



NORTHLAND POWER INC.

ANNUAL INFORMATION FORM

For the year ended December 31, 2023

February 21, 2024

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INTRODUCTION AND USE OF DEFINED TERMS

All capitalized terms used in this Annual Information Form (“**Annual Information Form**” or “**AIF**”) for Northland Power Inc. (“**Northland**” or the “**Company**”) have the meanings assigned to them under the heading “Glossary of Terms”, unless otherwise defined. All currency amounts in this AIF are in Canadian dollars unless otherwise indicated. Unless otherwise noted, the information contained in this AIF is given as at or for the year ended December 31, 2023.

FORWARD-LOOKING STATEMENTS

*This AIF contains statements that constitute “forward-looking information” within the meaning of applicable securities laws (“forward-looking statements”) that are provided for the purpose of presenting information about management’s current expectations and plans. Readers are cautioned that such statements may not be appropriate for other purposes. Northland’s actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, the events anticipated by the forward-looking statements may or may not transpire or occur. Forward-looking statements 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 and Oneida energy storage projects’ anticipated contributions to Adjusted EBITDA, Adjusted Free Cash Flow and Free Cash Flow, the expected generating capacity of certain projects, guidance, 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 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 other factors described in this AIF and in the Management’s Discussion and Analysis (“**MD&A**”) included in Northland’s 2023 Annual Report (“**Annual Report**”), which can be found on SEDAR+ at www.sedarplus.com under Northland’s profile and on Northland’s website at northlandpower.com. 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. The forward-looking statements contained in this AIF are based on assumptions that were considered reasonable as at February 21, 2024. 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.

NON-IFRS FINANCIAL MEASURES

This AIF 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.

Readers should refer to the disclosure under "**Non-IFRS Financial Measures**" in *Section 1 and Sections 5.5, 5.6 and 5.7* of the MD&A included in the 2023 Annual Report, which sections are incorporated by reference herein, for an explanation of key non-IFRS measures, and for a reconciliation of consolidated net income (loss) under IFRS to reported Adjusted EBITDA, a reconciliation of cash provided by operating activities under IFRS to reported Adjusted Free Cash Flow and Free Cash Flow and a reconciliation to non-IFRS measures before a definition change that was adopted in the second quarter of 2023.

CORPORATE STRUCTURE

Northland is a corporation governed by the *Business Corporations Act* (Ontario). The head and registered office of Northland is located at 30 St. Clair Avenue West, 3rd floor, Toronto, Ontario, M4V 3A1.

The following is the list of Northland’s principal subsidiaries, showing the jurisdiction where they were incorporated or otherwise established and Northland’s direct or indirect voting interest. Certain subsidiaries have been excluded if the assets and revenues of the excluded subsidiaries did not individually exceed 10%, or in the aggregate exceed 20%, of the total consolidated assets and total consolidated revenues of Northland as at December 31, 2023. Further information on key operating facilities is provided in “Description of Northland’s Business”.

| | Place of incorporation | % voting ownership as at Dec. 31, 2023 |
|--|------------------------|---|
| Offshore Wind | | |
| Buitengaats C.V. and ZeeEnergie C.V. (“ Gemini ”) | The Netherlands | 60.0 % |
| Nordsee One GmbH (“ Nordsee One ”) | Germany | 85.0 % |
| Northland Deutsche Bucht GmbH (“ Deutsche Bucht ”) | Germany | 100.0 % |
| Efficient Natural Gas | | |
| North Battleford Power L.P. (“ North Battleford ”) | Canada | 100.0 % |
| Thorold CoGen L.P. (“ Thorold ”) | Canada | 100.0 % |
| Onshore Renewable | | |
| Northland Power Spain Holdings, S.L.U. (“ Spanish portfolio ”) ⁽¹⁾ | Spain | 98.5 % |
| Nine solar facilities (“ Solar ”) | Canada | 100.0 % |
| Utility | | |
| Empresa de Energía de Boyacá S.A E.S.P (“ EBSA ”) | Colombia | 99.4 % |

(1) Spanish portfolio includes 33 onshore renewable sites comprised of onshore wind, solar photovoltaic and a concentrated solar asset.

OVERVIEW

Over the next decade, the global transition to renewable energy is expected to accelerate as de-carbonization efforts by the public and private sector increase and further electrification of the global economy gathers momentum. This is expected to result in significant opportunities for continued growth in renewable power generation and green infrastructure. Countries with high carbon energy usage are increasingly adopting offshore wind and onshore renewable energy to support their de-carbonization objectives and their renewable energy targets. As a global developer with extensive expertise in developing offshore wind and onshore renewable energy projects, Northland is strategically positioned to compete in this global transition and further grow its global portfolio and market share.

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, businesses and investments related to the production, delivery and sale of energy-related products.

Vision

Our work is grounded in our vision to become a global leader in developing sustainable infrastructure assets. We are pushing the energy sector forward by creating innovative solutions that build a net-positive business. This translates to driving socio-economic value in the communities where we operate, bringing local markets closer to a carbon-neutral future, and preserving our natural resources through power generation. As developers, owners and operators of energy facilities across the globe, we are poised to transform how the world is powered to produce long-term impact for our people and our planet.

Business Strategy

Northland's business strategy is centered on establishing a significant global presence in key strategic markets as a sustainable power provider with a primary focus on offshore wind, onshore renewable solar, wind, and battery storage. Northland aims to increase shareholder value by leveraging its expertise and early mover advantage to create and operate high-quality, sustainable projects in key target markets supported by long-term sales contracts that deliver predictable cash flows. Northland utilizes its operational knowledge and the application of appropriate technology to optimize the performance of its operating facilities to ensure delivery of essential power to its offtake counterparties.

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:

- **Resiliency** - 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 renewable energy projects to increase shareholder value. As Northland continues to progress its \$16 billion construction program 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 within its core markets or use the funds to strengthen its financial position, especially during intensive construction periods where it may be prudent to maintain such financial flexibility.
- **Execution** - Following successful financial close and securing of funding for the Hai Long, Baltic Power and Oneida projects, Northland has advanced towards the construction phase for each facility. During the next three years, successful execution and delivery of these projects to their full completion between 2025-2027 will be one of Northland's strategic pillars. Northland has a strong track record in successful project construction and has established a Project Management Office and Business Unit structure that will focus on aligning the tools and reporting methods and processes in order to provide timely and accurate reporting. Management will continue to manage and oversee construction of these projects against their targeted milestones to ensure successful delivery and execution.
- **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 corporate offtakers). Northland exercises judgment, discipline and acumen in its development activities to continually assess opportunities against its investment criteria and capital allocation framework. Northland's successful record of project sourcing and execution results from these core strengths and contributes to consistent investor returns. Northland's pace of new development will be moderated in the near term to allow management to prioritize pillar two - Execution. This may

result in full or partial exits from certain existing or prospective opportunities or assets and directing the focus, resources and capital towards more strategic markets within Canada, the United States of America, Europe and Asia. Northland is focused on pursuing renewable growth opportunities in jurisdictions that meet its risk management criteria such as Canada, the United States of America, Europe and Asia. 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.

- **Optimization** - Northland's management aims to maximize returns through a focus on efficient and effective facility operations; longer-term asset management; and structuring sales supply and maintenance agreements to maximize sales, 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.

Effective January 2023, Northland formally commenced operating under a business unit ("**BU**") structure focused by technology. The BUs encompass Offshore Wind, Onshore Renewables, and Efficient Natural Gas and Utilities. The Offshore Wind BU accounts for 1.2GW of operating assets, 2.1GW of assets under construction and 6.5GW of development assets in Europe and Asia. The Onshore Renewables BU accounts for 1.4GW of operating assets, 0.3GW of assets under construction and 3.3GW of development assets in Canada, the United States of America and Europe, while the Efficient Natural Gas and Utility BU accounts for 0.7GW of operating assets.

This operating structure has resulted in a more streamlined business that is better oriented towards the expected growth by technology. Each BU is led by an experienced executive, with dedicated finance, operations, and human resource leads.

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 gas contract restructuring and, operating and maintenance ("**O&M**") contract consolidations, opportunities to add incremental growth or investments to existing assets or grow in adjacent 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.

Northland continues to position itself for future growth and expects its strategy will continue to generate growing Shareholder value over the coming years. The next growth phase for Northland offers the opportunity to deploy \$16 billion of capital investment (\$6.5 billion at Northland's share) that has been fully funded into renewable projects through 2027, anchored by identified offshore wind and battery energy storage projects that are currently capitalized on the balance sheet and are under active construction. These projects have the potential to materially increase Northland's Adjusted EBITDA at a compounded annual growth rate of 7-10% from current levels (2023 through 2027), once commercially operational. In addition, Northland is targeting new opportunities in onshore renewables and energy storage. Northland aims to maintain solid and diversified cash flows, thereby supporting a strong balance sheet and credit rating.

As of December 31, 2023, Northland owns or has a net economic interest in 2,947 megawatts ("**MW**") of power-producing facilities with a total operating capacity of approximately 3,355MW and a regulated utility. Northland's operating assets provide stable cash flow and are located in Canada, Germany, the Netherlands, Spain, the United States of America, Mexico and Colombia. Northland's renewable energy facilities produce electricity from clean energy and thermal sources for sale primarily under long-term PPAs or other revenue arrangements with creditworthy counterparties. Northland's regulated utility is a distributor and retailer of electricity compensated under a regulated framework.

As of December 31, 2023, Northland had 2,412MW of generating or energy storage capacity under construction, comprised of its 30.6% equity stake in the 1,022MW Hai Long project and its 49% stake in the 1,140MW Baltic Power offshore wind project, in Taiwan and Poland, respectively and its 72% equity stake in the 250MW Oneida battery storage project in Canada. Furthermore, Northland is actively pursuing projects in various stages of development in Europe, Canada, the United States of America and Asia.

GENERAL DEVELOPMENT OF THE BUSINESS

ESG at Northland

The focuses of Northland's ESG framework are on continued decarbonization efforts through increasing our renewable energy portfolio, 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), markets 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.

Summary of Business Activities

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 development portfolio.

Offshore Wind

- In July 2022, Northland announced the signing of a Corporate Power Purchase Agreement ("CPPA") that covers 100 percent of the power generated from Hai Long 2B and 3, which have a combined capacity of up to 744MW. The agreement is with an investment grade counterparty (S&P: AA-) and was for an initial 20-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. During the first quarter of 2023, the project signed an amendment to the CPPA that resulted in the extension of the CPPA tenor by two years from 20 to 22 years. During the third quarter of 2023, the project signed another amendment to the CPPA that extended its tenor by a further eight years from 22 to 30 years.

During the third quarter of 2023, Northland successfully closed its NTD117 billion (equivalent to \$5 billion) long term, over 20-year non-recourse green financing, provided by both international and local lenders with from the help of multiple Export Credit Agencies ("ECAs"). The Hai Long project's total cost is projected to be approximately \$9 billion. The project is expected to generate approximately \$1 billion in pre-completion revenues during the construction phase, and the rest of the equity investment has come from the project's partners. The weighted average all-in interest cost for the term of the financing is approximately 5% per annum.

On December 28, 2023, Northland closed its previously announced transaction with Gentari International Renewables Pte. Ltd., a subsidiary of clean energy solutions company Gentari Sdn Bhd ("Gentari"), pursuant to which Gentari acquired 49% of Northland's 60% ownership in the Hai Long offshore wind project. 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. This transaction resulted in Gentari contributing a final equity consideration of approximately NTD23 billion (equivalent to \$1.0 billion) and assuming its pro rata share of credit support for the project.

The Hai Long project continues to advance its construction activities with progress being made on the fabrication of foundations, cables and onshore and offshore substations and preparatory works for further in-water construction during the spring of 2024. Completion of construction activities and full commercial operations are expected in 2026/2027.

- 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 1,140MW of offshore wind generation, for total cash consideration of PLN 255 million (\$82 million).

In June 2021, Baltic Power secured a 25-year Contract for Difference ("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 a base year of 2021.

During the third quarter, Northland closed an equivalent of \$5.2 billion, 20-year non-recourse green financing, supported by a consortium of international and local commercial banks, multiple ECAs and multi-lateral agencies. The Baltic Power project's total cost is projected to be approximately \$6.5 billion, with funding from its \$5.2 billion non-recourse debt by the project lenders and the remaining capital to be contributed by the project partners. Northland's share of equity for the project was fully funded through the Green Notes issuance in June 2023 and existing corporate liquidity. The weighted average all-in interest cost for the term of the financing is approximately 5% per annum. In addition, Northland has entered into currency hedges to stabilize the Canadian dollar equivalent for most of its projected distributions through 2038 and will enter into additional hedges on an ongoing basis, in line with Northland's risk management policies.

Northland holds a 49% ownership interest in Baltic Power, with its partner Orlen S.A. holding the remaining 51%. Early construction activities have commenced, with the fabrication of certain key components (onshore substation, foundations and export cables) underway. Full commercial operations are expected in the latter half of 2026.

- During the third quarter of 2023, Northland executed an investment partnership agreement with Gentari, completing a 49% stake sell-down in early-stage offshore wind development projects in Taiwan: NorthWind and CanWind. The partnership with Gentari is an extension of the agreement formed in December 2022, as related to Hai Long. The transaction resulted in Gentari holding a 49% indirect equity interest in these projects, and Northland holding a 51% interest.
- On May 25, 2023, Northland announced the sale of its 49% ownership stake in the Nordsee Cluster offshore wind portfolio ("**NSC**") to its partner on the portfolio, RWE Offshore Wind GmbH ("**RWE**"). The sale provided RWE with 100% ownership of the projects for a cash consideration of approximately €35 million (equivalent to \$50 million), which included a premium to Northland's costs incurred to date. The transaction transferred all assets, liabilities and committed contractual obligations relating to NSC, to RWE. The sale of NSC is consistent with Northland's strategy to prioritize projects within its development pipeline that are strategically and financially consistent with its disciplined investment approach. In January 2022, Northland and RWE had announced the formation of a 1.6GW Nordsee Offshore Wind Cluster partnership encompassing Nordsee Two (433MW), Nordsee Three (420MW), Nordsee Delta (480MW) and Godewind (225MW).
- In January 2022, Northland announced that it was awarded two offshore wind leases in the Crown Estate Scotland auction with a total combined capacity of 2,340MW. The two leases, one fixed foundation (840MW) and one floating foundation (1,500MW), will extend Northland's development runway into the next decade, with commercial operations expected at the end of 2029/2030 for the fixed and early 2030s for the floating. In April 2022, Northland entered into an Option Lease Agreement with the Scottish government which provides the Company with development exclusivity over the two awarded sites for a period of up to 10 years. Northland secured its right to the offshore region through the payment of £20 million (equivalent to \$32 million). On May 9, 2023, Northland signed a partnership agreement with ESB, a leading Irish energy company, for a 24.5% interest in Northland's two offshore wind leases in Scotland with a total combined capacity of 2,340MW. The partnership with ESB demonstrates a strong interest in ScotWind and in developing offshore wind in Scotland and provides an opportunity to bring in a strong, long-term partner to share in the costs and help advance the development process.
- Electricity Business Licenses ("**EBLs**") for up to 1,270MW capacity at Dado have been secured, providing exclusivity over the development areas. In addition, Northland's second project, the 690MW Bobae project, has also been awarded the requisite EBLs. Other development activities for the projects are continuing to advance.
- In September 2021, the Japanese government designated four new sea areas as "promising areas" for the development of offshore wind projects under its Round Three process. Included in these four areas was Isumi City, Chiba Prefecture, where Northland is progressing with the development of its Chiba offshore wind project, in consortium with Shizen Energy Inc. and Tokyo Gas that could have a total productive capacity of up to 600MW when complete.

Onshore Renewables

- In October 2023, the 112MW Bluestone and 108MW Ball Hill onshore wind projects commenced commercial operations under the 20-year PPA with the New York State Energy Research and Development Authority ("**NYSERDA**").

On December 19, 2023, Northland successfully secured final tax equity funding of US\$219 million (\$298 million) with a conversion of term loan on both the Bluestone and Ball Hill projects. Following the conclusion of this tax

equity investment, the financing structure of the projects comprises tax equity, back-levered non-recourse debt and equity to fund the capital costs.

- Northland has completed all connection and energization activities relating to its 130MW La Lucha solar power project in Mexico, with the project having achieved full commercial operations in June 2023. The project has been generating revenues since being connected to the Mexican energy grid.
- In December 2022, Northland entered into an agreement to acquire a majority interest in the Oneida Energy Storage Project, a 250MW/1GWh late-stage, grid-connected energy storage project in southern Ontario, Canada. 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. On December 21, 2022, the project successfully executed a 20-year Energy Storage Facility Agreement (“ESFA”) with the Independent Electricity System Operator (“IESO”) that offers monthly capacity payments. The remainder of the revenue will come from operating on the wholesale market. The project also finalized a battery supply agreement, and a long-term service agreement with Tesla Inc., to supply key components and services, and an EPC agreement with Aecon Group Inc. for designing, engineering and constructing the facility. On March 30, 2023, Northland and its partners signed a credit agreement with an external lender, that will allow the project to access approximately \$700 million in senior and subordinated debt financing. On May 15, 2023, the Oneida energy storage project reached financial close, as the project successfully completed all necessary financing conditions. Construction activities have commenced, including fabrication of battery packs and transformers and pouring of foundation pads, and are progressing as per the construction plan. 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. Full commercial operations for the project are expected to commence in 2025.
- In December 2022, Northland acquired a development platform and a portfolio of solar development projects in Alberta, Canada, continuing its growth and leadership in renewable energy in Canada, which established Northland as a leading developer in the province. Alberta is an attractive market for renewable development, being Canada’s only deregulated electricity market, offering clear pricing to generators and strong consumer and industrial demand for offtake. The acquisition adds a solar and energy storage pipeline encompassing approximately 1.2GW and 0.7GW, respectively.
- In August 2021, Northland completed the acquisition of the Spanish portfolio with a total combined net capacity of 551MW. The portfolio includes 33 operating assets comprised of onshore wind (435MW), solar photovoltaic (66MW), and a concentrated solar (50MW) located throughout Spain. Total cash consideration at closing was €348 million (\$511 million), including working capital amounts, with the assumption of debt totaling €766 million (\$1,124 million). The acquisition was funded using proceeds from Northland’s Common Share offering completed on April 14, 2021.

Efficient Natural Gas & Utilities

- In the second quarter of 2023, as part of the Ontario government’s energy transition and security policies, and consistent with Northland’s strategy to optimize existing operating facilities to enhance value and performance, Northland continued to advance the upgrade of its 265MW Thorold Co-Generation facility in Ontario, Canada. The optimization will result in an increase to the electricity generating capacity of the facility by 23MW and an expected improvement in the facility’s heat rate, which is expected to decrease overall emissions intensity at the facility without impacting Northland’s 2040 net zero targets and will provide an additional fixed contract revenue stream for Northland from 2030 to 2035. The upgrade is expected to be in service by the end of 2024.
- On April 7, 2022, Northland completed the sale of its Iroquois Falls and Kingston efficient natural gas facilities in Canada. The two facilities had a combined operating capacity of 230MW, and the sale resulted in a 24% reduction in Northland’s gas-fired capacity. The sale repatriated capital to fund the growth of our renewable development projects around the globe. Both facilities had operated under long-term PPAs with the provincial system operator, which expired at the end of 2021 and 2017, respectively.
- In March 2021, Northland entered into an enhanced dispatch contract for its Kirkland Lake facility with IESO. Effective July 2021, this contract succeeded the baseload PPA for the remainder of its term to 2030. The arrangement results in reduced GHG emissions and cost savings for Ontario electricity consumers while improving economics for Northland as a result of savings from reduced costs related to GHG emissions, maintenance, natural gas and gas transportation, as well as other variable cost savings.

