

# Management's Discussion and Analysis of Northland Power's Financial Position and Operating Results

## Table of Contents

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SECTION 1: OVERVIEW .....	<a href="#">2</a>
SECTION 2: NORTHLAND'S BUSINESS .....	<a href="#">5</a>
SECTION 3: CONSOLIDATED HIGHLIGHTS .....	<a href="#">7</a>
3.1: Significant Events .....	<a href="#">7</a>
3.2: Operating Highlights .....	<a href="#">8</a>
SECTION 4: RESULTS OF OPERATIONS .....	<a href="#">9</a>
4.1: Operating Results .....	<a href="#">10</a>
4.2: General and Administrative Costs .....	<a href="#">15</a>
4.3: Growth Expenditures .....	<a href="#">15</a>
4.4: Consolidated Results .....	<a href="#">16</a>
4.5: Adjusted EBITDA .....	<a href="#">18</a>
4.6: Adjusted Free Cash Flow and Free Cash Flow .....	<a href="#">19</a>
SECTION 5: CHANGES IN FINANCIAL POSITION .....	<a href="#">22</a>
SECTION 6: EQUITY, LIQUIDITY AND CAPITAL RESOURCES .....	<a href="#">23</a>
SECTION 7: SUMMARY OF QUARTERLY CONSOLIDATED RESULTS .....	<a href="#">27</a>
SECTION 8: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES .....	<a href="#">28</a>
SECTION 9: OUTLOOK .....	<a href="#">30</a>
SECTION 10: LITIGATION, CLAIMS AND CONTINGENCIES .....	<a href="#">30</a>
SECTION 11: FUTURE ACCOUNTING POLICIES .....	<a href="#">30</a>
SECTION 12: FINANCIAL RISKS AND UNCERTAINTIES .....	<a href="#">30</a>
SECTION 13: CONTROLS AND PROCEDURES OVER FINANCIAL REPORTING .....	<a href="#">30</a>

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## SECTION 1: OVERVIEW

### Introduction

The purpose of this Management's Discussion and Analysis ("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 unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2024, and 2023, as well as its audited consolidated financial statements for the years ended December 31, 2023, and 2022 ("2023 Annual Report") and Northland's most recent Annual Information Form dated February 21, 2024 ("2023 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).

This MD&A contains forward-looking statements that are based on certain estimates and assumptions that were considered reasonable on November 13, 2024; 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 unaudited interim condensed consolidated financial statements and notes, and its Board of Directors approved these documents prior to their release.

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

### Forward-Looking Statements

*This MD&A contains forward-looking statements that are based on certain estimates and assumptions that were considered reasonable on November 13, 2024; actual results may differ materially. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans. Readers are cautioned that such statements may not be appropriate for other purposes. Northland's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, the events anticipated by the forward-looking statements may or may not transpire or occur. Forward-looking statements include statements that are not historical facts and are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects," "anticipates," "plans," "predicts," "believes," "estimates," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions or future or conditional verbs such as "may," "will," "should," "would" and "could." These statements may include, without limitation, statements regarding future Adjusted EBITDA, Adjusted Free Cash Flow and Free Cash Flow, including respective per share amounts, dividend payments and dividend payout ratios, the timing for and attainment of the Hai Long and Baltic Power offshore wind and Oneida energy storage projects and other renewables growth activity, and the anticipated contributions therefrom to Adjusted EBITDA, Adjusted Free Cash Flow and Free Cash Flow, the anticipated timing and attainment of insurance proceeds relating to the damage of one of Gemini's export cables, the expected generating capacity of certain projects, guidance, anticipated dates of full commercial operations, forecasts as to overall project costs, the completion of construction, acquisitions, dispositions, whether partial or full, investments or financings and the timing thereof, the timing for and attainment of financial close and commercial operations for each project, the potential for future production from project pipelines, cost and output of development projects, the all-in interest cost for debt financing, the impact of currency and interest rate hedges, litigation claims, anticipated results from the optimization of the Thorold Co-Generation facility and the timing related thereto, future funding requirements, and the future operations, business, financial condition, financial results, priorities, ongoing objectives, strategies and the outlook of Northland, its subsidiaries and joint ventures. These statements are based upon certain material factors or assumptions that were applied in developing the forward-looking statements, including the design specifications of development projects, the provisions of contracts to which Northland or a subsidiary is a party, management's current plans and its perception of historical trends, current conditions and expected future developments, the ability to obtain necessary approvals, satisfy any closing conditions, satisfy any project finance lender conditions to closing sell-downs or obtain adequate financing regarding contemplated construction, acquisitions, dispositions, investments or financings, as well as other factors, estimates and assumptions that are believed to be appropriate in the circumstances. Although these forward-looking statements are based upon management's current reasonable expectations and assumptions, they are subject to numerous risks and uncertainties. Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, risks associated with further regulatory and policy changes in Spain which could impair current guidance and expected returns, risks associated with merchant pool pricing and revenues, risks associated with sales contracts, the emergence of widespread health emergencies or pandemics, Northland's reliance on the performance of its offshore wind facilities at Gemini, Nordsee One and Deutsche Bucht for over 50% of its Adjusted EBITDA, counterparty and joint venture risks, contractual operating performance, variability of sales from generating facilities powered by intermittent renewable resources, wind and solar resource risk, unplanned maintenance*

risk, offshore wind concentration, natural gas and power market risks, commodity price risks, operational risks, recovery of utility operating costs, Northland's ability to resolve issues/delays with the relevant regulatory and/or government authorities, permitting, construction risks, project development risks, integration and acquisition risks, procurement and supply chain risks, financing risks, disposition and joint-venture risks, competition risks, interest rate and refinancing risks, liquidity risk, inflation risks, commodity availability and cost risk, construction material cost risks, impacts of regional or global conflicts, credit rating risk, currency fluctuation risk, variability of cash flow and potential impact on dividends, taxation, natural events, environmental risks, climate change, health and worker safety risks, market compliance risk, government regulations and policy risks, utility rate regulation risks, international activities, cybersecurity, data protection and reliance on information technology, labour relations, labour shortage risk, management transition risk, geopolitical risk in and around the regions Northland operates in, large project risk, reputational risk, insurance risk, risks relating to co-ownership, bribery and corruption risk, terrorism and security, litigation risk and legal contingencies, and the other factors described in this MD&A and the 2023 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 for the future. Readers are cautioned that reliance on any financial outlook may not be appropriate for other purposes or in other circumstances and that the risk factors described above or other factors may cause actual results to differ materially from any financial outlook. The actual results of Northland's operations will likely vary from the amounts set forth in any financial outlook and such variances may be material.

## **Non-IFRS Financial Measures**

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

### **Adjusted EBITDA**

Adjusted EBITDA represents the core operating performance of the business excluding leverage, income tax and non-core accounting items. Adjusted EBITDA is calculated as Northland's share of net income (loss) adjusted for the provision for (recovery of) income taxes; depreciation of property, plant and equipment; amortization of contracts and other intangible assets; impairment/write-off of capitalized growth projects and operating assets; net finance costs; interest income from Gemini; fair value (gain) loss on derivative contracts; foreign exchange (gain) loss; (gain) loss on sale of operating facilities; (gain) loss on full divestiture of development facilities; exclusion of Northland's share of (profit) loss from equity accounted investees, net of sell-downs; including Northland's share of Adjusted EBITDA from equity accounted investees; including gain (loss) on dilution of controlled development assets; costs attributable to an asset or business acquisition and other adjustments as appropriate, such as management and incentive fees earned by Northland from non-wholly owned assets.

For clarity, Northland's Adjusted EBITDA reflects a reduction of its share of general and administrative costs during development and construction that do not qualify for capitalization.

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

### **Adjusted Free Cash Flow**

Adjusted Free Cash Flow represents the cash generated from the business, before investment-related decisions (refer to *Section 4.3: Growth Expenditures*), and available to pay dividends. Adjusted Free Cash Flow is calculated as Northland's share of cash provided by operating activities adjusted for short-term changes in operating working capital; non-expansory capital expenditures; growth expenditures; 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; major maintenance, decommissioning and debt reserves; Northland's share of Adjusted Free Cash Flow from equity accounted investees; interest income from Northland's subordinated loan to Gemini ("**Gemini sub-debt**"); repayment of Gemini sub-debt; proceeds from government grants; preferred share dividends; 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; and other adjustments as appropriate. Adjusted Free Cash Flow excludes pre-completion sales required to service debt and related operating costs for projects under construction and excludes costs attributable to an asset or business acquisition.

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

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

### **Free Cash Flow**

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

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

For reconciliations of these non-IFRS financial measures to their nearest IFRS measure, refer to *Section 4.5: Adjusted EBITDA* for a reconciliation of consolidated net income (loss) under IFRS to reported Adjusted EBITDA and *Section 4.6: Adjusted Free Cash Flow and Free Cash Flow* for a reconciliation of cash provided by operating activities under IFRS to reported Adjusted Free Cash Flow and Free Cash Flow.

