Cash Flow (3)	**$ 57,596**	$ 191,448	**$ 327,579**	$ 423,744
Add Back: Growth expenditures	**23,054**	26,635	**66,841**	112,786
Less: Historical growth expenditures' recovery due to sell-down	**—**	(26,794)	**—**	(38,552)
Adjusted Free Cash Flow (3)	**$ 80,650**	$ 191,289	**$ 394,420**	$ 497,978

(1) Investment income includes Gemini interest income and repayment of Gemini subordinated debt.

(2) Others mainly include the effect of foreign exchange rates and hedges, interest rate hedge, Nordsee One interest on shareholder loans, share of joint venture project development costs, acquisition costs, lease payments, interest income, Northland's share of Adjusted Free Cash Flow from equity accounted investees, gain on sale of La Lucha solar facility, interest on corporate-level debt raised to finance capitalized growth projects and other non-cash expenses adjusted in working capital excluded from Free Cash Flow in the period.

(3) See Forward-Looking Statements and Non-IFRS Financial Measures above.

Adjusted Free Cash Flow is a supplementary non-IFRS cash flow measure including associated per share amounts and payout ratios. Adjusted Free Cash Flow is calculated by excluding growth-related expenditures and adjusting for historically incurred growth expenditures' recovery due to sell-down, from Free Cash Flow. Management believes this measure provides a relevant presentation of cash flow generated from the business before investment-related decisions (refer to *Section 5.3: Growth Expenditures* for additional information). Management believes Adjusted Free Cash Flow is a meaningful measure of Northland's ability to generate cash flow, after on-going obligations, to reinvest in growth and fund dividend payments. Reinvesting in growth is a key part of Northland's long-term strategy.

Scheduled principal repayments on facility debt reflect repayments as paid. *Funds set aside (utilized) for scheduled principal repayments* allocate repayments across the quarters in order to more clearly reflect the Company's performance. Gemini's principal repayment schedule is weighted towards the first payment of the year to align with Gemini's expected annual cash flow profile, while Nordsee One, Deutsche Bucht and the Spanish portfolio's principal repayments are equally weighted. Northland's share of scheduled principal repayments for Gemini, Nordsee One, Deutsche Bucht and the Spanish portfolio are presented in the table below.

Select Scheduled Principal Repayments (at Northland's share)	2025	2024	2023
Gemini	€ 100,840	€ 96,383	€ 88,497
Nordsee One	84,093	88,119	86,767
Deutsche Bucht	83,291	78,853	78,071
Spanish portfolio	39,721	37,524	63,854
Total	**€ 307,945**	**€ 300,879**	**€ 317,189**

The following table reconciles Adjusted EBITDA to Adjusted Free Cash Flow.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Adjusted EBITDA [2]	**$ 312,139**	$ 388,658	**$ 1,261,951**	$ 1,239,871
Adjustments:				
Scheduled debt repayments	**(151,576)**	(129,002)	**(578,563)**	(579,445)
Interest expense	**(48,611)**	(52,309)	**(193,575)**	(195,328)
Current taxes	**(47,131)**	(46,558)	**(175,112)**	(137,460)
Non-expansionary capital expenditure	**(2,015)**	(1,938)	**(5,078)**	(3,016)
Utilization (funding) of maintenance and decommissioning reserves	**(7,845)**	(6,816)	**(18,716)**	(10,044)
Lease payments, including principal and interest	**(2,908)**	(2,365)	**(12,586)**	(8,677)
Preferred dividends	**(1,500)**	(1,574)	**(6,162)**	(6,103)
Foreign exchange hedge gain (loss)	**(307)**	5,873	**12,584**	36,908
Others [1]	**7,350**	37,479	**42,836**	87,038
Free Cash Flow [2]	**$ 57,596**	$ 191,448	**$ 327,579**	$ 423,744
Add back: Growth expenditures	**23,054**	26,635	**66,841**	112,786
Less: Historical growth expenditures' recovery due to sell-down	**—**	(26,794)	**—**	(38,552)
Adjusted Free Cash Flow [2]	**$ 80,650**	$ 191,289	**$ 394,420**	$ 497,978

(1) Others mainly include repayment of Gemini subordinated debt, gain on sale of La Lucha solar facility, interest rate and foreign currency hedge settlements, and interest received on third-party loans to partners.

(2) See Forward-Looking Statements and Non-IFRS Financial Measures above.

Fourth Quarter

Adjusted Free Cash Flow of $81 million for the three months ended December 31, 2024 was 58% or $111 million lower than the same quarter of 2023.

The significant factors decreasing Adjusted Free Cash Flow were:

- $53 million decrease in Adjusted EBITDA (gross of growth expenditures) primarily due to the factors described above;
- $36 million decrease from foreign exchange and interest rate hedges, and other settlements; and
- $23 million increase in scheduled debt repayments on facility-level loans, mainly at Spanish portfolio.

Free Cash Flow, which is reduced by growth expenditures, totaled $58 million for the three months ended December 31, 2024, and was $134 million lower than the same quarter of 2023, due to the same factors as Adjusted Free Cash Flow.

Full Year

Adjusted Free Cash Flow of $394 million for the year ended December 31, 2024, was 21% or $104 million lower than 2023.

The significant factors decrease Adjusted Free Cash Flow were:

- $80 million decrease from foreign exchange and interest rate hedges, and other settlements;
- $38 million increase in current taxes as a result of higher operating results;
- $11 million decrease from gain on sale of offshore wind development assets in Europe in 2023; and
- $9 million increase in funds set aside for maintenance reserves.

The factors partially offsetting the decrease in Adjusted Free Cash Flow include:

- $15 million increase in Adjusted EBITDA (gross of growth expenditures) primarily due to the factors described above; and
- $20 million increase from gain on disposal of La Lucha solar facility.

Free Cash Flow, which is reduced by growth expenditures, totaled $328 million for the year ended December 31, 2024, and was 23% or $96 million lower than the same period of 2023, due to the same factors as Adjusted Free Cash Flow.

The following table summarizes the ordinary dividends paid, payout ratios as well as per share amounts:

	Three months ended December 31,		Year ended December 31,	
	2024	**2023**	**2024**	**2023**
For the period				
Cash dividends paid to shareholders	**$ 49,284**	$ 51,740	**$ 200,488**	$ 205,072
Total dividends paid to shareholders (1)	**$ 77,686**	$ 76,253	**$ 308,512**	$ 302,976
Weighted avg. number of shares — basic and diluted (000s)	**259,166**	254,368	**257,300**	252,710
Per share ($/share)				
Dividends paid	**$ 0.30**	$ 0.30	**$ 1.20**	$ 1.20
Adjusted Free Cash Flow — basic and diluted (2)	**$ 0.31**	$ 0.75	**$ 1.53**	$ 1.97
Free Cash Flow — basic and diluted (2)	**$ 0.22**	$ 0.75	**$ 1.27**	$ 1.68
Pay-out ratios on a rolling four-quarter basis				
Adjusted Free Cash Flow payout ratio — cash dividends (2)			**51 %**	41 %
Free Cash Flow payout ratio — cash dividends (2)			**61 %**	48 %
Adjusted Free Cash Flow payout ratio — total dividends (1) (2)			**78 %**	61 %
Free Cash Flow payout ratio — total dividends (1) (2)			**94 %**	71 %

(1) Represents dividends paid in cash and in shares under the DRIP.

(2) See Forward-Looking Statements and Non-IFRS Financial Measures above.

At December 31, 2024 the rolling four quarter Adjusted Free Cash Flow and the Free Cash Flow net payout ratio were 51% and 61%, respectively, calculated on the basis of cash dividends paid, compared to 41% and 48% for the same period ending December 31, 2023. At December 31, 2024 the rolling four quarter Adjusted Free Cash Flow and the Free Cash Flow net payout ratio were 78% and 94%, respectively, calculated on the basis of total dividends paid, compared to 61% and 71% for the same period ending December 31, 2023.

SECTION 6: CHANGES IN FINANCIAL POSITION

The following table provides a summary of account balances derived from the audited consolidated statements of financial position as at December 31, 2024 and December 31, 2023:

As at	December 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	**$ 613,319**	$ 740,244
Restricted cash	**59,073**	73,257
Trade and other receivables	**535,961**	396,014
Other current assets	**119,730**	97,468
Property, plant and equipment, net	**8,879,101**	9,179,933
Contracts and other intangible assets, net	**393,886**	446,870
Derivative assets	**312,848**	388,997
Deferred tax asset	**38,174**	44,726
Investment in joint ventures	**1,023,068**	899,885
Other assets (1)	**1,629,178**	1,358,904
Total assets	**$ 13,604,338**	$ 13,626,298
Liabilities		
Trade and other payables	**$ 368,791**	$ 449,461
Loans and borrowings	**7,009,899**	7,065,534
Derivative liabilities	**228,311**	127,895
Deferred tax liability	**557,826**	590,259
Other liabilities (2)	**883,098**	910,425
Total liabilities	**$ 9,047,925**	$ 9,143,574
Total Equity	**4,556,413**	4,482,724
Total liabilities and equity	**$ 13,604,338**	$ 13,626,298

(1) Includes goodwill, finance lease receivable and other non-current assets.

(2) Includes dividends payable, corporate credit facilities, provisions and other liabilities.

Significant changes in Northland's audited consolidated statements of financial position were as follows:

- *Cash and cash equivalents* decreased by $127 million, primarily due to investments in Hai Long offshore wind projects, partially offset by proceeds from sale of La Lucha solar facility.
- *Trade and other receivables* increased by $140 million, primarily due to higher SDE revenue at Gemini, partially offset by receipt of VAT claim as per La Lucha's sale agreement.
- *Property, plant and equipment* decreased by $301 million, primarily due to a depreciation expense and sale of the La Lucha solar facility, partially offset by construction-related activities and fluctuations in the foreign exchange rates.
- *Net derivative assets* decreased by $177 million from a net derivative asset at December 31, 2023, primarily due to the effect of interest rates in Canada, the US and Europe, and the net movement in Euro and COP exchange rates against the Canadian dollar.
- *Investment in joint ventures* increased by $123 million, primarily due to the investment in Hai Long offshore wind project and share of profit from joint ventures.
- *Other assets* increased by $270 million, primarily due to long-term shareholder loans provided to Hai Long offshore wind project.
- *Loans and borrowings* decreased by $56 million, mainly due to the scheduled principal repayments on facility-level loans, partially offset by construction related drawdowns, refinancing of EBSA's credit facility and fluctuations in the foreign exchange rates.

SECTION 7: EQUITY, LIQUIDITY AND CAPITAL RESOURCES

Northland maintains sufficient liquidity to meet short- and medium-term cash needs and ensures that it has access to sufficient resources to capitalize on investment opportunities and to meet growth expenditure commitments, monthly cash dividend requirements and other needs in the normal course of operations. Northland finances these commitments through cash flow from operations, non-recourse project financing, securing partnerships and partner contributions, corporate credit facilities, and debt and equity issuances from time to time.

Dividends

Northland's Board of Directors and management are committed to maintaining the current monthly dividend of $0.10 per share ($1.20 per share on an annual basis) and are confident that Northland has adequate access to funds to meet its dividend commitment, including operating cash flows and corporate funds. The Board of Directors reviews the dividend policy at least annually as part of Northland's overall capital allocation strategy to balance growth requirements and investor preferences.

DRIP

Northland offers a Dividend Reinvestment Plan which provides shareholders with the right to reinvest the dividends on their common shares. Northland approved a change in the discount on its DRIP issuances from 3% to 0% and confirmed the intention to source shares through secondary market purchases rather than treasury issuances. Such changes will be effective from and as of April 15, 2025 and for the dividend payable thereon to shareholders of record on March 31, 2025. Pursuant to the terms of the DRIP, Northland has the discretion, from time to time, to change the applicable discount and source of shares.

Equity

The change in common shares during 2024 and 2023 was as follows:

As at	December 31, 2024	December 31, 2023
Common shares		
Shares outstanding, beginning of year	**254,939,822**	250,017,357
Equity offering	**—**	1,210,537
Shares issued under the LTIP	**—**	10,286
Shares issued under the DRIP	**5,007,504**	3,701,642
Total common shares outstanding, end of period	**259,947,326**	254,939,822

Preferred shares outstanding as at December 31, 2024, and December 31, 2023 were as follows:

As at	December 31, 2024	December 31, 2023
Preferred shares outstanding		
Series 1	**4,762,246**	4,762,246
Series 2	**1,237,754**	1,237,754
Total	**6,000,000**	6,000,000

In September 2024, Northland's corporate investment grade credit rating was reaffirmed at BBB (stable) by Fitch Ratings, in addition to Standard & Poor's BBB (stable) rating which was reaffirmed in June 2024.

At December 31, 2024, Northland had 259,947,326 common shares outstanding (as at December 31, 2023 - 254,939,822) with no change in preferred shares Series 1 and Series 2 outstanding from December 31, 2023.

As of February 26, 2025, Northland has 261,000,107 common shares outstanding with no change in preferred shares Series 1 and Series 2 outstanding from December 31, 2024.

Liquidity and Capital Resources

The following table reconciles Northland's opening cash and cash equivalents to closing cash and cash equivalents:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Cash and cash equivalents, beginning of period	**$ 596,233**	$ 856,530	**$ 740,244**	$ 1,364,309
Cash provided by (used in) operating activities	**359,631**	161,354	**1,028,968**	810,699
Cash provided by (used in) investing activities	**74,010**	431,260	**(448,811)**	(1,170,053)
Cash provided by (used in) financing activities	**(418,827)**	(748,050)	**(720,248)**	(254,239)
Effect of exchange rate differences	**2,272**	39,150	**13,166**	(10,472)
Cash and cash equivalents, end of period	**$ 613,319**	$ 740,244	**$ 613,319**	$ 740,244

Fourth Quarter

Cash and cash equivalents for the fourth quarter of 2024 increased $17 million from September 30, 2024, due to cash provided by operations of $360 million, $74 million by investing activities, $2 million effect of foreign exchange translation, partially offset by cash used in financing activities of $419 million.

The increase in cash and cash equivalents during the quarter was largely in line compared to September 30, 2024.

2024

Cash and cash equivalents for the year ended December 31, 2024, decreased $127 million due to cash provided by operations of $1,029 million, $13 million effect of foreign exchange translation, partially offset by cash used in investing activities by $449 million and $720 million by financing activities.

Cash provided by operating activities for the year ended December 31, 2024, was $1,029 million comprising:

- $1,070 million in non-cash and non-operating items such as depreciation and amortization, finance costs, changes in fair value of financial instruments and deferred taxes; and
- $371 million of net income.

Factors partially offsetting cash provided by operating activities include:

- $305 million in changes in working capital due to the timing of payables, receivables and deposits;
- $44 million share of profit from joint ventures; and
- $64 million accounting gain on sale of La Lucha solar facility.

Cash used in investing activities for the year ended December 31, 2024, was $449 million, primarily comprising:

- $310 million used mainly for the investment in the Hai Long offshore wind projects; and
- $552 million used mainly for construction at Oneida energy storage project.

Factors partially offsetting cash used in investing activities include:

- $136 million mainly from interest income and other investing activities; and
- $257 million from the sale proceeds of La Lucha solar facility.

Cash used in financing activities for the year ended December 31, 2024, was $720 million, primarily comprising:

- $374 million in interest and other payments;
- $776 million in scheduled principal repayments on the facility-level debt; and
- $235 million of common and preferred share dividends as well as dividends to non-controlling interest.

Factors partially offsetting cash used in financing activities were:

- $611 million of draws on project level debt primarily for construction of Oneida energy storage project; and
- $56 million in net drawdown under the corporate syndicated revolving facility.

Movement of foreign currencies, including primarily the Euro, U.S. dollar and Colombian peso, against the Canadian dollar increased cash and cash equivalents by $13 million for the year ended December 31, 2024. Northland aims to mitigate the effects of exchange rate fluctuations through a variety of mechanisms, including foreign exchange hedges and natural hedges from having corporate debt denominated in USD or Euro for operating expenditures.

Property, Plant and Equipment

The following table provides a continuity of the cost of property, plant and equipment for the year ended December 31, 2024:

	Balance as at Jan 1, 2024	Additions	Provisions, disposals, transfers and other (1) (3)	Exchange rate differences	Balance as at Dec 31, 2024
Operations:					
Offshore wind	$ 6,821,288	$ 1,395	$ (9,209)	$ 122,604	**$ 6,936,078**
Onshore renewable	4,159,680	6,238	(313,337)	39,820	**3,892,401**
Natural gas (2)	1,327,528	14,866	(823)	—	**1,341,571**
Utility	692,306	32,964	(1,939)	(32,724)	**690,607**
Construction:					
Onshore renewable	143,453	485,628	(23,787)	—	**605,294**
Corporate	127,147	16,576	508	1,861	**146,092**
Total	**$ 13,271,402**	**$ 557,667**	**$ (348,587)**	**$ 131,561**	**$ 13,612,043**

(1) Includes amounts accrued under the long-term incentive plan (**"LTIP"**).

(2) Excludes Spy Hill lease receivable accounting treatment.

(3) Includes $262 million relating to sale of La Lucha solar facility completed in June 2024.

Debt

Northland's operating facilities and projects under construction are financed primarily with non-recourse project debt with fixed or hedged interest rates and repayment schedules tied to the terms of the project offtake agreement. Following the commercial operations date, each project is structured as a special-purpose entity so that an adverse event at one facility would not affect Northland's other facilities. By owning and operating high-quality assets and applying its deep, long-term experience, Northland expects to continue to enjoy a competitive cost of capital, which maximizes returns from growth opportunities.

The following table provides a continuity of Northland's debt for the year ended December 31, 2024:

	Balance as at Jan 1, 2024	Financings, net of costs	Repayments	Amort. of costs/fair value	Exchange rate differences	Others	Balance as at Dec 31, 2024
Operations:							
Offshore wind	$ 3,080,780	$ 68,368	$ (525,055)	$ 21,393	$ 54,444	$ —	**$ 2,699,930**
Onshore renewable [2]	1,915,250	17,663	(154,973)	4,126	37,022	(10,427)	**1,808,661**
Natural gas	846,839	12,916	(87,736)	2,787	—	—	**774,806**
Utility	716,618	44,783	(8,585)	126	(567)	(918)	**751,457**
Construction:							
Onshore renewable	15,000	467,600	—	—	—	—	**482,600**
Corporate:							
Green Notes	491,049	—	—	1,396	—	—	**492,445**
Corporate Credit Facilities [1]	110,988	625,115	(569,239)	—	5,586	—	**172,450**
Total	**$ 7,176,524**	**$ 1,236,445**	**$ (1,345,588)**	**$ 29,828**	**$ 96,485**	**$ (11,345)**	**$ 7,182,349**

(1) Deferred financing cost associated with the syndicated revolving facility is included within the other non-current assets in the consolidated statements of financial position.

(2) As at December 31, 2024, Onshore renewable - Operations includes tax equity financing in relation to New York onshore wind projects amounting to $27 million.

Additionally, as at December 31, 2024, $541 million of letters of credit were outstanding under non-recourse project-level credit facilities for operational use.

Corporate Credit Facilities and Letters of Credit

Northland's corporate credit facilities are available for general corporate purposes, to support operational, construction and development opportunities and to provide letters of credit issued on behalf of Northland. The corporate credit facilities are summarized in the following table:

As at December 31, 2024	Facility size	Amount drawn [2]	Outstanding letters of credit [3]	Available capacity	Maturity date
Sustainability linked syndicated revolving facility [1]	$ 1,250,000	$ 175,919	$ 116,918	$ 957,163	Aug. 2029
Bilateral letter of credit facility	150,000	—	135,060	14,940	Jun. 2026
Export credit agency backed letter of credit facility I	100,000	—	72,037	27,963	Mar. 2026
Export credit agency backed letter of credit facility II [4]	200,000	—	140,043	59,957	n/a
Hai Long related letter of credit facility	500,000	—	483,440	16,560	Sep. 2027
Total	**$ 2,200,000**	**$ 175,919**	**$ 947,498**	**$ 1,076,583**	

(1) During the third quarter of 2024, the sustainability linked syndicated revolving facility was increased by $250 million and maturity was also extended to August 2029.

(2) Deferred financing cost, as at December 31, 2024, associated with the syndicated revolving facility amounting to $3 million (December 31, 2023 - $5 million) is included within the other non-current assets in the consolidated statements of financial position.

(3) As at December 31, 2024, outstanding letters of credit include LCs issued in favor of a joint venture amounting to $672 million.

(4) This facility does not have a specified maturity date.

Of the $947 million of corporate letters of credit issued as at December 31, 2024, $776 million relates to projects under advanced development or construction.

Northland's corporate credit facilities include provisions that allow for renewals at Northland's option, subject to approval by the lenders.

Northland had access to $1,066 million of available liquidity at December 31, 2024, including $109 million of cash on hand and approximately $957 million of capacity on its corporate revolving credit facilities.

Debt Covenants

Northland generally conducts its business activities indirectly through separate subsidiary legal entities and is dependent on the distribution of cash from those subsidiary entities to fund development expenses, defray its corporate expenses, repay corporate debt and pay cash dividends to its shareholders. Most operating subsidiaries hold non-recourse debt, which typically prohibits distributions if the loan is in default (notably for non-payment of principal or interest) or if the entity fails to achieve a benchmark debt service coverage ratio, which is the ratio of EBITDA to scheduled principal and interest payments over a specified time period. As of December 31, 2024, Northland and its subsidiaries were in compliance with all financial covenants under the applicable credit agreements.

Financial Commitments and Contractual Obligations

In the ordinary course of business, Northland enters into financial and derivative contracts. The contractual maturities of Northland's material financial liabilities as at December 31, 2024, are summarized in the following table:

	2025	2026	2027	2028	2029	>2029
Derivative liabilities [1]						
Euro foreign exchange contracts	$ 111,690	$ 97,724	$ 204,137	$ 207,350	$ 174,298	$1,471,453
Colombian peso foreign exchange contracts	800,579	16,205	—	—	—	—
US dollar foreign exchange contracts	58,057	15,015	18,312	21,149	20,287	207,907
Taiwan dollar foreign exchange contracts	—	—	147,748	64,454	65,846	345,316
Cross currency interest rate contracts	42,392	42,392	42,392	537,474	—	—
Facility-level debt at Northland's share						
Gemini	€ 93,040	€ 101,896	€ 109,241	€ 111,698	€ 114,769	€ 151,451
Nordsee One	71,079	75,921	—	—	—	—
Deutsche Bucht	69,978	71,444	67,828	61,747	64,973	217,665
Spain	49,622	41,004	42,727	41,761	42,112	297,255
Total in Euro	€ 283,719	€ 290,265	€ 219,796	€ 215,206	€ 221,854	€ 666,371
New York Wind	US$ 14,543	US$ 14,720	US$ 7,815	US$ 8,422	US$ 8,250	US$143,847
Total in Canadian dollar [2]	449,266	459,413	343,226	337,134	346,943	1,208,429
EBSA [3]	2,018	2,018	745,837	2,018	504	—
All other facilities [4]	138,114	157,168	162,879	175,081	188,756	901,657
Total facility-level debt at Northland's share	$ 586,351	$ 618,599	$ 1,251,942	$ 514,233	$ 536,203	$2,110,086
Interest payments including swap derivative contracts	206,156	186,592	167,070	108,611	88,266	275,712
Corporate liabilities						
Corporate credit facilities, including interest	6,295	5,999	6,102	6,244	175,919	—
Convertible debentures, including interest	46,250	46,250	46,250	523,125	—	—
Total	**$1,857,770**	**$1,028,776**	**$ 1,883,953**	**$1,982,640**	**$1,060,819**	**$4,410,474**

(1) Derivative liabilities are reported at 100% ownership.

(2) Using long-term foreign exchange rates.

(3) EBSA Facility is expected to be renewed annually.

(4) Other includes debt service costs of the efficient natural gas and onshore renewable facilities.

Non-Financial Commitments and Contractual Obligations

The following table summarizes all material fixed contractual commitments and obligations as at December 31, 2024, for non-financial contracts. The amounts are based on long term inflation rate, where applicable, of 2.0% and 2.99%, a Canadian dollar/Euro exchange rate of $1.51 and Canadian dollar/US dollar exchange rate of $1.40. The table includes maintenance and services agreements and natural gas transportation demand charges for which Northland is liable whether or not natural gas is shipped. The construction commitment relates to the construction of the New York Onshore

Wind projects. The cash obligations related to the leases for land and buildings, dismantlement and management fees to NCI partners are also included.