Summary of Corporate Activities

- On January 15, 2024, Northland announced several changes to its executive team. Pauline Alimchandani, CFO will be departing the Company effective February 22, 2024, to pursue another opportunity. Until a new CFO is appointed, Adam Beaumont, Vice President Finance & Head of Capital Markets, will oversee the finance function on an interim basis. David Povall, Executive Vice President of Offshore Wind departed the company as well. Toby Edmonds will join Northland as Executive Vice President of Offshore Wind, bringing essential offshore project execution and operational experience. In addition, Yonni Fushman, who joined Northland in January 2023 as Chief Legal Officer and Executive Vice President of Sustainability, has been promoted to Chief Administrative and Legal Officer and will continue to serve as Corporate Secretary.
- On November 29, 2023, Northland announced the expansion of its Board of Directors from nine to ten members and the immediate appointment of Ellen Smith as a Director. Ms. Smith brings over 35 years of leadership experience within the power and utilities sector.
- In the third quarter of 2023, Northland wound down its nascent Hydrogen BU to concentrate its resources and capital to its core BUs (Onshore Renewables, Offshore Wind, and Efficient Natural Gas & Utilities). Northland will continue to evaluate hydrogen and renewable fuels opportunities in the future that have the potential to optimize the Company's existing operating facilities and development projects.
- In June 2021, after having received approval from Shareholders at the annual meeting held on May 19, 2021, Northland amended and restated its articles of amalgamation to (i) change the range of directors presently in the articles from a minimum of three (3) and a maximum of nine (9) to a minimum of three (3) and a maximum of twelve (12), and (ii) remove all references in the articles to the Class A Shares, Class B Convertible Shares and Class C Convertible Shares and delete such shares from the authorized capital of the Company.

Summary of Financing Activities

- On December 21, 2023, Northland amended its Spanish portfolio's debt agreement to optimize debt repayments and address recent regulatory changes and market pool price volatility. As a result of this optimization, the debt repayment of €21 million (\$33 million) scheduled in the fourth quarter of 2023 was deferred to future periods.
- On December 18, 2023, as part of its long-term financing strategy for EBSA, the EBSA related non-recourse credit facility (the "**EBSA Facility**") was upfinanced by \$190 million, to an aggregate amount of \$711 million and the maturity date was extended to December 18, 2026. The all-in average annual cost increased from 6.3% to 8.6%, due to a combination of a higher estimated cost for Northland to maintain currency hedges to protect 100% of the Canadian dollar-denominated debt balance against changes in Colombian peso, increased underlying interest rates, and slightly higher loan margin. The increase in costs is expected to be more than offset by higher cash flows due to growth in and indexation of EBSA's regulatory asset base. EBSA's operational currency (Colombian peso) is different than the currency denomination of EBSA's credit facility (Canadian Dollar), resulting in EBSA's debt capacity being impacted by both the foreign exchange rate and the growth in EBSA's Colombian-peso denominated EBITDA. It creates an exposure to the foreign exchange rate which Northland stabilizes through these maturity hedges. The Colombian peso has strengthened in 2023, leading to an increase in EBSA's upfinancing capability that was offset by a hedge settlement outflow of \$144 million while a \$44 million excess was distributed to Northland. There was no impact on Adjusted Free Cash Flow or Free Cash Flow as the upfinancing proceeds are offset by expansionary capital investments scheduled at EBSA.
- In December 2023, Northland extended its \$1 billion revolving corporate credit facility with a syndicate of both Canadian and global financial institutions to 2028 (from 2027) and amended certain financial covenants to provide flexibility and liquidity for balance sheet resiliency and to fund growth.
- In the third quarter of 2023, the Company secured a \$1.0 billion corporate letter of credit facility to support obligations associated with Northland's investment in Hai Long. The facility size was reduced to \$500 million in late December upon close of the Hai Long sell-down to Gentari and has a maturity date of September 2027.
- In the second quarter of 2023, the Company secured a \$250 million short-term revolving credit facility to help fund investments in Hai Long. The facility size was increased to \$500 million in the third quarter. The facility was fully repaid and terminated in late December upon close of the Hai Long sell-down to Gentari.
- On June 21, 2023, Northland closed its inaugural offering of \$500 million of Fixed-to-Fixed Rate Green Subordinated Notes, Series 2023-A, due June 30, 2083 (the "**Green Notes**"). The Green Notes have a fixed coupon of 9.25% per annum until the first reset date on June 30, 2028, and have an estimated after-tax cash cost in Euros to the Company of approximately 6.2%, taking into consideration the benefit of a Canadian dollar to Euro hedge

and applicable corporate tax deductions. The Green Notes are rated BB+ by both S&P Global Ratings (“**S&P**”) and Fitch Ratings Inc. (“**Fitch**”) and benefit from 50% equity treatment by both credit agencies.

- In May 2023, Northland’s corporate credit ratings were reaffirmed at BBB (stable) by Fitch and BBB (stable) by S&P.
- In the second quarter of 2023, Northland completed the restructuring of the Thorold project debt to support an upgrade to the facility which extends the contracted period and decreases overall emissions intensity. The restructuring secured \$26 million of additional debt, decreased the all-in borrowing cost from 6.7% to 6.4% and reduces certain letter of credit requirements.
- On March 30, 2023, Northland extended the maturity date of the EBSA Facility from December 15, 2024, to March 30, 2026. The EBSA Facility is denominated in Canadian dollars, and Northland has hedged 100% of the principal amount against changes in the Colombian peso. As part of the extension, the Company realized a hedge settlement gain of \$22 million associated with the financing, which offset a weaker Colombian peso since the loan was originally restructured in December 2021.
- On January 3, 2023, Northland completed the previously announced redemption of all 4,800,000 of its issued and outstanding Cumulative Rate Reset Preferred Shares, Series 3 (the “**Series 3 Preferred Shares**”) at a price of \$25.00 per Series 3 Preferred Share together with all accrued and unpaid dividends of \$0.3175 per Series 3 Preferred Share for an aggregate total of \$122 million.
- On March 1, 2022, Northland established an at-the-market equity program (“**ATM program**”) that allowed Northland to issue up to \$500 million of Common Shares from treasury, at Northland’s discretion.

On September 7, 2022, Northland renewed its ATM program to issue up to an additional \$750 million of Common Shares from treasury, at the Company’s discretion.

During the year ended December 31, 2022, Northland issued 20.9 million Common Shares under the ATM program at an average price of \$41.31 per Common Share for gross proceeds of \$863 million (net proceeds \$852 million). The ATM program was terminated in accordance with its terms upon the expiry of the Company’s short form base shelf prospectus on July 16, 2023. Prior to its termination, Northland issued 1,210,537 common shares under the ATM program in 2023 at an average price of \$34.43 per common share for gross proceeds of \$42 million (net proceeds of \$41 million).

- In November 2022, Northland restructured the multiple long-term debt facilities of its Spanish portfolio in order to optimize the structure into a single facility-level loan as well as to optimize the tax structure. The restructuring resulted in the reduction in the size of the debt to €613 million from €675 million and extended the loan maturity date to 2042.
- In October 2022, Northland successfully restructured €1.6 billion of its senior and junior debt relating to Gemini. The key elements of the restructuring included: (i) partially replacing higher-cost junior debt with lower-cost senior debt; (ii) decreasing senior debt loan margins; (iii) replacing the cash Debt Service Reserve Account with a Debt Service Reserve Facility, resulting in additional liquidity of €32 million (\$30 million at Northland’s share); and (iv) accelerating repayment of the Northland junior debt portion.
- On June 2, 2022, Northland restructured and upsized its Kirkland Lake credit facility (the “**Kirkland Lake facility**”), resulting in Northland receiving one-time management fee income of \$34 million, net of closing costs. The aggregate amount of the financing was upsized to \$47 million, and the Kirkland Lake facility maturity date was extended by eight years to March 31, 2030.
- In December 2021, Northland restructured the EBSA Facility, resulting in \$84 million of incremental cash proceeds to Northland, net of closing costs. The aggregate amount of the financing was upsized to \$533 million, driven primarily by expected growth in EBSA’s EBITDA.
- In September 2021, Northland extended its \$1 billion revolving corporate credit facility with a syndicate of both Canadian and global financial institutions to 2026 (from 2024) and executed several amendments to increase liquidity available to fund growth. Concurrently, the Company implemented a Sustainability Linked Loan (SLL) overlay.
- In August 2021, Northland restructured and upsized the senior debt on a number of its Canadian solar facilities, resulting in one-time cash distributions to Northland totaling \$40 million. This refinancing constituted a green project financing supporting Northland’s ESG initiatives.

- In June 2021, Northland filed a base shelf prospectus with the securities regulatory authorities in Canada to replace and increase the size of its expiring base shelf prospectus. The base shelf filed in June 2021 expired in accordance with its terms in July 2023.
- In April 2021, Northland completed a bought deal equity offering of 22.5 million common shares for aggregate gross proceeds of \$990 million.
- In March 2021, Deutsche Bucht amended its debt facility agreement to reduce the interest rate on the facility's senior debt to 2.3% (from approximately 2.6%). The amendment also included the addition of a debt service reserve facility, which released €50 million (\$74 million) from funds previously restricted for debt service.
- In February 2021, Northland introduced its Green Financing Framework to allow the Company and its subsidiaries to issue green bonds, loans (corporate and project level) and other financing instruments for Eligible Green Projects.

DESCRIPTION OF NORTHLAND'S BUSINESS

Northland develops, constructs, and operates sustainable infrastructure projects across a range of clean and green technologies, such as wind (offshore and onshore), solar, battery storage, as well as supplying energy through a regulated utility. Northland is focused on pursuing renewable growth opportunities in jurisdictions that meet its risk management criteria such as Canada, the United States of America, Europe and Asia. Northland seeks to manage its development processes prudently by regularly balancing the probability of success against associated costs and risks.

Electricity Industry Overview

The following provides an overview of the electricity industry in each jurisdiction where Northland's operating facilities and projects under construction and in advanced development are located.

European Union ("EU")

The war in Ukraine has changed Europe in general and European energy policies. In particular, in the spring of 2022, the European Commission published its response to the global energy market disruption caused by the conflict, the REPowerEU Plan. The REPowerEU Plan aims to make Europe independent from Russian fossil fuels well before 2030 through energy savings, diversification of energy supplies, and accelerated roll-out of renewable energy. Based on the REPowerEU Plan, the EU adopted several measures, including the Permitting Regulation, which aims to simplify and speed up renewable permitting procedures by focusing on specific technologies and projects such as solar photovoltaic, wind and heat pumps, as well as repowering.

In October 2023, updates to the Renewable Energy Directive ("**RED**") raised the 2030 renewable energy sources target to 42.5% by 2030 (up from 32%), with Member States striving to achieve 45%. The new directive speeds up procedures to grant permits for new renewable energy and sets the maximum time to approve new installations to 12 months in key areas for renewables and to 24 months elsewhere. In the transport sector, it establishes either: (i) a 29% target for the share of renewable energy by 2030, or (ii) a 14.5% reduction of GHG emissions, by greater use of advanced biofuels and renewable fuels of non-biological origin, such as hydrogen. For industry, the directive introduces a binding target of 42% of renewable hydrogen in total hydrogen consumption by 2030 and 60% by 2035 and an indicative target of an annual average increase of 1.6 percentage points in renewable sources. It also introduces an indicative target of 5% of newly installed renewable energy capacity from innovative technologies by 2030 for Member States.

In early February 2023, the European commission presented the Green Deal Industrial Plan (the "**GDIP**"). The GDIP consists of a Net Zero Industry Act ("**NZIA**") aimed at strengthening the EU's industrial base for clean technologies, a Critical Raw Materials Act ("**CRMA**") to increase Europe's capacity to source and refine critical raw materials, and more flexible State aid rules. The NZIA aims to support investment in manufacturing capacity in 'net zero emissions' technologies in Europe. For wind, it sets an annual manufacturing capacity target of 36GW. The NZIA also set a new wind energy auction design, requiring national Governments to apply non-price criteria (as defined as environmental sustainability, energy system integration, and contribution to resilience of clean tech supply chains) in their renewables auctions and introduced pre-qualification criteria (e.g. responsible business conduct, cybersecurity and data security and ability to deliver projects). The NZIA is still under negotiation between the European legislators and a final agreement is expected in 2024.

The war in Ukraine caused severe spikes in energy prices across the EU in 2022. To avoid such shocks in the future, the EU is reshaping its electricity market via the "Electricity market design reform". Key in this reform will be how to incentivize long-term commitments (PPAs, CfDs, CRMs) and ensure regulatory stability and long-term price signals are needed to foster future investments. In December 2023, the Council and the European Parliament reached a provisional political agreement on the reform and it now needs to officially be adopted (anticipated in 2024). The EU's electricity market design rules safeguard all routes to market for renewables (Corporate PPAs, CfDs and the fully merchant route) and allow their combination, which is critical to the cost-effective scale-up of wind energy. It also makes CfDs mandatory for public funded projects and it avoids permanently enshrining inframarginal revenue caps in the EU's electricity market design.

In October the European Commission published the Wind Power Package, which includes 15 immediate actions to strengthen the competitiveness of Europe's wind value chain (auction design and pre-qualification criteria, indexing auction prices and tariffs, improved visibility on wind energy deployment, accelerated permitting, full use of trade instruments). The bulk of the actions fall to national governments to enable these measures. In late 2023, 26 EU Member States, along with dozens of companies, endorsed the European Wind Charter, formally committing their countries to deliver on the actions ascribed to them under the Wind Power Package.

The Netherlands

In 2022, renewable energy production in the Netherlands rose by 20%, and fossil fuel production decreased by 11%. Renewable sources accounted for 40% of the total electricity production, marking an increase from the previous year when total electricity production stood at 33%. The top five energy sources in the Netherlands were as follows: natural gas (40%), wind (18%), solar (15%), coal (14%), and biomass (7%). Additional energy sources included nuclear, petroleum products and hydropower. In 2023, the Netherlands has reached a total of 4.7GW of installed offshore wind capacity, such that the target for 4.5GW, agreed in 2013, has been comfortably achieved within the agreed timeframe.

The primary focus of Dutch energy policy is carbon reduction through a so-called Energy Transition. The Netherlands was one of the first EU countries to announce plans to eliminate natural gas from its energy mix altogether. The need to transition away from natural gas has gained further urgency in the Netherlands after the invasion of Ukraine. The government committed to a 55% reduction in carbon emissions by 2030 compared to 1990 and to reach the net zero target by 2050. In April of 2023, the government announced plans to spend \$31 billion in the coming years to guarantee that the goal is met. This would include higher carbon tax for industrial companies, and increased subsidies for second-hand electrical cars, insulation and solar for homes.

One of the most important instruments to drive emissions reductions in the Netherlands is the Stimulation of Sustainable Energy Production (SDE++) support scheme, which uses competitive auctions to award operational subsidies to renewable energy projects.

Germany

The energy transition in Germany is laid out in the *Energiewende* Law, or the EEG, which sets economy-wide emission reduction targets. The government decided to increase these targets by doubling the share of renewable electricity to 80% by 2030. This includes 215GW solar, 115GW onshore and 30GW offshore wind capacity, as well as green hydrogen production and imports by 2030. The government is also looking to establish an electrolysis capacity in Germany of at least 10GW by 2030. These targets rise significantly by 2040 to 400GW solar, 160GW onshore wind, 40GW offshore wind.

The energy crisis highlighted deficiencies in the energy policy choices Germany has made in the past, including an over-reliance on Russian fossil gas and a lack of progress on wind and solar installations, as well as the needed electricity grid. This meant the German government left itself with no choice but to let 8GW of coal capacity return to the electricity market from the country's existing reserve. It also extended the lifespan of two existing lignite plants (600MW each) until 2025 at the latest, leaving Germany with 38GW of net installed electricity generation capacity from hard coal and lignite. Reactivated lignite plants were permitted to stay online until June 2023, and hard coal plants can run until March 2024. Germany switched off its last three nuclear reactors in April 2023.

Poland

In 2021, the Polish government published its Polish Energy Policy to 2040 ("**PEP 2040**") which defines Poland's official energy ambitions: reducing GHG emissions by 30% (against 1990 levels) by 2030, a maximum 56% share of coal-fired power generation, 32% of renewables in electricity power generation, and nuclear power generation joining the mix by 2033. In light of the war in Ukraine, the Polish government updated its ambitions which foresees the need to add 11GW of offshore wind capacity (by 2027, Poland expects 6GW power capacity to be generated by offshore wind) and an additional 2-4GW of onshore wind and 2-4GW of photovoltaic capacity by 2040. Also, efforts will be made to ensure that approximately half of electricity production comes from renewable sources by 2040. After the Polish presidential election in September 2023 and change of ruling coalition, the new minister for climate, Paulina Henning-Kloska, has announced that one of her priorities is updating PEP 2040. The targeted share of renewable energy in electricity production could be raised to 68% by 2030 (from 32%).

In 2022, coal was the main source of electricity in Poland, producing 69% (largest proportion by far in the EU), with wind and solar collectively generating 15.5%. In the period from June to August 2023, wind and solar generation rose to 23-25%, mainly due to newly installed capacity. Solar PV has exploded from a marginal capacity in 2018 to over 16GW by the end of 2023, having supplied 8.7% of electricity in 2023. However, this has pushed the outdated electricity grid to its limits, leading to thousands of projects being denied grid connection, due to outdated regulation or too much electricity for the grid to cope with. A new update in legislation (introducing solutions like cable pooling) is meant to aid the situation.

Poland plans a gradual phase-out of coal, replacing it with a mix of renewables and nuclear generation. New fossil fuel gas plants are also to be built, but some plans have been revised after Russia's invasion of Ukraine.

Spain

The current Spanish framework for energy and climate is based on the 2050 objectives of national climate-neutrality, 100% renewable energy in the electricity mix and 97% renewable energy in the total energy mix. As such, it is centered on the massive development of renewable energy, particularly solar and wind, energy efficiency, electrification and renewable hydrogen. Since the war in Ukraine started, Spain increased its targets for 2050 to 62GW for wind (from 50GW in 2021), which includes 3GW of offshore wind, and up to 76GW for PV (from 39GW in 2021). Targets for renewable hydrogen electrolyzers, which in 2021 were just a plan, have risen to 11GW, due to “the high penetration of this vector, one of the key sectors to decarbonize”. The plan is to increase renewable power by approximately 105GW between 2024-2030, with total renewable capacity reaching 160GW, more than double the current 72GW.

Spain is progressing toward its 2030 targets, notably in the electricity sector. The future trajectory of its power mix warrants careful consideration to ensure a smooth transition, especially as Spain plans to phase-out both coal (by 2025) and nuclear power generation (by 2035). Plans include expansion of storage, demand side management, digitalization and international interconnections. In four years, the share of renewable energy generation rose from 37% to 50%, while non-renewables dropped from 62% to 49%. Legislative and regulatory evolution (e.g. Royal Decree-Law 23/2020 and Royal Decree-Law 8/2023) continues across the sector to address the economic and social consequences of the conflicts in Ukraine and the Middle East, and also to alleviate the effects of the drought.

United Kingdom (“UK”)

The UK is a global leader in decarbonization with a net-zero goal by 2050, 5-yearly carbon budgets and plans to reduce economy-wide GHG emissions by at least 78% by 2030, from 1990 levels, and fully decarbonize the power sector by 2035. The ambition and potential of the UK is reflected in the British Energy Security Strategy (which was updated in April 2022 and applies to England, Scotland and Wales) and the 2023 “Powering Up Britain” documents, including the “Net Zero Growth Plan”, which set out a clear roadmap to achieve the aforementioned objectives.

In February 2023 the Department for Energy Security and Net Zero was created with a mission to replace the UK’s energy with cheaper, cleaner, domestic sources so the UK can become a net zero economy by 2050. This transition will be driven by rapid deployment of new renewable energies, including wind and solar, hydrogen, power with carbon capture, usage and storage and new nuclear plants, while recognizing the vital role that UK oil and gas will play in the transition.