## SECTION 2: NORTHLAND’S BUSINESS

As of September 30, 2024, Northland owns or has a net economic interest in 2,825 megawatts (“MW”) of power-producing facilities with a total gross operating capacity of approximately 3,233MW and a regulated utility. Northland’s facilities produce electricity from clean energy sources for sale, primarily under long-term PPAs or other revenue arrangements with creditworthy counterparties. Northland’s utility is a distributor and retailer of electricity, compensated under a regulated framework. These operating assets provide stable cash flow and are primarily located in Canada, Germany, the Netherlands, Spain, the United States of America, and Colombia. Northland’s significant assets under construction and development are located in Canada, Taiwan, South Korea, Poland, Scotland and the United States of America. Refer to the 2023 AIF for additional information on Northland’s key operating facilities as of December 31, 2023, and refer to *SECTION 8: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES* for additional information on Northland’s key development projects.

Northland’s MD&A and unaudited interim condensed consolidated financial statements include the results of its operating facilities, as summarized in the following table:

	Gross Production Capacity (MW) <sup>(1)</sup>	Net Production Capacity (MW) <sup>(1) (2)</sup>
<b>Offshore Wind</b>	1,192	902
<b>Onshore Renewable</b>		
Wind	1,057	968
Solar	262	247
<b>Natural Gas</b>	722	708
<b>Utility</b>	n/a	n/a
<b>Total</b>	<b>3,233</b>	<b>2,825</b>

(1) As at September 30, 2024, Northland’s economic interest changed from December 31, 2023, due to the sale transaction close of La Lucha solar facility (130MW) in June 2024, and grid connection capacity increase to approximately 260MW from 252MW at Deutsche Bucht offshore wind facility.

(2) Presented at Northland’s economic interest.

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

Project	Geographic Region	Technology	Gross Capacity (MW)	Current ownership	Development Stage	Contract type	Estimated COD
<b>Construction Projects</b>							
Hai Long	Taiwan	Offshore wind	1,022	31% <sup>(1)</sup>	Under construction	30-year PPA <sup>(2)</sup>	2026/2027
Baltic Power	Poland	Offshore wind	1,140	49%	Under construction	25-year CfD <sup>(3)</sup>	2026
Oneida	Canada	Energy Storage	250	72%	Under construction	20-year capacity contract	2025
<b>Total</b>			<b>2,412</b>				
<b>Identified Growth Projects</b>							
Alberta Renewables <sup>(4)</sup>	Canada	Solar and Energy Storage	1,230	100%	Mid-stage	2026 - 2030+	
ScotWind	Scotland	Offshore wind	2,340	76%	Early-stage		
Round 3 <sup>(5)</sup>	Taiwan	Offshore wind	500	51%	Early-stage		
South Korea Renewables	South Korea	Offshore wind	3,450	100%	Early-stage		
<b>Total</b>			<b>7,520</b>				
<b>Additional Pipeline</b>							
Various <sup>(6)</sup>		Various	<b>1,954</b>		Early-stage		TBD
<b>Total Pipeline</b>			<b>11,886</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 (294MW) has a Feed-In-Tariff (“FIT”) for 20 years. Hai Long 2B (224MW) and Hai Long 3 (504MW) have a Corporate Power Purchase Agreement (“CPPA”) for 30 years.

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

(4) During the quarter, Jurassic Battery Energy Storage System (“Jurassic BESS”), an 80MW project in Alberta, moved to ‘Identified Growth Projects’ from the ‘Various’ category (refer to Section 3.1: Significant Events of this MD&A for more information).

(5) Gross capacity represents a portion of Round 3 development pipeline.

(6) Various include 1,954MW of other early-stage development projects.

## SECTION 3: CONSOLIDATED HIGHLIGHTS

### 3.1: Significant Events

Significant events during the first nine months of 2024 and through the date of this MD&A are described below. Refer to *SECTION 8: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES* of this MD&A for additional relevant information.

#### **Renewables Growth updates:**

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

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

The Hai Long project continued to make progress. Offshore construction at the project is advancing, with the completion of installation of both offshore substation foundation jackets, the first offshore substation topside, and two of three export cables. As planned, the project completed the installation of pin piles and turbine jacket foundations at approximately half of the turbine locations, which are ready for turbine installation in 2025, further de-risking the project. The fabrication of turbine components continues, including completion of the first sets of towers, generators and nacelles. On August 20, 2024, an incident occurred at the onshore substation due to a leak of carbon dioxide from the fire suppression system, which resulted in three fatalities. The project team is cooperating with local authorities to investigate the incident and ensure the safety of personnel and the surrounding community. The onshore substation construction work was initially suspended but is now progressing according to its recovery plans. First power is expected in the second half of 2025 with full commercial operations expected to commence in 2026/2027, according to schedule. Overall project cost is aligned with original expectations.

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

The Baltic Power project continues to make progress on fabrication of onshore and offshore substations, foundations, export cables, multiple turbine components and inter-array cables. This quarter marked the fabrication completion of the first sets of monopile foundations and transition pieces, which are ready to be delivered to the project. Construction of the onshore substation and the operations and management building are progressing. Major in-water construction activity is expected to start in early 2025. Full commercial operations are expected to commence in the latter half of 2026, according to schedule. Overall project cost is aligned with original expectations.

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

The Oneida project continues to make progress with its construction activities. The high-voltage transformers have arrived at site, and all cabling and grid interconnection works are being finalized. Commissioning activities have commenced. Full commercial operations are expected to commence in 2025, according to schedule. Overall project cost is aligned with original expectations.

#### **Other Growth Activity**

Northland continues to make progress on its development activities in its core markets. For example, Northland signed a 15-year bilateral offtake agreement for 100% of the battery energy storage capacity from the Jurassic BESS project in Alberta with members of the Alberta Schools Commodities Purchasing Consortium. This is the first offtake agreement of its kind in Canada for a battery storage project and is a key milestone in the advancement of Northland's Alberta portfolio.

#### **Other:**

#### **La Lucha Solar Facility Sale**

On June 28, 2024, Northland completed the sale of its 100% stake in the La Lucha solar facility to Cometa Energía, S.A. de C.V., wholly owned by Saavi Energía ("**Saavi**") for approximately \$215 million in cash after taxes, transaction fees and other customary adjustments. La Lucha is a 130MW solar facility located in Durango, Mexico. The facility achieved commercial operations in June 2023.

A gain on disposal of \$20 million was recorded in Adjusted Free Cash Flow and Free Cash Flow, which primarily excludes the effect of fair value adjustment of \$44 million (recorded in the first quarter of 2024 upon classification of La Lucha as a disposal group held for sale) in accordance with Northland's non-IFRS financial measures policy. The accounting gain from this sale transaction was recorded at \$64 million.

### Executive Title Update

On October 1, 2024, following former President and CEO Mike Crawley's planned departure, Northland announced that John Brace, who had been serving as Northland's Executive Chair since March 25, 2024, has assumed the role of Interim President and CEO. Mr. Brace continues to serve as Chair of the Board and Ian Pearce continues as Lead Independent Director. Northland will provide a further update when a permanent President and CEO has been appointed.

### Increase in Corporate Credit Facility

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

### Corporate credit rating re-affirmed

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

## 3.2: Operating Highlights

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>FINANCIALS</b>				
Sales	\$ 490,503	\$ 513,290	\$ 1,774,397	\$ 1,606,558
Gross profit	444,489	458,316	1,625,319	1,454,687
Operating income	98,127	146,188	596,321	521,355
Net income (loss)	(190,733)	42,987	220,920	171,786
Net income (loss) attributable to shareholders	(178,162)	36,166	143,531	110,401
Adjusted EBITDA (a non-IFRS measure) <sup>(2)</sup>	227,756	267,258	949,812	851,212
Cash provided by operating activities	195,923	148,005	669,337	649,345
Adjusted Free Cash Flow (a non-IFRS measure) <sup>(2)</sup>	19,447	63,917	313,771	306,690
Free Cash Flow (a non-IFRS measure) <sup>(2)</sup>	1,189	36,316	269,984	232,297
Cash dividends paid	50,210	52,137	151,204	153,332
Total dividends declared <sup>(1)</sup>	\$ 77,422	\$ 76,036	\$ 231,182	\$ 227,101
<b>Per Share</b>				
Weighted average number of shares — basic and diluted (000s)	257,873	253,279	256,673	252,152
Net income (loss) attributable to common shareholders — basic and diluted	\$ (0.70)	\$ 0.14	\$ 0.54	\$ 0.42
Adjusted Free Cash Flow — basic (a non-IFRS measure) <sup>(2)</sup>	\$ 0.08	\$ 0.25	\$ 1.22	\$ 1.22
Free Cash Flow — basic (a non-IFRS measure) <sup>(2)</sup>	\$ 0.00	\$ 0.14	\$ 1.05	\$ 0.92
Total dividends declared	\$ 0.30	\$ 0.30	\$ 0.90	\$ 0.90
<b>ENERGY VOLUMES</b>				
Electricity production in gigawatt hours (GWh)	2,196	2,172	8,210	7,027

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

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

## SECTION 4: RESULTS OF OPERATIONS

The following table summarizes operating results by technology and geography:

Three months ended September 30,	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Electricity production (GWh)		Sales		Operating costs		Operating income		Adjusted EBITDA <sup>(2)</sup>		Adjusted Free Cash Flow <sup>(1) (2)(4)</sup>	
<b>Offshore Wind Facilities</b>	<b>733</b>	815	<b>\$ 213,370</b>	\$ 231,807	<b>\$ 74,221</b>	\$ 52,755	<b>\$ 38,380</b>	\$ 80,902	<b>\$ 107,815</b>	\$ 126,483	<b>\$ (10,896)</b>	\$ (4,379)
<b>Onshore Renewable Facilities</b>												
North America <sup>(3)</sup>	<b>309</b>	227	<b>\$ 55,531</b>	\$ 51,897	<b>\$ 11,211</b>	\$ 7,937	<b>\$ 14,717</b>	\$ 22,806	<b>\$ 36,536</b>	\$ 34,861	<b>\$ 11,436</b>	\$ 9,964
Spain	<b>203</b>	200	<b>60,622</b>	65,992	<b>12,845</b>	11,432	<b>24,946</b>	33,190	<b>45,064</b>	53,632	<b>17,965</b>	15,144
	<b>512</b>	427	<b>\$ 116,153</b>	\$ 117,889	<b>\$ 24,056</b>	\$ 19,369	<b>\$ 39,663</b>	\$ 55,996	<b>\$ 81,600</b>	\$ 88,493	<b>\$ 29,401</b>	\$ 25,108
<b>Natural Gas Facilities</b>												
Canada	<b>944</b>	931	<b>\$ 74,479</b>	\$ 80,553	<b>\$ 15,624</b>	\$ 11,282	<b>\$ 30,398</b>	\$ 34,901	<b>\$ 40,260</b>	\$ 46,359	<b>\$ 13,679</b>	\$ 21,282
<b>Utilities</b>												
Colombia	n/a	n/a	<b>\$ 85,239</b>	\$ 78,314	<b>\$ 20,162</b>	\$ 16,970	<b>\$ 26,587</b>	\$ 22,261	<b>\$ 35,293</b>	\$ 29,868	<b>\$ 14,704</b>	\$ 19,292
<b>Nine months ended September 30,</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	Electricity production (GWh)		Sales		Operating costs		Operating income		Adjusted EBITDA <sup>(2)</sup>		Adjusted Free Cash Flow <sup>(1) (2)(4)</sup>	
<b>Offshore Wind Facilities</b>	<b>3,199</b>	2,996	<b>\$ 902,998</b>	\$ 798,911	<b>\$ 188,463</b>	\$ 154,076	<b>\$ 414,867</b>	\$ 350,014	<b>\$ 535,705</b>	\$ 473,472	<b>\$ 138,129</b>	\$ 95,582
<b>Onshore Renewable Facilities</b>												
North America <sup>(3)</sup>	<b>1,240</b>	859	<b>\$ 189,957</b>	\$ 162,663	<b>\$ 32,290</b>	\$ 23,464	<b>\$ 74,230</b>	\$ 75,659	<b>\$ 127,683</b>	\$ 108,634	<b>\$ 44,279</b>	\$ 37,717
Spain	<b>735</b>	703	<b>164,309</b>	168,153	<b>36,164</b>	36,349	<b>61,320</b>	68,577	<b>120,458</b>	128,919	<b>54,749</b>	6,634
	<b>1,975</b>	1,562	<b>\$ 354,266</b>	\$ 330,816	<b>\$ 68,454</b>	\$ 59,813	<b>\$ 135,550</b>	\$ 144,236	<b>\$ 248,141</b>	\$ 237,553	<b>\$ 99,028</b>	\$ 44,351
<b>Natural Gas Facilities</b>												
Canada	<b>2,847</b>	2,468	<b>\$ 238,904</b>	\$ 251,393	<b>\$ 34,615</b>	\$ 29,297	<b>\$ 112,031</b>	\$ 118,069	<b>\$ 145,043</b>	\$ 151,499	<b>\$ 63,623</b>	\$ 78,661
<b>Utilities</b>												
Colombia	n/a	n/a	<b>\$ 264,984</b>	\$ 216,889	<b>\$ 62,679</b>	\$ 50,480	<b>\$ 82,209</b>	\$ 62,850	<b>\$ 108,484</b>	\$ 84,745	<b>\$ 45,509</b>	\$ 57,404

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

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

(3) Onshore Renewables Facilities – North American geographical segment excludes Mexican La Lucha solar project because Northland monitors the financial performance of La Lucha separately for its financial and operational decision-making. In June 2024, Northland completed the sale transaction of La Lucha. Please refer to Section 3.1: Significant Events for further information.

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

## 4.1: Operating Results

### Offshore Wind Facilities

Northland's three operating offshore wind facilities, Gemini, Nordsee One and Deutsche Bucht, are located off the coasts of the Netherlands and Germany, respectively. Wind power generation harnesses renewable wind energy by converting the kinetic energy of wind into electrical energy. Wind facilities are subject to seasonality, and accordingly, tend to produce more electricity during the first and fourth quarters due to denser air and higher winds compared to the second and third quarters, the effect of which is reflected in the respective fiscal quarter's results. In addition, variability in offshore wind facilities results in similar fluctuations in quarter-to-quarter financial results. Factors such as exposure to market prices, and turbine or grid availability can also have a significant effect on financial results. For the nine months ended September 30, 2024 Gemini, Nordsee One and Deutsche Bucht contributed approximately 21%, 16% and 15%, respectively, to Northland's reported Adjusted EBITDA from facilities.

#### Variability within Operating Results

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

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

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

- The SDE is subject to an annual contractual floor price (the "**SDE floor**"), thereby exposing Gemini to market price risk if the Dutch wholesale market price ("**APX**") falls below the effective annual SDE floor of €51/MWh. As of September 30, 2024 the APX price for the year was estimated to be approximately €74/MWh.
- The SDE fixes the revenue at €169/MWh for 2,385GWh of generation, but due to the settlement's formula, it is paid on the first 1,908GWh. As a result, typically the revenue per MWh reported is higher in the first three quarters and lower in the last quarter of the year. However, it is only a matter of timing and the revenue averages to €169/MWh on an annual basis.
  - If the facility produces more than 2,385GWh in the year, the additional volume produced earns the yearly average captured price ("**CP**").
  - If the facility produces less than 2,385GWh in the year, the asset effectively receives the subsidy for a volume higher than the actual volume produced.

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

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

## Operating Performance

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

	Three months ended September 30,				
	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>	Historical Average <sup>(2)</sup>	Historical High <sup>(2)</sup>	Historical Low <sup>(2)</sup>
Electricity production (GWh)					
Gemini	377	467	440	524	377
Nordsee One	190	176	190	220	173
Deutsche Bucht	166	172	171	185	163
<b>Total <sup>(2)</sup></b>	<b>733</b>	<b>815</b>			

	Nine months ended September 30,				
	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>	Historical Average <sup>(2)</sup>	Historical High <sup>(2)</sup>	Historical Low <sup>(2)</sup>
Electricity production (GWh)					
Gemini	1,694	1,644	1,610	1,710	1,450
Nordsee One	798	712	734	799	635
Deutsche Bucht	707	640	658	706	607
<b>Total</b>	<b>3,199</b>	<b>2,996</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.

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

Electricity production for the three months ended September 30, 2024 decreased 10% or 81GWh compared to the same quarter of 2023, primarily due to export cable damage at Gemini, and higher unpaid curtailments related to negative prices and grid outages, partially offset by higher wind resource at German offshore wind facilities. Electricity production for the nine months ended September 30, 2024 increased 7% or 204GWh compared to the same period of 2023, primarily due to higher wind resource across all offshore wind facilities, partially offset by export cable damage at Gemini and higher unpaid curtailments related to negative prices and grid outages at German offshore wind facilities.

Sales of \$213 million for the three months ended September 30, 2024 decreased 8% or \$18 million, compared to the same quarter of 2023, primarily due to the lower production by \$26 million, partially offset by a \$7 million P&I factor adjustment and various other items. Sales of \$903 million for the nine months ended September 30, 2024 increased 13% or \$104 million compared to the same period of 2023, primarily due to higher production across all offshore wind facilities by \$52 million, \$28 million P&I factor adjustment and \$23 million related to various other items. Further details are set forth in the table below.

Operating costs of \$74 million for the three months ended September 30, 2024 increased 41% or \$21 million compared to the same quarter of 2023, primarily due to Gemini's export cable repair cost and higher maintenance costs at German offshore wind facilities during 2024. Operating costs of \$188 million for the nine months ended September 30, 2024 increased 22% or \$34 million compared to the same period of 2023, primarily due to same factors as above.

Operating income and Adjusted EBITDA of \$38 million and \$108 million, respectively, for the three months ended September 30, 2024 decreased 53% or \$43 million and 15% or \$19 million compared to the same quarter of 2023, due to the same factors as noted above. Operating income and Adjusted EBITDA of \$415 million and \$536 million, respectively, for the nine months ended September 30, 2024 increased 19% or \$65 million and 13% or \$62 million compared to the same period of 2023, due to the same factors as above.

### Revenue per MWh of each facility

For the three and nine months ended September 30, 2024, the revenue per MWh from the offshore wind facilities was in line with expectations:

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

The following table summarizes operating results by facility:

Three months ended September 30, 2024		Total	Gemini	Nordsee One	Deutsche Bucht
<b>Production</b>	GWh	<b>733</b>	377	190	166
Non-curtailed production	GWh	<b>683</b>	367	166	150
<b>Revenue per MWh</b> <sup>(1) (2)</sup>	€/MWh	<b>193</b>	192	193	182
From market	€/MWh	<b>85</b>	47	131	123
From subsidy	€/MWh	<b>108</b>	145	62	59
<b>Nine months ended September 30, 2024</b>					
<b>Production</b>	GWh	<b>3,199</b>	1,694	798	707
Non-curtailed production	GWh	<b>2,995</b>	1,661	688	646
<b>Revenue per MWh</b> <sup>(1) (2)</sup>	€/MWh	<b>191</b>	191	192	182
From market	€/MWh	<b>91</b>	60	133	123
From subsidy	€/MWh	<b>100</b>	131	59	59
<b>Subsidy price</b>	€/MWh		169	194	184

(1) Revenue from non-curtailed production only.