	2025	2026	2027	2028	2029	>2029
Maintenance agreements	$ 221,854	$ 229,242	$ 199,638	$ 175,223	$ 176,244	$1,626,356
Construction and others; excluding debt, interest and fees	73,856	23,782	20,463	—	—	—
Natural gas supply and transportation, fixed portion	26,321	26,216	26,671	27,134	27,566	143,761
Leases	13,590	12,115	12,129	12,138	11,645	138,685
Decommissioning liabilities	—	—	—	—	—	576,936
Management fees	5,437	5,613	5,727	5,843	5,962	98,616
Total	**$ 341,058**	**$ 296,968**	**$ 264,628**	**$ 220,338**	**$ 221,417**	**$2,584,354**

Except in circumstances where the cancellation of the agreements would result in material penalties, the above table does not include variable contractual obligations of Northland (which typically relate directly to production or meeting performance criteria). Such obligations include natural gas purchase costs, variable natural gas transportation costs and variable payments to maintenance providers. Except for certain onshore renewable and efficient natural gas facilities' PPAs, the electricity supply contracts contain no penalties for failure to supply.

As at December 31, 2024, Northland issued letters of credits and the parental guarantees, in favor of the joint ventures, of $739 million in favor of the joint ventures.

SECTION 8: SUMMARY OF QUARTERLY CONSOLIDATED RESULTS

Northland's consolidated financial results are affected by seasonal factors, contract provisions and extraordinary items, which result in quarterly variations. Northland's quarterly net income (loss) also varies due to any non-cash impairments/ recoveries and foreign exchange adjustments required to translate Euro, US dollar and Colombian peso denominated balances to the appropriate quarter-end Canadian dollar equivalent and due to fair value movements of financial derivative contracts.

Accounting policies and principles have been applied consistently for all periods presented in the following table:

In millions of dollars, except per share information	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Revenue from energy sales	$ 572	$ 491	$ 529	$ 755	$ 626	$ 513	$ 472	$ 622
Operating income (1)	217	98	152	346	57	146	103	273
Net income (loss)	150	(191)	262	149	(268)	43	22	107
Adjusted EBITDA	312	228	268	454	389	267	232	352
Cash provided by operating activities	360	196	171	294	136	148	204	297
Adjusted Free Cash Flow	81	19	69	226	191	64	63	180
Free Cash Flow	$ 58	$ 1	$ 51	$ 217	$ 191	$ 36	$ 41	$ 155
Per share statistics								
Net income (loss) attributable to common shareholders — basic	$ 0.49	$ (0.70)	$ 0.95	$ 0.29	$ (1.13)	$ 0.14	$ 0.01	$ 0.27
Net income (loss) attributable to common shareholders — diluted	0.49	(0.70)	0.95	0.29	(1.13)	0.14	0.01	0.27
Adjusted Free Cash Flow — basic	0.31	0.08	0.27	0.88	0.75	0.25	0.25	0.72
Free Cash Flow — basic	0.22	0.00	0.20	0.85	0.75	0.14	0.16	0.62
Total dividends declared	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30

(1) Included amortization of contracts and other intangible assets in the operating income.

SECTION 9: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES

Summarized below are Northland's most significant projects under construction and under development:

Hai Long Offshore Wind Project

Since 2016, Northland has developed, financed and is currently in the process of constructing the 1,022 MW offshore wind project in Taiwan with its partners. Hai Long is owned 60% by Northland and Gentari International Renewables Pte. Ltd., and 40% by Mitsui & Co. Ltd., and Enterprize Energy Group.

The project was allocated a total of 1,022 MW (313 MW net to Northland) by the Bureau of Energy of Taiwan under a FIT program and an auction process in 2019. Key aspects of the Hai Long project are presented in the following table:

Sub-project	Gross Capacity (MW)	Net Capacity (MW) (1)	Type of Procurement	Estimated COD
Hai Long 2A	294	90	FIT	2026/2027
Hai Long 2B	224	69	Auction	2026/2027
Hai Long 3	504	154	Auction	2026/2027
Total	**1,022**	**313**		

(1) Northland holds a 31% effective economic interest in the Hai Long offshore wind projects indirectly through a joint venture.

Hai Long 2B and 3, which have a combined capacity of up to 744 MW, signed a CPPA that covers 100% of the power generated. The agreement is with an investment grade counterparty (S&P: AA-) and is for a 30-year period at a fixed-price, commencing once Hai Long reaches full commercial operations. The contracted price under the CPPA is more favourable than the fixed auction rate originally awarded in 2018 and is a key accomplishment. In addition, the PPAs with Taipower are not affected by the signing of the CPPA and provide a backstop to the CPPA.

On December 28, 2023, Northland closed the sale of 49% of Northland's 60% ownership in the Hai Long offshore wind project to Gentari International Renewables Pte. Ltd., a subsidiary of clean energy solutions company Gentari Sdn Bhd (**"Gentari"**). Northland now holds a 30.6% ownership interest in the overall project and will continue to take the lead role in Hai Long's construction and operation.

Please refer to *Section 4.1: Significant Events* for further information.

Baltic Power Polish Offshore Wind Project

In March 2021, Northland completed its acquisition of a 49% interest in the Baltic Power offshore wind project in the Polish Baltic Sea with a total capacity of 1,140 MW of offshore wind generation. Northland continues to hold a 49% ownership interest in Baltic Power, with its partner Orlen S.A. holding the remaining 51%.

In June 2021, Baltic Power secured a 25-year CfD from Poland's Energy Regulatory Office under the Polish Offshore Wind Act at a guaranteed price of PLN 319.60 per MWh, which is adjusted to annual indexation by Poland's annual average consumer price index. The project's 25-year CfD offtake agreement, is denominated in Euros and includes an inflation indexation feature commencing with the base year 2021.

Please refer to *Section 4.1: Significant Events* for further information.

Oneida Energy Storage Project

The Oneida Energy Storage Project is a 250 MW/1 GWh energy storage facility located in Ontario, Canada. Northland is the majority owner and taking the lead role in its construction, financing and operation.

On December 21, 2022, the project successfully executed a 20-year Energy Storage Facility Agreement with the Independent Electricity System Operator (**"IESO"**) that offers monthly capacity payments.

Northland currently owns 72% of the project, which is being developed in partnership with NRStor Inc., Six Nations of the Grand River Development Corporation and Aecon Group Inc.

Please refer to *Section 4.1: Significant Events* for further information.

Thorold Natural Gas Facility Upgrade

Please refer to *Section 4.1: Significant Events* for further information.

South Korean Offshore Wind Projects

Electricity Business Licenses (**"EBLs"**) for up to 1,270 MW capacity at Dado have been secured, providing exclusivity over the development areas. In addition, Northland's second project, the 690 MW Bobae project, has also been awarded the requisite EBLs.

ScotWind Offshore Wind Project

Northland was awarded two offshore wind leases in the Crown Estate Scotland auction with a total combined capacity of 2,340 MW in 2022. The two leases, one fixed foundation (840 MW) and one floating foundation (1,500 MW), will extend Northland's development runway into the next decade. In 2023, Northland signed a partnership agreement with ESB, a leading Irish energy company, for a 24.5% interest in the two offshore wind projects.

Alberta Portfolio

In December 2022, Northland acquired a development platform and a portfolio of solar and energy storage development projects in Alberta, Canada, with a combined pipeline encompassing approximately 1.4 GW.

Jurassic BESS project

Please refer to *Section 4.1: Significant Events* for further information.

SECTION 10: OUTLOOK

2025 is a year of delivering key milestones on three large construction projects: Baltic Power, Hai Long and Oneida. Cash generation from some of these projects will be a significant milestone for Northland and is expected to start contributing to Northland's earnings in 2025, continuing through 2026, with full realization in 2027.

Northland anticipates generating pre-completion revenue from Hai Long in the second half of this year. However, this cash flow is used to fund the construction of the Hai Long project and will not be included in Adjusted Free Cash Flow or Free Cash Flow metrics until the project reaches commercial operations, expected in 2027. Additionally, Northland incurs development expenditures in pursuit of its 10 GW development pipeline. These expenditures will reduce near-term Free Cash Flow until the projects achieve commercial operations but are expected to deliver accretive long-term growth in earnings and cash flow in future years.

Adjusted EBITDA

For 2025, management expects Adjusted EBITDA to be in the range of $1.30 billion to $1.40 billion, with the guidance mid-point being higher than 2024 Adjusted EBITDA of $1.26 billion. The major factors expected to increase Adjusted EBITDA include (all amounts are approximate):

- Adjusted EBITDA contributions from Hai Long's pre-completion revenues, expected in the second half of 2025, and Oneida energy storage project achieving the commercial operations in the first half of 2025 ($80 million);
- Higher Adjusted EBITDA for onshore renewables excluding Spain ($20 million); and
- Other various items ($25 million).

Increase in Adjusted EBITDA is expected to be partially offset by:

- Lower band revenue adjustments at Spain from lower posted regulatory price ($30 million); and
- Lower contributions from Nordsee One following a scheduled step down in its power contracts, partially offset by impact from the Gemini cable issue and TenneT outage in 2024 ($25 million).

Adjusted Free Cash Flow and Free Cash Flow

In 2025, management expects Adjusted Free Cash Flow to be in the range of $1.30 to $1.50 per share, with the guidance mid-point being lower than 2024 Adjusted Free Cash Flow of $1.53 per share. The major factors expected to decrease Adjusted Free Cash flow include (all amounts are approximate):

- Decreased regulatory feed in tariffs at Nordsee One following a scheduled step down in its power contracts and lower band adjustment at Spain ($45 million); and
- Impact from prior year's La Lucha operating results including the gain on its sale and other items ($25 million).

Decrease in Adjusted Free Cash Flow is expected to be partially offset by:

- Higher contribution from natural gas facilities and utilities performance and lower net debt service and taxes across existing assets ($30 million); and
- Contribution from Oneida battery storage project and onshore renewable assets excluding Spain ($10 million).

Corporate G&A costs are expected to be approximately $70 million in 2025, compared to $85 million in 2024.

Northland has assumed development expenditures will be approximately $60 million.

Management expects 2025 Free Cash Flow, which includes growth expenditures, to be in the range of $1.10 to $1.30 per share, consistent with last year's guidance. Free Cash Flow reflects the level of spending on growth initiatives and the equity capital raised for our projects currently under construction, for which material corresponding cash flows will not be received until 2026 and 2027. The development expenditures would include offshore wind opportunities in Europe and Asia and a further allocation towards onshore renewable projects, and natural gas power development opportunities.

In addition, any gains from the future sell-down of ownership interests in development assets would be included in Adjusted EBITDA, Adjusted Free Cash Flow and Free Cash Flow as they relate to capturing development profits at key milestones. Currently, the 2025 financial outlook does not incorporate any sell-down proceeds and as such, net proceeds from any sell-down would increase reported Adjusted EBITDA, Adjusted Free Cash Flow, and Free Cash Flow in the event they occur in 2025.

Northland continues to implement a selective partnership strategy to sell interests in certain development projects on or before financial close. In certain situations, Northland may decide to exit certain markets or reduce development activities within certain jurisdictions. Northland will assess each opportunity individually and intends to remain a long-term owner of the renewable power assets it develops.

Over the longer term, Northland remains positioned to achieve substantial growth in Adjusted EBITDA and Adjusted Free Cash Flow by 2027, upon achieving targeted commercial operations of Oneida, Baltic Power and Hai Long, each with long-term contracted revenues of between 20 to 30 years.

Once the projects under construction, including Hai Long, Baltic Power, and Oneida battery storage, are fully completed, they are collectively expected to deliver on a five-year annual average basis, approximately $570 million to $615 million of Adjusted EBITDA and $185 million to $210 million of Adjusted Free Cash Flow by 2027.

Northland management expects that the Company will continue to pay dividends annually at the rate of $1.20 per share.

With over 3 gigawatts (GW) of current gross operating capacity, 2.4 GW under construction and a pipeline under development of approximately 10 GW, the Company is well-positioned to deliver on the global energy transition. Northland intends to be selective and pursue only projects within its pipeline that meet its strategic objectives and targeted returns and closely monitor macroeconomic conditions. Management continues to assess its development pipeline as projects move through their development cycles.

The information in this Outlook constitutes forward-looking information within the meaning of applicable Canadian securities laws, is based on several assumptions and is subject to risks and uncertainties. See Forward-Looking Statements in this document as well as the Risk Factors in the 2024 AIF.

SECTION 11: LITIGATION, CLAIMS AND CONTINGENCIES

Litigation, claims and other contingencies arise from time to time in the ordinary course of business for Northland. There are no legal or regulatory proceedings that involve a claim for damages or penalty exceeding 10% of Northland's current assets in respect of which Northland is or was a party, or in respect of which any of Northland's property is or was the subject during the year ended December 31, 2024, nor are there any such proceedings known to Northland to be contemplated. None of these contingencies, individually or in aggregate, are expected to result in a liability that would have a material adverse effect on Northland. Refer to Note 28 of the audited consolidated financial statements for additional information including any contingencies arising as a result of completed acquisitions.

SECTION 12: SUSTAINABILITY STRATEGY

The focuses of Northland’s Sustainability strategy are on continued energy transition and decarbonization efforts through increasing our renewable energy portfolio, protecting and supporting biodiversity, continuously improving as an equitable employer where a talented, diverse and committed group of people want to build their careers, creating meaningful and collaborative relationships and partnerships with local and Indigenous communities, ensuring human rights are respected in our supply chain and upholding the highest standards of good and responsible governance.

Northland continues to identify climate-related opportunities for access to capital, growth opportunities in new technologies (such as energy storage) and human capital growth. Northland is committed to achieving a 65% reduction of its greenhouse gas (**“GHG”**) emissions intensity by 2030 (from 2019 baseline) and to achieve net zero emissions across its scope 1, 2 and 3 by 2040. For further information on Northland’s climate-related goals and objectives, please refer to the Company’s most recent sustainability report, which can be found at https://www.northlandpower.com/en/about-northland/sustainability.aspx, and the *Climate-Related Target Risk* in the “Risk Factors” section of 2024 AIF.

SECTION 13: FINANCIAL RISKS AND UNCERTAINTIES

Northland's activities expose it to a variety of risks. Refer to the 2024 AIF for a summary of factors in addition to those discussed below that could significantly affect the operations and financial results of Northland.

Northland's risk management objective, as it relates to financial risks and uncertainties, is to mitigate fluctuations in cash flows and ensure stable cash levels available to pay dividends to shareholders and fund growth. Northland does not seek to mitigate fair value risk. Northland classifies financial risks into market risk, counterparty risk and liquidity risk, noting that these risks can be impacted by geopolitical or regulatory uncertainties. Northland manages financial risks by identifying, evaluating and mitigating such risks, in compliance with internal policies and external requirements under non-recourse project financing arrangements. Northland uses derivative financial instruments to manage certain financial risks but does not engage in speculative activity. Material financial risks are monitored and reported regularly to the Audit Committee of the Board of Directors. The risks associated with Northland's financial instruments and Northland's policies for mitigating these risks are described below. Refer to Note 18 of the 2024 Annual Report for additional information on Northland's risk management approach.

For information on Northland's key risks, uncertainties, financial instruments and contractual commitments, refer to Northland's 2024 Annual Report and the 2024 AIF filed electronically at www.sedarplus.ca under Northland's profile. Management does not believe there have been material changes in the business environment or risks faced by Northland during the period that have not been disclosed in the 2024 Annual Report or 2024 AIF.

Market Risk

Market risk is the risk that the future cash flows and returns will fluctuate because of changes in market prices and rates. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments as well as Northland's preferred shares and the Green Notes. Revenue and supply contracts can also be affected by market risk. Types of market risk to which Northland is exposed are discussed below.

(i) Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with an instrument will fluctuate due to changes in market interest rates. Northland endeavors to manage this risk by securing fixed-rate debt or entering into interest rate swap agreements prior to or around the time of financial close that effectively convert floating rate interest exposures to a fixed rate. In certain jurisdictions, such as Taiwan, Northland is unable to secure interest rate swaps for the full tenor of underlying debt; in those cases Northland manages the risk with rolling hedge strategies.

Changes in the fair value of interest rate swap contracts designated for hedge accounting are recorded in Northland's consolidated statements of comprehensive income (loss) to the extent that the hedge arrangements are effective. The fair values for these interest rate swap contracts are based on calculations and valuation models using observable market rates.

(ii) Credit Spread Risk

Credit spread risk as it affects Northland refers to the risk that the loan margin charged by current or future lenders (a borrower-specific margin added to the underlying interest rate) will increase, making the cost of debt capital more expensive. Credit spread risk cannot be hedged. Northland manages this risk by: (i) entering into long-term financings with defined credit spreads over the amortization period whenever possible; (ii) ensuring loans are fully amortized (repaid) by maturity; and (iii) monitoring credit markets and making prudent decisions about the timing and method of original financings, refinancing and repricing opportunities.

(iii) Currency Risk

Currency risk arises because the Canadian dollar equivalent of transactions, assets or liabilities denominated in foreign currencies may vary due to changes in foreign exchange rates. Northland is exposed to changes in the Euro, US dollar, Colombian peso, Taiwan dollar, Polish Zloty, and to a lesser degree, other currencies on construction projects with expenses in currencies different than the funding currency, or development expenses on early-stage projects in other jurisdictions. Primary exposure to Northland arises from the Euro-denominated financial statements and cash distributions at Gemini, Nordsee One, Deutsche Bucht, and the Spanish Portfolio, Colombian peso-denominated financial statements and cash distributions from EBSA, and development spending at the pipeline projects. Management manages this risk by hedging material net foreign currency cash flows to the extent practical and economical to minimize material cash flow fluctuations.

Northland has entered into long-term foreign exchange contracts to fix foreign exchange conversion rates on the majority of forecasted Euro-denominated cash inflows from Gemini, Nordsee One, Deutsche Bucht, the Spanish Portfolio, and Baltic power, and on a portion of the forecasted Taiwanese Dollar cash inflows from Hai Long. Power. Northland has entered into a short-term rolling hedge program to fix foreign exchange conversion rates on a portion of distributions from EBSA.

(iv) Commodity Price Risk

Commodity price risk arises where: (i) PPA revenues or components of PPA revenues depend upon certain electricity market indices; (ii) government subsidy or feed-in-tariff programs define a floor price but electricity market prices may be lower than those floors; (iii) a portion of revenue is not contracted and subject to changes in electricity prices; (iv) PPA revenues for efficient natural gas facilities are fixed, not linked to natural gas prices or the cost of natural gas is not substantively passed through to the off-taker; (v) the value of a financial instrument or cash flows associated with the instrument fluctuates due to changes in commodity prices; or (vi) the price of a component in a supply agreement is linked to the price of one or several commodities.

Northland manages this risk by: (i) entering into PPAs that provide a fixed price for all, or substantially all, electricity production, provide a price linked to commodity prices or include pass-through of commodity costs to the offtaker; (ii) entering into financial power and natural gas hedges to stabilize contractual economics or protect against a specific risk, including natural gas costs and electricity prices, when practical and economical; (iii) including contingencies in construction budgets when they are exposed to commodity prices; (iv) passing through the commodity risk to the offtaker, whenever possible.

Northland has exposure to Dutch electricity market prices under Gemini's PPA when the market price falls below the contractual floor price. For the year ended December 31, 2024, the average wholesale market price was above the contractual floor price, so the revenue was not impacted by this floor.

Northland has indirect exposure to German electricity market prices under the Nordsee One and Deutsche Bucht PPAs whereby the facilities do not receive revenue for periods where the market power price remains negative for longer than six consecutive hours.

Financial Counterparty Risk

Counterparty risk is the risk that a counterparty fails to perform its contractual obligations which could result in losses in financial assets. Northland is exposed to counterparty risk in several areas including: (i) cash and cash equivalents held with banks and financial institutions; (ii) counterparty exposures arising from: (a) contractual obligations, which include but are not limited to sales contracts, equipment supply, delivery, installation and maintenance contracts, fuel supply and fuel transportation agreements, energy marketing contracts and construction contracts, (b) derivative financial instruments, (c) trade receivables due from customers, (d) loan receivables due from partners and other entities, and (e) claims payable by an insurer; and (iii) unfunded loan commitments from financial institutions for the construction of projects. The maximum exposure to counterparty risk, other than for the loan commitments, is equal to the carrying value of the financial assets.

Northland manages counterparty risk by contracting with highly creditworthy counterparties wherever possible, such as government-related entities and large financial institutions. Northland's cash, derivative financial instruments, unfunded loan commitments and insurance policies are contracted with creditworthy financial institutions. Northland's gas, transportation, equipment supply/ installation, maintenance and construction contracts are with highly rated and/or large, well-capitalized counterparties wherever possible. Northland also manages counterparty risk by conducting comprehensive initial credit analyses on potential counterparties to material and/or long-term contracts and monitoring counterparties over time.

The nature of Northland's business and contractual arrangements, and the quality of its counterparties generally serve to minimize counterparty risk.

Liquidity Risk

Liquidity risk is the risk that Northland: (i) may not have sufficient funds to settle a transaction on the due date; (ii) may be forced to sell financial assets or terminate financial liabilities at a value that is not the fair market value; or (iii) may be unable to settle or recover a financial asset at all. Liquidity risk arises through an excess of financial obligations over available financial assets at any point in time.

Northland manages liquidity risk to maintain sufficient cash or readily available funding in order to meet expected liquidity requirements. Northland achieves this by: (i) maintaining prudent cash balances, availability under committed credit facilities and access to capital markets; (ii) implementing financing structures and derivatives or hedging strategies that minimize the risk of material cash flow impacts; and (iii) actively monitoring open positions to assess and proactively adapt to possible market liquidity concerns.

Northland is also subject to internal liquidity risk because it conducts its business activities through separate legal entities (subsidiaries and affiliates) and is dependent on cash distributions from those entities to defray corporate expenses and pay dividends. Most operating subsidiaries hold non-recourse debt. Such non-recourse financing agreements typically prohibit distributions if the loan is in default (notably for non-payment of principal or interest) or if the entity fails to achieve a benchmark debt service coverage ratio, which is the ratio of Adjusted EBITDA to scheduled loan principal and interest payments over a specified time period. For the year ended December 31, 2024, Northland and its subsidiaries were in compliance with all debt covenants.

Northland will be required to refinance, renew or extend debt instruments as they become due. The ability to refinance, renew or extend debt instruments is dependent on the capital markets up to the time of maturity and any credit ratings for Northland at the relevant time, which may affect the availability, pricing or terms and conditions of replacement financings.

Refer to Note 28 in the audited consolidated financial statements for the year ended December 31, 2024, for additional information related to Northland's commitments and obligations.

Taxation

Northland's operations are complex, and located in several countries, and the computation of the provision for income taxes involves understanding and interpreting tax legislation and regulations, jurisprudence and administrative policies that are continually changing. While Northland believes that Northland's tax filings have been made in material compliance with all applicable laws, Northland cannot provide assurance that the Canadian or other relevant taxing authorities will agree with tax positions taken by Northland and its subsidiaries, including with respect to expenses and renewable energy tax incentives claimed and the cost of depreciable assets. In particular, in some cases of new legislation, tax authorities have not yet developed administrative policies or issued interpretative guidance. A successful challenge by an applicable taxing authority regarding such tax positions could adversely affect the operations and financial position of Northland.

Income, withholding and sales tax laws in the jurisdictions in which Northland and its subsidiaries do business could change in a manner that adversely affects Northland and its shareholders. There also can be no assurance that renewable energy tax incentives will continue to be available or on what terms. Northland and its subsidiaries are also subject to various uncertainties concerning the interpretation and application of domestic and international tax laws that could affect its profitability and cash flows.

Northland undertakes all transactions for commercial reasons and strives to structure them in a tax-efficient manner. These transactions and financing structures could be challenged by the Canadian and/or local tax authority. Before entering into these transactions and structures, legal and tax experts are engaged to ensure these transactions and structures are in compliance with all tax laws, rules and regulations. A successful challenge by the Canadian or local tax authority to transactions and structures entered into by Northland and its subsidiaries may have an adverse effect on Northland and its Adjusted Free Cash Flow.

SECTION 14: CRITICAL ACCOUNTING ESTIMATES

Preparing the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Northland's operating facilities and investments primarily operate under long-term contracts with creditworthy counterparties. As a result, management believes it is not exposed to critical accounting estimates to the same degree as merchant businesses of comparable size. For Northland, the amounts recorded for depreciation of property, plant and equipment and contracts, fair value of financial assets and financial liabilities, decommissioning liabilities, deferred development costs, leases, LTIP, impairment of non-financial assets, income taxes and accounting for non-wholly owned subsidiaries are based on estimates and management's judgment. By their nature, these estimates are subject to measurement uncertainty, and changes in these estimates may affect the audited consolidated financial statements of future periods. Estimates and accounting judgments are based on historical experience, current trends and other assumptions that are believed to be reasonable under the circumstances.

