



2025 Annual Report  
Powering  
what's next



# Corporate Profile

Northland Power (“Northland”) is a Canada-based global power producer dedicated to accelerating the global energy transition. Founded in 1987, Northland has nearly four decades of experience developing, owning and operating a diversified mix of energy infrastructure assets including offshore and onshore wind, solar, natural gas and battery energy storage. Northland also supplies energy through a regulated utility.

Headquartered in Toronto, Canada, with global offices in seven countries, Northland owns or has an economic interest in 3.5 GW of gross operating generating capacity, 2.2 GW under construction, and an inventory of early to late stage development opportunities encompassing approximately 9 GW of potential capacity.

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

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President & CEO, Christine Healy, and Toby Edmonds, EVP, International at Hai Long



# Creating value that lasts

**Deliver. Strengthen. Grow.**  
Building for a Sustainable Future

Dear Shareholders,

We are entering a new electricity supercycle — driven by accelerating electrification, industrial reshoring, and the rapid rise of artificial intelligence (AI) and data infrastructure — triggering growth not seen in decades. Northland is focused on execution, positioning the company to meet this demand with the reliable, affordable and sustainable power our markets increasingly require.

In November, we introduced our new global strategy — Creating Value that Lasts — anchored by three core pillars: Deliver, Strengthen and Grow. This strategy is our roadmap to double our operating capacity to 7 GW and deliver sustainable annual shareholder returns of 10%, leveraging our proven capability to develop, construct and operate high-quality energy projects across our markets.

“We delivered our first battery storage project, Oneida, ahead of schedule and under budget, while advancing construction on our two major offshore wind projects, Hai Long and Baltic Power, which together will add 2.1 GW of new capacity.”

## Deliver

At Northland, our track record of executing and delivering large-scale projects sets us apart.

- **Safety First:** Our top commitment is the health, safety and wellbeing of our people. In 2025, we launched our “12 Golden Safety Rules” and the “See It, Say It, Stop It” program. This isn’t just corporate policy; it is a culture of responsibility that empowers every Northlander to halt unsafe work, ensuring everyone goes home safe at the end of every shift.



From left to right: Jaime Hurtado Cola, General Counsel; Pierre-Emmanuel Frot, EVP, Safety, Projects and Development; Jeff Hart, CFO; Christine Healy, President & CEO; Toby Edmonds, EVP, International; Rachel Stephenson, CPO; and Calvin MacCormack, EVP, Americas.

- **Project Execution:** We made substantial progress on 2.4 GW of new capacity. The Oneida Energy Storage Project in Canada stands as a flagship achievement: delivered ahead of schedule, under budget, and with zero lost-time incidents. As Canada’s first utility-scale battery energy system (BESS), it earned the 2025 Award for Worker Safety and the Milestone Award from Energy Storage Canada. Developed and delivered in partnership with public, private and Indigenous partners, Oneida is providing critical reliability to Ontario’s grid.
- **Projects in Construction:**
  - Baltic Power remains on track for commercial operations in the second half of 2026. All 78 foundations and both offshore substations have been installed, and turbine installation is underway. Once fully operational, Baltic Power will add approximately 1.1 GW of offshore wind capacity to Poland’s energy system.
  - Hai Long achieved several major construction milestones, including the installation of all 73 foundations, four export cables, both offshore substations, and first energization. Our teams responded quickly to commissioning challenges. Once fully completed in 2027, Hai Long will deliver approximately 1 GW of offshore wind capacity.
  - Building on the success of Oneida, Northland’s second battery storage project, in Alberta, Jurassic BESS entered construction in 2025. The project will provide 80 MW / 160 MWh of storage capacity, with targeted commercial operations by the end of 2026.
- **Operating Performance:** Alongside these construction milestones, we maintained asset availability of 96% across our global operating fleet. This operational discipline is a key driver of the free cash flow that underpins our value creation.



President and CEO, Christine Healy

## Strengthen

To capture value-accretive opportunities on the horizon, we took decisive action in 2025 to reinforce capital discipline and renew our leadership bench.

We strengthened our executive leadership team with the appointments of Jeff Hart as Chief Financial Officer and Jaime Hurtado as General Counsel, alongside internal transitions that further align capability with strategy. This team brings deep expertise in global energy markets, financial stewardship, projects, disciplined capital allocation, and is united by a shared commitment to long-term value creation.

At the Board level, the addition of Sébastien Clerc enhances our global energy experience and strategic oversight. His perspective further strengthens governance as we execute on our next phase of growth.

We established a five-year funding plan to support \$6 billion in gross investment. To enable this, we recalibrated our dividend. We understand the weight of this decision for our shareholders. This was a strategic decision made to ensure financial flexibility. By preserving capital today, we are funding high-return opportunities that will drive superior total shareholder returns over the long term.

Organizationally, we streamlined how we operate. We have transitioned to regionally focused hubs, enhancing local accountability while maintaining global standards. At the same time, all development activities are integrated into one global organization. This ensures that every project — regardless of technology or geography — competes for capital on a consistent basis, helping ensure only the strongest and most value-accretive projects move forward. These changes are supported by a cost efficiency program targeting \$50 million in annual savings by the end of 2028, ensuring we remain lean, competitive, and focused on disciplined growth.

## Grow

The global power sector is entering a period of accelerating growth. Northland's multi-technology approach — spanning offshore wind, onshore renewables, natural gas, and storage — allows us to deliver the specific energy solutions our markets require.

Looking ahead to 2030, we are pursuing disciplined, value accretive growth in Canada and Europe. In these core markets, we are high-grading our development pipeline to focus on the most competitive opportunities, targeting levered after-tax, project-level returns of at least 12%. We remain highly

selective, advancing only the projects that offer the strongest returns, such as our recent acquisition of two late-stage battery storage projects in Poland totaling 300 MW/1.2 GWh.

Our growth is inseparable from our commitment to sustainability. As we expand, we continue to foster deep, collaborative relationships with local and Indigenous communities — ensuring our growth is as responsible as it is profitable. Since 2019, we have reduced our carbon intensity by 30% and enabled the avoidance of more than 2.7 million tonnes of emissions, advancing the transition to sustainable energy systems worldwide.

## Positioned for the Future

Northland is entering our next chapter with clarity, momentum, and confidence. The world's need for affordable, secure, and sustainable power is growing — our strategy, technical capabilities, and disciplined approach to capital allocation position us to meet that demand.

With a strengthened foundation, a quality pipeline, and a clear focus on value accretive growth, we are ready to seize the opportunities ahead. At the heart of this progress are our people, whose dedication makes our achievements possible.

On behalf of the Board and management team, thank you for your continued trust and support as we build a business that delivers lasting value.

Sincerely,



A handwritten signature in black ink, appearing to read 'Christine Healy'.

Christine Healy,  
President and Chief Executive Officer

# 2025 Key Accomplishments

## Deliver

- Achieved 2025 financial guidance for Adjusted EBITDA and exceeded Free Cash Flow expectations.
- Leveraged a high-performing global fleet (96% availability) as a key driver of the free cash flow that underpins our value creation.
- Completed Northland's first battery energy storage project — Oneida Energy Storage – ahead of schedule and under budget.
- Advanced 2.1 GW of offshore wind projects toward commercial operations, securing the next generation of Northland's long-term contracted revenue.

## Strengthen

- Introduced new global strategy, "Creating Value that Lasts", providing a roadmap to double capacity to 7 GW by 2030.
- Completed organizational realignment to streamline decision-making and unlock operational effectiveness.
- Implemented a new financial framework anchored in disciplined capital allocation to support growth and protect our investment-grade balance sheet.
- Strengthened the executive leadership team and Board to ensure the right expertise is in place for an intensive period of global execution.

## Grow

- Scaled Northland's energy storage platform, acquiring two late-stage projects in Poland.
- Deepened presence in core markets (Canada and Europe), and high-graded 9 GW project pipeline.

Oneida Energy Storage, Haldimand County, Ontario

# Global footprint

**3.5 GW**  
installed operating capacity

**5.7 GW**  
total including construction

**0.2 GW**  
United States  
Onshore Wind

**1.6 GW**  
Canada  
Natural Gas  
Onshore Wind  
Battery Storage  
Solar

**500k  
Customers**  
Colombia  
Utility

**0.6 GW**  
Spain  
Onshore Wind  
Solar

**2.3 GW**  
The Netherlands, Germany  
and Poland  
Offshore Wind

**1.0 GW** ———— ●  
Taiwan  
Offshore Wind

## Capacity

■ Operating      ■ Under construction

### Americas

Onshore Wind      ■ 0.6 GW  
Solar      ■ 0.1 GW  
Natural Gas      ■ 0.7 GW  
Battery Storage      ■ 0.3 GW  
Utility      500K Customers

### International

Offshore Wind      ■ 3.3 GW  
Onshore Wind      ■ 0.4 GW  
Solar      ■ 0.1 GW

# Built for Long-Term Value

Northland is a global multi-technology energy provider creating sustainable shareholder value. Our investment hypothesis is built on four enduring strengths:

- 1 Contracted Revenues:** Our business is anchored by 95% long-term contracted cash flows, providing a defensive profile in volatile markets.
- 2 Disciplined Growth and Financial Rigour:** Disciplined investment approach to markets and capital allocation to deliver high-quality risk-adjusted returns and 10% shareholder returns.
- 3 Multi-Technology Solutions:** Delivering offshore and onshore wind, solar, natural gas and battery storage solutions in core markets.
- 4 Experienced Management Team:** Deep energy sector expertise with a commitment to operational excellence as a cornerstone of value creation.

As the world shifts toward dependable, low carbon electricity, Northland's proven ability to develop, build, and operate at scale makes us a partner of choice.

**3.5 GW**  
operating

**2.2 GW**  
in construction

**\$13B**  
total assets

**9.2 GW**  
growth pipeline

**>95%**  
contracted revenue

**1,100+**  
employees

**Investment  
Grade**  
credit rating

# Our Strategy

10% target total shareholder returns

## Grow

- Deepen in core markets
- High-grade project pipeline
- Enhance value across the fleet

## Strengthen

- Focus organization
- Reinforce capital discipline
- Improve cost performance

## Deliver

- Operate with excellence
- Deliver on projects in construction
- Be the partner of choice

Disciplined Capital Allocation

Project Update

# Baltic Power

Poland's first offshore wind project



1.1 GW  
Baltic Sea

Poland

Baltic Power turbine installation in the Polish Baltic Sea

## 2025 Construction Milestones Achieved

- Both offshore substations installed
- All 78 monopile foundations installed
- Turbine installation underway



2021



Acquired interest/  
secured CfD



2022



Project design and  
optimization



2023



Financial close



2023



Construction  
commenced



2026



Expected COD

Project Update

# Hai Long

Taiwan's largest offshore wind farm

1 GW  
Taiwan Strait



Taiwan



Hai Long turbine installation in the Taiwan Strait

## 2025 Construction Milestones Achieved

- All 73 jacket foundations installed
- Both offshore substations and all export cables installed
- Turbine installation underway
- First power achieved



2021



Secured  
CPPA



2023



Financial close



2023



Construction  
commenced



2027



Expected COD

# Battery Energy Storage Systems (BESS)

Adding flexibility to global power grids, leveraging Northland's expertise and successful track record

Ontario, Canada

Oneida BESS



Alberta, Canada

Jurassic BESS



Poland

Mieczysławów  
and Kamionka  
BESS



## Oneida BESS, Canada



Operations  
**250 MW / 1,000 MWh**

## Jurassic BESS, Canada



Construction  
**80 MW / 160 MWh**

## Mieczysławów & Kamionka BESS, Poland



Late-stage Development  
**300 MW / 1,200 MWh**

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Total  
**630 MW / 2,360 MWh**

# Management's discussion & analysis



# NORTHLAND POWER INC.

## Management’s Discussion and Analysis

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This Management’s Discussion and Analysis (“**MD&A**”), dated February 25, 2026 contains forward-looking statements that are based on certain estimates and assumptions that were considered reasonable on the date hereof; actual results may differ materially. Certain prior period disclosures have been reclassified for consistency with the current period presentation. Northland’s Audit Committee reviewed this MD&A and the associated audited consolidated financial statements and notes, and its Board of Directors approved these documents prior to their release.

## SECTION 1: OVERVIEW

### Introduction

The purpose of this MD&A is to explain the financial results of Northland Power Inc. (“Northland” or the “Company”) and to assist the reader in understanding the nature and importance of changes and trends as well as the risks and uncertainties that may affect the operating results and financial position of the Company. This MD&A should be read in conjunction with Northland’s audited consolidated financial statements for the years ended December 31, 2025, and 2024, and Northland’s most recent Annual Information Form for the year ended December 31, 2025, dated February 25, 2026 (“2025 AIF”). These materials are available on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) and on Northland’s website at [www.northlandpower.com](http://www.northlandpower.com).

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

### Forward-Looking Statements

*This MD&A contains forward-looking statements that are based on certain estimates and assumptions that were considered reasonable on February 25, 2026; actual results may differ materially. Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans. Readers are cautioned that such statements may not be appropriate for other purposes. Northland’s actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, the events anticipated by the forward-looking statements may or may not transpire or occur. Forward-looking statements include statements that are not historical facts and are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects,” “anticipates,” “plans,” “predicts,” “believes,” “estimates,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions or future or conditional verbs such as “may,” “will,” “should,” “would” and “could”. These statements may include, without limitation, statements regarding future Adjusted EBITDA and Free Cash Flow, including respective per share amounts, dividend payments and dividend payout ratios, the implementation, timing and anticipated benefits of Northland’s new strategic plan, the timing for and attainment of the Hai Long and Baltic Power offshore wind projects, Jurassic BESS battery energy storage project and other growth activity and the anticipated contributions therefrom to Adjusted EBITDA and Free Cash Flow, the expected generating capacity of certain projects, guidance, anticipated dates of commercial operations, forecasts as to overall project costs, the completion of construction, acquisitions, dispositions, whether partial or full, investments or financings and the timing thereof, the timing for and attainment of financial close and commercial operations for each project, the potential for future production from project pipelines, cost and output of development projects, the all-in interest cost for debt financing, the impact of currency and interest rate hedges, Northland’s anticipated credit rating, litigation claims, 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 which could impair current guidance and expected returns, risks associated with merchant pool pricing and revenues, risks associated with sales contracts, Northland’s ability to execute on its growth strategy, 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, unforeseeable site conditions, including geological and geotechnical risks, climate change, health and worker safety risks, market*

compliance risk, government regulations and policy risks, utility rate regulation risks, international activities, cybersecurity, data protection and reliance on information technology, labour relations, labour shortage risk, management transition risk, geopolitical risk in and around the regions Northland operates in, large project risk, reputational risk, insurance risk, risks relating to co-ownership, bribery and corruption risk, terrorism and security, litigation risk and legal contingencies, and the other factors described in this MD&A and the 2025 AIF.

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

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

## **Non-IFRS Financial Measures**

This MD&A includes references to the Company's adjusted earnings before interest, income taxes, depreciation and amortization ("**Adjusted EBITDA**"), 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. Instead, 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.

Effective first quarter of 2025, to better align with peers, Northland began to report Free Cash Flow as cash generation from the business excluding growth expenditures and discontinued the use of 'Adjusted Free Cash Flow'. Growth expenditures will continue to be reported quarterly.

## **Adjusted EBITDA**

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

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

### **Free Cash Flow**

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

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

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

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

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

### **Business Objective**

Northland's objective is to provide its Shareholders with a total return through a combination of dividends and share value growth, driven by disciplined capital allocation and safe and reliable operations. Northland aims to deliver this objective by (i) owning and operating high-quality, contracted assets that deliver long-term cash flow, and (ii) pursuing disciplined asset growth through prudent market selection, operational excellence, and value creation to support the energy transition while maintaining financial strength.

### **Business Strategy**

Northland's business strategy focuses on delivering reliable energy and capacity primarily across key markets in the Americas, Europe, and Asia. The Company's portfolio emphasizes offshore wind, onshore renewable generation and battery energy storage, complemented by natural gas facilities that provide dispatchable energy. As a global developer and operator, Northland leverages its diversified technology mix and geographic reach to capitalize on the global energy transition and growing demand for electricity.

### **Strategic Focus and Growth**

As part of its strategy introduced in November 2025, Northland's business is segmented into two geographic regions: International and Americas. Northland is targeting expansion of its asset base in key strategic markets, aiming to double its gross operating capacity to over 7 GW by 2030. This growth will be driven by the completion of major construction projects—Hai Long (Taiwan) and Baltic Power (Poland)—as well as the advancement of 1.4–1.8 GW of new gross operating capacity through organic development, accretive acquisitions of mid- to late-stage assets and value enhancement initiatives across our existing fleet.

Northland’s growth strategy is based on three core pillars:

- **Deliver:** Execute on projects in construction, maintain operational excellence, and be the partner of choice for stakeholders.
- **Strengthen:** Streamline operations, reinforce capital discipline, and improve cost performance to enhance organizational resilience.
- **Grow:** Deepen presence in core markets, high-grade the project pipeline, and pursue value-accretive opportunities in renewables, energy storage, and natural gas.

### ***Technologies, Regions and Market Diversification***

Northland’s portfolio includes offshore wind, onshore wind and solar, battery energy storage and natural gas facilities, with operations and development activities across North America, Europe, Asia, and South America. The Company currently operates 3.5 GW of gross capacity, with 2.2 GW under construction and a development pipeline of approximately 9 GW. The following provides an overview of Northland’s two business units, International and Americas.

#### • ***International Business Unit***

Northland’s International business includes a portfolio of offshore wind and onshore renewable assets, with a presence across Europe and Asia. The Company operates 1.8 GW of gross capacity internationally, of which 1.2 GW is offshore wind located in the North Sea and the remaining capacity is onshore renewables located in Spain. An additional 2.1 GW of offshore wind capacity is currently under construction. This business unit represented approximately 59% of Northland’s 2025 Adjusted EBITDA from facilities.

The Hai Long offshore wind project in Taiwan, with a gross capacity of 1.0 GW (in which Northland holds 31% economic interest), is one of the largest offshore wind farms in Asia and is expected to achieve commercial operations in 2027. Baltic Power, a 1.1 GW project in Poland (in which Northland holds 49% economic interest), is expected to achieve commercial operations in the second half of 2026. Both projects are underpinned by long-term contracts—20-30 years for Hai Long and 25 years for Baltic Power—providing revenue stability and supporting Northland’s growth objectives.

In Spain, Northland owns and operates a diverse portfolio of onshore wind and solar assets totaling 560 MW. The large portion of the Spanish portfolio benefits from a regulated asset base framework, providing stable, long-term returns, and is strategically positioned to support grid reliability and decarbonization efforts. Northland is pursuing value enhancement opportunities in Spain, such as the potential addition of grid-scale battery storage at existing sites. The Company’s international strategy emphasizes market selection based on macroeconomic fundamentals, policy support, and attractive contracting structures, with a focus on core markets such as Poland, Spain, and the UK. In Poland, Northland is expanding its footprint through the Baltic Power offshore wind project and the recent acquisition of two late-stage battery energy storage projects, further strengthening its position in a rapidly evolving energy market.

#### • ***Americas Business Unit***

The Americas business portfolio includes onshore wind and solar facilities located in Canada and the United States, battery energy storage in Canada, natural gas-fired power plants located in Canada, and a regulated electric utility serving over 500,000 customers in Colombia. Northland operates 1.7 GW of onshore wind, solar, natural gas, and battery energy storage gross capacity in the Americas, with approximately 85% of these assets situated in Canada and the remainder, which is onshore wind, situated in the state of New York. In 2025, the Americas region contributed approximately 41% of Northland’s Adjusted EBITDA from facilities.

Northland’s Canadian operations are anchored by a mix of onshore wind, solar, battery energy storage and natural gas assets. In May 2025, the Company achieved commercial operations at the 250 MW Oneida Energy Storage facility in Ontario, one of Canada’s largest operating battery energy storage projects, which was delivered ahead of schedule and under budget. The Company’s current onshore renewables portfolio consists of 0.3 GW of battery energy storage system and 0.5 GW of onshore wind and solar assets that span over multiple provinces, with a focus on high-availability and long-term contracted facilities.

Northland’s United States operations include 0.2 GW of onshore wind located in the state of New York.

The Company’s natural gas assets, totaling 737 MW, are located in Ontario and Saskatchewan and play a critical role in supporting grid reliability. Northland continues to invest in natural gas infrastructure, with the Collisard project in Alberta—a 120 MW peaking facility—currently in advanced development. The Thorold facility in Ontario recently underwent a 23 MW capacity upgrade, enabling a five-year contract extension and further enhancing Northland’s flexible generation capabilities.

In Colombia, Northland owns and operates EBSA, a regulated electric utility that distributes and retails electricity to over half a million customers. EBSA's revenues are derived from a stable, regulated framework, and the utility is recognized for its operational excellence and commitment to safety.

The Americas business also includes a growing pipeline of development projects, with a focus on expanding renewable generation, battery energy storage, and natural gas capacity in Canada to meet rising electricity demand.

Looking forward, Northland will continue to leverage its home market advantage in Canada and capitalize on emerging opportunities in battery energy storage and flexible generation. The Americas region remains a cornerstone of Northland's strategy, providing a stable foundation for growth, innovation and the delivery of reliable, sustainable energy solutions.

### ***Cost Savings and Operational Efficiency***

A key component of Northland's strategy is a comprehensive cost optimization program across operating, general & administrative (G&A), and development expenses. This initiative is designed to unlock more than \$50 million in annual savings by 2028, supporting disciplined growth and shareholder value creation. Core elements of this program are:

- **Operating Expense (Opex) Efficiencies:** Northland leverages technology, analytics and best practices in asset management to optimize maintenance contracts and drive continuous improvement across its portfolio.
- **General and Administrative Cost Reductions:** The transition to two regional hubs, enables streamlined corporate functions, elimination of duplication, and scaling expertise to enhance operational agility.
- **Development Expense (Devex) Discipline:** Centralized project evaluation and capital allocation, ensuring only the projects with the right risk and reward profiles advance.

These measures are designed to support growth, margin enhancement, and balance sheet strength, enabling Northland to pursue accretive opportunities without reliance on external equity financing.

### ***Capital Discipline and Financial Resilience***

Northland is committed to maintaining an investment-grade credit rating and has more than 95% of revenue under long-term contracts, providing more predictable cash flows and funding certainty. The Company's financial framework prioritizes:

- **Disciplined capital allocation:** Investing only in projects that meet strategic and financial criteria, focusing resources on the most accretive opportunities in core markets.
- **Sustainable shareholder returns:** Targeting attractive returns to shareholders through dividend payments and compound annual growth in free cash flow per share.
- **Balance sheet flexibility:** Preserving liquidity and financial strength, enabling the Company to navigate market cycles and seize growth opportunities.

This disciplined approach, combined with operational excellence, and cost leadership, positions Northland to deliver lasting value to shareholders through prudent financial management and operational execution.

## SECTION 3: NORTHLAND’S BUSINESS

As of December 31, 2025, Northland owns or has a net economic interest in 3,014 MW of power-producing facilities, with a total gross operating capacity of approximately 3,498 MW, and a regulated utility. Northland’s facilities produce electricity for sale, primarily under long-term PPAs, energy storage capacity contracts or other revenue arrangements with creditworthy counterparties. Northland’s utility business is a distributor and retailer of electricity, compensated under a regulated framework. These operating assets are located in Canada, Colombia, Germany, the Netherlands, Spain, and the United States of America (the “**United States**”). Northland’s assets under construction are located in Canada, Poland and Taiwan. Northland’s assets under development are located in Canada, South Korea, Scotland, Poland, Spain and the United States. Refer to the 2025 AIF for additional information on Northland’s key operating facilities as of December 31, 2025, and refer to *SECTION 9: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES* for additional information on Northland’s key development projects.

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

	Gross Capacity (MW) <sup>(1)</sup>	Net Capacity (MW) <sup>(1) (2)</sup>
<b>International</b>	<b>1,752</b>	<b>1,453</b>
Offshore Wind	1,192	902
Onshore Wind	444	435
Onshore Solar	116	116
<b>Americas</b>	<b>1,746</b>	<b>1,561</b>
Onshore Wind	613	533
Onshore Solar	146	131
Storage	250	174
Natural Gas	737	723
Utility	n/a	n/a
<b>Total</b>	<b>3,498</b>	<b>3,014</b>

(1) As at December 31, 2025, Northland’s economic interest increased from December 31, 2024, upon Oneida energy storage project achieving commercial operation in May 2025 (refer to Section 4.1: Significant Events of this MD&A for more information).

(2) Presented at Northland’s economic interest.

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

Project	Geographic Region	Technology	Gross Capacity (GW)	Current ownership	Development Stage	Contract type	Estimated COD
<b>Construction Projects</b>							
Hai Long	Taiwan	Offshore Wind	1.0	31% <sup>(1)</sup>	Under construction	30-year PPA <sup>(2)</sup>	2026 and 2027
Baltic Power	Poland	Offshore Wind	1.1	49%	Under construction	25-year CfD <sup>(3)</sup>	2026
Jurassic BESS	Canada	Energy Storage	0.1	100%	Under construction	15-year tolling agreement	2026
<b>Total Construction Projects</b>			<b>2.2</b>				
<b>Growth Pipeline</b>							
International	Europe and Asia	Offshore Wind and Energy Storage	6.3		Early/mid/late-stage		
Americas	Canada and United States	Onshore Wind, Solar, Energy Storage and Natural Gas	2.9		Early/mid/late-stage		2027 - 2030+
<b>Total Growth Pipeline</b>			<b>9.2</b>				
<b>Total Pipeline</b>			<b>11.4</b>				

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

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

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

## SECTION 4: CONSOLIDATED HIGHLIGHTS

### 4.1: Significant Events

Significant events during 2025 and through the date of this MD&A are described below. Refer to *SECTION 9: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES* of this MD&A for additional relevant information.

#### **Construction Projects Update:**

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

#### **Hai Long Offshore Wind Project**

Northland continues to advance the 1.0 GW Hai Long project. The project currently has 37 out of 73 turbines installed, with 20 turbines generating power. As reported last quarter, turbine commissioning has been slower than expected and could impact pre-completion revenues in the amount of approximately \$150 - \$200 million (Northland share). The project is optimizing the commissioning schedule in preparation for in-water activities expected to resume in April 2026. The project is on track for commercial operations in 2027, with overall costs aligned with original expectations.

#### **Baltic Power Offshore Wind Project**

Northland continues to advance the 1.1 GW Baltic Power project. Offshore construction activities are progressing, including the installation of both offshore substations, all turbine monopile foundations, 30 of the turbines, and 2 out of 4 export cables. The local grid operator completed grid interconnection works, a key milestone for energization of the project. The project is on track for commercial operations in the second half of 2026, with overall costs aligned with original expectations.