In 2022, the share of generation from non-emitting resources was over 55%, including 41.5% from renewables (e.g. bioenergy, wind and solar) and 15% from nuclear. The UK is committed to fully decarbonize the power system by 2035, and has established targets to achieve this goal, including plans for up to 50GW of offshore wind by 2030 (in 2023 11GW were already generated and another 12GW in the pipeline), including 5GW of floating offshore wind and a final investment decision on a large-scale nuclear plant in order to deliver up to 24GW nuclear capacity by 2050. Low carbon hydrogen production capacity is targeted to double by 2030 from 5GW to up to 10GW. Also, since 2021, the UK Emissions Trading Scheme has placed the power of the market at the heart of the UK’s net zero strategy.

CfDs have played a significant role in driving renewable energy development in the UK by providing stable and predictable financial incentives to investors. Consultation on changes to the 2024 CfD auction is ongoing, with a key focus on non-price criteria to help evaluate project certainty more holistically.

Though energy policy is an area reserved to the UK government, through devolution of certain parliamentary powers and responsibilities, the Scottish Government has an energy policy for Scotland that varies from UK policy and has planning powers to enable it to put certain aspects of its policy priorities into effect.

The Scottish energy strategy published in December 2017 sets a 2030 target for the equivalent of the generation from renewable energy of 50% of Scotland’s overall consumption and by 2045 reaching the net zero target, five years ahead of the UK target. There are also interim targets of a 75% reduction in emissions by 2030 and 90% by 2040, relative to 1990 levels. Targets were updated in December 2020 in Scotland’s “Climate Change Plan”.

In 2022, Crown Estate Scotland awarded seabed leases for over 27GW of offshore wind, including more than 5GW of floating offshore wind, making Scotland a global leader in floating technology.

Canada

Northland’s Canadian operations are located in the provinces of Ontario, Québec and Saskatchewan, each with different market dynamics and drivers. Northland also has a development platform and a portfolio of solar development projects in the province of Alberta.

Building on the 2030 Emission Reduction Plan, released in March 2022, the 2023 federal budget offers a gameplan and funding resources to support Canada's commitments under the Paris Agreement to reduce emissions by 40-45% from 2005 levels by 2030. The 2023 federal budget offers \$21 billion in new funding to support deployment of clean technologies and the advancement of Canada's critical minerals strategy and focuses on economy-wide measures such as carbon pricing and clean fuels, while also targeting actions sector by sector, ranging from buildings to vehicles to industry and agriculture.

In the fall of 2023, the government of Canada introduced legislation to enable investment tax credits ("**ITCs**") for, among other things, clean energy technologies that are expected to help the transition to net-zero energy and make the country more competitive with the changes enacted in the United States of America under the Inflation Reduction Act. The clean technology ITCs will be offered to entities that invest in net-zero technologies, such as wind, solar and battery storage. These credits are intended to further incentivize the adoption of clean energy technology to assist in achieving Canada's goal of a net-zero economy by 2050. The expanded 30% clean technology ITC will apply to investments in renewable energy generation and storage, as well as in low-carbon heating and non-road zero-emission vehicles and related charging or refueling equipment, in addition to systems that use specified waste materials to generate electricity, or electricity and heat. The 2023 fall economic statement provides that the expanded clean technology ITC will be available for investments in eligible property that is acquired and becomes available for use on or November 21, 2023. Canada's carbon pricing system was adopted under the Greenhouse Gas Pollution Pricing Act in 2018; a major component of the act allows provinces to either create their own pricing system meeting minimum national stringency standards or to choose the federal pricing system. The current federal schedule for minimum carbon pollution prices escalates prices year-over-year to \$170/tonne CO₂e in 2030. This act and other activities underlie Canada's commitment to achieving net-zero emissions by 2050, including by reducing emissions by 40-45% from 2005 levels by 2030. In August 2023, the federal government released draft Clean Electricity Regulations outlining the details of a major new policy aimed at decarbonizing electricity grids across the country by 2035. Provinces across the country have raised opposition to the new regulations and discussions continue on the evolution of the policy and regulatory framework.

In Ontario, the IESO's latest interim resource adequacy update to the Minister of Energy confirms an emerging system need for new electricity supply between 2029-2031, growing through the 2030s, and outlines an updated procurement approach to secure new energy resources to address that need for new power. The supply need is driven by decarbonization and electrification through the 2020s and early 2030s as well as the forecasted need for both energy and capacity due to the combined effect of nuclear retirements, ongoing nuclear refurbishment outages, and expiring supply contracts and commitments. Subsequent to the release of the aforementioned IESO report, the Ontario government has announced its support for plans to refurbish, instead of retire, the Pickering nuclear plan, thereby slightly mitigating the anticipated loss of capacity with a targeted completion date in the mid-2030s. Additionally, agricultural greenhouse growth, mining, industrial sector developments and the electrification of transportation are also creating pockets of demand throughout the province.

In Saskatchewan, conventional coal-fired units (representing approximately 34% of the current supply mix) are expected to be phased out, through retirement or conversion to carbon capture and storage, by 2030 due to federal mandates. This provides a constructive environment for existing operational efficient burning natural gas-fired generation, as well as new opportunities for energy storage and renewables. The Saskatchewan government and SaskPower have also indicated early interest in nuclear small modular reactors in the province.

In Alberta, the fully deregulated, competitive, wholesale power market continues to evolve. Driven by historic non-discriminatory system access and a robust corporate PPA framework, Alberta has led the country in new renewable exploration and deployment over the past few years, accounting for as much as 75% of the growth in Canada's renewable energy sector in 2022. In August 2023 the Alberta government initiated a review of permitting and approval processes within the Alberta Utilities Commission ("**AUC**") to ensure future rules for new projects consider: impacts on agricultural and environmental lands and the province's pristine viewscapes; mandatory reclamation security requirements for power plants; Crown land policies and the impact of rapid renewable energy growth on the overall power grid. The AUC inquiry is scheduled to conclude in February 2024.

Northland's efficient natural gas facilities in Canada have not been financially affected by the federal carbon pricing program as a result of the structure of their respective PPAs.

United States of America

In the United States of America, the passage of the US Inflation Reduction Act, which was signed into law in August 2022, aims to make the United States of America a global leader in clean energy technology, manufacturing and innovation. The Act will direct about \$370 billion of new federal spending towards investments in clean energy solutions, domestic manufacturing capacity, encourage procurement of critical supplies domestically or from free-trade partners, and jump-start R&D and commercialization of leading-edge technologies such as carbon capture and storage and clean hydrogen. Federal funding will be directed to clean energy, with the goal of substantially lowering the nation's carbon emissions by the end of this decade. The funds will be delivered through a mix of tax incentives, grants, and loan guarantees. The Act also includes a 10-year extension of the ITC at 30% of the cost of the installed equipment, stepping down to 26% in 2033 and 22% in 2034. These are designed to catalyze private investment in clean energy, transport, and manufacturing. Many of the tax incentives in the bill are direct pay, meaning that an entity can claim the full amount even if its tax liability is less than the credit.

In New York State, the Climate Leadership and Consumer Protection Act ("**CLCPA**") set economy-wide and electric sector carbon emission reduction targets for the State in 2019, putting the State on a path to reach net zero emissions by 2050. The CLCPA requires the State reach an economy-wide carbon emissions reduction of 40% by 2030 and 85% by 2050 (relative to 1990). 70% of the electricity industry is intended to be sourced from carbon-free energy by 2030, with 100% to be carbon-free by 2040 meaning New York has adopted the most ambitious climate targets of any state in the US. Clean energy is supported through long-term contracts with NYSEERDA, as well as a liquid clean certificate market (e.g. renewables energy credits). New York operates a modern deregulated electricity industry with wholesale energy, capacity, and ancillary markets allowing independent generators numerous channels to market electricity.

Approximately 40% of total electricity generation in New York State is sourced from fossil fuels, the vast majority of which is from the State's 23GW of natural gas capacity. Thermal energy is set to be replaced through the development of new renewable generation over the next two decades. Explicit goals have been set by the state government, including 9GW of offshore wind by 2035, 6GW of solar energy by 2025 and 3GW of energy storage by 2030. The State Governor has also articulated an intention to raise the target for solar energy to 10GW by 2035 and for energy storage to 6GW by 2030, but these targets have not yet been formally codified. Transmission utilities are currently investing in the electricity grid to deploy 1GW of additional transfer capacity within the state to support onshore wind and solar development in upstate New York.

Mexico

Mexico's electricity sector has experienced significant reforms over the past decade. In 2014, the government of the day passed major reforms, which liberalized the market, ending the monopolies of its state-owned utilities, i.e. Petróleos Mexicanos and Comisión Federal de Electricidad ("**CFE**") and created opportunities for large consumers to choose their electricity provider more freely. The 2014 reforms included strong support and enabling mechanisms for renewable energy and a goal of 35% of electricity from clean energy sources by 2024, which includes power regeneration from renewable and non-renewable sources such as nuclear and efficient cogeneration.

Since 2018, under the administration of President Andrés Manuel López Obrador, several of the original 2014 reforms have been rolled back or challenged by the passage of new legislation, such as the 2021 Electric Industry Law, aimed at maintaining market share for CFE. Today, Mexico's electricity system is still heavily dominated by fossil fuels, with 68% of generation from oil, gas, and coal. However, since 2019, renewable generation has grown materially, accounting for close to 32%. To meet targets, 26GW of new renewable capacity (70% solar and 30% wind) are estimated to be needed by 2035. This expected growth is underpinned by growing energy demand, estimated to grow at 2.8% annually over the decade.

The energy reform in 2014 also included provisions that identified transmission and distribution as strategic regulated activities for the Mexican government. However, the government, transmission or distribution companies may associate or execute contracts with the private sector, on behalf of the Mexican government, in order to fund, install, maintain, manage, operate and develop the transmission and distribution infrastructure needed to provide transmission and distribution services. These activities have their own regulated tariffs which are built to recover costs and provide a return to the companies.

Despite strong electricity market fundamentals in Mexico, regulatory and political risk continues to be noted as a key investment consideration for this otherwise attractive electricity market.

Colombia

The Colombian electricity industry is segmented into generation, transmission, commercialization, and distribution. The following is a brief overview of each sector:

- a. Generation: most of the energy is sold via contracts (although there's a spot market, which price is set by an economic dispatch) and prices are determined between seller and buyer. Although the grid is currently powered mainly by reservoir hydro, the majority of future expansion is expected to come from renewables. The central government is incentivizing renewables deployment via long-term auctions, a mandatory 10% renewables target for commercialization firms to meet when serving final users, and large investments in transmission.
- b. Transmission (tension levels above 220kV): large investments are being made to better connect the wind potential in the northern tip of the country with load centers. Expansion is centrally planned, tendered, and remunerated via long-term USD-denominated contracts.
- c. Distribution (tension levels below 220kV): follows a rate-regulated model that provides a regulated return for companies that own and operate a distribution network. Revenue for distribution companies is set using a building block and revenue cap approach. The building block methodology is made of a set of underlying components that add up to the total revenue attributable to the distributor. The main components are: (i) the return on capital (i.e. profit); (ii) return of capital (i.e. investment recovery); and (iii) operating and maintenance allowance. The revenue cap regulatory mechanism guarantees an annual income to the distributor, irrespective of the electricity consumption volumes or prices. Capital investment plans are reviewed and approved by the Colombian energy and utility regulator (Comisión de Regulación de Energía y Gas, "**CREG**") every few years.
- d. Commercialization: split between regulated and non-regulated markets. In the regulated segment, companies procure energy on behalf of clients in their service territory and manage billing and collection of all tariffs (i.e., generation, transmission, distribution, commercialization, and system charges). Rates are designed to be pass through of efficient procurement costs. In the non-regulated segment, sellers and buyers bilaterally negotiate the generation and commercialization charges.

Taiwan

Greater energy self-sufficiency and environmental sustainability are high priorities for Taiwan, as it strives to move away from its historic reliance on fossil fuel imports for over 90% of its energy generation. In line with these priorities, the government has set an ambitious target of reducing GHG emissions by 50% by 2050 while gradually phasing out nuclear power and coal and moving towards cleaner energy sources such as offshore wind and natural gas.

The Electricity Act and the Renewable Energy Development Act ("**REDA**") have helped to open the market, creating opportunities for independent power producers to participate and several rounds of procurement have occurred for both renewable generation and thermal generation. The REDA specifically authorizes Taiwan's Ministry of Economic Affairs to set targets for the promotion of renewable energy. Amendments to Taiwan's Electricity Act and the REDA between 2017 and 2019 have further liberalized Taiwan's electricity industry, allowing renewable generators to market energy directly to end users, creating an opportunity for renewable generators to sell their power through corporate PPAs. Further amendments to the REDA, which passed 3rd reading in 2023, expand opportunities for solar and geothermal power and remove restrictions on the installation of offshore wind power generation facilities in open sea areas.

New energy demand is driven by a policy imperative to retire existing nuclear and coal capacity as well as healthy anticipated electricity demand growth. The industrial sector is the main driver of electricity demand in Taiwan, industrial demand accounts for 60% of total electricity consumption in Taiwan. With respect to installed generation capacity, 3.9GW of nuclear capacity is set to retire by 2025 to meet the Taiwan government's goal of being nuclear free by the middle of the current decade. Additionally, 3GW of coal plants are expected to retire over the same time frame. To meet the country's energy needs, the government has set a renewable energy target of 20% by 2025 and a renewable capacity target of 29GW by 2025. Specifically, the government is targeting processes to award 20GW of solar and 5.5GW of offshore wind by 2025, with a 1.5GW target for offshore wind per year after 2025, totaling 15GW of incremental offshore wind capacity awarded in Taiwan from 2026-35.

South Korea

In early 2023, South Korea's Ministry of Trade, Industry and Energy ("**MOTIE**") finalized its 10th Basic Energy Plan (the "**Plan**"). Through the Plan, MOTIE set a number of clear priorities for the energy sector, including prioritizing reliability and security, focusing on a more balanced energy mix, grid expansion and measures to accelerate its progress on emission reductions and net-zero targets, on which it has lagged behind other countries.

The Plan reverses nuclear phase-out ambitions, established by the former administration, and slows renewables deployment to 21.6% by 2030 and 30.6% by 2036, while still phasing out fossil fuels by the mid-2030s. While this step down in renewable energy deployment represents a lowering of renewables ambitions from the previous administration, which

had a 42% renewable energy target by 2034, there remains a significant opportunity for deployment of new renewable resources. In 2022, renewables contributed approximately 9.4% of South Korea's generation mix.

South Korea has committed to net-zero targets by 2050 and has signed onto international emission reduction initiatives such as the *Power Past Coal Initiative* and many South Korean companies have signed onto RE100, a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity.

Operating Facilities

Northland's 2023 Annual Report includes the results of its operating facilities and the most significant power distribution facilities are listed in the section below.

| | Gross capacity (MW) | Northland's economic interest % | Capacity (MW) | PPA expiry | Remaining Contract term ⁽¹⁾ | % of 2023 Adjusted EBITDA ⁽²⁾ |
|--|------------------------|---------------------------------------|---------------|---------------|--|--|
| OFFSHORE WIND: | | | | | | |
| Gemini | 600 | 60% | 360 | 2031 | 7.5 | 20% |
| Nordsee One | 332 | 85% | 282 | 2027 | 3.2 | 17% |
| Deutsche Bucht | 252 | 100% | 252 | 2032 | 8.4 | 15% |
| ONSHORE RENEWABLE: | | | | | | |
| Canadian solar ^{(4) (7)} | 260 | 94% | 245 | 2033 - 2035 | 10.4 | 6% |
| North American onshore wind ^{(5) (7)} | 613 | 87% | 533 | 2029 - 2043 | 12.6 | 5% |
| Spanish solar | 116 | 100% | 116 | 2035 - 2042 | 17.0 | 4% |
| Spanish onshore wind ⁽⁶⁾ | 444 | 98% | 435 | 2024 - 2032 | 6.0 | 8% |
| Colombian Solar | 16 | 100% | 16 | 2034 | 11.0 | —% |
| EFFICIENT NATURAL GAS: | | | | | | |
| Canadian portfolio ⁽³⁾ | 722 | 100% | 708 | 2030 - 2036 | 9.4 | 15% |
| UTILITY: | | | | | | |
| EBSA | n/a | 99% | n/a | N/A | N/A | 9% |
| Total or w. average | 3,355 | | 2,947 | | 7.1 | 100% |

(1) As at December 31, 2023. Weighted average based on contribution to 2023 Adjusted EBITDA from facilities.

(2) Represents the approximate percentage of reported Adjusted EBITDA from facilities for the respective year generated by each facility.

(3) Fees and dividends earned by Northland from Kirkland Lake are considered intercompany amounts and are eliminated on consolidation. However, in the calculation of reported Adjusted EBITDA, Northland includes those fees and dividends earned rather than the Adjusted EBITDA.

(4) The majority of Canadian solar facilities are wholly-owned and controlled by Northland, with one facility in which Northland has a 62% interest.

(5) Four of six North American onshore wind facilities are wholly-owned and controlled by Northland, with two facilities in which Northland has a 50% interest.

(6) The majority of Spanish onshore wind facilities are wholly-owned and controlled by Northland, with one facility in which Northland has a 66% interest.

(7) As at December 31, 2023, Northland's economic interest was changed from December 31, 2022 due to the La Lucha solar project and New York onshore wind projects, which achieved commercial operations in June 2023 and October 2023, respectively (refer to Section 4.1: *Significant Events* of the MD&A for more information).

With the exception of Northland's regulated operating facilities, EBSA and the Spanish portfolio, all contract counterparties are government-backed Canadian or European entities of investment grade, as rated by one or more rating agencies.

Revenue by Segment

| <i>(in millions)</i> | 2023 | 2022 |
|--------------------------------------|-----------------|-----------------|
| Offshore wind | \$ 1,140 | \$ 1,259 |
| Onshore renewable ⁽¹⁾ | 435 | 486 |
| Efficient natural gas | 340 | 426 |
| Utility | 302 | 270 |
| Other ⁽²⁾ | 114 | 136 |
| Inter-segment revenue ⁽³⁾ | (98) | (128) |
| Total | \$ 2,233 | \$ 2,449 |

(1) Include Spain and North American onshore wind and solar facilities, but does not Mexican La Lucha Solar Project. The revenue of the La Lucha Project is currently included in Other.

(2) Includes management and operations fees, corporate energy marketing revenue, investment income, general and administrative and development expenditures.

(3) Inter-segment revenue is eliminated upon consolidation.

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 facilities 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, 2023, Gemini, Nordsee One and Deutsche Bucht contributed approximately 20%, 17% and 15%, respectively, of Northland's reported Adjusted EBITDA from facilities.

The offshore wind facilities comprised \$1.1 billion of revenues and \$5.5 billion of assets representing 51% and 40%, respectively, of total revenues and total assets for the year ended and as at December 31, 2023.

Gemini Offshore Wind Facility

Gemini is a 600MW (360MW net Northland interest) facility owned by Northland (60%), Siemens Financial Services (20%), N.V. HVC (10%) and Alte Leipziger-Hallesche insurance group (10%).

Gemini has a long-term service agreement ("**LTSA**") to provide ongoing maintenance and service on the wind turbines with the original equipment manufacturer that results in stable and predictable wind turbine operating costs over the term of the agreement, which expires in 2036, as well as other long-term arrangements to cover the balance of operating services and costs. 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 2,385GWh of generation.

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, 2023, the APX price for the year was €96/MWh.
- The SDE fixes the revenue at €169/MWh for 2,385GWh of generation, but due to the settlement's formula, it is paid on the first 1,908GWh. 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 2,385GWh in the year, the additional volume produced earns the yearly average captured price ("**CP**").
 - If the facility produces less than 2,385GWh in the year, the asset effectively receives the subsidy for a volume higher than the actual volume produced.

The subsidy received on 1,908GWh is equal to $[(€169 * 1.25) - (CP * 1.25)]$. This calculation is applicable for every MWh up to 1,908GWh. 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.