In making these estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as appropriate. These estimates and judgments have been applied in a manner consistent with that in the past two years and there are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in this annual report.

Additional information on the significant estimates, judgments and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 in the audited consolidated financial statements for the year ended December 31, 2024.

SECTION 15: FUTURE ACCOUNTING POLICIES

Management assesses each new IFRS or amendment to determine whether it may have a material impact on Northland's consolidated financial statements. As at December 31, 2024, there have been no accounting pronouncements by the International Accounting Standards Board expected to materially affect Northland's consolidated financial statements beyond those described in Note 2.19 of the annual audited consolidated financial statements.

SECTION 16: CONTROLS AND PROCEDURES OVER FINANCIAL REPORTING

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management, including the President and Chief Executive Officer (**"CEO"**) and the Interim Chief Financial Officer (**"CFO"**), are responsible for establishing and maintaining adequate disclosure controls and procedures (**"DC&P"**) and internal controls over financial reporting (**"ICFR"**) as defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators (**"NI 52-109"**).

DC&P are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure. ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

Management of Northland, including the CEO and CFO, have evaluated the design and operating effectiveness of Northland's DC&P and ICFR. Based on the evaluation, the CEO and CFO concluded that the design and operation of Northland's DC&P and ICFR were effective as at December 31, 2024.

In designing and evaluating such controls, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, can provide only reasonable assurance, not absolute, and may not prevent or detect all misstatements. Further, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may change. Additionally, management is required to use judgment in evaluating controls and procedures.

Changes In Internal Control over Financial Reporting

There were no changes made to Northland's ICFR in the year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, Northland's ICFR.

Consolidated Financial Statements

Grand Bend Onshore Wind Farm, Substation

Management's Responsibility

Management is responsible for preparing Northland's consolidated financial statements and annual report. The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, and the financial information in the annual report is consistent with these statements. Where appropriate, these consolidated financial statements reflect estimates based on management's judgement. When alternative methods are available, management has selected the ones it considers most appropriate under the circumstances to ensure that the consolidated financial statements are presented fairly, in all material respects. Management is responsible for the development and maintenance of systems of internal controls, including accounting and administrative policies and procedures that are designed to provide reasonable assurance that the financial information is accurate, relevant and reliable and that Northland and its subsidiaries' assets are appropriately accounted for and adequately safeguarded.

The Board of Directors are responsible for reviewing these consolidated financial statements and the accompanying management's discussion and analysis and ensuring that management fulfills its responsibilities for financial reporting.

Ernst & Young LLP, the independent auditor, have examined these consolidated financial statements. The independent auditor's responsibility is to express an opinion on the fairness of the consolidated financial statements. The auditor's report outlines the scope of their examination and sets forth their opinion on these consolidated financial statements. Their report as auditor is set out on page 60.

The Audit Committee of Northland meets periodically with management, internal auditors and the independent auditor to discuss internal controls, auditing matters and financial reporting issues and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the consolidated financial statements, management's discussion and analysis and the independent auditor's report; examines the fees and expenses for audit and related services; and considers the engagement or reappointment of the independent auditors. The Audit Committee reports its findings to the Board of Directors for consideration prior to the issuance of the consolidated financial statements to the shareholders. Ernst & Young LLP have full access to the Audit Committee and meet with the Audit Committee both in the presence of management and separately.

(signed, Christine Healy)

Christine Healy

President, and Chief Executive Officer

(signed, Adam Beaumont)

Adam Beaumont

Chief Financial Officer (Interim)

Toronto, Canada

February 26, 2025

Independent Auditor’s Report

To the Shareholders of Northland Power Inc.

Opinion

We have audited the consolidated financial statements of Northland Power Inc. and its subsidiaries (the “Group”), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income (loss), consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor’s Report (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of Goodwill, Contracts and other intangible assets, and Property, plant and equipment	
As at December 31, 2024, the Group’s goodwill, contracts and other intangible assets, and property, plant, and equipment were $618 million, $394 million and $8,879 million, respectively. At each reporting date, management assessed whether indicators of impairment exist for any cash generating units (**CGUs**). Further, for CGUs with goodwill and other intangible assets with indefinite lives, management assesses at least annually, or at any time if an indicator of impairment exists, whether there has been an impairment loss in the carrying value of these CGUs. When performing impairment tests, the Group estimates the recoverable amount for each CGU or group of CGUs using the higher of: (i) the value-in-use method; or (ii) the fair value less costs of disposal method. The Group discloses significant judgements, estimates and assumptions and the results of their analysis in respect of impairment, in Notes 3 and 24 to the consolidated financial statements. Auditing management’s impairment tests was complex, given the degree of judgement and subjectivity in evaluating management’s estimates and assumptions in determining the recoverable amounts of CGUs or group of CGUs. The significant assumptions and inputs noted in the models whereby the net cash flow is determined based on current business plans and budgets approved by management were revenues, operating costs, terminal values, capital expenditures and discount rates.	Based on our risk assessment, with assistance from our valuation specialists, we performed the following procedures, among others, on a sample of management’s cash generating unit impairment tests: • Assessed the appropriateness of revenues, operating costs, capital expenditures and terminal values by comparing them to executed or expected power generation contracts and regulatory power distribution rates, historical results, third-party data, current industry, market or economic trends and evidence obtained in other areas of the audit; • Evaluated the discount rates utilized by management, which involved assessing comparable market data; • Performed sensitivity analysis on certain assumptions to evaluate changes in the recoverable amount of the CGU; and • Assessed the adequacy of the disclosures included in Note 24 of the accompanying consolidated financial statements in relation to this matter.

`*Other Information*

Management is responsible for the other information. The other information comprises:

- Management’s Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor’s report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis and the Annual Report prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

Independent Auditor’s Report (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Scott Kerr.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada

February 26, 2025

Consolidated Financial Statements

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Primary Statements

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Consolidated statements of financial position

In thousands of Canadian dollars

As at		December 31, 2024		December 31, 2023
Assets				
Cash and cash equivalents	**$**	**613,319**	$	740,244
Restricted cash		**59,073**		73,257
Trade and other receivables (Note 8)		**535,961**		396,014
Other current assets		**119,730**		97,468
Derivative assets (Note 19.2)		**63,979**		139,711
Total current assets	**$**	**1,392,062**	$	1,446,694
Property, plant and equipment (Note 4)		**8,879,101**		9,179,933
Contracts and other intangible assets (Note 5)		**393,886**		446,870
Goodwill (Note 6)		**617,607**		639,347
Finance lease receivable (Note 7.1)		**113,884**		120,191
Derivative assets (Note 19.2)		**248,869**		249,286
Deferred tax asset		**38,174**		44,726
Investment in joint ventures (Note 10)		**1,023,068**		899,885
Other non-current assets (Note 9)		**897,687**		599,366
Total non-current assets	**$**	**12,212,276**	$	12,179,604
Total assets	**$**	**13,604,338**	$	13,626,298
Liabilities and equity				
Trade and other payables (Note 11)	**$**	**368,791**	$	449,461
Loans and borrowings (Note 13)		**862,626**		744,812
Dividends payable (Note 16.3)		**26,657**		26,150
Current portion of provision and other liabilities (Note 15)		**32,114**		28,236
Derivative liabilities (Note 19.2)		**40,907**		27,356
Total current liabilities	**$**	**1,331,095**	$	1,276,015
Loans and borrowings (Note 13)		**6,147,273**		6,320,722
Corporate credit facilities (Note 14)		**175,919**		115,656
Provisions and other liabilities (Note 15)		**648,408**		740,383
Derivative liabilities (Note 19.2)		**187,404**		100,539
Deferred tax liability		**557,826**		590,259
Total non-current liabilities	**$**	**7,716,830**	$	7,867,559
Total liabilities	**$**	**9,047,925**	$	9,143,574
Equity				
Common shares (Note 16.1)	**$**	**5,193,412**	$	5,085,387
Preferred shares (Note 16.2)		**144,843**		144,843
Contributed surplus		**6,281**		5,976
Accumulated other comprehensive income (loss)		**43,620**		107,653
Deficit		**(1,202,043)**		(1,158,682)
Equity attributable to shareholders	**$**	**4,186,113**	$	4,185,177
Non-controlling interests (“**NCI**”) (Note 17)		**370,300**		297,547
Total equity	**$**	**4,556,413**	$	4,482,724
Total liabilities and equity	**$**	**13,604,338**	$	13,626,298

See accompanying notes.

(signed, John W. Brace)

John W. Brace
Director and Chair of the Board

(signed, Kevin Glass)

Kevin Glass
Director and Chair of the Audit Committee

Consolidated statements of income (loss)

In thousands of Canadian dollars except for Share and per Share information

Year ended December 31,		2024		2023
Income				
Revenue from sale of energy and related products (Note 20)	$	**2,346,264**	$	2,232,779
Finance lease income (Note 7.1)		**10,383**		10,899
Total Income	$	**2,356,647**	$	2,243,678
Expenses				
Operating costs (Note 21)		**649,936**		620,560
General and administrative ("**G&A**") costs (Note 21)		**113,100**		115,166
Development costs (Note 21)		**63,108**		114,180
Impairment of non-financial assets (Note 6 and 24)		**—**		163,169
Fair value adjustment relating to the disposal group held for sale (Note 29)		**43,884**		—
Depreciation of property, plant and equipment (Note 4)		**615,343**		595,600
Amortization of contracts and other intangible assets (Note 5)		**58,384**		57,015
Total expenses	$	**1,543,755**	$	1,665,690
Operating income	$	**812,892**	$	577,988
Finance costs (Note 23)		**(392,022)**		(383,328)
Finance income (Note 23)		**71,388**		61,516
Foreign exchange gain (loss)		**716**		39,732
Fair value gain (loss) on financial instruments (Note 19.1 and 19.2)		**(93,695)**		(303,898)
Share of profit (loss) from joint ventures (Note 10)		**43,734**		(279,849)
Other income (expense) (Note 29)		**120,543**		230,836
Income (loss) before income taxes	$	**563,556**	$	(57,003)
Income taxes (provision) recovery (Note 25.1)				
Current		**(198,035)**		(143,554)
Deferred		**5,868**		104,425
Total income taxes	$	**(192,167)**	$	(39,129)
Net income (loss)	$	**371,389**	$	(96,132)
Net income (loss) attributable to:				
Non-controlling interests ("**NCI**")		**99,564**		79,062
Shareholders of the Company (Note 22)		**271,825**		(175,194)
Net income (loss)	$	**371,389**	$	(96,132)
Weighted average number of Shares outstanding - basic and diluted (000s) (Note 22)		**257,300**		252,710
Net income (loss) attributable to common shareholders per Share - basic and diluted (Note 22)	$	**1.03**	$	(0.72)

See accompanying notes.

Consolidated statements of comprehensive income (loss)

In thousands of Canadian dollars

Year ended December 31,		2024		2023
Net income (loss)	$	371,389	$	(96,132)
Items that may be re-classified into net income (loss):				
Exchange rate differences on translation of foreign operations		(14,150)		248,539
Share of other comprehensive loss of a joint venture		7,937		—
Change in fair value of derivative contracts (Note 19.2)		(78,162)		(164,204)
Deferred tax recovery (expense) (Note 25)		19,147		19,713
Items that will not be re-classified into net income (loss):				
Re-measurement of pension obligation		2,394		(6,076)
Other comprehensive income (loss)	$	(62,834)	$	97,972
Total comprehensive income (loss)	$	308,555	$	1,840
Total comprehensive income (loss) attributable to:				
Non-controlling interests		100,763		65,341
Shareholders of the Company		207,792		(63,501)
Total comprehensive income (loss)	$	308,555	$	1,840

See accompanying notes.

Consolidated statements of changes in equity

In thousands of Canadian dollars

	Share capital	Preferred shares	Deficit	Contributed surplus	Accumulated other comprehensive income (loss)	Equity attributable to shareholders	Non-controlling interests	Total equity
December 31, 2023	$ 5,085,387	$ 144,843	$ (1,158,682)	$ 5,976	$ 107,653	$ 4,185,177	$ 297,547	$ 4,482,724
Net income (loss)	—	—	271,825	—	—	271,825	99,564	371,389
Deferred tax recovery (expense) (Note 25)	—	—	—	—	18,829	18,829	318	19,147
Exchange rate differences on translation of foreign operations	—	—	—	—	(24,140)	(24,140)	9,990	(14,150)
Share of other comprehensive income (loss) of a joint venture	—	—	—	—	7,937	7,937	—	7,937
Change in fair value of derivative contracts (Note 19)	—	—	—	—	(69,034)	(69,034)	(9,128)	(78,162)
Re-measurement of pension obligation	—	—	—	—	2,375	2,375	19	2,394
Total comprehensive income (loss)	$ —	$ —	$ 271,825	$ —	$ (64,033)	$ 207,792	$ 100,763	$ 308,555
Share-based compensation reserve (Note 16.1)	—	—	—	305	—	305	—	305
Additional contribution by NCI (Note 17)	—	—	—	—	—	—	782	782
Dividends to NCI (Note 17)	—	—	—	—	—	—	(28,792)	(28,792)
Common shares issued under DRIP and dividends declared (Note 16.1 and 16.3)	108,025	—	(309,024)	—	—	(200,999)	—	(200,999)
Preferred share dividends (Note 16.2)	—	—	(6,162)	—	—	(6,162)	—	(6,162)
December 31, 2024	$ 5,193,412	$ 144,843	$ (1,202,043)	$ 6,281	$ 43,620	$ 4,186,113	$ 370,300	$ 4,556,413

See accompanying notes.

Consolidated statements of changes in equity (continued)

In thousands of Canadian dollars

	Share capital	Preferred shares	Deficit	Contributed surplus	Accumulated other comprehensive income (loss)	Equity attributable to shareholders	Non-controlling interests	Total equity
December 31, 2022	$ 4,945,983	$ 144,843	$ (701,140)	$ 5,536	$ (4,040)	$ 4,391,182	$ 333,091	$ 4,724,273
Net income (loss)	—	—	(175,194)	—	—	(175,194)	79,062	(96,132)
Deferred tax recovery (expense) (Note 25)	—	—	—	—	19,002	19,002	711	19,713
Exchange rate differences on translation of foreign operations	—	—	—	—	245,319	245,319	3,220	248,539
Change in fair value of derivative contracts (Note 19)	—	—	—	—	(146,588)	(146,588)	(17,616)	(164,204)
Re-measurement of pension obligation	—	—	—	—	(6,040)	(6,040)	(36)	(6,076)
Total comprehensive income (loss)	$ —	$ —	$ (175,194)	$ —	$ 111,693	$ (63,501)	$ 65,341	$ 1,840
Share-based compensation reserve (Note 16.1)	279	—	—	440	—	719	—	719
Non-controlling interest disposal (Note 17)	—	—	—	—	—	—	(10,750)	(10,750)
Increase in NCI arising on dilution of interest in subsidiaries (Note 17)	—	—	27,224	—	—	27,224	29,808	57,032
Common shares issued, net of costs (Note 16.1)	40,908	—	—	—	—	40,908	—	40,908
Deferred tax on share issuance cost (Note 16.1)	313	—	—	—	—	313	—	313
Dividends to NCI (Note 17)	—	—	—	—	—	—	(119,943)	(119,943)
Common shares issued under DRIP and dividends declared (Note 16.1 and 16.3)	97,904	—	(303,469)	—	—	(205,565)	—	(205,565)
Preferred share dividends (Note 16.2)	—	—	(6,103)	—	—	(6,103)	—	(6,103)
December 31, 2023	$ 5,085,387	$ 144,843	$ (1,158,682)	$ 5,976	$ 107,653	$ 4,185,177	$ 297,547	$ 4,482,724

See accompanying notes.

Consolidated statements of cash flows

In thousands of Canadian dollars

Year ended December 31,		2024		2023
Operating activities				
Net income (loss)	**$**	**371,389**	$	(96,132)
Items not involving cash:				
Depreciation of property, plant and equipment (Note 4)		**615,343**		595,600
Amortization of contracts and other intangible assets (Note 5)		**58,384**		57,015
Fair value adjustment relating to the disposal group held for sale (Note 29)		**43,884**		—
Impairment of non-financial assets (Note 6 and 24)		**—**		163,169
Finance costs, net (Note 23)		**320,634**		321,812
Fair value (gain) loss on financial instruments (Note 19.2)		**93,695**		303,898
Unrealized foreign exchange (gain) loss		**611**		(32,407)
Loss (gain) on divestment or change of ownership interest in subsidiaries and joint ventures		**(63,901)**		(204,902)
Deferred tax expense (recovery) (Note 25.1)		**(5,868)**		(104,425)
Share of (profit) loss from joint ventures (Note 10)		**(43,734)**		279,849
Others		**(56,385)**		(31,950)
	$	**1,334,052**	$	1,251,527
Net change in working capital related to operations		**(305,084)**		(440,828)
Cash provided by (used in) operating activities	**$**	**1,028,968**	$	810,699
Investing activities				
Purchase of property, plant and equipment		**(552,218)**		(441,111)
Additional equity contribution to the joint ventures		**(82,101)**		(1,014,615)
Purchase of contracts and other intangible assets		**—**		(1,050)
Proceeds from divestment of ownership interest in subsidiaries and joint ventures		**257,249**		510,115
Restricted cash utilization (funding)		**20,740**		36,738
Loans provided to joint ventures		**(228,021)**		(389,509)
Others		**135,540**		129,379
Cash provided by (used in) investing activities	**$**	**(448,811)**	$	(1,170,053)
Financing activities				
Proceeds from borrowings, net of transaction costs (Note 12)		**1,236,445**		2,214,977
Repayment of borrowings (Note 12)		**(1,345,588)**		(1,875,332)
Interest paid		**(345,784)**		(325,841)
Restricted cash utilization (funding)		**(2,582)**		(14,329)
Common share dividends		**(200,488)**		(205,072)
Dividends to NCI (Note 17)		**(28,792)**		(119,943)
Preferred share dividends (Note 16.2)		**(6,162)**		(6,103)
Common shares issued, net of costs (Note 16.1)		**—**		40,908
Equity contribution by NCI (Note 17)		**782**		—
Proceeds from NCI for the issuance of shares in subsidiaries that does not involve loss of control		**—**		62,187
Others		**(28,079)**		(25,691)
Cash provided by (used in) financing activities	**$**	**(720,248)**	$	(254,239)
Effect of exchange rate differences on cash and cash equivalents		**13,166**		(10,472)
Net change in cash and cash equivalents during the year	**$**	**(126,925)**	$	(624,065)
Cash and cash equivalents, beginning of the year		**740,244**		1,364,309
Cash and cash equivalents, end of the year	**$**	**613,319**	$	740,244

See accompanying notes.

Notes to the Consolidated Financial Statements

1. Description of Northland's business

Northland Power Inc. (the "**Company**" or "**NPI**") owns or holds net economic interests, through its subsidiaries and joint ventures (together referred in here as "**Northland**" or the "**Group**"), in power producing facilities and a power distribution utility, as well as in the projects under construction or development phases. Northland's facilities produce electricity from clean energy sources for sale, primarily under long-term Power Purchase Agreements ("**PPAs**") or other revenue arrangements with creditworthy counterparties. Northland's utility business is a distributor and retailer of electricity, compensated under a regulated framework. These operating assets provide stable cash flow and are primarily located in Canada, Colombia, Germany, the Netherlands, Spain, and the United States of America (the **"United States"**). Northland's significant assets under construction and development are located in Canada, Poland, South Korea, Scotland, Taiwan, and the United States.

Northland is incorporated under the laws of Ontario, Canada, with common shares ("**Shares**"), Series 1 cumulative rate reset preferred shares ("**Series 1 Preferred Shares**") and Series 2 cumulative floating rate preferred shares ("**Series 2 Preferred Shares**") that are publicly traded on the Toronto Stock Exchange ("**TSX**"). Northland's registered office is located in Toronto, Ontario.

These audited consolidated financial statements (the "**consolidated financial statements**") include results of the Group, of which the most significant subsidiaries and joint ventures, as of December 31, 2024 are listed in the following table:

Name of the entities	Geographic region	Relationship	Effective ownership %(1)
Offshore Wind			
Buitengaats C.V. and ZeeEnergie C.V. ("**Gemini**")	The Netherlands	Subsidiary	60%
Nordsee One GmbH ("**Nordsee One**")	Germany	Subsidiary	85%
Northland Deutsche Bucht GmbH ("**Deutsche Bucht**")	Germany	Subsidiary	100%
Baltic Power Offshore Wind Project ("**Baltic Power**")	Poland	Joint Venture	49%
NP Hai Long Holding BV ("**Hai Long**") (2)	Taiwan	Joint Venture	31%
Onshore Renewable			
Northland Power Spain Holdings, S.L.U. ("**Spanish portfolio**")(3)	Spain	Subsidiary	99%
Natural Gas			
North Battleford Power L.P. ("**North Battleford**")	Canada	Subsidiary	100%
Thorold CoGen L.P. ("**Thorold**")	Canada	Subsidiary	100%
Utility			
Empresa de Energía de Boyacá S.A E.S.P ("**EBSA**")	Colombia	Subsidiary	99%

(1) As at December 31, 2024, Northland's economic interest remained unchanged from December 31, 2023.

*(2) Northland holds 51% (December 2023: 51%) shareholding in NP Hai Long Holding BV ("**Hai Long**") which holds 60% (December 2023: 60%) investment in the underlying offshore wind projects (the "**Hai Long Project**"). As a result, Northland's economic interest in the Hai Long Project, is 31% (December 2023: 31%).*

(3) Northland owns 100% ownership interest in all the facilities within the Spanish Portfolio, except for Elecdey Lezuza, S.A. (a wind facility), where Northland's ownership interest is at 66.2%.

2. Summary of accounting policies

2.1 Basis of preparation and statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**) and are presented in Canadian dollars. All values are presented in thousands except when otherwise indicated. The comparative financial information has been reclassified from the previously presented to conform to the current year presentation.

The consolidated financial statements for the year ended December 31, 2024, were approved by the Board of Directors on February 26, 2025.

2.2 Basis of consolidation

The consolidated financial statements include Northland's direct and indirect subsidiaries, which are fully consolidated on the date when Northland obtains control and continue to be consolidated until the date such control ceases. Northland determines that it has control over an investee if facts and circumstances indicate that Northland is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power. All intra-group balances and transactions are eliminated on consolidation.

2.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The acquired identifiable assets, liabilities and contingent consideration that meet the conditions for recognition under *IFRS 3, "Business Combinations"* are recognized at their fair values at the acquisition date, except for (i) income taxes, which are measured in accordance with *IAS 12, "Income Taxes"*; (ii) share-based payments, which are measured in accordance with *IFRS 2, "Share-based Payment"*; and (iii) non-current assets that are classified as held for sale, which are measured at fair value less costs to sell in accordance with *IFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations"*. Any goodwill arising from business combinations is, from the date of acquisition, allocated to each of Northland's cash-generating units (**CGUs**) or a group of CGU that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units and tested annually for impairment (Note 2.8). Goodwill is initially measured at cost, being the excess of the purchase price over Northland's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

2.4 Investment in joint ventures and associates

A joint venture is a type of joint arrangement whereby, the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Judgment is required when assessing the classification of a joint arrangement as a joint venture. When making this assessment, Northland considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements, and other facts and circumstances.

An associate is an entity over which Northland has significant influence. Significant influence is the ability to participate in the financial and operating policy decisions of the investee without controlling or jointly controlling it.

Northland's investments in a joint venture or an associate are accounted for under the equity method of accounting, whereby, the carrying value of interest in a joint venture or an associate is initially recognized at cost, which includes transaction costs and subsequently adjusted for Northland's share of net income, other comprehensive income (OCI), distributions by a joint venture or an associate and other adjustments to Northland's proportionate interest in a joint venture or an associate.

The consolidated financial statements include Northland's share of the income (loss) and OCI of the joint venture, after adjustments to align the accounting policies of the joint venture with those of Northland, from the date that joint control commences, until the date that joint control ceases.

In addition, when there has been a change recognized directly in the equity (other than due to OCI) of the joint venture, Northland recognizes its share of any changes, when applicable, in the consolidated statements of changes in equity and corresponding effect would be reflected in the net carrying value of interest in the joint venture.

When Northland's share of losses exceeds its interest in the joint venture, the carrying amount of that interest (including any long term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that Northland has a constructive or legal obligation to contribute to such losses or has made payments on behalf of the Joint venture. Currently, Northland does not have an investment in associate.