#### **Oneida Energy Storage Project**

On May 7, 2025, Northland's 250 MW/1.0 GWh Oneida battery energy storage project successfully entered commercial operations ahead of schedule and under budget. The project was completed with no lost time incidents, demonstrating Northland's commitment to health and safety. Oneida operates under a 20-year capacity contract with Ontario's Independent Electricity System Operator.

#### **Other Growth Activity**

In the second quarter of 2025, Northland closed the debt financing and commenced construction of the 80 MW Jurassic Battery Energy Storage System ("**Jurassic BESS**") project in Alberta. Construction activities are underway, including fabrication for key electrical equipment. Northland completed the installation of foundations for battery packs and transformers during the fourth quarter of 2025. Battery packs have arrived in Canada and are expected to be delivered to the site for installation in the coming months. The project is expected to cost approximately \$120 million and reach commercial operations in late 2026, aligned with the original expectations.

#### **Others:**

#### **Secured Polish Battery Energy Storage Projects**

On November 20, 2025, Northland acquired two late-stage pre-construction battery energy storage projects totaling 300 MW / 1.2 GWh in Poland.

The projects, Mieczysławów (200 MW / 800 MWh) and Kamionka (100 MW / 400 MWh), each has a four-hour duration and are located in western Poland. A portion of revenue is secured under 17-year capacity auction contracts indexed to inflation, and additional revenue is expected to be realized through energy arbitrage and participation in ancillary service markets. Northland has been working on late-stage development and procurement ahead of financing and the expected start of construction in 2026, with an estimated total cost of €200 million.

### ***Announced New Strategic Plan and 2030 Outlook***

On November 20, 2025, Northland held its 2025 Investor Day where management presented the Company's five-year strategic growth and funding plan. Highlights included: targeting to double operating capacity to 7 GW by 2030; implementing a regional operating model with a deepened focus on core markets of Canada and Europe; improving cost efficiency; selectively advancing high-quality opportunities; and raising investment return targets to 12+%.

### ***Nordsee One Offshore Wind Facility***

On November 18, 2025, Northland signed a five-year bilateral power purchase agreement with Shell Energy Europe Ltd. for approximately one-third of the production from its 332 MW Nordsee One offshore wind farm. The facility is operating under the German Renewable Energy Sources Act regime, which is scheduled to fully step down in 2027. The PPA, secured through a structured tendering process, commences in June 2027 for a five-year term.

### ***Thorold Natural Gas Facility Upgrade***

On November 25, 2025, Northland completed the performance test for a 23 MW capacity upgrade at the Thorold facility and executed an amended PPA extending the contract to April 30, 2035.

### ***Refinancing of EBSA's Credit Facility***

On December 5, 2025, Northland upsized the non-recourse credit facility associated with EBSA (the "EBSA Facility") by \$146 million with proceeds used to settle related foreign currency hedges.

### ***Common Share Dividend***

On November 12, 2025, Northland's Board of Directors approved an adjustment to Northland's dividend to \$0.72 per share on an annual basis. The change was applicable to the dividend payment on January 15, 2026, to shareholders of record on December 31, 2025.

### ***Refinancing of Oneida's Debt Facility***

In October 2025, Northland achieved term conversion of Oneida's debt facility and completed a \$147 million refinancing of the Tranche A facility with commercial lenders, maturing in March 2032. The project fully repaid its non-revolving credit facility, Tranche C, amounting to \$15 million.

### ***Refinancing of New York Wind's Debt Facility***

In October 2025, Northland refinanced its New York Wind projects debt facility, extending the maturity until February 2031.

### ***Preferred Shares Series 1 & Series 2 Rate Reset***

Effective September 30, 2025, Northland reset the cumulative rate on its Series 1 preferred shares. The fixed quarterly dividends on the Series 1 preferred shares will be paid at an annual rate of 5.70% (\$0.3564 per share per quarter) until September 29, 2030.

The quarterly floating rate dividends on the cumulative floating rate Series 2 preferred shares, will be paid at an annual rate, calculated for each quarter, of 2.80% over the annual yield on 90-day Government of Canada treasury bills.

## 4.2: Operating Highlights

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

### Summary of Consolidated Results

Year ended December 31,	2025	2024	2023
<b>FINANCIALS</b>			
Revenue from energy sales <sup>(1)</sup>	\$ 2,434,970	\$ 2,346,264	\$ 2,232,779
Operating income (loss) <sup>(1)</sup>	279,393	812,892	577,988
Net income (loss) <sup>(1)</sup>	(108,359)	371,389	(96,132)
Net income (loss) attributable to shareholders	(163,248)	271,825	(175,194)
Adjusted EBITDA (a non-IFRS measure) <sup>(2)</sup>	1,252,991	1,261,951	1,239,871
Cash provided by operating activities <sup>(1)</sup>	1,426,164	1,028,968	810,699
Free Cash Flow (a non-IFRS measure) <sup>(2)</sup>	382,094	394,420	497,978
Cash dividends paid	286,008	200,488	205,072
Total dividends declared <sup>(3)</sup>	\$ 303,185	\$ 309,024	\$ 303,469
Total assets	13,238,364	13,604,338	13,626,298
Total non-current liabilities	\$ 7,670,441	\$ 7,716,830	\$ 7,867,559
<b>Per share</b>			
Weighted average number of shares — basic and diluted (000s)	261,301	257,300	252,710
Net income (loss) attributable to common shareholders — basic and diluted	\$ (0.65)	\$ 1.03	\$ (0.72)
Free Cash Flow (a non-IFRS measure) <sup>(2)</sup>	\$ 1.46	\$ 1.53	\$ 1.97
Total dividends declared	\$ 1.16	\$ 1.20	\$ 1.20
<b>ENERGY VOLUMES</b>			
Electricity production in gigawatt hours (GWh) <sup>(4)</sup>	10,953	11,046	10,380
Northland's share of electricity production (GWh) <sup>(5)</sup>	9,502	9,621	8,947

(1) Represents fully consolidated financial information on 100% basis for all direct and indirect subsidiaries including those partially owned by Northland. Share of profit (loss) from joint ventures have been included only in the net income measures, as required by IFRS.

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

(3) Represents total dividends declared to common shareholders, including dividends in cash or in shares under Northland's Dividend Reinvestment Plan.

(4) Includes 100% of electricity production from all direct and indirect subsidiaries, including those which are partially owned by Northland as well as Northland's share of pre-completion production from Hai Long.

(5) Presented at Northland's economic interest.

The following table provides Northland's share of pre-completion production and revenue from the Hai Long offshore wind project:

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Electricity production (GWh)	32	—	35	—
Pre-completion revenue	\$ 8,757	—	\$ 9,843	—

## SECTION 5: RESULTS OF OPERATIONS

The following table summarizes operating results from subsidiaries by geography and technology:

Three months ended December 31,	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Electricity <sup>(1)</sup> production (GWh)		Revenue from energy sales <sup>(1)</sup>		Operating costs <sup>(1)</sup>		Operating income (loss) <sup>(1)</sup>		Adjusted EBITDA <sup>(2)</sup>		Free Cash Flow <sup>(2)</sup>	
<b>International</b>												
Offshore wind	1,543	1,272	\$ 385,207	\$ 279,756	\$ 67,096	\$ 44,632	\$ 217,353	\$ 136,252	\$ 243,033	\$ 181,137	\$ 65,908	\$ 29,105
Onshore renewables	248	251	44,602	53,764	14,923	13,900	5,873	18,994	29,060	38,431	3,390	13,000
<b>Total</b>	<b>1,791</b>	<b>1,523</b>	<b>\$ 429,809</b>	<b>\$ 333,520</b>	<b>\$ 82,019</b>	<b>\$ 58,532</b>	<b>\$ 223,226</b>	<b>\$ 155,246</b>	<b>\$ 272,093</b>	<b>\$ 219,568</b>	<b>\$ 69,298</b>	<b>\$ 42,105</b>
<b>Americas</b>												
Onshore renewables and energy storage	553	542	\$ 91,279	\$ 69,980	\$ 20,786	\$ 13,351	\$ 34,340	\$ 30,844	\$ 51,820	\$ 44,630	\$ 24,864	\$ 21,722
Natural gas	1,088	764	101,876	79,135	52,877	30,474	40,335	39,346	51,665	46,493	27,334	16,763
Utilities	n/a	n/a	97,044	91,797	48,391	48,647	32,684	32,640	40,129	41,194	14,746	18,494
<b>Total</b>	<b>1,641</b>	<b>1,306</b>	<b>\$ 290,199</b>	<b>\$ 240,912</b>	<b>\$ 122,054</b>	<b>\$ 92,472</b>	<b>\$ 107,359</b>	<b>\$ 102,830</b>	<b>\$ 143,614</b>	<b>\$ 132,317</b>	<b>\$ 66,944</b>	<b>\$ 56,979</b>
<b>Year ended December 31,</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	Electricity <sup>(1)</sup> production (GWh)		Revenue from energy sales <sup>(1)</sup>		Operating costs <sup>(1)</sup>		Operating income (loss) <sup>(1)</sup>		Adjusted EBITDA <sup>(2)</sup>		Free Cash Flow <sup>(2)</sup>	
<b>International</b>												
Offshore wind	4,252	4,471	\$1,169,696	\$1,182,754	\$ 253,070	\$ 233,095	\$ (25,904)	\$ 551,119	\$ 678,513	\$ 716,842	\$ 146,022	\$ 167,234
Onshore renewables	920	985	190,353	218,073	54,523	50,064	41,590	80,314	133,098	158,889	43,038	67,749
<b>Total</b>	<b>5,172</b>	<b>5,456</b>	<b>\$1,360,049</b>	<b>\$1,400,827</b>	<b>\$ 307,593</b>	<b>\$ 283,159</b>	<b>\$ 15,686</b>	<b>\$ 631,433</b>	<b>\$ 811,611</b>	<b>\$ 875,731</b>	<b>\$ 189,060</b>	<b>\$ 234,983</b>
<b>Americas</b>												
Onshore renewables and energy storage	1,986	1,784	\$ 337,283	\$ 259,937	\$ 62,860	\$ 45,641	\$ 140,815	\$ 105,074	\$ 214,175	\$ 172,313	\$ 99,939	\$ 66,001
Natural gas	3,733	3,611	357,112	318,039	174,816	129,783	144,476	151,377	190,097	191,536	99,119	80,386
Utilities	n/a	n/a	371,533	356,781	194,841	195,711	126,303	114,849	160,705	149,678	69,260	64,003
<b>Total</b>	<b>5,719</b>	<b>\$ 5,395</b>	<b>\$1,065,928</b>	<b>\$ 934,757</b>	<b>\$ 432,517</b>	<b>\$ 371,135</b>	<b>\$ 411,594</b>	<b>\$ 371,300</b>	<b>\$ 564,977</b>	<b>\$ 513,527</b>	<b>\$ 268,318</b>	<b>\$ 210,390</b>

(1) Represent fully consolidated financial information on 100% basis for all direct and indirect subsidiaries, including those which are partially owned by Northland.

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

## 5.1: Operating Results

### International Business Unit

Northland's International business unit consists of operating offshore wind facilities located in Germany and the Netherlands, along with onshore wind and solar facilities in Spain. For the year ended December 31, 2025, International business unit contributed 59% to Northland's reported Adjusted EBITDA from facilities.

### *Offshore Wind Facilities*

Northland's three operating offshore wind facilities, Gemini, Nordsee One and Deutsche Bucht, within the international business unit comprise 902 MW (at Northland's share), are located off the coasts of the Netherlands and Germany. Wind power generation harnesses wind energy by converting the kinetic energy of wind into electrical energy. Wind generation is subject to seasonal variability 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, which is reflected in the respective fiscal quarter's results. In addition, variability in offshore wind results in fluctuations in quarter-to-quarter financial results. Exposure to market prices, and turbine or grid availability can also have a significant effect on financial results. For the year ended December 31, 2025, Gemini, Nordsee One and Deutsche Bucht contributed approximately 21%, 13% and 15%, respectively, to Northland's reported Adjusted EBITDA from facilities.

### *Variability within Operating Results*

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

- Gemini has revenue agreements with the Government of the Netherlands, which expire in 2031. Under these agreements, the subsidy mechanism ("**SDE**") effectively tops up the revenue to €169/MWh for 2,385 GWh of generation.
- Nordsee One and Deutsche Bucht have revenue contracts with the German government, which expire in 2027 and 2032, respectively, under the German Renewable Energy Sources Act (the "**EEG**"), whereby the top-up mechanism ensures a minimum fixed unit price of €194/MWh and €184/MWh, respectively, per MWh generated. In the fourth quarter of 2025, as scheduled in the EEG for Nordsee One, the subsidy price stepped down to €154/MWh for all turbines. This rate will remain in effect until October 2026. Thereafter, the turbines will gradually begin to phase out from the EEG subsidy mechanism to merchant market pricing, starting with those commissioned earliest. The final turbine is scheduled to receive this rate until April 2027. On November 18, 2025, Northland signed a five-year bilateral power purchase agreement with Shell, effective from June 2027, for approximately one-third of the production from Nordsee One. Please refer to Section 4.1: Significant Events for further information.

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, 2025, the APX price for the year was €87/MWh.
- The SDE fixes the revenue at €169/MWh for 2,385 GWh of generation, but due to the settlement's formula, it is paid on the first 1,908 GWh. As a result, typically the revenue per MWh reported is higher in the first three quarters and lower in the last quarter of the year. Revenue averages to €169/MWh on an annual basis.
  - If the facility produces more than 2,385 GWh in the year, the additional volume produced earns the yearly average captured price ("**CP**").
  - If the facility produces less than 2,385 GWh in the year, the asset effectively receives the subsidy for a volume higher than the actual volume produced.

The subsidy received on 1,908 GWh is equal to  $[(€169 * 1.25) - (CP * 1.25)]$ . This calculation is applicable for every MWh up to 1,908 GWh. The yearly average CP is effectively calculated by reducing the APX with the Profile and Imbalance ("**P&I**") factor, that accounts for the profile of the generation and the costs associated with grid balancing. The annual P&I factor is adjusted quarterly based on Gemini's own data. The final P&I factor number is officially published by the Netherlands Enterprise Agency in the subsequent year.

- Under the EEG mechanism, the tariff compensates for most of the production curtailments the system operator requires. However, the facilities do not receive revenue for periods where the market power price remains negative for longer than six consecutive hours (“**negative prices**”).
- Under the EEG, the facilities are also subject to unpaid curtailments by the German system operator for scheduled and unscheduled grid repairs (“**grid outages**”) of up to 28 days annually at each facility, which can affect earnings.

### Operating Performance

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

	Three months ended December 31,				
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	Historical Average <sup>(2)</sup>	Historical High <sup>(2)</sup>	Historical Low <sup>(2)</sup>
Electricity production (GWh)					
Gemini	816	700	777	832	700
Nordsee One	385	331	344	385	298
Deutsche Bucht	342	241	297	342	233
<b>Total</b>	<b>1,543</b>	<b>1,272</b>			

	Year ended December 31,				
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	Historical Average <sup>(2)</sup>	Historical High <sup>(2)</sup>	Historical Low <sup>(2)</sup>
Electricity production (GWh)					
Gemini	2,315	2,394	2,374	2,496	2,193
Nordsee One	1,019	1,130	1,066	1,130	968
Deutsche Bucht	918	947	941	1,003	872
<b>Total</b>	<b>4,252</b>	<b>4,471</b>			

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

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

*Electricity production* for the three months ended December 31, 2025 increased 21% or 271 GWh compared to the same quarter of 2024, due to higher wind resource across all offshore wind facilities and lower grid outages. Electricity production for the year ended December 31, 2025 decreased 5% or 219 GWh compared to 2024, due to lower wind resource across all offshore wind facilities experienced in the first half of 2025.

*Commercial availability* for the three months ended December 31, 2025 was at 97%. Commercial availability for the year ended December 31, 2025 was at 96%.

*Revenue from energy sales* of \$385 million for the three months ended December 31, 2025 increased 38% or \$105 million, compared to the same quarter of 2024, due to higher production across offshore wind facilities. Revenue from energy sales of \$1,170 million for the year ended December 31, 2025 decreased 1% or \$13 million compared to 2024, due to lower production across all offshore wind facilities.

*Operating income* of \$217 million for the three months ended December 31, 2025 increased 60% or \$81 million compared to the same quarter of 2024, due to the same factor noted above. Operating loss of \$26 million for the year ended December 31, 2025 compared to the operating income of \$551 million in 2024, due to the recognition of impairment expense as a non-cash accounting adjustment, partially offset by the same factor noted above.

*Adjusted EBITDA* of \$243 million for the three months ended December 31, 2025 increased 34% or \$62 million compared to the same quarter of 2024, due to the same factor noted above. Adjusted EBITDA of \$679 million for the year ended December 31, 2025 decreased 5% or \$38 million compared to 2024, due to the same factor noted above.

### Revenue per MWh of each facility

For the three months and year ended December 31, 2025, the revenue per MWh from the offshore wind facilities was in line with expectations.

The following table summarizes operating results by facility:

Three months ended December 31,		2025	2024	2025	2024	2025	2024	2025	2024
		Total		Gemini <sup>(3)</sup>		Nordsee One		Deutsche Bucht	
<b>Paid production</b>	GWh	1,543	1,272	816	700	385	331	342	241
Non-curtailed production	GWh	1,492	1,136	813	693	347	248	332	195
Curtailed production	GWh	51	136	3	7	38	83	10	46
<b>Revenue per MWh <sup>(1) (2)</sup></b>	€/MWh	150	139	136	108	150	190	182	183
From market	€/MWh	74	85	72	70	76	112	77	103
From subsidy	€/MWh	76	54	64	38	74	78	105	80

  

Year ended December 31,		2025	2024	2025	2024	2025	2024	2025	2024
		Total		Gemini <sup>(3)</sup>		Nordsee One		Deutsche Bucht	
<b>Paid production</b>	GWh	4,252	4,471	2,315	2,394	1,019	1,130	918	947
Non-curtailed production	GWh	4,013	4,131	2,284	2,354	887	937	842	840
Curtailed production	GWh	239	340	31	40	132	193	76	107
<b>Revenue per MWh <sup>(1) (2)</sup></b>	€/MWh	173	177	170	167	167	192	182	182
From market	€/MWh	77	89	74	63	79	128	80	118
From subsidy	€/MWh	96	88	96	104	88	64	102	64
<b>Subsidy price</b>	€/MWh			169	169	154	194	184	184

(1) Revenue from non-curtailed production only.

(2) Revenue from curtailed production amounted to \$16 million (2024: \$39 million) and \$60 million (2024: \$87 million) for the three months and the year ended December 31, 2025, respectively.

(3) The revenue per MWh for Gemini averaged approximately €169/MWh annually. However, as described above, due to the timing of the subsidy payment, the revenue per MWh was higher in the first ten months of this year.

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

		Three months ended December 31,		Year ended December 31,	
		2025	2024	2025	2024
<b>Unpaid curtailment production</b>					
Due to negative prices	GWh	21	16	113	96
Due to grid outages	GWh	—	57	55	112
		21	73	168	208
<b>Adverse impact on revenue</b>					
Due to negative prices	\$	5,622	\$ 4,585	\$ 31,774	\$ 27,011
Due to grid outages		—	15,599	16,150	30,507
	\$	5,622	\$ 20,184	\$ 47,924	\$ 57,518

### Onshore Renewable Facilities

Onshore wind facilities are operationally similar to offshore wind, with lower operating costs and generally lower wind resource. Solar power facilities have lower fixed operating costs per unit of capacity than other renewable power technologies. Electricity production from solar facilities tends to be less variable than wind but is limited to available sunlight, which is generally higher in the second and third quarters than in the first and fourth quarters.

Northland’s onshore renewables within International business unit comprise 551 MW (at Northland’s share) of onshore wind and solar facilities in Spain. Northland’s Spanish portfolio is comprised of onshore wind (435 MW), solar photovoltaic (66 MW) and concentrated solar (50 MW) assets located throughout Spain. The Spanish portfolio operates under a regulated asset base framework that guarantees a specified pre-tax rate of return of 7.4% for 20 sites and 7.1% for 12 sites, over the full regulatory life of the facilities, regardless of settled wholesale power price (“**pool price**”). For the year ended December 31, 2025, Northland’s onshore renewable facilities in Spain contributed approximately 10% to Northland’s reported Adjusted EBITDA from facilities.

The revenue for each facility has four components:

- Return on investment (“**Ri**”), sized to complete the target return based on the market revenue assumed ex-ante (the “**posted price**”);
- Return on operations (“**Ro**”), compensates when operating costs are higher than the market revenues. Note that Ro is not being received in the current environment;
- Market revenue, at pool prices; and
- “**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 price, the band adjustment mechanism reduces revenues in the period.

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

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

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Ri revenue	\$ 16,619	\$ 15,281	\$ 66,480	\$ 59,567
Market revenue	22,510	24,404	80,098	68,852
Band adjustment	5,473	14,079	43,775	89,654
<b>Total revenue</b>	<b>\$ 44,602</b>	<b>\$ 53,764</b>	<b>\$ 190,353</b>	<b>\$ 218,073</b>

  

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Ri revenue	€ 10,244	€ 10,244	€ 40,977	€ 40,202
Market revenue	13,875	16,360	49,370	46,468
Band adjustment	3,372	9,438	26,982	60,507
<b>Total revenue</b>	<b>€ 27,491</b>	<b>€ 36,042</b>	<b>€ 117,329</b>	<b>€ 147,177</b>

  

Regulated Posted price per MWh	€ 89	€ 109	€ 89	€ 109
Market Revenue per MWh	€ 56	€ 65	€ 54	€ 47
Production (GWh)	248	251	920	985

*Electricity production* for the three months ended December 31, 2025 of 248 GWh was in line with the same quarter of 2024. Electricity production of 920 GWh for the year ended December 31, 2025 was 7% or 66 GWh lower than 2024, due to low wind and solar resources at the Spanish facilities.

*Commercial availability* for the three months ended December 31, 2025 was at 97%. Commercial availability for the year ended December 31, 2025 was at 98%.

*Revenue from energy sales* of \$45 million for the three months ended December 31, 2025 decreased 17% or \$9 million compared to the same quarter of 2024, due to lower market prices at the Spanish facilities. Revenue from energy sales of \$190 million for the year ended December 31, 2025 decreased 13% or \$28 million compared to 2024, due to lower production at the Spanish facilities.

*Operating income* of \$6 million for the three months ended December 31, 2025, decreased 69% or \$13 million compared with the same quarter of 2024, due to the same factor as noted above. *Operating income* of \$42 million for the year ended December 31, 2025 decreased 48% or \$39 million compared to 2024, due to the same factor noted above.

*Adjusted EBITDA* of \$29 million for the three months ended December 31, 2025 decreased 24% or \$9 million compared to 2024, due to the same factor noted above. *Adjusted EBITDA* of \$133 million for the year ended December 31, 2025 decreased 16% or \$26 million compared to 2024, due to the same factor noted above.

## **Americas Business Unit**

Northland's Americas business unit includes natural gas, onshore wind, solar, and energy storage facilities in Canada, onshore wind projects in the United States, and regulated utility operations in Colombia. For the year ended December 31, 2025, Americas business unit contributed 41% to Northland's reported Adjusted EBITDA from facilities.

### ***Onshore Renewable & Energy Storage Facilities***

Northland's onshore renewables and energy storage within the Americas business unit comprise 838 MW (at Northland's share) of onshore wind, solar and storage facilities in Canada and the United States. For the year ended December 31, 2025, Northland's onshore renewable and energy storage facilities in North America contributed approximately 16% to Northland's reported Adjusted EBITDA from facilities.

### ***Operating Performance***

*Electricity production* for the three months ended December 31, 2025 of 553 GWh was in line with the same quarter of 2024. *Electricity production* of 1,986 GWh for the year ended December 31, 2025 was 11% or 203 GWh higher than 2024, due to higher wind resource at the New York and Canadian onshore wind facilities.

*Commercial availability* for the three months and the year ended December 31, 2025 was at 97%.

*Revenue from energy sales* of \$91 million for the three months ended December 31, 2025 increased 30% or \$21 million compared to the same quarter of 2024, due to the contribution from the Oneida energy storage facility commencing operations in the second quarter of 2025. *Revenue from energy sales* of \$337 million for the year ended December 31, 2025 increased 30% or \$77 million compared to 2024, due to the same factors as above.

*Operating income* and *Adjusted EBITDA* of \$34 million and \$52 million, respectively, for the three months ended December 31, 2025, increased 11% or \$4 million and 16% or \$7 million, respectively, compared to the same quarter of 2024, due to the same factor noted above. *Operating income* and *Adjusted EBITDA* of \$141 million and \$214 million for the year ended December 31, 2025 increased 34% or \$36 million and 24% or \$42 million, respectively, compared to 2024, due to the same factors noted above.

### ***Natural Gas Facilities***

The contractual structures of Northland's natural gas facilities ensure that 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, including the cost of natural gas. For the year ended December 31, 2025, Northland's natural gas facilities contributed approximately 14% of reported Adjusted EBITDA, with the two largest facilities, North Battleford and Thorold accounting for approximately 13%.

*Electricity production* of 1,088 GWh for the three months ended December 31, 2025 increased 42% or 324 GWh compared to the same quarter of 2024, due to higher market demand for dispatchable power. *Electricity production* of 3,733 GWh for the year ended December 31, 2025 was in line with 2024.

*Commercial availability* for the three months ended December 31, 2025 was at 90%. *Commercial availability* for the year ended December 31, 2025 was at 93%.

*Revenue from energy sales* of \$102 million for the three months ended December 31, 2025 increased 29% or \$23 million as compared to the same quarter of 2024, due to higher market demand for dispatchable power. *Revenue from energy sales* of \$357 million for the year ended December 31, 2025 increased 12% or \$39 million compared to 2024, due to the same factors noted above.

*Adjusted EBITDA* of \$52 million for the three months ended December 31, 2025 increased 11% or \$5 million compared to the same quarter of 2024, due to the factor noted above. *Adjusted EBITDA* of \$190 million for the year ended December 31, 2025 was in line with 2024.

## Utility

Empresa de Energía de Boyacá S.A E.S.P (“EBSA”) holds the sole franchise rights for electricity distribution in the Boyacá region of Colombia and is an electricity retailer for the regulated residential sector in the region. EBSA owns and operates an extensive distribution network, serving just over half a million customers. EBSA’s net sales are almost entirely regulated, of which the vast majority is earned from its distribution business and the remainder primarily from its electricity retail business. For the year ended December 31, 2025, EBSA contributed approximately 12% of reported Adjusted EBITDA from facilities.