(2) Revenue from curtailed production amounted to \$12 million (2023: \$12 million) and \$49 million (2023: \$80 million) for the three and nine months ended September 30, 2024, respectively.

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

	Three months ended September 30,		Nine months ended September 30,		
	2024	2023	2024	2023	
<b>Unpaid curtailment production</b>					
Due to negative prices	GWh	<b>46</b>	37	<b>79</b>	54
Due to grid outages	GWh	<b>14</b>	—	<b>55</b>	25
		<b>60</b>	37	<b>134</b>	79
<b>Adverse impact on revenue</b>					
Due to negative prices	\$	<b>10,917</b>	\$ 10,376	\$ <b>22,426</b>	\$ 15,012
Due to grid outages		<b>3,958</b>	—	<b>14,908</b>	6,623
	\$	<b>14,875</b>	\$ 10,376	\$ <b>37,334</b>	\$ 21,635

### Onshore Renewable Facilities

Northland's onshore renewables comprise 1,215MW (at Northland's share) of onshore wind and solar facilities located in Canada, the United States of America and Spain. Onshore wind facilities are similar in nature operationally to offshore wind; however, with lower operating costs and generally lower wind resource. Solar power facilities have lower fixed operating costs per unit of capacity than other renewable power technologies. Electricity production from solar facilities tends to be less variable than wind but is limited to available sunlight, which is generally higher in the second and third quarters than in the first and fourth quarters. For the nine months ended September 30, 2024, Northland's onshore renewable facilities in North America and Spain contributed approximately 12% and 12%, respectively, to Northland's reported Adjusted EBITDA from facilities.

### Spain revenue structure and regulatory changes

Northland’s Spanish portfolio is comprised of onshore wind (435MW), solar photovoltaic (66MW), and concentrated solar (50MW) assets located throughout Spain. The Spanish portfolio operates under a regulated asset base framework that guarantees a specified pre-tax rate of return of 7.4% for 20 sites and 7.1% for 12 sites, over the full regulatory life of the facilities, regardless of settled wholesale power price (“**pool price**”). During the first quarter, the regulatory period of one 50MW onshore wind facility ended which resulted in the facility receiving the merchant revenue. Management is assessing options for a future revenue mechanism, considering that the open position is currently not deemed material.

The revenue for each facility has four components:

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

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Ri revenue	€ 10,244	€ 10,245	€ 29,953	€ 30,735
Market revenue	13,951	16,754	30,109	52,218
Band adjustment	16,259	18,671	51,080	33,145
<b>Total revenue</b>	<b>€ 40,454</b>	<b>€ 45,670</b>	<b>€ 111,142</b>	<b>€ 116,098</b>
Regulated Posted price per MWh	€ 109	€ 109	€ 109	€ 109
Market Revenue per MWh	€ 69	€ 84	€ 41	€ 74
Production (GWh)	203	200	735	703

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Ri revenue	\$ 15,352	\$ 14,947	\$ 44,282	\$ 44,790
Market revenue	20,906	24,444	44,512	76,096
Band adjustment	24,364	26,601	75,515	47,267
<b>Total revenue</b>	<b>\$ 60,622</b>	<b>\$ 65,992</b>	<b>\$ 164,309</b>	<b>\$ 168,153</b>

Electricity production at the onshore renewable facilities for the three months ended September 30, 2024 was 20% or 86GWh higher than the same quarter of 2023, primarily due to the contribution from the New York onshore wind projects that achieved commercial operations in October 2023, and higher wind resource at the Canadian and Spanish onshore renewable facilities, partially offset by lower solar resource at the Spanish onshore renewable facilities. Electricity production for the nine months ended September 30, 2024 was 26% or 413GWh higher than the same period of 2023, primarily due to the same factors as above.

Sales of \$116 million for the three months ended September 30, 2024 decreased 1% or \$2 million compared to the same quarter of 2023, primarily due to lower revenue from the Spanish facilities and Canadian onshore facilities, partially offset by the contribution from the New York onshore wind projects. Sales of \$354 million for the nine months ended September

30, 2024 increased 7% or \$23 million compared to the same period of 2023, primarily due to the contribution from the New York onshore wind projects, partially offset by the lower revenue from the Spanish and Canadian onshore facilities.

*Operating income* and *Adjusted EBITDA* of \$40 million and \$82 million, respectively, for the three months ended September 30, 2024 decreased 29% or \$16 million and 8% or \$7 million, respectively, compared to the same quarter of 2023, primarily due to operating cost from New York onshore wind projects, in addition to the same factors as above. Operating income of \$136 million for the nine months ended September 30, 2024 decreased 6% or \$9 million compared to the same period of 2023, primarily due to the same factors as above. Adjusted EBITDA of \$248 million for the nine months ended September 30, 2024 increased 4% or \$11 million, compared to the same period of 2023, primarily due to the contribution from the New York onshore wind projects, partially offset by the lower revenue from the Spanish facilities and Canadian onshore facilities.

### **Natural Gas Facilities**

The contractual structures of Northland's natural gas facilities ensure each facility's gross profit is generally stable, within a seasonal profile, regardless of production or sales levels, so long as the plant is available. Under certain revenue agreements, the facility is reimbursed for certain costs of sales by the counterparty. For the nine months ended September 30, 2024, Northland's natural gas facilities contributed approximately 14% of reported Adjusted EBITDA from facilities, with the two largest facilities, North Battleford and Thorold accounting for approximately 12%.

*Electricity production* of 944GWh for the three months ended September 30, 2024 was largely in line with the same quarter of 2023. Electricity production for the nine months ended September 30, 2024 increased 15% or 379GWh compared to the same period of 2023, primarily due to higher market demand for dispatchable power.

*Sales* of \$74 million for the three months ended September 30, 2024 decreased 8% or \$6 million as compared to the same quarter of 2023, primarily due to lower natural gas prices resulting in lower energy rates. Sales of \$239 million for the nine months ended September 30, 2024 decreased 5% or \$12 million compared to the same period of 2023, primarily due to the same factors as above.

*Adjusted EBITDA* of \$40 million for the three months ended September 30, 2024 was largely in line with the same quarter of 2023. Adjusted EBITDA of \$145 million for the nine months ended September 30, 2024 was largely in line with the same period of 2023.

### **Utility**

Empresa de Energía de Boyacá S.A E.S.P ("**EBSA**") holds the sole franchise rights for electricity distribution in the Boyacá region of Colombia and is an electricity retailer for the regulated residential sector in the region. EBSA owns and operates an extensive distribution network, serving about half a million customers. EBSA's net sales are almost entirely regulated, of which the vast majority is earned from its distribution business and the remainder primarily from its electricity retail business. For the nine months ended September 30, 2024, EBSA contributed approximately 10% of reported Adjusted EBITDA from facilities.

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

*Sales* of \$85 million for the three months ended September 30, 2024 increased 9% or \$7 million compared to the same quarter of 2023, primarily due to the growth in asset base and rate escalations. Sales of \$265 million for the nine months ended September 30, 2024 increased 22% or \$48 million compared to the same period of 2023, primarily due to foreign exchange changes, in addition to the same factors as above.

Gross profit of \$58 million for the three months ended September 30, 2024 increased 20% or \$10 million compared to the same quarter of 2023, primarily due to the same factors as above. Gross profit of \$181 million for the nine months ended September 30, 2024 increased 27% or \$39 million compared to the same period of 2023, primarily due to the same factors as above.

Operating income and Adjusted EBITDA of \$27 million and \$35 million, respectively, for the three months ended September 30, 2024 increased 19% or \$4 million and 18% or \$5 million respectively, compared to the same quarter of 2023, primarily due to the same factors as above. Operating income and Adjusted EBITDA of \$82 million and \$108 million, respectively, for the nine months ended September 30, 2024 increased 31% or \$19 million and 28% or \$24 million, respectively, compared to the same period of 2023, primarily due to the same factors as above.

## 4.2: General and Administrative Costs

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Corporate G&A	\$ 22,546	\$ 17,622	\$ 64,211	\$ 53,743
Operations G&A <sup>(1)</sup>	7,812	4,726	21,658	22,988
<b>Total G&amp;A costs</b>	<b>\$ 30,358</b>	<b>\$ 22,348</b>	<b>\$ 85,869</b>	<b>\$ 76,731</b>

(1) Operations G&A is included in the respective segment's Adjusted EBITDA and Adjusted Free Cash Flow presented in Section 4.1: Operating Results.

Corporate G&A costs of \$23 million for the three months ended September 30, 2024 were 28% or \$5 million higher compared to the same quarter of 2023, primarily due to increased personnel costs relating to one-time management changes and restructuring of operating and corporate functions. Corporate G&A costs of \$64 million for the nine months ended September 30, 2024 were 19% or \$10 million, higher, compared to the same period of 2023, primarily due to higher one-time personnel cost, in addition to the same factors above.

Operations G&A costs of \$8 million for the three months ended September 30, 2024 were 65% or \$3 million higher compared to the same quarter of 2023, primarily due to the timing of expenditures in 2023. Operations G&A costs of \$22 million for the nine months ended September 30, 2024 was largely in line with the same period of 2023.