Nordsee One and Deutsche Bucht Offshore Wind Facilities

Nordsee One and Deutsche Bucht are 332MW and 252MW facilities, respectively, located in the North Sea, in German territorial waters. Northland has an 85% ownership interest in Nordsee One with the remaining 15% ownership interest held by RWE and a 100% interest in Deutsche Bucht.

Each turbine at the German facilities is entitled to a FIT subsidy from the date of its commissioning under the German *Renewable Energy Sources Act*, which is added to the wholesale market rate, effectively generating a fixed unit price for energy sold for approximately 10 years at €194/MWh and 1.5 years at €154/MWh for Nordsee One and 13 years for Deutsche Bucht at approximately €184/MWh for 8 years and €149/MWh for the remainder. Additionally, under the German *Renewable Energy Sources Act*, the facilities do not receive revenue for periods where the market power price remains negative for longer than six consecutive hours and is also subject to unpaid curtailments by the German system operator for unplanned maintenance to the grid, at each facility, which can have a significant effect on earnings. The majority of the returns are expected to be earned during the FIT subsidy period, with the remainder of the expected returns earned in the later years from the German wholesale electricity market.

In 2020, Northland Power Europe (“NPE”), a subsidiary of Northland signed a service agreement with Nordsee One whereby NPE will provide turbine O&M services on behalf of Nordsee One. The agreement is effective through 2027. Deutsche Bucht has a LTSA to provide ongoing maintenance and service on the wind turbines with the original equipment manufacturer that results in stable and predictable wind turbine operating costs over the term of the agreement, which expires in 2035, as well as other long-term arrangements to cover the balance of operating services and costs.

Regulatory Market Price Cap Changes Effective from December 1, 2022, to June 30, 2023

In response to the unprecedented surge in energy prices across Europe for most of 2022, in September 2022, the EU Council established a cap on market revenues on renewable energy producers effective from December 1, 2022, to June 30, 2023 (the “EU price cap”). Following the implementation of the EU price cap, any revenue above the contracted power purchase price for each facility is capped. The EU price cap has not been extended by the Netherlands or Germany and the revenues for 2023 were not impacted by this cap.

Onshore Wind Facilities

Northland owns and operates 394MW (314MW net Northland interest) of onshore wind facilities in Canada, 444MW (435MW net Northland interest) in Spain and 219MW in the United States of America. Onshore wind projects are similar in nature operationally to offshore wind; but have lower operating costs and lower equipment maintenance costs. Northland’s onshore wind facilities comprised \$260 million of revenues and \$2,238 million of total assets, representing 12% and 16%, respectively, of total revenues and total assets for the year ended and as at December 31, 2023.

The four onshore wind facilities in Canada have PPAs with local government-backed system operators expiring between 2029 and 2036. Three of the four onshore wind facilities have LTSAs with the wind turbine original equipment manufacturer for terms lasting the term of the facility’s PPA, with the exception of one facility, whose LTSA expires in May 2024.

Northland's 14 onshore wind facilities in Spain operate under a regulated framework designed to ensure onshore renewable facilities operators a specified pre-tax rate of return (over the full regulatory life of the facility), irrespective of wholesale market prices or actual production. Under the regulatory framework, regulated revenues are adjusted at the start of every three years to offset the variability of spot wholesale market prices in prior regulatory semi-periods. Spanish sites are entitled to receive a guaranteed rate of return of approximately 7.4% until 2031. The Spanish onshore wind facilities have an average remaining regulatory life of 8 years, after which, power will be sold at prevailing wholesale pool prices.

In October 2023, two onshore wind facilities in the United States of America commenced commercial operations under the 20-year PPA with NYSEDA. The aforementioned projects were awarded 20-year indexed Renewable Energy Certificate agreements with NYSEDA.

Solar Facilities

Northland owns and operates 260MW of photovoltaic (245MW net Northland interest) solar facilities in Canada, 116MW in Spain, comprised of 66MW of photovoltaic and 50MW of concentrated solar, and 130MW in Mexico. 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. Northland's solar facilities comprised \$175 million of revenues and \$1,226 million of total assets, representing 8% and 9%, respectively, of total revenues and total assets for the year ended and as at December 31, 2023.

Thirteen solar installations in Canada have PPAs with the IESO expiring between 2033 and 2035. Operations and maintenance activities are performed in-house for Solar and long-term parts agreements are in place with the original equipment manufacturer of the inverters.

Northland's 18 photovoltaic solar facilities and one concentrated solar facility in Spain operate under the regulated framework described above. About half of Northland's Spanish solar sites are entitled to receive a guaranteed rate of return of approximately 7.1% until 2031, and half are entitled to 7.4% until 2026, after which the rate of return is expected to be revised. The Spanish solar facilities have an average remaining regulatory life of 19 years, after which power will be sold at prevailing wholesale pool prices.

The La Lucha solar power project in Mexico successfully completed all connection and energization activities in June 2023. As a result, it has begun its commercial operations after being connected to the Mexican energy grid.

Spanish Portfolio

Northland's Spanish portfolio is comprised of onshore wind (435MW), solar photovoltaic (66MW), and concentrated solar (50MW) 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 13 sites, over the full regulatory life of the facilities, regardless of settled wholesale power price ("**pool price**").

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.

Efficient Natural Gas Facilities

As at December 31, 2023, Northland owns and operates approximately 722MW (708MW net Northland interest) of efficient natural gas generation located in Canada.

Northland's efficient natural gas facilities generate electricity through the combustion of natural gas that spins turbines coupled to electrical generators. Natural gas is the cleanest-burning fossil fuel, resulting in lower atmospheric emissions of sulphur dioxide, small particulate matter, carbon monoxide, nitrogen oxide and GHG such as carbon dioxide, than the combustion of other fossil fuels.

The efficient natural gas facilities earn revenue by selling electricity and/or capacity (i.e. the availability of generation). For certain efficient natural gas facilities, revenues earned differ for on-peak vs. off-peak time periods, as defined by their PPA, and depending on market conditions, specifically prices for electricity and natural gas. The contractual structures of Northland's efficient 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 by the counterparty.

Operating efficient natural gas facilities purchase natural gas pursuant to supply contracts with creditworthy counterparties and/or from the market as required. The operating efficient natural gas facilities also have long-term gas turbine maintenance agreements, which include various provisions such as routine maintenance, repairs, upgrades and improvements.

Efficient natural gas facilities comprised \$340 million of revenues and \$1.1 billion of assets representing 15% and 8%, respectively, of total revenues and total assets for the year ended and as at December 31, 2023.

The following describes Northland's key operating efficient natural gas facilities:

North Battleford is a 260MW natural-gas-fired combined-cycle plant that sells electricity under its PPA with SaskPower, expiring June 2033, based on the facility's ability to deliver electricity during defined on-peak periods. The terms under the PPA are designed to cover all fixed costs, debt service and return on equity, and provides protection against changes in the market price of natural gas since all fixed fuel costs and most variable fuel costs are passed through to SaskPower.

Thorold is a 265MW natural gas-fired co-generation facility that sells electricity to the IESO under a 20-year PPA contract expiring March 2030. Thorold generally produces electricity only when market conditions are economical but has a contract structure designed to largely insulate it from volume risk and volatility in electricity and natural gas prices. Under its PPA, Thorold earns a fixed amount from the IESO intended to cover fixed operating costs, debt service and return on equity. The structure ensures Thorold's gross profit under the PPA is generally fixed and largely dependent on its ability to operate according to the contract parameters.

Northland is responsible for operating its natural gas facilities to achieve specified efficiency and reliability levels. The contractual structure of a facility's PPA is designed to ensure predictable, stable and sustainable cash flows over the term of the PPA.

Utility

EBSA

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 about 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. EBSA's results are affected by exchange rate fluctuations between the Canadian dollar and the Colombian peso.

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.

Key Business Drivers for Significant Facilities and Segments

Northland regularly monitors the performance of its operating facilities with a focus on the key business drivers that result in the most significant variation in financial results. Key business drivers vary by facility due to the nature of the power generation technology employed and the revenue and cost contracting structure and are outlined in the table below.

| Significant drivers of variances in financial results | | | |
|---|--|---|---|
| | Primary | Secondary | Tertiary |
| Gemini | Wind resource | Market price compared to subsidy floor price | Equipment availability, operating and maintenance costs |
| Nordsee One & Deutsche Bucht | Wind resource | Unpaid curtailment from negative market prices for longer than six consecutive hours or grid unavailability | Equipment availability, operating and maintenance costs |
| Solar | Solar resource and weather events | Regulatory posted price volatility and regulation changes for Spanish solar facilities | Effectiveness of snow removal |
| Onshore Wind | Wind resource and weather events | Regulatory posted price volatility and regulation changes for Spanish onshore wind facilities | Instances of unpaid curtailment and permit related restrictions on operations |
| Efficient Natural Gas | Equipment availability | Gas transportation cost optimization | PPA rate escalation; operating and maintenance costs |
| EBSA | Regulatory changes and execution of capital investment plans | Growth in number of customers; for Adjusted Free Cash Flow, net proceeds from planned upfinancings, after expansionary capital expenditures | Operating costs relative to recovery of regulated efficient costs |

Projects under Development or under Construction

Northland actively pursues new power development opportunities that encompass a range of clean technologies, including wind, solar and energy storage, to provide a sustainable source of energy in various geographic regions and political jurisdictions. Northland believes this diversified strategy mitigates the risk of adverse changes to local demographics or governmental policies.

During 2023, Northland continued to expand its earlier-stage development pipeline, pursuing opportunities that meet the Company's investment criteria in targeted markets including but not limited to, Canada, the United States of America, Europe and Asia. Northland's sustained focus is on purposefully advancing those development opportunities that align with its strategies. Management continuously assesses the development projects 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 (MW) | Current ownership | Development Stage | Contract type | Estimated COD |
|-----------------------------------|-------------------|----------------|---------------------|-------------------|--------------------|----------------------------|---------------|
| Construction Projects | | | | | | | |
| Hai Long ^{(1) (7)} | Taiwan | Offshore wind | 1,022 | 31% | Under construction | 30-year PPA ⁽⁶⁾ | 2026/2027 |
| Baltic Power ⁽⁷⁾ | Poland | Offshore wind | 1,140 | 49% | Under construction | 25-year CfD ⁽⁴⁾ | 2026 |
| Oneida ⁽²⁾ | Canada | Energy Storage | 250 | 72% | Under construction | 20-year capacity contract | 2025 |
| Total | | | 2,412 | | | | |
| Identified Growth Projects | | | | | | | |
| Alberta Renewables | Canada | Solar | 1,150 | 100% | Mid-stage | | |
| ScotWind | Scotland | Offshore wind | 2,340 | 76% | Early-stage | 2026 - 2030+ | |
| Round 3 ⁽⁵⁾ | Taiwan | Offshore wind | 500 | 51% | Early-stage | | |
| South Korea Renewables | South Korea | Offshore wind | 3,450 | 100% | Early-stage | | |
| Total | | | 7,440 | | | | |
| Additional Pipeline | | | | | | | |
| Various ⁽³⁾ | | Various | 2,177 | | Early-stage | | TBD |
| Total Pipeline | | | 12,029 | | | | |

(1) On December 28, 2023, Northland's indirect equity interest in Hai Long offshore wind project reduced to 30.6% after the sell-down transaction close.

(2) In May 2023, the Oneida energy storage project reached financial close and moved to construction stage.

(3) Various include 2,177MW of other early-stage pipeline projects.

(4) 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.

(5) Gross capacity represents a portion of Round 3 development pipeline. In July 2023 and September 2023, Northland completed its investment partnership agreements with Gentari (as defined herein) through a sell-down of 49% stakes in each of NorthWind and CanWind offshore wind projects, respectively.

(6) Hai Long 2A (294MW) has a FIT for 20 years. Hai Long 2B (224MW) and Hai Long 3 (504MW) have CPPA for 30 years.

(7) In September 2023, Hai Long and Baltic Power offshore wind projects reached financial close and moved to construction stage.

For additional details relating to Northland's projects under construction and development, refer to the "Summary of Business Activities" section in this AIF.

Competitive Conditions

Northland operates power generation facilities and a power distribution utility, while also pursuing projects in various stages of development in Canada, the United States of America, Europe and Asia. The nature and extent of competition Northland faces varies from jurisdiction to jurisdiction. Within the renewable and clean energy markets, Northland primarily faces competition from large utilities, other independent power producers and in certain jurisdictions, competition from generators who utilize non-renewable sources to generate electricity including coal, nuclear and oil. Northland's power distribution utility, EBSA, competes with other utilities operating in the same region in serving customers as well as in competitive auction processes for grid expansion/improvement projects.

In every jurisdiction in which it operates, Northland depends primarily upon the sale of its power to credit-worthy counterparties under long-term PPAs, rate-regulated frameworks or similar revenue stability mechanisms. Such counterparties include European, Asian and Mexican government entities or utilities, provincial agencies or utilities in Canada, such as the IESO and SaskPower, state agencies in the USA, such as NYSEDA, a rate-regulator in Colombia, and corporate offtakers. Long-term PPAs are generally the result of a competitive request for proposals or a FIT program established by the relevant agencies or utilities in which Northland's competitors may also participate.

Globally, competitive auction processes are increasingly demonstrating that developers are willing to accept significant merchant price risk in order to secure power projects. Should this industry trend continue, Northland may increasingly choose to enter into PPAs with commercial and industrial customers, accept greater merchant revenue volatility, enter into

shorter term contracts, enter into new geographical markets, pursue projects at an earlier stage of development or a combination thereof.

The cost to construct and operate a project, and the type and characteristics of governmental programs to support clean and renewable power projects or infrastructure improvements are important drivers of pricing and competition in most international markets. Numerous factors may affect governmental policy in these areas, which in turn can affect the availability of opportunities to develop new power projects.

Northland manages the risk posed by competitive conditions through its ongoing strategic planning process, geographically and technologically diverse portfolio, disciplined approach to project development, strategic partnerships, energy marketing and hedging programs, proven track-record, in-market presence, financial structuring and the experience of its management team.

Maintenance of Capacity

To maintain its production capacity, defined as electricity production measured in MW or a facility's availability to operate, Northland: (i) invests in durable assets that have a long physical life; (ii) undertakes regular predictive and preventive maintenance; and (iii) makes improvements to major equipment when economically viable.

For renewable facilities, onshore and offshore wind turbines are generally maintained by original suppliers and/or service providers under contract. For offshore wind facilities, maintenance of the balance of plant is undertaken by various contractors. In 2020, following the insolvency of the original turbine O&M provider, NPE, a subsidiary of Northland, signed a service agreement with Nordsee One whereby NPE provides turbine O&M services. Inverters at the solar sites are covered under long-term warranties and parts agreements with the original equipment manufacturer. The cost of parts and maintenance under these contracts is included in operating expenses.

For most of the efficient natural gas facilities, gas turbines are maintained through long-term maintenance contracts that include provisions for routine inspections, maintenance and repairs, as well as major overhauls at periodic intervals. Overhauls of hot gas path components occur at intervals equivalent to approximately three operating years. Major turbine overhauls occur at intervals of approximately six operating years. Since overhaul intervals are based on operating hours, the interval period is typically longer for facilities that operate less frequently. These overhauls return the gas turbines to essentially as-new condition.

For utility equipment, maintenance, repair and replacement work on electrical lines and substations is performed by qualified employees and contractors. Maintenance and replacement schedules take into consideration the age of the equipment relative to its useful life, results from routine inspections and the potential impact of failure.

Environmental Matters

Northland's facilities are subject to environmental laws and regulations and must maintain licenses, permits and approvals established by governmental authorities and regulatory agencies in good standing. Northland is also required to comply with local and municipal approvals and actively works to establish and maintain positive relationships with the communities in which its facilities are located.

Each facility is designed, constructed and operated to meet or exceed environmental standards for air emissions, sound, and use of water and other resources. Northland has internal processes and procedures to monitor environmental conditions, changes in regulations, and to ensure each facility remains in compliance with applicable laws, codes, standards and industry practices. Changes in regulation are monitored and adjustments are made, as required, to address non-conformance.

Employees

As at December 31, 2023, Northland had 1,344 permanent and fixed-term employees based on total headcount (compared to 1,339 as at December 31, 2022).

CAPITAL STRUCTURE

The Company's amended and restated articles of amalgamation authorize it to issue the following classes of shares:

- an unlimited number of Common Shares; and

- an unlimited number of Preferred Shares, issuable in series, of which:
 - 6,000,000 have been designated as 3.20% Series 1 Preferred Shares; and
 - 6,000,000 have been designated as 6.12% Series 2 Preferred Shares.

As at December 31, 2023, Northland had outstanding 254,939,822 Common Shares (2022 - 250,017,357 Common Shares), 4,762,246 Series 1 Preferred Shares and 1,237,754 Series 2 Preferred Shares. On January 3, 2023, Northland completed the previously announced redemption of all 4,800,000 issued and outstanding Series 3 Preferred Shares at a price of \$25.00 per Series 3 Preferred Share together with all accrued and unpaid dividends of \$0.3175 per Series 3 Preferred Share for an aggregate total of \$122 million.

The Company also has \$500 million of Green Notes currently outstanding.

The following is a summary of the rights, privileges, restrictions and conditions attached to Northland's outstanding securities.

Description of the Common Shares

Holders of Common Shares are entitled to one vote in respect of each Common Share held at any meeting of the holders of Common Shares. Subject to the rights of holders of Preferred Shares or any series thereof ranking in priority to the Common Shares, the holders of Common Shares are entitled to receive dividends as and when declared by the Board of Directors at its discretion from time to time. In addition, subject to the prior rights of holders of Preferred Shares or any series thereof rank in priority to the Common Shares, the holders of the Common Shares are entitled to the balance of the assets of Northland upon the liquidation, dissolution or winding-up of Northland or other distribution of assets of Northland among its Shareholders.

Description of the Preferred Shares

Issuance in Series

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

Voting

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

Dividends

Payments of dividends and other amounts in respect of the preferred shares will be made by Northland to Canadian Depository for Securities ("**CDS**"), or its nominee, as the case may be, as registered holder of the preferred shares. As long as CDS, or its nominee, is the registered holder of the preferred shares, CDS, or its nominee, as the case may be, will be considered the sole owner of the preferred shares for the purposes of receiving payment on the preferred shares.

Tax Election

Northland will elect, in the manner and within the time provided under Part VI.1 of the Income Tax Act (Canada) and the regulations (the "**Tax Act**") thereunder, to pay or cause payment of the tax, under Part VI.1 at a rate such that the corporate holders of Preferred Shares will not be required to pay tax under Part VI.1 of the Tax Act on dividends received on such shares.

Series 1 and 2 Preferred Shares

In 2010, Northland issued 6,000,000 Series 1 Preferred Shares at a price of \$25.00 per share, for gross proceeds of \$150 million. The annual dividend rate resets every five years at a rate equal to the then five-year Government of Canada bond

yield plus 2.80%. The holders of the Series 1 Preferred Shares are entitled to fixed cumulative dividends, payable quarterly, as and when declared by the Board of Directors.

On August 31, 2020, Northland announced that the fixed quarterly dividends on the Series 1 Preferred Shares would be payable at an annual rate of 3.2% (\$0.2001 per share per quarter) until September 29, 2025.

Holders of Series 1 Preferred Shares and Series 2 Preferred Shares had the right, at their option to convert all or part of their Series 1 Preferred Shares or Series 2 Preferred Shares, as applicable, on a one-for-one basis, into shares of the other series, effective September 30, 2020. Consequently, Northland now has 4,762,246 Series 1 Preferred Shares and 1,237,754 Series 2 Preferred Shares outstanding.

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 treasury bill yield plus 2.80% (2.80% as of December 31, 2022). 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.

Series 3 Preferred Shares

In 2012, Northland issued 4,800,000 Series 3 Preferred Shares at a price of \$25.00 per share, for gross proceeds of \$120 million, with annual dividend rate reset every five years at a rate equal to the then five-year Government of Canada Bond yield plus 3.46%. The holders of the Series 3 Preferred Shares were entitled to fixed cumulative dividends, payable quarterly, as and when declared by the Board of Directors.

