2025

Brookfield Renewable Partners L.P.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Brookfield

Management’s Discussion and Analysis
For the year ended December 31, 2025

This Management’s Discussion and Analysis for the year ended December 31, 2025 is provided as of February 27, 2026. Unless the context indicates or requires otherwise, the terms “Brookfield Renewable”, “we”, “us”, and “our company” mean Brookfield Renewable Partners L.P. and its controlled entities. The ultimate parent of Brookfield Renewable is Brookfield Corporation (“Brookfield Corporation”). Brookfield Corporation and its subsidiaries, other than Brookfield Renewable, and unless the context otherwise requires, includes Brookfield Asset Management Ltd. (“Brookfield Asset Management”), are also individually and collectively referred to as “Brookfield” in this Management’s Discussion and Analysis. The term “Brookfield Holders” means Brookfield, Brookfield Wealth Solutions and their related parties. The term “private fund managed by BAM” means a private fund managed by Brookfield Asset Management and its subsidiaries.

Brookfield Renewable’s consolidated equity interests include the non-voting publicly traded limited partnership units (“LP units”) held by public unitholders and Brookfield, class A BEPC exchangeable subordinate voting shares (“BEPC exchangeable shares”) of Brookfield Renewable Corporation (“BEPC”) held by public shareholders and Brookfield Holders, class A.2 BRHC exchangeable non-voting shares (“class A.2 exchangeable shares”) of Brookfield Renewable Holdings Corporation (formerly, Brookfield Renewable Corporation) (“BRHC”) held by Brookfield, redeemable/exchangeable partnership units (“Redeemable/Exchangeable partnership units”) in Brookfield Renewable Energy L.P. (“BRELP”), a holding subsidiary of Brookfield Renewable, held by Brookfield, and a general partnership interest (“GP interest”) in BRELP held by Brookfield. Holders of the LP units, Redeemable/Exchangeable partnership units, GP interest, BEPC exchangeable shares and class A.2 exchangeable shares will be collectively referred to throughout as “Unitholders” unless the context indicates or requires otherwise. LP units, Redeemable/Exchangeable partnership units, GP interest, BEPC exchangeable shares and class A.2 exchangeable shares will be collectively referred to throughout as "Units", or as "per Unit", unless the context indicates or requires otherwise. The LP units, BEPC exchangeable shares and class A.2 exchangeable shares, and Redeemable/Exchangeable partnership units have the same economic attributes in all respects. See – “Part 9 – Presentation to Stakeholders and Performance Measurement”.

Brookfield Renewable’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), which require estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expense during the reporting periods.

Certain comparative figures have been reclassified to conform to the current year’s presentation.

References to $, C$, €, R$, £, and COP are to United States (“U.S.”) dollars, Canadian dollars, Euros, Brazilian reais, British pounds sterling and Colombian pesos, respectively. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

For a description on our operational and segmented information and for the non-IFRS financial measures we use to explain our financial results see “Part 9 – Presentation to Stakeholders and Performance Measurement”. For a reconciliation of the non-IFRS financial measures to the most comparable IFRS financial measures, see “Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of non-IFRS measures”. This Management’s Discussion and Analysis contains forward-looking information within the meaning of U.S. and Canadian securities laws. Refer to – “Part 10 – Cautionary Statements” for cautionary statements regarding forward-looking statements and the use of non-IFRS measures. Our Annual Report and additional information filed with the Securities Exchange Commission (“SEC”) and with securities regulators in Canada are available on our website (https://bep.brookfield.com), on the SEC’s website (www.sec.gov), or on SEDAR+ (www.sedarplus.ca).

Organization of Management's Discussion and Analysis

PART 1 – 2025 HIGHLIGHTS

YEAR ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	2025	2024
Selected financial information		
Revenues	**$ 6,407**	$ 5,876
Net loss attributable to Unitholders[(1)]	**(19)**	(464)
Basic and diluted net loss per LP unit[(2)]	**(0.25)**	(0.89)
Proportionate Adjusted EBITDA[(3)]	**2,698**	2,408
Funds From Operations[(3)]	**1,334**	1,217
Funds From Operations per Unit[(3)(4)]	**2.01**	1.83
Distribution per LP unit	**1.49**	1.42
Operational information		
Capacity (MW)	**47,203**	46,211
Total generation (GWh)		
Long-term average generation	**123,028**	94,339
Actual generation	**116,010**	80,842
Proportionate generation (GWh)		
Actual Renewable generation	**33,157**	30,947

(1) Includes $71 million of losses attributed to Limited Partner equity, $44 million of losses attributed to BEPC exchangeable shares and class A.2 exchangeable shares, $48 million of losses attributed to Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield, and $144 million of income attributed to the General partnership interest in a holding subsidiary held by Brookfield.

(2) Average LP units for the year ended December 31, 2025 were 287.0 million (2024: 285.5 million).

(3) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure, see “Part 4 - Financial Performance Review on Proportionate Information - Reconciliation of Non-IFRS Measures” and “Part 10 - Cautionary Statements”.

(4) Average Units outstanding for the year ended December 31, 2025 were 665.1 million (2024: 663.6 million), being inclusive of our LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and class A.2 exchangeable shares and GP interest.

AS AT DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	December 31, 2025	December 31, 2024
Liquidity and Capital Resources		
Available liquidity	**$ 4,625**	$ 4,320
Debt to capitalization – Corporate	**14 %**	15 %
Debt to capitalization – Consolidated	**39 %**	40 %
Non-recourse borrowings as a percentage of total borrowings – Consolidated	**90 %**	91 %
Fixed rate debt exposure on a proportionate basis[(1)]	**96 %**	95 %
Corporate borrowings		
Average debt term to maturity	**13 years**	12 years
Average interest rate	**4.6 %**	4.5 %
Non-recourse borrowings on a proportionate basis		
Average debt term to maturity	**10 years**	11 years
Average interest rate	**5.9 %**	5.4 %

(1) Total floating rate exposure is 16% (2024: 13%) of which 12% (2024: 8%) is related to floating rate debt exposure of certain regions outside of North America and Europe due to the high cost of hedging associated with those regions.

Operations

Funds From Operations of $1,334 million or $2.01 on a per Unit basis is higher than the prior year driven by:

- Improved results from our hydroelectric portfolio due to stronger hydrology across our Canadian and Colombian fleets
- Our embedded growth from our contracted, inflation-linked cash flows
- Our growth activities, including accretive acquisitions and the delivery of 8 GW of new projects over the past 12 months; and
- Contributions from our scaling capital recycling activities, crystallizing value and generating capital to fund growth

After deducting non-cash depreciation, foreign exchange and derivative gains or losses and other, and adding back certain non-cash gains excluded from FFO, net loss attributable to Unitholders was $19 million or $0.25 per LP unit, compared to net loss attributable to Unitholders of $464 million or $0.89 per LP unit in the prior year.

Refer to Part 2 - Financial Performance Review on Consolidated Information in this Management's Discussion and Analysis for details on the consolidated statements of income (loss).

Through our investments, we continue to be the partner of choice to procure clean power:

- In 2025, we advanced commercial priorities, securing favorable long-term contracts for over 9 GW of generation capacity across our operating fleet;
- Westinghouse entered into a landmark agreement with the U.S. Government to support delivering new nuclear reactors utilizing Westinghouse technology in America; and
- Signed a first-of-its-kind Hydro Framework Agreement with Google to deliver up to 3 GW of hydroelectric capacity in the U.S.

Growth and Development

During the year, together with our institutional partners, we have deployed, or committed to deploy $8.8 billion (over $1.9 billion net to Brookfield Renewable) into growth, further diversifying our business and positioning our franchise to capture incremental demand. Our growth initiatives were highlighted by:

- The successful privatization of Neoen, our largest single investment to date; the acquisition of Geronimo Power, a scale U.S. platform; and an increase in our ownership of Isagen, our Colombian hydro business, to ~37%; and
- Delivered ~8 GW of new renewable capacity and are on track to reach a ~10 GW run rate per annum by 2027

Liquidity and Capital Resources

Our best-in-class balance sheet with investment grade BBB+ credit rating and access to diverse sources of capital continues to differentiate our business and position us to opportunistically deploy scale capital.

- We finished the year with approximately $4.6 billion of available liquidity. Our diverse and robust funding model and continued commitment to sizing debt on investment grade metrics has positioned us to opportunistically deploy scale capital;
- We successfully completed over $37 billion in financings in 2025, a record for our business, opportunistically extending average maturities and optimizing our portfolio's capital structure; and
- In November, we completed a $650 million bought-deal equity issuance and concurrent private placement, and subsequent to year-end we opportunistically issued C$500 million of 30-year notes at 5.20%, achieving our lowest spread ever for a corporate financing

Together with our institutional partners, we completed or reached agreements in 2025 to sell assets generating ~$4.5 billion (~$1.3 billion net to Brookfield Renewable) delivering ~2.4x our invested capital and returns above the high end of our target range, while generating substantial capital to reinvest into accretive growth, including:

- The majority sale of a North American distributed generation business, an aggregate 50% interest in a portfolio of non-core hydro assets in the U.S. and a portfolio of derisked operating solar and wind assets in the U.S.; and
- We also recently agreed to sell a portfolio of operating wind and solar assets in the U.S., each of which was developed by one of our development platforms. The sale is expected to generate ~$1.3 billion (~$316 million net to Brookfield Renewable) in proceeds. The closing of this transaction is subject to customary closing conditions, with closing expected to occur in the first half of 2026. The transaction also includes a framework for potential future sales of an additional up to $1.5 billion of qualifying assets to the same buyers establishing a potential recurring source of liquidity to fund our growth and crystallize further value.

PART 2 – FINANCIAL PERFORMANCE REVIEW ON CONSOLIDATED INFORMATION

The following table reflects key financial data for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2025	2024	2023
Revenues	**$ 6,407**	$ 5,876	$ 5,038
Other income	**1,589**	627	671
Direct operating costs	**(2,903)**	(2,580)	(1,933)
Management service costs	**(223)**	(204)	(205)
Interest expense	**(2,457)**	(1,988)	(1,627)
Depreciation	**(2,425)**	(2,010)	(1,852)
Other	**(1,214)**	(713)	(212)
Income tax recovery	**614**	191	48
Net income (loss)	**712**	(9)	616
	Average FX rates to USD		
C$	**1.40**	1.37	1.35
€	**0.89**	0.92	0.92
R$	**5.59**	5.39	4.99
COP	**4,052**	4,071	4,328

Current Year Variance Analysis (2025 vs 2024)

Revenues totaling $6,407 million represents an increase of $531 million compared to the prior year as the growth of our business, inflation escalation on our contracted generation, and the benefits of strong hydrology from our Canadian and Colombian hydroelectric assets, was partially offset by lower hydrology at our U.S. and Brazilian businesses and the impact of recently completed asset sales. Recently acquired and commissioned facilities that we consolidate contributed 14,164 GWh of generation and $1,073 million of revenues, offset by recently completed asset sales that reduced generation by 4,728 GWh and revenues by $451 million. On a same store, constant currency basis, revenues decreased by $79 million as the benefits from higher resources at our Canadian and Colombia hydroelectric assets as well as inflation escalation on our contracted generation in Canada, Brazil and Colombia, were offset by unfavorable hydrology at our U.S. and Brazilian businesses and lower spot prices on our uncontracted Colombian generation caused by higher system-wide hydrology.