2.5 Property, plant and equipment

Property, plant and equipment (**PP&E**) are recorded at cost, net of accumulated depreciation and any accumulated impairment losses. The cost of PP&E includes the cost of replacing part of the PP&E and borrowing costs for long-term construction projects, if the recognition criteria are met. Likewise, when a major overhaul as described below is performed, its cost is recognized in the carrying amount of the related PP&E as a replacement if the recognition criteria are met. All other repair and maintenance costs are recognized in the consolidated statements of income (loss) as incurred. The present value of the expected cost for decommissioning is included in the cost of the related asset if the recognition criteria for a provision are met. Refer note 2.9 for further information about the measurement of the decommissioning liabilities.

Depreciation expense is recognized on a straight-line basis over estimated useful lives of the underlying assets, grouped under various asset classes, as follows:

Description of asset class	Useful Lives
Plant and operating equipment	10 to 35 years
Buildings and foundations	20 to 40 years
Lease ROU asset	1 to 50 years
Leasehold improvements	Over the term of the lease
Other equipment - vehicles and meteorological towers	5 years
Other equipment - office equipment, furniture and fixtures	5 years
Other equipment - computers and computer software	2 years

In general, Northland expects to use its PP&E to their full useful lives and considers residual values, where appropriate, in calculating depreciation.

Assets included in construction-in-progress (**CIP**) are transferred to the appropriate PP&E category and amortized once the assets are available for use, such as when the test period ends and / or the PP&E begins commercial operations.

The costs of all maintenance provided under long-term, fixed-price contracts are charged to the consolidated statements of income (loss) based on the terms of the contract. All major overhaul expenditures that are not incurred under long-term maintenance contracts are capitalized, and amortized over the average expected period between major overhauls.

An item of PP&E is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset is included in the consolidated statements of income (loss) in the period of derecognition.

Government grants and other tax credits related to the construction of capital assets are recorded as a reduction to the cost of the related asset and amortized over the useful life of the related asset.

2.6 Intangible assets

The cost of intangible assets acquired is initially recorded at their fair value at the date of acquisition. Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangible assets, other than deferred development costs, are not capitalized, and the expenditure is reflected the consolidated statements of income (loss).

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Development costs

Development expenditures on an individual project are recorded as assets on the consolidated statements of financial position when Northland can demonstrate:

- The technical feasibility of completing the project so that it will be available for use or sale;
- The intention to complete, and ability to use or sell, the project;
- The project will generate future economic benefits;
- The availability of resources to complete the project; and
- The ability to measure reliably the expenditures during development.

During the period of development, the asset is tested annually for impairment or if any indicators of impairment are identified.

Deferred development costs include pre-construction costs directly related to new projects and are presented under PP&E as CIP. Capitalization begins once it is determined by management that a given project has a high likelihood of being pursued through to completion. Costs are capitalized up to the closing of project financing and/or the start of construction, at which time they are reclassified to the appropriate PP&E category from CIP or recorded as intangible assets, as appropriate. All indirect research and development costs not eligible for asset recognition are expensed as "development costs" on the consolidated statements of income (loss).

Contracts

Contracts relate primarily to the fair value of PPAs and management agreements when they were acquired by Northland and are recorded net of accumulated amortization. Contract amortization is recorded on a straight-line basis over the term of the agreement.

2.7 Leases or arrangements containing a lease

Lessee accounting

At the inception of a contract, Northland assesses whether the arrangement is or contains a lease in accordance with *IFRS 16, "Leases"*. If the arrangement meets the definition of a lease, a lease obligation and a related right-to-use ("**ROU**") asset will be recorded on the applicable lease commencement date. A lease liability is initially measured at the present value of the unpaid lease payments and discounted using the interest rate implicit in the lease (if readily determinable) or otherwise using Northland's incremental borrowing rate. ROU asset is initially measured based on the initial amount of the related lease obligation, subject to certain adjustments. The lease obligation is remeasured when there are adjustments to future lease payments arising from a change in applicable indices or rates or changes in lease terms. Upon any such remeasurement, a corresponding adjustment is made to the carrying amount of the related ROU asset.

Northland applies the cost model to subsequently measure lease ROU assets and applies the same impairment policy as other PP&E. ROU assets are depreciated over a period, which is shorter of the lease term and useful life of the underlying asset. The lease term includes any renewal or termination options, which Northland is reasonably certain to exercise. In the case of land leased for future development, Northland assumes an initial lease term of 5 years. Where leased assets are required for the operation of the facility, Northland assumes that the lease will be renewed to match the term of the facility's PPA. Northland reassesses the lease term in response to significant events or changes in circumstances. If a lease transfers ownership of the underlying asset or Northland expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset.

Lessor accounting

Northland enters into PPAs to provide electricity and electricity-related products at predetermined prices. At inception of the contract, Northland assesses whether the PPA is, or contains, a lease in accordance with IFRS 16. If the PPA meets the definition of a lease and the terms of the contract do not transfer substantially all of the benefits and risks of ownership of PP&E, it is classified as an operating lease. Where the terms do transfer substantially all of the benefits and risks of ownership, it is classified as a finance lease. Finance lease receivables are initially measured at amounts equal to the present value of the net investment in the lease. Finance lease income is recognized in a manner that produces a constant rate of return on Northland's net investment in the lease and is included in operating income.

At the commencement of the lease, which generally coincides with start of commercial operations of the facility, Northland separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

2.8 Impairment of non-financial assets

Northland assesses at each reporting date whether there is an indication that an asset may be impaired or that previously recognized impairment losses may no longer exist or have decreased. If any indication exists or when annual impairment testing for an asset is required, Northland estimates the asset's or CGU's recoverable amount. The estimated recoverable amount is the higher of (i) an asset's or CGU's estimated fair value less costs to sell or (ii) its value in use. Where the carrying amount of an asset or CGU exceeds its estimated recoverable amount, the asset is considered impaired and is written down to its estimated recoverable amount. When the recoverable amount exceeds the carrying amount for an asset or CGU previously impaired, the reversal is limited to ensure the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment been previously recognized.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used and calculations are corroborated by valuation multiples or other available fair value indicators.

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount for each CGU or a group of CGUs to which the goodwill relates. Where the estimated recoverable amount of the CGU or a group of CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill are not reversed in future periods.

2.9 Provisions

General

Provisions are recognized when Northland has a present obligation (legal or constructive) as a result of a past event and where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where Northland expects some or all of a provision to be reimbursed (for example, under an insurance policy or warranty agreement), the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income (loss) net of any reimbursement.

Decommissioning liabilities

Provisions for decommissioning costs are recorded at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the related asset. The expected cash inflows associated with the residual or scrap values of the assets are not considered in arriving at decommissioning cost. The cash flows are discounted at a current pre-tax rate. Where the estimated cash flows reflect the risks specific to the decommissioning liability, a risk-free discount rate is used; otherwise, a discount rate reflective of the risks specific to the decommissioning liability is used. The unwinding of the discount is expensed as incurred and recognized in the consolidated statements of income (loss) as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

2.10 Share-based compensation

Northland’s share-based compensation plans provide incentives to executive management and select non-executive employees through "**Deferred Rights**" and "**Development Project LTIP**" to attract and retain talent or recognize achievements upon identified projects reaching predetermined milestones. Additionally, Performance Share Units (**PSU**), Restricted Share Units (**RSU**), and Deferred Share Units (**DSU**) are granted to the Board of Directors and staff. For Development Project LTIP awards, the cost is recognized over the vesting period and capitalized for employees working directly on projects. These awards vest when performance expectations are met. Deferred Rights, PSU, RSU, and DSU vest over a maximum of three years, and their expected cost is expensed over the vesting period.

The above awards, are settled in cash or shares, at Northland’s discretion, except DSUs and Development Project LTIP which are settled in cash only. Accordingly, these are accounted for as a liability until settled. The fair value of the awards is based on the grant date share price and, to the extent that services are provided in advance of the grant date, Northland’s reporting date share price. The estimated forfeiture rate reflects the shares that will vest upon achieving project milestone and is revised if there is any indication that the number of shares expected to vest has changed.

2.11 Cash and cash equivalents and restricted cash

Cash equivalents comprise only highly liquid investments with original maturities on acquisition of 90 days or less.

Restricted cash comprises amounts which are not readily available, on demand, to fund Northland’s operations, including the amounts set aside for specific uses such as amounts funded against future maintenance, debt service and construction costs at certain Northland subsidiaries.

As of December 31, 2024, cash and cash equivalents are comprised of cash balances and a short term deposit held with the banks of $613 million (December 2023 - $682 million) and nil (December 2023 - $58 million), respectively.

2.12 Financial instruments

(a) Financial assets and liabilities

Northland recognizes financial assets and financial liabilities initially at fair value and subsequently remeasure these at either fair value or amortized cost based on their classification as described below. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and Northland has transferred substantially all the risks and rewards of ownership. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income (loss).

Fair value through profit and loss:

Financial assets with the intention of generating earnings in the near term, and derivatives other than cash flow hedges, are classified as fair value through profit and loss (**FVPL**). A gain or loss on a financial asset measured at FVPL that is not part of a hedging relationship is recognized in consolidated statements of income (loss) and presented on a net basis in the period in which it arises. For derivative financial assets, gains and losses are shown within "fair value (gain) loss on financial instruments". Northland classifies loans provided to First Nations partners at FVPL as they do not meet the criteria for classification as amortized cost because the contractual cash flows are not solely payments of principal and interest. This is the only non-derivative financial asset measured at FVPL and related gains and losses are shown within "other (income) expense" in the consolidated statements of income (loss). Interest income from FVPL financial assets is recognized as "Finance Income".

Financial liabilities held for trading, such as those acquired for the purpose of selling in the near term, and derivative financial instruments entered into by Northland that do not meet hedge accounting criteria are classified as fair value through profit and loss. Gains or losses on these type of instruments are recognized in the consolidated statements of income (loss).

For financial instruments classified as fair value through OCI (**FVOCI**), refer below to note 2.12 (d) - *Derivatives and hedging activities*).

Amortized cost:

Financial assets held for collection of contractual cash flows that represent solely payments of principal and interest are measured at amortized cost, and include Northland's trade receivables, term deposits and other receivables. Interest income from these financial assets is included in "Finance income" using the effective interest rate method.

All other financial liabilities are classified as amortized cost using the effective interest rate method. Gains and losses are recognized in consolidated statements of income (loss) when the liabilities are derecognized as well as through the amortization process. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. This category includes trade and other payables, dividends payable, interest-bearing loans and borrowings, corporate credit facilities.

Tax equity financing:

Northland owns and operates certain renewable projects in the United States under tax-equity structures with the project investors, commonly referred to as the "**Tax-Equity Investors**", that have financed the construction of these renewable projects. Such tax-equity structures are used to allocate renewable tax incentives, such as Investment Tax Credits (**ITCs**), cash grants, and accelerated tax depreciation, as applicable, to the Tax-Equity Investors.

Generally, these Tax-Equity Investors, in return for purchasing equity stakes in these renewable projects, receive a substantial portion of earnings, tax benefits and cash flows from the projects financed with a tax-equity structure, until the projects have yielded an agreed-upon target rate of return to the Tax-Equity Investors (the "**Flip Point**"). The Flip Point is generally dependent on the project's performance. However, from time to time, the Flip Point dates may be contractually determined. Immediately after the Flip Point, the structures flip such that the Northland will receive the majority of earnings, tax benefits and cash flows from the projects financed with tax-equity structures.

When a tax-equity partnership is formed, Northland assesses whether the project company should be consolidated based on Northland's right to variable returns and its ability to influence the financial and operational decisions impacting those returns. Due to the operational and financial nature of the projects, and the protective nature of the rights given to the Tax-Equity Investors, Northland may retain the control to consolidate the project entity.

In accordance with the terms of the tax equity structure, the contribution by the Tax-Equity Investors has the characteristics of liability. These contributions are repayable and are subject to an agreed-upon rate of return. Additionally, the Tax Equity Investors do not share the risks of the renewable project in the same manner as Northland. Accordingly, the amounts contributed by the Tax-Equity Investors for their equity stakes are classified as loans and borrowings in the consolidated financial statements until the respective Flip Point of the projects. Subsequent to the Flip Point, the Tax-Equity Investors' equity investments will be accounted for as non-controlling interests.

The loans and borrowings as disclosed in note 13.1 of these consolidated financial statements, associated with the tax-equity structures are measured at amortized cost using the effective interest method.

Tax Equity financing is settled over time through the following components:

Key Components	Description
ITCs	Allocation of ITCs to the tax-equity investor derived from the power generated by the respective renewables facility during the period and recognized as an offset against the cost of the related asset.
Taxable income (loss), including tax attributes such as accelerated tax depreciation	Allocation of taxable income (loss) and other tax attributes to the Tax-Equity Investor recognized in other income as earned.
Interest Expense	Interest expense using the effective interest rate method recognized in finance costs as incurred and as an increase in tax-equity financing.
Pay-go-contributions	Upon exceeding the annual production thresholds, the Tax-Equity Investor is required to contribute additional cash amounts. The cash amounts paid increase the value of the tax-equity financing.
Cash distributions	Cash distribution and projected ITCs allocated to tax-equity financing in lieu of cash discounted at the internal rate of return to its present value.

(b) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if and only if there is a currently enforceable legal right to offset the recognized amounts and an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The individual derivative financial instruments, that a subsidiary enters into, will not be realized or settled simultaneously, and therefore derivative assets and derivative liabilities are not offset on the consolidated statements of financial position.

(c) Fair value of financial instruments

Northland determines the fair value of its financial instruments at each consolidated statements of financial position date based on the following hierarchy:

- Level 1 - Where financial instruments are traded in an active financial market, fair value is established by reference to the appropriate quoted market price at the reporting date. Active markets are those in which transactions occur with significant frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - If there is no active market, fair value is established using valuation techniques, including discounted cash flow models. The inputs to these models are taken from observable market data where possible, including recent arm's-length market transactions, and comparisons to the current fair value of similar instruments; but where this is not feasible, inputs such as liquidity risk, counterparty risk and volatility are used.
- Level 3 - Valuations at this level are those with inputs that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment; any changes in assumptions may affect the reported fair value of financial instruments.

The fair value of derivative financial instruments reflects the estimated amount that Northland would have been required to pay upon the settlement all unfavorable outstanding contracts or the amount that would be received upon the settlement of all favorable contracts at the consolidated statements of financial position date. The fair value represents a point-in-time estimate that may not be relevant in predicting Northland's future earnings or cash flows.

(d) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Northland designates its derivatives as hedges of:

- Foreign exchange risk associated with the cash flows of highly probable forecast transactions (cash flow hedges);
- Foreign exchange risk associated with net investment in foreign operations (net investment hedges);
- Floating interest rate risk associated with payments of debts (cash flow hedges); and
- Commodity risk associated with payments under PPAs (cash flow hedges).

The fair values of various derivative financial instruments used for hedging purposes and movements in the hedge reserve within equity are shown in note 19.1.

When a hedging instrument expires, is sold, is terminated, or no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remain in equity until the forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging are immediately reclassified to consolidated statements of income (loss).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in consolidated statements of income (loss) at the time of the hedge relationship rebalancing.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in OCI and accumulated in reserves in equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statements of income (loss), within “fair value (gain) loss on financial instruments”.

Gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve within equity. Amounts accumulated in equity are reclassified in the period when the hedged item affects the consolidated statements of income (loss).

Net investment hedges that qualify for hedge accounting

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in consolidated statements of comprehensive income (loss) and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statements of income (loss) within “fair value (gain) loss on financial instruments”. Gains and losses accumulated in equity will be reclassified to the consolidated statements of income (loss) when the foreign operation is partially disposed of or sold.

Hedge ineffectiveness

Northland’s hedging policy only allows for the use of derivative instruments that form effective hedge relationships. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. Northland enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, Northland uses the hypothetical derivative method to assess effectiveness.

(e) Impairment of Financial assets:

Northland accounts for impairment of financial assets based on a forward-looking expected credit loss (**ECL**) approach. ECL are measured as the difference in the present value of the contractual cash flows due to Northland under the contract and the cash flows that Northland expects to receive. Northland assesses all information available, including past due status, credit ratings, the existence of third-party insurance and forward-looking macro-economic factors in the measurement of the ECL associated with its assets carried at amortized cost and FVOCI. Northland measures ECL by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

Impairment of cash and cash equivalents and restricted cash is evaluated by reference to the credit quality of the underlying financial institution or investee.

Trade receivables are reviewed periodically on a case-by-case basis to determine if impairment exists.

2.13 Revenue recognition

(a) Electricity generation and related products

Electricity related revenue is recognized over time as electricity and related products are delivered. Each of Northland's PPAs contain a distinct performance obligation for the delivery of electricity, delivery of capacity (i.e. availability of generation), or a combination of the two. Determining what goods or services promised to the customer constitute a distinct performance obligation requires significant management judgment. Northland considered all goods and services promised in its PPA contracts and determined that while certain promises do have standalone value to the customer, they are not distinct in the context of the contract. Refer to note 20 and 26 for details on revenue streams disaggregated by geography and technology, respectively.

Northland views each megawatt hour (**MWh**) of electricity and/or capacity delivered to be a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer as measured using an output method. The amount that Northland has a right to bill the customer reflects the pattern of transfer and value of the completed performance to the customer. As a result, Northland applies the "right to invoice" practical expedient under *IFRS 15, "Revenue from Contracts with Customers"*, to measure and recognize revenue.

Renewable energy credits revenue is recognized at the time when the electricity is generated by the facility and delivered to the grid, when all performance obligations have been delivered. Revenues are based on actual output and contractual sale prices set forth in long-term contracts.

(b) Regulated revenue from electricity generation and utility

From electricity generation:

The revenue for each facility has four components:

- The return on investment (**"Ri"**), sized to complete the target return based on the market revenue assumed ex-ante (the **"posted price"**);
- The return on operations (**"Ro"**), sized to compensate a facility when its operating costs are higher than its market revenues. To note, Ro is not being received in the current environment;
- The market revenue, at pool prices; and
- The **"band adjustments"**, which are an ex-post positive or negative settlement to compensate for the difference between the market revenue, at pool prices and the revenue at the regulatory posted price. If the pool price is lower than the regulatory posted price, the band adjustment mechanism adds the additional revenue to achieve a reasonable return. Conversely, if the pool price is higher than the posted pool price, the band adjustment mechanism reduces revenues in the period.

Any pool price revenue collected significantly in excess of the assumed pool price in the current regulatory semi-period is recognized as deferred revenue. The non-current portion of deferred revenue is presented under "Provisions and other liabilities", whereas, the short-term portion of deferred revenue is presented under "Trade and other payables" in the consolidated statements of financial position. The deferred revenue is recognized as revenue over the remaining regulatory periods and presented under regulated electricity in the consolidated statements of income (loss). Any pool price revenue collected less than the assumed pool price in the current regulatory semi-period is recognized as a receivable and presented under "Trade and other receivables" or "Other non-current assets", as the case may be, in the consolidated statements of financial position. Collectively known as "Band adjustments" mechanism.

From utility distribution:

Regulated utility revenues from generation, transmission, distribution and commercialization (i.e. retail) tariffs are recognized as electricity is delivered to customers. Revenues include amounts billed or billable to customers for generation and transmission tariffs, which are passed through to third parties. Northland records these revenues on a gross basis since Northland is responsible for procuring electricity and has collection risk for these amounts.

Payments to customers are recorded as an expense when the payments relate to a separate good or service provided by the customer and recorded as a reduction in revenue when the payments relate to Northland's performance obligations under the contract (e.g. liquidated damages penalties).

(c) Other sources of revenue

Northland recognizes management fees and operations-related incentive fees as earned based on the terms of its respective facility agreements as the work is performed.

(d) Interest income

Interest income is recognized as earned in accordance with the terms of the underlying financial contracts.

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset that takes a substantial period of time to prepare for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

2.15 Taxes

(a) Current income tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities, based on the tax rates and tax laws that are enacted or substantively enacted at the consolidated statements of financial position date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of income (loss).

(b) Deferred income tax

Deferred income tax is determined using the asset and liability method at the consolidated statements of financial position date on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting income nor taxable income or loss and does not give rise to equal taxable and deductible temporary differences; and
- Where the deferred income tax liability relates to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses to the extent that it is probable that taxable income will be available against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting income nor taxable income or loss and does not give rise to equal taxable and deductible temporary differences; and
- Where the deferred income tax asset relates to deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the consolidated statements of financial position date.

Deferred income tax relating to items recognized directly in equity is recognized in equity, not the consolidated statements of income (loss).

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) Sales taxes

Sales, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- Where receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from or payable to the taxation authority is included in the consolidated statements of financial position.

2.16 Foreign currency translation

Northland's consolidated financial statements are presented in Canadian dollars, which is Northland's functional currency. For each subsidiary or a joint venture, located outside of Canada (referred herein as "**foreign operations**") Northland determines the functional currency and measures items included in the financial statements of such foreign operations in that functional currency. The functional currency of Northland's significant foreign operations reflects the primary economic environment in which they operate and includes the United States Dollar, Pound Sterling, Euro, Mexican Peso, New Taiwan Dollar, Polish Zloty, Korean Won, Japanese Yen and Colombian Peso.

The assets and liabilities of foreign operations are translated into Canadian dollars at the closing rates for consolidated statements of financial position date and their income and expenses are translated at the average exchange rate for each quarterly period. The exchange differences arising on the translation are recognized in consolidated statements of comprehensive income (loss) and presented in consolidated statements of changes in equity. On disposal of a foreign operation, the cumulative amount recognized in equity relating to the foreign operation is recognized in the consolidated statements of income (loss).

2.17 Contingencies and commitments

Liabilities for loss contingencies arising from environmental remediation, claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

2.18 Non-current assets and disposal group held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized. Assets and liabilities of disposal group, classified as held for sale, are presented separately as current items in the consolidated statements of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and a) represents a separate major line of business or geographical area of operations; b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or c) is a subsidiary acquired exclusively with a view to resale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statements of comprehensive income (loss).

2.19 New standards or amendments and forthcoming requirements

Northland assesses new standards or amendment to the existing standards to determine whether it may have a material impact on its consolidated financial statements. The following standards and or amendments to the existing standards apply for the first time to financial reporting periods commencing on or after January 1, 2024:

- *Amendments to IAS 1, Presentation of Financial Statements (effective on or after January 1, 2024)* – These narrow-scope amendments to IAS 1 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- *Amendments to IAS 7 and IFRS 7, Supplier Finance (effective on or after January 1, 2024)* – These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.
- *Amendment to IFRS 16, Leases on sale and leaseback (effective on or after January 1, 2024)* – These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Northland adopted the above amendments as of January 1, 2024, and there has been no significant impact on the consolidated financial statements as of and for the year ended December 31, 2024.

IASB has issued following new amendments to the standards before December 31, 2024, with an effective date for accounting periods ending on or after January 1, 2025:

- *Amendment to IAS 21, Lack of Exchangeability (effective on or after January 1, 2025)* – The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.
- *Amendments to IFRS 7 and IFRS 9 (effective on or after January 1, 2026)* – These proposed amendments require that a financial liability be derecognized on the 'settlement date' and introduced an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date.
- *IFRS 18, Presentation and Disclosure in Financial Statements (effective on or after January 1, 2027)* – This is a new standard on the presentation and disclosure in financial statements with a focus on changes to the structure of the statement of profit or loss, required disclosures in the financial statements for management defined performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes to the financial statements.

Management is currently assessing the impact of these amendments on the consolidated financial statements of Northland.

3. Significant accounting judgments, estimates and assumptions

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses and in applying accounting policies. The actual results are likely to differ from the judgments, estimates and assumptions and will seldom precisely equal the estimated results.

The judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

3.1 Judgements

In the process of applying Northland's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

a) Deferred development costs

Management monitors the progress of the projects in early, mid and advanced stage development phases though an internally developed framework developed. Costs are recognized as an asset in accordance with IFRS once management determines a project is economically feasible and risks to project completion have been sufficiently mitigated, which generally occurs during mid-to-advanced staged development phase. Early stage development costs are expensed as incurred.

Determination of which projects continue to be pursued and when to commence deferring costs for the advanced development phase projects requires judgment. Management regularly reviews the feasibility of each project that is being developed, and should management determine that the development of any development project is no longer feasible, the deferred costs are expensed in the period such decision is made.

b) Accounting for investments in non-wholly owned subsidiaries

Management exercises judgment in determining whether non-wholly owned subsidiaries are controlled by Northland. Management's judgment included the determination of (i) how the relevant activities of the subsidiary are directed (either through voting rights or contracts); (ii) whether Northland's rights are substantive or protective in nature; and (iii) Northland's ability to influence the returns of the subsidiary. In addition, where subsidiaries are subject to joint control, Management applies judgment in determining whether Northland's rights are to the net assets or individual assets and liabilities of the joint arrangement, which results in accounting for the subsidiary as a joint venture or joint operation, respectively. Refer to note 17 for details on significant non-wholly owned subsidiaries and note 10 for investment in joint ventures.