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

Revenue from energy sales of \$97 million for the three months ended December 31, 2025 increased 6% or \$5 million compared to the same quarter of 2024, due to growth in the asset base. Revenue from energy sales of \$372 million for the year ended December 31, 2025 increased 4% or \$15 million compared to 2024, due to the same factor as noted above.

Operating income and Adjusted EBITDA of \$33 million and \$40 million, respectively, for the three months ended December 31, 2025 were in line with the same quarter of 2024. Operating income and Adjusted EBITDA of \$126 million and \$161 million, respectively, for the year ended December 31, 2025 increased 10% or \$11 million and 7% or \$11 million, respectively, compared to 2024, due to the same factor as noted above.

## 5.2: General and Administrative Costs

The following table summarizes Northland’s general and administrative (“G&A”) costs:

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Corporate G&A	\$ 20,359	\$ 21,264	\$ 84,467	\$ 85,476
Operations G&A <sup>(1)</sup>	12,908	5,967	34,208	27,624
<b>Total G&amp;A costs</b>	<b>\$ 33,267</b>	<b>\$ 27,231</b>	<b>\$ 118,675</b>	<b>\$ 113,100</b>

(1) Operations G&A is included in the respective business unit’s Adjusted EBITDA and Free Cash Flow presented in Section 5: Results of Operations.

Corporate G&A costs of \$20 million for the three months ended December 31, 2025 were in line with the same quarter of 2024. Corporate G&A costs of \$84 million for the year ended December 31, 2025 were in line with the same period of 2024.

Operations G&A costs of \$13 million for the three months ended December 31, 2025 increased 116% or \$7 million compared the same quarter of 2024, due to certain non-recurring administrative expenses. Operations G&A costs of \$34 million for the year ended December 31, 2025 increased 24% or \$7 million compared to 2024, due to the same factors noted above.

### 5.3: Growth Expenditures

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

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Business development <sup>(1)</sup>	\$ 4,398	\$ 2,530	\$ 11,332	\$ 5,868
Project development	7,217	7,457	22,114	14,533
Development overhead	8,987	9,515	30,487	42,707
<b>Development costs</b>	<b>\$ 20,602</b>	<b>\$ 19,502</b>	<b>\$ 63,933</b>	<b>\$ 63,108</b>
Joint venture project costs <sup>(2)</sup>	2,151	6,285	8,354	8,164
<b>Growth expenditures <sup>(3)</sup></b>	<b>\$ 21,354</b>	<b>\$ 23,054</b>	<b>\$ 67,040</b>	<b>\$ 66,841</b>

(1) During the first quarter of 2024, Northland was reimbursed for business development costs relating to certain early-stage development activity from prior years.

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

(3) Excludes acquisition costs but includes share of project development costs incurred by joint ventures. Excludes non-controlling portion of the development costs for the three months and the year ended December 31, 2025 of \$1 million and \$5 million, respectively.

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

*Business development costs* are incurred to identify and explore prospective business and development opportunities, which are expected to result in identifiable development projects intended to be pursued to completion. These may include costs incurred for projects that ultimately may not be pursued to acquisition or to completion. Business development costs for the three months ended December 31, 2025, were higher compared to the same quarter of 2024, due to higher activities in onshore renewables business. Business development costs for the year ended December 31, 2025, were higher compared to 2024, due to reimbursement for business development costs relating to certain early-stage development activity in 2024.

*Project development costs* are attributable to identified early- to mid-stage development projects that are likely to generate cash flow over the long-run, though do not yet meet capitalization criteria under IFRS. For the year ended December 31, 2025, project development costs were higher than 2024, due to higher spending on priority offshore wind projects. Refer to *SECTION 9: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES* for additional information on identified development projects.

*Development overhead* relates to personnel, rent and other office costs not directly attributable to specific development projects. Development overhead reflects Northland's resources and development offices in key target jurisdictions focused on securing long-term growth opportunities in those jurisdictions. Development overhead costs for the year ended December 31, 2025, were lower than 2024, due to lower personnel costs.

## 5.4: Consolidated Results

The following discussion of the significant factors contributing to the consolidated financial results should be read in conjunction with Northland's audited consolidated financial statements for the year ended December 31, 2025.

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Electricity production (GWh)	3,472	2,836	10,953	11,046
Revenue from energy sales	\$ 722,841	\$ 571,867	\$ 2,434,970	\$ 2,346,264
Finance lease income	2,420	2,551	9,880	10,383
<b>Total income</b>	<b>\$ 725,261</b>	<b>\$ 574,418</b>	<b>\$ 2,444,850</b>	<b>\$ 2,356,647</b>
<b>Expenses</b>				
Operating costs	204,102	147,584	740,110	649,936
General and administrative costs	33,267	27,231	118,675	113,100
Development costs	20,602	19,502	63,933	63,108
Impairment of non-financial assets	630	—	527,155	—
Fair value adjustment relating to the disposal group classified as held for sale	—	—	—	43,884
Depreciation of property, plant and equipment	160,170	148,796	652,887	615,343
Amortization of contracts and intangible assets	15,972	14,734	62,697	58,384
<b>Total expenses</b>	<b>\$ 434,743</b>	<b>\$ 357,847</b>	<b>\$ 2,165,457</b>	<b>\$ 1,543,755</b>
<b>Operating income</b>	<b>\$ 290,518</b>	<b>\$ 216,571</b>	<b>\$ 279,393</b>	<b>\$ 812,892</b>
Finance costs	(82,987)	(97,116)	(355,238)	(392,022)
Finance income	10,898	17,358	52,273	71,388
Foreign exchange gain (loss)	(8,313)	(6,353)	55,555	716
Fair value gain (loss) on financial instruments	49,637	9,797	(378,439)	(93,695)
Share of profit (loss) from joint ventures	118,166	23,105	193,534	43,734
Other income (expense)	(2,335)	53,722	3,679	120,543
<b>Income (loss) before income taxes</b>	<b>\$ 375,584</b>	<b>\$ 217,084</b>	<b>\$ (149,243)</b>	<b>\$ 563,556</b>
<b>Income taxes (provision) recovery</b>				
Current	(64,229)	(65,419)	(119,207)	(198,035)
Deferred	(21,540)	(1,196)	160,091	5,868
Total income taxes	\$ (85,769)	\$ (66,615)	\$ 40,884	\$ (192,167)
<b>Net income (loss)</b>	<b>\$ 289,815</b>	<b>\$ 150,469</b>	<b>\$ (108,359)</b>	<b>\$ 371,389</b>
<b>Net income (loss) attributable to common shareholders per share - basic and diluted</b>	<b>\$ 0.93</b>	<b>\$ 0.49</b>	<b>\$ (0.65)</b>	<b>\$ 1.03</b>

## Fourth Quarter

*Revenue from energy sales* of \$723 million increased 26% or \$151 million compared to the same quarter of 2024, due to higher production across International business unit offshore wind facilities, the contribution from the Oneida energy storage facility, and market demand for dispatchable power at natural gas facilities.

*Operating costs* of \$204 million increased 38% or \$57 million compared to 2024, due to Gemini's export cable repair insurance claim received in the fourth quarter of 2024, Oneida energy storage facility commencing operations in the second quarter of 2025, higher market demand of dispatchable power at natural gas facilities and higher natural gas prices.

*Corporate and Operational G&A costs* of \$33 million increased 22% or \$6 million compared to 2024, due to certain non-recurring administrative expenses.

*Development costs* of \$21 million were in line with the same quarter of 2024.

*Finance costs* of \$83 million decreased 15% or \$14 million due to scheduled principal repayments on facility-level loans.

*Fair value gain on financial instruments* was \$50 million due to net movement in the fair value of derivatives related to foreign exchange and interest rate contracts.

*Foreign exchange loss* of \$8 million was due to fluctuations in foreign exchange rates.

*Share of profit from joint ventures* was \$118 million due to the gains on fair value of derivatives, partially offset by the foreign exchange losses, at the joint ventures.

*Net income* was \$290 million in the fourth quarter of 2025 compared to \$150 million in the same quarter of 2024, as a result of the factors described above.

## Year to date

*Revenue from energy sales* of \$2,435 million increased 4% or \$89 million compared to 2024, due to the contribution from the Oneida energy storage facility, higher wind conditions at the Americas business unit wind facilities, higher revenue from natural gas facilities and higher revenue from EBSA due to the growth in asset base. This was partially offset by the lower wind resource across the International business unit wind facilities experienced in the first half of 2025.

*Operating costs* of \$740 million increased 14% or \$90 million compared to 2024, due to Gemini's export cable repair insurance claim received in the fourth quarter of 2024, Oneida energy storage facility commencing operations in the second quarter of 2025, higher market demand of dispatchable power at natural gas facilities and higher natural gas prices.

*Corporate and Operational G&A costs* of \$119 million for the year ended December 31, 2025 increased 5% or \$6 million compared to the same quarter of 2024, due to certain non-recurring administrative expenses.

*Development costs* of \$64 million were in line with 2024.

*Finance costs* of \$355 million decreased 9% or \$37 million due to scheduled principal repayments on facility-level loans.

*Fair value loss on financial instruments* was \$378 million, due to net movement in the fair value of derivatives related to foreign exchange and interest rate contracts.

*Foreign exchange gain* of \$56 million was due to fluctuations in the foreign exchange rates.

*Share of profit from joint ventures* was \$194 million, due to the gains on fair value of derivatives, partially offset by the foreign exchange losses, at the joint ventures.

*Impairment expense* of \$527 million was recognized as a non-cash accounting adjustment for the Nordsee One offshore wind facility due to a transition from the subsidized price regime under the German Renewable Energy Sources Act to market pricing by May 2027.

*Net loss* was \$108 million in the year ended December 31, 2025 compared to net income of \$371 million in 2024, as a result of the factors described above.

## 5.5: Adjusted EBITDA

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

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
<b>Net income (loss)</b>	\$ 289,815	\$ 150,469	\$ (108,359)	\$ 371,389
Adjustments:				
Finance costs, net	72,089	79,758	302,965	320,634
Provision for (recovery of) income taxes	85,769	66,615	(40,884)	192,167
Depreciation of property, plant and equipment	160,170	148,796	652,887	615,343
Amortization of contracts and intangible assets	15,972	14,734	62,697	58,384
Fair value (gain) loss on financial instruments	(49,637)	(11,333)	378,439	87,592
Foreign exchange (gain) loss	8,313	6,353	(55,555)	(716)
Impairment of non-financial assets	630	—	527,155	—
Fair value adjustment relating to the disposal group held for sale	—	—	—	43,884
Elimination of non-controlling interests	(85,977)	(62,892)	(278,526)	(267,108)
Share of (profit) loss from joint ventures	(118,166)	(23,105)	(193,534)	(43,734)
Others <sup>(1)</sup>	10,545	(57,256)	5,706	(115,884)
<b>Adjusted EBITDA <sup>(2)</sup></b>	\$ 389,523	\$ 312,139	\$ 1,252,991	\$ 1,261,951

(1) "Others" mainly include Northland's share of Adjusted EBITDA from equity accounted investees, Gemini interest income, finance lease (lessor) and other expenses (income).

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

### Fourth Quarter

Adjusted EBITDA of \$390 million for the three months ended December 31, 2025 increased 25% or \$77 million compared to the same quarter of 2024. The factors increasing Adjusted EBITDA include:

- \$62 million increase in operating results at the International business unit offshore wind facilities, due to higher production, as described above;
- \$14 million increase due to the pre-completion revenue from the Hai Long offshore wind project and lower joint venture project costs; and
- \$11 million increase due to the contribution from the Oneida energy storage facility commencing operations in the second quarter of 2025.

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

- \$9 million decrease in operating results from the International business unit onshore wind facilities, as described above.

### Year to date

Adjusted EBITDA of \$1,253 million for the year ended December 31, 2025 decreased 1% or \$9 million compared to the same period of 2024. The factors decreasing Adjusted EBITDA include:

- \$38 million decrease in operating results at the International business unit offshore wind facilities, due to lower production, as described above; and
- \$26 million decrease in operating results from the International business unit onshore wind facilities, as described above.

The factors partially offsetting the decrease in the Adjusted EBITDA were:

- \$42 million increase due to the contribution from the Oneida energy storage facility and high wind conditions at the Americas business unit onshore wind facilities, as described above; and
- \$11 million increase in operating results at EBSA, as described above.

## 5.6: Free Cash Flow

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

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
<b>Cash provided by operating activities</b>	\$ 227,177	\$ 359,631	\$ 1,426,164	\$ 1,028,968
Adjustments:				
Net change in non-cash working capital balances related to operations	174,192	(43,309)	(28,106)	305,084
Non-expansory capital expenditures	(2,541)	(1,789)	(3,795)	(5,272)
Restricted funding for major maintenance, debt and decommissioning reserves	(16,148)	(8,532)	(2,429)	(20,677)
Interest	(68,973)	(61,913)	(272,498)	(263,499)
Scheduled principal repayments on facility debt	(253,379)	(340,184)	(772,211)	(714,051)
Funds set aside (utilized) for scheduled principal repayments	60,934	148,788	—	—
Preferred share dividends	(2,126)	(1,500)	(6,323)	(6,162)
Consolidation of non-controlling interests	(32,850)	(19,810)	(93,662)	(93,254)
Growth expenditures	21,354	23,054	67,040	66,841
Others <sup>(1)</sup>	13,759	26,214	67,914	96,442
<b>Free Cash Flow <sup>(2)</sup></b>	\$ 121,399	\$ 80,650	\$ 382,094	\$ 394,420

(1) "Others" mainly include the effect of foreign exchange rates and hedges, interest rate hedge, Nordsee One interest on shareholder loans, acquisition costs, lease payments, interest income, Northland's share of Free Cash Flow from equity accounted investees, investment income, and other non-cash expenses adjusted in working capital excluded from Free Cash Flow in the period.

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

The following table reconciles Adjusted EBITDA to Free Cash Flow:

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
<b>Adjusted EBITDA <sup>(2)</sup></b>	\$ 389,523	\$ 312,139	\$ 1,252,991	\$ 1,261,951
Adjustments:				
Scheduled debt repayments	(163,597)	(151,576)	(631,607)	(578,563)
Interest expense	(51,928)	(48,611)	(202,668)	(193,575)
Current taxes	(59,731)	(47,131)	(120,380)	(175,112)
Non-expansory capital expenditure	(2,034)	(2,015)	(2,999)	(5,078)
Utilization (funding) of maintenance and decommissioning reserves	(4,712)	(7,845)	5,974	(18,716)
Lease payments, including principal and interest	(3,441)	(2,908)	(13,304)	(12,586)
Preferred dividends	(2,126)	(1,500)	(6,323)	(6,162)
Foreign exchange hedge gain (loss)	(13,434)	(307)	(2,355)	12,584
Growth expenditures	21,354	23,054	67,040	66,841
Others <sup>(1)</sup>	11,525	7,350	35,725	42,836
<b>Free Cash Flow <sup>(2)</sup></b>	\$ 121,399	\$ 80,650	\$ 382,094	\$ 394,420

(1) Others mainly include repayment of Gemini subordinated debt, and interest rate and foreign currency hedge settlements.

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

## Fourth Quarter

Free Cash Flow of \$121 million for the three months ended December 31, 2025 was 51% or \$41 million higher than the same quarter of 2024.

The factor increasing Free Cash Flow was:

- \$76 million increase in Adjusted EBITDA (gross of growth expenditures) due to the factors described above.

The factors offsetting the increase in Free Cash Flow were:

- \$13 million increase in current taxes as a result of higher operating results;
- \$12 million decrease from foreign exchange hedges, lease payments, and other settlements; and
- \$10 million increase in scheduled debt repayments on facility-level loans and net movement in funds set aside for maintenance and decommissioning reserves.

## Year to date

Free Cash Flow of \$382 million for the year ended December 31, 2025 was 3% or \$12 million lower than the same period of 2024.

The factors decreasing Free Cash Flow were:

- \$29 million increase in scheduled debt repayments on facility-level loans and net movement in funds set aside for maintenance and decommissioning reserves;
- \$22 million decrease from foreign exchange and interest rate hedges, and other settlements; and
- \$11 million increase in net finance costs.

The factors partially offsetting the decrease in Free Cash Flow were:

- \$29 million as a result of German trade tax refund receivable; and
- \$26 million decrease in current taxes.

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

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
<b>For the period</b>				
Cash dividends paid to shareholders	\$ 78,451	\$ 49,284	\$ 286,008	\$ 200,488
Total dividends paid to shareholders <sup>(1)</sup>	\$ 78,451	\$ 77,686	\$ 313,491	\$ 308,512
Weighted avg. number of shares — basic and diluted (000s)	261,502	259,166	261,301	257,300
<b>Per share (\$/share)</b>				
Dividends paid	\$ 0.30	\$ 0.30	\$ 1.20	\$ 1.20
Free Cash Flow — basic and diluted <sup>(2)</sup>	\$ 0.46	\$ 0.31	\$ 1.46	\$ 1.53
<b>Pay-out ratios on a rolling four-quarter basis</b>				
Free Cash Flow payout ratio — cash dividend <sup>(2)</sup>			75 %	51 %
Free Cash Flow payout ratio — total dividends <sup>(1) (2)</sup>			82 %	78 %

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

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

## SECTION 6: CHANGES IN FINANCIAL POSITION

The following table provides a summary of account balances derived from the audited consolidated statements of financial position as at December 31, 2025 and December 31, 2024:

As at	December 31, 2025	December 31, 2024
<b>Assets</b>		
Cash and cash equivalents	\$ 643,285	\$ 613,319
Restricted cash	35,619	59,073
Trade and other receivables	395,731	535,961
Other current assets	114,057	119,730
Property, plant and equipment, net	8,173,938	8,879,101
Contracts and other intangible assets, net	392,618	393,886
Derivative assets	277,874	312,848
Deferred tax asset	123,670	38,174
Investment in joint ventures	1,234,595	1,023,068
Other assets <sup>(1)</sup>	1,846,977	1,629,178
<b>Total assets</b>	<b>\$ 13,238,364</b>	<b>\$ 13,604,338</b>
<b>Liabilities</b>		
Trade and other payables	\$ 283,130	\$ 368,791
Loans and borrowings	6,631,967	7,009,899
Derivative liabilities	433,234	228,311
Deferred tax liability	504,295	557,826
Other liabilities <sup>(2)</sup>	961,196	883,098
<b>Total liabilities</b>	<b>\$ 8,813,822</b>	<b>\$ 9,047,925</b>
<b>Total equity</b>	<b>4,424,542</b>	<b>4,556,413</b>
<b>Total liabilities and equity</b>	<b>\$ 13,238,364</b>	<b>\$ 13,604,338</b>

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

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

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

- *Cash and cash equivalents* increased by \$30 million, due to favourable working capital movements.
- *Trade and other receivables* decreased by \$140 million, due to cash realization of SDE revenue at Gemini.
- *Property, plant and equipment* decreased by \$705 million, due to impairment on Nordsee One offshore wind facility and depreciation expense, partially offset by fluctuations in the foreign exchange rates and construction-related activities.
- *Net derivative liability* increased by \$240 million from a net derivative asset at December 31, 2024, due to the effect of interest rates in Canada, the US and Europe, and the net movement in Euro and COP exchange rates against the Canadian dollar.
- *Investment in joint ventures* increased by \$212 million, due to fluctuations in the foreign exchange rates and the share of profit from joint ventures.
- *Other assets* increased by \$218 million, due to the recognition of Oneida's Investment Tax Credit receivable under the Canadian Federal Clean Technology Investment Tax Credit program.
- *Loans and borrowings* decreased by \$378 million, mainly due to the scheduled principal repayments on facility-level loans, partially offset by the fluctuations in the foreign exchange rates.

## SECTION 7: EQUITY, LIQUIDITY AND CAPITAL RESOURCES

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

### Dividends

On November 12, 2025, Northland’s Board of Directors approved an adjustment to Northland’s dividend to \$0.72 per share on an annual basis. The change was applicable to the dividend payment on January 15, 2026, to shareholders of record on December 31, 2025. The Board of Directors regularly reviews the dividend as part of Northland’s strategic planning process balancing the Company’s growth objectives and investor preferences with the principles of prudent financial management and balance sheet strength.

### DRIP

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

### Equity

The change in common shares during 2025 and 2024 was as follows:

As at	December 31, 2025	December 31, 2024
<b>Common shares</b>		
Shares outstanding, beginning of year	259,947,326	254,939,822
Shares issued under the DRIP	1,554,718	5,007,504
<b>Total common shares outstanding, end of period</b>	<b>261,502,044</b>	259,947,326

Preferred shares outstanding as at December 31, 2025, and December 31, 2024 were as follows:

As at	December 31, 2025	December 31, 2024
<b>Preferred shares</b>		
Series 1	4,981,651	4,762,246
Series 2	1,018,349	1,237,754
<b>Total preferred shares outstanding, end of period</b>	<b>6,000,000</b>	6,000,000

Holders of Series 1 preferred shares and Series 2 preferred shares had the right, at their option, to convert all or part of their shares, on a one-for-one basis, into shares of the other series, respectively, effective December 31, 2025. Pursuant to this option, 6,200 Series 1 preferred shares were converted to Series 2 preferred shares and 225,605 Series 2 preferred shares were converted into Series 1 preferred shares.

Effective September 30, 2025, Northland reset the cumulative rate on its Series 1 preferred shares. The fixed quarterly dividends on the Series 1 preferred shares will be paid at an annual rate of 5.70% (\$0.3564 per share per quarter) until September 29, 2030.

The quarterly floating rate dividends on the cumulative floating rate Series 2 preferred shares, will be paid at an annual rate, calculated for each quarter, of 2.80% over the annual yield on 90-day Government of Canada treasury bills.

In June 2025, Fitch Ratings reaffirmed Northland’s corporate investment grade credit rating at BBB (stable). In January 2026, S&P Global Ratings reaffirmed Northland’s issuer credit rating at BBB (stable).

## Liquidity and Capital Resources

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

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
<b>Cash and cash equivalents, beginning of period</b>	\$ 842,214	\$ 596,233	\$ 613,319	\$ 740,244
Cash provided by (used in) operating activities	227,177	359,631	1,426,164	1,028,968
Cash provided by (used in) investing activities	(41,216)	74,010	(99,364)	(448,811)
Cash provided by (used in) financing activities	(380,084)	(418,827)	(1,323,210)	(720,248)
Effect of exchange rate differences	(4,806)	2,272	26,376	13,166
<b>Cash and cash equivalents, end of period</b>	\$ 643,285	\$ 613,319	\$ 643,285	\$ 613,319

### Fourth Quarter

Cash and cash equivalents for the fourth quarter of 2025 decreased \$199 million from September 30, 2025, due to cash used in investing activities of \$41 million, financing activities of \$380 million, effect of foreign exchange translation of \$5 million, partially offset by cash provided by operations of \$227 million.

The decrease in cash and cash equivalents during the quarter was due to net repayment of borrowings, partially offset by cash provided by operations.

### Year to date

Cash and cash equivalents for the year ended December 31, 2025, increased \$30 million due to cash provided by operations of \$1,426 million and \$26 million effect of foreign exchange translation, partially offset by cash used in investing activities of \$99 million and financing activities of \$1,323 million.

Cash provided by operating activities for the year ended December 31, 2025 was \$1,426 million comprising:

- \$1,758 million in non-cash and non-operating items such as depreciation and amortization, impairment of non-financial assets, finance costs, changes in fair value of financial instruments and deferred taxes; and
- \$28 million in changes in working capital due to the timing of payables, receivables and deposits.

Factors partially offsetting cash provided by operating activities include:

- \$194 million share of profit from joint ventures;
- \$58 million unrealized foreign exchange gain; and
- \$108 million of net loss.

Cash used in investing activities for the year ended December 31, 2025 was \$99 million, comprising:

- \$136 million used mainly for construction at Oneida energy storage project and Jurassic BESS; and
- \$29 million used mainly for the acquisition of two battery energy storage projects in Poland.

Factor partially offsetting cash used in investing activities includes:

- \$65 million mainly from interest income and other investing activities.

Cash used in financing activities for the year ended December 31, 2025 was \$1,323 million, comprising:

- \$1,018 million in scheduled principal repayments on the facility-level debt;
- \$332 million in interest and other payments; and
- \$393 million of common and preferred share dividends as well as dividends to non-controlling interest.

Factors partially offsetting cash used in financing activities were:

- \$41 million in net drawdown under the corporate syndicated revolving facility;
- \$373 million of draws on project-level debt for construction of onshore renewables & energy storage projects; and
- \$5 million of equity contribution from non-controlling interest.

Movement of foreign currencies, including the Euro, U.S. dollar and Colombian peso, against the Canadian dollar increased cash and cash equivalents by \$26 million for the year ended December 31, 2025. Northland aims to mitigate the effects of exchange rate fluctuations through a variety of mechanisms, including foreign exchange hedges and natural hedges from having corporate debt denominated in U.S. dollar or Euro for operating expenditures.

### **Property, Plant and Equipment**

The following table provides a continuity of the cost of property, plant and equipment for the year ended December 31, 2025:

	Balance as at Jan 1, 2025	Additions	Provisions, disposals, transfers and other <sup>(1)</sup>	Exchange rate differences	Balance as at Dec 31, 2025
<b>International</b>					
<b>Operations:</b>					
Offshore wind	\$ 6,936,078	\$ 12,836	\$ (17,201)	\$ 578,814	<b>7,510,527</b>
Onshore renewables	1,633,874	8,288	(7,048)	131,101	<b>1,766,215</b>
<b>Americas</b>					
<b>Operations:</b>					
Onshore renewables	2,258,527	10,484	442,823	(24,182)	<b>2,687,652</b>
Natural gas	1,341,571	6,354	22,849	—	<b>1,370,774</b>
Utility	690,607	44,118	(12,528)	81,991	<b>804,188</b>
<b>Construction:</b>					
Onshore renewables & energy storage	605,294	60,942	(613,751)	—	<b>52,485</b>
<b>Corporate</b>	146,092	4,404	(18,284)	653	<b>132,865</b>
<b>Total</b>	<b>\$ 13,612,043</b>	<b>\$ 147,426</b>	<b>\$ (203,140)</b>	<b>\$ 768,377</b>	<b>\$ 14,324,706</b>

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

## Debt

Northland's operating facilities and projects under construction are financed primarily with non-recourse project debt featuring fixed or hedged interest rates and repayment schedules aligned with project offtake agreements. Each project operates as a special-purpose entity following commercial operations, ensuring that adverse events at one facility do not affect Northland's other assets.