The strengthening of the Colombian peso and Euro relative to the U.S. dollar compared to the prior year was partially offset by the relative weakening of the Brazilian real and Canadian dollar, decreasing revenues by $12 million, and decreasing direct operating costs and interest expense by $5 million.

Direct operating costs totaling $2,903 million represents an increase of $323 million over the same period in the prior year due primarily to additional costs from our recently acquired and commissioned facilities, partially offset by our recently completed asset sales and the above noted weakening of the U.S. dollar.

Other income included $408 million of gains relating to our capital recycling initiatives, including the sale of a majority interest in a U.S. distributed generation business, a 2.2 GW pumped storage facility in Europe and a 315 MW wind facility in Australia. Other income also included $836 million of gains associated with the change in the basis of accounting following the deconsolidation of a renewable operating and development platform in India and the reclassification of our investment in Westinghouse as a financial asset.

Management service costs totaling $223 million represents an increase of $19 million compared to prior year due to the growth of our business.

Interest expense totaling $2,457 million represents an increase of $469 million over the same period in the prior year due primarily to recent acquisitions, including the cost of temporary bridge funding associated with the acquisition of Neoen and Geronimo Power that are attributable to our institutional partners and financing initiatives to fund development activities.

Depreciation expense totaling $2,425 million represents an increase of $415 million over the same period in the prior year due to the growth of our business.

Deferred tax recovery totaling $365 million represents an increase of $334 million over the same period in the prior year due to the simplification of Neoen's organizational structure that resulted in a deferred income tax recovery of $208 million.

Other of $1,214 million during the period includes stamp duties levied upon reaching prescribed ownership thresholds in certain jurisdictions Neoen operates that were factored into our underwriting and changes in the fair value of property, plant, and equipment that primarily reflect the derecognition of investment tax credits capitalized to development assets at acquisition that have subsequently been monetized upon commercialization, with a corresponding gain recognized in foreign exchange and financial instruments or income tax in the consolidated statement of income (loss).

Net income totaling $712 million represents an increase of $721 million compared to prior year due to the above noted items.

Prior Year Variance Analysis (2024 vs 2023)

Revenues totaling $5,876 million represents an increase of $838 million compared to prior year due to the growth of our business, inflation escalation on contracted generation and higher asset availability. Recently acquired and commissioned facilities contributed 14,376 GWh of generation and $764 million of revenues, which was partially offset by recently completed asset sales that reduced generation by 900 GWh and revenues by $80 million. On a same store, constant currency basis, revenues increased by $142 million as the benefits from inflation escalation on our contracted generation in Canada, Brazil and Colombia and stronger generation at our wind and solar portfolios were offset by lower resources at our hydroelectric portfolio.

The strengthening of the Colombian peso relative to the U.S. dollar compared to the prior year was offset by the relative weakening of the Brazilian real and Canadian dollar and increased revenues by $12 million offset by a $32 million unfavorable impact on our operating and interest expenses.

Direct operating costs totaled $2,580 million representing an increase of $647 million compared to prior year due primarily to additional costs from our recently acquired and commissioned facilities, higher power purchases in Colombia, which are passed through to our customers, and the above noted foreign exchange fluctuations partly offset by our recently completed asset sales.

Management service costs totaled $204 million representing a decrease of $1 million compared to prior year.

Interest expense totaling $1,988 million represents an increase of $361 million compared to prior year due to recent acquisitions, financing initiatives to fund development activities and the above noted foreign exchange fluctuations.

Depreciation expense totaling $2,010 million represents an increase of $158 million compared to prior year due to the growth of our business and the strengthening of the Colombian peso relative to the U.S. dollar.

Net loss totaling $9 million represents a decrease of $625 million compared to prior year due to the above noted items and other income relating to non-recurring items that benefited the prior year.

PART 3 – ADDITIONAL CONSOLIDATED FINANCIAL INFORMATION

SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table provides a summary of the key line items on the audited annual consolidated statements of financial position as at December 31:

(MILLIONS)	2025	2024
Current assets	**$ 12,298**	$ 8,835
Equity-accounted investments	**4,087**	2,740
Property, plant and equipment, at fair value	**70,456**	73,475
Assets held for sale	**6,142**	2,049
Total assets	**98,701**	94,809
Corporate borrowings	**3,686**	3,802
Non-recourse borrowings	**31,206**	30,588
Deferred income tax liabilities	**9,395**	8,439
Liabilities directly associated with assets held for sale	**4,021**	1,036
Total liabilities and equity	**98,701**	94,809
	FX rates to USD	
C$	**1.37**	1.44
€	**0.85**	0.97
R$	**5.50**	6.19
COP	**3,757**	4,409

Property, plant and equipment & Equity-accounted investments

Property, plant and equipment totaled $70.5 billion as at December 31, 2025 compared to $73.5 billion as at December 31, 2024. The acquisition of Geronimo Power increased property, plant and equipment by $0.5 billion and our continued investment in the development of power generating assets increased property plant and equipment by $7.6 billion. Our annual revaluation, which recognized the benefit of derisked cash flows at our development assets, higher power prices across South America and European markets and the expected growth in demand for renewable power, increased property, plant and equipment by $2.0 billion and the strengthening of most currencies against the U.S. dollar increased property, plant and equipment by $4.0 billion. These increases were more than offset by dispositions and assets classified as held for sale that decreased property, plant and equipment by $14.7 billion and depreciation expense that decreased property, plant and equipment by $2.4 billion.

Equity-accounted investments totaled $4.1 billion as at December 31, 2025, compared to $2.7 billion as at December 31, 2024, representing an increase of $1.3 billion. The increase was primarily driven by the acquisition of Geronimo Power, the recognition of our remaining 53% interest in a U.S. distributed generation development platform and our remaining 25% interest in a 845 MW U.S. wind portfolio as equity-accounted investments following partial dispositions, the change in basis of accounting of a renewable operating and development platform in India to equity-accounted investments and the strengthening of most currencies against the U.S. dollar. These increases were partially offset by the change in basis of accounting of our investment in Westinghouse to a financial asset and the sale of a 50% interest in a 200 MW multi-national distributed generation development business.

Assets held for sale and Liabilities directly associated with assets held for sale

Assets held for sale and Liabilities directly associated with assets held for sale totaled $6.1 billion and $4.0 billion, respectively, as at December 31, 2025 and comprised of a 633 MW under construction solar asset in India, a 45 MW portfolio of operating hydroelectric assets in the United States, a 833 MW portfolio of operating solar assets in the U.S., a 200 MW portfolio of distributed generation assets in Spain, and a 2.3 GW portfolio of operating renewable energy assets in the U.S.

RELATED PARTY TRANSACTIONS

Brookfield Renewable's related party transactions are in the normal course of business and are recorded at the exchange amount. Brookfield Renewable's related party transactions are primarily with Brookfield Corporation.

Brookfield Renewable sells electricity to Brookfield through a single long-term PPA across Brookfield Renewable’s New York hydroelectric facilities. Brookfield will support the price that Brookfield Renewable receives for energy generated by certain facilities in the United States.

In 2011, on formation of Brookfield Renewable, Brookfield transferred certain development projects to Brookfield Renewable for no upfront consideration but is entitled to receive variable consideration on commercial operation or sale of these projects.

From time to time Brookfield Renewable may enter into or terminate voting agreements with Brookfield, whereby Brookfield Renewable gains control or significant influence of the entities that own certain renewable power generating facilities. Brookfield Renewable has also entered into voting agreements with its consortium partners in respect of both the Colombian business and Neoen. The voting agreements provide Brookfield Renewable the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities.

Brookfield Renewable participates with institutional partners in Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV, Brookfield Infrastructure Fund V, Brookfield Infrastructure Debt Fund, Brookfield Global Transition Fund I, Brookfield Global Transition Fund II, and the Catalytic Transition Fund (“Private Funds”). Brookfield Renewable, together with our institutional partners, has access to financing under Brookfield sponsored credit facilities.

From time to time, in order to facilitate investment activities in a timely and efficient manner, Brookfield Renewable will fund deposits or incur other costs and expenses (including by use of loan facilities to consummate, support, guarantee or issue letters of credit) in respect of an investment that ultimately will be shared with or made entirely by Brookfield sponsored vehicles, consortiums and/or partnerships (including private funds, joint ventures and similar arrangements), Brookfield Renewable, or by a co-investor.

Brookfield Corporation has provided a $400 million unsecured revolving credit facility maturing in December 2030 and the draws bear interest at the Secured Overnight Financing Rate plus 1.80%. During the current period, there were no draws on the committed unsecured revolving credit facility provided by Brookfield Corporation.

Brookfield Corporation may from time to time place funds on deposit with Brookfield Renewable which are repayable on demand including any interest accrued. There were nil funds placed on deposit with Brookfield Renewable as at December 31, 2025 (2024: nil). The interest expense on the Brookfield Corporation credit facility and deposit for the year ended December 31, 2025 totaled nil (2024: nil and 2023: nil).

From time to time Brookfield Renewable may enter into short-term arrangements with private funds consolidated by Brookfield that permit such entities to place funds on deposit with Brookfield Renewable up to a limit of $750 million per deposit. Interest earned or incurred on such deposits fall between the interest rate that would otherwise be payable by Brookfield Renewable under its commercial paper program or credit facilities with unrelated parties and the interest rate that would otherwise be available to the applicable depositing party in similar transactions on an arms' length basis with unrelated parties. Each deposit carries a maturity date which must not exceed three months, however the private fund consolidated by Brookfield may request repayment upon three business days' written notice. As at December 31, 2025, there were $268 million (2024: nil) of funds placed on deposit with Brookfield Renewable, which carries an interest rate of 4.02%. Deposits placed are reflected within due to related parties on the consolidated statements of financial position. The interest expense paid on the deposits for year ended December 31, 2025 totaled approximately less than $1 million (2024: nil).