3.2 Accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. Management based its assumptions and estimates on the information available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond management's control. Accordingly, such changes are reflected in the assumptions when they occur.

a) PP&E and intangible assets

PP&E and intangible assets are depreciated over their useful lives, taking into account estimated residual values, where appropriate. Residual values and useful lives are reviewed annually and adjusted prospectively, if appropriate. In assessing residual values, Northland considers the remaining life of the asset, its projected disposal value and future market conditions. Useful lives take into account factors such as technological innovation, maintenance programs, relevant market information and management considerations. Management judgment is also required when Northland acquires entities and must allocate the purchase price to the fair value of the assets and liabilities acquired, which includes PP&E and intangible assets, such as but not limited to goodwill. The carrying amounts of PP&E and intangible assets are analyzed in note 4 and note 5, respectively.

b) Decommissioning liabilities

Northland's decommissioning liabilities relate to wind, solar and closed efficient natural gas facilities. Future remediation costs, whether required under contract or by law, are recognized based on best estimates. These estimates are calculated at completion of construction and reviewed annually or more often if there is reason to believe the estimate has changed. Cost estimates depend on labour costs, efficiency of site restoration and remediation measures, inflation rates and, where possible, risks specific to the liability. Estimates of pre-tax interest rates that reflect current market conditions, the time value of money and, where applicable, the risks specific to the liability also affect the liability. Northland estimates the timing of expenses, which may change depending on the viability of continuing operations. Expected future costs are inherently uncertain and could materially change over time. Subject to plant closures, Northland expects to use assets at the efficient natural gas facilities and regulated utility operations for an indefinite period due to continuing equipment overhauls and rights to the underlying land. As a result, management considers that a reasonable estimate of the value of any related decommissioning liability cannot be made until it is known that the facility will be closed. Refer to note 15.1 for additional details.

c) Fair value of financial assets and financial liabilities

Where the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using valuation techniques, including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to note 19.1 for additional details on fair values of financial instruments.

d) Impairment of non-financial assets

Northland tests impairment of goodwill, other intangible assets and PP&E based on value-in-use calculations using a discounted cash flow model. The cash flows are derived from forecasts over the remaining useful lives of the assets of the CGUs, less an allocation of forecasted corporate costs. The estimated recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. The key assumptions used to estimate the recoverable amount for the different CGUs are further explained in note 24.

For certain assets, Northland also uses fair value less cost to sell (**FVLCS**) method in which most recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples for similar transactions or other available fair value indicators. FVLCS approach is most sensitive to EBITDA multiples and price per megawatts.

e) Income taxes

Preparation of the consolidated financial statements requires an estimate of income taxes in each of the jurisdictions in which Northland operates. The process involves an estimate of Northland's current tax exposure and an assessment of temporary differences resulting from differing treatment of items such as depreciation and amortization for tax and accounting purposes. These differences result in deferred tax assets and liabilities that are included in Northland's consolidated statements of financial position. An assessment is also made to determine the likelihood that Northland's deferred income tax assets will be recovered from future taxable income.

Judgment is required to continually assess changing tax interpretations, regulations and legislation to ensure liabilities are complete and to ensure assets, net of valuation allowances, are realizable. The impact of different interpretations and applications could be material.

4. Property, plant and equipment

The table below summarizes the changes in the consolidated property, plant, and equipment of the Group, excluding its joint ventures, categorized by asset class:

	Construction-in-progress	Plant and operating equipment	Land, buildings and leasehold improvements	Lease ROU asset (Note 7.2)	Other equipment [1]	Total
Cost						
January 1, 2023	$ 841,299	$ 9,909,974	$ 1,874,529	$ 190,524	$ 47,797	$ 12,864,123
Additions	375,632	56,684	10,960	46,521	665	490,462
Transfer from CIP	(1,024,683)	850,776	160,136	2,796	10,975	—
Exchange rates changes	36,222	162,486	8,438	600	2,293	210,039
Disposals and other movements [2]	(10,777)	(277,112)	(69)	(4,697)	(567)	(293,222)
December 31, 2023	$ 217,693	$ 10,702,808	$ 2,053,994	$ 235,744	$ 61,163	$ 13,271,402
Additions	**549,852**	**1,902**	**820**	**3,827**	**1,266**	**557,667**
Transfer from CIP	**(64,427)**	**51,827**	**9,412**	**48**	**3,140**	**—**
Exchange rates changes	**2,748**	**121,760**	**5,371**	**6,324**	**(4,642)**	**131,561**
Disposals and other movements [2]	**(34,478)**	**(459,236)**	**156,355**	**(12,536)**	**1,308**	**(348,587)**
December 31, 2024	**$ 671,388**	**$ 10,419,061**	**$ 2,225,952**	**$ 233,407**	**$ 62,235**	**$ 13,612,043**
Accumulated depreciation						
January 1, 2023	$ —	$ 2,798,629	$ 607,740	$ 40,537	$ 39,633	$ 3,486,539
Exchange rates changes	—	33,355	4,492	13	1,707	39,567
Depreciation	—	422,904	151,819	17,039	3,838	595,600
Disposals and other movements	—	(20,372)	(4,793)	(420)	(4,652)	(30,237)
December 31, 2023	$ —	$ 3,234,516	$ 759,258	$ 57,169	$ 40,526	$ 4,091,469
Exchange rates changes	**—**	**31,349**	**10,564**	**1,113**	**347**	**43,373**
Depreciation	**—**	**450,172**	**145,874**	**15,511**	**3,786**	**615,343**
Disposals and other movements	**—**	**25,023**	**(35,699)**	**(6,373)**	**(194)**	**(17,243)**
December 31, 2024	**$ —**	**$ 3,741,060**	**$ 879,997**	**$ 67,420**	**$ 44,465**	**$ 4,732,942**
Net book value						
December 31, 2023	217,693	7,468,292	1,294,736	178,575	20,637	9,179,933
December 31, 2024	**$ 671,388**	**$ 6,678,001**	**$ 1,345,955**	**$ 165,987**	**$ 17,770**	**$ 8,879,101**

(1) Other equipment includes vehicles, meteorological towers, office equipment, furniture and fixtures, and computer software.

(2) Includes disposal and transfers of assets, adjustments related to ARO assets, and recognition of accruals, net of amounts paid, under the LTIP.

(a) Disposals and other movements include property, plant and equipment with the net book value of $253 million, relating to the La Lucha Solar facility that was disposed of during the year (note 29).

(b) As at December 31, 2024, construction-in-progress primarily relates to the Oneida Energy Storage project in Canada and other routine capital maintenance work on certain operational projects in Canada and Colombia.

(c) As at December 31, 2024, the grant received from Natural Resource Canada, to support the development and construction of the Oneida Energy Storage Project, amounting to $45 million (net of 10% holdback) has been recognized as an offset to the carrying value of construction in progress.

(d) As disclosed in note 13.1 the Investment Tax Credit, amounting to $41 million (December 2023 - $239 million), earned by the New York Wind projects, during the year has been recognized as an offset to the property, plant, and equipment.

Geographical Information

Northland operates in various geographic locations worldwide. The table below presents the consolidated property, plant, and equipment of its subsidiaries, excluding joint ventures, across these significant locations:

As at	December 31, 2024	December 31, 2023
The Netherlands	$ 2,271,477	$ 2,419,327
Germany	2,102,684	2,218,653
Canada	2,092,886	1,750,106
Spain	1,345,518	1,406,339
United States	496,853	538,465
Colombia	539,581	567,807
Others	30,102	279,236
Total	$ 8,879,101	$ 9,179,933

5. Contracts and other intangible assets

The following table summarizes the movement in contracts and intangible assets:

Year ended December 31,	2024	2023
Cost		
As at January 1	$ 714,295	$ 723,522
Additions	—	1,050
Disposals	(2,579)	(18,224)
Exchange rates changes	11,527	7,947
December 31,	$ 723,243	$ 714,295
Accumulated amortization		
As at January 1	$ (267,425)	$ (207,747)
Amortization	(58,384)	(57,015)
Exchange rates changes	(3,548)	(2,663)
December 31,	$ (329,357)	$ (267,425)
Net book value	$ 393,886	$ 446,870

6. Goodwill

Changes in the goodwill during the years ended December 31, 2024, and 2023 are summarized below:

Year ended December 31,	2024	2023
Cost		
As at January 1	$ 910,597	$ 820,699
Exchange rates changes	(18,794)	89,898
December 31,	$ 891,803	$ 910,597
Accumulated impairment		
As at January 1	$ (271,250)	$ (108,081)
Impairment (Note 24)	—	(163,169)
Exchange rates changes	$ (2,946)	$ —
December 31,	$ (274,196)	$ (271,250)
Net Book Value	$ 617,607	$ 639,347

7. Leases

7.1 Northland as lessor

Spy Hill's long-term PPA is classified as a finance lease arrangement, whereby Northland is considered to have leased the Spy Hill facility to Saskatchewan Power Corporation ("**SaskPower**") for the period 25 years ending in 2036. The amounts receivable under finance lease are summarized as follows:

As at	December 31, 2024		December 31, 2023	
Minimum lease payments	**Minimum lease payments**	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**
Within one year	**$ 16,182**	**$ 6,302**	$ 16,183	$ 5,800
After one year but not more than five years	**64,806**	**31,236**	64,806	28,753
More than five years	**109,071**	**82,648**	125,258	91,438
	$ 190,059	**$ 120,186**	$ 206,247	$ 125,991
Less: Unearned finance income	**(69,873)**	**—**	(80,256)	—
Total finance lease receivable	**$ 120,186**	**$ 120,186**	$ 125,991	$ 125,991
Current portion (Note 8)		**6,302**		5,800
Non-current portion		**$ 113,884**		$ 120,191

The interest rate embedded in the lease was set for the term at the inception of the lease at approximately 8.4% per annum.

For the year ended December 31, 2024, finance lease income of $10 million (December 2023 - $11 million) was recognized in the consolidated statements of income (loss).

7.2 Northland as lessee

Northland and several of its subsidiaries have entered into leases for land with private and public landowners, buildings, and operating equipment. The original terms of these leases range up to 50 years.

The amount of the lease ROU asset and associated depreciation by type of underlying asset as at December 31, 2024 are as follows:

	Land	Vehicle	Equipment	Building	Total
January 1, 2023	$ 123,854	$ (337)	$ 10,287	$ 16,183	$ 149,987
Additions	29,523	1,406	—	15,592	46,521
Other movements (1)	67	5,096	(5,047)	(1,597)	(1,481)
Depreciation expense	(9,912)	(1,727)	(1,807)	(3,593)	(17,039)
Exchange rates changes	313	188	36	50	587
December 31, 2023	$ 143,845	$ 4,626	$ 3,469	$ 26,635	$ 178,575
Additions	**3,067**	**5**	**453**	**302**	**3,827**
Other movements (1)	**(6,992)**	**(164)**	**(381)**	**1,422**	**(6,115)**
Depreciation expense	**(6,982)**	**(1,615)**	**(1,693)**	**(5,221)**	**(15,511)**
Exchange rates changes	**4,874**	**(3)**	**37**	**303**	**5,211**
December 31, 2024	**$ 137,812**	**$ 2,849**	**$ 1,885**	**$ 23,441**	**$ 165,987**

(1) Other movements include disposal and transfers of leased assets.

The lease ROU asset balance is included in PP&E in the consolidated statements of financial position.

Northland expenses payments for leases that are short-term (i.e. term of 12 months or less) and low value, as well as variable payments that are excluded from lease payments, such as usage-based fees or utility charges. For the year ended December 31, 2024, lease expense of $4 million (December 2023 - $7 million) was recognized and presented within the G&A and operating costs lines in the consolidated statements of income (loss).

The following table summarizes the movements in Northland's lease liabilities:

Year ended December 31,	2024	2023
January 1	**$ 187,226**	$ 155,212
Additions	**3,827**	46,521
Accretion of interest (Note 23)	**5,178**	4,073
Payments	**(19,207)**	(19,613)
Disposals	**(5,615)**	—
Exchange rates changes	**5,754**	1,033
December 31,	**$ 177,163**	$ 187,226
Current	**18,469**	16,141
Non-current	**158,694**	171,085
Total lease liabilities (Note 15)	**$ 177,163**	$ 187,226

8. Trade and other receivables

As at	December 31, 2024	December 31, 2023
Trade receivables	**$ 272,914**	$ 298,221
SDE subsidy receivable	**213,161**	—
Indirect taxes receivable	**7,753**	58,923
Finance lease receivable (current portion) (Note 7.1)	**6,302**	5,800
Others [1]	**35,831**	33,070
Total	**$ 535,961**	$ 396,014

(1) Included in others are amounts due from the joint ventures relating to the cost recharges for the project management services provided by Northland, aggregating to $27 million (December 2023: nil) (Note 27.2).

9. Other non-current assets

As at	December 31, 2024	December 31, 2023
Loan receivable from joint ventures (Note 9.1)	**$ 682,069**	$ 405,368
Long-term deposits (a)	**146,033**	133,620
Band adjustments	**34,562**	—
Receivable related to terminated derivative contracts	**—**	16,631
Trade receivables - Non current portion	**16,879**	20,490
Other [1]	**18,144**	23,257
Total	**$ 897,687**	$ 599,366

(1) Other includes deferred financing costs amounting to $3 million (December 2023 - $5 million), associated with the syndicated revolving facility (Note 14).

(a) Long-term deposits include decommissioning deposits relating to offshore wind facilities, amounting to $140 million (December 2023 - $123 million). Additionally, in connection with the decommissioning deposits, Gemini provided a letter of credit to the Dutch government to secure future decommissioning liability for Gemini. The letter of credit is collateralized by a long-term deposit of $61 million (December 2023 - $59 million), held by project lenders in a money market fund with the maturity in 2042 and earns interest at a rate of 6-month EURIBOR plus 0.8%.

9.1 Loans receivable from joint ventures

As at	December 31, 2024	December 31, 2023
Hai Long (Note 10.1)	**$ 465,476**	$ 208,075
Baltic (Note 10.2)	**216,593**	197,293
Total (Note 27.2)	**$ 682,069**	$ 405,368

The above loan receivable balances, as of December 31, 2024, from Hai Long and Baltic, also include accrued interest amounting to $26 million (December 2023 - $6 million) and $21 million (December 2023 - $4 million), respectively.

10. Investment in joint ventures

Below are Northland's significant joint ventures as at December 31, 2024 and 2023. The entities have share capital consisting solely of ordinary shares, which are held directly or indirectly by Northland.

Name of joint ventures	Carrying amount as at		Share of profit (loss) for the year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Hai Long (Note 10.1)	**$ 652,770**	$ 526,282	**$ 47,310**	$ (42,877)
Baltic Power (Note 10.2)	**356,852**	360,747	**197**	(220,490)
Others	**13,446**	12,856	**(3,773)**	(16,482)
Total	**$ 1,023,068**	$ 899,885	**$ 43,734**	$ (279,849)

The country of incorporation or registration is the same as their principal place of business. Northland's ownership interest is the same as the proportion of voting rights held. Northland's ownership and the place of business/country of incorporation of Baltic Power and Hai Long are disclosed in note 1 of the consolidated financial statements.

The table below provides reconciliation of the carrying amounts of significant joint ventures to the underlying net assets of the joint ventures:

a) Reconciliation to equity investments carrying amounts

	Opening net assets	Equity contribution	Total comprehensive income (loss) for the year	Currency translation gain (loss)	Adjustments[1]	Closing net assets	Northland's share in %	Northland's share in net assets	Other adjustments[2]	Carrying amount at Northland's share
As at December 31, 2024										
Hai Long	**$ 1,031,926**	**$ 161,807**	**$ 108,328**	**$ —**	**$ —**	**$1,302,061**	**51%**	**$ 664,051**	**$ (11,281)**	**$ 652,770**
Baltic Power	**738,327**	**—**	**404**	**11,556**	**—**	**750,287**	**49%**	**366,590**	**(9,738)**	**356,852**
Total	**$ 1,770,253**	**$ 161,807**	**$ 108,732**	**$ 11,556**	**$ —**	**$2,052,348**		**$ 1,030,641**	**$ (21,019)**	**$ 1,009,622**
As at December 31, 2023										
Hai Long	$ 329,858	$ 1,117,024	$ (71,461)	$ 3,142	$ (346,637)	$1,031,926	51%	$ 526,282	$ —	$ 526,282
Baltic Power	254,814	903,951	(451,268)	30,830	—	738,327	49%	360,747	—	360,747
Total	$ 584,672	$ 2,020,975	$ (522,729)	$ 33,972	$ (346,637)	$1,770,253		$ 887,029	$ —	$ 887,029

(1) This represents adjustments, recognized as a result of Northland's change in the ownership interest in Hai Long during 2023.

(2) These represent the elimination of Northland's share in the interest expense on the Shareholder's loans provided to these joint ventures.

In addition to the above, Note 10 (d) summarizes Northland's share of commitments and contingencies related to its joint ventures.

Summarized below is the financial information for the significant joint ventures. The disclosed information is comprised of the amounts presented in the financial statements of the respective joint ventures, reflecting their 100% financial information and not Northland's share of those amounts. They have been amended to reflect adjustments made by Northland when applying the equity method of accounting, including acquisition date fair value adjustments and differences in accounting policies.

b) Summarized statement of financial position, at 100%

	Current assets			Non-current assets	Current liabilities			Non-current financial liabilities	Net assets
	Cash and cash equivalents	Other current assets	Total current assets		Financial liabilities	Other current liabilities	Total current liabilities		
As at December 31, 2024									
Hai Long	**$ 2,060**	**$ 924**	**$ 2,984**	**$ 2,216,718**	**$ 1,793**	**$ —**	**$ 1,793**	**$ 915,848**	**$ 1,302,061**
Baltic Power	**49,499**	**106,999**	**156,498**	**3,228,233**	**208,422**	**89,815**	**298,237**	**2,336,207**	**750,287**
Total	**$ 51,559**	**$ 107,923**	**$ 159,482**	**$ 5,444,951**	**$ 210,215**	**$ 89,815**	**$ 300,030**	**$ 3,252,055**	**$ 2,052,348**
As at December 31, 2023									
Hai Long	$ 1,417	$ 424	$ 1,841	$ 1,438,150	$ 134	$ —	$ 134	$ 407,931	$ 1,031,926
Baltic Power	276,359	189,411	465,770	1,805,022	209,805	134,874	344,679	1,187,786	738,327
Total	$ 277,776	$ 189,835	$ 467,611	$ 3,243,172	$ 209,939	$ 134,874	$ 344,813	$ 1,595,717	$ 1,770,253

c) Summarized statement of comprehensive income, at 100%

	Interest income / (expense)	G&A	Depreciation and amortization	Fair value changes	Share of profit (loss)	Income tax expense	Net income (loss)	Other comprehensive income (loss)	Total comprehensive income (loss)
Year ended December 31, 2024									
Hai Long	**$ 9,116**	**$ (1,945)**	**$ —**	**$ 15,779**	**$ 74,912**	**$ (5,097)**	**$ 92,765**	**$ 15,563**	**$ 108,328**
Baltic Power	**(692)**	**(5,237)**	**(551)**	**6,884**	**—**	**—**	**404**	**—**	**404**
Total	**$ 8,424**	**$ (7,182)**	**$ (551)**	**$ 22,663**	**$ 74,912**	**$ (5,097)**	**$ 93,169**	**$ 15,563**	**$ 108,732**
Year ended December 31, 2023									
Hai Long	$ —	$ 4,659	$ —	$ (75,188)	$ —	$ (932)	$ (71,461)	$ —	$ (71,461)
Baltic Power	4,396	(3,560)	(483)	(451,621)	—	—	(451,268)	—	(451,268)
Total	$ 4,396	$ 1,099	$ (483)	$ (526,809)	$ —	$ (932)	$ (522,729)	$ —	$ (522,729)

d) Letters of credit and parental guarantees issued by Northland

The table below summarizes letters of credit and the parental guarantees, issued by Northland, in favor of the joint ventures as their sponsor to support the credit obligations associated with the development and construction activities of these projects.

As at	December 31, 2024		December 31, 2023	
Hai Long	$	**672,323**	$	830,429
Baltic Power		**66,895**		32,145
Other joint ventures		**—**		2,626
Total	**$**	**739,218**	$	865,200

As of December 31, 2024, Hai Long's material commitments included capital commitments of $1.1 billion (December 2023 - $2 billion). Northland’s share of the above commitments for Hai Long amounts to $323 million (December 2023 - $627 million)

As of December 31, 2024, Baltic Power's material commitments comprised letters of credit and capital commitments of $2.1 billion (December 2023 - $2.2 billion) and $685 million (December 2023 $1.5 billion), respectively. Northland’s share of the above commitments for Baltic Power amounts to $1.4 billion (December 2023 - $1.9 billion).

10.1 Hai Long offshore wind project

Northland holds 51% (December 2023 - 51%) shareholding in NP Hai Long Holding BV (“**Hai Long**”) which has 60% (December 2023 - 60%) investment in the underlying offshore wind projects (the “**Hai Long Project**”). As a result, Northland’s economic interest in the Hai Long Project, is 31% (December 2023 - 31%). Certain key activities of the Hai Long Project are jointly controlled by Northland together with other shareholders of the Hai Long Project. Consequently, Northland recognized its investment in the Hai Long Project as a jointly controlled investment and, accounted for using the equity method in accordance with *IAS 28 (Investment in Associates and Joint venture)*.

During the year ended December 31, 2023, Hai Long Project signed and closed a credit agreement to secure a $5 billion (NTD $117 billion) 20-year long-term non-recourse project financing. As of December 31, 2024, the Hai Long Project has drawn down $2 billion (December 2023 - nil) of project debt.

Northland has provided a long-term shareholder loan aggregating $440 million (December 2023 - $203 million) to the Hai Long Project. The loan carries interest at the rate of 6% per annum. The loan has a contractual maturity of 20 years with repayments commencing upon the Hai Long Project achieving commercial operations. It will be made in semi-annual installments, due on 30 June and 31 December each year. The carrying value of this shareholder loan approximates its fair value. In the consolidated statements of financial position, this loan, together with the accrued interest, is carried at $465 million (December 2023 - $208 million). The loan is classified as non-current and presented under other non-current assets (Note 9.1).

For the year ended December 31, 2024, Northland provided services to the Hai Long Project amounting to $41 million (December 2023 - $26 million).

10.2 Baltic Power offshore wind project

Northland holds a 49% interest in the Baltic Power Offshore Wind Project (**"Baltic Power”**). Baltic Power is structured as a standalone legal entity, and Northland has an interest in the net assets of Baltic Power. Accordingly, Northland has classified its interest in Baltic Power as a joint venture, accounted for under the equity method in accordance with *IAS 28 (Investment in Associates and Joint venture)*.

During the year ended December 31, 2023, Baltic Power signed and closed a credit agreement to secure 20-year long-term non-recourse project financing amounting to CAD $5 billion (Euro equivalent €4 billion). As of December 31, 2024, Baltic has drawn down $1 billion (December 2023 - nil) of project debt.

Northland has provided a long-term shareholder loan aggregating to $196 million (December 2023 - $193 million) to Baltic Power. The loan carries interest at the rate of EURIBOR plus 3.8%. The loan has a contractual maturity of 23 years with repayments commencing upon Baltic Power Project achieving commercial operations and will be made in semi-annual installments, due in February and August each year. The carrying value of this shareholder loan approximates its fair value. In the consolidated statements of financial position, this loan, together with the accrued interest, is carried at $217 million (December 2023 - $197 million). The loan is classified as non-current and presented under other non-current assets (Note 9.1).

For the year ended December 31, 2024, Northland provided services to Baltic Power, amounting to $15 million (December 2023 - $11 million).

11. Trade and other payables

Northland's trade and other payables are summarized as follows:

As at	December 31, 2024	December 31, 2023
Trade payables	**$ 169,026**	$ 161,638
Tax payable	**64,531**	88,365
Short-term loans payable to joint ventures (a)	**15,977**	14,999
SDE subsidy payable	**—**	25,756
Other payables and accrued liabilities (b)	**119,257**	158,703
Total	**$ 368,791**	$ 449,461

(a) The short-term loans payable to the joint ventures carried interest at an annual rate of 3-month EURIBOR plus 1.1% and has a contractual maturity date of April 2025 (Note 27.2).