The following table provides a continuity of Northland's debt for the year ended December 31, 2025:

	Balance as at Jan 1, 2025	Financings, net of costs	Repayments	Amort. of costs/fair value	Exchange rate differences	Transfers	Others	Balance as at Dec 31, 2025
<b>International</b>								
<b>Operations:</b>								
Offshore wind	\$2,699,930	\$ —	\$ (616,858)	\$ 16,234	\$ 216,203	\$ —	\$ —	<b>\$2,315,509</b>
Onshore renewables	757,708	18,350	(68,115)	7,468	55,422	—	—	<b>770,833</b>
<b>Americas</b>								
<b>Operations:</b>								
Onshore renewables & energy storage <sup>(2)</sup>	1,050,953	164,866	(250,308)	2,557	(12,796)	482,525	(16,688)	<b>1,421,109</b>
Natural gas	774,806	—	(80,231)	2,694	—	—	(91)	<b>697,178</b>
Utility	751,457	145,390	(2,210)	1,048	933	—	(5,802)	<b>890,816</b>
<b>Construction:</b>								
Onshore renewables & energy storage	482,600	44,090	—	172	—	(482,525)	(4,082)	<b>40,255</b>
<b>Corporate:</b>								
Green Notes	492,445	—	—	3,822	—	—	—	<b>496,267</b>
Corporate Credit Facilities <sup>(1)</sup>	172,450	493,348	(452,809)	2,379	5,764	—	3,482	<b>224,614</b>
<b>Total</b>	<b>\$7,182,349</b>	<b>\$ 866,044</b>	<b>\$ (1,470,531)</b>	<b>\$ 36,374</b>	<b>\$ 265,526</b>	<b>\$ —</b>	<b>\$ (23,181)</b>	<b>\$6,856,581</b>

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

(2) As at December 31, 2025, Onshore renewables & energy storage - Operations within Americas includes tax equity financing in relation to New York onshore wind projects amounting to \$20 million.

Additionally, as at December 31, 2025, \$558 million of letters of credit were outstanding under non-recourse project-level credit facilities for operational use.

## Corporate Credit Facilities and Letters of Credit

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

As at December 31, 2025	Facility size	Amount drawn <sup>(2)</sup>	Outstanding letters of credit <sup>(3)</sup>	Available capacity	Maturity date
Sustainability linked syndicated revolving facility <sup>(1)</sup>	\$ 1,250,000	\$ 226,752	\$ 152,282	\$ 870,966	Aug. 2029
Bilateral letter of credit ("LC") facility I	150,000	—	135,752	14,248	Jun. 2026
Bilateral LC facility II <sup>(5)</sup>	104,754	—	42,148	62,606	n/a
Export credit agency backed letter of credit facility I	100,000	—	45,864	54,136	Mar. 2026
Export credit agency backed letter of credit facility II <sup>(4)</sup>	200,000	—	172,606	27,394	n/a
Hai Long related letter of credit facility	500,000	—	453,429	46,571	Sep. 2027
<b>Total</b>	<b>\$ 2,304,754</b>	<b>\$ 226,752</b>	<b>\$ 1,002,081</b>	<b>\$ 1,075,921</b>	

(1) As at December 31, 2025, the amounts drawn under the syndicated revolving facility are denominated in Euro amounting to €141 million (CAD equivalent of \$227 million, converted at the period-end exchange rates).

(2) Deferred financing cost, as at December 31, 2025, associated with the syndicated revolving facility amounting to \$2 million (December 31, 2024 - \$3 million) is included within the other non-current assets in the consolidated statements of financial position.

(3) As at December 31, 2025, outstanding letters of credit include LCs issued in favor of a joint venture amounting to \$661 million.

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

(5) On March 31, 2025, Northland secured an additional bilateral letter of credit facility amounting to €65 million. This facility does not have a specified maturity date.

Of the \$1,002 million of corporate letters of credit issued as at December 31, 2025, \$709 million relates to projects under development or construction.

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

Northland had access to \$931 million of available liquidity as at December 31, 2025, including \$39 million of cash on hand and approximately \$892 million of available capacity on its corporate revolving credit facilities.

## Debt Covenants

Northland generally conducts its business activities indirectly through separate subsidiary legal entities and is dependent on the distribution of cash from those subsidiary entities to fund development expenses, defray its corporate expenses, repay corporate debt and pay cash dividends to its shareholders. Most operating subsidiaries hold non-recourse debt, which typically prohibits distributions if the loan is in default (notably for non-payment of principal or interest) or if the entity fails to achieve a benchmark debt service coverage ratio, which is the ratio of EBITDA to scheduled principal and interest payments over a specified time period. As of December 31, 2025, Northland and its investees were in compliance with all financial covenants under their applicable corporate and non-recourse credit agreements.

## Financial Commitments and Contractual Obligations

In the ordinary course of business, Northland enters into financial and derivative contracts. The contractual maturities of Northland's material financial liabilities as at December 31, 2025, are summarized in the following table:

	2026	2027	2028	2029	2030	>2030
<b>Derivative contracts (at 100%)</b>						
Canadian dollar interest rate swaps	\$ 61,159	\$ 59,942	\$ 53,724	\$ 52,237	\$ 49,565	\$ 311,473
Euro foreign exchange contracts	97,724	204,137	207,350	174,298	174,051	1,297,402
Euro interest rate swaps	3,677	3,313	2,833	2,387	1,931	5,432
Colombian peso foreign exchange contracts	496,960	8,860	—	—	—	—
U.S. dollar foreign exchange contracts	46,614	18,312	21,149	20,287	28,081	196,384
U.S. dollar interest rate swaps	6,260	6,056	5,839	5,637	5,230	37,551
New Taiwan dollar foreign exchange contracts	—	142,843	61,514	62,842	64,187	265,376
Cross currency interest rate contracts	\$ 42,392	\$ 42,392	\$ 537,589	\$ —	\$ —	\$ —
<b>Facility-level debt at Northland's share</b>						
Gemini	€ 101,896	€ 109,241	€ 111,698	€ 114,769	€ 106,526	€ 17,368
Nordsee One	59,507	—	—	—	—	—
Deutsche Bucht	71,444	67,828	61,747	64,973	67,906	149,759
Spain	43,998	45,721	44,755	45,106	41,813	240,298
Total in Euro	€ 276,845	€ 222,790	€ 218,200	€ 224,848	€ 216,245	€ 407,425
New York Wind	US\$ 15,805	US\$ 14,175	US\$ 11,259	US\$ 11,106	US\$ 11,169	US\$ 129,936
Total in Canadian dollar <sup>(1)</sup>	\$ 472,360	\$ 382,096	\$ 370,679	\$ 381,302	\$ 367,372	\$ 839,254
EBSA <sup>(2)</sup>	2,018	893,518	2,018	504	—	—
All other facilities <sup>(3)</sup>	162,854	161,022	183,224	208,120	209,183	681,886
<b>Total facility level debt at Northland's share</b>	<b>\$ 637,232</b>	<b>\$ 1,436,636</b>	<b>\$ 555,921</b>	<b>\$ 589,926</b>	<b>\$ 576,555</b>	<b>\$ 1,521,140</b>
Interest payments including swap derivative contracts	187,105	168,267	112,002	90,273	70,788	141,122
<b>Corporate liabilities</b>						
Corporate credit facilities, including interest	7,133	7,537	8,523	184,972	—	—
Convertible debentures, including interest	46,250	46,250	523,125	—	—	—
<b>Total</b>	<b>\$ 1,632,506</b>	<b>\$ 2,144,545</b>	<b>\$ 2,089,569</b>	<b>\$ 1,182,859</b>	<b>\$ 970,388</b>	<b>\$ 3,775,880</b>

(1) Using long-term foreign exchange rates.

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

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

Management does not currently expect a material financial impact to Northland and continues to monitor and manage the transition.

## ***Non-Financial Commitments and Contractual Obligations***

The following table summarizes all material fixed contractual commitments and obligations as at December 31, 2025, for non-financial contracts. The amounts are based on the assumptions of a 2% annual consumer price index increase, a Canadian dollar/Euro exchange rate of \$1.63 and Canadian dollar/U.S. dollar exchange rate of \$1.35. The table includes maintenance and services agreements and natural gas transportation demand charges for which Northland is liable whether or not natural gas is shipped. The construction commitment relates to the ongoing expansionary capex in EBSA under regulated asset base and construction of the Jurassic BESS project. The cash obligations related to the leases for land and buildings, dismantlement and management fees to non-controlling interest partners are also included.

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>&gt;2030</b>
Maintenance agreements	\$ 243,480	\$ 243,512	\$ 184,971	\$ 187,915	\$ 279,867	\$1,412,958
Construction and others; excluding debt, interest and fees	91,848	52,709	46,391	51,025	—	—
Natural gas supply and transportation, fixed portion	23,162	23,595	23,634	24,077	24,534	89,794
Leases	11,376	11,600	11,591	11,679	11,654	131,728
Decommissioning liabilities	—	—	—	—	—	734,303
Management fees	5,643	5,754	5,865	5,980	6,097	97,543
<b>Total</b>	<b>\$ 375,509</b>	<b>\$ 337,170</b>	<b>\$ 272,452</b>	<b>\$ 280,676</b>	<b>\$ 322,152</b>	<b>\$2,466,326</b>

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

## SECTION 8: SUMMARY OF QUARTERLY CONSOLIDATED RESULTS

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

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

<i>In millions of dollars, except per share information</i>	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenue from energy sales	\$ 723	\$ 554	\$ 509	\$ 649	\$ 572	\$ 491	\$ 529	\$ 755
Operating income (loss)	291	(396)	122	263	217	98	152	346
Net income (loss)	290	(456)	(53)	111	150	(191)	262	149
Adjusted EBITDA	390	257	245	361	312	228	268	454
Cash provided by operating activities	227	325	451	423	360	196	171	294
Free Cash Flow	\$ 121	\$ 45	\$ 58	\$ 157	\$ 81	\$ 19	\$ 69	\$ 226
<b>Per share statistics</b>								
Net income (loss) attributable to common shareholders — basic and diluted	\$ 0.93	\$ (1.58)	\$ (0.25)	\$ 0.25	\$ 0.49	\$ (0.70)	\$ 0.95	\$ 0.29
Free Cash Flow	\$ 0.46	\$ 0.17	\$ 0.22	\$ 0.60	\$ 0.31	\$ 0.08	\$ 0.27	\$ 0.88
Total dividends declared	\$ 0.26	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30

## SECTION 9: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES

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

### ***Hai Long Offshore Wind Project***

Northland owns a 31% interest in Hai Long, along with its partners, Gentari International Renewables Pte. Ltd. (29% interest), and Mitsui & Co. Ltd., and Enterprize Energy Group (40% interest), which has a total capacity of 1,022 MW (313 MW net to Northland).

In 2018, Northland was awarded a 20-year FIT contract from the Ministry of Economic Affairs of Taiwan for 300 MW and later signed a CPPA for Hai Long 2B and 3 for a combined capacity of up to 744 MW, in which the agreement is with an investment-grade counterparty (S&P: AA-) and is for a 30-year period at a fixed-price.

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

### ***Baltic Power Polish Offshore Wind Project***

Northland owns 49% interest in the Baltic Power offshore wind project in the Polish Baltic Sea, which has a total capacity of 1,140 MW of offshore wind generation. Northland's partner Orlen S.A. holds the remaining 51% interest.

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

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

### ***Oneida Energy Storage Project***

Northland owns a 69.7% interest in the Oneida energy storage project, in partnership with NRStor Inc., Six Nations of the Grand River Development Corporation, Mississaugas of the Credit Business Corporation and Aecon Group Inc.

On May 7, 2025, Northland's 250 MW/1.0 GWh Oneida battery energy storage project successfully entered commercial operations ahead of schedule and under budget. The project was completed with no lost time incidents, demonstrating Northland's commitment to health and safety. Oneida operates under a 20-year capacity contract with Ontario's Independent Electricity System Operator.

### ***South Korean Offshore Wind Projects***

Northland has multiple early-stage development projects in South Korea totaling over 2.5 GW. Active development across the South Korea portfolio is currently on pause pending confirmation of regulatory framework for future auctions and grid connections.

### ***ScotWind Offshore Wind Projects***

Development on Spiorad na Mara, the fixed foundation offshore wind project, is ongoing with community consultation completed and consent submissions occurring in the coming months. Havbredey, the floating offshore wind project, has been de-prioritized.

### ***Jurassic BESS Project***

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

## SECTION 10: OUTLOOK

The Company's outlook focuses on execution during a period of elevated construction activity. Near-term priorities include the safe construction and delivery of Hai Long and Baltic Power projects. The Company has also implemented a simplified, regionally focused operating structure to enhance efficiency and align strategic and financial objectives.

Northland anticipates generating revenue from Hai Long and Baltic Power in 2026. For Hai Long, the revenue generated will be used to fund the construction of the project and will not be included in Free Cash Flow until the project reaches commercial operations, anticipated in 2027. Baltic Power is expected to achieve commercial operations in the second half of 2026.

### **Adjusted EBITDA**

Management expects 2026 Adjusted EBITDA of \$1.45 - \$1.65 billion, representing an increase from 2025 Adjusted EBITDA of \$1.25 billion. Several factors are expected to contribute to this increase:

- Hai Long contribution of \$150 - \$200 million;
- Baltic Power contribution of \$70 - \$120 million expected to start in the second half of 2026; and
- Full year contribution from Oneida and partial year contribution from Jurassic BESS of approximately \$15 million.

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

- Lower Nordsee One contribution of approximately \$20 million due to scheduled contract step-down.

Northland has assumed development expenditures will be approximately \$50 million. The Company intends to be selective and pursue only those projects that meet its strategic objectives and targeted returns.

### **Free Cash Flow**

Management expects 2026 Free Cash Flow of \$1.05 - \$1.25 per share, which is lower than the 2025 Free Cash Flow of \$1.46 per share. Several factors contributing to this variance include:

- One-time 2025 items including the non-recurrence of the German tax benefit (\$0.12), deferral of Spanish debt repayments (\$0.07), and other items (\$0.03) that combine to approximately \$0.22 per share;
- Foreign exchange hedging costs (\$0.10) and higher debt service for the natural gas business (\$0.05) are anticipated to total approximately \$0.15 per share; and
- Lower capitalized interest on hybrid debt as Oneida has commenced operations and Baltic Power assets will have commenced operations (\$0.10), along with other costs (\$0.05) that combines to approximately \$0.15 per share.

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

- Baltic Power contribution net of debt repayments and other various items by approximately \$0.20 per share.

The information in this Outlook constitutes forward-looking information within the meaning of applicable Canadian securities laws, is based on several assumptions and is subject to risks and uncertainties. See Forward-Looking Statements in this document as well as the Risk Factors in the 2025 AIF.

## SECTION 11: LITIGATION, CLAIMS AND CONTINGENCIES

Litigation, claims and other contingencies arise from time to time in the ordinary course of business for Northland. There are no legal or regulatory proceedings that involve a claim for damages or penalty exceeding 10% of Northland's current assets in respect of which Northland is or was a party, or in respect of which any of Northland's property is or was the subject during the year ended December 31, 2025, nor are there any such proceedings known to Northland to be contemplated. None of these contingencies, individually or in aggregate, are expected to result in a liability that would have a material adverse effect on Northland. Refer to Note 28 of the 2025 audited consolidated financial statements for additional information including any contingencies arising as a result of completed acquisitions.

## SECTION 12: SUSTAINABILITY STRATEGY

Northland's Sustainability strategy is focused on advancing the energy transition and decarbonization efforts by expanding our renewable energy portfolio and fostering a workplace where a talented, diverse and committed group of people can build meaningful careers. We prioritize building collaborative relationships and partnerships with local and Indigenous communities, ensuring human rights are upheld throughout our supply chain and maintaining the highest standards of responsible governance.

For further information on Northland's climate-related strategy, goals and objectives, please refer to the Company's most recent sustainability report, which can be found at <https://www.northlandpower.com/en/about-northland/sustainability.aspx>, and the *Climate-Related Target Risk* in the "Risk Factors" section of the 2025 AIF.

## SECTION 13: FUTURE ACCOUNTING POLICIES

Management assesses each new or amended IFRS to determine whether it may have a material impact on Northland's consolidated financial statements. As at December 31, 2025, there have been no accounting pronouncements by the International Accounting Standards Board expected to materially affect Northland's consolidated financial statements beyond those described in Note 2.19 of the 2025 audited consolidated financial statements.

## SECTION 14: FINANCIAL RISKS AND UNCERTAINTIES

Northland's activities expose it to a variety of risks. Refer to the 2025 AIF for a summary of factors in addition to those discussed below that could significantly affect the operations and financial results of Northland.

Northland's risk management objective, as it relates to financial risks and uncertainties, is to mitigate fluctuations in cash flows and to provide more stable cash flows available to fund growth and pay dividends to shareholders. Northland does not seek to mitigate fair value risk. Northland classifies financial risks into market risk, counterparty risk and liquidity risk, noting that these risks can be impacted by geopolitical or regulatory uncertainties. Northland manages financial risks by identifying, evaluating and mitigating such risks, in compliance with internal policies and external requirements under non-recourse project financing arrangements. Northland uses derivative financial instruments to manage certain financial risks but does not engage in speculative activity. Material financial risks are monitored and reported regularly to the Audit Committee of the Board of Directors. The risks associated with Northland's financial instruments and Northland's policies for mitigating these risks are described below. Refer to Note 18 of the 2025 Annual Report for additional information on Northland's risk management approach.

For information on Northland's key risks, uncertainties, financial instruments and contractual commitments, refer to Northland's 2025 Annual Report and the 2025 AIF filed electronically at [www.sedarplus.ca](http://www.sedarplus.ca) under Northland's profile. Management does not believe there have been material changes in the business environment or risks faced by Northland during the period that have not been disclosed in the 2025 Annual Report or 2025 AIF.

### **Market Risk**

Market risk is the risk that future cash flows and returns will fluctuate because of the changes in market prices and rates. Loans and borrowings, including the \$500 million issued and outstanding Fixed-to-Fixed rate Green Subordinated notes, Series 2023-A (the "**Green Notes**"), and preferred shares are affected by interest rates and credit spreads. Revenue and supply contracts are exposed to currency rates and commodity prices. Northland is also exposed to currency risk at Corporate level due to its international footprint. Some of these risks are covered by derivative instruments. Significant market risks to which Northland is exposed are discussed below.

#### **(i) Interest Rate Risk**

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

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

### *(ii) Credit Spread Risk*

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

### *(iii) Currency Risk*

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

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

### *(iv) Commodity Price Risk*

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

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

Northland has exposure to Dutch electricity market prices under Gemini's PPA when the market price falls below the contractual floor price. For the year ended December 31, 2025, the average wholesale market price was above the contractual floor price, so the revenue was not impacted by this floor.

Northland has indirect exposure to German electricity market prices under the Nordsee One and Deutsche Bucht PPAs whereby the facilities do not receive revenue for periods where the market power price remains negative for longer than six consecutive hours. In the fourth quarter of 2025, as scheduled in the EEG for Nordsee One, the subsidy price stepped down to €154/MWh for all turbines. This rate will remain in effect until October 2026. Thereafter, the turbines will gradually begin to phase out from the EEG subsidy mechanism to merchant market pricing, starting with those commissioned earliest. The final turbine is scheduled to receive this tariff until April 2027.

## **Financial Counterparty Risk**

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

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

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

## **Liquidity Risk**

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

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

Northland is also subject to internal liquidity risk because it conducts its business activities through separate legal entities (subsidiaries and affiliates) and is dependent on cash distributions from those entities to defray corporate expenses and pay dividends. Most operating subsidiaries hold non-recourse debt. Such non-recourse financing agreements typically prohibit distributions if the loan is in default (notably for non-payment of principal or interest) or if the entity fails to achieve a benchmark debt service coverage ratio, which is the ratio of Adjusted EBITDA to scheduled loan principal and interest payments over a specified time period. For the year ended December 31, 2025, Northland and its investees were in compliance with all financial covenants under the applicable corporate and non-recourse credit agreements.

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

Refer to Note 28 in the audited consolidated financial statements for the year ended December 31, 2025, for additional information related to Northland's commitments and obligations.

## **Taxation**

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

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

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

## SECTION 15: CRITICAL ACCOUNTING ESTIMATES

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

## SECTION 16: CONTROLS AND PROCEDURES OVER FINANCIAL REPORTING

### *Disclosure Controls and Procedures and Internal Controls over Financial Reporting*

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

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

Management of Northland, including the CEO and CFO, have evaluated the design and operating effectiveness of Northland's DC&P and ICFR. Based on the evaluation, the CEO and CFO concluded that the design and operation of Northland's DC&P and ICFR were effective as at December 31, 2025.

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

### *Changes In Internal Control over Financial Reporting*

There were no changes made to Northland's ICFR in the year ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, Northland's ICFR.

# Consolidated financial statements



# Management's Responsibility

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

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

Ernst & Young LLP, the independent auditor, have examined these consolidated financial statements. The independent auditor's responsibility is to express an opinion on the fairness of the consolidated financial statements. The auditor's report outlines the scope of their examination and sets forth their opinion on these consolidated financial statements. Their report as auditor is set out on [page 62](#).

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

***(signed, Christine Healy)***

Christine Healy

President, and Chief Executive Officer

***(signed, Jeff Hart)***

Jeff Hart

Chief Financial Officer

Toronto, Canada

February 25, 2026

# Independent Auditor's Report

To the Shareholders of Northland Power Inc.

## **Opinion**

We have audited the consolidated financial statements of Northland Power Inc. and its subsidiaries (the “**Group**”), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income (loss), consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

## **Basis for Opinion**

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

## **Key Audit Matters**

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

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

# Independent Auditor's Report (continued)

## Key audit matter

## How our audit addressed the key audit matter

### Impairment of Goodwill, Contracts and other intangible assets, and Property, plant and equipment

During the year ended December 31, 2025, an impairment charge of \$527 million was allocated between contracts and other intangible assets and property, plant and equipment. As at December 31, 2025, the Group's goodwill, contracts and other intangible assets, and property, plant, and equipment were \$669 million, \$393 million and \$8,174 million, respectively. At each reporting date, management assessed whether indicators of impairment exist for any cash generating units (CGUs). Further, for CGUs with goodwill and other intangible assets with indefinite lives, management assesses at least annually, or at any time if an indicator of impairment exists, whether there has been an impairment loss in the carrying value of these CGUs. When performing impairment tests, the Group estimates the recoverable amount for each CGU or group of CGUs using the value-in-use method, whereby the net cash flow is determined based on current business plans and budgets approved by management. The Group discloses significant judgements, estimates and assumptions and the results of their analysis in respect of impairment, in [Notes 3](#) and [24](#) to the consolidated financial statements.

Auditing management's impairment tests was complex, given the degree of judgement and subjectivity in evaluating management's estimates and assumptions in determining the recoverable amounts of CGUs or group of CGUs. The significant assumptions and inputs noted in the value-in-use models were revenues, operating costs, terminal values, capital expenditures and discount rates.

Based on our risk assessment, with assistance from our valuation specialists, we performed the following procedures, among others, on a sample of CGU management's impairment tests:

- Assessed the appropriateness of inputs, including revenues, operating costs, capital expenditures and terminal values by comparing them to executed or expected power generation contracts and regulatory power distribution rates, historical results, third-party data, current industry, market or economic trends and evidence obtained in other areas of the audit;
- Evaluated the discount rates utilized by management, which involved assessing comparable market data;
- Performed sensitivity analysis on the significant assumptions to evaluate changes in the recoverable amount of the CGU; and
- Assessed the adequacy of the disclosures included in [Note 24](#) of the accompanying consolidated financial statements in relation to this matter.

## Other Information

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

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

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

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

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

# Independent Auditor's Report (continued)

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

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

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

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

## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

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

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

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

# Independent Auditor's Report (continued)

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

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

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

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

Toronto, Canada

February 25, 2026

The logo for Ernst & Young LLP is written in a black, cursive script font.

Chartered Professional Accountants  
Licensed Public Accountants

# Consolidated Financial Statements

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## Consolidated statements of financial position

In thousands of Canadian dollars

As at	December 31, 2025	December 31, 2024
<b>Assets</b>		
Cash and cash equivalents <a href="#">(Note 2.11)</a>	\$ 643,285	\$ 613,319
Restricted cash	35,619	59,073
Trade and other receivables <a href="#">(Note 8)</a>	395,731	535,961
Other current assets	114,057	119,730
Derivative assets <a href="#">(Note 19.2)</a>	38,389	63,979
<b>Total current assets</b>	\$ 1,227,081	\$ 1,392,062
Property, plant and equipment <a href="#">(Note 4)</a>	8,173,938	8,879,101
Contracts and other intangible assets <a href="#">(Note 5)</a>	392,618	393,886
Goodwill <a href="#">(Note 6)</a>	669,206	617,607
Finance lease receivable <a href="#">(Note 7.1)</a>	107,031	113,884
Derivative assets <a href="#">(Note 19.2)</a>	239,485	248,869
Deferred tax asset	123,670	38,174
Investment in joint ventures <a href="#">(Note 10)</a>	1,234,595	1,023,068
Other non-current assets <a href="#">(Note 9)</a>	1,070,740	897,687
<b>Total non-current assets</b>	\$ 12,011,283	\$ 12,212,276
<b>Total assets</b>	\$ 13,238,364	\$ 13,604,338
<b>Liabilities and equity</b>		
Trade and other payables <a href="#">(Note 11)</a>	\$ 283,130	\$ 368,791
Loans and borrowings <a href="#">(Note 13)</a>	787,419	862,626
Dividends payable <a href="#">(Note 16.3)</a>	16,352	26,657
Current portion of provisions and other liabilities <a href="#">(Note 15)</a>	16,801	32,114
Derivative liabilities <a href="#">(Note 19.2)</a>	39,679	40,907
<b>Total current liabilities</b>	\$ 1,143,381	\$ 1,331,095
Loans and borrowings <a href="#">(Note 13)</a>	5,844,548	6,147,273
Corporate credit facilities <a href="#">(Note 14)</a>	226,752	175,919
Provisions and other liabilities <a href="#">(Note 15)</a>	701,291	648,408
Derivative liabilities <a href="#">(Note 19.2)</a>	393,555	187,404
Deferred tax liability	504,295	557,826
<b>Total non-current liabilities</b>	\$ 7,670,441	\$ 7,716,830
<b>Total liabilities</b>	\$ 8,813,822	\$ 9,047,925
<b>Equity</b>		
Common shares <a href="#">(Note 16.1)</a>	\$ 5,220,894	\$ 5,193,412
Preferred shares <a href="#">(Note 16.2)</a>	144,843	144,843
Contributed surplus	7,263	6,281
Accumulated other comprehensive income (loss)	363,613	43,620
Deficit	(1,675,402)	(1,202,043)
<b>Equity attributable to shareholders</b>	\$ 4,061,211	\$ 4,186,113
Non-controlling interests ("NCI") <a href="#">(Note 17)</a>	363,331	370,300
<b>Total equity</b>	\$ 4,424,542	\$ 4,556,413
<b>Total liabilities and equity</b>	\$ 13,238,364	\$ 13,604,338

See accompanying notes.