Brookfield Renewable from time to time may enter into agreements with Brookfield and its subsidiaries to transfer income tax credits generated by renewable energy projects. During the year ended December 31, 2025, Brookfield Renewable transferred $19 million (2024: $131 million) of income tax credits to Brookfield and its subsidiaries.

During the fourth quarter of 2025, an associate of Brookfield Renewable signed a tax credit transfer agreement for $111 million with a private fund managed by BAM.

From time to time, Brookfield Wealth Solutions and its related entities may agree to provide financing to Brookfield Renewable. In addition, Brookfield Wealth Solutions and its related entities may also participate, alongside unaffiliated third parties on market terms and at market rates, in capital raises undertaken by Brookfield Renewable that are recognized within preferred limited partners' equity, corporate and non-recourse borrowings in the statement of financial position. During the year ended December 31, 2025, Brookfield Renewable, together with its institutional partners, agreed to $200 million of tax equity financings through a preferred equity structure accounted for in accordance with IFRS 9 with Brookfield Wealth Solutions. As at December 31, 2025, Brookfield Renewable, together with its institutional partners, had the following balances owing to Brookfield Wealth Solutions: $58 million of non-recourse borrowings (December 31, 2024: $65 million); $7 million of corporate borrowings (December 31, 2024:$7 million); $49 million of tax equity financings classified as financial instrument liabilities (December 31, 2024: $1 million); $11 million of preferred limited partners equity (December 31, 2024: $10 million); and $750 million of borrowings classified as due to related party (December 31, 2024: $348 million).

During the first quarter of 2025, Brookfield Renewable, together with its institutional partners, completed the sale of a 52 MW utility-scale solar asset in Jamaica owned by Neoen to an associate of Brookfield Renewable for proceeds of approximately $19 million (approximately $2 million net to Brookfield Renewable). The asset was subject to a pre-existing sale and purchase agreement negotiated at arm's length that was entered into prior to Brookfield Renewable acquiring Neoen and therefore no gain or loss was recorded as a result of the transaction.

During the third quarter of 2025, Brookfield Renewable, together with its institutional partners, completed the sale of a 6% minority interest in a renewable operating and development platform in India for proceeds of $45 million ($9 million net to Brookfield Renewable) to an associate of the initial public offering's ("IPO") founder group to facilitate the IPO of equity shares by the platform. The disposal was treated as an equity transaction under IFRS 10, Consolidated Financial Statements and therefore no gain or loss was recorded as a result of the transaction. Brookfield Renewable, together with its institutional partners, provided financing to the associate for approximately $70 million ($14 million net to Brookfield Renewable) to facilitate the sale. The remainder of the proceeds were used to acquire additional shares from unaffiliated third parties, at an equivalent value, as part of the IPO process. Subsequent to year-end, as a result of the successful launch of the IPO, 3% interest was transferred to a member of the IPO Founder Group for nominal consideration, as part of a pre-existing agreement.

During the fourth quarter of 2025, Brookfield Renewable completed the acquisition of an incremental 15% ownership in Isagen for $1 billion from institutional partners within a private fund consolidated by Brookfield, at a value equivalent to the purchase price agreed to with an unaffiliated third party. Brookfield Renewable increased its ownership in the business to approximately 37.3% and continues to consolidate the business. In connection with closing of the transaction, Brookfield Renewable obtained $400 million in financing from Brookfield Wealth Solutions.

During the fourth quarter of 2025, Brookfield Renewable, together with its institutional partners, completed the sale of a 25% interest in a 403 MW portfolio of operating hydroelectric assets in the U.S. for proceeds of approximately $230 million ($111 million net to Brookfield Renewable) to a private fund managed by BAM, at a value equivalent to what was agreed to with an unaffiliated third party.

During the fourth quarter of 2025, Brookfield Renewable, together with its institutional partners, completed the sale of a 100% interest in a 1.5 GW portfolio of operating distributed generation assets in the U.S. 53% was sold, for proceeds, net of transaction costs, of approximately $1.1 billion ($445 million net to Brookfield Renewable), to a private fund managed by BAM, at a value equivalent to what was agreed to with the unaffiliated third party that acquired the remaining 47%.

During the fourth quarter of 2025, Brookfield Renewable, together with its institutional partners, agreed to contribute its 100% interest in a 200 MW Spanish distributed generation business with a fair value of approximately €116 million ($136 million) into a U.K. distributed generation joint venture with a Brookfield Renewable associatefor an additional 16% interest.

During the fourth quarter of 2025, a subsidiary of Brookfield Corporation purchased 6,967,670 LP Units at the LP unit offering price of $29.90 (net of underwriting commissions).

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, agreed to the sale of a 2.3 GW U.S. renewables portfolio for proceeds of approximately $1.3 billion ($316 million net to Brookfield Renewable), of which 33.3% was agreed to be sold to a private fund managed by BAM, at a value equivalent to what was agreed to with the unaffiliated third parties that agreed to acquire the remaining 66.6% interest in the portfolio. The closing of this transaction is subject to customary closing conditions.

In addition, our company has executed, amended, or terminated other agreements with Brookfield that are described in Note 29 – Related party transactions in our audited annual consolidated financial statements. For a description of certain of our agreements with Brookfield, please see Item 7.B “Related Party Transactions” in our Form 20-F for the year ended December 31, 2025.

The following table reflects the related party agreements and transactions in the audited annual consolidated statements of income (loss), for the year ended December 31:

(MILLIONS)	**2025**	2024	2023
Revenues			
Power purchase and revenue agreements	**$ 18**	$ —	$ 14
Development services	**23**	—	—
	$ 41	$ —	$ 14
Other income			
Gain on disposition	**$ —**	$ 23	$ —
Interest and other investment income	**19**	—	—
Distribution income	**—**	3	8
	$ 19	$ 26	$ 8
Direct operating costs			
Other related party services	**$ (22)**	$ (12)	$ (5)
Interest expense			
Borrowings	**$ (189)**	$ (63)	$ (35)
Contract balance accretion	**(31)**	(30)	(26)
	$ (220)	$ (93)	$ (61)
Other			
Other related party services	**$ —**	$ 5	$ 3
Financial instrument gain	**1**	3	21
	$ 1	$ 8	$ 24
Management service costs	**$ (223)**	$ (204)	$ (205)
Current income tax			
Investment tax credits	**$ 19**	$ 131	$ —

The following table reflects the impact of the related party agreements and transactions on the consolidated statements of financial position as at December 31:

(MILLIONS)	Related party	2025	2024
Current assets			
Trade receivables and other current assets			
Contract asset	Brookfield	**$ 74**	$ 65
Due from related parties			
Amounts due from	Brookfield[1]	**511**	573
	Equity-accounted investments and other	**433**	300
		944	873
Assets held for sale	Equity-accounted investments and other	**—**	125
Financial instrument assets	Brookfield	**—**	38
Non-current assets			
Financial instrument assets	Brookfield	**71**	—
Other long-term assets			
Contract asset	Brookfield	**209**	250
Due from related parties	Equity-accounted investments and other	**12**	8
Current liabilities			
Contract liability	Brookfield	**63**	47
Due to related parties			
Amounts due to	Brookfield[2]	**4,427**	4,005
	Equity-accounted investments and other	**2,476**	684
	Brookfield Wealth Solutions	**123**	123
Accrued distributions payable on LP units, BEPC exchangeable shares, class A.2 exchangeable shares, Redeemable/Exchangeable partnership units and GP interest	Brookfield	**45**	43
		7,071	4,855
Liabilities held for sale	Brookfield	**9**	31
Non-current liabilities			
Financial instrument liabilities	Brookfield	**—**	13
	Brookfield Wealth Solutions	**49**	1
Due to related parties			
Amounts due to	Brookfield	**21**	309
	Brookfield Wealth Solutions	**627**	225
	Equity-accounted investments and other	**45**	58
		693	592
Corporate borrowings	Brookfield Wealth Solutions	**7**	7
Non-recourse borrowings	Brookfield Wealth Solutions	**58**	65
Other long-term liabilities			
Contract liability	Brookfield	**679**	686
Equity			
Preferred limited partners equity	Brookfield Wealth Solutions	**$ 11**	$ 10

(1) Includes receivables of $378 million (2024: $376 million) associated with the Brookfield Global Transition Fund credit facility.

(2) Includes payables of $397 million (2024: $32 million), $511 million (2024: $87 million), and $2,454 million (2024: $3,493 million) associated with the Brookfield Infrastructure Fund IV, Brookfield Global Transition Fund, and Brookfield Global Transition Fund II credit facilities, respectively.

EQUITY

General partnership interest in a holding subsidiary held by Brookfield

Brookfield, as the owner of the 1% GP interest in BRELP, is entitled to regular distributions plus an incentive distribution based on the amount by which quarterly LP unit distributions exceed specified target levels. As at December 31, 2025, to the extent that LP unit distributions exceed $0.20 per LP unit per quarter, the incentive is 15% of distributions above this threshold. To the extent that quarterly LP unit distributions exceed $0.2253 per LP unit per quarter, the incentive distribution is equal to 25% of distributions above this threshold. Incentive distributions of $145 million were declared during the year ended December 31, 2025 (2024: $128 million).

Preferred equity

The Class A Preference Shares of Brookfield Renewable Power Preferred Equity Inc. ("BRP Equity") do not have a fixed maturity date and are not redeemable at the option of the holders. As at December 31, 2025, none of the issued Class A Preference Shares have been redeemed by BRP Equity.

During the year, Brookfield Renewable declared the fixed quarterly distributions on the Class A Preference Shares, Series 1 of BRP Equity during the five years commencing May 1, 2025 will be paid at an annual rate of 5.203%. During the year, Brookfield Renewable declared the floating quarterly distributions on the Class A Preference Shares, Series 2 of BRP Equity during the three months commencing May 1, 2025 will be paid at an annualized rate of 5.27%.

During the year, 1,619 Class A Preference Shares, Series 1 of BRP Equity were converted, on a one-for-one basis, into Class A Preference Shares, Series 2 of BRP Equity.

During the year, 1,524,396 Class A Preference Shares, Series 2 of BRP Equity were converted, on a one-for-one basis, into Class A Preference Shares, Series 1 of BRP Equity.

In December 2025, the Toronto Stock Exchange accepted notice of BRP Equity's intention to renew the normal course issuer bid in connection with its outstanding Class A Preference Shares for another year to December 17, 2026, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, BRP Equity is permitted to repurchase up to 10% of the total public float for each respective series of the Class A Preference Shares. There were no repurchases of Class A Preference Shares during 2025 or 2024 in connection with the normal course issuer bid.