On January 3, 2023, Northland completed the previously announced redemption of all 4,800,000 issued and outstanding Series 3 Preferred Shares at a price of \$25.00 per Series 3 Preferred Share together with all accrued and unpaid dividends of \$0.3175 per Series 3 Preferred Share for an aggregate total of \$122 million.

Green Notes

On June 21, 2023, Northland closed its inaugural offering of \$500 million of Fixed-to-Fixed Rate Green Subordinated Notes, Series 2023-A, due June 30, 2083. The Green Notes have a fixed coupon of 9.25% per annum until the first reset date on June 30, 2028, and have an estimated after-tax cash cost in Euros to the Company of approximately 6.2%, taking into consideration the benefit of a Canadian dollar to Euro hedge and applicable corporate tax deductions. The Green Notes are rated BB+ by both S&P and Fitch and benefit from 50% equity treatment by both credit agencies.

DIVIDENDS

Sustainability of Dividends

The Board and management are confident that Northland has adequate access to funds to meet its dividend commitment, including operating cash flows and corporate funds.

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.

Holders of Common Shares may elect to reinvest their dividends in Common Shares, to a 3% discount, pursuant to the Company's DRIP. Northland may elect to issue shares from treasury for purposes of the DRIP but continues to reserve the right to source shares through market purchases. The net result has been a reinvestment of cash dividends into Northland, thus contributing to the funding of growth initiatives.

History of Dividends

The following table shows per Common Share cash dividends declared monthly for the past three years.

| | 2023 | 2022 | 2021 |
|-----------|-----------------|-----------------|-----------------|
| January | \$0.1000 | \$0.1000 | \$0.1000 |
| February | 0.1000 | 0.1000 | 0.1000 |
| March | 0.1000 | 0.1000 | 0.1000 |
| April | 0.1000 | 0.1000 | 0.1000 |
| May | 0.1000 | 0.1000 | 0.1000 |
| June | 0.1000 | 0.1000 | 0.1000 |
| July | 0.1000 | 0.1000 | 0.1000 |
| August | 0.1000 | 0.1000 | 0.1000 |
| September | 0.1000 | 0.1000 | 0.1000 |
| October | 0.1000 | 0.1000 | 0.1000 |
| November | 0.1000 | 0.1000 | 0.1000 |
| December | 0.1000 | 0.1000 | 0.1000 |
| | \$1.2000 | \$1.2000 | \$1.2000 |

The following table shows per Series 1 Preferred Share dividends declared quarterly for the past three years.

| | 2023 | 2022 | 2021 |
|-----------|-----------------|-----------------|-----------------|
| March | \$0.2001 | \$0.2001 | \$0.2001 |
| June | 0.2001 | 0.2001 | 0.2001 |
| September | 0.2001 | 0.2001 | 0.2001 |
| December | 0.2001 | 0.2001 | 0.2001 |
| | \$0.8004 | \$0.8004 | \$0.8004 |

The following table shows per Series 2 Preferred Shares dividends declared quarterly for the past three years.

| | 2023 | 2022 | 2021 |
|-----------|-----------------|-----------------|-----------------|
| March | \$0.4272 | \$0.1806 | \$0.1794 |
| June | 0.4587 | 0.2132 | 0.1789 |
| September | 0.4638 | 0.2697 | 0.1834 |
| December | 0.5016 | 0.3856 | 0.1878 |
| | \$1.8513 | \$1.0491 | \$0.7295 |

The following table shows per Series 3 Preferred Share dividends declared quarterly for the past three years.

| | 2023 | 2022 | 2021 |
|-----------|------------|-----------------|-----------------|
| March | \$— | \$0.3175 | \$0.3175 |
| June | — | 0.3175 | 0.3175 |
| September | — | 0.3175 | 0.3175 |
| December | — | 0.3175 | 0.3175 |
| | \$— | \$1.2700 | \$1.2700 |

CREDIT RATINGS

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

In May 2023, Northland's corporate issuer credit ratings were reaffirmed at BBB (stable) by Fitch and BBB (stable) by S&P. In June 2023, in conjunction with Northland's issuance of \$500 million of Green Notes, both S&P and Fitch rated the subordinated notes at BB+; this is two notches below Northland's issuer rating and is consistent with treatment under their respective hybrid capital methodologies. Northland's preferred share ratings were also reaffirmed at BB+ (stable).

An issuer credit rating is a forward-looking opinion about an obligor’s overall creditworthiness, focusing on the obligor’s capacity and willingness to meet its financial commitments as they come due. Rating methodologies consider a number of factors, including but not limited to: business and financial risks, actual and projected financial ratios, corporate liquidity and debt levels, corporate and project financing strategies, the quality and diversity of cash flows and track record of operations and construction. An issue credit rating considers the issuer rating along with characteristics of the security, notably structural features and ranking in the issuer’s capital structure.

Northland pays fees to S&P and Fitch for its issuer credit rating and preferred shares rating along with the annual review thereof. Northland also paid fees to S&P and Fitch for the credit ratings rendered for the Green Notes.

MATERIAL CONTRACTS

Northland does not have any material contracts as defined under National Instrument 51-102 that remain in effect as at December 31, 2023.

MARKET FOR SECURITIES

The table below presents the reported monthly high and low trading prices and trading volumes (in thousands) of the Common Shares on the TSX during 2023:

| Common Shares (TSX: “NPI”) | High | Low | Volume |
|----------------------------|---------|---------|------------|
| January | \$39.31 | \$35.29 | 16,478,965 |
| February | \$36.00 | \$32.60 | 17,928,580 |
| March | \$34.72 | \$32.33 | 15,809,996 |
| April | \$34.85 | \$33.13 | 11,690,448 |
| May | \$33.32 | \$27.20 | 21,796,941 |
| June | \$30.00 | \$26.75 | 16,447,187 |
| July | \$27.69 | \$25.39 | 16,007,771 |
| August | \$26.19 | \$21.03 | 24,427,664 |
| September | \$25.92 | \$21.77 | 22,179,857 |
| October | \$22.80 | \$19.36 | 20,695,075 |
| November | \$22.69 | \$19.60 | 20,645,883 |
| December | \$24.46 | \$21.10 | 19,039,152 |

The tables below present the monthly reported high and low trading prices and trading volumes of each series of Preferred Shares on the TSX during 2023:

| Series 1 Preferred Shares (TSX: “NPI.PR.A”) | High | Low | Volume |
|---|---------|---------|---------|
| January | \$18.37 | \$15.85 | 119,143 |
| February | \$17.49 | \$16.91 | 144,600 |
| March | \$17.53 | \$15.96 | 158,503 |
| April | \$16.56 | \$15.90 | 51,384 |
| May | \$16.14 | \$15.20 | 111,877 |
| June | \$15.60 | \$14.85 | 51,351 |
| July | \$15.25 | \$14.66 | 68,130 |
| August | \$15.15 | \$13.70 | 53,689 |
| September | \$14.66 | \$13.99 | 94,079 |
| October | \$14.25 | \$13.87 | 91,150 |
| November | \$15.40 | \$13.99 | 136,779 |
| December | \$16.00 | \$14.87 | 31,542 |

| Series 2 Preferred Shares (TSX: "NPI.PR.B") | High | Low | Volume |
|--|-------------|------------|---------------|
| January | \$19.25 | \$18.60 | 22,301 |
| February | \$19.35 | \$18.84 | 6,600 |
| March | \$19.48 | \$18.01 | 24,877 |
| April | \$18.63 | \$18.07 | 10,681 |
| May | \$18.59 | \$17.27 | 17,415 |
| June | \$17.55 | \$16.89 | 18,251 |
| July | \$17.35 | \$17.05 | 30,937 |
| August | \$17.30 | \$17.00 | 24,106 |
| September | \$17.47 | \$16.50 | 28,840 |
| October | \$16.85 | \$16.38 | 17,198 |
| November | \$17.35 | \$16.62 | 11,664 |
| December | \$17.90 | \$17.00 | 51,369 |

RISK FACTORS

Northland is subject to a number of risks and uncertainties, the most relevant of which are discussed in more detail below. The actual effect of any event on the Company's business could be materially different from what is anticipated or discussed below. In addition, there could be other, unknown risks not discussed below that could affect the Company's business. All risk factors herein may be interrelated to some degree and should be read and considered together; the cumulative impact of multiple risk factors being realized in the same time period is an additional risk that should be considered.

The following information is only a summary of such risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF and the MD&A included in the 2023 Annual Report.

Related to Ownership and Operation of Assets

Contracts

The majority of Northland's consolidated revenue is generated under long-term PPAs or revenue subsidy contracts at its facilities, with initial terms of 10 to 30 years, although the remaining PPA terms for certain facilities are considerably shorter.

As the facilities' PPAs expire, Northland may or may not be able to extend them or enter into new contracts or other revenue arrangements in the same or new markets. The renegotiation of certain contract provisions could entail capital investments for plant modifications and/or result in reduced facility profitability due to lower sales volumes, different operating modes or reduced margins. This may result in a higher proportion of our revenue generation being exposed to merchant market risk as existing PPAs expire.

Contract Counterparties

For the majority of Northland's revenue, the amount of cash flow received by Northland is dependent upon the counterparties to Northland's long-term contracts fulfilling their contractual obligations and energy market system operators fulfilling their regulatory obligations. In particular, because electricity sales provide nearly all of the revenue generated by Northland's facilities, the failure of a counterparty or system operator to meet its contractual or regulatory obligations would have an adverse effect on cash flow. For Northland's regulated utility, EBSA, the counterparty is the end-customer, however, as demonstrated during the COVID-19 pandemic, the regulator ensured that utilities such as EBSA were virtually fully assured of their revenue by way of a deferral payment program for select customers that ultimately had an immaterial effect on EBSA's business.

Northland's operating facilities generally contract with third-party equipment maintenance and service providers, primarily related to gas turbine and wind turbine inspections as well as equipment service and maintenance. The failure of a provider to meet its obligations could cause that equipment to experience downtime or increased maintenance costs which could reduce cash flows.

Northland, its subsidiaries and joint ventures engage contractors and third-party suppliers for equipment and services during the construction of new facilities. The failure of a supplier to meet its obligations could cause Northland to experience construction delays, cost overruns and/or loss of expected revenue and may result in reputational damage and/or litigation or arbitration, as discussed in the "Construction" section below. Failure could also prevent those projects from meeting obligations under PPAs or financing agreements (which may cause the Company to pay liquidated damages or other penalties or amounts). Multiple physical and contractual interfaces may also increase the risks to the facility from an overall project management perspective. Increase in risks related to multiple physical and contractual interfaces include risks pertaining to coordination, compatibility errors, liability caps, warranties on an individual work package basis, delays, cost overruns, performance failures and litigation.

Northland and its subsidiaries contract with partners to collaborate on development projects, including sharing development costs in agreed upon ratios. The failure of a partner to meet its obligations could cause Northland to take on additional credit exposure or make additional development expenditures to maintain the development project's status.

Financial counterparty risk arises primarily from holding cash and cash equivalents at banks and financial institutions; counterparty exposure arising from derivative financial instruments with banks, financial institutions and other derivative providers; unfunded credit commitments from banks and financial institutions; claims receivables due from insurance providers and receivables due from customers and other counterparties. The maximum financial exposure to counterparty

risk, other than for unfunded credit commitments, is equal to the carrying value of the financial assets. The inability of a financial counterparty to perform under agreements with Northland could have a material impact on Northland's assets, liabilities, earnings and/or cash flow.

To the extent Northland's interests in a project or asset are held in a partnership or joint venture with third party co-investors, the validity of permits, licenses and approvals and agreements (including financing agreements) with respect to such project or asset may be subject to the conduct of the Company's partners or co-investors, which is outside the Company's control. See the risk factor regarding "Co-ownership" below.

Operating Performance

The contractual structure of the revenue agreements at, or the regulated framework applicable to, Northland's operating facilities requires them to operate based on certain contractual parameters, for example when requested by the offtaker or at minimum output or availability levels. If facilities are unable to operate according to their contractual parameters this could result in penalties or other financial impacts that could negatively impact financial results and cash flow.

There are no minimum production obligations at the Gemini, Nordsee One and Deutsche Bucht offshore wind facilities. Other than as specified below, production obligations at Canadian efficient natural gas facilities are not significant to Northland's overall business.

North Battleford's PPA provides a monthly capacity-based payment that may be affected if North Battleford is unable to deliver minimum levels of electricity based on ambient temperatures specified. SaskPower can terminate the PPA in certain circumstances in the event that North Battleford fails to perform certain of its obligations under the contract and claim damages in respect thereof.

EBSA's rate-regulated revenues earned for delivering electricity to customers are not subject to minimum operating performance metrics; however, poor performance on key service reliability indicators may negatively impact EBSA's reputation or future rate applications, reducing future cash flows. Key reliability indicators include System Average Interruption Frequency Index and System Average Interruption Duration Index, which measure the frequency and duration, respectively, of interruptions in the power supply to customers.

Competition

Northland operates in a number of jurisdictions affected by competition ranging from large utilities to small producers, international conglomerates, and traditional energy and technology firms. In addition, potential customers may look to deploy their own capital to self-supply their own electricity needs. Some competitors have significantly greater financial and other resources than we do. Such competition could have a material adverse effect on our business. Emerging technology affecting the demand, generation, distribution or storage of electricity may also significantly impact our business and ability to compete. Furthermore, older facilities may over time be unable to compete with newer more efficient facilities utilizing improvements to existing power technologies and cost-efficient new technologies. Climate change will drive innovation and transformation of the power generation sector, including energy production and consumption.

Variability of Renewable Resources

The wind and solar resources at Northland's wind and solar farms will vary. Although management believes that the resource surveys and historical production data collected demonstrate that the sites are economically viable, historical data and technical predictions could prove not to reflect accurately the strength and consistency of the resources in the future.

Offshore Wind Concentration

Northland's consolidated financial results reflect profits and cash flows generated by a number of subsidiaries. Northland's consolidated results are significantly driven by the performance of its offshore wind facilities, with over 50% of Adjusted EBITDA and Adjusted Free Cash Flow generated by Gemini, Nordsee One and Deutsche Bucht. This will further increase with the acquisition of offshore development projects and development and construction of Hai Long and Baltic Power.

Power Market Prices

Northland has market price risk exposure primarily at its offshore wind facilities and at the Spanish portfolio. Gemini, Nordsee One and Deutsche Bucht are exposed to a degree of market price risk to the extent that if the annual average day-ahead spot electricity price falls below the contractual floor price for Gemini or the hourly prices fall below zero for longer than six hours for Nordsee One and Deutsche Bucht, it could negatively affect financial results and cash flow. Additionally, production in excess of the annual Gemini Subsidy Cap earns revenue at yearly market price. Gemini settles its revenues with their offtaker on a monthly basis at the market electricity price. In addition, monthly fixed advance subsidy payments

are being received from the authorities. These advance fixed payments are based on the average price for the period September-August of the prior year. The actual difference between the average spot electricity price for the year and the maximum subsidy is only being settled 6 months after year-end. As a consequence, the timing of cash flows on Gemini revenues can materially differ from the total revenue accounted for in the calendar year.

The Spanish government enacted an exceptional update to the regulatory framework for both 2022 and the next regulatory semi-period 2023-2025, that will not impact the guaranteed return of Northland's Spanish facilities but will increase the volatility of cash flows and financial results, that will be more dependent on the market prices.

Natural Gas Fuel Supply, Transportation and Price

Certain natural-gas-fired facilities owned or managed by Northland may be affected by the availability, or lack of availability, of a stable supply of fuel at reasonable or predictable prices. Although these facilities attempt to match fuel cost setting mechanisms in supply agreements to PPA energy payment formulas, increases in fuel costs or insufficient fuel supply can nonetheless adversely affect the profitability of the facilities.

The ability to produce energy at certain facilities is highly dependent on the ability to procure and transport fuel to the facility. Such facilities depend on suppliers fulfilling their contractual obligations under natural gas fuel supply and transportation agreements. The loss of significant fuel supply could have an adverse impact on the facilities' ability to produce electricity, reducing expected cash flow. To the extent possible, Northland's gas-fired facilities attempt to contract with creditworthy counterparties and/or source gas through index-based pricing from liquid trading hubs with potential alternate suppliers.

Upon the expiry or termination of existing fuel supply agreements, Northland will be required to either renegotiate these agreements or source fuel from other suppliers. Northland may not be able to renegotiate these agreements or enter into new agreements on similar or otherwise desirable terms.

Operations and Maintenance

Northland's power generation and utility facilities are subject to operational risks that could have an adverse effect on cash flow, including premature wear or failure of major equipment due to defects in design, material or workmanship or due to more stressful operating conditions. These and other safety and operating events and conditions could result in bodily injury or death, property damage, the release of hazardous substances, increased capital expenditures, reduced production and service disruptions and, to the extent that a facility's equipment requires longer than forecasted down times for maintenance and repair, or suffers disruptions of power generation or distribution for other reasons, the Company's business, operating results, financial condition, reputation or prospects could be adversely affected. In addition, for EBSA, retirement of distribution equipment prior to the end of its rate regulated useful life reduces the rate base on which rate regulated revenues are calculated.

Operating Costs

EBSA's ability to recover the actual costs of providing service and earn the allowed weighted average cost of capital depends on EBSA realizing the cost forecasts approved in the rate-setting process. Actual costs could exceed the approved forecasts if, for example, EBSA incurs operations, maintenance, administration, capital and financing costs above those included in EBSA's approved revenue requirement. EBSA may not be able to recover significant differences between forecast and actual costs, adversely affecting EBSA's financial results. In addition, EBSA's current revenue requirements are based on cost and other assumptions that may not materialize.

The regulated revenue EBSA earns on its rate base is inflation indexed per the established Colombian PPI. There is the potential for reductions in the Colombian producer price index to have a negative impact on future cash flows.

Other Northland facilities and projects are in contracts indexed to the Canadian or local consumer price indices.

Insurance

Northland procures insurance to address material insurable risks such as property damage, business interruption and liability. Insurance coverage decisions are based on what Northland believes would be maintained by a prudent manager/owner/operator of similar facilities or projects and certain contractual obligations. Northland reviews and benchmarks its insurance program annually, or as regularly required, to ensure terms and limits are at or above industry standards which is also required by lenders to our non-recourse project level financings. Northland's insurance is subject to deductibles, limits and exclusions that are customary or reasonable given the cost of procuring insurance, current operating conditions and insurance market conditions. Such insurance may not continue to be available or available at economically feasible costs. Some events that could give rise to a loss or liability may not be insurable, and the amounts of insurance may not be sufficient to cover each and every loss or claim that may occur involving the assets or operations of the facilities, projects or

Northland. Insurance coverage of project assets and facilities may be prescribed by project financing agreements and/or PPAs.

Co-ownership

Northland relies on other investors and joint venture partners in its non-wholly owned subsidiaries, including Hai Long, Baltic Power, Oneida and ScotWind, Gemini, Nordsee One, Kirkland Lake, Grand Bend, McLean's and Cochrane, to fulfill their commitments and obligations in respect of the project/facility. In some of these joint ventures, the Company has an equity interest of 50% or less. As a result, the Company may not control such projects and facilities and its interest may be subject to the decision-making of third parties, and the Company may be reliant on a third party's personnel, good faith, contractual compliance, expertise, historical performance, technical resources and information systems, proprietary information and judgment in developing, constructing and operating the particular project. There is a risk that one or more other investors, partners or joint venturers will be unable or unwilling to fulfill its obligations in respect of the project/facility. In such a case, the facility's operations may be adversely affected and therefore Northland's cash flows from the project could be negatively affected.