*(signed, Ian Pearce)*

Ian Pearce  
Director and Chair of the Board

*(signed, Kevin Glass)*

Kevin Glass  
Director and Chair of the Audit Committee

## Consolidated statements of income (loss)

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

Year ended December 31,	2025	2024
<b>Income</b>		
Revenue from sale of energy and related products <a href="#">(Note 20)</a>	\$ 2,434,970	\$ 2,346,264
Finance lease income <a href="#">(Note 7.1)</a>	9,880	10,383
<b>Total Income</b>	\$ 2,444,850	\$ 2,356,647
<b>Expenses</b>		
Operating costs <a href="#">(Note 21)</a>	740,110	649,936
General and administrative (“G&A”) costs <a href="#">(Note 21)</a>	118,675	113,100
Development costs <a href="#">(Note 21)</a>	63,933	63,108
Impairment of non-financial assets <a href="#">(Note 24)</a>	527,155	—
Fair value adjustment relating to the disposal group held for sale <a href="#">(Note 29)</a>	—	43,884
Depreciation of property, plant and equipment <a href="#">(Note 4)</a>	652,887	615,343
Amortization of contracts and other intangible assets <a href="#">(Note 5)</a>	62,697	58,384
<b>Total expenses</b>	\$ 2,165,457	\$ 1,543,755
<b>Operating income (loss)</b>	\$ 279,393	\$ 812,892
Finance costs <a href="#">(Note 23)</a>	(355,238)	(392,022)
Finance income <a href="#">(Note 23)</a>	52,273	71,388
Foreign exchange gain (loss)	55,555	716
Fair value gain (loss) on financial instruments <a href="#">(Note 19.2)</a>	(378,439)	(93,695)
Share of profit (loss) from joint ventures <a href="#">(Note 10)</a>	193,534	43,734
Other income (expense) <a href="#">(Note 29)</a>	3,679	120,543
<b>Income (loss) before income taxes</b>	\$ (149,243)	\$ 563,556
<b>Income taxes (provision) recovery <a href="#">(Note 25)</a></b>		
Current	(119,207)	(198,035)
Deferred	160,091	5,868
<b>Total income taxes</b>	\$ 40,884	\$ (192,167)
<b>Net income (loss)</b>	\$ (108,359)	\$ 371,389
<b>Net income (loss) attributable to:</b>		
Non-controlling interests (“NCI”) <a href="#">(Note 17)</a>	54,889	99,564
Shareholders of the Company <a href="#">(Note 22)</a>	(163,248)	271,825
<b>Net income (loss)</b>	\$ (108,359)	\$ 371,389
<b>Weighted average number of Shares outstanding - basic and diluted (000s) <a href="#">(Note 22)</a></b>	261,301	257,300
<b>Net income (loss) attributable to common shareholders per Share - basic and diluted <a href="#">(Note 22)</a></b>	\$ (0.65)	\$ 1.03

See accompanying notes.

## Consolidated statements of comprehensive income (loss)

In thousands of Canadian dollars

Year ended December 31,	2025	2024
<b>Net income (loss)</b>	\$ (108,359)	\$ 371,389
<b>Items that may be re-classified into net income (loss):</b>		
Exchange rate differences on translation of foreign operations	437,693	(14,150)
Share of other comprehensive income (loss) of a joint venture	(38,750)	7,937
Change in fair value of derivative contracts <a href="#">(Note 19.2)</a>	(33,303)	(78,162)
Deferred tax recovery (expense) <a href="#">(Note 25)</a>	(21,064)	19,147
<b>Items that will not be re-classified into net income (loss):</b>		
Re-measurement of pension obligation	3,984	2,394
<b>Other comprehensive income (loss)</b>	\$ 348,560	\$ (62,834)
<b>Total comprehensive income (loss)</b>	\$ 240,201	\$ 308,555
<b>Total comprehensive income (loss) attributable to:</b>		
Non-controlling interests	83,456	100,763
Shareholders of the Company	156,745	207,792
<b>Total comprehensive income (loss)</b>	\$ 240,201	\$ 308,555

See accompanying notes.

## Consolidated statements of changes in equity

In thousands of Canadian dollars

	Common shares	Preferred shares	Deficit	Contributed surplus	Accumulated other comprehensive income (loss)	Equity attributable to shareholders	Non-controlling interests	Total equity
<b>December 31, 2024</b>	\$ 5,193,412	\$ 144,843	\$ (1,202,043)	\$ 6,281	\$ 43,620	\$ 4,186,113	\$ 370,300	\$ 4,556,413
Net income (loss)	—	—	(163,248)	—	—	(163,248)	54,889	(108,359)
Deferred tax recovery (expense) <a href="#">(Note 25)</a>	—	—	—	—	(21,072)	(21,072)	8	(21,064)
Exchange rate differences on translation of foreign operations	—	—	—	—	403,868	403,868	33,825	437,693
Share of other comprehensive income (loss) of a joint venture	—	—	—	—	(38,750)	(38,750)	—	(38,750)
Change in fair value of derivative contracts <a href="#">(Note 19.2)</a>	—	—	—	—	(28,006)	(28,006)	(5,297)	(33,303)
Re-measurement of pension obligation	—	—	—	—	3,953	3,953	31	3,984
<b>Total comprehensive income (loss)</b>	\$ —	\$ —	\$ (163,248)	\$ —	\$ 319,993	\$ 156,745	\$ 83,456	\$ 240,201
Share-based compensation reserve	—	—	—	982	—	982	—	982
Additional contribution by NCI <a href="#">(Note 17)</a>	—	—	—	—	—	—	5,185	5,185
Increase in NCI arising on dilution of interest in subsidiaries <a href="#">(Note 17)</a>	—	—	(603)	—	—	(603)	5,288	4,685
Dividends to NCI <a href="#">(Note 17)</a>	—	—	—	—	—	—	(100,898)	(100,898)
Common shares issued under DRIP and dividends declared <a href="#">(Note 16.1 and 16.3)</a>	27,482	—	(303,185)	—	—	(275,703)	—	(275,703)
Preferred share dividends <a href="#">(Note 16.2)</a>	—	—	(6,323)	—	—	(6,323)	—	(6,323)
<b>December 31, 2025</b>	\$ 5,220,894	\$ 144,843	\$ (1,675,402)	\$ 7,263	\$ 363,613	\$ 4,061,211	\$ 363,331	\$ 4,424,542

See accompanying notes.

## Consolidated statements of changes in equity (continued)

In thousands of Canadian dollars

	Common shares	Preferred shares	Deficit	Contributed surplus	Accumulated other comprehensive income (loss)	Equity attributable to shareholders	Non-controlling interests	Total equity
December 31, 2023	\$ 5,085,387	\$ 144,843	\$ (1,158,682)	\$ 5,976	\$ 107,653	\$ 4,185,177	\$ 297,547	\$ 4,482,724
Net income (loss)	—	—	271,825	—	—	271,825	99,564	371,389
Deferred tax recovery (expense) <a href="#">(Note 25)</a>	—	—	—	—	18,829	18,829	318	19,147
Exchange rate differences on translation of foreign operations	—	—	—	—	(24,140)	(24,140)	9,990	(14,150)
Share of other comprehensive income (loss) of a joint venture	—	—	—	—	7,937	7,937	—	7,937
Change in fair value of derivative contracts <a href="#">(Note 19.2)</a>	—	—	—	—	(69,034)	(69,034)	(9,128)	(78,162)
Re-measurement of pension obligation	—	—	—	—	2,375	2,375	19	2,394
Total comprehensive income (loss)	\$ —	\$ —	\$ 271,825	\$ —	\$ (64,033)	\$ 207,792	\$ 100,763	\$ 308,555
Share-based compensation reserve	—	—	—	305	—	305	—	305
Additional contribution provided by NCI <a href="#">(Note 17)</a>	—	—	—	—	—	—	782	782
Dividends to NCI <a href="#">(Note 17)</a>	—	—	—	—	—	—	(28,792)	(28,792)
Common shares issued under DRIP and dividends declared <a href="#">(Note 16.1 and 16.3)</a>	108,025	—	(309,024)	—	—	(200,999)	—	(200,999)
Preferred share dividends <a href="#">(Note 16.2)</a>	—	—	(6,162)	—	—	(6,162)	—	(6,162)
December 31, 2024	\$ 5,193,412	\$ 144,843	\$ (1,202,043)	\$ 6,281	\$ 43,620	\$ 4,186,113	\$ 370,300	\$ 4,556,413

See accompanying notes.

## Consolidated statements of cash flows

In thousands of Canadian dollars

Year ended December 31,	2025	2024
<b>Operating activities</b>		
Net income (loss)	\$ (108,359)	\$ 371,389
<i>Items not involving cash:</i>		
Depreciation of property, plant and equipment <a href="#">(Note 4)</a>	652,887	615,343
Amortization of contracts and other intangible assets <a href="#">(Note 5)</a>	62,697	58,384
Fair value adjustment for disposal group held for sale <a href="#">(Note 29)</a>	—	43,884
Impairment of non-financial assets <a href="#">(Note 24)</a>	527,155	—
Finance costs, net <a href="#">(Note 23)</a>	302,965	320,634
Fair value (gain) loss on financial instruments <a href="#">(Note 19.2)</a>	378,439	93,695
Unrealized foreign exchange (gain) loss	(57,675)	611
Loss (gain) on divestment in a subsidiary	—	(63,901)
Deferred tax expense (recovery) <a href="#">(Note 25)</a>	(160,091)	(5,868)
Share of (profit) loss from joint ventures <a href="#">(Note 10)</a>	(193,534)	(43,734)
Others	(6,426)	(56,385)
	\$ 1,398,058	\$ 1,334,052
Net change in working capital related to operations	28,106	(305,084)
<b>Cash provided by (used in) operating activities</b>	\$ 1,426,164	\$ 1,028,968
<b>Investing activities</b>		
Purchase of property, plant and equipment	(135,547)	(552,218)
Additional equity contribution to a joint venture	—	(82,101)
Acquisition of development assets	(28,670)	—
Proceeds from divestment of ownership interest in a subsidiary	—	257,249
Loans provided to a joint venture	—	(228,021)
Others	64,853	156,280
<b>Cash provided by (used in) investing activities</b>	\$ (99,364)	\$ (448,811)
<b>Financing activities</b>		
Proceeds from borrowings, net of transaction costs <a href="#">(Note 12)</a>	866,044	1,236,445
Repayment of borrowings <a href="#">(Note 12)</a>	(1,470,531)	(1,345,588)
Interest paid	(314,081)	(345,784)
Common share dividends	(286,008)	(200,488)
Dividends to NCI <a href="#">(Note 17)</a>	(100,898)	(28,792)
Preferred share dividends <a href="#">(Note 16.2)</a>	(6,323)	(6,162)
Equity contribution by NCI <a href="#">(Note 17)</a>	5,185	782
Others	(16,598)	(30,661)
<b>Cash provided by (used in) financing activities</b>	\$ (1,323,210)	\$ (720,248)
Effect of exchange rate differences on cash and cash equivalents	26,376	13,166
<b>Net change in cash and cash equivalents during the year</b>	\$ 29,966	\$ (126,925)
Cash and cash equivalents, beginning of the year	613,319	740,244
<b>Cash and cash equivalents, end of the year</b>	\$ 643,285	\$ 613,319

See accompanying notes.

# Notes to the Consolidated Financial Statements

## 1. Description of Northland's business

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

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

These audited consolidated financial statements (the “**consolidated financial statements**”) include results of the Group, of which the most significant subsidiaries and joint ventures, as of December 31, 2025 are listed in the following table:

Name of the entities	Geographic region	Relationship	Effective ownership % <sup>(1)</sup>
<b>International</b>			
Buitengaats C.V. and ZeeEnergie C.V. (“ <b>Gemini</b> ”)	The Netherlands	Subsidiary	60%
Nordsee One GmbH (“ <b>Nordsee One</b> ”)	Germany	Subsidiary	85%
Northland Deutsche Bucht GmbH (“ <b>Deutsche Bucht</b> ”)	Germany	Subsidiary	100%
Northland Power Spain Holdings, S.L.U. (“ <b>Spanish portfolio</b> ”) <sup>(2)</sup>	Spain	Subsidiary	99%
Baltic Power Offshore Wind Project (“ <b>Baltic Power</b> ”)	Poland	Joint Venture	49%
NP Hai Long Holding BV (“ <b>Hai Long Hold Co</b> ”) <sup>(3)</sup>	Taiwan	Joint Venture	31%
<b>Americas</b>			
North Battleford Power L.P. (“ <b>North Battleford</b> ”)	Canada	Subsidiary	100%
Thorold CoGen L.P. (“ <b>Thorold</b> ”)	Canada	Subsidiary	100%
Oneida Storage Limited Partnership (“ <b>Oneida</b> ”)	Canada	Subsidiary	70%
Empresa de Energía de Boyacá S.A E.S.P (“ <b>EBSA</b> ”)	Colombia	Subsidiary	99%

(1) As at December 31, 2025, Northland’s economic interest remained unchanged from December 31, 2024, except for Oneida, where Northland’s economic interest is at 70% (December 2024: 72%) ([note 17](#)).

(2) Northland owns 100% ownership interest in all the facilities within the Spanish Portfolio, except for Elecdey Lezuza, S.A. (a wind facility), where Northland’s ownership interest is at 66%.

(3) Northland holds 51% shareholding in NP Hai Long Holding BV (“**Hai Long Hold Co**”) which holds 60% investment in the underlying offshore wind projects (the “**Hai Long Project**”). As a result, Northland’s effective economic interest in the Hai Long Project is 31%.

## 2. Summary of accounting policies

### 2.1 Basis of preparation and statement of compliance

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

The consolidated financial statements for the year ended December 31, 2025, were approved by the Board of Directors on February 25, 2026.

## 2.2 Basis of consolidation

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

## 2.3 Business combinations and goodwill

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

## 2.4 Investment in joint ventures and associates

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

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

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

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

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

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

## 2.5 Property, plant and equipment

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

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

Description of asset class	Useful Lives
Plant and operating equipment	10 to 35 years
Buildings and foundations	20 to 40 years
Lease ROU asset	1 to 50 years
Leasehold improvements	Over the term of the lease
Other equipment	2 to 5 years

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

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

The costs of all maintenance provided under long-term, fixed-price contracts are charged to the consolidated statements of income (loss) based on the terms of the contract. All major overhaul expenditures are capitalized, and amortized over the average expected period between major overhauls.

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

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

## 2.6 Intangible assets

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

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

### Deferred Development expenditures

Deferred development expenditures consist of pre-construction costs directly associated with developing new projects. For each project, these expenditures are capitalized as assets on the consolidated statements of financial position when management can demonstrate that:

- the project is technically feasible for completion and ready for use or sale;
- there is intention and capability to complete and utilize or sell the project;
- the project is expected to produce future economic benefits;
- resources are available to complete it; and
- expenditures can be reliably measured during development.

Capitalization commences once management is confident that the project is likely to be pursued to completion. These costs are capitalized until project financing closes or construction begins and are classified as CIP under PP&E. Once the project reaches commercial operation, the related deferred development costs are reclassified either into the appropriate PP&E category or recorded as intangible assets, depending on the nature of the asset.

Throughout the development phase, the asset undergoes annual impairment testing or more frequently if impairment indicators arise. Any indirect research and development costs that do not qualify for asset recognition are expensed as development expenditures in the consolidated statements of income (loss).

### Contracts

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

## 2.7 Leases or arrangements containing a lease

### Lessee accounting

At the inception of a contract, management assesses whether the arrangement is, or contains, a lease in accordance with IFRS 16, “Leases”. If the arrangement meets the definition of a lease, a lease liability and a related right-to-use (“ROU”) asset are recorded on the applicable lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease (if readily determinable) or, if not, Northland’s incremental borrowing rate. The ROU asset is initially measured at the initial amount of the related lease obligation, subject to certain adjustments. The lease obligation is remeasured when there are changes to future lease payments arising from changes in applicable indices or rates, or changes in lease terms. Upon any such remeasurement, a corresponding adjustment is made to the carrying amount of the related ROU asset.

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

### Lessor accounting

Northland enters into PPAs to supply electricity and related products at fixed prices. At the inception of the contract, management evaluates whether the PPA qualifies as a lease under IFRS 16. If it does and the contract does not transfer substantially all benefits and risks of ownership of PP&E, it is classified as an operating lease. Conversely, if it transfers nearly all benefits and risks, it is classified as a finance lease. Finance lease receivables are initially calculated as the present value of the net investment in the lease. Income from finance leases is recognized to yield a consistent rate of return on Northland’s net lease investment and is recorded as operating income.

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

## 2.8 Impairment of non-financial assets

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

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

### Goodwill

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

## 2.9 Provisions

### General

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

### Decommissioning liabilities

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

## 2.10 Share-based compensation

Northland's share-based compensation plans provide incentives to executive management and select non-executive employees through "Deferred Rights" and "Development Project LTIP" to attract and retain talent or recognize achievements upon identified projects reaching predetermined milestones. Additionally, Performance Share Units (PSU), Restricted Share Units (RSU), and Deferred Share Units (DSU) are granted to the Board of Directors, the executive management and select non-executive employees.

For Development Project LTIP awards, the cost is recognized over the vesting period and capitalized for employees working directly on projects. These awards vest when performance expectations are met. Deferred Rights, PSU, RSU, and DSU vest over a maximum of three years, and their expected cost is expensed over the vesting period.

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

## 2.11 Cash and cash equivalents and restricted cash

Cash and cash equivalents comprise cash at banks and highly liquid deposits with maturities on acquisition of 90 days or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

As of December 31, 2025, cash and cash equivalents are comprised of cash balances and a short term deposit held with the banks of \$643 million (December 2024 - \$613 million) and \$41 million (December 2024 - nil), respectively.

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

## 2.12 Financial instruments

### (a) Financial assets and liabilities

Northland initially recognizes financial assets and liabilities at fair value, then remeasures them either at fair value or amortized cost according to their classification.

Financial assets are derecognized when the rights to receive cash flows expire or are transferred, and Northland has also transferred substantially all the risks and rewards of ownership.

A financial liability is derecognized when the obligation is discharged, canceled, or expires. If an existing liability is replaced by another from the same lender on substantially different terms, or if the original terms are substantially altered, this change is considered a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income (loss).

Fair value through profit and loss:

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

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

Amortized cost:

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

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

Tax equity financing:

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

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

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

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

The loans and borrowings as disclosed in [note 13](#) of these consolidated financial statements, associated with the tax-equity structures are measured at amortized cost using the effective interest method.

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

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

#### (b) Offsetting of financial instruments

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

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

#### (c) Fair value of financial instruments

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

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

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

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

#### (d) Derivatives and hedging activities

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

Northland designates its derivatives as hedges of:

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

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

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

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

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

#### Cash flow hedges that qualify for hedge accounting

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

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

#### Net investment hedges that qualify for hedge accounting

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

#### Hedge ineffectiveness

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

#### **(e) Impairment of Financial assets:**

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

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

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

## 2.13 Revenue recognition

### (a) Electricity generation and related products

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

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

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

### (b) Regulated revenue from electricity generation and utility

#### From electricity generation:

The revenue for each facility has four components:

- Return on investment ("**Ri**"), sized to complete the target return based on the market revenue assumed ex-ante (the "**posted price**");
- Return on operations ("**Ro**"), compensates when operating costs are higher than the market revenues. Note that Ro is not being received in the current environment;
- Market revenue, at pool prices; and
- "**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 price, the band adjustment mechanism reduces revenues in the period.

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

#### From utility distribution:

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

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

### (c) Other sources of revenue

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

#### (d) Interest income

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

### **2.14 Borrowing costs**

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

### **2.15 Taxes**

#### (a) Current income tax

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

#### (b) Deferred income tax

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

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

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

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

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

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

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

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

### (c) Sales taxes

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

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

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

### **2.16 Foreign currency translation**

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

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

### **2.17 Contingencies and commitments**

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

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

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

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

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

## 2.19 Segment information

The Group is organized into two regional operating hubs: International and Americas. These hub include a combination of offshore wind, onshore renewable (such as wind, solar and energy storage), natural gas powered facilities and utility distribution businesses. The Executive Leadership team reviews the performance of these businesses within each hub which forms the basis of strategic and capital allocation decisions.

## 2.20 New standards or amendments and forthcoming requirements

Northland assesses new standards or amendment to the existing standards to determine whether it may have a material impact on its consolidated financial statements. The following standards and or amendments to the existing standards apply for the first time to financial reporting periods commencing on or after January 1, 2025:

- *Amendment to IAS 21, Lack of Exchangeability (effective on or after January 1, 2025)* – The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

Northland adopted the above amendments as of January 1, 2025, and there has been no significant impact on the consolidated financial statements as of and for the year ended December 31, 2025.

IASB has issued following new amendments to the standards before December 31, 2025, with an effective date for accounting periods ending on or after January 1, 2026:

- *Amendments to IFRS 7 and IFRS 9 (effective on or after January 1, 2026)* – These proposed amendments require that a financial liability be derecognized on the ‘settlement date’ and introduced an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date.
- *IFRS 18, Presentation and Disclosure in Financial Statements (effective on or after January 1, 2027)* – This is a new standard on the presentation and disclosure in financial statements with a focus on changes to the structure of the statement of profit or loss, required disclosures in the financial statements for management defined performance measures that are reported outside an entity’s financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes to the financial statements.

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

## 3. Significant accounting judgments, estimates and assumptions

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

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

### 3.1 Judgements

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

#### a) Deferred development costs

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

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

#### b) Accounting for investments in non-wholly owned subsidiaries

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

### 3.2 Accounting estimates and assumptions

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

#### a) PP&E and intangible assets

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

#### b) Decommissioning liabilities

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

#### c) Fair value of financial assets and financial liabilities

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

#### d) Impairment of non-financial assets

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

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

#### e) Income taxes

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

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

## 4. Property, plant and equipment

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

	Construction-in-progress	Plant and operating equipment	Land, buildings and leasehold improvements	Lease ROU asset (Note 7.2)	Other equipment <sup>(1)</sup>	Total
<b>Cost</b>						
January 1, 2024	\$ 217,693	\$ 10,702,808	\$ 2,053,994	\$ 235,744	\$ 61,163	\$ 13,271,402
Additions	549,852	1,902	820	3,827	1,266	557,667
Transfer from CIP	(64,427)	51,827	9,412	48	3,140	—
Exchange rates changes	2,748	121,760	5,371	6,324	(4,642)	131,561
Disposals and other movements <sup>(2)</sup>	(34,478)	(459,236)	156,355	(12,536)	1,308	(348,587)
December 31, 2024	\$ 671,388	\$ 10,419,061	\$ 2,225,952	\$ 233,407	\$ 62,235	\$ 13,612,043
Additions	<b>134,828</b>	<b>8,163</b>	<b>959</b>	<b>2,644</b>	<b>832</b>	<b>147,426</b>
Transfer from CIP (a)	<b>(661,814)</b>	<b>595,113</b>	<b>55,405</b>	<b>—</b>	<b>2,310</b>	<b>(8,986)</b>
Exchange rates changes	<b>1,445</b>	<b>650,599</b>	<b>104,226</b>	<b>9,657</b>	<b>2,450</b>	<b>768,377</b>
Disposals and other movements <sup>(2)</sup>	<b>(8,947)</b>	<b>(144,401)</b>	<b>(25,190)</b>	<b>(14,963)</b>	<b>(653)</b>	<b>(194,154)</b>
<b>December 31, 2025</b>	<b>\$ 136,900</b>	<b>\$ 11,528,535</b>	<b>\$ 2,361,352</b>	<b>\$ 230,745</b>	<b>\$ 67,174</b>	<b>\$ 14,324,706</b>
<b>Accumulated depreciation and impairment</b>						
January 1, 2024	\$ —	\$ 3,234,516	\$ 759,258	\$ 57,169	\$ 40,526	\$ 4,091,469
Depreciation	—	450,172	145,874	15,511	3,786	615,343
Exchange rates changes	—	31,349	10,564	1,113	347	43,373
Disposals and other movements	—	25,023	(35,699)	(6,373)	(194)	(17,243)
December 31, 2024	\$ —	\$ 3,741,060	\$ 879,997	\$ 67,420	\$ 44,465	\$ 4,732,942
Depreciation	—	<b>525,431</b>	<b>105,519</b>	<b>15,518</b>	<b>6,419</b>	<b>652,887</b>
Impairment (Note 24)	—	<b>408,410</b>	<b>104,975</b>	<b>—</b>	<b>—</b>	<b>513,385</b>
Exchange rates changes	—	<b>216,245</b>	<b>44,062</b>	<b>3,310</b>	<b>1,833</b>	<b>265,450</b>
Disposals and other movements	—	<b>(1,708)</b>	<b>(162)</b>	<b>(11,814)</b>	<b>(212)</b>	<b>(13,896)</b>
<b>December 31, 2025</b>	<b>\$ —</b>	<b>\$ 4,889,438</b>	<b>\$ 1,134,391</b>	<b>\$ 74,434</b>	<b>\$ 52,505</b>	<b>\$ 6,150,768</b>
<b>Net book value</b>						
December 31, 2024	671,388	6,678,001	1,345,955	165,987	17,770	8,879,101
<b>December 31, 2025</b>	<b>\$ 136,900</b>	<b>\$ 6,639,097</b>	<b>\$ 1,226,961</b>	<b>\$ 156,311</b>	<b>\$ 14,669</b>	<b>\$ 8,173,938</b>

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

(2) Other movements include transfers between asset categories within property, plant, and equipment, as well as adjustments for recognizing ITC for the Oneida Project and ARO assets.

(a) Transfers from capital work in progress include \$578 million and \$4 million, which have been reclassified from construction in progress to the relevant asset categories within property, plant, and equipment, and contract and other intangibles assets, respectively. These represent the capitalized costs of the Oneida Energy Storage Project (“**Oneida Project**”) which started commercial operations during the year ended December 31, 2025.