Perpetual subordinated notes

The perpetual subordinated notes are classified as a separate class of non-controlling interest on Brookfield Renewable's consolidated statements of financial position. Brookfield Renewable incurred interest of $40 million on the perpetual subordinated notes during the year ended December 31, 2025 (2024: $37 million). Interest incurred on the perpetual subordinated notes are presented as distributions in the consolidated statements of changes in equity.

Preferred limited partners' equity

The Class A Preferred Limited Partnership Units ("Preferred units") of Brookfield Renewable do not have a fixed maturity date and are not redeemable at the option of the holders.

In December 2025, the Toronto Stock Exchange accepted notice of Brookfield Renewable's intention to renew the normal course issuer bid in connection with the outstanding Class A Preferred Limited Partnership Units for another year to December 17, 2026, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of its Class A Preferred Limited Partnership Units. No units were repurchased during 2025 or 2024.

Limited partners' equity, Redeemable/Exchangeable partnership units, and exchangeable shares

On November 10, 2025, Brookfield Renewable completed the issuance of 15,050,200 LP Units on a bought deal basis at a price of $29.90 per LP Unit for gross proceeds of $450 million. Concurrently, a subsidiary of Brookfield Corporation purchased 6,967,670 LP Units at the LP unit offering price (net of underwriting commission). The aggregate gross proceeds of the offering and the concurrent private placement was approximately $650 million. Brookfield Renewable incurred $18 million in related transaction costs inclusive of fees paid to the underwriters that was recorded in equity.

As at December 31, 2025, Brookfield Holders held a direct and indirect interest of approximately 47% of Brookfield Renewable on a fully-exchanged basis. Brookfield Holders held a direct and indirect interest of 320,608,493 LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and class A.2 exchangeable shares, on a combined basis and the remaining is held by public investors.

During the year ended December 31, 2025, Brookfield Renewable issued 276,638 LP units (2024: 285,010 LP units) under the distribution reinvestment plan at a total value of $7 million (2024: $7 million).

During the year ended December 31, 2025, exchangeable shareholders of BEPC exchanged 36,058 BEPC exchangeable shares (2024: 10,675 BEPC exchangeable shares) for an equivalent number of LP units amounting to less than $1 million (2024: less than $1 million).

In December 2025, Brookfield Renewable renewed its normal course issuer bid in connection with its LP units and outstanding BEPC exchangeable shares. Brookfield Renewable is authorized to repurchase up to 15,296,104 LP units and 7,244,255 BEPC exchangeable shares, representing 5% of each of its issued and outstanding LP units and BEPC exchangeable shares. The bids will expire on December 17, 2026, or earlier should Brookfield Renewable complete its repurchases prior to such date. During the year ended December 31, 2025, there were 1,522,975 LP units (2024: 2,279,654 units) repurchased and cancelled at a total cost of $34 million (2024: $52 million).There were no BEPC exchangeable shares repurchased during the years ended December 31, 2025 or 2024.

PART 4 – FINANCIAL PERFORMANCE REVIEW ON PROPORTIONATE INFORMATION

SEGMENTED DISCLOSURES

Segmented information is prepared on the same basis that Brookfield Renewable's Chief Executive Officer and Chief Financial Officer (collectively, the chief operating decision makers or "CODM") manages the business, evaluates financial results, and makes key operating decisions. See "PART 9 – Presentation to Stakeholders and Performance Measurement" for information on segments and an explanation on the calculation and relevance of proportionate information, Adjusted EBITDA and Funds From Operations which are non-IFRS measures.

PROPORTIONATE RESULTS FOR THE YEAR ENDED DECEMBER 31

The following chart reflects the generation and summary financial figures on a **proportionate basis** for the year ended December 31:

	(GWh)				(MILLIONS)					
	Renewable Actual Generation		Renewable LTA Generation		Revenues		Adjusted EBITDA[1]		Funds From Operations[1]	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Hydroelectric										
North America	**10,400**	10,821	**12,155**	12,155	**$ 1,063**	$ 932	**$ 659**	$ 575	**$ 378**	$ 300
Brazil	**3,557**	3,809	**3,888**	4,043	**197**	208	**138**	151	**121**	130
Colombia	**4,594**	2,950	**4,377**	3,646	**347**	338	**226**	176	**108**	81
	18,551	17,580	**20,420**	19,844	**1,607**	1,478	**1,023**	902	**607**	511
Wind	**8,406**	8,276	**9,536**	9,604	**596**	629	**481**	631	**303**	484
Utility-scale solar	**4,759**	3,712	**5,699**	4,365	**469**	416	**494**	464	**345**	349
Distributed energy & storage	**1,441**	1,379	**1,282**	1,111	**261**	227	**504**	229	**453**	186
Sustainable solutions	**—**	—	**—**	—	**609**	496	**198**	165	**161**	143
Corporate	**—**	—	**—**	—	**—**	—	**(2)**	17	**(535)**	(456)
Total	**33,157**	30,947	**36,937**	34,924	**$ 3,542**	$ 3,246	**$ 2,698**	$ 2,408	**$ 1,334**	$ 1,217

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

HYDROELECTRIC OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2025	2024
Revenue	**$ 1,607**	$ 1,478
Other income	**108**	44
Direct operating costs	**(692)**	(620)
Adjusted EBITDA[1]	**1,023**	902
Interest expense	**(393)**	(364)
Current income taxes	**(23)**	(27)
Funds From Operations	**$ 607**	$ 511
Generation (GWh) – LTA	***20,420***	*19,844*
Generation (GWh) – actual	***18,551***	*17,580*
Average revenue per MWh[2]	***71***	*74*

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

(2) Average revenue per MWh was adjusted to net the impact of power purchases and any revenue with no corresponding generation.

The following table presents our proportionate results by geography for hydroelectric operations for the year ended December 31:

	Actual Generation (GWh)		Average revenue per MWh[1]		Adjusted EBITDA[2]		Funds From Operations	
(MILLIONS, EXCEPT AS NOTED)	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
North America								
United States	**6,441**	7,235	**$ 83**	$ 83	**$ 405**	$ 358	**$ 241**	$ 198
Canada	**3,959**	3,586	**70**	67	**254**	217	**137**	102
	10,400	10,821	**78**	78	**659**	575	**378**	300
Brazil	**3,557**	3,809	**55**	55	**138**	151	**121**	130
Colombia	**4,594**	2,950	**69**	82	**226**	176	**108**	81
Total	**18,551**	17,580	**$ 71**	$ 74	**$ 1,023**	$ 902	**$ 607**	$ 511

(1) Average revenue per MWh was adjusted to net the impact of power purchases and any revenue with no corresponding generation.

(2) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

North America

Funds From Operations at our North American business were $378 million in 2025 versus $300 million in the prior year driven by stronger hydrology across our Canadian fleet and our inflation-indexed contracts, partially offset by a weaker Canadian dollar. We also advanced our capital rotation strategy through the sale of a stake in a U.S. non-core hydro asset portfolio, crystalizing significant value from our initial acquisition.

Brazil

Funds From Operations at our Brazilian business were $121 million in 2025 versus $130 million in the prior year as the benefit from inflation indexation on our contracted generation was offset by lower hydrology and the strengthening of the Brazilian reais versus the U.S. dollar.

Colombia

Funds From Operations at our Colombian business were $108 million in 2025 versus $81 million in the prior year benefitting from stronger hydrology, inflation indexation on contracted generation, lower cash taxes from recently acquired development assets and our increased ownership in the business, partially offset by lower spot prices on our uncontracted generation caused by higher system-wide hydrology, driving lower average revenue per MWh across the global hydroelectric portfolio.

WIND OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2025	2024
Revenue	**$ 596**	$ 629
Other income	**127**	235
Direct operating costs	**(242)**	(233)
Adjusted EBITDA[1]	**481**	631
Interest expense	**(161)**	(130)
Current income taxes	**(17)**	(17)
Funds From Operations	**$ 303**	$ 484
Generation (GWh) – LTA	***9,536***	*9,604*
Generation (GWh) – actual	***8,406***	*8,276*

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

Funds From Operations at our wind business were $303 million in 2025 versus $484 million in the prior year as the benefit from newly acquired and commissioned facilities, including our investments in Neoen and an offshore wind portfolio in the U.K. was offset by gains on the sale of development assets that benefited the prior year and the impact from the sale of wind assets in the U.S., Portugal and Spain that reduced results compared to last year.

UTILITY-SCALE SOLAR OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for utility-scale solar operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2025	2024
Revenue	**$ 469**	$ 416
Other income	**173**	180
Direct operating costs	**(148)**	(132)
Adjusted EBITDA[1]	**494**	464
Interest expense	**(133)**	(114)
Current income taxes	**(16)**	(1)
Funds From Operations	**$ 345**	$ 349
Generation (GWh) – LTA	***5,699***	*4,365*
Generation (GWh) – actual	***4,759***	*3,712*

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

Funds From Operations at our utility-scale solar business were $345 million in 2025 versus $349 million in the prior year as the benefit of newly acquired and commissioned facilities, including our investments in Neoen and Geronimo Power, was offset by the sale of solar assets in Spain that reduced results compared to last year.

DISTRIBUTED ENERGY & STORAGE OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for distributed energy & storage business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2025	2024
Revenue	**$ 261**	$ 227
Other income	**355**	88
Direct operating costs	**(112)**	(86)
Adjusted EBITDA[1]	**504**	229
Interest expense	**(47)**	(38)
Current income taxes	**(4)**	(5)
Funds From Operations	**$ 453**	$ 186
Generation (GWh) – LTA	***1,282***	*1,111*
Generation (GWh) – actual	***1,441***	*1,379*

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

Funds From Operations at our distributed energy & storage business were $453 million in 2025 as the business benefited from recently acquired and commissioned facilities, including our investment in Neoen and Geronimo Power and a gain on the majority sale of a North American distributed energy business versus $186 million in the prior year

SUSTAINABLE SOLUTIONS OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for sustainable solutions business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2025	2024
Revenue	**$ 609**	$ 496
Other income	**50**	66
Direct operating costs	**(461)**	(397)
Adjusted EBITDA[1]	**198**	165
Interest expense	**(32)**	(22)
Current income taxes	**(5)**	—
Funds From Operations	**$ 161**	$ 143

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

Funds From Operations at our sustainable solutions business were $161 million in 2025 versus $143 million in the prior year as the benefits of growth and contributions from our global nuclear services business were partially offset by tax recoveries that benefited the prior year.