## 4.3: Growth Expenditures

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Business development <sup>(4)</sup>	\$ 2,673	\$ 8,320	\$ 3,338	\$ 29,024
Project development	3,587	13,177	6,664	20,906
Development overhead	12,086	12,906	33,192	36,824
Acquisition costs <sup>(1)</sup>	138	139	412	411
<b>Development costs</b>	<b>\$ 18,484</b>	<b>\$ 34,542</b>	<b>\$ 43,606</b>	<b>\$ 87,165</b>
Joint venture project development costs <sup>(2)</sup>	636	511	1,879	2,397
<b>Growth expenditures <sup>(3)</sup></b>	<b>\$ 18,258</b>	<b>\$ 31,914</b>	<b>\$ 43,787</b>	<b>\$ 86,151</b>

(1) Relates to successful acquisition costs only. Excluded from growth expenditures.

(2) Includes Northland's share of development costs incurred at Baltic Power 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 and nine months ended September 30, 2024 of \$0.7 million and \$1.3 million, respectively.

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

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

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

*Business development costs* are incurred to identify and explore prospective business and development opportunities, which are expected to result in identifiable development projects intended to be pursued to completion. These may include costs incurred for projects that ultimately may not be pursued to acquisition or to completion. Business development costs for the three and nine months ended September 30, 2024 were lower compared to 2023, primarily due to lower growth activities in the onshore renewables business as a result of focused market strategy and reimbursement for business development costs relating to certain early-stage development activity from prior years.

*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 three and nine months ended September 30, 2024 project development costs were lower than 2023, primarily due to focused spending on development activities and timing of the expenditures. Development costs incurred included activities mainly related to offshore and onshore renewable power opportunities being pursued. Refer to *SECTION 8: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES* for additional information on identified development projects.

*Development overhead* primarily relates to personnel, rent and other office costs not directly attributable to specific development projects. Development overhead reflects Northland's resources and development offices in key target jurisdictions focused on securing long-term growth opportunities in those jurisdictions. Development overhead costs for the three and nine months ended September 30, 2024 were lower than 2023, primarily due to lower personnel and other costs.

*Acquisition and transaction costs* are generally third-party transaction-related costs directly attributable to an executed business acquisition.

#### **4.4: Consolidated Results**

The following discussion of the significant factors contributing to the consolidated financial results should be read in conjunction with Northland's unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2024.

##### **Third Quarter**

*Sales* of \$491 million decreased 4% or \$23 million compared to the same quarter of 2023, primarily due to lower production at offshore wind facilities and lower revenue from the Spanish portfolio. This decrease was partially offset by the contribution from the New York onshore wind projects that achieved commercial operations in October 2023 and higher revenue from EBSA due to growth in asset base and rate escalations.

*Gross profit* of \$444 million decreased 3% or \$14 million compared to the same quarter of 2023, due to the same factors affecting sales.

*Operating costs* of \$129 million increased 35% or \$33 million compared to the same quarter of 2023, primarily due to Gemini's export cable repair cost, higher maintenance costs at German offshore wind facilities, and contribution from the New York onshore wind facilities.

*Corporate and Operational G&A costs* of \$30 million increased 36% or \$8 million primarily due to increased personnel costs relating to one-time management changes and restructuring of operating and corporate functions.

*Development costs* of \$18 million decreased 46% or \$16 million compared to the same quarter of 2023, primarily due to focused spending on development activities and timing of the expenditures.

*Finance costs* of \$108 million increased 22% or \$20 million primarily due to the contribution from New York onshore wind projects, partially offset by scheduled repayments on facility-level loans.

*Fair value loss on financial instruments* was \$100 million, primarily due to net movement in the fair value of derivatives related to interest rate and foreign exchange contracts.

*Foreign exchange gain* of \$9 million was primarily due to unrealized gain from fluctuations in the closing foreign exchange rates.

*Other income* was \$19 million lower than the same quarter of 2023, primarily due to gains associated with the partial sell-down of development assets in 2023.

*Net loss* of \$191 million in the third quarter of 2024 compared to net income of \$43 million in the same quarter of 2023, was primarily as a result of the factors described above.

## ***Year to date***

*Sales* of \$1,774 million increased 10% or \$168 million compared to the same period of 2023, primarily due to higher wind resource across all offshore wind facilities, contribution from the New York onshore wind projects, and higher revenue from EBSA due to growth in asset base, foreign exchange changes and rate escalations.

*Gross profit* of \$1,625 million increased 12% or \$171 million compared to the same period of 2023, primarily due to the same factors affecting sales in the period.

*Operating costs* of \$353 million increased 19% or \$57 million compared to the same period of 2023, primarily due to Gemini's export cable repair cost, higher maintenance costs at German offshore wind facilities, effect of foreign exchange changes at EBSA, and contribution from the New York onshore wind facilities.

*Corporate and Operational G&A costs* of \$86 million increased 12% or \$9 million compared to the same period of 2023, primarily due to higher one-time personnel cost, in addition to the same factors above.

*Development costs* of \$44 million decreased 50% or \$44 million compared to the same period of 2023, primarily due to focused spending on development activities and timing of the expenditures.

*Finance costs* of \$295 million increased 19% or \$48 million compared to the same period of 2023, primarily due to the issuance of the Green Subordinated Notes ("**Green Notes**") in June 2023 and the contribution from New York onshore wind projects, partially offset by scheduled repayments on facility-level loans.

*Fair value loss on financial instruments* was \$103 million, primarily due to net movement in the fair value of derivatives related to interest rate and foreign exchange contracts.

*Foreign exchange gain* of \$7 million was primarily due to unrealized gain from fluctuations in the closing foreign exchange rates.

*Other income* was \$19 million higher than the same period of 2023, primarily due to the gain on disposal of La Lucha solar facility, partially offset by lower gains associated with the sale of two offshore wind assets in Europe in 2023.

*Fair value adjustment relating to disposal group classified as held for sale* was \$44 million due to a fair value adjustment upon classification of the La Lucha solar facility as a disposal group held for sale. Please refer to *Section 3.1: Significant Events* for further information.

*Net income* of \$221 million in the nine months ended September 30, 2024 compared to \$172 million in the same period of 2023 primarily as a result of the factors described above.

## 4.5: Adjusted EBITDA

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>Net income (loss)</b>	\$ (190,733)	\$ 42,987	\$ 220,920	\$ 171,786
Adjustments:				
Finance costs, net	91,852	72,421	240,876	210,699
Gemini interest income	1,974	(150)	5,683	6,112
Provision for (recovery of) income taxes	(6,065)	18,682	125,552	94,706
Depreciation of property, plant and equipment	156,519	147,924	466,547	438,981
Amortization of contracts and intangible assets	14,823	14,463	43,650	42,505
Fair value (gain) loss on derivative contracts	98,933	43,711	98,925	106,714
Foreign exchange (gain) loss	(8,734)	(11,514)	(7,069)	(36,162)
Fair value adjustment relating to disposal group classified as held for sale	—	—	43,884	—
Elimination of non-controlling interests	(40,302)	(53,380)	(204,216)	(186,389)
Finance lease (lessor)	(1,115)	(1,349)	(3,524)	(4,318)
Share of (profit) loss from joint ventures	112,823	(2,219)	(20,629)	14,250
Others <sup>(1)</sup>	(2,219)	(4,318)	(60,787)	(7,672)
<b>Adjusted EBITDA <sup>(2)</sup></b>	\$ 227,756	\$ 267,258	\$ 949,812	\$ 851,212

(1) Others primarily include Northland's share of Adjusted EBITDA from equity accounted investees, gain on sale of La Lucha solar facility and other expenses (income).

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

*Gemini interest income* reflects 5% interest earned on Northland's €101 million subordinated debt to Gemini. Under the terms of the Gemini debt amendment completed in the fourth quarter of 2022, semi-annual principal payments to Northland commenced in December 2022 until maturity in 2031. Northland consolidates the financial results of Gemini and, as a result, Northland's loan balances, investment income, and interest expense are eliminated upon consolidation. Gemini interest income is included in Northland's consolidated Adjusted EBITDA because it reflects returns generated from an investment in core assets.

### Third Quarter

Adjusted EBITDA of \$228 million for the three months ended September 30, 2024 decreased 15% or \$40 million compared to the same quarter of 2023. The significant factors decreasing Adjusted EBITDA include:

- \$19 million in gains from partial sell-down of development assets in 2023;
- \$19 million decrease in operating results at the offshore wind facilities, primarily due to export cable damage at Gemini, and higher unpaid curtailments related to negative prices and grid outages at German offshore wind facilities, as described above; and
- \$9 million decrease in the contribution from the Spanish renewables portfolio, as described above.

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

- \$8 million increase due to contribution of New York Wind onshore facilities and higher operating results at EBSA, as described above.

### Year to date

Adjusted EBITDA of \$950 million for the nine months ended September 30, 2024 increased 12% or \$99 million compared to the same period of 2023. The significant factors increasing Adjusted EBITDA include:

- \$62 million increase in operating results at the offshore wind facilities, primarily due to higher wind resource, as described above;
- \$34 million decrease in development expenditures, partially offset by higher G&A costs, as described above;

- \$24 million increase in operating results at EBSA, as described above; and
- \$21 million increase due to the contribution of New York Wind onshore wind facilities.

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

- \$41 million in gains from partial sell-down of development assets in 2023.