(b) The **Oneida Project**, upon achieving commercial operations, qualified for an Investment Tax Credit (“**ITC**”) under the Canadian Federal Clean Technology Investment Tax Credit program. The ITC is attributable to the partners in the Oneida Project and, following 2025 tax filings, is expected to be received in 2027.

Management has determined this ITC as a government grant under *IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance*. As of December 31, 2025, Northland’s proportionate share of the ITC, amounting to \$120 million, has been recognized as a grant receivable, within other non-current assets with a corresponding credit to the carrying value of property, plant, and equipment. This has been presented under Disposals and other movements above.

### Geographical Information

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

As at	December 31, 2025	December 31, 2024
The Netherlands	\$ 2,249,242	\$ 2,271,477
Germany	1,598,372	2,102,684
Canada	1,876,602	2,092,886
Spain	1,363,559	1,345,518
Colombia	598,037	539,581
United States	455,115	496,853
Others	33,011	30,102
<b>Total</b>	<b>\$ 8,173,938</b>	<b>\$ 8,879,101</b>

## 5. Contracts and other intangible assets

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

Year ended December 31,	2025	2024
<b>Cost</b>		
As at January 1	\$ 723,243	\$ 714,295
Acquired <a href="#">(Note 5.1)</a>	28,670	—
Additions	7,259	—
Transfer from PP&E	15,314	—
Disposals	—	(2,579)
Exchange rates changes	44,746	11,527
<b>December 31,</b>	<b>\$ 819,232</b>	<b>\$ 723,243</b>
<b>Accumulated amortization and impairment</b>		
As at January 1	\$ (329,357)	\$ (267,425)
Amortization	(62,697)	(58,384)
Impairment <a href="#">(Note 24)</a>	(14,079)	—
Exchange rates changes	(20,481)	(3,548)
<b>December 31,</b>	<b>\$ (426,614)</b>	<b>\$ (329,357)</b>
<b>Net book value</b>	<b>\$ 392,618</b>	<b>\$ 393,886</b>

### 5.1 Acquisition of Battery Storage projects in Poland

On November 20, 2025, Northland, through its wholly owned subsidiary Northland Power International Holdings B.V., completed the acquisition of 100% of the shares in two late-stage, pre-construction battery energy storage projects in Poland. The transaction was structured via share purchase agreements, with consideration including an immediate cash payment and future payments tied to specific milestones. This transaction was classified as an asset acquisition, resulting in recognition of \$27 million in development assets.

## 6. Goodwill

Changes in the goodwill during the years ended December 31, 2025, and 2024 are summarized below:

Year ended December 31,	2025		2024	
<b>Cost</b>				
As at January 1	\$	891,803	\$	910,597
Exchange rates changes		65,325		(18,794)
<b>December 31,</b>	<b>\$</b>	<b>957,128</b>	<b>\$</b>	<b>891,803</b>
<b>Accumulated impairment</b>				
As at January 1	\$	(274,196)	\$	(271,250)
Exchange rates changes		(13,726)		(2,946)
<b>December 31,</b>	<b>\$</b>	<b>(287,922)</b>	<b>\$</b>	<b>(274,196)</b>
<b>Net Book Value</b>	<b>\$</b>	<b>669,206</b>	<b>\$</b>	<b>617,607</b>

## 7. Leases

### 7.1 Northland as lessor

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

As at	December 31, 2025		December 31, 2024	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	\$ 16,183	\$ 6,848	\$ 16,182	\$ 6,302
After one year but not more than five years	64,804	33,932	64,806	31,236
More than five years	92,885	73,099	109,071	82,648
	\$ 173,872	\$ 113,879	\$ 190,059	\$ 120,186
Less: Unearned finance income	(59,993)	—	(69,873)	—
<b>Total finance lease receivable</b>	<b>\$ 113,879</b>	<b>\$ 113,879</b>	<b>\$ 120,186</b>	<b>\$ 120,186</b>
Current portion <a href="#">(Note 8)</a>		6,848		6,302
Non-current portion		\$ 107,031		\$ 113,884

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

For the year ended December 31, 2025, finance lease income of \$10 million (December 2024 - \$10 million) was recognized in the consolidated statements of income (loss).

## 7.2 Northland as lessee

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

The amount of the lease ROU asset and associated depreciation by type of underlying asset as at December 31, 2025 are as follows:

	Land	Vehicle	Equipment	Building	Total
<b>January 1, 2024</b>	\$ 143,845	\$ 4,626	\$ 3,469	\$ 26,635	\$ 178,575
Additions	3,067	5	453	302	3,827
Other movements <sup>(1)</sup>	(6,992)	(164)	(381)	1,422	(6,115)
Depreciation expense	(6,982)	(1,615)	(1,693)	(5,221)	(15,511)
Exchange rates changes	4,874	(3)	37	303	5,211
<b>December 31, 2024</b>	\$ 137,812	\$ 2,849	\$ 1,885	\$ 23,441	\$ 165,987
Additions	1,475	—	—	1,169	2,644
Other movements <sup>(1)</sup>	(3,642)	(647)	—	1,140	(3,149)
Depreciation expense	(9,223)	(1,511)	(1,545)	(3,239)	(15,518)
Exchange rates changes	4,930	224	115	1,078	6,347
<b>December 31, 2025</b>	\$ 131,352	\$ 915	\$ 455	\$ 23,589	\$ 156,311

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

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

Northland expenses payments for leases that are short-term (i.e. term of 12 months or less) and low value, as well as variable payments that are excluded from lease payments, such as usage-based fees or utility charges. For the year ended December 31, 2025, lease expense of \$4 million (December 2024 - \$4 million) was recognized and presented within the G&A and operating costs lines in the consolidated statements of income (loss).

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

Year ended December 31,	2025	2024
<b>January 1</b>	\$ 177,163	\$ 187,226
Additions	2,644	3,827
Accretion of interest <a href="#">(Note 23)</a>	4,596	5,178
Payments	(17,899)	(19,207)
Disposals	(3,528)	(5,615)
Exchange rates changes	6,254	5,754
<b>December 31,</b>	\$ 169,230	\$ 177,163
Current	16,808	18,469
Non-current	152,422	158,694
<b>Total lease liabilities <a href="#">(Note 15)</a></b>	\$ 169,230	\$ 177,163

## 8. Trade and other receivables

As at	December 31, 2025	December 31, 2024
Trade receivables	\$ 304,835	\$ 272,914
SDE subsidy receivable	29,068	213,161
Indirect taxes receivable	11,499	7,753
Finance lease receivable (current portion) <a href="#">(Note 7.1)</a>	6,848	6,302
Others <sup>(1)</sup>	43,481	35,831
<b>Total</b>	\$ 395,731	\$ 535,961

(1) Included in others are amounts due from the joint ventures relating to the cost recharges for the project management services provided by Northland, aggregating to \$29 million (December 2024 - \$27 million) [\(Note 27.2\)](#).

## 9. Other non-current assets

As at	December 31, 2025	December 31, 2024
Loan receivable from joint ventures ( <a href="#">Note 9.1</a> )	\$ 783,295	\$ 682,069
Long-term deposits (a)	81,571	146,033
Band adjustments	45,386	34,562
Trade receivables - Non current portion	11,233	16,879
Other <sup>(1)</sup>	149,255	18,144
<b>Total</b>	<b>\$ 1,070,740</b>	<b>\$ 897,687</b>

(1) Other includes ITC receivable to \$120 million (December 2024: nil) ([Note 4b](#)) and deferred financing costs amounting to \$2 million (December 2024 - \$3 million), associated with the syndicated revolving facility ([Note 14](#)).

(a) Long-term deposits include decommissioning deposits relating to offshore wind facilities, amounting to \$78 million (December 2024 - \$140 million). Additionally, in connection with the decommissioning deposits, Gemini provided a letter of credit to the Dutch government to secure future decommissioning liability for Gemini. The letter of credit is collateralized by a long-term deposit of \$67 million (December 2024 - \$61 million), held by project lenders in a money market fund with the maturity in 2042 and earns interest at a rate of 6-month EURIBOR plus 0.8%.

### 9.1 Loans receivable from joint ventures

As at	December 31, 2025	December 31, 2024
Hai Long ( <a href="#">Note 10.3</a> )	\$ 533,743	\$ 465,476
Baltic Power ( <a href="#">Note 10.4</a> )	249,552	216,593
<b>Total (<a href="#">Note 27.2</a>)</b>	<b>\$ 783,295</b>	<b>\$ 682,069</b>

The above loan receivable balances, as of December 31, 2025, from Hai Long and Baltic Power, also include accrued interest amounting to \$58 million (December 2024 - \$26 million) and \$21 million (December 2024 - \$21 million), respectively.

## 10. Investment in joint ventures

Below are Northland's significant joint ventures as at December 31, 2025 and December 31, 2024. The entities have share capital consisting solely of ordinary shares, which are held directly by Northland or indirectly through one of its subsidiaries:

Name of joint ventures	Carrying amount as at		Share of profit (loss) for the year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Hai Long Hold Co <a href="#">(Note 10.3)</a>	\$ 637,072	\$ 652,770	\$ (20,263)	\$ 47,310
Baltic Power <a href="#">(Note 10.4)</a>	595,894	356,852	213,326	197
Others	1,629	13,446	471	(3,773)
<b>Total</b>	<b>\$ 1,234,595</b>	<b>\$ 1,023,068</b>	<b>\$ 193,534</b>	<b>\$ 43,734</b>

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

### 10.1 Reconciliation to equity investments carrying amounts

The table below provides a summary of changes in the underlying net assets of the significant joint ventures and their reconciliation to the carrying values of the investments in the joint ventures, as at December 31, 2025 and December 31, 2024:

	Opening net assets	Equity contribution	Total comprehensive income (loss) for the period	Currency translation gain (loss)	Closing net assets	Northland's ownership %	Northland's share in net assets	Other adjustments <sup>(1)</sup>	Carrying amount at Northland's share
<b>Year ended December 31, 2025</b>									
Hai Long Hold Co	\$ 1,302,061	\$ —	\$ (115,712)	\$ 103,492	\$ 1,289,841	51%	\$ 657,819	\$ (20,747)	\$ 637,072
Baltic Power	750,287	—	436,607	67,472	1,254,366	49%	612,883	(16,989)	595,894
<b>Total</b>	<b>\$ 2,052,348</b>	<b>\$ —</b>	<b>\$ 320,895</b>	<b>\$ 170,964</b>	<b>\$ 2,544,207</b>		<b>\$ 1,270,702</b>	<b>\$ (37,736)</b>	<b>\$ 1,232,966</b>
<b>Year ended December 31, 2024</b>									
Hai Long Hold Co	\$ 1,031,926	\$ 161,807	\$ 108,328	\$ —	\$ 1,302,061	51%	\$ 664,051	\$ (11,281)	\$ 652,770
Baltic Power	738,327	—	404	11,556	750,287	49%	366,590	(9,738)	356,852
<b>Total</b>	<b>\$ 1,770,253</b>	<b>\$ 161,807</b>	<b>\$ 108,732</b>	<b>\$ 11,556</b>	<b>\$ 2,052,348</b>		<b>\$ 1,030,641</b>	<b>\$ (21,019)</b>	<b>\$ 1,009,622</b>

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

## 10.2 Summarized financial information of significant joint ventures

Below is a summary of the financial information for significant joint ventures, reflecting the amounts reported in the financial statements of each joint venture indicating 100% ownership instead of Northland's proportionate share. This summarized financial information has been adjusted by Northland while applying the equity method of accounting, including acquisition date fair value adjustments and differences in accounting policies:

### a) Summarized statement of financial position, at 100%

	Current assets			Non-current assets	Current liabilities			Non-current financial liabilities	Net assets
	Cash and cash equivalents	Other current assets	Total current assets		Financial liabilities	Other current liabilities	Total current liabilities		
<b>As at December 31, 2025</b>									
Hai Long Hold Co	\$ 1,069	\$ 2,474	\$ 3,543	\$ 2,333,284	\$ 464	\$ —	\$ 464	\$ 1,046,522	\$ 1,289,841
Baltic Power	81,379	176,251	257,630	5,865,675	278,639	208,823	487,462	4,381,477	1,254,366
<b>Total</b>	<b>\$ 82,448</b>	<b>\$ 178,725</b>	<b>\$ 261,173</b>	<b>\$ 8,198,959</b>	<b>\$ 279,103</b>	<b>\$ 208,823</b>	<b>\$ 487,926</b>	<b>\$ 5,427,999</b>	<b>\$ 2,544,207</b>
<b>As at December 31, 2024</b>									
Hai Long Hold Co	\$ 2,060	\$ 924	\$ 2,984	\$ 2,216,718	\$ 1,793	\$ —	\$ 1,793	\$ 915,848	\$ 1,302,061
Baltic Power	49,499	106,999	156,498	3,228,233	208,422	89,815	298,237	2,336,207	750,287
<b>Total</b>	<b>\$ 51,559</b>	<b>\$ 107,923</b>	<b>\$ 159,482</b>	<b>\$ 5,444,951</b>	<b>\$ 210,215</b>	<b>\$ 89,815</b>	<b>\$ 300,030</b>	<b>\$ 3,252,055</b>	<b>\$ 2,052,348</b>

### b) Summarized statement of comprehensive income, at 100%

	Interest income / (expense)	G&A	Depreciation and amortization	Fair value changes	Share of profit (loss) from joint venture	Income tax recovery (expense)	Net income (loss)	Other comprehensive income (loss)	Total comprehensive income (loss)
<b>Year ended December 31, 2025</b>									
Hai Long Hold Co	\$ 10,916	\$ (3,105)	\$ —	\$ (93,586)	\$ 23,945	\$ 22,099	\$ (39,731)	\$ (75,981)	\$ (115,712)
Baltic Power	(1,610)	(6,413)	(559)	407,186	—	38,003	436,607	—	436,607
<b>Total</b>	<b>\$ 9,306</b>	<b>\$ (9,518)</b>	<b>\$ (559)</b>	<b>\$ 313,600</b>	<b>\$ 23,945</b>	<b>\$ 60,102</b>	<b>\$ 396,876</b>	<b>\$ (75,981)</b>	<b>\$ 320,895</b>
<b>Year ended December 31, 2024</b>									
Hai Long Hold Co	\$ 9,116	\$ (1,945)	\$ —	\$ 15,779	\$ 74,912	\$ (5,097)	\$ 92,765	\$ 15,563	\$ 108,328
Baltic Power	(692)	(5,237)	(551)	6,884	—	—	404	—	404
<b>Total</b>	<b>\$ 8,424</b>	<b>\$ (7,182)</b>	<b>\$ (551)</b>	<b>\$ 22,663</b>	<b>\$ 74,912</b>	<b>\$ (5,097)</b>	<b>\$ 93,169</b>	<b>\$ 15,563</b>	<b>\$ 108,732</b>

### c) Letters of credit and parental guarantees issued by Northland

The following table outlines the letters of credit and parental guarantees provided by Northland as the sponsor to support the credit obligations associated with the development and construction activities of these joint ventures.

As at	December 31, 2025	December 31, 2024
Hai Long Hold Co	\$ 660,866	\$ 672,323
Baltic Power	72,422	66,895
<b>Total</b>	<b>\$ 733,288</b>	<b>\$ 739,218</b>

As of December 31, 2025, Hai Long's material capital commitments aggregate to \$1.1 billion (December 2024 - \$2.3 billion). Northland's share of these commitments amounts to \$328 million (December 2024 - \$659 million).

As of December 31, 2025, Baltic Power's material capital commitments and letters of credit aggregate to \$251 million (December 2024 - \$685 million) and \$811 million (December 2024 - \$2.1 billion), respectively. Northland's share in these commitments and letters of credit amounts to \$530 million (December 2024 - \$1.4 billion).

#### 10.3 Hai Long offshore wind project

Northland holds 51% (December 2024 - 51%) shareholding in NP Hai Long Holding BV ("**Hai Long Hold Co**") which has 60% (December 2024 - 60%) investment in the underlying offshore wind projects ("**Hai Long Project**"), together referred as ("**Hai Long**"). As a result, Northland's economic interest in Hai Long, is 31% (December 2024 - 31%). Northland jointly controls key activities of Hai Long with other shareholders and accounts for its investment using the equity method per IAS 28.

Hai Long Project has secured a 20-year long-term non-recourse project financing amounting to \$5 billion (equivalent NT\$117 billion). The loan carries an average interest at the rate of TAIBOR plus 1.83%. As of December 31, 2025, the Hai Long Project has drawn down \$3.9 billion (December 2024 - \$2 billion) of project debt. The project has complied with all the applicable financial covenants under this loan agreement.

Northland has provided a long-term shareholder loan aggregating \$476 million (December 2024 - \$440 million) to the Hai Long Project. The loan carries interest at the rate of 6% per annum. The loan has a contractual maturity of 20 years with semi-annual repayments, due on 30 June and 31 December each year, commencing upon the Hai Long Project achieving commercial operations. The carrying value of this shareholder loan approximates its fair value. In the consolidated statements of financial position, this loan, together with the accrued interest, is carried at \$534 million (December 2024 - \$465 million) and presented under other non-current assets.

For the year ended, December 31, 2025, Northland provided project management services to the Hai Long Project amounting to \$19 million (December 2024 - \$24 million), respectively.

#### 10.4 Baltic Power offshore wind project

Northland holds a 49% interest in the Baltic Power Offshore Wind Project ("**Baltic Power**"). Baltic Power is a standalone legal entity, with Northland's interest classified as a joint venture under the equity method per IAS 28.

Baltic Power has secured 20-year long-term non-recourse project financing amounting to CAD \$5 billion (equivalent €4 billion). The loan carries average interest at the rate of EURIBOR +1.3% per annum. As of December 31, 2025, Baltic has drawn down \$3.8 billion (December 2024 - \$1 billion) of project debt. The project has complied with all the applicable financial covenants under this loan agreement.

Northland has provided a long-term shareholder loan aggregating to \$228 million (December 2024 - \$196 million) to Baltic Power. The loan carries average interest at the rate of EURIBOR plus 3.7%. The loan has a contractual maturity of 23 years with semi-annual repayments, due in February and August each year, commencing upon Baltic Power achieving commercial operations. The carrying value of this shareholder loan approximates its fair value. In the consolidated statements of financial position, this loan, together with the accrued interest, is carried at \$250 million (December 2024 - \$217 million) and presented under other non-current assets.

For the year ended, Northland provided project management services to Baltic Power, amounting to \$16 million (2024 - \$15 million).

## 11. Trade and other payables

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

As at	December 31, 2025	December 31, 2024
Trade payables	\$ 74,817	\$ 169,026
Tax payable	64,438	64,531
Short-term loans payable to joint ventures	—	15,977
Other payables and accrued liabilities	143,875	119,257
<b>Total</b>	<b>\$ 283,130</b>	<b>\$ 368,791</b>

Other payables and accrued liabilities include cost accruals in relation to operational, development and construction projects amounting to \$128 million (December 2024 - \$104 million).

## 12. Management of capital

Northland's strategy for funding general development efforts and investing in project entities employs a mix of capital sources, including internally generated cash flows, equity issuances, corporate debt, hybrid capital issuances, borrowings from corporate credit facilities, sell-downs and asset recycling, along with other capital sources such as government grants and programs to support renewable investments. For additional information, refer to [note 13](#) and [note 14](#).

Northland defines capital as the total of its equity, non-controlling interests, interest-bearing loans and borrowings, corporate credit facilities, and net proceeds from asset sales. Northland's objectives in managing capital are to (i) ensure the long-term sustainability of dividends and returns to shareholders and (ii) maintain a resilient and flexible balance sheet, (iii) allocate capital in a disciplined manner to deliver attractive risk-adjusted returns, and (iv) finance assets with a prudent mix of equity and non-recourse debt to deliver predictable cash flows and amortize debt during the underlying revenue arrangement tenure.

Northland exercises discretion regarding the amount of dividends declared to shareholders, the terms of its Dividend Reinvestment Plan (DRIP), the issuance of new shares, and the issuance or redemption of preferred shares ([Note 16](#)).

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

As at December 31, 2025, total managed capital was \$11.3 billion (December 2024 - \$11.7 billion), comprising equity of \$4.4 billion (December 2024 - \$4.6 billion), non-recourse facility-level loans and borrowings totaling \$6.1 billion (December 2024 - \$6.5 billion) and corporate borrowings, net of deferred financing cost, aggregating to \$721 million (December 2024 - \$665 million).

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

Year ended December 31, 2025	Project level borrowings	Tax equity financing <sup>(2)</sup>	Green Subordinated Notes	Corporate credit facilities <sup>(3)</sup>	Total
Total, beginning of the year	\$ 6,490,653	\$ 26,801	\$ 492,445	\$ 172,450	\$ 7,182,349
Financings, net of fees paid	372,696	—	—	493,348	866,044
Repayments	(1,011,295)	(6,427)	—	(452,809)	(1,470,531)
Other non-cash <sup>(1)</sup>	3,205	305	3,822	5,861	13,193
Foreign exchange	260,833	(1,071)	—	5,764	265,526
<b>Total, end of the year</b>	<b>\$ 6,116,092</b>	<b>\$ 19,608</b>	<b>\$ 496,267</b>	<b>\$ 224,614</b>	<b>\$ 6,856,581</b>
Total, beginning of the year	\$ 6,531,526	\$ 42,959	\$ 491,049	\$ 110,990	\$ 7,176,524
Financings, net of fees paid	611,330	—	—	625,115	1,236,445
Repayments	(770,393)	(5,955)	—	(569,240)	(1,345,588)
Other non-cash <sup>(1)</sup>	29,859	(12,772)	1,396	—	18,483
Foreign exchange	88,331	2,569	—	5,585	96,485
Total, end of the year	\$ 6,490,653	\$ 26,801	\$ 492,445	\$ 172,450	\$ 7,182,349

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

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

(3) The balance of corporate credit facilities, as of December 31, 2025 is presented net of deferred financing cost amounting to \$2 million (December 2024 - \$3 million). This deferred financing cost is included within the other assets in the consolidated statements of financial position [\(Note 9 and 14\)](#).

### 13. Loans and borrowings

Northland's loans and borrowings, excluding the corporate credit facilities [\(Note 14\)](#), are comprised of the following:

As at	December 31, 2025	December 31, 2024
Project level non-recourse borrowings <a href="#">(Note 13.1)</a>	\$ 6,116,092	\$ 6,490,653
Tax equity financing	19,608	26,801
<b>Loans and borrowings at the project level</b>	<b>\$ 6,135,700</b>	<b>\$ 6,517,454</b>
Green Subordinated Notes <a href="#">(Note 13.2)</a>	496,267	492,445
<b>Total loans and borrowings</b>	<b>\$ 6,631,967</b>	<b>\$ 7,009,899</b>
Less: Current portion of loans and borrowings (a)	(787,419)	(862,626)
<b>Non-current portion of loans and borrowings</b>	<b>\$ 5,844,548</b>	<b>\$ 6,147,273</b>

(a) Current portion of the loans and borrowings, as at December 31, 2025, is comprised of \$768 million and \$20 million (December 2024 - \$848 million and \$15 million), relating to project level borrowings [\(Note 13.1\)](#) and tax equity financing, respectively.

(b) The estimated fair value of loans and borrowings, including Tax Equity Financing and Green Subordinated Notes, as at December 31, 2025 is \$6.5 billion (December 2024 - \$7.1 billion).

As at and for the year ended December 31, 2025, and as at the approval date of these consolidated financial statements, Northland has complied with all the applicable financial covenants under the respective loan agreements.

### 13.1 Project level non-recourse borrowings

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

Name of the projects <sup>(1)</sup>	Rate <sup>(2)</sup>	Maturity	December 31, 2025	December 31, 2024
New York Wind 13.1 (d)	2.2%	2031	\$ 242,883	\$ 256,264
Nordsee One	2.3%	2026	112,071	254,900
EBSA (NPCDI) 13.1 (e)	4.6%	2027	890,816	751,468
Jardin	6.0%	2029	38,042	46,529
Thorold	6.3%	2030	185,054	202,089
Kirkland Lake	4.1%	2030	22,274	41,741
Gemini	3.6%	2031	1,459,998	1,638,939
Deutsche Bucht	2.4%	2031	743,440	806,093
Mont Louis	6.6%	2031	41,199	47,144
North Battleford	5.0%	2032	387,913	422,620
Solar Phase I	4.4%	2032	106,365	120,901
Solar Phase II	4.5%	2034	82,897	91,598
McLean's	6.0%	2034	79,482	86,647
Grand Bend	4.2%	2035	227,626	246,245
Cochrane Solar	4.6%	2035	118,077	128,816
Spy Hill	4.1%	2036	101,937	108,350
Spanish Portfolio	2.0%	2042	776,601	757,709
Oneida Project	2.7%	13.1 (c)	459,162	482,600
Jurassic BESS	4.4%	13.1 (b)	40,255	—
<b>Total borrowings and Weighted Average rate</b>	<b>3.5%</b>		<b>\$ 6,116,092</b>	<b>\$ 6,490,653</b>
<b>Current</b>			<b>767,812</b>	<b>847,658</b>
<b>Non-current</b>			<b>\$ 5,348,280</b>	<b>\$ 5,642,995</b>

(1) Amounts drawn under the above project level non-recourse borrowings, as at December 31, 2025 and December 31, 2024, exclude letters of credit secured by the facilities or project-level credit agreements.

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

As at December 31, 2025 and at the approval date of these consolidated financial statements, Northland has complied with all the applicable financial covenants under the respective loan agreements.

(a) As at December 31, 2025, \$164 million of letters of credit secured by facility or project-level credit agreements were outstanding (December 2024 - \$177 million).

(b) On April 9, 2025, Northland secured the lending agreement in relation to the Jurassic BESS Project, comprising a term loan and ITC bridge facility amounting to \$94 million and \$11 million, respectively. As of December 31, 2025, \$30 million and \$10 million have been drawn under the term loan and ITC bridge facilities, respectively. The term loan and ITC bridge facility have a final repayment date of 5 years and 2 years after the commercial operations date, respectively.

(c) In October 2025, Northland finalized the debt term conversion for the Oneida Project. Immediately thereafter, Tranche A was replaced with issuance of senior debt amounting to \$147million with the commercial lenders. The maturity date of senior debt is March 2032 whereas, Tranche C was fully repaid. The maturity date for Tranche B remains unchanged for May 2045.

(d) In October 2025, Northland refinanced its New York Wind projects' debt facility, extending the maturity until February 2031. Based on the terms of the revised loan agreement, Northland has assessed this amendment as modification of the loan, as defined under IFRS 9.