Certain joint venture and other equity partners with which Northland has arrangements may have, or may develop, interests or objectives which are different from or even in conflict with those of Northland. Any such differences could lead to development, construction or operations issues that could negatively impact the success of Northland's projects and its reputation. If an investor, partner or joint venturer fails to fulfill its contractual obligations, Northland may be required to pay financial penalties or liquidated damages, provide additional services, or make additional investments to ensure adequate performance and delivery of contracted services. Under agreements with joint and several (or solidary) liabilities, Northland could be liable for both its obligations and those of its partners. These circumstances could also lead to disputes and litigation with Northland's partners, lenders or clients. The occurrence of any of the foregoing could have a material adverse effect on Northland's business, financial condition and results of operations.

Reliance on Transportation and Distribution Infrastructure

Northland's operations rely on assets such as transmission and distribution grids, towers and substations owned and operated by third-parties. These assets may be adversely affected by acute or chronic weather events, mismanagement, and other factors, which Northland has little ability to control. Failure of transportation and distribution infrastructure on which Northland relies may prevent Northland from delivering electricity to contract counterparties, reducing cash flows.

Terrorism and Security

Northland's physical and technological assets may be subject to acts of terrorism, vandalism or sabotage that prevent Northland from meeting its operational and contractual commitments, negatively affecting financial results. Additional expenditure may be required to restore damaged assets.

International Activities - Geopolitical Risks

Northland's activities outside of Canada are subject to risks inherent in undertaking international activities. These risks could involve, among other things, matters arising out of the policies of foreign governments, imposition of special taxes or similar charges by government bodies, restrictions on carrying on business or the revocation or non-issuance of licenses to carry on business by a foreign government, difficulties in obtaining financing, foreign exchange fluctuations and controls, civil disturbances and deprivation or unenforceability of contract rights or the taking of property without fair compensation. The Company's foreign properties, operations and investments may be adversely affected by local political, geopolitical, sociopolitical and economic developments, including nationalization, political instability, increased political tension between countries, laws affecting foreign ownership, acts or threats of terrorism or other hostilities, actions taken by other governments in response thereto, military actions or threats, cybersecurity incidents, government participation, royalties, duties, interest rate fluctuations, exchange controls, currency fluctuation, taxation and new laws or policies imposed by governmental authorities, as well as by laws and policies of Canada affecting foreign trade, investment and taxation and other risks present in the jurisdictions in which we, our customers, our suppliers, and/or our partners operate.

The Company cannot accurately predict the impact that the ongoing conflicts in Ukraine and the Middle East and/or the increased political tensions between China, Taiwan and the United States of America may have on its financial position or assets. The Company regularly monitors ongoing macroeconomic, political, financial market and government changes in all of the markets in which it operates to assess the potential for adverse effects on the Company's business, assets, investments, PPAs, operations and/or its financial results.

Construction

The Company's ability to execute projects effectively is in part dependent upon the provision of, equipment, materials and services by third parties in a timely manner. Loss or delay of key equipment, materials and services; the provision of key equipment, materials and services at higher than expected or budgeted costs; and the reputational and financial risk exposures of key vendors, including as a result of changes in laws, regulations and standards, inflation, tariffs, transportation delays, delays in approvals, customs issues, pandemics or epidemics and other geopolitical factors, could affect the timing, execution, viability and profitability of capital projects and could result in delays, disruptions, and cost overruns or otherwise adversely impact the Company's financial condition. There is also a risk that a project under construction could be stopped or canceled and/or a contractor or supplier could fail to complete its contractual obligations. There is further risk that the projects, once constructed, will not immediately perform as intended. Any significant delays in construction, cost overruns, project cancellations, or project shortfalls as a result of construction activities may have an adverse impact on Northland's reputation, operations and financial performance. The risks associated with construction projects are proportionate to their scale and complexity. For EBSA, delays in executing the capital investment projects approved in its rate application are factored into the calculation of future regulated rate revenues.

Disputes are common on construction projects and, as such, in the normal course of business, the Company may become involved in various legal actions and proceedings (including arbitrations) that arise from time to time, some of which may involve substantial sums of money. There is no assurance that the Company's project contingencies will be sufficient to cover any particular claim or claims or that a judge or arbitrator will rule for the Company in a proceeding with respect to a substantial amount in dispute notwithstanding the Company's confidence in the merits of its position. Refer to the "Litigation Risk and Legal Contingencies" section below.

As discussed in the "Climate-Related" section below, Northland is exposed to weather risk and subsurface risk during the construction and operation of its offshore wind facilities.

Development Prospects and Advanced Stage Development Projects

Northland incurs early-stage development costs before it can determine whether a prospective project is technically and financially feasible and before Northland has rights or ownership of the project. The nature of some of these expenditures is speculative. Northland may also be required to advance funds, enter into commitments and/or post performance bonds, parental guarantees or other security in the course of acquiring or developing prospects. There are a number of factors that could cause a prospective development project to fail, including: inability to secure favourable sites; inability to secure PPAs; failure to obtain permits, consents, licenses and approvals; increases in interest rates, commodity prices or unfavourable currency fluctuations; inability to acquire suitable equipment and construction services at a favourable price; inability to attract adequate project financing, and the inability to mitigate other critical risks. Significant costs related to prospective development projects may be incurred in preparation for the associated bidding process and such costs may not be recovered if Northland fails to win the bid.

Northland pursues earlier-stage development prospects which are inherently riskier than late-stage developments. In addition, increased competition in the industry and changes in the ways Northland's customers procure power require the acceptance and management of increasing amounts of merchant price risk, technology development risk, and construction risks. If these risks manifest in a material manner, overall project returns could be adversely affected.

Projects may fail to reach financial close, and all investments, cost commitments and credit support provided up to that point, which could be material, may be lost or unrealizable. Factors that could cause an advanced stage development project to fail include: (i) failure to obtain or renew permits, consents, licenses and approvals at all or on terms or timelines that are acceptable to the Company; (ii) increases in interest rates or adverse changes in foreign exchange rates; (iii) inability to finalize equipment and construction contracts or services or financing agreements on terms or costs that are acceptable to the Company; (iv) inability to obtain financing; (v) the inability to mitigate other critical risks; (vi) expiry of the longstop date or equivalent term of a key vendor contract, (vii) a partner exercising its rights under the applicable agreement or agreements to not proceed with the project and/or, (viii) failure of a partner to meet its obligations with respect to the project.

The returns on projects may also become less desirable by the time of financial investment decision or financial close than originally anticipated in the early development stage due to various factors, including, without limitation, supply chain factors, interest rates, competitive factors, financing terms and rates, the Company's cost of capital, incorrect assumptions, changes to permitting and/or regulatory frameworks, changes in government policy, changes in tax laws and changes in accounting standards or policies.

Acquisitions and Dispositions

Integration and Acquisition Risk

Northland's growth strategy includes potential acquisitions of assets or companies. These acquisitions may not result in the anticipated benefits to Northland due to changes in performance compared to those on which due diligence assessments were based, reliance on information provided by the seller, loss of key members of the acquired company's management team, identification of unexpected costs or liabilities of the acquired company, difficulties integrating the new assets or companies and other factors. The Company may face challenges in successfully integrating acquisitions and realizing anticipated synergies, which could result in increased or unanticipated costs associated with the acquisition. Likewise, a failure to achieve sufficient utilization of the assets acquired could also materially impact the future financial results of Northland. Please also refer to the "Contract Counterparties" section.

Disposition and Sell-Down Risks

Northland may, from time to time, divest certain assets or projects, in whole or in part. Any disposition or sell-down by the Company may result in a decrease to its revenues, cash flows and net income and a change to Northland's business mix. In addition, the Company may not be able to sell-down or dispose of businesses or assets that the Company desires to sell for financial, strategic and other business reasons at all or at a price acceptable to the Company. Moreover, divestitures may not result in the anticipated benefits to Northland or proceed on the timeline anticipated by management due to changes in operational or financial performance, due diligence requirements, and achievement of all required conditions to closing, including but not limited to regulatory and/or lender approvals. Please also refer to the "Contract Counterparties" section.

Northland may also retain certain liabilities for or agree to indemnification obligations in a sale transaction. The magnitude of any such retained liabilities or indemnification obligations may be difficult to quantify at the time of the transaction and could ultimately be material. Should any of the risk associated with dispositions materialize, it could have an adverse effect on our business, financial condition, results of operations or reputation. Failure to execute on any planned disposition may require the Company to seek alternative sources of funds or incur additional indebtedness.

Climate-related

Northland recognizes the risks associated with climate (both from the transition to a lower carbon economy and from changes in weather). Climate-related risks are assessed throughout the project lifecycle.

Financial Risks

As new climate change measures are introduced or strengthened, Northland's cost of business, including insurance premiums, may increase, and the Company may incur expenses related to complying with environmental regulations and policies in countries or regions where it does business. Such costs may include purchasing new equipment and materials to reduce emissions to comply with new regulatory standards or to mitigate the financial impact of different forms of carbon pricing.

Climate change-related litigation continues to evolve in Canada and elsewhere. While most cases have not succeeded due to the difficulty of attributing climate change to one specific emitter and uncertainty about the extent to which climate change-related risks must be considered and disclosed pursuant to existing financial disclosure obligations, the pressure created by climate change-related litigation may affect the regulatory and operating environment of companies, including Northland. Refer to the "Litigation Risk and Legal Contingencies" section below.

Northland recognizes the potential for increased costs due to more stringent regulatory and policy requirements related to emissions (e.g., carbon taxes or price of carbon) on its operations and the impact it may have on supply chains. Although, Northland is not currently significantly impacted by these regulations through current PPAs, growing public commitments and increasing carbon prices through fuel or taxes may impact renewable assets as well as natural gas sites (e.g., diesel prices for offshore vessels). Refer to the "Environmental, Health & Safety" and "Government Policy, Legislation and Regulations" sections below.

ESG Reporting Risk

In 2023, Northland announced its plan to achieve a 65% reduction of its GHG emissions intensity by 2030 (from 2019 baseline) and to achieve net zero emissions across its scope 1, 2 and 3 by 2040. While Northland is fully committed to reaching these targets, delays or cancellations of the renewable energy projects on which those targets are premised or increased usage or extended contracting of the Company's gas-powered assets could cause Northland to fail to meet its commitments in the time frames it has set out or at all.

Market and Reputation Risk

Investors and other stakeholders in Canada and worldwide are becoming more attuned to climate change action and sustainability matters, including scrutiny of the efforts made by companies to reduce their carbon footprint. Moreover, stakeholders increasingly have higher expectations of how businesses respond to climate change issues, specifically those that are most material to their business. Companies are navigating evolving “greenwashing” concerns and the expectation that they are transparent about sustainability targets and performance and not overstating their sustainability credentials. Northland may be subject to a broad range of additional environmental information requests by customers, potential customers and other stakeholders in certain regions and increasing levels of disclosure regarding climate-related environmental performance. Northland’s reputation may be harmed if it is not perceived by its stakeholders to be sincere in its sustainability commitment and its long-term results may be impacted as a result. In addition, Northland’s approach to climate change issues may increasingly influence stakeholders’ views of the Company in relation to its peers and their investment decisions.

Physical Risks from Climate Change

Northland continues to view climate-related risks as being primarily associated with the variability of results that may arise from the impact of chronic weather changes on its physical assets. If there is reduced wind or solar resources, the underlying financial projections regarding the amount of electricity to be generated by the renewable farms may not be met, and cash flow and the ability to meet debt service obligations could be adversely affected. Additionally, wind speeds may exceed the safe operating limit of Northland’s turbines, requiring them to be shut down and/or severe weather conditions may result in decreased availability of the local grid operator. These circumstances may also impact the amount of electricity to be generated by the renewable farms, and cash flow and the ability to meet debt service obligations could be adversely affected.

Research on the impact of climate on wind and solar patterns in areas of concentrated renewable power production, though growing, remains in early stages. Under high emissions scenarios, in the long-term, it is not expected that there will be a significant change in mean wind speeds in the areas where Northland currently operates, but increased variability is possible. Thus, Northland’s concentration of offshore wind facilities in the North Sea presents a performance and operating risk, which will not be mitigated until the Baltic Power and Hai Long projects reach commercial operations. Over the long-term, the effects of climate and severe weather events may also change energy demand patterns and market prices in the regions where Northland operates to the benefit or detriment of Northland’s financial results.

Northland also recognizes the risks from acute natural events and chronic weather changes on its physical assets. Northland’s facilities and projects are exposed to various hazards today that are expected to increase in the future under various climate scenarios, including temperature extremes, heat waves, drought, extreme precipitation, flooding (sea and river), forest fires and extreme wind. Extreme weather conditions and natural disasters can cause downtime, construction delays, production losses and/or damage to equipment. Natural events may also make it impossible for operations and maintenance crews to access the disabled equipment to deliver parts and provide services.

Northland is exposed to weather risk and subsurface risk during the construction and operation of its offshore wind facilities. Northland attempts to mitigate these risks through the purchase of insurance and/or the inclusion of provisions under applicable construction agreements with contractors. However, insurance policies and/or construction agreements may not provide coverage for certain events, or coverage may be insufficient to compensate for all of the losses suffered by a project. Such insurance may not continue to be available at all or at economically feasible cost. As such these potential risks are included in planning and construction design as well to help mitigate the impact of such events on operations.

Health and Safety of Employees, Contractors, and the Public

Northland’s activities with respect to the construction, operation, and maintenance of power generation and related facilities, including its high voltage transmission and distribution infrastructure, can present a risk to the health and safety of employees and the public. Particularly in Colombia, EBSA’s distribution systems cover an extensive area, including highly populated and rural areas, where EBSA cannot always fully control public access to its assets. EBSA is required to operate and maintain its electric distribution system in a manner that enables the provision of safe and reliable utility service to customers and that will ensure the safety of employees, contractors and the general public.

The work environment of offshore wind farms is challenging due to the remote locations, the physical demands of scaling the wind turbines and the marine environment. During the development, execution and operation of the offshore wind farms, Northland implements safety management systems, a structured approach to identify hazards and manage risks through processes and tools aligned with international and industry best practices.

Northland's facilities, construction projects and operations are exposed to potential interruption resulting from public health crises, such as pandemics and epidemics. A significant incident that may impact the health, safety, and well being of its employees may impact its human capital strategy, which may lead to negatively affect Northland's reputation, loss of revenue, future opportunities, key employees, or customers.

Pandemics, Epidemics or Other Public Health Emergencies

Northland's business, financial condition, cash flows and results of operation can be adversely affected by pandemics, epidemics or other public health emergencies, such as the COVID-19 pandemic. The COVID-19 pandemic affected businesses throughout the world resulting in various shutdowns, work from home programs and many individuals and companies impacted by lost workdays as a result of illness. The impact of any pandemic, including COVID-19, on the Company will depend on a variety of factors, including the overall severity and duration of such events. These factors are highly uncertain and cannot be predicted. Risks of COVID-19 and other health emergencies include, but are not limited to: more restrictive directives of government and public health authorities, including the introduction of new legislation, policies, rules or regulations; reduced labour availability; construction delays; impacts on Northland's ability to realize its growth goals, including sourcing new acquisitions; decreases in short-term and/or long-term electricity demand and lower power pricing; increased costs resulting from Northland's efforts to mitigate the impact of the pandemic; financial markets that could limit the Company's ability to obtain external financing to fund its operations and growth expenditures; a higher rate of losses on accounts receivables due to credit defaults; and disruptions to our supply chain.

Related to Financing

Financing

Northland expects to employ non-recourse project financing to fund material portions of investments, acquisitions, capital expenditures and expansion projects. However, there may not be sufficient capital available on acceptable terms.

Most of Northland's facilities and projects have financing arrangements in place with various lenders. These financing arrangements are typically secured by project assets and contracts, as well as Northland's equity interests in the project entity. The terms of these financing arrangements generally impose many covenants and obligations on the project entity, any other borrowers, guarantors and sponsors. In many cases, a default by any party under a project operating agreement (such as a PPA) will also constitute a default under the project's loan or other financing arrangement. Failure to meet certain financial covenants, to comply with the terms of loans or financing arrangements, or the occurrence of an event of default, may allow the lenders to stop advancing funds to a project under construction, may prevent cash distributions by the project or the project operating entity to Northland and may entitle the lenders to demand repayment and enforce their security against project assets. In addition, if an event of default occurs, lenders are entitled to take possession of the equity interests in project operating entities that have been pledged to such lenders by the sponsors; this could cause Northland to lose its investment in a project. The interruption of construction advances by lenders to a project, cash distributions from a project or the loss of an equity interest in a project could have a material impact on Northland's financial position, results and cash flow.

Northland has historically financed its equity investment in new projects through a combination of one or more of: cash-on-hand, cash flow from operations, borrowings under its corporate credit facilities, and issuance of equity and capital markets instruments. Depending on market conditions and other factors, some of which may be outside of Northland's control, sufficient capital may not be available on acceptable terms, if at all, to fund future investments when required and the expected availability of capital for certain projects may vary. Capital raised through additional equity could result in dilution to current Shareholders. An increase in corporate leverage may result in a higher risk of a default if Northland is unable to comply with debt service requirements, covenants and obligations required under its corporate financing agreements or indentures. Further, if capital is raised through debt, Northland could be subject to covenants and other obligations that could impact its financial position and cash flow, which may have a negative impact on its corporate credit ratings.

For EBSA, if the weighted average cost of capital realized through its financing arrangements exceed the weighted average cost of capital determined by the regulator to be reflective of the typical Colombian utility, EBSA's regulated revenues may not fully recover its cost of capital.

Interest Rates, Refinancing and Loan Margins

The risk of interest rates is of particular concern to a capital-intensive industry such as the electricity infrastructure business. This is particularly acute during periods when many central banks are exercising fiscal and monetary policy tools to curb high levels of inflation.

Northland typically utilizes fixed-rate debt or hedges the majority (80-100%) of interest rate exposure on its non-recourse project financings for tenors that match the underlying debt amortization period, where feasible, with hedges typically entered into shortly before or upon those projects reaching financial close. Northland does not typically hedge interest rates on shorter-term borrowings under its revolving credit facility. A significant rise in interest rates may materially increase the cost of Northland's development projects or the cost of unhedged debt at Northland's construction projects. This may potentially prevent certain development opportunities from proceeding because the economics may no longer be feasible at higher rates or decrease the return on construction projects, possibly resulting in asset impairment.

Most of Northland's projects have financing arrangements with terms that are matched to the underlying project revenue stream, which removes refinancing risk. Northland is exposed to refinancing risk on certain facility-level loans and its corporate credit facilities, which are expected to be extended on an annual basis. The ability to refinance, renew, increase or extend debt instruments is dependent on the capital markets at the time of maturity, and the condition and prior performance of the asset, which may affect the availability, pricing or terms and conditions of financing.

Although interest exposure can be effectively hedged, there is no ability to mitigate the loan margin beyond an initial loan term. The loan margin could increase materially at loan maturity, thus reducing a project's cash flow.

Liquidity

Liquidity risk arises through an excess of financial obligations over available financial assets at any point in time. Impairments in Northland's asset values or cash flows could result in Northland not having sufficient funds to settle a transaction on a due date; Northland could be forced to sell financial assets at a value that is less than what they are worth; or Northland could be unable to settle or recover a financial asset at all. Liquidity limitations may also prevent Northland from pursuing favourable development projects.

Northland is also subject to internal liquidity risk since it conducts its business activities through separate legal entities (subsidiaries, joint ventures and other affiliates) and is dependent on receipts of cash from those entities to defray its corporate expenses (including corporate debt interest and principal payments) and to make dividend payments to Shareholders.

Credit Rating

Northland currently has a BBB (stable) issuer corporate credit by S&P and Fitch rating agencies and the issue ratings of the Green Notes and Northland's preferred shares are BB+. Certain projects with non-recourse project bonds have their issues rated by Morningstar DBRS. There is a risk that Northland's credit ratings may be adversely affected by changes in ratings criteria or methodology, by adverse financial or operational performance, or by other factors. Any downgrade of or other adverse rating action affecting Northland could adversely affect the trading price of Northland securities or the trading markets for Northland securities, or Northland's ability to obtain or maintain secured and/or unsecured credit with various parties.