#### 4.6: Adjusted Free Cash Flow and Free Cash Flow

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>Cash provided by operating activities</b>	\$ 195,923	\$ 148,005	\$ 669,337	\$ 649,345
Adjustments:				
Net change in non-cash working capital balances related to operations	49,418	99,938	348,393	234,963
Non-expansory capital expenditures	(1,844)	(369)	(3,483)	(1,268)
Restricted funding for major maintenance, debt and decommissioning reserves	20	(582)	(12,145)	(3,235)
Interest	(57,171)	(43,341)	(201,586)	(182,951)
Scheduled principal repayments on facility debt	(44,805)	(55,677)	(373,867)	(381,319)
Funds set aside (utilized) for scheduled principal repayments	(140,914)	(149,854)	(148,788)	(158,020)
Preferred share dividends	(1,551)	(1,527)	(4,662)	(4,530)
Consolidation of non-controlling interests	10,147	(3,533)	(73,444)	(65,186)
Investment income <sup>(1)</sup>	6,875	5,041	20,097	22,311
Others <sup>(2)</sup>	(14,909)	38,215	50,132	122,187
<b>Free Cash Flow <sup>(3)</sup></b>	\$ 1,189	\$ 36,316	\$ 269,984	\$ 232,297
<b>Add Back:</b> Growth expenditures	18,258	31,914	43,787	86,151
<b>Less:</b> Historical growth expenditures' recovery due to sell-down	—	(4,313)	—	(11,758)
<b>Adjusted Free Cash Flow <sup>(3)</sup></b>	\$ 19,447	\$ 63,917	\$ 313,771	\$ 306,690

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

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

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

*Adjusted Free Cash Flow* is a supplementary non-IFRS cash flow measure including associated per share amounts and payout ratios. Adjusted Free Cash Flow is calculated by excluding growth-related expenditures and adjusting for historically incurred growth expenditures' recovery due to sell-down, from Free Cash Flow. Management believes this measure provides a relevant presentation of cash flow generated from the business before investment-related decisions (refer to *Section 4.3: Growth Expenditures* for additional information). Management believes Adjusted Free Cash Flow is a meaningful measure of Northland's ability to generate cash flow, after on-going obligations, to reinvest in growth and fund dividend payments. Reinvesting in growth is a key part of Northland's long-term strategy.

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

Select Scheduled Principal Repayments (at Northland's share)	2024		2023	
Gemini	€	96,383	€	88,497
Nordsee One		88,119		86,767
Deutsche Bucht		78,853		78,071
Spanish portfolio		37,524		63,854
<b>Total</b>	€	<b>300,879</b>	€	<b>317,189</b>

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

	Three months ended September 30,		Nine months ended September 30,					
	2024	2023	2024	2023				
<b>Adjusted EBITDA</b> <sup>(2)</sup>	\$	227,756	\$	267,258	\$	949,812	\$	851,212
Adjustments:								
Scheduled debt repayments		(150,184)		(166,900)		(426,987)		(450,443)
Interest expense		(48,176)		(43,859)		(144,964)		(143,019)
Current taxes		(21,861)		(26,212)		(127,981)		(90,902)
Non-expansory capital expenditure		(1,602)		(358)		(3,063)		(1,078)
Utilization (funding) of maintenance and decommissioning reserves		108		(583)		(10,871)		(3,228)
Lease payments, including principal and interest		(6,297)		(1,783)		(9,678)		(6,312)
Preferred dividends		(1,551)		(1,526)		(4,662)		(4,529)
Foreign exchange hedge gain (loss)		—		747		12,891		31,035
Others <sup>(1)</sup>		2,996		9,532		35,487		49,561
<b>Free Cash Flow</b> <sup>(2)</sup>	\$	1,189	\$	36,316	\$	269,984	\$	232,297
<b>Add back:</b> Growth expenditures		18,258		31,914		43,787		86,151
<b>Less:</b> Historical growth expenditures' recovery due to sell-down		—		(4,313)		—		(11,758)
<b>Adjusted Free Cash Flow</b> <sup>(2)</sup>	\$	19,447	\$	63,917	\$	313,771	\$	306,690

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

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

### Third Quarter

Adjusted Free Cash Flow of \$19 million for the three months ended September 30, 2024 was 70% or \$44 million lower than the same quarter of 2023.

The significant factors decreasing Adjusted Free Cash Flow were:

- \$49 million decrease in Adjusted EBITDA (gross of growth expenditures) primarily due to the factors described above; and
- \$7 million decrease from foreign exchange and interest rate hedges, and other settlements.

The factor partially offsetting the decrease in Adjusted Free Cash Flow was:

- \$12 million decrease in scheduled debt repayments on facility-level loans, mainly at Spanish portfolio.

Free Cash Flow, which is reduced by growth expenditures, totaled \$1 million for the three months ended September 30, 2024, and was \$35 million lower than the same quarter of 2023, due to the same factors as Adjusted Free Cash Flow.

### Year to date

Adjusted Free Cash Flow of \$314 million for the nine months ended September 30, 2024, was 2% or \$7 million higher than 2023.

The significant factors increasing Adjusted Free Cash Flow were:

- \$68 million increase in Adjusted EBITDA (gross of growth expenditures) primarily due to the factors described above;
- \$20 million increase from gain on disposal of La Lucha solar facility; and

- \$19 million decrease due to scheduled debt repayments on facility-level loans mainly at Spanish portfolio.

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

- \$44 million decrease from foreign exchange and interest rate hedges, and other settlements;
- \$39 million increase in current taxes as a result of higher operating results;
- \$11 million decrease from gain on sale of offshore wind development assets in Europe in 2023; and
- \$8 million increase in funds set aside for maintenance reserves.

Free Cash Flow, which is reduced by growth expenditures, totaled \$270 million for the nine months ended September 30, 2024, and was 16% or \$38 million higher than the same period of 2023, due to the same factors as Adjusted Free Cash Flow.

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>For the period</b>				
Cash dividends paid to shareholders	\$ 50,210	\$ 52,137	\$ 151,204	\$ 153,332
Total dividends paid to shareholders <sup>(1)</sup>	\$ 77,300	\$ 75,935	\$ 230,826	\$ 226,723
<hr/>				
Weighted avg. number of shares — basic and diluted (000s)	257,873	253,279	256,673	252,152
<hr/>				
<b>Per share (\$/share)</b>				
Dividends paid	\$ 0.30	\$ 0.30	\$ 0.90	\$ 0.90
Adjusted Free Cash Flow — basic and diluted <sup>(2)</sup>	\$ 0.08	\$ 0.25	\$ 1.22	\$ 1.22
Free Cash Flow — basic and diluted <sup>(2)</sup>	\$ 0.00	\$ 0.14	\$ 1.05	\$ 0.92
<hr/>				
<b>Pay-out ratios on a rolling four-quarter basis</b>				
Adjusted Free Cash Flow payout ratio — cash dividends <sup>(2)</sup>			40 %	59 %
Free Cash Flow payout ratio — cash dividends <sup>(2)</sup>			44 %	82 %
Adjusted Free Cash Flow payout ratio — total dividends <sup>(1)(2)</sup>			61 %	86 %
Free Cash Flow payout ratio — total dividends <sup>(1)(2)</sup>			67 %	121 %

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

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

At September 30, 2024 the rolling four quarter Adjusted Free Cash Flow and the Free Cash Flow net payout ratio were 40% and 44%, respectively, calculated on the basis of cash dividends paid, compared to 59% and 82% for the same period ending September 30, 2023. At September 30, 2024 the rolling four quarter Adjusted Free Cash Flow and the Free Cash Flow net payout ratio were 61% and 67%, respectively, calculated on the basis of total dividends paid, compared to 86% and 121% for the same period ending September 30, 2023.

## SECTION 5: CHANGES IN FINANCIAL POSITION

The following table provides a summary of account balances derived from the unaudited interim condensed consolidated statements of financial position as at September 30, 2024 and December 31, 2023:

As at	September 30, 2024	December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$ 596,233	\$ 740,244
Restricted cash	64,240	73,257
Trade and other receivables	566,416	396,014
Other current assets	102,751	97,468
Property, plant and equipment, net	9,045,927	9,179,933
Contracts and other intangible assets, net	414,122	446,870
Derivative assets	302,954	388,997
Deferred tax asset	35,816	44,726
Investment in joint ventures	998,274	899,885
Other assets <sup>(1)</sup>	1,612,897	1,358,904
<b>Total assets</b>	\$ 13,739,630	\$ 13,626,298
<b>Liabilities</b>		
Trade and other payables	\$ 378,443	\$ 449,461
Loans and borrowings	7,307,391	7,065,534
Derivative liabilities	183,966	127,895
Deferred tax liability	557,888	590,259
Other liabilities <sup>(2)</sup>	852,177	910,425
<b>Total liabilities</b>	\$ 9,279,865	\$ 9,143,574
<b>Total Equity</b>	4,459,765	4,482,724
<b>Total liabilities and equity</b>	\$ 13,739,630	\$ 13,626,298

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

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

Significant changes in Northland's unaudited interim condensed consolidated statements of financial position were as follows:

- *Cash and cash equivalents* decreased by \$144 million, primarily due to investments in Hai Long offshore wind projects, partially offset by proceeds from sale of La Lucha solar facility.
- *Trade and other receivables* increased by \$170 million, primarily due to higher SDE revenue at Gemini.
- *Property, plant and equipment* decreased by \$134 million, primarily due to a depreciation expense and sale of the La Lucha solar facility, partially offset by construction-related activities.
- *Net derivative assets* decreased by \$142 million from a net derivative asset at December 31, 2023, primarily due to the effect of interest rates in Canada, the US and Europe, and the net movement in Euro and COP exchange rates against the Canadian dollar.
- *Investment in joint ventures* increased by \$98 million, primarily due to the investment in Hai Long offshore wind project.
- *Other assets* increased by \$254 million, primarily due to long-term shareholder loans provided to Hai Long offshore wind project.
- *Loans and borrowings* increased by \$242 million, mainly due to the construction related drawdowns, partially offset by the scheduled principal repayments on facility-level loans.