(b) Other payables and accrued liabilities include accruals in relation to operational costs, development and construction projects amounting to $104 million (December 2023 - $103 million), and accrued interest amounting to nil (December 2023 - $26 million).

12. Management of capital

Northland's strategy for funding general development efforts and investing in project entities employs a mix of internally generated cash flows, equity issuances, corporate debt, hybrid capital issuances, borrowings from corporate credit facilities, sell-downs and asset recycling, along with other capital sources such as US tax equity financing. For additional information, refer to note 13 and note 14.

Northland defines capital as the total of its equity, encompassing non-controlling interests, interest-bearing loans and borrowings, corporate credit facilities, and net proceeds from asset sales. Northland's objectives in managing capital are to (i) ensure the stability and long-term sustainability of dividends for shareholders and (ii) finance assets with non-recourse debt that is fully amortized throughout the duration of the underlying sales arrangements.

Northland exercises discretion regarding the amount of dividends declared to shareholders, the terms of its Dividend Reinvestment Plan (DRIP), the issuance of new shares, and the issuance or redemption of preferred shares.

Northland's strategy has been to finance its operating entities (subsidiaries of Northland) primarily through non-recourse debt, whether at the subsidiary level or at the holding company level in the case of EBSA, New York Wind, and the Spanish Portfolio. The interest rate on such non-recourse debt is largely fixed (or effectively fixed using interest rate swaps), and the principal is fully repaid (amortized) generally over each facility's PPA term. This ensures that each power generation facility is debt-free at the expiration of its original sales arrangement, after which its economics become less predictable. For EBSA, the interest rate on the non-recourse debt at its holding company is effectively fixed throughout the lending period; the repayment date is expected to be regularly extended, and the principal amount is regularly upsized due to the perpetual and growing nature of the utility business.

As at December 31, 2024, total managed capital was $11.7 billion (December 2023 - $11.7 billion), comprising equity of $4.6 billion (December 2023 - $4.5 billion), non-recourse facility-level loans and borrowings totaling $6.5 billion (December 2023 - $6.6 billion) and corporate borrowings, net of deferred financing cost, aggregating to $665 million (December 2023 - $602 million).

Changes in loans and borrowings (Note 13) and corporate credit facilities (Note 14) are summarized in the table below:

Year ended December 31, 2024	Project level borrowings	Tax equity financing(2)	Green Subordinated Notes	Corporate credit facilities(3)	Total
Total, beginning of the year	$ 6,531,526	$ 42,959	$ 491,049	$ 110,990	$ 7,176,524
Financings, net of fees	611,330	—	—	625,115	1,236,445
Repayments	(770,393)	(5,955)		(569,240)	(1,345,588)
Other non-cash (1)	29,859	(12,772)	1,396	—	18,483
Exchange rate differences	88,331	2,569	—	5,585	96,485
Total, end of the year	$ 6,490,653	$ 26,801	$ 492,445	$ 172,450	$ 7,182,349

Year ended December 31, 2023	Project level borrowings	Tax equity financing(2)	Green Subordinated Notes	Corporate credit facilities(3)	Total
Total, beginning of the year	$ 6,971,722	—	—	$ (2,817)	$ 6,968,905
Financings net of fees paid	331,326	287,003	490,016	1,106,632	2,214,977
Repayments	(879,285)	—	—	(996,047)	(1,875,332)
Other non-cash (1)	65,426	(243,498)	1,033	1,918	(175,121)
Foreign exchange	42,337	(546)	—	1,304	43,095
Total, end of the year	$ 6,531,526	$ 42,959	$ 491,049	$ 110,990	$ 7,176,524

(1) Other non-cash changes include amortization of fair value adjustments and deferred financings costs.

(2) Other non-cash adjustments for Tax Equity Financing also include a reduction in the Tax Equity liability, as a result of allocation of ITC to the tax equity partner (Note 13.1).

(3) The balance of corporate credit facilities, as of December 31, 2024 is presented net of deferred financing cost amounting to $3 million (December 2023 - $5 million). This deferred financing cost is included within the other assets in the consolidated statements of financial position (Note 9 and 14).

13. Loans and borrowings

Northland's loans and borrowings, excluding the corporate credit facilities, as disclosed in note 14, are comprised of the following:

As at	December 31, 2024	December 31, 2023
Project level non-recourse borrowings (Note 13.2)	$ 6,490,653	$ 6,531,526
Tax equity financing (Note 13.1)	26,801	42,959
Loans and borrowings at the project level	$ 6,517,454	$ 6,574,485
Green Subordinated Notes (Note 13.3)	492,445	491,049
Total loans and borrowings	$ 7,009,899	$ 7,065,534
Less: Current portion of loans and borrowings (a)	862,626	744,812
Non-current portion of loans and borrowings	$ 6,147,273	$ 6,320,722

(a) Current portion of the loans and borrowings, as at December 31, 2024, is comprised of $848 million and $15 million (December 2023 - $745 million and nil), relating to project level borrowings (Note 13.2) and tax equity financing (Note 13.1), respectively.

(b) The estimated fair value of loans and borrowings, including Tax Equity Financing and Green Subordinated Notes, as at December 31, 2024 is $7.1 billion (December 2023 - $7.2 billion).

As at and for the year ended December 31, 2024, and as at the approval date of these consolidated financial statements, Northland has complied with all the applicable financial covenants under the respective loan agreements.

13.1 Tax-equity financing

In 2023, the funding of tax-equity financing, in relation to the New York Wind, was completed and as a result the project received $287 million, net of transaction cost of $10 million, representing 100% of the total tax equity commitment. Tax-equity financing is denominated in US Dollar and the implied interest cost on this financing reflects the agreed targeted rate of return with the tax equity investor. Furthermore, upon project achieving the commercial operations in 2023, management determined that the Investment Tax Credits (**"ITC"**) were deemed to have been earned as at December 31, 2023 and therefore the tax equity liability was reduced by the ITC amount of $239 million with a corresponding reduction in property, plant and equipment.

During the year, the US IRS issued new guidelines that increased the Bonus Tax Credit ("**ITC Adder**") for projects in Energy Community Areas. As a result, the Bluestone project within the New York Wind portfolio qualified for a $41 million ITC. Consequently, the tax-equity financing agreement was amended this year to incorporate the ITC Adder, reducing the tax equity liability by the ITC amount, with an offset to property, plant, and equipment (Note 4). This adjustment allows the tax equity investor to achieve the targeted rate of return by 2027, instead of 2029. Management has determined that this amendment constitutes a loan extinguishment under IFRS 9. Accordingly, a $20 million loss on extinguishment was recognized and recorded under "Finance Cost" in the consolidated statements of income (loss).

13.2 Project level non-recourse borrowings

Northland generally finances projects and its operating facilities through non-recourse, secured credit arrangements at the subsidiary level. These loans and borrowing are summarized in the table below:

Name of the Projects	Rate [1]	Maturity	December 31, 2024	December 31, 2023
New York Wind [3]	2.2%	2026	$ **256,264**	$ 241,556
Nordsee One [3]	2.3%	2026	**254,900**	397,458
EBSA (NPCDI) [3]	4.6%	2027	**751,468**	716,618
Jardin [3]	6.0%	2029	**46,529**	61,741
Thorold [3]	6.3%	2030	**202,089**	199,337
Kirkland Lake[3]	4.3%	2030	**41,741**	44,235
Gemini [3]	3.6%	2031	**1,638,939**	1,750,305
Deutsche Bucht [3]	2.4%	2031	**806,093**	933,017
Mont Louis	6.6%	2031	**47,144**	54,346
North Battleford [3]	5.0%	2032	**422,620**	483,730
Solar Phase I [3][4]	4.4%	2032	**120,901**	135,028
Solar Phase II [4]	4.5%	2034	**91,598**	100,060
McLean's	6.0%	2034	**86,647**	93,419
Grand Bend	4.2%	2035	**246,245**	264,074
Cochrane Solar [3]	4.6%	2035	**128,816**	139,195
Spy Hill [3]	4.1%	2036	**108,350**	114,229
Spanish Portfolio [3]	2.0%	2042	**757,709**	788,178
Oneida Storage [3]	2.4%	13.2 (b)	**482,600**	15,000
Weighted average and total	**3.5%**		**$ 6,490,653**	$ 6,531,526
Current			**847,658**	744,812
Non-current			**$ 5,642,995**	$ 5,786,714

(1) The weighted average all-in interest rates of the subsidiary borrowings.

(2) Amounts drawn under the above project level non-recourse borrowings, as at December 31, 2024 and December 31, 2023, exclude letters of credit secured by the facilities or project-level credit agreements.

(3) Net of transaction costs and/or fair value adjustments.

(4) Solar Phase I and Solar Phase II include nine entities that comprise Canadian Solar facilities.

(a) As at December 31, 2024, $177 million of letters of credit secured by facility or project-level credit agreements were outstanding (December 2023 - $115 million).

(b) The project financing for the Oneida Battery Storage Project consists of a non-revolving construction and term loan credit facility. This includes Tranche A and Tranche B, amounting to $148 million and $356 million, respectively, designated for funding the project's construction costs. Additionally, a non-revolving credit facility, represented by Tranche C, provides $15 million to cash collateralize letters of credit. During the year ended December 31, 2024, an amount of $112 million and $356 million has been drawn under Tranche A and Tranche B respectively. Additionally, the entire amount of Tranche C had been utilized to provide letter of credit in favor of IESO relating to Interconnection Bid security. The term maturity dates of Tranche A and C are linked with the project's commercial operations date, which is expected in 2025. The term maturity date of Tranche B is May 2045.

(c) On September 20, 2024, Bluestone Ball Hill Class B, LLC, amended its current loan agreement, in relation to New York Wind projects, resulting in an extension of loan maturity date by 12 months to February 2026. Based on the terms of the revised loan agreement, Northland has assessed this amendment as modification of the loan, as defined under IFRS 9.

(d) On November 14, 2024, Northland restructured EBSA's long-term loan ("**EBSA Loan**") resulting in additional proceeds of $34 million, net of transaction cost, to a total of $746 million. The facility's maturity date was extended to November 14, 2027, accompanied by an increase in the applicable all-in annual rate to 4.6%, from the previous rate of 4.2%. Based on the terms of the amended loan agreement, Northland assessed EBSA Loan restructuring as a modification of a loan as defined under IFRS 9.

13.3 Green Subordinated Notes

Series 2023-A: On June 21, 2023, Northland issued $500 million ($490 million, net of transaction costs) of Fixed-to-Fixed rate Green Subordinated Notes, Series 2023-A, with a maturity date of June 30, 2083 (the "**Green Notes**"). The Green Notes carry a fixed coupon rate of 9.250% per annum until the first reset date on June 30, 2028. Thereafter, the coupon rate resets at 5-year Government of Canada yield plus i) 5.844% for the period from June 30, 2028, until June 30, 2033, ii) 6.094%, for the period from June 30, 2033, to June 30, 2048, and iii) 6.844% for the period from June 30, 2048, to the maturity date on June 30, 2083.

14. Corporate credit facilities

The composition of Northland's corporate credit facilities are summarized in the table below:

	Facility size	Amount drawn	Outstanding letters of credit[3]	Available capacity	Maturity
As at December 31, 2024					
Sustainability linked syndicated revolving facility [1]	**$ 1,250,000**	**$ 175,919**	**$ 116,918**	**$ 957,163**	**Aug. 2029**
Bilateral letter of credit ("LC") facility	**150,000**	**—**	**135,060**	**14,940**	**Jun. 2026**
Export credit agency backed LC facility I	**100,000**	**—**	**72,037**	**27,963**	**Mar. 2026**
Export credit agency backed LC facility II	**200,000**	**—**	**140,043**	**59,957**	**n/a**
Hai Long related LC Facility	**500,000**	**—**	**483,440**	**16,560**	**Sep. 2027**
Total	**$ 2,200,000**	**$ 175,919**	**$ 947,498**	**$ 1,076,583**	
As at December 31, 2023					
Sustainability linked syndicated revolving facility [1]	$ 1,000,000	$ 115,656	$ 361,057	$ 523,287	Sep. 2028
Bilateral letter of credit ("**LC**") facility	$ 150,000	$ —	$ 133,746	$ 16,254	Sep. 2024
Export credit agency backed LC facility I	$ 200,000	$ —	$ 89,291	$ 110,709	Mar. 2025
Export credit agency backed LC facility II	$ 200,000	$ —	$ 42,168	$ 157,832	n/a
Hai Long related LC Facility	$ 500,000	$ —	$ 475,936	$ 24,064	Sep. 2027
Total	$ 2,050,000	$ 115,656	$ 1,102,198	$ 832,146	

(1) As at December 31, 2024, the amounts drawn under the syndicated revolving facility are denominated in Canadian Dollars amounting to $100 million and Euro amounting to €51 million (CAD equivalent of $83 million, converted at the period-end exchange rates).

(2) Deferred financing cost, as at December 31, 2024, associated with the syndicated revolving facility amounting to $3 million (December 2023 - $5 million) is included within the other non-current assets in the consolidated statements of financial position (Note 9).

(3) As at December 31, 2024, outstanding LC include those issued in favor of joint ventures, amounting to $672 million (December, 2023: $830 million).

Amounts drawn and letters of credit under the syndicated revolving facility, bilateral letter of credit and Hai Long related LC facility are collateralized by a general security agreement that constitutes a first-priority lien on all of Northland's real property, present and future property and assets.

As at and for the year ended December 31, 2024, and as at the approval date of these consolidated financial statements, Northland has complied with all the applicable financial covenants under the respective corporate credit facility agreements.

15. Provisions and other liabilities

Details of Northland's provisions and liabilities are summarized below:

As at	December 31, 2024	December 31, 2023
Decommissioning liabilities (Note 15.1)	**$ 415,201**	$ 429,165
Lease liability (Note 7.2)	**177,163**	187,226
Loan payable to the non-controlling shareholder of a subsidiary (a)	**35,196**	43,498
Pension and benefits (Note 15.2)	**30,045**	34,654
Band adjustments	**13,647**	66,648
Others	**9,270**	7,428
Total provisions and other liabilities	**$ 680,522**	$ 768,619
Less: Current portion of provisions and other liabilities	**(32,114)**	(28,236)
Non- current portion of provisions and other liabilities	**$ 648,408**	$ 740,383

(a) Loan payable to a shareholder represents amount owed by Nordsee One under a shareholder loan arrangement on which interest is accrued at an annual rate of 10% and repayments are made based on the partner's share of distributable funds from operations.

15.1 Decommissioning liabilities

Decommissioning liabilities are recognized for renewable facilities. A portion of Northland's onshore wind and solar facilities are on lands leased from the private and public landowners. Under the terms of the leases, upon expiration or termination of leases, Northland is obligated to restore the leased lands to near to their original condition and remove all wind turbines, solar panels and equipment. Northland's obligations for decommissioning of its offshore wind facilities are based on the government regulations in the applicable jurisdictions. No decommissioning liabilities are recognized for utility and the efficient natural gas facilities until the time Northland determines that the facility will no longer be operated or maintained and should be decommissioned.

As of December 31, 2024, the gross undiscounted total decommissioning liabilities aggregates to $637 million (December 2023 - $656 million). Northland estimates the present value of its total decommissioning liabilities, based on estimated future cash flows required to decommission the respective facilities. The discounted value of the decommissioning liabilities was calculated using long-term discount rates ranging between 2.7% and 4.39% (December 2023 - 2.2% and 4.1%) and long-term inflation rates, ranging between 2.0% and 2.99% (December 2023 - 2.2% and 4.1%).

The following table reconciles the movements in Northland's total decommissioning liabilities:

Year ended December 31,	2024	2023
Total, beginning of year	**$ 429,165**	$ 372,747
Additions (1)	**2,802**	71,906
Accretion	**11,294**	7,131
Disposals	**(4,637)**	—
Other movements (1)	**(30,534)**	(25,767)
Exchange rates changes	**7,111**	3,148
Total, end of year	**$ 415,201**	$ 429,165

(1) Additions during the year primarily reflect the recognition of additional provisions relating to new facilities or as a result of periodic updates to existing cost estimates. Other movements involve changes in decommissioning provisions due to annual revisions of the underlying inflation and discount rates for all applicable facilities.

15.2 Pension and post-employment benefits

Northland's utilities business, EBSA, operates a defined benefit pension plan ("**pension plan**") that has been closed to new members since 2010, with only a limited number of plan members still active as employees of EBSA. The pension plan calculates the retirement benefit an employee will receive based on factors such as age, years of service, and compensation levels during their employment.

The accounting for the pension plan involves estimating the cost of the benefits to be paid in the future and allocating this cost over the expected period during which each employee is anticipated to receive a pension according to the plan's conditions. This process requires extensive use of estimates and assumptions regarding inflation, mortality, employee turnover, discount rates, and other factors.

The liability recognized in the consolidated statements of financial position regarding defined benefit pensions represents the present value of the defined benefit obligation as of December 31, 2024, along with adjustments for actuarial gains or losses that have not been recognized. Actuarial gains and losses are recorded against net equity in the consolidated statements of comprehensive income (loss) during the period they occur.

The present value of the defined benefit obligation is calculated by independent actuaries, who discount the estimated cash outflows using the interest rate yield curve of Colombia's Public Debt Securities, adjusted for inflation, for terms that approximate the remaining pension obligations.

The movement of the pension obligation balances, as included within provisions and other liabilities in the consolidated statements of financial position, was as follows:

Year ended December 31,		**2024**		**2023**
Total, beginning of year	**$**	**34,654**	$	22,565
Interests net cost		**2,347**		2,297
Actuarial adjustments		**(2,417)**		6,474
Payments made directly by the Company		**(2,984)**		(2,838)
Foreign exchange		**(1,555)**		6,156
Total, end of year	**$**	**30,045**	$	34,654

16. Equity

16.1 Common shares

Northland is authorized to issue an unlimited number of Shares. Changes in the Shares issued and outstanding during the year ended December 31, 2024 and 2023 are summarized as follows:

	December 31, 2024			**December 31, 2023**		
	Shares		**Amount**	**Shares**		**Amount**
Shares outstanding, beginning of year	**254,939,822**	**$**	**5,085,387**	250,017,357	$	4,945,983
Shares issued under equity offering	**—**		**—**	1,210,537		40,908
Shares issued under the Deferred Rights (Note 27.1)	**—**		**—**	10,286		279
Shares issued under the DRIP	**5,007,504**		**108,025**	3,701,642		97,904
Change in deferred taxes [(1)] (Note 25)	**—**		**—**	—		313
Total common shares outstanding, end of year	**259,947,326**	**$**	**5,193,412**	254,939,822	$	5,085,387

(1) This represents the deferred tax on transaction costs related to Northland's equity offering program.

Dividend Reinvestment Plan (DRIP)

Northland offers a Dividend Re-investment Plan (**DRIP**) which provides shareholders the right to reinvest their dividends in shares at a 3% discount to the market price as defined in the DRIP. Northland has issued shares from treasury to satisfy the DRIP requirements and reserves the right to source shares through market purchases. Northland's Board of Directors has the discretion to alter the DRIP discount or where to source of shares issued under the DRIP. The DRIP has allowed Northland to reinvest cash dividends to fund growth initiatives.

Share-based Compensation

Northland's share-based compensation plans allow for a maximum of 3.1 million shares to be reserved and granted to employees of Northland and its subsidiaries. As at December 31, 2024, 1.2 million shares remain available for future issuance under these compensation plans.

For the year ended December 31, 2024, Northland expensed $5 million (December 2023 - $2.8 million) of costs under the share-based compensation plans. No forfeitures are assumed to occur.

For the year ended December 31, 2024 and 2023, settlements under the share-based compensation plans are summarized below:

Year ended December 31,	2024	2023
Restricted Share Units	$ 1,554	$ 1,054
Deferred Shares Units	869	460
Development Project LTIP	808	635
Deferred Rights	351	1,372
Performance Share Units	156	542
Total	**$ 3,738**	$ 4,063

16.2 Preferred shares

As at December 31, 2024 and 2023, the outstanding balance of preferred shares, comprising of Series 1 and Series 2 Preferred Shares are summarized as follows:

	December 31, 2024		December 31, 2023	
	Shares	Amount	Shares	Amount
Series 1 Preferred Shares	4,762,246	$ 113,675	4,762,246	$ 113,675
Series 2 Preferred Shares	1,237,754	31,168	1,237,754	31,168
Total preference shares outstanding, end of year		**$ 144,843**		$ 144,843

Series 1 Preferred shares

The annual dividend rate of Series 1 Preferred Shares resets every five years, based on the current five-year Government of Canada bond yield plus 2.80%. The holders of the Series 1 Preferred Shares are entitled to a fixed cumulative dividend, payable quarterly, as and when declared by the Board of Directors. On August 31, 2020, Northland announced a fixed quarterly dividend of 3.2% per annum for Series 1 Preferred Shares, amounting to $0.2001 per share per quarter, until September 29, 2025. Holders had the option to convert their shares, on a one-for-one basis, to another series. Consequently 1.2 million Series 1 Preferred Shares were converted into Series 2 Preferred Shares effective September 30, 2020.

Series 2 Preferred shares

The Series 2 Preferred Shares carry the same features as the Series 1 Preferred Shares, except that holders are entitled to receive quarterly floating-rate cumulative dividends, as and when declared by the Board of Directors, at an annual rate equal to the then three-month Government of Canada bond yield plus 2.80% (December 2023: 2.80%). The holders of Series 2 Preferred Shares have the right to convert their shares into Series 1 Preferred Shares on September 30, 2025, and on September 30 of every fifth year thereafter.

For the year ended December 31, 2024, the preferred share dividends, excluding tax, were paid as follows:

Year ended December 31,	2024	2023
Series 1 Preferred Shares	**$ 3,812**	$ 3,812
Series 2 Preferred Shares	**2,350**	2,291
Total	**$ 6,162**	$ 6,103

16.3 Ordinary dividends

Ordinary dividends declared per share and in aggregate were as follows:

Year ended December 31,	2024	2023
Ordinary dividends declared per Share	**$ 1.20**	$ 1.20
Aggregate dividends declared		
Dividends in cash	**200,657**	205,828
Dividends in shares, under DRIP	**108,367**	97,641
Total	**$ 309,024**	$ 303,469

Dividends amounting to $27 million, remained unpaid as at December 31, 2024 (December 2023 - $26 million).

17. Non-controlling interests

Non-controlling interests (**NCI**) relate to the interests not owned by Northland. Subsidiaries with non-controlling interests that are material to Northland's consolidated financial statements include Gemini (40%), Nordsee One (15%) and GMS Solar (37.5%). Summarized financial information for these subsidiaries (representing 100% ownership) is as follows:

As at December 31, 2024	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Gemini	**$ 275,769**	**$ 2,376,260**	**$ 359,247**	**$ 1,590,757**
Nordsee One (1)	**77,196**	**1,142,276**	**159,549**	**536,139**
GMS Solar	**231,586**	**196,328**	**235,105**	**125,013**
Others (2)	**319,436**	**1,999,436**	**240,679**	**1,163,754**
Total	**$ 903,987**	**$ 5,714,300**	**$ 994,580**	**$ 3,415,663**

As at December 31, 2023	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Gemini	$ 415,334	$ 2,558,225	$ 588,368	$ 1,834,117
Nordsee One (1)	147,020	1,223,466	194,260	767,631
GMS Solar	208,403	216,681	189,903	156,887
Others (2)	258,790	1,605,210	160,853	663,592
Total	$ 1,029,547	$ 5,603,582	$ 1,133,384	$ 3,422,227

(1) As at December 31, 2024, restricted cash of nil (December 2023 - $29 million) for Nordsee One where the availability of funds is intended for debt repayments.

(2) Others include McLean's (50%), Grand Bend (50%), CEEC (61.6%), EBSA (0.6%), Oneida (27.6%), ScotWind Projects (24.5%) and Elecdey Lezuza, S.A under the Spanish portfolio (33.8%).