Currency Fluctuations

Northland receives payments in Euros in respect of its three offshore wind facilities and Spanish portfolio, in Colombian Pesos from EBSA, and in US dollars from the Bluestone and Ball Hill onshore wind projects. Northland also has payment obligations in U.S. dollars, primarily related to the service agreements for gas turbines. Certain development expenses may also be denominated in U.S. dollars or other currencies, including the Euro, Pound Sterling, New Taiwan dollar, Colombian peso, Mexican peso, Korean won, Japanese yen, and Polish Zloty. Exchange rate fluctuations between these foreign currencies and the Canadian dollar may affect Northland's financial results and cash flow.

Northland's development, construction and operating activities may utilize equipment and/or commodities purchased from foreign suppliers. However, fluctuations in exchange rates could have a material impact on the cost of this equipment and thus have a negative impact on the feasibility of one or more development projects and on Northland's ability to achieve anticipated returns on its construction projects. In addition, projects Northland is developing or constructing may require expenditures, advances, equity investments or provide project distributions that are denominated in foreign currencies. Fluctuations in foreign exchange rates relative to the Canadian dollar could have a material impact on the amount of equity investment required or the Canadian dollar equivalent of project distributions which may have a negative impact on the feasibility of one or more development projects or impact anticipated returns on construction projects.

Northland's risk management approach is to hedge such foreign exchange risks where economically feasible.

Commodity Price Fluctuations

Northland has commodity price exposure at its development projects which have construction costs that are dependent on the price of certain raw materials as an input, notably steel, base metals and lithium. A portion of project construction costs

relate to the price of these raw materials, whose prices can be volatile. The market price for these raw materials can be affected by numerous factors beyond our control, including levels of supply and demand for a broad range of industrial products, imposition or increase in tariffs, substitution of new or different products, expectations with respect to the rate of inflation, the relative strength of the foreign currencies, interest rates, speculative activities, global or regional political or economic crises and sales of raw materials by holders or producers in response to such factors. Increases in the price of raw materials could have a material impact on the cost, value and return of a project. In addition, increased commodity price fluctuations could impact the amount of equity required which may have a negative impact on the feasibility of one or more development projects. If commodity prices should decline below the cash costs of production for our main suppliers and remain at such levels for any sustained period, the producer could determine that it is not economically feasible to continue commercial production and as a result, curtail or suspend operations.

Variability of Cash Flow and Potential Impact on Dividends

The actual amount of cash flow to service dividends to Shareholders will depend on numerous factors, including the financial performance of Northland's subsidiary operations, ability to meet debt covenants and obligations, working capital requirements, future capital requirements, participation in the DRIP and tax related matters.

The payment and the amount of dividends declared, if any, are at the discretion of the Board and will depend on the Board's assessment of Northland's outlook for growth, capital expenditure requirements, funds from operations, potential opportunities, debt position and other conditions that the Board may consider relevant at such future time, including applicable restrictions that may be imposed under Northland's credit facilities and on the ability of Northland to pay dividends. The amount of future cash dividends, if any, could also vary depending on adverse impacts from a variety of factors, including fluctuations in energy prices, capital expenditure requirements, debt service requirements, operating costs and foreign exchange rates. The market value of the Common Shares may decline if Northland's cash dividends decline in the future and that market value decline may be material.

Inflation

General inflationary pressures may affect labour and other operating costs, as some of Northland's existing PPAs are fixed price contracts and have no mechanism to offset any potential impacts from higher costs due to inflation. These inflationary pressures could have a material adverse effect on Northland's financial condition, results of operations and the capital expenditures required to advance Northland's business plans. There can be no assurance that any governmental action taken to control inflationary or deflationary cycles will be effective or whether any governmental action may contribute to economic uncertainty. Governmental action to address inflation or deflation may also affect currency values. Accordingly, inflation and any governmental response thereto may have a material adverse effect on Northland's business, results of operations, cash flow, and financial condition.

Taxes

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. 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.

Recent tax developments that could have an adverse effect on Northland and its subsidiaries include, but are not limited to:

- The tabling in Canada's Parliament of legislation to implement interest limitation rules. The revised draft legislation deferred Northland's effective date of the Canadian interest limitation rules to January 1, 2024, at which point Canadian interest deductions will be limited to 30% of tax EBITDA. Disallowed interest can be carried forward indefinitely. This pending legislation was not substantively enacted as of December 31, 2023;
- The tabling in Canada's Parliament of legislation to address hybrid mismatch arrangements that would be effective for Northland January 1, 2023. This pending legislation was not substantively enacted as of December 31, 2023; and
- The European Union member states announcing in December 2022 that they had reached an agreement in principle on the introduction of Pillar Two, a 15% global minimum tax effective January 1, 2024. The Canadian Department of Finance released its own Pillar II draft legislation in 2023, but it was not substantively enacted as of December 31, 2023.

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.

Related to Regulations and Compliance

Environmental, Health and Safety

Northland's facilities are subject to numerous and significant laws, including statutes, regulations, bylaws, guidelines, policies, directives and other requirements governing or relating to, among other things: air emissions; the storage, handling, use, transportation and distribution of dangerous goods and hazardous and residual materials, such as chemicals; the prevention of releases of hazardous or other unsuitable materials into the environment; the prevention, presence and remediation of hazardous materials in soil and groundwater, both on- and off-site; land use and zoning matters; workers' and public health and safety matters; and matters relating to the protection of migratory birds and endangered species. The operation of the facilities carries an inherent risk of environmental, health and safety liabilities (including potential civil actions, compliance or remediation orders, fines and other penalties) and may result in the facilities being involved from time to time in administrative and judicial proceedings relating to such matters, which could have a materially adverse effect on Northland's business, financial condition and results of operations.

All of Northland's combustion generating equipment is designed to produce air contaminant emissions below applicable permit limits. As the greenhouse effect's impact on climate change has raised environmental concern, certain jurisdictions have implemented legislation or regulations to regulate GHG emissions. Ontario's emissions performance standards place a limit on emissions by industrial facilities. Saskatchewan also has restrictions on GHG emissions, but the electricity sector is excluded from its main program. In the absence of a provincial GHG program, the Canadian government imposes a federal GHG program. Regardless of which provincial or federal GHG program is applicable, the financial exposure at most of Northland's efficient natural gas facilities is minimal either because it has been reduced by restructuring the PPAs to allow a pass through of compliance costs as part of the daily electricity price bid for facilities or because the existing PPAs allowed for recovery of compliance costs from the counterparty.

All of Northland's facilities (both under construction or in operations) are required to maintain permits issued by governments and agencies that govern overall facility construction or operations and place limits on the discharge or use of air, noise, water and emissions, and other permitted parameters. If Northland is unable to renew existing permits or enter into new permits, then there may be adverse effects, such as loss of revenue and/or capital expenditures to enable long-term operations, potentially under different operating profiles.

Although management believes the operation of each of the facilities is currently in compliance with applicable environmental laws, licenses, permits and other authorizations required for the operation of the facilities and although there are environmental monitoring and reporting systems in place with respect to all facilities, more stringent laws or regulations may be imposed, there may be more stringent enforcement of applicable laws or that such systems may fail, which may result in material expenditures or fines. Failure by the facilities to comply with any environmental, health or safety requirements or increases in the cost of such compliance, which could be a result of unanticipated liabilities or expenditures for investigation, assessment, remediation or prevention, could possibly result in additional expenses, capital expenditures, restrictions and delays in the facilities' activities, the extent of which cannot be predicted.

Reliability and Market Compliance

Northland continuously works to maintain its compliance with regulators such as the North American Electric Reliability Corporation ("NERC") and regional market operators (e.g. the IESO, NYISO). Compliance with regulatory standards and regional market rules may cause modest increases in facility operating costs to maintain compliance.

As of December 31, 2023, Northland remains in good standing with market regulators regarding its compliance with the various market rules and regulations.

Government Policy, Legislation and Regulations

Northland and its development and construction projects, and operating facilities are subject to policies, laws and regulations, established by various levels of government and government agencies in the various jurisdictions in which we operate. These are subject to change by the governments or the courts and are administered by agencies and regulators that may have discretion in their interpretation. Future legislative and regulatory changes or interpretations may have a material effect on Northland, its development prospects, and construction projects as well as its operating facilities.

With the growing scrutiny of environmental impacts of business activities, Northland faces the risk of increased costs for regulatory compliance maintenance of air and water quality standards, limiting GHG emissions and costs of compliance during the construction phase.

Northland continually monitors the political and policy landscape in all of our active markets and acts to manage and mitigate any related financial and business risks associated with government court or agency actions in local jurisdictions.

Utility Rate Regulation

As a rate-regulated utility, EBSA's revenues are based on rate application decisions made by the local regulator, CREG. EBSA is subject to the risk that CREG will not approve rate-regulated tariffs requested by EBSA in future applications. Withheld or unfavourable rate application decisions may limit EBSA's ability to reinvest capital through approved investment projects that grow rate base or prevent recovery of all costs incurred in operations, negatively affecting future cash flow.

CREG approves and periodically changes the rate-setting models and methodology for the utility businesses. Changes to the application type, filing requirements, tariff-setting methodology, or revenue requirement determination may have a negative effect on EBSA's revenue and net income.

Cybersecurity, Data Protection and Reliance on Information Technology

Northland's business activities rely to a high degree on information technology and operational technology systems for business operations, remote monitoring and controlling of assets, communicating with regulatory agencies, energy markets and customers, financial management and human resource systems, amongst others.

A system failure, loss of data, cybersecurity incident or breach could result in disruption of business activities, operational delays and downtimes, information losses, significant remediation costs, increased cybersecurity costs, lost revenues, diminished competitive advantage, penalties for non-compliance with privacy and critical infrastructure protection laws, effectiveness of controls over financial reporting, litigation and reputational harm affecting customer, employee and investor confidence, which could materially adversely affect Northland's business, financial condition, and operating results. Losses may be incurred related to these factors beyond the limits or coverage of current insurance and existing provisions for such losses may not be sufficient to cover the ultimate loss or expenditure.

Northland must comply to the data privacy laws in each of the jurisdictions it operates in, such as Canadian privacy laws including the Personal Information Protection and Electronic Documents Act and Freedom of Information and Protection of Privacy Act, General Data Protection Regulation in the European Union and United Kingdom as well as many other such data privacy legislation around the world. In addition to data privacy laws, Northland must also comply critical infrastructure protection regulations, including NERC Critical Infrastructure Protection, and the Critical Entities Resilience and Network and Information Security regulations in the European Union.

These data privacy and critical infrastructure protection laws have expanded in recent years, leading to increased obligations, and fines for breaches of privacy laws have increased. Northland may incur additional costs to maintain compliance or significant financial penalties in the event of a breach or noncompliance.

Northland's Audit Committee is responsible for the oversight of the Company's cybersecurity and data protection protocols and implementation as related to the business and operational systems. Under the Audit Committee's supervision, management maintains a disaster recovery plan, technical and process controls, enforcement and comprehensive monitoring of systems and networks designed to prevent, detect and respond to unauthorized activity in the Company's systems. Protocols are also in place for regular awareness training for all employees on security and data privacy, while access to personal data is controlled through physical and logical security mechanisms. The efficacy of these controls is continually assessed and improved, when necessary.

Northland's customers, counterparties, business partners, employees and suppliers also face risks of unauthorized access to their information systems that may contain information related to the Company. Northland has not experienced a cybersecurity attack of a material nature to date. However, considering the growing sophistication of attacks, the complexity and evolving nature of the threats, current geopolitical threats, as well as the unpredictability of timing, nature and scope of disruptions from such threats, measures taken by Northland may be insufficient to counter any such unauthorized access to information systems, or that measures are sufficient to avoid, or mitigate the impact of, a system failure.

The risk of a cybersecurity attack on the Company or its operating assets may increase with geopolitical risk. Refer to the "International Activities – Geopolitical Risks".

Related to Organization and Structure

Relationship with Stakeholders

The Company is sometimes required through the permitting and approval process to notify, consult and/or accommodate and obtain consent from various community groups, including landowners, fishing communities, Indigenous communities and/or governments and municipalities. Any unforeseen delays or issues in this process may negatively impact Northland's ability to complete any given project on time or at all.

Employee Retention and Labour Relations

Northland's senior management and other key employees play a significant role in its success. The loss of the services of any of these persons for any reason could negatively impact Northland's business and operations. Further, the loss of any key employees could be negatively perceived in the capital markets. Recruiting and retaining qualified personnel is critical to Northland's success. Management may not be able to retain these personnel on acceptable terms given the competition among companies for similar personnel.

In the event of a labour disruption such as a strike or lockout, the ability of Northland's facilities to generate income may be impaired. Employees at Kirkland Lake are unionized. A large portion of EBSA employees are also unionized but do not have the right to strike. In the event of a strike or lock-out, the ability of the affected facilities to operate may be limited and their ability to generate cash available for distribution may be impaired, negatively affecting Northland's results. Employees at Northland's other facilities are not unionized.

Reputation

Northland's reputation is important to its continued success. There is a risk that events could occur, or be alleged to have occurred, that could affect how the general public, governments, counterparties, employees or other stakeholders of Northland perceive the Company. Negative impacts from a weakened or compromised reputation could result in loss of revenue, loss of future opportunity or loss of key employees, any of which could adversely affect Northland.

The actions of employees, when not sanctioned or expressly contrary to Northland policies, could harm Northland's reputation, and result in potential liability for Northland.

Bribery and Corruption

Northland's activities are subject to risks associated with potentially unauthorized payments to government officials (domestic or foreign) in order to obtain an expedited or a favourable outcome to a permit, approval, action or similar requirement of a government official. All such unauthorized payments to government officials (domestic or foreign) would be in contravention of Northland's anti-corruption/anti-bribery policy ("**ABAC Policy**"). The ABAC Policy includes ongoing employee and contractor education and training, due diligence on third-party service providers and business partners, and anti-corruption and anti-bribery contract provisions with third-parties as a condition of doing business with Northland. To the extent Northland becomes subject to anti-corruption/anti-bribery investigations, charges, litigation, prosecutions and/or convictions, the Company may incur reputational and financial damage. Refer to the "Litigation Risk and Legal Contingencies" section below.

Litigation Risk and Legal Contingencies

Northland, its subsidiaries and its joint ventures may be named as a defendant in various claims and legal actions. These actions may include contractual disputes, employment-related claims, securities-based litigation, claims from customers related to the services provided by the Company, claims for personal injury or property damage, public nuisance claims, and actions by regulatory or tax authorities, including in relation to construction and development projects and joint ventures. Refer to "Joint Ventures" and "Construction". The final outcome with respect to any such legal proceedings cannot be predicted with certainty, and unfavourable outcomes or developments relating to future proceedings, such as judgments for monetary damages, injunctions, denial or revocation of permits or settlement of claims, could have an adverse effect on the Company's financial condition, results of operations and cash flows. Such outcomes may not be covered by insurance. Even if the Company prevails in any such legal proceedings, the proceedings could be costly, time-consuming and divert the attention of management and other personnel, which could adversely affect the Company.

Public companies may also be subject to demands from activist shareholders advocating for changes to corporate governance practices or engaging in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming and could have an adverse effect on the Company's reputation and divert the attention and resources of the Company's management and Board. Additionally, actions of activist shareholders may cause fluctuations in Northland's share price based on temporary or

speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Litigation, claims and other contingencies arise from time to time in the ordinary course of business for Northland. None of these contingencies, individually or in aggregate, are expected to result in a liability that would have a material adverse effect on Northland.

BOARD OF DIRECTORS AND OFFICERS OF THE COMPANY

The following table presents the members of the Board of Directors, their principal occupations during the five preceding years and the year they first became Directors. Each Director is appointed to serve until the next annual meeting of Common Shareholders or until his or her successor is elected or appointed.

| Name and residence | Positions held at Northland | Director since | Principal occupation(s) during the past five years |
|--|-----------------------------|----------------|---|
| John W. Brace ⁽¹⁾ Ontario, Canada | Chair and Director | 2018 | Corporate Director; <i>prior to August 2018</i> , Chief Executive Officer of Northland |
| Russell Goodman ⁽¹⁾⁽²⁾⁽⁴⁾ Québec, Canada | Director | 2014 | Corporate Director; <i>formerly</i> Partner at PricewaterhouseCoopers LLP |
| Linda L. Bertoldi ⁽¹⁾ Ontario, Canada | Director | 2010 | Corporate Director; <i>formerly</i> Partner, Borden Ladner Gervais LLP |
| Lisa Colnett ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁸⁾ Ontario, Canada | Director | 2020 | Corporate Director; <i>formerly</i> Senior Vice President, Human Resources and Corporate Services, Kinross Gold Corporation |
| Kevin Glass ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁶⁾ Ontario, Canada | Director | 2021 | Corporate Director; <i>formerly</i> Senior Executive Vice President and CFO, CIBC |
| Keith Halbert ⁽¹⁾⁽²⁾⁽⁵⁾ Ontario, Canada | Director | 2019 | Corporate Director; <i>formerly</i> Chief Financial Officer of Clearstream Energy Services |
| Helen Mallovy Hicks ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada | Director | 2021 | Corporate Director; <i>formerly</i> Partner and Global Valuation Leader of PricewaterhouseCoopers LLP |
| Ian Pearce ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁷⁾ Ontario, Canada | Director | 2020 | Corporate Director; <i>formerly</i> Chief Executive Officer, Xstrata Nickel |
| Eckhardt Ruemmler ⁽¹⁾⁽⁴⁾⁽⁵⁾⁽⁹⁾ Germany | Director | 2022 | Corporate Director; <i>formerly</i> Chief Operating Officer and Chief Sustainability Officer of Uniper |
| Ellen Smith ⁽¹⁾⁽²⁾⁽⁴⁾⁽¹⁰⁾ Vermont, USA | Director | 2023 | Senior Managing Director of FTI Consulting |

(1) Independent Director.

(2) Member of the Audit Committee.

(3) Member of Governance and Nominating Committee.

(4) Member of the Human Resources and Compensation Committee.

(5) Member of the Project Delivery Committee.

(6) Chair of Audit Committee.

(7) Chair of the Governance and Nominating Committee.

(8) Chair of Human Resources and Compensation Committee.

(9) Chair of the Project Delivery Committee.

(10) Ms. Smith joined the Board effective November 29, 2023.

During the fourth quarter of 2023, the Board of Directors formed a new subcommittee: the Project Delivery Committee. The purpose of the Project Delivery Committee is to assist the Board of Directors with monitoring and overseeing projects in which the Company has an interest during construction.

The following table presents Northland's executive officers, their positions held with the Company and their principal occupations during the past five years.

| Name and residence | Position held | Principal occupation(s) during the past five years |
|---|---|--|
| Mike Crawley Ontario, Canada | President and Chief Executive Officer | <i>Prior to August 2018, Executive Vice President, Development of Northland.</i> |
| Adam Beaumont Ontario, Canada | Interim Chief Financial Officer | <i>Prior to February 2024, VP Finance & Head of Capital Markets of Northland; prior to June 2020, Senior Director Corporate Finance of Northland.</i> |
| Rachel Stephenson Ontario, Canada | Chief People Officer | <i>Prior to January 2021, Global HR Leader of Signify (formerly Phillips Lighting).</i> |
| Yonni Fushman Ontario, Canada | Chief Administrative and Legal Officer, Corporate Secretary | <i>Prior to January 2024, Chief Legal Officer, Executive Vice President Sustainability of Northland; prior to January 2023, Executive Vice President, Chief Legal Officer, Chief Sustainability Officer, Corporate</i> |
| Calvin MacCormack Ontario, Canada | Executive Vice President, Natural Gas & Utility BU | <i>Prior to October 2022, Vice President, Operations at Northland.</i> |
| Michelle Chislett Ontario, Canada | Executive Vice President, Onshore Renewables BU | <i>Prior to October 2022, Managing Director, Canada & US Development at Northland; prior to October 2018, Country Manager at Northland.</i> |
| Pierre-Emmanuel Frot Amsterdam, Netherlands | Executive Vice President, Project Management Office | <i>Prior to March 2023, President and General Manager of two small enterprises and independent consultant; prior to September 2021, Program Director for a University; prior to July 2019, Vice President, Global Solar and Storage Sales.</i> |

Share Ownership

As of February 1, 2024, 965,011 Common Shares, representing 0.4% (February 1, 2023 - 0.4%) of the total outstanding Common Shares, were beneficially owned, directly or indirectly, or controlled by the directors and executive officers of the Company.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the knowledge of Northland and other than as described below, none of the directors or executive officers of Northland: (i) is, as at the date of this AIF, or has been, within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that: (a) was subject to a cease trade order (or similar order) issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to a cease trade order (or similar order) issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (ii) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (iii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

To the knowledge of the Company, none of the Directors or executive officers of Northland, nor any Shareholder holding a sufficient number of securities of Northland to affect materially the control of Northland: (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) has been subject to any other penalties or

sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this AIF, none of the Directors or executive officers of Northland, or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of Northland's outstanding voting securities, or any associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Northland.