(e) On December 5, 2025, Northland restructured EBSA's long-term loan ("EBSA Loan") resulting in additional proceeds of \$145 million, net of transaction cost, to a total of \$892 million. Based on the terms of the amended loan agreement, Northland assessed EBSA Loan restructuring as a modification of a loan as defined under IFRS 9.

### 13.2 Green Subordinated Notes

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

## 14. Corporate credit facilities

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

	Facility size	Amount drawn	Outstanding letters of credit <sup>(2)</sup>	Available capacity	Maturity
<b>As at December 31, 2025</b>					
Sustainability linked syndicated revolving facility <sup>(1)</sup>	\$ 1,250,000	\$ 226,752	\$ 152,282	\$ 870,966	Aug. 2029
Bilateral letter of credit (LC) facility I	150,000	—	135,752	14,248	Jun. 2026
Bilateral LC facility II <sup>(3)</sup>	104,754	—	42,148	62,606	n/a
Export credit agency backed LC facility I	100,000	—	45,864	54,136	Mar. 2026
Export credit agency backed LC facility II	200,000	—	172,606	27,394	n/a
Hai Long related LC Facility	500,000	—	453,429	46,571	Sep. 2027
<b>Total</b>	<b>\$ 2,304,754</b>	<b>\$ 226,752</b>	<b>\$ 1,002,081</b>	<b>\$ 1,075,921</b>	
<b>As at December 31, 2024</b>					
Sustainability linked syndicated revolving facility <sup>(1)</sup>	\$ 1,250,000	\$ 175,919	\$ 116,918	\$ 957,163	Aug. 2029
Bilateral letter of credit (LC) facility	150,000	—	135,060	14,940	Jun. 2026
Export credit agency backed LC facility I	100,000	—	72,037	27,963	Mar. 2026
Export credit agency backed LC facility II	200,000	—	140,043	59,957	n/a
Hai Long related LC Facility	500,000	—	483,440	16,560	Sep. 2027
<b>Total</b>	<b>\$ 2,200,000</b>	<b>\$ 175,919</b>	<b>\$ 947,498</b>	<b>\$ 1,076,583</b>	

(1) The amounts drawn under the syndicated revolving facility are denominated in Euro amounting to €141 million (CAD equivalent \$227 million, converted at the period-end exchange rates) (December 2024 - Canadian Dollars amounting to \$100 million and Euro amounting to €51 million (CAD equivalent of \$76 million, converted at the period-end exchange rates)).

(2) As at December 31, 2025, outstanding LCs include those issued in favor of joint ventures, amounting to \$661 million (December 2024 - \$672 million).

(3) On March 31, 2025, Northland secured an additional Euro denominated bilateral letter of credit facility amounting to €65 million (CAD equivalent \$105 million, converted at the period-end exchange rates). This facility does not have a specified maturity date.

(4) Deferred financing cost, as at December 31, 2025, associated with the syndicated revolving facility amounting to \$2 million (December 2024 - \$3 million) is included within the other non-current assets in the consolidated statements of financial position.

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

As at December 31, 2025, and at the approval date of these consolidated financial statements, Northland has complied with all the applicable financial covenants under the respective corporate credit facility agreements.

## 15. Provisions and other liabilities

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

As at	December 31, 2025	December 31, 2024
Decommissioning liabilities (Note 15.1)	\$ 458,570	\$ 415,201
Lease liability (Note 7.2)	169,230	177,163
Loan payable to the non-controlling shareholder of a subsidiary (a)	39,798	35,196
Pension and benefits (Note 15.2)	29,224	30,045
Others	21,270	22,917
<b>Total provisions and other liabilities</b>	<b>\$ 718,092</b>	<b>\$ 680,522</b>
Less: Current portion of provisions and other liabilities	(16,801)	(32,114)
<b>Non-current portion of provisions and other liabilities</b>	<b>\$ 701,291</b>	<b>\$ 648,408</b>

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

### 15.1 Decommissioning liabilities

Northland's onshore wind and solar assets are located on lands leased from private and public landowners. Under the lease agreements, Northland is required to restore the leased lands to their original condition and remove all associated equipment upon lease expiry or termination. Furthermore, decommissioning obligations for offshore wind and natural gas facilities are determined in accordance with applicable permits and government regulations.

As of December 31, 2025, the gross undiscounted total decommissioning liabilities aggregates to \$734 million (December 2024 - \$637 million). Northland estimates the present value of its total decommissioning liabilities, based on estimated future cash flows required to decommission the respective facilities. The discounted value of the decommissioning liabilities was calculated using long-term discount rates ranging between 2.9% and 4.9% (December 2024 - 2.7% and 4.4%) and long-term inflation rates, ranging between 2.2% and 2.7% (December 2024 - 2.0% and 3.0%).

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

Year ended December 31,	2025	2024
Total, beginning of year	\$ 415,201	\$ 429,165
Additions <sup>(1)</sup>	26,271	2,802
Accretion	11,151	11,294
Disposals	—	(4,637)
Other movements <sup>(1)</sup>	(21,162)	(30,534)
Exchange rates changes	27,109	7,111
<b>Total, end of year</b>	<b>\$ 458,570</b>	<b>\$ 415,201</b>

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

## 15.2 Pension and post-employment benefits

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

The accounting for the pension plan involves estimating the cost of the benefits to be paid in the future and allocating this cost over the expected period during which each employee is anticipated to receive a pension according to the plan's conditions. This process requires extensive use of estimates and assumptions regarding inflation, mortality, employee turnover, discount rates, and other factors. The liability recognized in the consolidated statements of financial position regarding defined benefit pensions represents the present value of the defined benefit obligation as of December 31, 2025, along with adjustments for actuarial gains or losses that have not been recognized. Actuarial gains and losses are recorded against net equity in the consolidated statements of comprehensive income (loss) during the period they occur.

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

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

Year ended December 31,	2025		2024	
Total, beginning of year	\$	30,045	\$	34,654
Interests cost - net		2,576		2,347
Actuarial adjustments		(3,911)		(2,417)
Payments made directly by the Company		(2,963)		(2,984)
Exchange rate changes		3,477		(1,555)
<b>Total, end of year</b>	<b>\$</b>	<b>29,224</b>	<b>\$</b>	<b>30,045</b>

## 16. Equity

### 16.1 Common shares

Northland is authorized to issue an unlimited number of Shares. Changes in the issued and outstanding common shares during the year ended December 31, 2025 is summarized as follows:

	December 31, 2025		December 31, 2024	
	Shares	Amount	Shares	Amount
Shares outstanding, at the beginning	259,947,326	\$ 5,193,412	254,939,822	\$ 5,085,387
Shares issued under the DRIP	1,554,718	27,482	5,007,504	108,025
<b>Total common shares outstanding, at the end</b>	<b>261,502,044</b>	<b>\$ 5,220,894</b>	<b>259,947,326</b>	<b>\$ 5,193,412</b>

### Dividend Reinvestment Plan (DRIP)

Northland offers a Dividend Reinvestment Plan ("**DRIP**") that enables shareholders to reinvest their dividends into additional shares, as defined by the DRIP guidelines. Northland may on its discretion, adjust the applicable discount and issue shares from its treasury or acquire them through market purchases.

Effective April 15, 2025, Northland implemented changes to DRIP. The discount on shares issued under the DRIP was reduced from 3% to 0%. These changes apply to dividends paid to shareholders of record as of March 31, 2025 ([Note 16.3](#)). Furthermore, DRIP shares are being acquired through secondary market purchases rather than issued from treasury.

## Share-based Compensation

Northland's share-based compensation plans allow for a maximum of 3,100,000 shares to be reserved and granted to employees of Northland and its subsidiaries. As at December 31, 2025, 1,153,043 shares remain available for future issuance under these compensation plans. For the year ended December 31, 2025, Northland recognized \$6 million (December 2024: \$5 million) of costs under the share-based compensation plans. No forfeitures are assumed to occur.

For the year ended December 31, 2025 and 2024, settlements under the share-based compensation plans are summarized below:

Year ended December 31,	2025	2024
Restricted Share Units	\$ 4,229	\$ 1,554
Deferred Rights	896	351
Performance Share Units	764	156
Deferred Shares Units	—	869
Development Project LTIP	—	808
<b>Total</b>	<b>\$ 5,889</b>	<b>\$ 3,738</b>

## 16.2 Preferred share dividends

As at December 31, 2025 and 2024, the outstanding balance of preferred shares, comprising of Series 1 and Series 2 Preferred Shares are summarized as follows:

	December 31, 2025		December 31, 2024	
	Shares	Amount	Shares	Amount
Series 1 Preferred Shares	4,981,651	\$ 124,541	4,762,246	\$ 113,675
Series 2 Preferred Shares	1,018,349	20,302	1,237,754	31,168
<b>Total preference shares outstanding, end of year</b>	<b>6,000,000</b>	<b>\$ 144,843</b>	<b>6,000,000</b>	<b>\$ 144,843</b>

Holders of Series 1 Preferred Shares and Series 2 Preferred Shares have the right, at their option, to convert all or part of their shares, on a one-for-one basis, into shares of the other series, respectively. Pursuant to this option, during the year ended December 31, 2025, 6,200 Series 1 Preferred Shares were converted to Series 2 Preferred Shares and 225,605 Series 2 Preferred Shares were converted into Series 1 Preferred Shares.

### Series 1 Preferred shares

The annual dividend rate of Series 1 Preferred Shares resets every five years, based on the current five-year Government of Canada bond yield plus 2.80%. The holders of the Series 1 Preferred Shares are entitled to a fixed cumulative dividend, payable quarterly, as and when declared by the Board of Directors.

On September 30, 2025, the fixed dividend rate for Series 1 Preferred Shares was reset for the five years ending September 29, 2030. The dividends on the Series 1 Preferred Shares will be paid quarterly at an annualized rate of 5.70%.

### Series 2 Preferred shares

The Series 2 Preferred Shares carry the same features as the Series 1 Preferred Shares, except that holders are entitled to receive quarterly floating-rate cumulative dividends, as and when declared by the Board of Directors, at an annual rate equal to the then three-month Government of Canada bond yield plus 2.80% (December 2024: 2.80%).

For the year ended December 31, 2025, the preferred share dividends, excluding tax, were paid as follows:

Year ended December 31,	2025	2024
Series 1 Preferred Shares	\$ 4,634	\$ 3,812
Series 2 Preferred Shares	1,689	2,350
<b>Total</b>	<b>\$ 6,323</b>	<b>\$ 6,162</b>

### 16.3 Ordinary dividends

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

Year ended December 31,	2025	2024
Aggregate dividends declared		
Dividends in cash	\$ 282,273	\$ 200,657
Dividends in shares issued from treasury (Note 16.1)	20,912	108,367
<b>Total</b>	<b>\$ 303,185</b>	<b>\$ 309,024</b>
Ordinary dividends declared per Share	\$ 1.16	\$ 1.20

On November 12, 2025, Northland's Board of Directors approved an adjustment to Northland's dividend to \$0.72 per share on an annual basis. The change was applicable to the dividend payment on January 15, 2026, to shareholders of record on December 31, 2025.

Dividends amounting to \$16 million, remained unpaid as at December 31, 2025 (December 2024 - \$27 million).

### 17. Non-controlling interests

Non-controlling interests ("NCI") relate to the interests not owned by Northland. Subsidiaries with non-controlling interests that are material to Northland's consolidated financial statements include Gemini (40.0% - 2024: 40.0%), Nordsee One (15.0% - 2024: 15.0%) and the Oneida Project (69.7% - 2024: 72.4%). Summarized financial information for these subsidiaries (representing 100% ownership) is as follows:

As at December 31, 2025	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Gemini	\$ 140,838	\$ 2,361,931	\$ 316,052	\$ 1,428,176
Nordsee One	140,565	635,802	142,563	371,134
Oneida Project	87,423	560,803	50,095	459,849
Others <sup>(1)</sup>	232,411	1,710,464	159,698	810,560
<b>Total</b>	<b>\$ 601,237</b>	<b>\$ 5,269,000</b>	<b>\$ 668,408</b>	<b>\$ 3,069,719</b>

(1) Others include McLean's (50.0%), Grand Bend (50.0%), CEEC (61.6%), EBSA (0.6%), GMS Solar (37.5%), ScotWind Projects (24.5%) and Elecdey Lezuza, S.A under the Spanish portfolio (33.8%).

As at December 31, 2024	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Gemini	\$ 275,769	\$ 2,376,260	\$ 359,247	\$ 1,590,757
Nordsee One	77,196	1,142,276	159,549	536,139
Oneida Project	121,226	594,790	103,743	484,267
Others <sup>(1)</sup>	429,796	1,600,974	372,041	804,500
<b>Total</b>	<b>\$ 903,987</b>	<b>\$ 5,714,300</b>	<b>\$ 994,580</b>	<b>\$ 3,415,663</b>

(1) Others include McLean's (50.0%), Grand Bend (50.0%), CEEC (61.6%), EBSA (0.6%), GMS Solar (37.5%), ScotWind Projects (24.5%) and Elecdey Lezuza, S.A under the Spanish portfolio (33.8%).

An analysis of changes in NCI during the year ended December 31, 2025, and 2024 is as follows:

	Gemini	Nordsee One	Oneida Project	Others	Total
<b>As at January 1, 2025</b>	\$ 280,529	\$ 81,443	\$ 13,720	\$ (5,392)	\$ 370,300
Additional contribution by NCI	—	—	—	5,185	5,185
Increase in NCI arising on dilution of interest (a)	—	—	5,288	—	5,288
Net income (loss) attributable to NCI <sup>(1)</sup>	90,124	(46,077)	3,056	7,786	54,889
Dividends distributions attributable to NCI <sup>(1)</sup>	(87,015)	—	—	(13,883)	(100,898)
Allocation of other comprehensive income (loss) <sup>(1)</sup>	19,562	7,149	—	1,856	28,567
<b>As at December 31, 2025</b>	\$ 303,200	\$ 42,515	\$ 22,064	\$ (4,448)	\$ 363,331
<b>As at January 1, 2024</b>	\$ 219,509	\$ 67,935	\$ 10,600	\$ (497)	\$ 297,547
Additional contribution by NCI	—	—	782	—	782
Net income (loss) attributable to NCI <sup>(1)</sup>	79,013	12,908	2,513	5,130	99,564
Dividends distributions attributable to NCI <sup>(1)</sup>	(17,547)	—	—	(11,245)	(28,792)
Allocation of other comprehensive income (loss) <sup>(1)</sup>	(446)	600	(175)	1,220	1,199
<b>As at December 31, 2024</b>	\$ 280,529	\$ 81,443	\$ 13,720	\$ (5,392)	\$ 370,300

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

(a) On March 17, 2025, the Mississaugas of the Credit Business Corporation signed a partnership agreement in relation to acquisition of ownership interest in the Oneida Project. This led to a reduction in Northland's ownership, from 72.4% to 69.7%. Northland continues to retain the control over the Oneida Project. Consequently, Northland continues to consolidate the project's assets and liabilities in accordance with *IFRS 10 - Consolidated Financial Statements*.

## 18. Financial risk management

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

### 18.1 Market Risk

Market risk is the risk that future cash flows and returns will fluctuate because of the changes in market prices and rates. Loans and borrowings, and preferred shares are affected by interest rates and credit spreads. Revenue and supply contracts are exposed to currency rates and commodity prices. Some of these risks are covered by derivative instruments. Types of market risk to which Northland is exposed are discussed below.

#### (i) Interest rate risk

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

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

For the year ended December 31, 2025, if interest rates had been 100 basis points higher or lower with all other variables held constant, income before income taxes from the change in fair value of the interest rate swaps prior to the application of hedge accounting would have been \$168 million (December 2024 - \$201 million) higher or lower. This change would have had no impact on Northland's cash flows.

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

#### (ii) Credit spread risk

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

#### (iii) Currency risk

Currency risk arises because the Canadian dollar equivalent of transactions, assets or liabilities denominated in foreign currencies may vary due to changes in foreign exchange rates. Northland is exposed to changes in the Euro, US dollar, Colombian peso, New Taiwan Dollar and Polish Zloty. Primary exposure to Northland arises from:

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

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

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

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

At December 31, 2025, if the Canadian dollar had been 5% higher or lower against the euro with all other variables held constant, income before taxes from the change in fair value of the euro foreign exchange contracts prior to the application of hedge accounting would have been \$3 million (December 2024 - \$76 million) lower or higher. If the Canadian dollar had been 5% higher or lower against the Colombian peso with all other variables held constant, income before taxes from the change in fair value of the Colombian peso foreign exchange contracts (used to effectively hedge equity distribution from EBSA) would have been \$0.2 million (December 2024 - \$40 million) lower or higher. If the Canadian dollar had been 5% higher or lower against the U.S. dollar with all other variables held constant, income before taxes from the change in fair value of the U.S. dollar foreign exchange contracts prior to the application of hedge accounting would have been \$0.4 million (December 2024 - \$1 million) lower or higher.

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

#### (iv) Commodity price risk

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

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

Northland has exposure to Dutch electricity market prices under Gemini's PPA when the market price falls below the contractual floor price. For the year ended December 31, 2025, the average wholesale market price was above the contractual floor price, so the revenue was not impacted by this floor.

Northland has indirect exposure to German electricity market prices under the Nordsee One and Deutsche Bucht PPAs whereby the facilities do not receive revenue for periods where the market power price remains negative for longer than six consecutive hours. In the fourth quarter of 2025, as scheduled in the EEG for Nordsee One, the subsidy price stepped down to €154/MWh for all turbines. This rate will remain in effect until October 2026. Thereafter, the turbines will gradually begin to phase out from the EEG subsidy mechanism to merchant market pricing, starting with those commissioned earliest. The final turbine is scheduled to receive this tariff until April 2027.

In Spain, Northland is subject to electricity prices under the regulated asset base framework, which allows its Spanish facilities to earn their designated guaranteed pre-tax rate of return ([Note 2.13](#)). However, upon these facilities completing their regulated life, they become exposed to merchant market electricity prices.

#### **18.2 Counterparty Risk**

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

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

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

As at December 31, 2025, approximately 42.8% (December 2024 - 66.0%) of Northland's consolidated trade receivables, excluding third-party partner loan receivable, were due from creditworthy government-related entities.

In 2025, approximately 64.4% (December 2024 - 75.2%) of Northland's consolidated sales were derived indirectly from the sale of electricity to government-related entities. For electricity and other sales, Northland and its subsidiaries have not provided allowance accounts and have not purchased credit derivatives to mitigate counterparty risk. All significant accounts receivable amounts are current as at December 31, 2025.

### 18.3 Liquidity Risk

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

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

As at December 31, 2025, NPI and its subsidiaries were holding cash and cash equivalents of \$643 million (December 2024 - \$613 million), including \$13 million held by NPI (December 2024 - \$64 million), and had available borrowing capacity under the syndicated revolving facility of \$871 million (December 2024 - \$957 million).

The contractual maturities of Northland's financial liabilities at December 31, 2025 are as follows:

	2026	2027-2028	2029-2030	After 2030	Total
<b>Derivative contracts</b>					
Canadian dollar interest rate swaps	\$ 61,159	\$ 113,666	\$ 101,802	\$ 311,473	\$ 588,100
Euro foreign exchange contracts	97,724	411,487	348,349	1,297,402	2,154,962
Euro interest rate swaps	3,677	6,146	4,318	5,432	19,573
Colombian peso foreign exchange contracts	496,960	8,860	—	—	505,820
US dollar foreign exchange contracts	46,614	39,461	48,368	196,384	330,827
US dollar interest rate swaps	6,260	11,895	10,867	37,551	66,573
New Taiwan dollar foreign exchange contracts	—	204,357	127,029	265,376	596,762
Cross currency interest rate contracts	42,392	579,981	—	—	622,373
<b>Interest-bearing loans and borrowings</b>					
Project level non-recourse borrowings - Outstanding principal	\$ 790,555	\$ 2,282,424	\$ 1,439,333	\$ 1,750,587	\$ 6,262,899
Project level non-recourse borrowings - Interest, including interest rate swaps	220,771	335,113	196,716	170,815	923,415
Corporate credit facilities, including interest	7,133	16,060	184,973	—	208,166
Green Subordinated Notes, including interest	46,250	569,375	—	—	615,625
Leases	11,376	23,191	23,333	131,728	189,628
Trade and other payables	283,130	—	—	—	283,130
Provisions and other liabilities	90,292	—	—	—	90,292
<b>Total</b>	<b>\$ 2,204,293</b>	<b>\$ 4,602,016</b>	<b>\$ 2,485,088</b>	<b>\$ 4,166,748</b>	<b>\$ 13,458,145</b>

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

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

## 19. Financial instruments

### 19.1 Fair value hierarchy of derivative financial instruments

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement. The carrying values of financial instruments as at December 31, 2025 and 2024, along with the respective fair value hierarchy are as follows:

As at December 31, 2025	Level 1	Level 2	Level 3 <sup>(3)</sup>	Total
Financial assets at amortized cost <sup>(1)</sup>	\$ 678,904	\$ 1,497,452	\$ —	\$ 2,176,356
Financial assets at fair value through profit and loss	—	236,735	—	236,735
Financial assets at fair value through OCI	—	41,139	—	41,139
Financial liabilities at fair value through profit and loss	—	(192,538)	(232,555)	(425,093)
Financial liabilities at fair value through OCI	—	(8,141)	—	(8,141)
Financial liabilities at amortized cost <sup>(2)</sup>	\$ —	\$ (7,353,285)	\$ —	\$ (7,353,285)
As at December 31, 2024	Level 1	Level 2	Level 3 <sup>(3)</sup>	Total
Financial assets at amortized cost <sup>(1)</sup>	\$ 672,392	\$ 1,517,893	\$ —	\$ 2,190,285
Financial assets at fair value through profit and loss	—	266,603	—	266,603
Financial assets at fair value through OCI	—	46,245	—	46,245
Financial liabilities at fair value through profit and loss	—	(111,733)	(108,245)	(219,978)
Financial liabilities at fair value through OCI	—	(8,333)	—	(8,333)
Financial liabilities at amortized cost <sup>(2)</sup>	\$ —	\$ (7,768,409)	\$ —	\$ (7,768,409)

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

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

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

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

Derivative Financial Instrument	Valuation Technique	Significant unobservable inputs	Range	% change	Sensitivity of input to the fair value (In CAD)
Embedded derivatives	Long-term price forecast	Average illiquid forward energy prices (per MWh)	US\$ 61.29- US\$ 65.41	5% increase / (decrease) in Average forward energy prices	45,725

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

Year ended December 31,	2025	2024
Income (expense) on financial assets at amortized cost	\$ 62,153	\$ 81,771
Income (expense) on financial liabilities at amortized cost	(344,087)	(380,728)
Income (expense) on net financial liabilities at fair value through profit and loss	\$ (378,439)	\$ (93,695)

## 19.2 Derivative financial instruments

The derivative financial instruments consist of the following:

As at December 31, 2025	Current assets	Current liabilities	Non-current assets	Non-current liabilities	Total
<b>Derivatives designated for hedge accounting</b>					
Interest rate contracts	\$ 10,238	\$ (3,573)	\$ 30,828	\$ (4,184)	\$ 33,309
Foreign exchange contracts	30	(384)	43	—	(311)
<b>Derivatives not designated for hedge accounting</b>					
Interest rate contracts	14,014	(12,571)	145,963	(24,243)	123,163
Foreign exchange contracts	12,793	(5,065)	62,651	(89,268)	(18,889)
Cross currency interest rate contracts	1,314	—	—	(61,391)	(60,077)
Embedded derivatives <sup>(1)</sup>		(18,086)		(214,469)	(232,555)
<b>Total</b>	<b>\$ 38,389</b>	<b>\$ (39,679)</b>	<b>\$ 239,485</b>	<b>\$ (393,555)</b>	<b>\$ (155,360)</b>

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

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

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

The change in derivative financial instruments for the year ended December 31, 2025 and 2024 is as follows:

	Balance as at January 1 asset (liability)	Designated in hedge relationships		Fair value changes on derivatives not designated in hedge relationships <sup>(2)</sup>	Foreign exchange gain (loss)	Balance as at December 31, asset (liability)
		Fair value changes recognized in OCI <sup>(1)</sup>	Fair value changes <sup>(2)</sup>			
<b>Year ended December 31, 2025</b>						
Interest rate contracts	\$ 158,828	\$ (19,498)	\$ 7,362	\$ 2,117	\$ 7,663	\$ 156,472
Foreign exchange contracts	50,332	(13,805)	11,498	(65,576)	(1,649)	(19,200)
Cross currency interest rate contracts	(16,378)	—	—	(43,699)	—	(60,077)
Embedded derivatives	(108,245)	—	—	(124,310)	—	(232,555)
<b>Total</b>	<b>\$ 84,537</b>	<b>\$ (33,303)</b>	<b>\$ 18,860</b>	<b>\$ (231,468)</b>	<b>\$ 6,014</b>	<b>\$ (155,360)</b>

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

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

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

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

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

The fair value changes in the above derivative financial instruments are presented net of cash payments aggregating to \$158 million (December 2024 - cash payment \$3 million) and a realized fair value loss of \$8 million (December 2024 - realized fair value gain \$7 million), relating to the contracts settled or terminated during the year.

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

	December 31, 2025	December 31, 2024
Carrying amount (asset/(liability))	\$ (311)	\$ 775
Notional amount - EUR	123,100	148,259
Maturity date	January 2026 - August 2032	January 2025 - August 2032
Hedge ratio (1)	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since January 1	\$ (16,544)	\$ (1,005)
Change in value of hedged item used to determine hedge effectiveness	\$ (18,000)	\$ (7,206)
Weighted average hedged rate for the year (including forward points):		
EUR foreign exchange forward contracts	€0.5935:CAD\$1	€0.6032:CAD\$1

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

Foreign exchange hedge reserve	Euro contracts		Total foreign exchange hedge reserve in AOCI
	Cost of hedging	Forward component	
Total, beginning of the year 2024	\$ (30,992)	\$ 13,939	\$ (17,053)
Add: Costs of hedging deferred during the year in OCI	(17,806)	—	(17,806)
Add: Change in fair value of hedging instrument recognized in OCI for the year (effective portion) <sup>(1)</sup>	—	(4,742)	(4,742)
Less: Re-classified to the consolidated statements of income (loss)	(5,387)	—	(5,387)
Less: Deferred Tax	—	—	—
<b>Total, end of the year 2024</b>	<b>\$ (54,185)</b>	<b>\$ 9,197</b>	<b>\$ (44,988)</b>
Add: Costs of hedging deferred during the year in OCI	5,664	—	5,664
Add: Change in fair value of hedging instrument recognized in OCI for the year (effective portion) <sup>(1)</sup>	—	(15,141)	(15,141)
Less: Re-classified to the consolidated statements of income (loss)	(4,327)	—	(4,327)
<b>Total, end of the year 2025</b>	<b>\$ (52,848)</b>	<b>\$ (5,944)</b>	<b>\$ (58,792)</b>

(1) The deferred tax recovery amounting to \$4 million (December 2024 - \$8 million), applicable to the foreign exchange hedge reserve has been recognized in OCI.