CORPORATE

The following table presents our results for corporate for the year ended December 31:

(MILLIONS)		2025		2024
Other income	$	**39**	$	56
Direct operating costs		**(41)**		(39)
Adjusted EBITDA[1]		**(2)**		17
Management service costs		**(223)**		(204)
Interest expense		**(203)**		(167)
Distributions[2]		**(104)**		(102)
Current income taxes		**(3)**		—
Funds From Operations	**$**	**(535)**	$	(456)

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

(2) Distributions on Preferred Units, Class A Preference Shares and Perpetual Subordinated Notes.

Funds From Operations was $535 million due to additional corporate level financing initiatives to support growth over the last twelve months and higher management service costs due to the growth of our business.

PROPORTIONATE RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

The following chart reflects the generation and summary financial figures on a **proportionate basis** for the year ended December 31:

	(GWh)				(MILLIONS)					
	Renewable Actual Generation		Renewable LTA Generation		Revenues		Adjusted EBITDA[1]		Funds From Operations[1]	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Hydroelectric										
North America	10,821	11,603	12,155	12,161	$ 932	$ 1,029	$ 575	$ 670	$ 300	$ 402
Brazil	3,809	3,974	4,043	4,099	208	240	151	172	130	146
Colombia	2,950	3,408	3,646	3,647	338	293	176	175	81	76
	17,580	18,985	19,844	19,907	1,478	1,562	902	1,017	511	624
Wind	8,276	6,367	9,604	7,865	629	511	631	493	484	382
Utility-scale solar	3,712	2,489	4,365	3,123	416	365	464	372	349	261
Distributed energy & storage	1,379	1,241	1,111	956	227	241	229	180	186	133
Sustainable solutions	—	—	—	—	496	147	165	61	143	52
Corporate	—	—	—	—	—	—	17	59	(456)	(357)
Total	30,947	29,082	34,924	31,851	$ 3,246	$ 2,826	$ 2,408	$ 2,182	$ 1,217	$ 1,095

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

HYDROELECTRIC OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2024	2023
Revenue	$ 1,478	$ 1,562
Other income	44	33
Direct operating costs	(620)	(578)
Adjusted EBITDA[1]	902	1,017
Interest expense	(364)	(367)
Current income taxes	(27)	(26)
Funds From Operations	$ 511	$ 624
Generation (GWh) – LTA	*19,844*	*19,907*
Generation (GWh) – actual	*17,580*	*18,985*
Average revenue per MWh[2]	*74*	*72*

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.
(2) Average revenue per MWh was adjusted to net the impact of power purchases and any revenue with no corresponding generation.

The following table presents our proportionate results by geography for hydroelectric operations for the year ended December 31:

	Actual Generation (GWh)		Average revenue per MWh[1]		Adjusted EBITDA[2]		Funds From Operations	
(MILLIONS, EXCEPT AS NOTED)	2024	2023	2024	2023	2024	2023	2024	2023
North America								
United States	7,235	7,766	$ 83	$ 84	$ 358	$ 425	$ 198	$ 271
Canada	3,586	3,837	67	63	217	245	102	131
	10,821	11,603	78	77	575	670	300	402
Brazil	3,809	3,974	55	60	151	172	130	146
Colombia	2,950	3,408	82	69	176	175	81	76
Total	17,580	18,985	$ 74	$ 72	$ 902	$ 1,017	$ 511	$ 624

(1) Average revenue per MWh was adjusted to net the impact of power purchases and any revenue with no corresponding generation.
(2) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

North America

Funds From Operations at our North American business were $300 million in 2024 versus $402 million in the prior year as the benefit from recontracting initiatives and inflation indexation on our contracted generation was offset by weaker hydrology, lower average revenue per MWh in the U.S. due primarily to generation mix and the weakening of the Canadian dollar versus the U.S. dollar.

Brazil

Funds From Operations at our Brazilian business were $130 million in 2024 versus $146 million in the prior year. On a constant currency basis, Funds From Operations increased as the benefit of inflation indexation of our contracts was partially offset by less favorable hydrology conditions and commercial initiatives that benefited the prior year.

Colombia

Funds From Operations at our Colombian business were were $81 million in 2024 versus $76 million in the prior year as we benefited from higher average revenue per MWh due to recontracting initiatives, inflation indexation on contracted generation, and higher pricing realized on our uncontracted generation, partially offset by lower resources.

WIND OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2024	2023
Revenue	$ 629	$ 511
Other income	235	146
Direct operating costs	(233)	(164)
Adjusted EBITDA[1]	631	493
Interest expense	(130)	(105)
Current income taxes	(17)	(6)
Funds From Operations	$ 484	$ 382
Generation (GWh) – LTA	*9,604*	*7,865*
Generation (GWh) – actual	*8,276*	*6,367*

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

Funds From Operations at our wind business were $484 million in 2024 versus $382 million in the prior year as we benefited from newly acquired and commissioned facilities, stronger generation on a same store basis and gains related to the partial sale of North American development assets and the sale of a European development portfolio, partially offset by gains on the sale of development assets that benefited the prior year.

UTILITY-SCALE SOLAR OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for utility-scale solar operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2024	2023
Revenue	$ 416	365
Other income	180	106
Direct operating costs	(132)	(99)
Adjusted EBITDA[1]	464	372
Interest expense	(114)	(110)
Current income taxes	(1)	(1)
Funds From Operations	$ 349	$ 261
Generation (GWh) – LTA	*4,365*	*3,123*
Generation (GWh) – actual	*3,712*	*2,489*

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

Funds From Operations at our utility-scale solar business were $349 million in 2024 versus $261 million in the prior year, as we benefited from newly acquired and commissioned facilities, stronger generation on a same store basis, gains related to the sale of certain North American development assets and a European development portfolio, partially offset by gains on the sale of development assets that benefited the prior year.

DISTRIBUTED ENERGY & STORAGE OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for distributed energy & storage business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2024	2023
Revenue	$ 227	$ 241
Other income	88	20
Direct operating costs	(86)	(81)
Adjusted EBITDA[1]	229	180
Interest expense	(38)	(43)
Current income taxes	(5)	(4)
Funds From Operations	$ 186	$ 133
Generation (GWh) – LTA	*1,111*	*956*
Generation (GWh) – actual	*1,379*	*1,241*

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

Funds From Operations at our distributed energy & storage business were $186 million in 2024 versus $133 million in the prior year due to the benefits from recently acquired and commissioned facilities.

SUSTAINABLE SOLUTIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for sustainable solutions business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2024	2023
Revenue	$ 496	$ 147
Other income	66	19
Direct operating costs	(397)	(105)
Adjusted EBITDA[1]	165	61
Interest expense	(22)	(6)
Current income taxes	—	(3)
Funds From Operations	$ 143	$ 52

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

Funds From Operations at our sustainable solutions business were $143 million in 2024 versus $52 million in the prior year due to growth and development including our investment in our global nuclear services business.

CORPORATE

The following table presents our results for corporate for the year ended December 31:

(MILLIONS)	2024	2023
Other income	$ 56	$ 88
Direct operating costs	(39)	(29)
Adjusted EBITDA[1]	17	59
Current income taxes	—	—
Management service costs	(204)	(205)
Interest expense	(167)	(114)
Distributions[2]	(102)	(97)
Funds From Operations	$ (456)	$ (357)

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.
(2) Distributions on Preferred Units and Class A Preference Shares and Perpetual Subordinated Notes.

RECONCILIATION OF NON-IFRS MEASURES

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the year ended December 31, 2025:

	Hydroelectric								
(MILLIONS)	North America	Brazil	Colombia	Wind	Utility -scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total
Net income (loss)	$ 8	$ 34	$ 178	$ (92)	$ (283)	$ 484	$ 878	$ (495)	$ 712
Add back or deduct the following:									
Depreciation	399	72	195	878	578	260	43	—	2,425
Deferred income tax (recovery) expense	(32)	(7)	1	(213)	(169)	98	1	(44)	(365)
Foreign exchange and financial instrument (gain) loss	(41)	(19)	29	(497)	(448)	(245)	(244)	31	(1,434)
Other[1]	95	3	42	332	554	490	(577)	42	981
Management service costs	—	—	—	—	—	—	—	223	223
Interest expense	376	58	355	694	528	204	4	238	2,457
Current income tax expense (recovery)	28	7	41	10	67	(405)	—	3	(249)
Amount attributable to equity accounted investments and non-controlling interests[2]	(174)	(10)	(615)	(631)	(333)	(382)	93	—	(2,052)
Adjusted EBITDA attributable to Unitholders	$ 659	$ 138	$ 226	$ 481	$ 494	$ 504	$ 198	$ (2)	$ 2,698

(1) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

(2) Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries, excluding amounts attributable to Unitholders. By adjusting Adjusted EBITDA attributable to non-controlling interest, Brookfield Renewable is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to Brookfield Renewable.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the year ended December 31, 2024:

	Hydroelectric								
(MILLIONS)	North America	Brazil	Colombia	Wind	Utility-scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total
Net income (loss)	$ 59	$ (9)	$ 200	$ 149	$ (150)	$ 62	$ 110	$ (430)	$ (9)
Add back or deduct the following:									
Depreciation	420	71	145	805	414	144	11	—	2,010
Deferred income tax (recovery) expense	(10)	(4)	16	(1)	6	1	4	(43)	(31)
Foreign exchange and financial instrument (gain) loss	(105)	(1)	(16)	(201)	(175)	(199)	(177)	(6)	(880)
Other[1]	(33)	58	(7)	84	384	178	41	94	799
Management service costs	—	—	—	—	—	—	—	204	204
Interest expense	353	54	361	491	355	159	14	201	1,988
Current income tax expense (recovery)	2	8	60	(6)	(85)	(136)	—	(3)	(160)
Amount attributable to equity accounted investments and non-controlling interests[2]	(111)	(26)	(583)	(690)	(285)	20	162	—	(1,513)
Adjusted EBITDA attributable to Unitholders	$ 575	$ 151	$ 176	$ 631	$ 464	$ 229	$ 165	$ 17	$ 2,408

(1) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable’s economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

(2) Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries, excluding amounts attributable to Unitholders. By adjusting Adjusted EBITDA attributable to non-controlling interest, Brookfield Renewable is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to Brookfield Renewable.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the year ended December 31, 2023:

	Hydroelectric								
(MILLIONS)	North America	Brazil	Colombia	Wind	Utility -scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total
Net income (loss)	$ 207	$ 28	$ 188	$ 307	$ 209	$ (90)	$ 102	$ (335)	$ 616
Add back or deduct the following:									
Depreciation	424	101	127	709	348	56	85	2	1,852
Deferred income tax (recovery) expense	(69)	3	5	20	(43)	(37)	(22)	(33)	(176)
Foreign exchange and financial instrument (gain) loss	(153)	(2)	(7)	(239)	(17)	(5)	(89)	10	(502)
Other[1]	19	12	8	(111)	(171)	111	3	23	(106)
Management service costs	—	—	—	—	—	—	—	205	205
Interest expense	333	48	364	297	282	59	94	150	1,627
Current income tax expense	1	8	76	20	13	—	—	10	128
Amount attributable to equity accounted investments and non-controlling interests[2]	(92)	(26)	(586)	(510)	(249)	86	(112)	27	(1,462)
Adjusted EBITDA attributable to Unitholders	$ 670	$ 172	$ 175	$ 493	$ 372	$ 180	$ 61	$ 59	$ 2,182

(1) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

(2) Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries, excluding amounts attributable to Unitholders. By adjusting Adjusted EBITDA attributable to non-controlling interest, Brookfield Renewable is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to Brookfield Renewable.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Funds From Operations for the years indicated:

(MILLIONS)		2025		2024		2023
Net income (loss)	**$**	**712**	$	(9)	$	616
Add back or deduct the following:						
Depreciation		**2,425**		2,010		1,852
Foreign exchange and financial instruments gain		**(1,434)**		(880)		(502)
Deferred income tax recovery		**(365)**		(31)		(176)
Other[1]		**981**		799		(106)
Amount attributable to equity accounted investments and non-controlling interest[2]		**(985)**		(672)		(589)
Funds From Operations	**$**	**1,334**	$	1,217	$	1,095

(1) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included in Funds From Operations.

(2) Amount attributable to equity accounted investments corresponds to the Funds From Operations that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries, excluding amounts attributable to Unitholders. By adjusting Funds From Operations attributable to non-controlling interest, Brookfield Renewable is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to Brookfield Renewable.

The following table reconciles the per unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic earnings per LP unit is reconciled to Funds From Operations per Unit, for the years indicated:

		2025		2024		2023
Basic loss per LP unit[1]	**$**	**(0.25)**	$	(0.89)	$	(0.32)
Depreciation		**1.72**		1.55		1.55
Foreign exchange and financial instruments gain		**(0.13)**		(0.41)		(0.21)
Deferred income tax recovery		**(0.29)**		(0.09)		(0.19)
Other[2]		**0.96**		1.67		0.84
Funds From Operations per Unit[3]	**$**	**2.01**	$	1.83	$	1.67

(1) During the year ended December 31, 2025, on average there were 287.0 million LP units outstanding (2024: 285.5 million, 2023: 282.4 million).

(2) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

(3) Average units outstanding, for the year ended December 31, 2025, were 665.1 million (2024: 663.6 million, 2023: 657.1 million), being inclusive of GP interest, Redeemable/Exchangeable partnership units, LP units, BEPC exchangeable shares and class A.2 exchangeable shares.

CONTRACT PROFILE

We operate our power business on a largely contracted basis to provide a high degree of predictability in Funds From Operations. We maintain a long-term view that electricity prices and the demand for electricity will rise due to electrification of the global economy including segments like industrial and transportation as well as from increasing digitalization. We also expect demand for clean power to grow as renewables are the cheapest form of bulk electricity generation, on the increasing level of acceptance around climate change and the legislated requirements in some areas to diversify away from fossil fuel based generation.

In Brazil and Colombia, we also expect power prices will continue to be supported by the need to build new supply over the medium-to-long term to serve growing demand and therefore we would expect to capture rising prices as we re-contract our power over the medium-term.

The following table sets out our power contracts over the next five years for generation output in North America, Brazil, Europe and certain other countries, assuming long-term average on a proportionate basis. The table excludes Brazil hydroelectric and Colombia portfolios, where we would expect the energy associated with maturing contracts to be re-contracted in the normal course given the construct of the respective power markets. In these countries we currently have a contracted profile of approximately 85% and 75%, respectively, of the long-term average and we would expect to maintain this going forward. Overall, our power portfolio has a weighted-average remaining contract duration of 13 years on a proportionate basis.

(GWh, except as noted)	2026	2027	2028	2029	2030
Hydroelectric					
North America					
United States[1]	6,829	6,924	6,440	6,483	6,429
Canada	4,060	4,097	4,097	4,049	4,049
	10,889	11,021	10,537	10,532	10,478
Wind	8,533	7,952	7,728	7,409	7,257
Utility-scale solar	5,270	5,357	5,319	5,280	5,247
Distributed energy & storage	442	440	438	434	431
Sustainable solutions	58	58	56	46	30
Contracted on a proportionate basis	25,192	24,828	24,078	23,701	23,443
Uncontracted on a proportionate basis	2,623	2,987	3,737	4,114	4,372
Long-term average on a proportionate basis	27,815	27,815	27,815	27,815	27,815
Non-controlling interests	73,238	73,238	73,238	73,238	73,238
Total long-term average	101,053	101,053	101,053	101,053	101,053
Contracted generation as a % of total generation on a proportionate basis	91%	89%	87%	85%	84%
Price per MWh – total generation on a proportionate basis	$ 74	$ 75	$ 77	$ 78	$ 79

(1) Includes generation of 1,326 GWh for 2026, 627 GWh for 2027 secured under financial contracts.

The table reflects the current average price of contracted generation across our investments. The weighted-average contract price has decreased slightly since the third quarter of 2025 due to the sale of our U.S. distributed generation business in the fourth quarter of 2025.

Weighted-average remaining power contract durations on a proportionate basis are 13 years in North America, 17 years in Europe, 9 years in Brazil, 5 years in Colombia, and 15 years across our remaining jurisdictions.

In North America, over the next five years, a number of contracts will expire at our hydroelectric facilities. Based on current market prices for energy and ancillary products, we expect a net positive impact to cash flows.

In our Colombian portfolio, we continue to focus on securing long-term contracts while maintaining a certain percentage of uncontracted generation so as to mitigate hydrology risk.

The majority of Brookfield Renewable's long-term power purchase agreements within our North American and European businesses are with investment-grade rated or creditworthy counterparties. The economic exposure of our contracted generation on a proportionate basis is distributed as follows: power authorities (33%), distribution companies (24%), commercial and industrial users (32%), and Brookfield (11%).

PART 5 – LIQUIDITY AND CAPITAL RESOURCES

CAPITALIZATION

A key element of our financing strategy is to raise the majority of our debt in the form of asset-specific, non-recourse borrowings at our subsidiaries on an investment-grade basis with no maintenance covenants. Substantially all of our debt is either investment grade rated or sized to investment grade and approximately 90% of debt is non-recourse.

The following table summarizes our capitalization as at December 31:

	Corporate		Consolidated	
(MILLIONS, EXCEPT AS NOTED)	**2025**	2024	**2025**	2024
Corporate credit facility[1]	**$ —**	$ 240	**$ —**	$ 240
Commercial paper[1]	**194**	431	**194**	431
Debt				
Medium-term notes[2]	**3,187**	3,008	**3,187**	3,008
Hybrid notes[2]	**328**	139	**328**	139
Non-recourse borrowings[3]	**—**	—	**31,555**	30,904
	3,515	3,147	**35,070**	34,051
Deferred income tax liabilities, net[4]	**—**	—	**8,902**	8,109
Equity				
Non-controlling interest	**—**	—	**24,164**	26,168
Preferred equity	**563**	537	**563**	537
Perpetual subordinated notes	**737**	737	**737**	737
Preferred limited partners' equity	**634**	634	**634**	634
Unitholders' equity	**8,876**	8,380	**8,876**	8,380
Total capitalization	**$ 14,325**	$ 13,435	**$ 78,946**	$ 78,616
Debt-to-total capitalization[1]	**25 %**	23 %	**44 %**	43 %
Debt-to-total capitalization (market value)[5]	**14 %**	15 %	**39 %**	40 %

(1) Draws on corporate credit facilities and commercial paper issuances are excluded from the debt-to-total capitalization ratios as they are not a permanent source of capital.

(2) Medium-term and Hybrid notes are unsecured and guaranteed by Brookfield Renewable and excludes $23 million (2024: $16 million) of deferred financing fees, net of unamortized premiums.

(3) Consolidated non-recourse borrowings include $1,569 million (2024: $1,494 million) borrowed under a subscription facility of a Brookfield sponsored private fund and excludes $168 million (2024: $171 million) of deferred financing fees and $181 million (2024: $145 million) of unamortized premiums and discounts.

(4) Deferred income tax liabilities less deferred income tax assets.

(5) Based on market values of Preferred equity, Perpetual subordinated notes, Preferred limited partners' equity and Unitholders' equity.

AVAILABLE LIQUIDITY

The following table summarizes the available liquidity as at December 31:

(MILLIONS)	2025	2024
Brookfield Renewable's share of cash and cash equivalents	**$ 963**	$ 770
Investments in marketable securities	**159**	201
Corporate credit facilities		
Authorized credit facilities	**2,450**	2,450
Draws on credit facilities	**—**	(240)
Authorized letter of credit facility	**450**	500
Issued letters of credit	**(414)**	(335)
Available portion of corporate credit facilities	**2,486**	2,375
Available portion of subsidiary credit facilities on a proportionate basis	**1,017**	974
Available liquidity	**$ 4,625**	$ 4,320

We operate with sufficient liquidity to enable us to fund growth initiatives, capital expenditures, distributions or other expenditures and withstand sudden adverse changes in economic circumstances or short-term fluctuations in generation. We maintain a strong, investment grade balance sheet characterized by a conservative capital structure, access to multiple funding levers including a focus on capital recycling on an opportunistic basis, and diverse sources of capital. Principal sources of liquidity are cash flows from operations, our credit facilities, up-financings on non-recourse borrowings and proceeds from the issuance of various securities through public markets.