## SECTION 6: EQUITY, LIQUIDITY AND CAPITAL RESOURCES

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

### **Dividends**

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

### **DRIP**

The DRIP provides shareholders the right to reinvest their dividends in shares at a 3% discount to the market price as defined in the DRIP. Shares issued under the DRIP can be sourced from treasury or purchased on the secondary market at the election of Northland’s Board of Directors. Northland’s Board of Directors has the discretion to alter the discount or source of shares issued under the DRIP.

### **Equity**

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

As at	September 30, 2024	December 31, 2023
<b>Common shares</b>		
Shares outstanding, beginning of year	254,939,822	250,017,357
Equity offering	—	1,210,537
Shares issued under the LTIP	—	10,286
Shares issued under the DRIP	3,550,494	3,701,642
<b>Total common shares outstanding, end of period</b>	<b>258,490,316</b>	<b>254,939,822</b>

Preferred shares outstanding as at September 30, 2024, and December 31, 2023 were as follows:

As at	September 30, 2024	December 31, 2023
<b>Preferred shares outstanding</b>		
Series 1	4,762,246	4,762,246
Series 2	1,237,754	1,237,754
<b>Total</b>	<b>6,000,000</b>	<b>6,000,000</b>

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

At September 30, 2024, Northland had 258,490,316 common shares outstanding (as at December 31, 2023 - 254,939,822) with no change in preferred shares Series 1 and Series 2 outstanding from December 31, 2023.

As of November 13, 2024, Northland has 258,947,070 common shares outstanding with no change in preferred shares Series 1 and Series 2 outstanding from September 30, 2024.

## Liquidity and Capital Resources

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>Cash and cash equivalents, beginning of period</b>	\$ 749,701	\$ 1,072,460	\$ 740,244	\$ 1,364,309
Cash provided by (used in) operating activities	195,923	148,005	669,337	649,345
Cash provided by (used in) investing activities	(2,700)	(834,900)	(522,821)	(1,601,313)
Cash provided by (used in) financing activities	(353,794)	472,481	(301,421)	493,811
Effect of exchange rate differences	7,103	(1,516)	10,894	(49,622)
<b>Cash and cash equivalents, end of period</b>	\$ 596,233	\$ 856,530	\$ 596,233	\$ 856,530

### Year to date

Cash and cash equivalents for the nine months ended September 30, 2024, decreased \$144 million due to cash used in investing activities by \$523 million and \$301 million by financing activities, partially offset by cash provided by operations of \$669 million.

Cash provided by operating activities for the nine months ended September 30, 2024, was \$669 million comprising:

- \$889 million in non-cash and non-operating items such as depreciation and amortization, finance costs, changes in fair value of financial instruments and deferred taxes; and
- \$221 million of net income.

Factors partially offsetting cash provided by operating activities include:

- \$348 million in changes in working capital due to the timing of payables, receivables and deposits;
- \$21 million share of profit from equity accounted investees; and
- \$64 million gain on sale of La Lucha solar facility.

Cash used in investing activities for the nine months ended September 30, 2024, was \$523 million, primarily comprising:

- \$310 million used mainly for the investment in the Hai Long offshore wind projects; and
- \$510 million used for the purchase of property, plant and equipment mainly for construction at Oneida energy storage project.

Factors partially offsetting cash used in investing activities include:

- \$72 million mainly from interest income and other investing activities; and
- \$215 million from the sale proceeds of La Lucha solar facility.

Cash used in financing activities for the nine months ended September 30, 2024, was \$301 million, primarily comprising:

- \$235 million in interest and other payments;
- \$374 million in scheduled principal repayments on the facility-level debt; and
- \$183 million of common and preferred share dividends as well as dividends to non-controlling interest.

Factor partially offsetting cash used in financing activities was:

- \$492 million of draws on project level debt primarily for construction of Oneida energy storage project.

Movement of foreign currencies, including primarily the Euro, U.S. dollar and Colombian peso, against the Canadian dollar increased cash and cash equivalents by \$11 million for the nine months ended September 30, 2024. Northland aims to mitigate the effects of exchange rate fluctuations through a variety of mechanisms, including foreign exchange hedges and natural hedges by corporate debt denominated in USD or Euro for operating expenditures.

## Property, Plant and Equipment

The following table provides a continuity of the cost of property, plant and equipment for the nine months ended September 30, 2024:

	Balance as at Jan 1, 2024	Additions	Provisions, disposals, transfers and other <sup>(1) (3)</sup>	Exchange rate differences	Balance as at Sep 30, 2024
<b>Operations:</b>					
Offshore wind	\$ 6,821,288	\$ 956	\$ (143)	\$ 203,143	\$ 7,025,244
Onshore renewable	4,159,680	7,288	(334,302)	72,250	3,904,916
Natural gas <sup>(2)</sup>	1,327,528	2,648	(82)	—	1,330,094
Utility	692,306	26,404	(1,505)	(43,523)	673,682
<b>Construction:</b>					
Onshore renewable	143,453	465,946	(25,181)	—	584,218
<b>Corporate</b>	127,147	13,060	(888)	1,601	140,920
<b>Total</b>	<b>\$ 13,271,402</b>	<b>\$ 516,302</b>	<b>\$ (362,101)</b>	<b>\$ 233,471</b>	<b>\$ 13,659,074</b>

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

(2) Excludes Spy Hill lease receivable accounting treatment.

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

## Debt

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

The following table provides a continuity of Northland's debt for the nine months ended September 30, 2024:

	Balance as at Jan 1, 2024	Financings, net of costs	Repayments	Amort. of costs/fair value	Exchange rate differences	Others	Balance as at Sep 30, 2024
<b>Operations:</b>							
Offshore wind	\$ 3,080,780	\$ —	\$ (190,151)	\$ 15,466	\$ 88,125	\$ —	\$ 2,994,220
Onshore renewable <sup>(2)</sup>	1,915,250	—	(114,612)	3,935	27,846	(15,309)	1,817,110
Natural gas	846,839	13,131	(61,033)	2,058	—	—	800,995
Utility	716,618	11,104	(8,070)	—	(703)	956	719,905
<b>Construction:</b>							
Onshore renewable	15,000	467,600	—	—	—	—	482,600
<b>Corporate:</b>							
Green Notes	491,049	—	—	1,512	—	—	492,561
Corporate Credit Facilities <sup>(1)</sup>	110,988	387,881	(391,032)	3,263	6,719	—	117,819
<b>Total</b>	<b>\$ 7,176,524</b>	<b>\$ 879,716</b>	<b>\$ (764,898)</b>	<b>\$ 26,234</b>	<b>\$ 121,987</b>	<b>\$ (14,353)</b>	<b>\$ 7,425,210</b>

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

(2) As at September 30, 2024, Onshore renewable - Operations includes tax equity financing in relation to New York onshore wind projects amounting to \$26 million.

Additionally, as at September 30, 2024 \$522 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:

<b>As at September 30, 2024</b>	<b>Facility size</b>	<b>Amount drawn <sup>(2)</sup></b>	<b>Outstanding letters of credit <sup>(3)</sup></b>	<b>Available capacity</b>	<b>Maturity date</b>
Sustainability linked syndicated revolving facility <sup>(1)</sup>	\$ 1,250,000	\$ 117,819	\$ 76,313	\$ 1,055,868	Aug. 2029
Bilateral letter of credit facility	150,000	—	135,756	14,244	Jun. 2026
Export credit agency backed letter of credit facility I	200,000	—	77,839	122,161	Mar. 2025
Export credit agency backed letter of credit facility II <sup>(4)</sup>	200,000	—	140,861	59,139	n/a
Hai Long related letter of credit facility	500,000	—	471,743	28,257	Sep. 2027
<b>Total</b>	<b>\$ 2,300,000</b>	<b>\$ 117,819</b>	<b>\$ 902,512</b>	<b>\$ 1,279,669</b>	

(1) During the three months ended September 30, 2024, the sustainability linked syndicated revolving facility size was increased by \$250 million to continue to enhance available liquidity and support future growth opportunities in its core markets. The maturity was also extended to August 2029.

(2) Deferred financing cost, as at September 30, 2024, associated with the syndicated revolving facility amounting to \$4 million (December 31, 2023 - \$5 million) is included within the other non-current assets in the interim condensed consolidated statements of financial position.

(3) As at September 30, 2024, outstanding letters of credit include LCs issued in favor of joint ventures amounting to \$1,030 million.

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

Of the \$903 million of corporate letters of credit issued as at September 30, 2024, \$730 million relates to projects under advanced development or construction.

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

Northland had access to \$1,079 million of available liquidity at September 30, 2024, including \$23 million of cash on hand and approximately \$1,056 million of capacity on its corporate revolving credit facilities.