An analysis of changes in NCI during the year ended December 31, 2024, and 2023 is as follows:

	Gemini	Nordsee One	GMS Solar	Others	Total
As at January 1, 2024	**$ 219,509**	**$ 67,935**	**$ 18,774**	**$ (8,671)**	**$ 297,547**
Additional contribution by NCI	**—**	**—**	**—**	**782**	**782**
Net income (loss) attributable to NCI (1)	**79,013**	**12,908**	**420**	**7,223**	**99,564**
Dividends distributions attributable to NCI (1)	**(17,547)**	**—**	**(2,950)**	**(8,295)**	**(28,792)**
Allocation of other comprehensive income (loss) (1)	**(446)**	**600**	**(949)**	**1,994**	**1,199**
As at December 31, 2024	**$ 280,529**	**$ 81,443**	**$ 15,295**	**$ (6,967)**	**$ 370,300**
As at January 1, 2023	$ 267,869	$ 57,172	$ 33,081	$ (25,031)	$ 333,091
Increase in NCI arising on dilution of interest in subsidiaries	—	—	—	29,808	29,808
Net income (loss) attributable to NCI (1)	69,233	11,605	1,505	(3,281)	79,062
Dividends distributions attributable to NCI (1)	(106,737)	—	(4,250)	(8,956)	(119,943)
Allocation of other comprehensive income (loss) (1)	(10,856)	(842)	(1,434)	(589)	(13,721)
Disposal and other adjustments (2)	—	—	(10,128)	(622)	(10,750)
As at December 31, 2023	$ 219,509	$ 67,935	$ 18,774	$ (8,671)	$ 297,547

(1) Net income (loss), dividends distributions, and allocation of other comprehensive income (loss) are presented at the respective NCI's ownership interest.

(2) Disposal of NCI relates to de-recognition of NCI interest of Energia in 2023.

18. Financial risk management

Northland's risk management objective, as it relates to financial risks and uncertainties, is to mitigate fluctuations in cash flows and ensure stable cash levels available to pay dividends to shareholders and fund growth. Northland does not seek to mitigate fair value risk. Northland classifies financial risks into market risk, counterparty risk and liquidity risk, noting that these risks can be impacted by geopolitical or regulatory uncertainties. Northland manages financial risks by identifying, evaluating and mitigating such risks, in compliance with internal policies and external requirements under non-recourse project financing arrangements. Northland uses derivative financial instruments to manage certain financial risks but does not engage in speculative activity. Material financial risks are monitored and reported regularly to the Audit Committee of the Board of Directors. The risks associated with Northland's financial instruments and Northland's policies for mitigating these risks are described below.

18.1 Market Risk

Market risk is the risk that the future cash flows and returns will fluctuate because of changes in market prices and rates. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments as well as Northland's preferred shares and the Green Notes. Revenue and supply contracts can also be affected by market risk. Types of market risk to which Northland is exposed are discussed below.

(i) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with an instrument will fluctuate due to changes in market interest rates. Northland endeavors to manage this risk by securing fixed-rate debt or entering into interest rate swap agreements prior to or around the time of financial close that effectively convert floating rate interest exposures to a fixed rate. In certain jurisdictions, such as Taiwan, Northland is unable to secure interest rate swaps for the full tenor of underlying debt; in those cases Northland manages the risk with rolling hedge strategies.

Changes in the fair value of interest rate swap contracts designated for hedge accounting are recorded in Northland's consolidated statements of comprehensive income (loss) to the extent that the hedge arrangements are effective. The fair values for these interest rate swap contracts are based on calculations and valuation models using observable market rates.

For the year ended December 31, 2024, if interest rates had been 100 basis points higher or lower with all other variables held constant, income before income taxes from the change in fair value of the interest rate swaps prior to the application of hedge accounting would have been $201 million (December 2023 - $233 million) higher or lower. This change would have had no impact on Northland's cash flows.

The counterparties to Northland's interest rate derivative contracts are well-capitalized financial institutions with strong credit ratings. See "Counterparty Risk" below.

(ii) Credit spread risk

Credit spread risk, as it affects Northland, refers to the risk that the loan margin charged by current or future lenders (a borrower-specific margin added to the underlying interest rate) will increase, making the cost of debt capital more expensive. Credit spread risk cannot be hedged. Northland manages this risk by: (i) entering into long-term financings with defined credit spreads over the amortization period whenever possible, (ii) ensuring loans are fully amortized (repaid) by maturity, and (iii) monitoring credit markets and making prudent decisions about the timing and method of original financings, refinancing and repricing opportunities.

(iii) Currency risk

Currency risk arises because the Canadian dollar equivalent of transactions, assets or liabilities denominated in foreign currencies may vary due to changes in foreign exchange rates. Northland is exposed to changes in the Euro, US dollar, Colombian peso, New Taiwan Dollar, Polish Zloty, and to a lesser degree, other currencies on construction projects with expenses in currencies different than the funding currency, or development expenses on early-stage projects in other jurisdictions. Primary exposure to Northland arises from:

i. Euro-denominated operations and cash distributions from Gemini, Nordsee One, Deutsche Bucht, the Spanish Portfolio and Baltic Power;
ii. Colombian peso-denominated operations and cash distributions from EBSA, and;
iii. New Taiwan Dollar denominated operations at Hai Long.

Management mitigates this risk by hedging material net foreign currency cash flows to the extent practical and economical to minimize material cash flow fluctuations.

Northland enters into long-term foreign exchange contracts to secure foreign exchange conversion rates for a majority of forecasted Euro-denominated cash inflows from Gemini, Nordsee One, Deutsche Bucht, the Spanish Portfolio, and Baltic power, as well as a portion of the anticipated New Taiwan Dollar cash inflows from Hai Long. Additionally, Northland has established a short-term rolling hedge program to maintain foreign exchange conversion rates on a portion of distributions from EBSA.

Fair value gain or loss on the foreign exchange contract designated as hedged instrument, that was previously recognized in OCI is recycled to the consolidated statements of income (loss) in the same period during which the underlying forecast transaction is materialized.

At December 31, 2024, if the Canadian dollar had been 5% higher or lower against the euro with all other variables held constant, income before taxes from the change in fair value of the euro foreign exchange contracts prior to the application of hedge accounting would have been $76 million (December 2023 - $96 million) lower or higher. If the Canadian dollar had been 5% higher or lower against the Colombian peso with all other variables held constant, income before taxes from the change in fair value of the Colombian peso foreign exchange contracts (used to effectively hedge equity distribution from EBSA) would have been $40 million (December 2023 - $31 million) lower or higher. If the Canadian dollar had been 5% higher or lower against the U.S. dollar with all other variables held constant, income before taxes from the change in fair value of the U.S. dollar foreign exchange contracts prior to the application of hedge accounting would have been $1 million (December 2023 - $2 million) higher or lower.

The counterparties to Northland's currency derivative contracts are well-capitalized financial institutions with strong credit ratings. See "Counterparty Risk" below.

(iv) Commodity price risk

Commodity price risk arises where: (i) PPA revenues or components of PPA revenues depend upon certain electricity market indices; (ii) government subsidy or feed-in-tariff programs define a floor price but electricity market prices may be lower than those floors; (iii) a portion of revenue is not contracted and subject to changes in electricity prices; (iv) PPA revenues for efficient natural gas facilities are fixed, not linked to natural gas prices or the cost of natural gas is not substantively passed through to the off-taker; (v) the value of a financial instrument or cash flows associated with the instrument fluctuates due to changes in commodity prices; or (vi) the price of a component in a supply agreement is linked to the price of one or several commodities.

Northland manages this risk by: (i) entering into PPAs that provide a fixed price for all, or substantially all, electricity production, provide a price linked to commodity prices or include pass-through of commodity costs to the offtaker; (ii) when practical and economical entering into financial power and natural gas hedges to stabilize contractual economics or protect against a specific risk, including natural gas costs and electricity prices, (iii) including contingencies in construction budgets when they are exposed to commodity prices; (iv) passing the commodity risk to the offtaker, whenever possible.

Northland has exposure to Dutch electricity market prices under Gemini's PPA when the market price falls below the contractual floor price. For the year ended December 31, 2024, the average wholesale market price was above the contractual floor price, so the revenue was not impacted by this floor.

Northland has indirect exposure to German electricity market prices under the Nordsee One and Deutsche Bucht PPAs whereby the facilities do not receive revenue for periods where the market power price remains negative for longer than six consecutive hours.

In Spain, Northland is subject to electricity prices under the regulated asset base framework, which allows its Spanish facilities to earn their designated guaranteed pre-tax rate of return (Note 2.13). However, during the year ended December 31, 2024, one of the wind assets completed its regulated life, directly exposing it to fluctuations in merchant market electricity prices.

18.2 Counterparty Risk

Counterparty risk is the risk that a counterparty fails to perform its contractual obligations which could result in losses in financial assets. Northland is exposed to counterparty risk in several areas including: (i) cash and cash equivalents held with banks and financial institutions; (ii) counterparty exposures arising from: (a) contractual obligations, which include but are not limited to sales contracts, equipment supply, delivery, installation and maintenance contracts, fuel supply and fuel transportation agreements, energy marketing contracts and construction contracts, (b) derivative financial instruments, (c) trade receivables due from customers, (d) loan receivables due from partners and joint ventures, and (e) claims payable by an insurer; and (iii) unfunded loan commitments from financial institutions for the construction of projects. The maximum exposure to counterparty risk, other than for the loan commitments, is equal to the carrying value of the financial assets.

Northland manages counterparty risk by contracting with highly creditworthy counterparties wherever possible, such as government-related entities and large financial institutions. Northland's cash, derivative financial instruments, unfunded loan commitments and insurance policies are contracted with creditworthy financial institutions. Northland's gas, transportation, equipment supply/ installation, maintenance and construction contracts are with highly rated and/or large, well-capitalized counterparties wherever possible. Northland also manages counterparty risk by conducting comprehensive initial credit analyses on potential counterparties to material and/or long-term contracts and monitoring counterparties over time.

The nature of Northland's business and contractual arrangements, and the quality of its counterparties generally serve to minimize counterparty risk.

As at December 31, 2024, approximately 66.0% (December 2023 - 53.5%) of Northland's consolidated trade receivables, excluding third-party partner loan receivable, were due from creditworthy government-related entities.

In 2024, approximately 75.2% (December 2023 - 66.9%) of Northland's consolidated sales were derived indirectly from the sale of electricity to government-related entities. For electricity and other sales, Northland and its subsidiaries have not provided allowance accounts and have not purchased credit derivatives to mitigate counterparty risk. All significant accounts receivable amounts are current as at December 31, 2024.

18.3 Liquidity Risk

Liquidity risk is the risk that Northland: (i) may not have sufficient funds to settle a transaction on the due date; (ii) may be forced to sell financial assets or terminate financial liabilities at a value that is not the fair market value; or (iii) may be unable to settle or recover a financial asset at all. Liquidity risk arises through an excess of financial obligations over available financial assets at any point in time.

Northland manages liquidity risk to maintain sufficient cash or readily available funding in order to meet expected liquidity requirements. Northland achieves this by: (i) maintaining prudent cash balances, availability under committed credit facilities and access to capital markets; (ii) implementing financing structures and derivatives or hedging strategies that minimize the risk of material unplanned cash outflows; and (iii) actively monitoring open positions to assess and proactively adapt to possible market liquidity concerns.

As at December 31, 2024, NPI and its subsidiaries were holding cash and cash equivalents of $613 million (December 2023 - $740 million), including $64 million held by NPI (December 2023 - $65 million), and had available borrowing capacity under the syndicated revolving facility of $957 million (December 2023 - $523 million).

The contractual maturities of Northland's financial liabilities at December 31, 2024 are as follows:

	2025	2026-2027	2028-2029	>2029	Total
Derivative contracts					
Euro foreign exchange contracts	$ 111,690	$ 301,861	$ 381,648	$ 1,471,453	$ 2,266,652
Colombian peso foreign exchange contracts	800,579	16,205	—	—	816,784
US dollar foreign exchange contracts	58,057	33,327	41,436	207,907	340,727
New Taiwan dollar foreign exchange contracts	—	147,748	130,300	345,316	623,364
Cross currency interest rate contracts	42,392	84,784	537,474	—	664,650
Interest-bearing loans and borrowings					
Project level non-recourse borrowings - Outstanding principal	$ 586,351	$ 1,870,541	$ 1,050,436	$ 2,110,086	$ 5,617,414
Project level non-recourse borrowings - Interest, including interest rate swaps	206,156	353,662	196,877	275,712	1,032,407
Corporate credit facilities, including interest	6,295	12,101	182,163	—	200,559
Green Subordinated Notes, including interest	46,250	92,500	523,125	—	661,875
Leases	13,590	24,244	23,783	138,685	200,302
Trade and other payables	304,260	—	—	—	304,260
Provisions and other liabilities	219,560	—	—	—	219,560
Total	$ 2,395,180	$ 2,936,973	$ 3,067,242	$ 4,549,159	$ 12,948,554

Northland is also subject to internal liquidity risk because it conducts its business activities through separate legal entities (subsidiaries and affiliates) and is dependent on cash distributions from those entities to fund development expenses, defray corporate expenses and pay dividends. Most operating subsidiaries hold non-recourse debt. Such non-recourse financing agreements typically prohibit distributions if the loan is in default (notably for non-payment of principal or interest) or if the entity fails to achieve a benchmark debt service coverage ratio.

Northland will be required to refinance, renew or extend debt instruments as they become due. The ability to refinance, renew or extend debt instruments is dependent on the capital markets up to the time of maturity and any credit ratings for Northland at the relevant time, which may affect the availability, pricing or terms and conditions of replacement financings.

19. Financial instruments

19.1 Classification and fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement. The carrying values of financial instruments as at December 31, 2024 and 2023, along with the respective fair value hierarchy are as follows:

As at December 31, 2024	Level 1	Level 2	Level 3 [(3)]	Total
Financial assets at amortized cost [(1)]	**$ 672,392**	**$ 1,517,893**	**$ —**	**$ 2,190,285**
Financial assets at fair value through profit and loss	**—**	**266,603**	**—**	**266,603**
Financial assets at fair value through OCI	**—**	**46,245**	**—**	**46,245**
Financial liabilities at fair value through profit and loss	**—**	**(111,733)**	**(108,245)**	**(219,978)**
Financial liabilities at fair value through OCI	**—**	**(8,333)**	**—**	**(8,333)**
Financial liabilities at amortized cost [(2)]	**$ —**	**$ (7,768,409)**	**$ —**	**$ (7,768,409)**
As at December 31, 2023	**Level 1**	**Level 2**	**Level 3 [(3)]**	**Total**
Financial assets at amortized cost [(1)]	$ 813,501	$ 1,031,248	$ —	$ 1,844,749
Financial assets at fair value through profit and loss	—	238,476	26,106	264,582
Financial assets at fair value through OCI	—	124,415	—	124,415
Financial liabilities at fair value through profit and loss	—	(118,379)	—	(118,379)
Financial liabilities at fair value through OCI	—	(9,516)	—	(9,516)
Financial liabilities at amortized cost [(2)]	$ —	$ (7,841,242)	$ —	$ (7,841,242)

(1) Includes cash and cash equivalents, restricted cash, trade and other receivables, finance lease receivable, long-term deposits and certain other assets.

(2) Includes trade and other payables, dividends payable, interest-bearing loans and borrowings, corporate credit facilities, and other liabilities (excluding decommissioning liabilities and taxes payable).

(3) Represents embedded derivative relating to the energy price and capacity components, linked to the market in 20-year indexed Renewable Energy Certificate (REC) agreement with the New York State Energy Research and Development Authority (NYSERDA) for the New York Wind projects.

The table below sets out the significant unobservable inputs used to value level 3 derivative financial instruments:

Derivative Financial Instrument	Valuation Technique	Significant unobservable inputs	Range	% change	Sensitivity of input to the fair value (In CAD)
Embedded derivatives	Long-term price forecast	Average illiquid forward energy prices (per MWh)	US$ 52.89-US $55.20	5% increase / (decrease) in Average forward energy prices	27,782

Additional details of Northland's income and expenses with respect to its financial instruments are as follows:

Year ended December 31,	2024	2023
Income (expense) on financial assets at amortized cost	**$ 81,771**	$ 72,415
Income (expense) on financial liabilities at amortized cost	**(380,728)**	(376,197)
Income (expense) on net financial liabilities at fair value through profit and loss	**$ (93,695)**	$ (303,898)

19.2 Derivative financial instruments

The derivative financial instruments consist of the following:

As at December 31, 2024	Current assets	Current liabilities	Non-current assets	Non-current liabilities	Total
Derivatives designated for hedge accounting					
Interest rate contracts	$ 16,499	$ (2,314)	$ 28,971	$ (6,019)	$ 37,137
Foreign exchange contracts	—	—	775	—	775
Derivatives not designated for hedge accounting					
Interest rate contracts	23,629	(3,040)	129,515	(28,413)	121,691
Foreign exchange contracts	19,549	(29,042)	89,608	(30,558)	49,557
Cross currency interest rate contracts	4,302	—	—	(20,680)	(16,378)
Embedded derivatives (1)	—	(6,511)	—	(101,734)	(108,245)
Total	$ 63,979	$ (40,907)	$ 248,869	$ (187,404)	$ 84,537

(1) Represents embedded derivative relating to the energy price and capacity components, linked to the market in 20-year indexed Renewable Energy Certificate (REC) agreement with the New York State Energy Research and Development Authority (NYSERDA) for the New York Wind projects.

As at December 31, 2023	Current assets	Current liabilities	Non-current assets	Non-current liabilities	Total
Derivatives designated for hedge accounting					
Interest rate contracts	$ 48,045	$ (1,222)	$ 39,687	$ (8,168)	$ 78,342
Foreign exchange contracts	2,671	(33)	34,012	(93)	36,557
Derivatives not designated for hedge accounting					
Interest rate contracts	69,275	(229)	116,292	(29,504)	155,834
Foreign exchange contracts	13,241	(25,872)	35,551	(49,078)	(26,158)
Cross currency interest rate contracts	4,117	—	—	(13,696)	(9,579)
Embedded derivatives (1)	2,362	—	23,744	—	26,106
Total	$ 139,711	$ (27,356)	$ 249,286	$ (100,539)	$ 261,102

(1) Represents embedded derivative relating to the energy price and capacity components linked to the market in 20-year indexed Renewable Energy Certificate (REC) agreement with the New York State Energy Research and Development Authority (NYSERDA) for the New York Wind projects.

The change in derivative financial instruments for the year ended December 31, 2024 and 2023 is as follows:

	Balance as at January 1 asset (liability)	Designated in hedge relationships		Fair value changes on derivatives not designated in hedge relationships (2)	Foreign exchange gain (loss)	Balance as at December 31 asset (liability)
		Fair value changes recognized in OCI (1)	Fair value changes (2)			
Year ended December 31, 2024						
Interest rate contracts	$ 234,176	$ (50,227)	$ 7,767	$ (41,076)	$ 8,188	$ 158,828
Foreign exchange contracts	10,399	(27,935)	(7,849)	78,031	(2,314)	50,332
Cross currency interest rate contracts	(9,579)	—	—	(6,799)	—	(16,378)
Embedded derivatives	26,106	—	—	(134,351)	—	(108,245)
Total	$ 261,102	$ (78,162)	$ (82)	$ (104,195)	$ 5,874	$ 84,537

Year ended December 31, 2023						
Interest rate contracts	$ 454,668	$ (101,461)	$ 11,915	$ (126,694)	$ (4,252)	$ 234,176
Foreign exchange contracts	185,604	(62,743)	3,753	(116,349)	134	10,399
Commodity contracts	(8,811)	—	—	8,979	(168)	—
Cross currency interest rate contracts	—	—	—	(9,578)	(1)	(9,579)
Embedded derivatives	14,539	—	—	11,567	—	26,106
Total	$ 646,000	$ (164,204)	$ 15,668	$ (232,075)	$ (4,287)	$ 261,102

(1) Amounts recognized in "Change in fair value of hedged derivative contracts" in the consolidated statements of comprehensive income (loss), representing the change in fair value recognized in OCI, net of amounts reclassified to the consolidated statements of income (loss) on settlement.

(2) Amounts recognized in "Fair value (gain) loss on financial instruments" in the consolidated statements of income (loss). These amounts represent fair value changes, net of realized gains and losses on settlements during the year. Realized gains and losses are recorded in "Finance costs, net" for interest rate contracts and "Foreign exchange (gain) loss" for foreign exchange contracts.

The fair value changes in the above derivative financial instruments are presented net of cash payments aggregating to $3 million (December 2023 - cash received $18 million) and a realized fair value gain of $7 million (December 2023 - loss $109 million), relating to the contracts settled or terminated during the year.

(a) Foreign exchange forward contracts, designated for hedge accounting

	December 31, 2024	**December 31, 2023**
Carrying amount (asset/(liability))	**$ 775**	$ 36,557
Notional amount - EUR	**148,259**	327,286
Maturity date	**January 2025 - August 2032**	January 2024 - August 2032
Hedge ratio [(1)]	**1:1**	1:1
Change in discounted spot value of outstanding hedging instruments since January 1	**$ (1,005)**	$ (6,145)
Change in value of hedged item used to determine hedge effectiveness	**$ (7,206)**	$ (652)
Weighted average hedged rate for the year (including forward points):		
EUR foreign exchange forward contracts	**€0.6032:CAD$1**	€0.6080:CAD$1

(1) The foreign exchange forward contracts are denominated in the same currency as the highly probable future payments and the net investment in foreign operations; therefore, the hedge ratio is 1:1.

Foreign exchange hedge reserve	Euro contracts		Colombian Peso contracts		Total foreign exchange hedge reserve in AOCI
	Cost of hedging	Forward component	Cost of hedging	Forward component	
Total, beginning of the year 2023	$ 38,246	$ 6,394	$ (175)	$ 1,225	$ 45,690
Add: Costs of hedging deferred during the year in OCI	(56,266)	—	189	—	(56,077)
Add: Change in fair value of hedging instrument recognized in OCI for the year (effective portion)(1)	—	7,545	—	(1,225)	6,320
Less: Re-classified to the consolidated statements of income (loss)	(12,972)	—	(14)	—	(12,986)
Less: Deferred Tax	—	—	—	—	—
Total, end of the year 2023	**$ (30,992)**	**$ 13,939**	**$ —**	**$ —**	**$ (17,053)**
Add: Costs of hedging deferred during the year in OCI	**(17,806)**	**—**	**—**	**—**	**(17,806)**
Add: Change in fair value of hedging instrument recognized in OCI for the year (effective portion)(1)	**—**	**(4,742)**	**—**	**—**	**(4,742)**
Less: Re-classified to the consolidated statements of income (loss)	**(5,387)**	**—**	**—**	**—**	**(5,387)**
Total, end of the year 2024	**$ (54,185)**	**$ 9,197**	**$ —**	**$ —**	**$ (44,988)**

(1) The deferred tax recovery amounting to $8 million (December 2023 - $16 million), applicable to the foreign exchange hedge reserve has been recognized in OCI.

The hedge ineffectiveness recognized in "fair value (gain) loss on financial instruments" in the consolidated statements of income (loss) related to foreign currency contracts (cash flow and net investment hedges) for the year ended December 31, 2024, was $25 million (December 2023 - $26 million).

(b) Interest rate swaps, designated for hedge accounting

	December 31, 2024	December 31, 2023
Carrying amount (asset/(liability))	**$ 37,137**	$ 78,342
Notional amount - CAD	**321,975**	355,801
Notional amount - EUR	**1,482,862**	1,766,261
Maturity date	**January 2025 - March 2035**	January 2024 - March 2035
Hedge ratio (1)	**1:1**	1:1
Change in fair value of outstanding hedging instruments since January 1	**$ (44,992)**	$ (109,949)
Change in value of hedged item used to determine hedge effectiveness	**$ 39,465**	$ 169,003

(1) The interest rate swaps mirror the interest rate of the debts; therefore, the hedge ratio is 1:1.

Interest rate hedge reserve	Canadian Dollar interest rate swaps	Euro interest rate swaps	Total interest rate hedge reserve
Total, beginning of the year 2023	$ 16,927	$ 156,595	$ 173,522
Add: Change in fair value of hedging instrument recognized in OCI for the year (effective portion)(1)	(7,296)	(90,697)	(97,993)
Less: Re-classified to the Consolidated statements of income (loss)	—	(3,468)	(3,468)
Total, end of the year 2023	**$ 9,631**	**$ 62,430**	**$ 72,061**
Add: Change in fair value of hedging instrument recognized in OCI for the year (effective portion)(1)	**(7,139)**	**(24,316)**	**(31,455)**
Less: Re-classified to the Consolidated statements of income (loss)	**—**	**(18,772)**	**(18,772)**
Total, end of the year 2024	**$ 2,492**	**$ 19,342**	**$ 21,834**

(1) The deferred tax recovery amounting to $12 million (December 2023 - $24 million), applicable to the interest rate hedge reserve has been recognized in OCI.

The hedge ineffectiveness recognized in "fair value (gain) loss on financial instruments" in the consolidated statements of income (loss) related to interest rate contracts (cash flow hedges) for the year ended December 31, 2024 was $1 million (December 2023 - $1 million).