BORROWINGS

The composition of debt obligations, overall maturity profile, and average interest rates associated with our borrowings and credit facilities on a proportionate basis as at December 31 is presented in the following table:

	2025			2024		
	Weighted-average			Weighted-average		
(MILLIONS, EXCEPT AS NOTED)	**Interest rate %(1)**	**Term (years)**	**Total(1)**	Interest rate %(1)	Term (years)	Total(1)
Corporate borrowings						
Credit facilities	**N/A**	**5**	**$ —**	5.6	5	$ 240
Commercial paper	**4.3**	**<1**	**194**	5.0	<1	431
Medium-term notes	**4.5**	**12**	**3,187**	4.4	12	3,008
Hybrid notes	**5.4**	**30**	**328**	5.5	30	139
Proportionate non-recourse borrowings(2)						
Hydroelectric	**6.6**	**10**	**6,478**	6.0	11	4,887
Wind	**4.8**	**9**	**2,772**	4.7	10	2,144
Utility-scale solar	**5.3**	**11**	**2,993**	5.2	12	2,431
Distributed energy and storage	**5.8**	**7**	**425**	4.3	7	870
Sustainable solutions	**5.7**	**5**	**404**	6.3	6	399
	5.9	**10**	**13,072**	5.4	11	10,731
			$ 16,781			$ 14,549
Proportionate unamortized financing fees, net of unamortized premiums			**(85)**			(114)
			16,696			14,435
Equity-accounted borrowings			**(1,507)**			(1,438)
Non-controlling interests and other(3)			**19,703**			21,393
As per IFRS Statements			**$ 34,892**			$ 34,390

(1) Includes proportionate share of cash obligations on tax equity and yields on tax equity.
(2) See "Part 9 – Presentation to Stakeholders and Performance Measurement" for information on proportionate debt.
(3) Includes tax equity liabilities.

The following table summarizes our undiscounted principal repayments, scheduled amortization and interest repayable on a proportionate basis as at December 31, 2025:

(MILLIONS)	2026	2027	2028	2029	2030	Thereafter	Total
Debt principal repayments[1]							
Medium-term notes[2]	$ —	$ 364	$ —	$ 346	$ 346	$ 2,131	$ 3,187
Hybrid note[2]	—	—	—	—	—	328	328
Non-recourse borrowings							
Hydroelectric	420	410	179	697	971	1,532	4,209
Wind	82	38	191	361	210	34	916
Utility-scale solar	115	41	182	325	166	124	953
Distributed energy & storage	5	11	93	54	100	80	343
Sustainable solutions	—	—	—	—	332	4	336
	622	500	645	1,437	1,779	1,774	6,757
Amortizing debt principal repayments							
Non-recourse borrowings							
Hydroelectric	191	189	245	169	228	1,247	2,269
Wind	151	173	168	176	180	1,008	1,856
Utility-scale solar	154	167	179	167	176	1,197	2,040
Distributed energy & storage	8	4	5	10	4	51	82
Sustainable solutions	9	8	20	7	7	17	68
	513	541	617	529	595	3,520	6,315
Total	$ 1,135	$ 1,405	$ 1,262	$ 2,312	$ 2,720	$ 7,753	$ 16,587
Interest payable[1][2][3]							
Medium-term notes	$ 143	$ 136	$ 130	$ 123	$ 109	$ 1,076	$ 1,717
Hybrid note	18	18	18	18	18	440	530
Non-recourse borrowings							
Hydroelectric	430	388	335	323	262	1,523	3,261
Wind	134	125	112	93	65	347	876
Utility-scale solar	131	125	116	112	91	737	1,312
Distributed energy & storage	21	20	18	14	10	36	119
Sustainable solutions	24	24	23	21	20	4	116
	740	682	604	563	448	2,647	5,684
Total	$ 901	$ 836	$ 752	$ 704	$ 575	$ 4,163	$ 7,931

(1) Draws on corporate credit facilities and commercial paper issuances are excluded from the debt repayment schedule as they are not a permanent source of capital.

(2) Medium-term and Hybrid notes are unsecured and guaranteed by Brookfield Renewable and excludes $23 million (2024: $16 million) of deferred financing fees, net of unamortized premiums.

(3) Represents aggregate interest payable expected to be paid over the entire term of the obligations, if held to maturity. Variable rate interest payments have been calculated based on estimated interest rates.

We remain focused on refinancing near-term facilities on acceptable terms and maintaining a manageable maturity ladder. We do not anticipate material issues in addressing our borrowings through 2030 on acceptable terms and will do so opportunistically based on the prevailing interest rate environment.

CAPITAL EXPENDITURES

We fund growth capital expenditures with cash flow generated from operations, supplemented by non-recourse debt sized to investment grade coverage and covenant thresholds. This is designed to ensure that our investments have stable capital structures supported by a substantial level of equity and cash flows at the asset level can be remitted freely to our company. This strategy also underpins our investment grade profile.

To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling mature businesses and upfinancings, in addition to raising money in the capital markets through equity, debt and preferred share issuances. Furthermore, we have $2.45 billion in committed revolving credit facilities available for investments and acquisitions, as well as funding the equity component of organic growth initiatives. The facilities are intended, and have historically been used, as a bridge to a long-term financing strategy rather than a permanent source of capital.

CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the key items in the audited annual consolidated statements of cash flows, for the year ended December 31:

(MILLIONS)	**2025**	2024	2023
Cash flow provided by (used in):			
Operating activities before changes in due to or from related parties and net working capital change	**$ 1,572**	$ 1,562	$ 1,390
Changes in due to or from related parties	**250**	44	7
Net change in working capital balances	**(675)**	(332)	468
Operating activities	**1,147**	1,274	1,865
Financing activities	**6,418**	7,649	2,596
Investing activities	**(8,647)**	(6,800)	(4,356)
Foreign exchange gain (loss) on cash	**121**	(95)	38
(Decrease) increase in cash and cash equivalents	**$ (961)**	$ 2,028	$ 143

Operating Activities

Cash flows provided by operating activities before changes in due to or from related parties and net working capital changes for the year ended December 31, 2025, totaled $1,572 million compared to $1,562 million in 2024 and $1,390 million in 2023, reflecting the strong operating performance of our business during the periods.

Financing Activities

Cash flows provided by financing activities totaled $6,418 million for the year ended December 31, 2025. The strength of our balance sheet and access to diverse sources of capital enabled us to fund our growth as discussed below and allowed us to generate net proceeds of $10,491 million for the year ended December 31, 2025, from corporate and non-recourse borrowings, net inflows from related parties, and net capital contributions from participating non-controlling interests, including the issuance of C$450 million ($307 million) of medium term notes, C$250 million ($184 million) of hybrid notes, $632 million of equity financing net of transaction fees through a bought deal and concurrent private placement of LP units, and partially offset by the repayment of C$400 million ($291 million) of medium-term notes prior to maturity, execution of open market purchases and the mandatory cash tender offer for convertible bonds of Neoen and the acquisition of an incremental 15% ownership interest in Isagen. Non-recourse financings included several up-financings across our hydro fleet on the back of signing favourable long-term contracts, generating incremental liquidity to fund growth on an investment grade basis.

Cash flows provided by financing activities totaled $7,649 million for the year ended December 31, 2024. The strength of our balance sheet and access to diverse sources of capital enabled us to fund our growth as discussed below and allowed us to generate net proceeds of $9,885 million for the year ended December 31, 2024, from corporate, non-recourse, related party financings, and net capital contributions from participating non-controlling interests, including the issuance of C$800 million ($587 million) aggregate of medium term notes, the issuance of $150 million perpetual green subordinated notes, and the issuance of C$200 million ($139 million) fixed-to-fixed reset rate subordinated hybrid notes.

Distributions, including incentive distributions to the general partners, paid during the year ended December 31, 2025, 2024 and 2023 to Unitholders were $1,140 million, $1,061 million and $990 million, respectively. We increased our distributions to $1.492 per LP unit in 2025 (2024: $1.420 and 2023: $1.350), representing a 5.2% increase per LP unit relative to the prior year, which took effect in the first quarter of 2025. The distributions paid to preferred shareholders, preferred limited partners' unitholders, perpetual subordinate notes, and participating non-controlling interests in operating subsidiaries during the year ended December 31, 2025, 2024 and 2023 totaled $2,933 million, $993 million, and $967 million, respectively.

Investing Activities

Cash flows used in investing activities totaled $8,647 million for the year ended December 31, 2025. During the year, we invested $4,855 million into the acquisition of businesses, net of their cash and cash equivalents, including the completion of our Neoen acquisition through the execution of open market purchases and the mandatory cash tender offer for an incremental 47% interest, the acquisition of Geronimo Power and incremental capital injections into our structured investments and equity accounted investments. Our continued investment in the construction and development of wind, solar, distributed generation, and storage development projects globally totaled $6,587 million for the year ended December 31, 2025. Our capital recycling initiatives generated $3,163 million of proceeds from asset sales for the year ended December 31, 2025, including the sale of a 1,004 MW portfolio of wind and solar assets in India, a 2.2 GW pumped storage facility in Europe, a 25% interest in an 845 MW portfolio of wind assets in the U.S., the sale of a 650 MW portfolio of operating and under construction wind, solar and battery projects in Australia, a 315 MW portfolio of wind projects in Australia, a 760 MW portfolio of wind and solar assets in France, a 100% interest in a 1.5 GW portfolio of operating distributed generation assets and a 47% interest in a 2.3 GW distributed generation development platform in the United States, and the sale of certain financial securities.

Cash flows used in investing activities totaled $6,800 million for the year ended December 31, 2024. During the year, we invested $2,940 million into acquiring businesses net of their cash and cash equivalents, including a 53% controlling interest in Neoen, a 74% controlling stake in a leading wind-focused commercial and industrial renewable business in India and a fully integrated distributed generation focused renewable platform in South Korea. We also invested $1,368 million into our structured investments in sustainable solutions and equity accounted investments including acquiring a 12% interest in a ~3.5 GW portfolio of offshore wind assets located in the U.K., a 49% interest in a tri-party joint venture with a 600 MW wind portfolio, and a 67% interest in an eFuels facility in the U.S. that will be capable of producing 500 barrels per day. Our continued investment including the construction and development of wind, solar, distributed generation, and storage development projects globally including the U.S., Brazil, and India totaled $3,733 million for the year ended December 31, 2024. Our capital recycling initiatives generated $1,275 million of proceeds from asset sales for the year ended December 31, 2024 including a portfolio of 63 MW of solar assets, 682 MW of wind assets, and a 1.6 GW development pipeline in Spain and Portugal, a 50% interest in a 67 MW portfolio of wind facilities in the U.K., a 90 MW portfolio of hydroelectric assets and a 85 MW portfolio of biomass facilities in Brazil, and a 30 MW hydroelectric asset in the U.S.