AUDIT COMMITTEE

The Board has established an Audit Committee composed of Messrs. Glass, Goodman and Halbert and Mesdames. Mallovy Hicks and Smith, all of whom are independent, as defined in the National Instrument 52-110 *Audit Committees* (the "**Audit Committee Rule**"). The Audit Committee meets with representatives of management to discuss internal controls, financial reporting issues, risk management, and auditing matters related to Northland. The Board has adopted an Audit Committee Charter which sets out terms of reference for the Audit Committee consistent with the requirements of National Instrument 52-110. The Audit Committee Charter is attached as Schedule "A" to this Annual Information Form.

All of the members of the Audit Committee are financially literate and the Board has determined that all members of the Audit Committee are independent. The relevant experience of each of the Audit Committee members is as follows:

Kevin Glass ("Chair") - Mr. Glass held the position of Senior Executive Vice President and CFO at CIBC from 2011 to 2019, prior to which, Mr. Glass was CFO for Revera Inc., Atlas Cold Storage Income Trust, Vitran Corporation Inc. and others. Currently, Mr. Glass is a Director of Spin Master Corp. (TSX: TOY). Mr. Glass is a Fellow Chartered Professional Accountant, holds an MBA from the University of Toronto and a Bachelor of Commerce and Bachelor of Accountancy from the University of the Witwatersrand in South Africa.

Russell Goodman - Mr. Goodman is former chair of the Audit Committee of Metro, and also former chair of the Audit and Finance Committees of Gildan Activewear and Whistler Blackcomb Holdings. Mr. Goodman spent his business career at PricewaterhouseCoopers LLP where he was Managing Partner of various business units in Canada and for the Americas and held global leadership roles in the services and transportation industry sectors. Mr. Goodman is a Fellow Chartered Professional Accountant.

Keith Halbert - Mr. Halbert is a former CFO of ClearStream Energy Services Inc. (formerly Tuckamore Capital Management Inc.) and has an extensive background in the environmental, oil and gas, technology, and financial services sectors. In addition to his considerable financial and operations experience in fast-paced, growth-oriented ventures, Mr. Halbert is experienced in mergers and acquisitions, financial due diligence, and business transition planning. Mr. Halbert is a Chartered Professional Accountant and a member of the Institute of Corporate Directors.

Helen Mallovy Hicks - Previously, as a partner with PricewaterhouseCoopers LLP, Ms. Mallovy Hicks was the Global Valuation Leader. Currently, Ms. Mallovy Hicks is a director, Audit Committee and Risk Committee member of Sun Life Financial Inc., a director, Audit Committee and Investment & Risk Committee member of Public Sector Pension Investment Board, and a director and chair of the Audit & Risk Committee of the Princess Margaret Cancer Foundation. Ms. Mallovy Hicks is a Fellow Chartered Business Valuator and Fellow Chartered Professional Accountant and holds a Bachelor of Commerce from the University of Toronto.

Ellen Smith - Ms. Smith is a Senior Managing Director at FTI Consulting in the Corporate Finance practice where she focuses on power and utility engagements including commercial and operational diligence for mergers and acquisitions. Ms. Smith additionally provides advice on mega-EPC projects globally. Ms. Smith is a former Chief Operations Officer of National Grid US and has a deep background in electric and gas transmission and distribution, LNG operations and power generation. Ms. Smith holds a Bachelor of Science in Mechanical Engineering and a Master of Engineering in Power Systems from Union College in Schenectady New York. She is also an independent board member of Velo3D and a member of Women Corporate Directors.

The Audit Committee is required to approve all audit services and pre-approve all non-audit services provided to Northland by its external auditor. Fees paid by Northland to its external auditors, Ernst & Young LLP are disclosed below. The Audit Committee discusses fee changes with the external auditor. Audit fees decreased in 2023 compared to 2022 due to less corporate activity and audit services related to prospectus filings.

The Audit Committee is involved in assessing the qualifications of the external auditor and their work quality as well as selecting the lead audit partner. To assess the quality of the external audit and auditor, the Audit Committee carries out a detailed annual assessment, which includes evaluations and audit quality measures relating to:

- independence;
- team member competencies and experience;
- objectivity;
- industry knowledge;
- professional skepticism;
- direct oversight of audit services carried out by non-Canadian affiliates of the auditor;
- extent of challenge of management estimates and assumptions;
- content, timeliness and practicality of communications with both management and the Audit Committee;
- adequacy of information provided on accounting issues, audit issues and applicable regulatory developments;
- timeliness, accuracy and completeness of services;
- management feedback;
- audit firm reputation;
- results of regulatory reviews;
- timely rotation of key audit team members to ensure a mix of new members and members with continuity of relevant experience; and
- lead partner performance.

The Audit Committee considers the materiality of any non-audit fees and services when assessing auditor independence.

During the year ended December 31, 2023, in addition to the matters set out in the Audit Committee charter in Appendix “A”, the Audit Committee focused on the following topics:

Financial reporting of Northland’s various business segments;

- Internal controls over financial forecasting models;
- Oversight of the accounting, financial disclosure and forward-looking disclosures relating to development projects and acquisitions;
- Non-IFRS measures;
- Cyber security and privacy;
- Capital adequacy; and
- Enterprise risk management.

A copy of the Audit Committee Charter is included as Schedule “A” and is filed on SEDAR+ under Northland’s profile.

AUDITORS

Ernst & Young LLP, Chartered Professional Accountants, EY Tower, 100 Adelaide Street West, PO Box 1, Toronto, Ontario are the auditors of Northland. Ernst & Young LLP is independent within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

Audit and Other Fees

For the years ended December 31, 2023 and 2022, Ernst & Young LLP were paid by Northland and its subsidiaries, approximately \$4.7 million and \$4.9 million, respectively, as detailed below, for services to the Company and its wholly owned subsidiaries.

| For year ended December 31, | 2023 | 2022 |
|-------------------------------------|-----------------|-----------------|
| <i>in thousands</i> | | |
| Assurance and related services fees | \$ 4,528 | \$ 4,826 |
| All other fees ⁽¹⁾ | 126 | 63 |
| Total | \$ 4,654 | \$ 4,889 |

(1) Includes charges for translation services, and annual subscription for online access to IFRS and other technical resources.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares, Series 1 Preferred Shares and Series 2 Preferred Shares of Northland is Computershare, Trust Company of Canada, 100 University Avenue, Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to Northland may be found on SEDAR under Northland's profile. Information on directors' and officers' remuneration and indebtedness and principal holders of Common Shares is contained in Northland's Management Information Circular filed in connection with the Annual Meeting of Common Shareholders currently scheduled for May 22, 2024.

Additional financial information is provided in the 2023 Annual Report, including the MD&A therein.

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GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Annual Information Form.

“Adjusted EBITDA” means earnings before interest, taxes, depreciation and amortization, as adjusted.

“Adjusted Free Cash Flow” means Free Cash Flow excluding growth-related expenditures.

“Annual Information Form” or **“AIF”** means Northland’s annual information form for the year ended December 31, 2023.

“Annual Report” means Northland’s annual report for the year ended December 31, 2023.

“Board of Directors” or **“Board”** means the board of directors of Northland.

“Common Shareholders” means the holders of the Common Shares.

“Common Shares” means the common shares in the capital of Northland.

“Deutsche Bucht” means the 252MW offshore wind facility located approximately 100 km west of the city of Emden in German territorial waters.

“DRIP” means the Company’s dividend reinvestment plan.

“Financial close” means full equity commitment by Northland and debt commitment by the project debt lenders.

“FIT” means Feed-in Tariff.

“Free Cash Flow” means the cash generated from the business that management believes is representative of cash available to pay dividends, while preserving the long-term value of the business.

“Gemini Offshore Wind Facility” or **“Gemini”** means the 600MW offshore wind facility located 85 km off the Northeast coast of the Netherlands.

“GHG” means greenhouse gas.

“IESO” means the Independent Electricity System Operator for Ontario.

“La Lucha” means the 130MW solar project located in the State of Durango, Mexico.

“LTSA” means a long-term service agreement for the ongoing maintenance and service on wind turbines and related equipment typically with the original equipment manufacturer primarily at onshore wind facilities.

“MW” means 1,000 kilowatts of electrical energy.

“MWh” means 1,000 kilowatt hours of electrical energy.

“Nordsee One” means the 332MW (282MW net interest to Northland) offshore wind facility located in the North Sea, 40 km north of Juist Island in German territorial waters.

“North Battleford” means the 260MW electricity generating facility located near North Battleford, Saskatchewan and owned by North Battleford LP.

“Preferred Shares” means collectively Series 1 Preferred Shares, Series 2 Preferred Shares and Series 3 Preferred Shares.

“PV” means photovoltaic cell, a non-mechanical device that converts sunlight directly into electricity.

“SaskPower” means Saskatchewan Power Corporation.

“Series 1 Preferred Shares” means the cumulative rate reset preferred shares, series 1 in the capital of Northland.

“Series 2 Preferred Shares” means the cumulative floating rate preferred shares, series 2 in the capital of Northland.

“Series 3 Preferred Shares” means the cumulative rate reset preferred shares, series 3 in the capital of Northland.

“Shareholders” means Common Shareholders and holders of Preferred Shares.

“Thorold” means the 265MW cogeneration facility owned by Thorold LP located in Thorold, Ontario, 120 km southwest of Toronto near the US border.

“TSX” means the Toronto Stock Exchange.

Words importing the singular include the plural and vice versa and words importing any gender include all genders.

SCHEDULE “A”

Audit Committee Charter of Northland Power Inc.

Purpose of the Audit Committee

The Audit Committee (the “**Audit Committee**”) is appointed by the Board of Directors (the “**Board**”) to assist the Board in fulfilling its oversight responsibilities for Northland Power Inc. (the “**Corporation**”) with respect to the accounting and financial reporting requirements, the systems of internal controls, management information systems, financial risks and risk management, the external audit, and monitoring compliance with laws and regulations applicable to the Corporation, any other corporations, trusts, partnerships or other entities which may be owned or controlled by the Corporation (the “**Entities**”), and any other duties as set out in this Charter or delegated to the Audit Committee by the Board.

The Audit Committee shall also report the results of its activities to the Board, as well as report its recommendations to the Board with respect to the financial statements and other certifications and filings of the Corporation, the appointment of auditors and the compensation of the auditors.

Meetings and Procedures

The Audit Committee shall meet at least four times a year or more frequently if necessary and shall observe and adhere to the composition framework and meeting procedures for Committees set out in the Mandate of the Board of Directors.

The Audit Committee will hold in camera sessions without management present, including with internal and external auditors, as may be deemed appropriate by the Audit Committee.

Audit Committee Responsibilities

- *Review of Financial Statements and Other Filings*

The Audit Committee shall review the Corporation’s financial statements, management’s discussion and analysis, annual, interim earnings press releases and other press releases disclosing financial information, prospectuses, and disclosures of forward-looking financial information, and shall determine whether to recommend approval thereof to the Board before such documents are publicly disclosed by the Corporation.

The Audit Committee shall be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, financial forecasts, and must assess the adequacy of such procedures on an annual basis.

- *Review of Environmental, Social and Governance and Climate Change Related (“Sustainability”) Disclosure*

The Audit Committee shall review the Corporation’s reports disclosing Sustainability related information and oversee third-party assurance of such information.

- *Annual Review of Audit Committee Charter*

The Audit Committee shall maintain this Committee Charter which sets out the Audit Committee’s mandate and responsibilities, and review at least annually this Charter to ensure that it conforms to the requirements of National Instrument 52-110 (the “**Audit Committee Rule**”) and the requirements of any other relevant securities regulations.

- *The External Auditor*

Management is responsible for the preparation of the financial statements of the Corporation and, as applicable, the Entities. The external auditor is responsible for auditing those financial statements.

The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report, or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting any restrictions on the scope of the external auditor’s activities or on access to requested information. The Audit Committee must recommend to the Board:

- the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation and the Entities; and
- the compensation of the external auditor.

The Audit Committee shall require the external auditor to report directly to the Audit Committee and shall monitor the independence and performance of the external auditor of the Corporation through annual assessments. Based upon the annual assessments, the Audit Committee shall recommend the re-appointment or replacement of the auditors to the Board. The Audit Committee must review and approve the hiring policies, as applicable, of the Corporation and the Entities regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

▪ *Pre-Approval of All Audit and Non-Audit Services*

The Audit Committee shall approve all audit and pre-approve all non-audit services to be provided to the Corporation and, as applicable, the Entities by the Corporation's external auditor. The Audit Committee satisfies the pre-approval requirement if it adopts specific policies and procedures for the engagement of the non-audit services, provided that: (a) the pre-approval policies and procedures are detailed as to the particular service; (b) the Audit Committee is informed of each non-audit service; and (c) the procedures do not include delegation of the Audit Committee's responsibilities to management. The Audit Committee may delegate to one or more of its members the authority to pre-approve all non-audit services, provided that such pre-approval must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

The Audit Committee satisfies the pre-approval requirement if: (i) the aggregate amount of non-audit services that were not pre-approved is reasonably expected to be no more than 5 per cent of total fees paid to the external auditor during the fiscal year in which the services are provided; (ii) the services were not recognized as non-audit services by the Corporation at the time of the engagement; and (iii) the services are immediately brought to the attention of the Audit Committee and approved, prior to the completion of the audit.

▪ *Internal controls and integrity of financial statements and processes*

The Audit Committee shall oversee the Corporation's systems of internal controls, including IT systems and information security risk management, and shall monitor the integrity of the financial statements, including any confidential or other disclosures of potential fraud. The Audit Committee is responsible for:

- Reviewing the adequacy and effectiveness of the accounting and internal control policies and procedures, including internal controls over financial reporting, and the extent to which the scope of the internal and external audit plans can be relied upon to detect material weaknesses in internal controls and material fraud or other illegal acts.
- Review the effectiveness of procedures for the receipt, retention and resolution of complaints regarding accounting, internal controls or auditing matters, and review any complaints raised by employees or others regarding accounting, internal controls, financial reporting, auditing matters or otherwise relating to matters within the Audit Committee's mandate.
- Review management's periodic reports on the adequacy and effectiveness of the disclosure control policies and procedures of the Corporation.

▪ *Review of Financial Matters*

The Audit Committee will review management's plans and strategies around treasury risk management, corporate finance and financial capital allocation, including reviewing financing transactions at the corporate and project development level, such as offerings of debt and equity securities and obtaining, amending or extending credit facilities, and recommending the same to the Board.

▪ *Compliance with Laws Regulations and Code of Business Conduct and Ethics*

The Audit Committee shall review management's reports with respect to compliance with taxation laws and regulations, other laws and regulations, and the Corporation's Anti-Bribery and Anti-Corruption Policy and Code of Business Conduct and Ethics.

▪ *Complaints and "Whistle Blowers"*

The Audit Committee shall establish procedures for:

- the receipt, retention and treatment of complaints received by the Corporation and the Entities regarding accounting, internal accounting controls, or auditing matters; and
- the confidential, anonymous submission by employees of the Corporation or of the Entities of concerns regarding questionable financial reporting, accounting or auditing matters.

▪ *Financial Risk Management and Insurance*

The Audit Committee shall review and report to the Board at least annually significant financial risks, financial and market risk management strategies, and financial and market risk management policies for the Corporation and the Entities in the following areas and such other areas as the Audit Committee may deem appropriate from time to time:

- financial and market risk management exposures, strategies, policies and board reporting, including foreign currency, interest rate, liquidity and commodity hedging risks; and
- insurance coverage.

Composition of the Audit Committee

(i) *Number of Members*

The Audit Committee shall observe and adhere to the composition framework for Committees set out in the Mandate of the Board of Directors.

(ii) *Financial Literacy*

Every member of the Audit Committee must be financially literate. At least one member must have experience as a certified public accountant, chief financial officer, corporate controller, or demonstrably meaningful experience overseeing such financial functions as a senior executive officer. A Committee member who is not financially literate may be appointed to the Audit Committee, provided that such a member becomes financially literate within a reasonable period of time following his or her appointment.

“Financially literate” means having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

(iii) *Independence*

Each member of the Audit Committee must be a director who is independent for the purpose of the Audit Committee Rule, that is a director who has no direct or indirect material relationship with the Corporation or the Entities, as applicable, other than interests and relationships arising from the holding of shares of the Corporation. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. Appendix I to this Charter describes in greater detail the requirements under the Audit Committee Rule and other applicable securities laws in effect as at the date of this Charter concerning the circumstances in which an individual is considered to have a material relationship with an issuer.

(iv) *Position Description - Audit Committee Chair*

The fundamental responsibility of the Chair of the Audit Committee is to effectively manage the duties of the Audit Committee with respect to the Corporation:

Key Responsibilities of the Chair

- 1 ensures that the Audit Committee is properly organized, functions effectively and meets its obligations and responsibilities
- 2 establishes the frequency of Committee meetings and reviews such frequency from time to time, as considered appropriate, or as requested by the Board or the Audit Committee
- 3 presides at Committee meetings
- 4 establishes the agenda and related matters for Committee meetings
- 5 liaises and communicates with the Chair of the Board as necessary to co-ordinate input from the Audit Committee for Board meetings
- 6 liaises and communicates with the Corporation’s external auditors, internal auditors and internal control service providers as necessary
- 7 on behalf of the Audit Committee, reports to the Board on Committee meetings
- 8 serves as a person to whom confidential disclosures, including possible fraud, may be made under the Corporation’s Financial Integrity Policy

Authority and Resources of the Committee

The Audit Committee has the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties. For greater certainty the Audit Committee has the authority to retain, at the Corporation's expense, special legal, accounting or such other advisors, consultants or experts it deems necessary in the performance of its duties;
- (b) set and pay the compensation for any advisors employed by the Audit Committee. The Corporation or the Entities shall at all times make adequate provisions for the payment of all fees and other compensation, approved by the Audit Committee, to the external auditor in connection with the issuance of its audit report, or to any consultants or experts employed by the Audit Committee;
- (c) communicate directly with the internal and external auditors and external internal control service providers; and
- (d) conduct any investigation which it considers appropriate, and to communicate directly with and have direct access to the internal and external auditor as well as officers and employees of the Corporation and the Entities, as applicable.

This Charter will be reviewed on an annual basis.

Confirmed by the Board of Directors on December 7, 2023.

APPENDIX I to Schedule “A”

MEANING OF INDEPENDENCE

Part A: Meaning of Independence

1. An Audit Committee member is independent if he or she has no direct or indirect material relationship with the issuer.
2. For the purposes of subsection (1), a “**material relationship**” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement.
3. Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual;
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
4. For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
5. For the purposes of clause (3)(f), direct compensation does not include:
 - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
6. Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
 - (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

7. For the purpose of Part A, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Part B: Meaning of Independence

1. Despite any determination made under Part A, an individual who
 - a. accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - b. is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
2. For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
 - a. an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - b. an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
3. For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.