(d) Hedge ineffectiveness

The fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for the year, by risk category, are:

Fair value of hedged items (hypothetical derivatives)	December 31, 2024	December 31, 2023
Cash flow hedge – interest rate risk	$ 1,406	$ (38,059)
Net investment hedge – foreign currency risk	$ (1,759)	$ 5,448

20. Revenue from sale of energy and related products

The majority of Northland's revenues come from sources such as energy sales and distribution in the regulated markets, and sales of energy, capacity, and environmental attributes through PPAs with independent system operators and credit worthy corporate customers. Northland categorizes these revenue streams into the following groups:

Year ended December 31,	2024	2023
Non-regulated energy sales and capacity	$ 1,739,930	$ 1,688,920
Regulated energy sales and distribution	556,285	512,458
Other revenues	50,049	31,401
Total revenues	$ 2,346,264	$ 2,232,779

Other revenues are mainly comprised of sale of environmental attributes earned through energy generated from Northland's renewable facilities.

Northland's revenues from the sale of energy and emission credits, disaggregated by significant geographic locations are presented as follows:

Year ended December 31,	2024	2023
The Netherlands	$ 602,883	589,128
Germany	579,871	550,887
Canada	530,033	548,428
Colombia	356,781	302,241
Spain	218,073	218,411
United States	47,943	9,302
Others	10,680	14,382
Total	$ 2,346,264	$ 2,232,779

21. Operating, G&A and Development costs

Northland's operating, G&A and development costs are presented as follows, within the consolidated statements of income (loss):

Year ended December 31,		2024		2023
Operating costs	$	649,936	$	620,560
General and administrative costs		113,100		115,166
Development costs		63,108		114,180
Total	$	826,144	$	849,906

Analysis of above costs by nature is presented as follows:

Year ended December 31,		2024		2023
Maintenance cost	$	244,388	$	217,288
Salaries, benefits and allowances		154,059		151,109
Purchase of regulated electricity (Note 26)		112,702		106,446
Purchase of natural gas (Note 26)		83,081		105,292
Transmission and distribution expenses		40,003		35,224
Others		191,911		234,547
Total	$	826,144	$	849,906

22. Net income (loss) per share

The basic and diluted net income (loss) is calculated as follows:

Year ended December 31,		2024		2023
Net income (loss) during the period attributable to shareholders	$	271,825	$	(175,194)
Less: preferred share dividends, net (Note 16.2)		(6,162)		(6,103)
Net income (loss) attributable to common shareholders for basic and diluted earnings	$	265,663	$	(181,297)
Weighted average number of Shares outstanding, basic and diluted		257,299,969		252,710,386

23. Finance costs (income), net

Net finance costs consist of the following:

Year ended December 31,		2024		2023
Interest on borrowings and bank fees	$	342,930	$	339,101
Amortization of deferred financing costs		32,620		33,023
Accretion of decommissioning liabilities		11,294		7,131
Lease interest (Note 7.2)		5,178		4,073
Finance costs, gross	$	392,022	$	383,328
Less: Finance income		(71,388)		(61,516)
Finance costs, net	$	320,634	$	321,812

For the year ended December 31, 2024, finance costs of $19.9 million (December 2023 - $13.5 million) respectively, were incurred on project financings related to the facilities under construction which were capitalized as borrowing costs under construction-in-progress.

NORTHLAND POWER

24. Impairment of non-financial assets

Northland's impairment tests are performed either at the facility level, which represents a CGU, or at a group of CGUs for which goodwill is allocated and monitored. PP&E, intangible assets and goodwill have been allocated to CGUs to determine the carrying amount.

The calculation of value-in-use is most sensitive to the following assumptions:

- Growth rate: 3.44% - 8.11% (December 2023: 3.03% - 7.37%) is used to extrapolate CGU cash flow projections in the discounted cash flow approach. The rate is based on readily available published industry research. The rate was further adjusted to reflect inflation rate of overseas jurisdictions where applicable.
- Discount rate - Pre-tax discount rates reflect the current market assessment of the risks specific to each CGU. The discount rate was estimated based on the weighted average cost of capital for the industry. The rate was further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash flows have not been adjusted. The discount rates were further adjusted to reflect country specific risks for the overseas jurisdictions where applicable. The rates are as follows:

Pre-tax discount rates	October 1, 2024	October 1, 2023
Applicable to PPA cash flows:	**6.15% - 7.8%**	6.0% - 9.3%
Applicable to other cash flows (1):	**8.15% - 9.8%**	6.0% - 11.3%

(1) Other cash flows include post-PPA cash flows and utility cash flows.

Northland has completed its annual comprehensive impairment assessment based on value-in-use estimates derived from long-range forecasts and market values observed in the marketplace or FVLCS. Northland did not identify any impairments of goodwill or reversals of prior impairments, during the year ended December 31, 2024 as a result of this review.

Spanish Portfolio

In 2023, a new Royal Decree-Law ("**RDL**") was enacted, introducing certain regulatory framework changes, that resulted in the deferral of cash flows to beyond 2025. Consequently, upon completing the required annual impairment test, the recoverable amount of the Spanish Portfolio decreased, prompting management to recognize an impairment charge of $163 million, for the year ended December 31, 2023, representing all of the goodwill related to the Spanish Portfolio.

25. Income taxes

25.1 Tax expense and temporary difference

The following table summarizes the tax expense reported in the consolidated statements of income (loss):

Year ended December 31,		2024		2023
Current taxes				
Based on taxable income of current year	**$**	**195,570**	$	141,113
Tax on dividend payments		**2,465**		2,441
Total current taxation expense	**$**	**198,035**	$	143,554
Deferred taxes				
On origination and reversal of temporary differences	**$**	**(13,426)**	$	(108,064)
Due to changes in tax rates		**—**		2,245
Prior-year under (over) provision		**7,558**		1,394
Total deferred tax expense (recovery)	**$**	**(5,868)**	$	(104,425)
Total income tax expense (recovery)	**$**	**192,167**	$	39,129

The following table summarizes the deferred tax expense (recovery) reported directly in equity:

Year ended December 31,	2024	2023
Related to change in fair value of hedged derivative contracts	$ (19,894)	$ (39,875)
Related to pension expense	1,388	(1,788)
Related to foreign exchange	(641)	21,950
Total deferred tax expense (recovery) in OCI	$ (19,147)	$ (19,713)
Deferred taxes related to origination and reversal of temporary differences related to issuance of shares (Note 16.1)	—	(313)
Total deferred tax expense (recovery) in equity	$ (19,147)	$ (20,026)

The following table summarizes the reconciliation of Northland's effective tax rate:

Year ended December 31,	2024	2023
Income (loss) before income taxes	$ 563,556	$ (57,003)
Combined basic Canadian federal and provincial income tax rate	26.5 %	26.5 %
Income tax expense (recovery) based on statutory rate	$ 149,342	$ (15,106)
Items giving rise to differences between accounting and tax expense		
Minority interest	(23,409)	(18,071)
Adjustment for non-deductible (taxable) expenses and incentives	(22,399)	62,502
Manufacturing and processing rate reduction	(1,788)	555
Benefit not recognized	56,516	(12,750)
Rate difference related to temporary differences in foreign jurisdictions	19,078	13,227
Adjustment with respect to prior years	7,558	1,394
Tax expense associated with payment of preferred share dividends	2,465	2,441
Deferred tax expense (recovery) relating to changes in tax rates or change in legal structure	—	2,245
Others	4,804	2,692
Total income tax expense (recovery)	$ 192,167	$ 39,129

Northland, while resident in Canada, operates in a number of foreign jurisdictions. The enacted blended tax rates relevant to the computation of tax expense (recovery) are: Canada 26.5% (December 2023 - 26.5%), Germany 30.5% (December 2023 - 30.1%), Netherlands 25.8% (December 2023 - 25.8%), Luxembourg 24.9% (December 2023 - 24.9%), Mexico 30.0% (December 2023 - 30.0%), Colombia 35.0% (December 2023 - 35.0%), United States 26.1% (December 2023 - 26.1%), and Spain 25.0% (December 2023 - 25.0%).

The following table summarizes the components of the net deferred tax asset and liability:

As at	December 31, 2024	December 31, 2023
Deductible (taxable) temporary differences		
Property, plant and equipment	$ (540,882)	$ (580,402)
Contracts	(78,281)	(98,595)
Derivative financial instruments	(38,857)	(41,059)
Interest available for carryforward	78,436	84,825
Financing fees	25,747	20,064
Losses available for carryforward	24,407	53,706
Canadian renewable conservation expense	374	6,052
Other	9,404	9,876
Total (net) deferred tax asset (liability)	$ (519,652)	$ (545,533)

The following table analyses the movement in net deferred tax liability for the years ended December 31, 2024 and 2023:

Year ended December 31,	2024	2023
Total, beginning of the year	$ 545,533	$ 670,337
Tax expense (recovery) recognized in income statement	(5,868)	(104,425)
Tax expense (recovery) in OCI	(18,507)	(41,663)
Effect of foreign exchange recognized in OCI	(640)	21,950
Tax expense (recovery) recognized in equity	—	(313)
Other	(866)	(353)
Total, end of the year	$ 519,652	$ 545,533

The following deductible temporary differences have not been recognized in Northland's consolidated financial statements:

As at	December 31, 2024	December 31, 2023
Non-capital losses carried forward	$ 90,215	$ 113,471
Net capital loss	209,117	188,702
Fair value change in debt instrument	5,858	3,018
Other deductible temporary differences	136,578	3,386
Total deductible temporary differences	$ 441,768	$ 308,577

Northland has operating losses available for carry forward in Canada, Mexico, Spain, United Kingdom and Korea which are expected to expire beginning in 2027 as follows:

	Canada	UK	Korea	Mexico	Spain
2026 – 2029	$ 83	$ —	$ —	$ 3,740	$ —
2030 – 2034	122	55,175	16	1,411	—
2035 – 2039	2,677	—	36,945	—	—
2040 – 2044	42,102	—	—	—	71,626
Total	$ 44,984	$ 55,175	$ 36,961	$ 5,151	$ 71,626

25.2 Temporary differences associated with Northland investments

The temporary difference associated with investments in Northland's subsidiaries is $186 million (December 2023 - $275 million). A deferred tax liability associated with these investments has not been recognized because Northland controls the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

Northland periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, Northland has recorded its best estimate of these liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to implementation of changes in tax laws. Although Northland believes it has adequately provided for the probable outcome of these matters, future results may include adjustments to these estimated tax liabilities in the period the assessments are made or resolved or when the statute of limitation lapses. The final outcome of tax examinations may result in a materially different outcome than assumed in the tax liabilities.

25.3 International tax reforms – Introduction of Pillar Two model rules

Pillar Two legislation provides for an international framework of rules aimed at ensuring that the worldwide profits of large multinational enterprises are subject to income tax at a rate of at least 15% in every jurisdiction in which they operate. For 2024, the impact of Pillar Two income taxes on Northland's current tax expense (income) is estimated to be nil. Northland has adopted the temporary mandatory exemption for recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

26. Operating segment information

Northland has identified operating segments as outlined below based on the nature of operations, asset class and materiality. Northland analyzes the performance of its operating segments based on their operating income, which is defined as sales less operating expenses, which are summarized below:

	External sales	Inter-company sales (1)	Finance lease income	Total income	Operating costs(2)	G&A and development costs	Depreciation and amortization	Other items	Operating income	Finance costs, net
Year ended December 31, 2024										
Offshore wind facilities	$ 1,182,754	$ —	$ —	$ 1,182,754	$ 233,095	$ 8,461	$ 390,079	$ —	$ 551,119	$ 123,589
Onshore renewable facilities										
North America	259,937	—	—	259,937	45,641	4,020	105,202	—	105,074	76,536
Spain	218,073	—	—	218,073	50,064	2,262	85,433	—	80,314	17,523
	$ 478,010	$ —	$ —	$ 478,010	$ 95,705	$ 6,282	$ 190,635	$ —	$ 185,388	$ 94,059
Natural gas facilities										
Canada	318,039	—	10,383	328,422	129,783	421	46,841	—	151,377	43,045
Utilities										
Colombia	356,781	—	—	356,781	195,711	11,446	34,775	—	114,849	893
Others (1)	10,680	90,249	—	100,929	(4,358)	149,598	11,397	43,884	(99,592)	59,048
Elimination	—	(90,249)	—	(90,249)	—	—	—	—	(90,249)	—
Total	$ 2,346,264	$ —	$ 10,383	$ 2,356,647	$ 649,936	$ 176,208	$ 673,727	$ 43,884	$ 812,892	$ 320,634
Year ended December 31, 2023										
Offshore wind facilities	$ 1,140,015	$ —	$ —	$ 1,140,015	$ 201,187	$ 14,081	$ 384,010	$ —	$ 540,737	$ 131,116
Onshore renewable facilities										
North America	217,938	—	—	217,938	33,331	1,818	91,239	—	91,550	53,756
Spain	216,963	—	—	216,963	50,830	872	85,875	(375)	79,761	19,480
	$ 434,901	$ —	$ —	$ 434,901	$ 84,161	$ 2,690	$ 177,114	$ (375)	$ 171,311	$ 73,236
Natural gas facilities										
Canada	339,848	—	10,899	350,747	155,242	406	46,625	—	148,474	46,312
Utilities										
Colombia	302,241	—	—	302,241	176,452	8,638	29,144	—	88,007	(794)
Others (1)	15,774	97,942	—	113,716	3,518	203,531	15,722	163,544	(272,599)	71,942
Elimination	—	(97,942)	—	(97,942)	—	—	—	—	(97,942)	—
Total	$ 2,232,779	$ —	$ 10,899	$ 2,243,678	$ 620,560	$ 229,346	$ 652,615	$ 163,169	$ 577,988	$ 321,812

(1) Other external sales include energy marketing activities. Other inter-segment sales include inter-company management fees, energy marketing activities and maintenance services, which are eliminated on consolidation.

(2) Cost of natural gas purchase and regulated electricity amounting to $83 million and $113 million (December 2023 - $105 million and $106 million), respectively has been included with the operating costs. (Note 21).

Summarized below are the key balances from each segment:

	PP&E, net [(1)]	Contracts and other intangibles, net [(2)]	Goodwill	Investment in joint ventures	Total assets
As at December 31, 2024					
Offshore wind facilities	**$ 4,374,161**	**$ 279,516**	**$ —**	**$ —**	**$ 5,264,854**
Onshore renewable facilities					
North America	**1,246,859**	**6,904**	**54,741**	**—**	**1,505,304**
Spain	**1,345,518**	**—**	**—**	**—**	**1,616,123**
	$ 2,592,377	**$ 6,904**	**$ 54,741**	**$ —**	**$ 3,121,427**
Natural gas facilities					
Canada	**673,236**	**30,489**	**120,229**	**—**	**1,125,623**
Utilities					
Colombia	**539,581**	**6,168**	**442,637**	**—**	**1,133,549**
Others	**699,746**	**70,809**	**—**	**1,023,068**	**2,958,885**
Total	**$ 8,879,101**	**$ 393,886**	**$ 617,607**	**$ 1,023,068**	**$ 13,604,338**
As at December 31, 2023					
Offshore wind facilities	$ 4,637,980	$ 322,852	$ —	$ —	$ 5,497,680
Onshore renewable facilities					
North America	1,392,555	6,506	54,741	—	1,704,882
Spain	1,406,339	—	—	—	1,628,503
	$ 2,798,894	$ 6,506	$ 54,741	$ —	$ 3,333,385
Natural gas facilities					
Canada	700,454	35,803	120,229	—	1,142,259
Utilities					
Colombia	550,434	6,694	464,377	—	1,171,011
Others	492,171	75,015	—	899,885	2,481,963
Total	$ 9,179,933	$ 446,870	$ 639,347	$ 899,885	$ 13,626,298

(1) PPE, net - Others, include cost associated with the capital work in progress related to Oneida Battery Storage Project, amounting to $492 million (December 2023: $142 million).

(2) Contracts and other intangible - Others, includes $26 million (December 2023: $28 million) in relation to an option lease agreement, entered with the Scottish government which provides Northland with development exclusivity over the awarded sites for a period of up to 10 years.

27. Related-party disclosures

27.1 Compensation of key management personnel

Remuneration of key management personnel, consisting of the Board of Directors and members of executive management, expensed in the year ended December 31, 2024, and 2023 is outlined in the table below:

Year ended December 31,	**2024**	**2023**
Salaries and short-term employee benefits	**$ 13,156**	$ 11,437
Share-based compensation - Shares issued under the Deferred Rights (Note 16.1)	**—**	279
Share-based compensation - cash component	**6,862**	3,654
Total	**$ 20,018**	$ 15,370

Share-based compensations are tied directly to the seniority of the executives and the success of development and construction projects as well as acquisition activities.

27.2 Balances and transactions with joint ventures

Summarized below are the material transactions with the joint ventures for the year ended December 31, 2024 and 2023:

Year ended December 31,	2024	2023
Cost recharges to joint ventures (Note 10)	**$ 56,452**	$ 36,472
Interest income on the loans receivable from the joint ventures	**38,605**	9,600

Balances due from the joint ventures, relating to or arising as a result of above noted transactions are summarized below.

As at	December 31, 2024	December 31, 2023
Loans receivable from the joint ventures (Note 9.1)	**$ 682,069**	$ 405,368
Loan payable to the joint ventures (Note 11)	**15,977**	14,999
Amounts due from the joint ventures (Note 8)	**27,223**	—

28. Litigation, claims, contingencies and commitments

Litigation, claims and other contingencies arise from time to time in the ordinary course of business for Northland. There are no legal or regulatory proceedings that involve a claim for damages or penalty exceeding 10% of Northland's current assets in respect of which Northland is or was a party, or in respect of which any of Northland's property is or was the subject during the year ended December 31, 2024, nor are there any such proceedings known to Northland to be contemplated. None of these contingencies, individually or in aggregate, are expected to result in a liability that would have a material adverse effect on Northland.

28.1 Milestone payments for development project acquisitions

In the course of business, Northland enters into acquisition agreements that may result in Northland making additional payments to the seller and/or directly to the development project previously acquired, upon the successful completion of certain milestones. As at December 31, 2024, Northland's best estimate of the future contingent payments is approximately $142 million of milestone payments under its development project arrangements which are expected to be paid between 2026 and 2030. These contingent payments were not recognized in the consolidated statements of financial position.

28.2 Contingencies and commitments

The following is a summary of the material commitments that NPI and its subsidiaries have entered into as at December 31, 2024, in addition to the commitments outlined in the above notes.

The majority of Northland's revenues are earned under long-term PPAs with government-related entities. In certain circumstances, if a facility fails to meet the performance requirements under its respective PPA, penalties may apply, or the contract may be terminated after a specified period of time.

Certain Northland gas facilities and corporate subsidiaries have entered into agreements for the purchase of natural gas and natural gas transportation for various terms. Certain contracts include penalties for failure to purchase a minimum annual volume of natural gas or, in the case of transportation agreements, include substantial demand charges incurred whether or not gas is shipped.

Northland's natural gas turbines and wind turbines are maintained under long-term contracts with the original equipment suppliers. In certain circumstances, if Northland were to terminate any of the agreements, the termination payment would be material.

Under certain circumstances, Northland provides parental guarantees to third-parties in respect of its subsidiaries. As at December 31, 2024, outstanding parental guarantees issued totaled $406 million (December 2023: $302 million) and related primarily to the development, construction and operation of its facilities.

Northland's share of contingencies and commitments in relation to its joint ventures are disclosed in (Note 10 (d)).

28.3 Capital commitments

In the normal course of operations, as at December 31, 2024, Northland has committed to future spending of approximately $118 million (December 2023 - $612 million) on capital projects, primarily relating to the construction of Oneida Battery Storage, and other routine capital maintenance work on certain operational projects in Canada and Colombia.

29. Other income (expenses)

Northland’s other income (expense) for the year ended December 31, 2024 and 2023 is mainly comprised of the following items:

29.1 Gain on the sale of La Lucha Solar facility

On March 4, 2024, Northland signed an agreement to sell its 100% ownership in the La Lucha Solar Facility to Cometa Energía, S.A. de C.V. for a base consideration of $215 million, net of transaction costs, plus $42 million for VAT claims, to be received after completion of review by the Mexican tax authorities. The facility was classified as held for sale and measured at fair value less costs to sell, resulting in a $44 million fair value adjustment recognized during the year ended December 31, 2024. .

The transaction was completed on June 28, 2024, with Northland receiving $215 million in net cash and recording a $64 million gain on disposal, including a non-cash gain of $41 million from the reclassification of the currency translation reserve (CTA) from accumulated other comprehensive income (loss) to other income (expense) line in the consolidated statements of income (loss). Moreover, in December 2024, the review of the aforementioned VAT claims was finalized by the Mexican tax authorities and consequently, the entire amount of VAT claim was received by Northland before the year ended December 31, 2024.

Discontinued Operations:

La Lucha Solar Facility did not represent a separate major line of business or geographical area of Northland’s operations and hence, results of its operations and associated cash flows for the year ended December 31, 2024 and 2023 are not separately presented as Discontinued Operations.

29.2 Others Items

a. In December 2024, Northland received a final settlement of $53 million related to the mono-bucket foundations at its Deutsche Bucht project (“**Demonstrator Project**”). The construction work on the Demonstrator Project was halted in late 2019 due to technical issues, and the entire cost was written off in the year then ended. This settlement proceeds have been presented under the other income (expense) line, with the associated taxes recognized as a current expense in the consolidated statements of income (loss).

b. During the year ended December 31, 2023, Northland completed the sale of its 49% ownership interest in NP Hai Long Holding BV to Gentari International Renewables Pte. Ltd (“**Gentari**”). As a result of this transaction, Gentari acquired a 29% indirect economic interest in the downstream Hai Long Project, which was previously jointly owned by Northland and Yushan Energy Co. Ltd ("**Yushan**"), with ownership stakes of 60% and 40%, respectively. After the change in ownership, it was determined that Northland, Gentari, and Yushan jointly control the Hai Long Project. As a result, Northland de-consolidated NP Hai Long Holding BV and reclassified its remaining ownership stake in the Hai Long Project as an investment in a joint venture. This transaction led to a fair valuation of Northland's investment, resulting in a gain of $192 million which was presented under the other income (expense) line in the consolidated statements of income (loss).

c. During the year ended December 31, 2023, Northland completed the sale of its 49% stake in the CanWind and NorthWind projects in Taiwan to Gentari, while retaining the remaining 51% ownership. This transaction resulted in the conversion of Northland's investments in these projects from subsidiaries to joint ventures, leading to a gain of $19 million. This gain was presented under the other income (expense) line within the consolidated statements of income (loss).

Corporate Information

Directors and Executive Officers Of Northland Power Inc.

Directors

Mr. John W. Brace, Board Chair

Ms. Lisa Colnett

Mr. Kevin Glass

Mr. Keith Halbert

Ms. Helen Mallovy Hicks

Mr. Ian Pearce

Mr. Eckhardt Ruemmler

Ms. Ellen Smith

Mr. Doyle Beneby

Executive Officers

Ms. Christine Healy
President & CEO

Mr. Adam Beaumont
Interim Chief Financial Officer

Ms. Rachel Stephenson
Chief People Officer

Mr. Yonni Fushman
Chief Administrative & Legal Officer and Corporate Secretary

Mr. Calvin MacCormack
EVP, Natural Gas & Utilities

Ms. Michelle Chislett
EVP, Onshore Renewables

Mr. Pierre-Emmanuel Frot
EVP, Project Management Office

Mr. Toby Edmonds
EVP, Offshore Wind

General Information

Registrar and Transfer Agent

Computershare Trust Company of Canada
100 University Avenue
Toronto, Ontario, Canada
M5J 2Y1
Attention: Equity Services

Common Shares and Preferred Shares

Northland's common shares and Series 1 and Series 2 preferred shares are listed on the Toronto Stock Exchange and trade under the symbols NPI, NPI.PR.A and NPI.PR.B respectively.

Tax Considerations

Northland's common shares, preferred shares and convertible unsecured subordinated debentures are qualified investments for RRSPs and DPSPs under the Income Tax Act (Canada).

Contact Information

Investor Relations

Dario Neimarlija
VP, Financial Planning and Analysis & Investor Relations

investorrelations@northlandpower.com
647-288-1019

Northland Power Inc.
30 St. Clair Avenue West
Suite 300
Toronto, Ontario, Canada
M4V 3A1

416-962-6262

northlandpower.com

Global Head Office
30 St. Clair Avenue West
Suite 300
Toronto, Ontario, Canada
M4V 3A1

northlandpower.com
investorrelations@northlandpower.com

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