The hedge ineffectiveness recognized in “fair value (gain) loss on financial instruments” in the consolidated statements of income (loss) related to foreign currency contracts (cash flow and net investment hedges) for the year ended December 31, 2025, was nil (December 2024 - \$1 million).

#### (b) Interest rate swaps, designated for hedge accounting

	December 31, 2025		December 31, 2024	
Carrying amount (asset/(liability))	\$	33,309	\$	37,137
Notional amount - CAD		285,656		321,975
Notional amount - EUR		1,189,016		1,482,862
Maturity date		January 2026 - March 2035		January 2025 - March 2035
Hedge ratio <sup>(1)</sup>		1:1		1:1
Change in fair value of outstanding hedging instruments since January 1	\$	(22,175)	\$	(44,992)
Change in value of hedged item used to determine hedge effectiveness	\$	20,680	\$	39,465

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

Interest rate hedge reserve	Canadian Dollar interest rate swaps		Euro interest rate swaps		Total interest rate hedge reserve	
Total, beginning of the year 2024	\$	9,631	\$	62,430	\$	72,061
Add: Change in fair value of hedging instrument recognized in OCI for the year (effective portion) <sup>(1)</sup>		(7,139)		(24,316)		(31,455)
Less: Re-classified to the Consolidated statements of income (loss)		—		(18,772)		(18,772)
<b>Total, end of the year 2024</b>	<b>\$</b>	<b>2,492</b>	<b>\$</b>	<b>19,342</b>	<b>\$</b>	<b>21,834</b>
Add: Change in fair value of hedging instrument recognized in OCI for the year (effective portion) <sup>(1)</sup>		(315)		(13,833)		(14,148)
Less: Re-classified to the Consolidated statements of income (loss)		—		(5,350)		(5,350)
<b>Total, end of the year 2025</b>	<b>\$</b>	<b>2,177</b>	<b>\$</b>	<b>159</b>	<b>\$</b>	<b>2,336</b>

(1) The deferred tax recovery amounting to \$5 million (December 2024 - \$12 million), applicable to the interest rate hedge reserve has been recognized in OCI.

The hedge ineffectiveness recognized in “fair value (gain) loss on financial instruments” in the consolidated statements of income (loss) related to interest rate contracts (cash flow hedges) for the year ended December 31, 2025 was \$2 million (December 2024 - \$1 million).

### (c) Hedge ineffectiveness

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

Fair value of hedged items (hypothetical derivatives)	December 31, 2025	December 31, 2024
Cash flow hedge – interest rate risk	\$ 25,427	\$ 1,406
Net investment hedge – foreign currency risk	\$ (11,840)	\$ (1,759)

## 20. Revenue from sale of energy and related products

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

Year ended December 31,	2025	2024
Non-regulated energy sales and capacity revenues	\$ 1,802,671	\$ 1,739,930
Regulated energy sales and distribution revenues	542,249	556,285
Battery energy storage and capacity revenues	58,144	—
Other revenues <sup>(1)</sup>	31,906	50,049
<b>Total revenues</b>	<b>\$ 2,434,970</b>	<b>\$ 2,346,264</b>

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

Northland's revenues disaggregated by significant geographic locations are presented as follows:

Year ended December 31,	2025	2024
Canada	\$ 638,487	\$ 530,033
The Netherlands	632,443	602,883
Germany	537,253	579,871
Colombia	371,533	356,781
Spain	190,354	218,073
United States	55,907	47,943
Others	8,993	10,680
<b>Total</b>	<b>\$ 2,434,970</b>	<b>\$ 2,346,264</b>

## 21. Operating, G&A and Development costs

Northland's operating, G&A and development costs are presented as follows:

Year ended December 31,	2025	2024
Operating costs	\$ 740,110	\$ 649,936
General and administrative costs	118,675	113,100
Development costs	63,933	63,108
<b>Total</b>	<b>\$ 922,718</b>	<b>\$ 826,144</b>

Analysis of above costs by nature is presented as follows:

Year ended December 31,	2025	2024
Maintenance cost	\$ 276,715	\$ 244,388
Salaries, benefits and allowances	139,800	154,059
Purchase of natural gas (Note 26)	124,432	83,081
Purchase of regulated electricity (Note 26)	99,424	112,702
Business consultancy and professional fee	82,717	63,532
Office and other expenses	55,903	51,611
Transmission and distribution expenses	45,794	40,003
Insurance	38,039	39,782
Purchase of non-regulated electricity (Note 26)	10,524	—
Others	49,370	36,986
<b>Total</b>	<b>\$ 922,718</b>	<b>\$ 826,144</b>

## 22. Net income (loss) per share

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

Year ended December 31,	2025	2024
<b>Net income (loss) during the period attributable to shareholders</b>	\$ (163,248)	\$ 271,825
Less: preferred share dividends, net <a href="#">(Note 16.2)</a>	(6,323)	(6,162)
<b>Net income (loss) attributable to common shareholders for basic and diluted earnings</b>	\$ (169,571)	\$ 265,663
Weighted average number of Shares outstanding, basic and diluted	261,301,393	257,299,969
<b>Net income (loss) attributable to common shareholders per Share - basic and diluted</b>	\$ (0.65)	\$ 1.03

## 23. Finance costs (income), net

Net finance costs consist of the following:

Year ended December 31,	2025	2024
Interest on borrowings and bank fees	\$ 313,452	\$ 342,930
Amortization of deferred financing costs	26,039	32,620
Accretion of decommissioning liabilities <a href="#">(Note 15.1)</a>	11,151	11,294
Lease interest <a href="#">(Note 7.2)</a>	4,596	5,178
<b>Finance costs, gross</b>	\$ 355,238	\$ 392,022
Less: Finance income	(52,273)	(71,388)
<b>Finance costs (income), net</b>	\$ 302,965	\$ 320,634

For the year ended December 31, 2025, finance costs of \$7 million (2024 - \$20 million) respectively, were incurred on borrowings related to the facilities under construction which were capitalized as borrowing costs under construction-in-progress.

## 24. Impairment of non-financial assets

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

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

- Growth rate: 2.5% - 8.0% (December 2024: 3.4% - 8.1%) is used to extrapolate CGU cash flow projections in the discounted cash flow approach. The rate is based on readily available published industry research and central bank rates. The rate was further adjusted to reflect inflation rate of overseas jurisdictions where applicable.
- Discount rate - Post-tax discount rates reflect the current market assessment of the risks specific to each CGU. The discount rate was estimated based on the weighted average cost of capital for the industry. The rate was further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash flows have not been adjusted. The discount rates were further adjusted to reflect country specific risks for the overseas jurisdictions where applicable. The rates are as follows:

Post-tax discount rates	October 1, 2025	October 1, 2024
Applicable to PPA cash flows:	6.0% - 7.7%	6.2% - 7.8%
Applicable to other cash flows <sup>(1)</sup> :	6.5% - 8.2%	8.2% - 9.8%

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

Northland has completed its annual comprehensive impairment assessment, based on value-in-use estimates derived from long-range forecasts and market values observed in the marketplace or FVLCS. Except for the impairment of non-current assets related to Nordsee One, as described below, Northland did not identify any impairments of goodwill or non-current assets, or reversals of prior impairments of non-current assets, during the year ended December 31, 2025 (December 2024: nil) as a result of this review.

### ***Nordsee One***

The Nordsee One cash generating unit (Nordsee One) is an offshore wind farm under the German Energy Sources Act (“EEG”) which requires a scheduled reduction in the Feed-in Tariff (FiT) power prices effective in April 2025, followed by a transition to market pricing by May 2027. This has led to a decreased forecasted cash flow, resulting in an indicator of potential impairment as at September 30, 2025. As a result, management conducted an assessment in accordance with IAS 36 - Impairment of Assets.

The recoverable amount was determined using the Value-In-Use approach, which was higher than fair value less cost to sell. Value in use was calculated based on management's latest financial estimates and a post-tax discount rate of 5.9%.

The analysis indicated that the Nordsee One recoverable amount of \$521 million was lower than its carrying value, resulting in an impairment loss of \$527 million. This impairment loss has been allocated between the property, plant, and equipment \$513 million (Note 4) and contract and other intangible assets \$14 million (Note 5), respectively.

No further indicators of impairment were identified as at December 31, 2025.

## **25. Income taxes**

### ***25.1 Tax expense and temporary difference***

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

<b>Year ended December 31,</b>	<b>2025</b>	<b>2024</b>
<b>Current taxes</b>		
Based on taxable income of current year	\$ 116,678	\$ 195,570
Tax on dividend payments	2,529	2,465
<b>Total current taxation expense</b>	<b>\$ 119,207</b>	<b>\$ 198,035</b>
<b>Deferred taxes</b>		
On origination and reversal of temporary differences	\$ (127,464)	\$ (13,426)
Due to changes in tax rates	(9,036)	—
Prior-year under (over) provision	(23,591)	7,558
<b>Total deferred tax expense (recovery)</b>	<b>\$ (160,091)</b>	<b>\$ (5,868)</b>
<b>Total income tax expense (recovery)</b>	<b>\$ (40,884)</b>	<b>\$ 192,167</b>

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

<b>Year ended December 31,</b>	<b>2025</b>	<b>2024</b>
Related to change in fair value of hedged derivative contracts	\$ (8,654)	\$ (19,894)
Related to pension expense	1,033	1,388
Related to foreign exchange	28,685	(641)
<b>Total deferred tax expense (recovery) in OCI and equity</b>	<b>\$ 21,064</b>	<b>\$ (19,147)</b>

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

Year ended December 31,	2025	2024
Income (loss) before income taxes	\$ (149,243)	\$ 563,556
Combined basic Canadian federal and provincial income tax rate	26.5 %	26.5 %
<b>Income tax expense (recovery) based on statutory rate</b>	<b>\$ (39,549)</b>	<b>\$ 149,342</b>
<i>Items giving rise to differences between accounting and tax expense</i>		
Adjustment for non-deductible (taxable) expenses and incentives	(28,257)	(22,399)
Minority interest	(26,445)	(23,409)
Adjustment with respect to prior years	(23,591)	7,558
Deferred tax expense (recovery) relating to changes in tax rates or change in legal structure	(9,036)	—
Rate difference related to temporary differences in foreign jurisdictions	(4,692)	19,078
Benefit not recognized	86,024	56,516
Tax expense associated with payment of preferred share dividends	2,529	2,465
Manufacturing and processing rate reduction	971	(1,788)
Others	1,162	4,804
<b>Total income tax expense (recovery)</b>	<b>\$ (40,884)</b>	<b>\$ 192,167</b>

Northland, while resident in Canada, operates in a number of foreign jurisdictions. The enacted blended tax rates relevant to the computation of tax expense (recovery) are: Canada 26.5% (December 2024 - 26.5%), Germany 30.0% (December 2024 - 30.5%), Netherlands 25.8% (December 2024 - 25.8%), Mexico 30.0% (December 2024 - 30.0%), Colombia 35.0% (December 2024 - 35.0%), United States 26.1% (December 2024 - 26.1%), and Spain 25.0% (December 2024 - 25.0%).

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

As at	December 31, 2025	December 31, 2024
<b>Deductible (taxable) temporary differences</b>		
Property, plant and equipment	\$ (407,506)	\$ (540,882)
Contracts and other intangible assets	(71,592)	(78,281)
Derivative financial instruments-net	(16,683)	(38,857)
Interest available for carryforward	63,452	78,436
Losses available for carryforward	27,452	24,407
Financing fees	16,083	25,747
Canadian renewable conservation expense	374	374
Others	7,795	9,404
<b>Total (net) deferred tax asset (liability)</b>	<b>\$ (380,625)</b>	<b>\$ (519,652)</b>

The following table analyses the movement in net deferred tax liability for the years ended December 31, 2025 and 2024:

Year ended December 31,	2025	2024
Total, beginning of the year	\$ 519,652	\$ 545,533
Tax expense (recovery) recognized in income statement	(160,091)	(5,868)
Tax expense (recovery) in OCI	(7,621)	(18,507)
Effect of foreign exchange recognized in OCI	28,685	(640)
Others	—	(866)
<b>Total, end of the year</b>	<b>\$ 380,625</b>	<b>\$ 519,652</b>

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

As at	December 31, 2025	December 31, 2024
Net capital loss	\$ 276,814	\$ 209,117
Non-capital losses carried forward	121,504	90,215
Non-deductible interest carried forward	74,257	—
Fair value change in debt instrument	—	5,858
Other deductible temporary differences	257,253	136,578
<b>Total deductible temporary differences</b>	<b>\$ 729,828</b>	<b>\$ 441,768</b>

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

	Canada	UK	Korea	Mexico	Spain
2027 – 2030	\$ 89	\$ —	\$ —	\$ 3,941	\$ —
2031 – 2035	116	—	2,588	1,210	—
2036 – 2040	2,289	—	35,668	—	—
2041 – 2045	38,834	75,645	—	—	82,141
<b>Total</b>	<b>\$ 41,328</b>	<b>\$ 75,645</b>	<b>\$ 38,256</b>	<b>\$ 5,151</b>	<b>\$ 82,141</b>

### **25.2 Temporary differences associated with Northland investments**

The temporary difference associated with investments in Northland’s subsidiaries is \$219 million (December 2024 - \$186 million). A deferred tax liability associated with these investments has not been recognized because Northland controls the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

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

### **25.3 Pillar Two income taxes**

Pillar Two legislation provides for an international framework of rules aimed at ensuring that the worldwide profits of large multinational enterprises are subject to income tax at a rate of at least 15% in every jurisdiction in which they operate. For 2025, the impact of Pillar Two income taxes on Northland’s current tax expense (income) is estimated to be nil. Northland has adopted the temporary mandatory exemption for recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

## 26. Operating segment information

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

	External Sales	Inter-company sales <sup>(1)</sup>	Finance lease income	Total income	Operating costs <sup>(2)</sup>	G&A and development costs	Depreciation and amortization	Impairment and FV adjustment	Operating income (loss)	Finance costs, net
<b>Year ended December 31, 2025</b>										
<b>International</b>										
Offshore wind	\$ 1,169,696	\$ —	\$ —	\$ 1,169,696	\$ 253,070	\$ 11,520	\$ 403,855	\$ 527,155	\$ (25,904)	\$ 109,479
Onshore renewables and storage	190,353	—	—	190,353	54,523	1,738	92,502	—	41,590	25,378
	\$ 1,360,049	\$ —	\$ —	\$ 1,360,049	\$ 307,593	\$ 13,258	\$ 496,357	\$ 527,155	\$ 15,686	\$ 134,857
<b>Americas</b>										
Onshore renewables and storage	\$ 337,283	\$ —	\$ —	\$ 337,283	\$ 62,860	\$ 4,646	\$ 128,962	\$ —	\$ 140,815	\$ 66,747
Natural gas	357,112	—	9,880	366,992	174,816	1,337	46,363	—	144,476	40,214
Utilities	371,533	—	—	371,533	194,841	14,152	36,237	—	126,303	(78)
	\$ 1,065,928	\$ —	\$ 9,880	\$ 1,075,808	\$ 432,517	\$ 20,135	\$ 211,562	\$ —	\$ 411,594	\$ 106,883
<b>Other</b>	8,993	28,688	—	37,681	—	149,215	7,665	—	(119,199)	61,225
<b>Elimination</b>	—	(28,688)	—	(28,688)	—	—	—	—	(28,688)	—
<b>Total</b>	<b>\$ 2,434,970</b>	<b>\$ —</b>	<b>\$ 9,880</b>	<b>\$ 2,444,850</b>	<b>\$ 740,110</b>	<b>\$ 182,608</b>	<b>\$ 715,584</b>	<b>\$ 527,155</b>	<b>\$ 279,393</b>	<b>\$ 302,965</b>
<b>Year ended December 31, 2024</b>										
<b>International</b>										
Offshore wind	\$ 1,182,754	\$ —	\$ —	\$ 1,182,754	\$ 233,095	\$ 8,461	\$ 390,079	\$ —	\$ 551,119	\$ 123,589
Onshore renewables and storage	218,073	—	—	218,073	50,064	2,262	85,433	—	80,314	17,523
	\$ 1,400,827	\$ —	\$ —	\$ 1,400,827	\$ 283,159	\$ 10,723	\$ 475,512	\$ —	\$ 631,433	\$ 141,112
<b>Americas</b>										
Onshore renewables and storage	\$ 259,937	\$ —	\$ —	\$ 259,937	\$ 45,641	\$ 4,020	\$ 105,202	\$ —	\$ 105,074	\$ 76,536
Natural gas	318,039	—	10,383	328,422	129,783	421	46,841	—	151,377	43,045
Utilities	356,781	—	—	356,781	195,711	11,446	34,775	—	114,849	893
	\$ 934,757	\$ —	\$ 10,383	\$ 945,140	\$ 371,135	\$ 15,887	\$ 186,818	\$ —	\$ 371,300	\$ 120,474
<b>Other</b>	10,680	90,249	—	100,929	(4,358)	149,598	11,397	43,884	(99,592)	59,048
<b>Elimination</b>	—	(90,249)	—	(90,249)	—	—	—	—	(90,249)	—
<b>Total</b>	<b>\$ 2,346,264</b>	<b>\$ —</b>	<b>\$ 10,383</b>	<b>\$ 2,356,647</b>	<b>\$ 649,936</b>	<b>\$ 176,208</b>	<b>\$ 673,727</b>	<b>\$ 43,884</b>	<b>\$ 812,892</b>	<b>\$ 320,634</b>

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

(2) Cost of natural gas and electricity purchase, amounting to \$124 million and \$110 million (December 2024 - \$83 million and \$113 million), respectively, has been included within the operating costs (Note 21).

Summarized below are the key balances from each segment:

	PP&E, net	Contracts and other intangible assets, net <sup>(1)</sup>	Goodwill	Investment in joint ventures	Total assets
<b>As at December 31, 2025</b>					
<b>International</b>					
Offshore wind	\$ 3,847,614	\$ 236,172	\$ —	\$ —	\$ 4,688,824
Onshore renewables and storage	1,363,559	—	—	—	1,695,991
	\$ 5,211,173	\$ 236,172	\$ —	\$ —	\$ 6,384,815
<b>Americas</b>					
Onshore renewables and storage	\$ 1,545,489	\$ 20,582	\$ 54,741	\$ —	\$ 2,009,112
Natural gas	660,959	28,133	120,229	—	1,128,639
Utilities	598,037	18,406	494,236	—	1,276,921
	\$ 2,804,485	\$ 67,121	\$ 669,206	\$ —	\$ 4,414,672
<b>Other</b>	158,280	89,325	—	1,234,595	2,438,877
<b>Total</b>	\$ 8,173,938	\$ 392,618	\$ 669,206	\$ 1,234,595	\$ 13,238,364

<b>As at December 31, 2024</b>					
<b>International</b>					
Offshore wind	\$ 4,374,161	\$ 279,516	\$ —	\$ —	\$ 5,264,854
Onshore renewables and storage	1,345,518	—	—	—	1,616,123
	\$ 5,719,679	\$ 279,516	\$ —	\$ —	\$ 6,880,977
<b>Americas</b>					
Onshore renewables and storage	\$ 1,246,859	\$ 6,904	\$ 54,741	\$ —	\$ 1,505,304
Natural gas	673,236	30,489	120,229	—	1,125,623
Utilities	539,581	6,168	442,637	—	1,133,549
	\$ 2,459,676	\$ 43,561	\$ 617,607	\$ —	\$ 3,764,476
<b>Other</b>	699,746	70,809	—	1,023,068	2,958,885
<b>Total</b>	\$ 8,879,101	\$ 393,886	\$ 617,607	\$ 1,023,068	\$ 13,604,338

(1) Contracts and other intangible assets - Others, includes \$23 million (December 2024 - \$26 million) in relation to an option lease agreement, entered with the Scottish government which provides Northland with development exclusivity over the awarded sites for a period of up to 10 years.

## 27. Related-party disclosures

### 27.1 Compensation of key management personnel

Remuneration of key management personnel, consisting of the Board of Directors and members of executive management, expensed in the year ended December 31, 2025, and 2024 is outlined in the table below:

Year ended December 31,	2025	2024
Salaries and short-term employee benefits	\$ 10,070	\$ 13,156
Share-based compensation - cash component	5,772	6,862
<b>Total</b>	\$ 15,842	\$ 20,018

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

## 27.2 Balances and transactions with joint ventures

Summarized below are the material transactions with the joint ventures for the year ended December 31, 2025 and 2024:

Year ended December 31,	2025	2024
Cost recharges to joint ventures <a href="#">(Note 10)</a>	\$ 34,287	\$ 38,928
Interest income on the loans receivable from the joint ventures	29,600	38,605

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

As at	December 31, 2025	December 31, 2024
Loans receivable from the joint ventures <a href="#">(Note 9.1)</a>	\$ 783,295	\$ 682,069
Loan payable to the joint ventures <a href="#">(Note 11)</a>	—	15,977
Amounts due from the joint ventures <a href="#">(Note 8)</a>	28,668	27,223

## 28. Litigation, claims, contingencies and commitments

Litigation, claims and other contingencies arise from time to time in the ordinary course of business for Northland. There are no legal or regulatory proceedings that involve a claim for damages or penalty exceeding 10% of Northland's current assets in respect of which Northland is or was a party, or in respect of which any of Northland's property is or was the subject during the year ended December 31, 2025, nor are there any such proceedings known to Northland to be contemplated. None of these contingencies, individually or in aggregate, are expected to result in a liability that would have a material adverse effect on Northland.

### 28.1 Milestone payments for development project acquisitions

In the normal course of business, Northland enters into acquisition agreements that may result in Northland making additional payments to the seller and/or directly to the development project previously acquired, upon the successful completion of certain milestones. As at December 31, 2025, Northland's best estimate of the future contingent payments is approximately \$181 million of milestone payments under its development project arrangements which are expected to be paid between 2026 and 2030. Due to the uncertainties associated with the outcome of the future development activities and the related milestones, these contingent payments have not been recognized in the consolidated statements of financial position.

### 28.2 Contingencies and commitments

The following is a summary of the material commitments that NPI and its subsidiaries have entered into as at December 31, 2025, in addition to the commitments outlined in the above notes.

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

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

Northland's natural gas turbines and wind turbines are maintained under long-term contracts with the original equipment suppliers. In certain circumstances, if Northland were to terminate any of the agreements, the termination payment would be material.

Under certain circumstances, Northland provides parental guarantees to third-parties in respect of its subsidiaries. As at December 31, 2025, outstanding parental guarantees issued totaled \$394 million (December 2024 - \$406 million) and related primarily to the development, construction and operation of its facilities.

Northland's share of contingencies and commitments in relation to its joint ventures are disclosed in [\(Note 10.2 \(c\)\)](#).

### **28.3 Capital commitments**

In the normal course of operations, as at December 31, 2025, Northland has committed to future spending of approximately \$242 million (December 2024 - \$118 million) on capital projects, primarily relating to the construction of Jurassic BESS, and other routine capital maintenance work on certain operational projects in Canada and Colombia.

## **29. Other income (expenses)**

Other income and expenses for the year ended December 31, 2025 and 2024 include the following items:

### **29.1 Gain on the sale of La Lucha Solar facility**

On March 4, 2024, Northland signed an agreement to sell its 100% ownership in the La Lucha Solar Facility to Cometa Energía, S.A. de C.V. for a base consideration of \$215 million, net of transaction costs, plus \$42 million for VAT claims, to be received after completion of review by the Mexican tax authorities. The facility was classified as held for sale and measured at fair value less costs to sell, resulting in a \$44 million fair value adjustment recognized during the year ended December 31, 2024.

The transaction was completed on June 28, 2024, with Northland receiving \$215 million in net cash and recording a \$64 million gain on disposal, including a non-cash gain of \$41 million from the reclassification of the currency translation reserve (CTA) from accumulated other comprehensive income (loss) to other income (expense) line in the consolidated statements of income (loss). Moreover, in December 2024, the review of the aforementioned VAT claims was finalized by the Mexican tax authorities and consequently, the entire amount of VAT claim was received by Northland before the year ended December 31, 2024.

#### **Discontinued Operations:**

La Lucha Solar Facility did not represent a separate major line of business or geographical area of Northland's operations and hence, results of its operations and associated cash flows for the year ended December 31, 2024 are not separately presented as Discontinued Operations.

### **29.2 Other Item**

In December 2024, Northland received a final settlement of \$53 million related to the mono-bucket foundations at its Deutsche Bucht project ("**Demonstrator Project**"). The construction work on the Demonstrator Project was halted in late 2019 due to technical issues, and the entire cost was written off in the year then ended. This settlement proceeds have been presented under the other income (expense) line, with the associated taxes recognized as a current expense in the consolidated statements of income (loss).

# Corporate Information

## Directors and Executive Officers

### Directors

Mr. Ian Pearce, Board Chair

Ms. Christine Healy

Mr. Doyle Beneby

Ms. Lisa Colnett

Mr. Kevin Glass

Mr. Keith Halbert

Ms. Helen Mallovy Hicks

Mr. Eckhardt Ruemmler

Ms. Ellen Smith

Mr. Sébastien Clerc

### Executive Officers

Ms. Christine Healy  
President & CEO

Mr. Jeff Hart  
Chief Financial Officer

Ms. Rachel Stephenson  
Chief People Officer

Mr. Jaime Hurtado Cola  
General Counsel

Mr. Toby Edmonds  
Executive Vice President, International

Mr. Calvin MacCormack  
Executive Vice President, Americas

Mr. Pierre-Emmanuel Frot  
Executive Vice President, Safety, Projects  
and Development

## General Information

### Registrar and Transfer Agent

Computershare Trust Company of Canada  
100 University Avenue  
Toronto, Ontario, Canada  
M5J 2Y1  
Attention: Equity Services

### Common Shares and Preferred Shares

Northland's common shares and Series 1 and Series 2 preferred shares are listed on the Toronto Stock Exchange and trade under the symbols NPI, NPI.PR.A and NPI.PR.B respectively.

### Tax Considerations

Northland's common shares, preferred shares and convertible unsecured subordinated debentures are qualified investments for RRSPs and DPSPs under the Income Tax Act (Canada).

## Contact Information

### Investor Relations

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