## Debt Covenants

Northland generally conducts its business activities indirectly through separate subsidiary legal entities and is dependent on the distribution of cash from those subsidiary entities to fund development expenses, defray its corporate expenses, repay corporate debt and pay cash dividends to its shareholders. Most operating subsidiaries hold non-recourse debt, which typically prohibits distributions if the loan is in default (notably for non-payment of principal or interest) or if the entity fails to achieve a benchmark debt service coverage ratio, which is the ratio of EBITDA to scheduled principal and interest payments over a specified time period. As of September 30, 2024, Northland and its subsidiaries were in compliance with all financial covenants under the applicable credit agreements.

## SECTION 7: SUMMARY OF QUARTERLY CONSOLIDATED RESULTS

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

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

<i>In millions of dollars, except per share information</i>	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Total sales	\$ 491	\$ 529	\$ 755	\$ 626	\$ 513	\$ 472	\$ 622	\$ 641
Operating income <sup>(1)</sup>	98	152	346	220	146	103	273	270
Net income (loss)	(191)	262	149	(268)	43	22	107	324
Adjusted EBITDA	228	268	454	389	267	232	352	353
Cash provided by operating activities	196	171	294	136	148	204	297	551
Adjusted Free Cash Flow	19	69	226	191	64	63	180	41
Free Cash Flow	\$ 1	\$ 51	\$ 217	\$ 191	\$ 36	\$ 41	\$ 155	\$ 16
<b>Per share statistics</b>								
Net income (loss) attributable to common shareholders — basic	\$ (0.70)	\$ 0.95	\$ 0.29	\$ (1.13)	\$ 0.14	\$ 0.01	\$ 0.27	\$ 1.12
Net income (loss) attributable to common shareholders — diluted	(0.70)	0.95	0.29	(1.13)	0.14	0.01	0.27	1.12
Adjusted Free Cash Flow — basic	0.08	0.27	0.88	0.75	0.25	0.25	0.72	0.16
Free Cash Flow — basic	0.00	0.20	0.85	0.75	0.14	0.16	0.62	0.06
Total dividends declared	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30

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

## SECTION 8: CONSTRUCTION, DEVELOPMENT AND ACQUISITION ACTIVITIES

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

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

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

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

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

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

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

On December 28, 2023, Northland closed its previously announced transaction with Gentari International Renewables Pte. Ltd., a subsidiary of clean energy solutions company Gentari Sdn Bhd (“**Gentari**”), pursuant to which Gentari acquired 49% of Northland’s 60% ownership in the Hai Long offshore wind project. Northland now holds a 30.6% ownership interest in the overall project and will continue to take the lead role in Hai Long’s construction and operation. This transaction resulted in Gentari contributing its portion of equity consideration and assuming its pro rata share of credit support for the project.

Please refer to *Section 3.1: Significant Events* for further information.

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

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

In June 2021, Baltic Power secured a 25-year Contract for Difference (“**CfD**”) from Poland’s Energy Regulatory Office under the Polish Offshore Wind Act at a guaranteed price of PLN 319.60 per MWh, which is adjusted to annual indexation by Poland’s annual average consumer price index. The project’s 25-year CfD offtake agreement, is denominated in Euros and includes an inflation indexation feature commencing with the base year 2021. Northland’s equity funding expectations and returns remain in line with previously disclosed expectations as a result of the inflation indexation, which has offset the impact of previously disclosed cost increases.

Please refer to *Section 3.1: Significant Events* for further information.

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

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

On December 21, 2022, the project successfully executed a 20-year Energy Storage Facility Agreement (“ESFA”) with the Independent Electricity System Operator (“IESO”) that offers monthly capacity payments. The remainder of the revenue will come from operating on the wholesale market. The project also finalized a battery supply agreement, and a long-term service agreement with Tesla Inc., to supply key components and services, and an EPC agreement with Aecon Group Inc. for designing, engineering and constructing the facility.

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

Please refer to *Section 3.1: Significant Events* for further information.

### ***Thorold upgrade***

In the second quarter of 2023, as part of the Ontario government’s energy transition and security policies, and consistent with Northland’s strategy to optimize existing operating facilities to enhance value and performance, Northland secured an amended PPA for the Thorold Co-Generation facility in Ontario, Canada for increased electricity generating capacity of 23MW. The optimization will result in improvement in the facility’s heat rate which is expected to decrease overall emissions intensity at the facility without impacting Northland’s 2040 net zero targets and provide an additional fixed contract revenue stream for Northland from 2030 to 2035. Northland continues to advance the upgrade with completion targeted for late 2024.

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

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

### ***ScotWind Offshore Wind Project***

Northland was awarded two offshore wind leases in the Crown Estate Scotland auction with a total combined capacity of 2,340MW in 2022. The two leases, one fixed foundation (840MW) and one floating foundation (1,500MW), will extend Northland’s development runway into the next decade. In April 2022, Northland entered into an Option Lease Agreement with the Scottish government which provides the Company with development exclusivity over the two awarded sites for a period of up to 10 years. In 2023, Northland signed a partnership agreement with ESB, a leading Irish energy company, for a 24.5% interest in the two offshore wind projects. ESB demonstrates a strong interest in ScotWind and in developing offshore wind in Scotland and provides an opportunity to bring in a strong, long-term partner to share in the costs and help advance the development process.

### ***Alberta Portfolio***

In December 2022, Northland acquired a development platform and a portfolio of solar development projects in Alberta, Canada, continuing its growth and leadership in renewable energy in Canada, which established Northland as a leading developer in the province. Alberta is an attractive market for renewable development, being Canada’s only deregulated electricity market, offering clear pricing to generators and strong consumer and industrial demand for offtake. The portfolio has a solar and energy storage pipeline encompassing approximately 1.2GW and 0.7GW, respectively.

### ***Jurassic BESS project***

Please refer to *Section 3.1: Significant Events* for further information.

## SECTION 9: OUTLOOK

Northland's outlook is underpinned by its commitment to operational excellence, prudent growth in key global markets and focus on the Company's three major renewable construction programs, ensuring their successful execution.

To prepare for further growth, the Company also continues to be active in pursuing various development opportunities in its core markets.

As of November 13, 2024, management's 2024 financial outlook remains within the guidance range. This outlook reflects Northland's commitment to strong operational performance, with key financial projections for 2024 including expected Adjusted EBITDA in the range of \$1.2 billion to \$1.3 billion and Adjusted Free Cash Flow per share to be in the range of \$1.30 to \$1.50. Furthermore, projected Free Cash Flow per share for 2024 is expected to be in the range of \$1.10 to \$1.30, reflecting the Company's commitment to prudent financial management.

It is important to note that while Northland is confident in its outlook, it remains subject to the Forward-Looking Statements disclosed earlier in this MD&A as well as the Risk Factors outlined in the 2023 AIF.

## SECTION 10: LITIGATION, CLAIMS AND CONTINGENCIES

Litigation, claims and other contingencies arise from time to time in the ordinary course of business for Northland. None of these contingencies, individually or in aggregate, are expected to result in a liability that would have a material adverse effect on Northland. Refer to Note 16 of the unaudited interim condensed consolidated financial statements for additional information including any contingencies arising as a result of completed acquisitions.

## SECTION 11: FUTURE ACCOUNTING POLICIES

Management assesses each new IFRS or amendment to determine whether it may have a material impact on Northland's consolidated financial statements. As at September 30, 2024, there have been no accounting pronouncements by the International Accounting Standards Board expected to materially affect Northland's consolidated financial statements beyond those described in Note 2.18 of the 2023 Annual Report and Note 2.4 of the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2024.

## SECTION 12: FINANCIAL RISKS AND UNCERTAINTIES

For information on Northland's key risks, uncertainties, financial instruments and contractual commitments, refer to Northland's 2023 Annual Report and the 2023 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 2023 Annual Report or the 2023 AIF.

Northland's risk management objective, as it relates to financial risks and uncertainties, is to mitigate fluctuations in cash flows and ensure stable cash levels available to pay dividends to shareholders and fund growth. Northland does not seek to mitigate fair value risk. Northland classifies financial risks into market risk, counterparty risk and liquidity risk, noting that these risks can be impacted by geopolitical or regulatory uncertainties. Northland manages financial risks by identifying, evaluating and mitigating such risks, in compliance with internal policies and external requirements under non-recourse project financing arrangements. Northland uses derivative financial instruments to manage certain financial risks but does not engage in speculative activity. Material financial risks are monitored and reported regularly to the Audit Committee of the Board of Directors. Refer to Note 18 of the 2023 Annual Report for additional information on Northland's risk management approach.

## SECTION 13: CONTROLS AND PROCEDURES OVER FINANCIAL REPORTING

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

### ***Disclosure Controls and Procedures***

Disclosure controls and procedures 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.

Northland has filed certifications as required under NI 52-109, signed by its CEO and CFO certifying certain matters with respect to the design of disclosure controls and procedures, and the design of internal controls over financial reporting including the appropriateness of the financial disclosures in its annual filings and the effectiveness of such disclosure controls and procedures as of September 30, 2024.

### ***Internal Controls over Financial Reporting***

Management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

Northland's internal controls over financial reporting framework includes policies and procedures that are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on Northland's consolidated financial statements, and provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements for external purposes in accordance with policies, procedures and IFRS.

In designing 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 in the internal controls over financial reporting in the third quarter of 2024 that have materially affected, or are reasonably likely to materially affect, Northland's internal controls over financial reporting.