Cash flows used in investing activities totaled $4,356 million for the year ended December 31, 2023. During the year, we invested $2,160 million into growth including the acquisition of Westinghouse through a strategic partnership, the purchase of an incremental 4% interest in X-Elio, a developer and operator of renewable power assets in the US with 5,900 MW of operating and under construction assets and a 6,100 MW development pipeline, a U.K. renewable developer with 260 MW onshore wind assets, 800 MW near-term development and another 3 GW of later stage projects, renewable platforms in India with 4,500 MW of operating and development assets, 136 MW and 60 MW portfolios of operating wind assets in Brazil, a distributed generation platform with approximately 730 MW of development pipeline in Brazil, and a 200 MW solar development project in China. Our continued investment in our property, plant and equipment, including 675 MW of wind, solar and distributed generation development projects in the U.S., 248 MW of wind development projects in Brazil, 281 MW of wind development projects in China, 268 MW of solar development assets in India and 60 MW of solar assets in Colombia totaled $2,809 million for the year ended December 31, 2023, partially offset by proceeds of $648 million generated from the sale of non-core wind and solar assets and securities for the year ended December 31, 2023.

SHARES, NOTES AND UNITS OUTSTANDING

Shares and units outstanding as at December 31 are as follows:

	December 31, 2025	December 31, 2024
Class A Preference Shares[(1)]	**31,035,967**	31,035,967
Perpetual Subordinated Notes		
Balance, beginning of year	**30,400,000**	24,400,000
Issuance	**—**	6,000,000
Balance, end of year	**30,400,000**	30,400,000
Preferred Units[(2)]		
Balance, beginning of year	**31,000,000**	38,000,000
Redemption of preferred LP Units	**—**	(7,000,000)
Balance, end of year	**31,000,000**	31,000,000
GP interest	**3,977,260**	3,977,260
Redeemable/Exchangeable partnership units	**194,487,939**	194,487,939
BEPC exchangeable shares and Class A.2 exchangeable shares[(3)]		
Balance, beginning of year	**179,640,851**	179,651,526
Exchanged for BEP LP units	**(36,058)**	(10,675)
Balance, end of year	**179,604,793**	179,640,851
LP units		
Balance, beginning of year	**285,180,371**	287,164,340
Issuance	**22,017,870**	—
Repurchase of LP units for cancellation	**(1,522,975)**	(2,279,654)
Distribution reinvestment plan	**276,638**	285,010
Issued in exchange for BEPC exchangeable shares	**36,058**	10,675
Balance, end of year	**305,987,962**	285,180,371
Total LP units on a fully-exchanged basis[(4)]	**680,080,694**	659,309,161

(1) Class A Preference Shares are broken down by series as follows: 8,372,310 (2024: 6,849,533) Series 1 Class A Preference Shares are outstanding; 1,587,754 (2024: 3,110,531) Series 2 Class A Preference Shares are outstanding; 9,961,399 (2024: 9,961,399) Series 3 Class A Preference Shares are outstanding; 4,114,504 (2024: 4,111,504) Series 5 Class A Preference Shares are outstanding; and 7,000,000 (2024: 7,000,000) Series 6 Class A Preference Shares are outstanding.

(2) Preferred Units are broken down by series and certain series are convertible on a one for one basis at the option of the holder as follows: 7,000,000 Series 7 Preferred Units are outstanding (convertible for Series 8 Preferred Units beginning on January 31, 2026); 10,000,000 Series 13 Preferred Units are outstanding (convertible for Series 14 Preferred Units beginning on April 30, 2028); 8,000,000 Series 17 Preferred Units are outstanding; and 6,000,000 Series 18 Preferred Units are outstanding.

(3) Includes 144,885,110 (December 31, 2024: 144,921,168) BEPC exchangeable shares and 34,719,683 (December 31, 2024: 34,719,683) Class A.2 exchangeable shares.

(4) The fully-exchanged amounts assume the exchange of all Redeemable/Exchangeable partnership units, BEPC exchangeable shares and class A.2 exchangeable shares for LP units.

DIVIDENDS AND DISTRIBUTIONS

The following table summarizes the dividends and distributions declared and paid, for the year ended December 31:

	Declared			Paid		
(MILLIONS)	**2025**	2024	2023	**2025**	2024	2023
Class A Preference Shares	**$ 30**	$ 28	$ 27	**$ 25**	$ 28	$ 27
Perpetual Subordinated Notes	**40**	37	29	**40**	37	29
Class A Preferred LP units	**34**	37	41	**32**	37	41
Participating non-controlling interests – in operating subsidiaries	**2,314**	891	1,428	**2,836**	891	870
GP Interest and incentive distributions	**151**	134	116	**151**	134	116
Redeemable/Exchangeable partnership units	**293**	277	265	**292**	276	263
BEPC exchangeable shares and class A.2 exchangeable shares	**269**	256	241	**270**	256	241
LP units	**434**	406	383	**427**	395	370

LP unit distributions per unit on an annualized basis were increased as follows:

Date of Increase	Amount of Increase	% Increase	Annual Distribution	Distribution Effective Date
February 2020	$0.06	5%	$1.160	March 2020
February 2021	$0.06	5%	$1.215	March 2021
February 2022	$0.06	5%	$1.280	March 2022
February 2023	$0.07	5%	$1.350	March 2023
February 2024	$0.07	5%	$1.420	March 2024
January 2025	$0.07	5%	$1.492	March 2025
January 2026	$0.08	5%	$1.568	March 2026

CONTRACTUAL OBLIGATIONS

Please see Note 28 – Commitments, contingencies and guarantees in the audited annual consolidated financial statements for further details on the following:

- *Commitments* – Water, land, and dam usage agreements, and agreements and conditions on committed acquisitions of operating portfolios and development projects;
- *Contingencies* – Legal proceedings, arbitrations and actions arising in the normal course of business, and providing for letters of credit; and
- *Guarantees* – Nature of all the indemnification undertakings and guarantees to third-parties for certain transactions.

SUPPLEMENTAL FINANCIAL INFORMATION

In April 2021, December 2021 and March 2024, Brookfield BRP Holdings (Canada) Inc., a wholly-owned subsidiary of Brookfield Renewable, issued $350 million, $260 million and $150 million, respectively, of perpetual subordinated notes at a fixed rate of 4.625%, 4.875% and 7.250%, respectively.

These notes are fully and unconditionally guaranteed, on a subordinated basis by each of Brookfield Renewable Partners L.P., BRELP, BRP Bermuda Holdings I Limited, Brookfield BRP Europe Holdings Limited, and BEP Subco Inc (together, the "guarantor subsidiaries"). The other subsidiaries of Brookfield Renewable do not guarantee the securities and are referred to below as the “non-guarantor subsidiaries”.

Pursuant to Rule 13-01 of the SEC's Regulation S-X, the following table provides combined summarized financial information of Brookfield BRP Holdings (Canada) Inc. and the guarantor subsidiaries for the year ended December 31:

(MILLIONS)	**2025**	2024	2023
Revenues[1]	**$ —**	$ —	$ —
Gross profit	**—**	—	—
Dividend income from non-guarantor subsidiaries	**988**	746	511
Net income	**715**	547	428

(1) Brookfield Renewable's total revenues for the year ended December 31, 2025 were $6,407 million (2024: $5,876 million and 2023: $5,038 million).

(MILLIONS)	**December 31, 2025**	December 31, 2024
Current assets[1]	**$ 831**	$ 392
Total assets[2][3]	**1,099**	507
Current liabilities[4]	**8,524**	7,259
Total liabilities[4]	**8,568**	7,698

(1) Amount due from non-guarantor subsidiaries was $815 million (2024: $383 million).
(2) Brookfield Renewable's total assets as at December 31, 2025 and December 31, 2024 were $98,701 million and $94,809 million.
(3) Amount due from non-guarantor subsidiaries was $949 million (2024: $408 million).
(4) Amount due to non-guarantor subsidiaries was $7,908 million (2024: $6,629 million).

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

Brookfield Renewable does not have any off-statement of financial position arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Brookfield Renewable issues letters of credit from its corporate credit facilities for general corporate purposes which include, but are not limited to, security deposits, performance bonds and guarantees for reserve accounts. As at December 31, 2025, letters of credit issued amounted to $4,399 million (2024: $2,792 million).

PART 6 – SELECTED QUARTERLY INFORMATION

HISTORICAL OPERATIONAL AND FINANCIAL INFORMATION

YEAR ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	2025	2024	2023
Operational information:			
Capacity (MW)	**47,203**	46,211	32,949
Total generation (GWh)			
Long-term average generation	**123,028**	94,339	75,584
Actual generation	**116,010**	80,842	69,704
Proportionate generation (GWh)			
Actual Renewable generation	**33,157**	30,947	29,082
Additional financial information:			
Net loss attributable to Unitholders	**$ (19)**	$ (464)	$ (100)
Basic loss per LP unit[1]	**(0.25)**	(0.89)	(0.32)
Proportionate Adjusted EBITDA[2]	**2,698**	2,408	2,182
Funds From Operations[2]	**1,334**	1,217	1,095
Funds From Operations per Unit[2][3]	**2.01**	1.83	1.67
Distribution per LP unit	**1.49**	1.42	1.35

YEAR ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	2025	2024	2023
Property, plant and equipment, at fair value	**$ 70,456**	$ 73,475	$ 64,005
Equity-accounted investments	**4,087**	2,740	2,546
Total assets	**98,701**	94,809	76,128
Total borrowings	**34,892**	34,390	29,702
Deferred income tax liabilities	**9,395**	8,439	7,174
Other liabilities	**19,440**	15,524	9,273
Participating non-controlling interests – in operating subsidiaries	**24,164**	26,168	18,863
General partnership interest in a holding subsidiary held by Brookfield	**52**	50	55
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	**2,524**	2,457	2,684
BEPC exchangeable shares and class A.2 exchangeable shares	**2,330**	2,269	2,479
Preferred equity	**563**	537	583
Perpetual subordinated notes	**737**	737	592
Preferred limited partners' equity	**634**	634	760
Limited partners' equity	**3,970**	3,604	3,963
Total liabilities and equity	**98,701**	94,809	76,128
Debt-to-total capitalization (market value)[4]	**39 %**	40 %	40 %

(1) For the year ended December 31, 2025, average LP units totaled 287.0 million (2024: 285.5 million and 2023: 282.4 million)

(2) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure, See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "PART 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures".

(3) Average Units outstanding for the year ended December 31, 2025 totaled 665.1 million (2024: 663.6 million and 2023: 657.1 million) being inclusive of our LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares, class A.2 exchangeable shares and GP interest.

(4) Based on market values of Preferred equity, Perpetual subordinated notes, Preferred limited partners' equity and Unitholders' equity.

SUMMARY OF HISTORICAL QUARTERLY RESULTS

The following is a summary of unaudited quarterly financial information for the last eight consecutive quarters:

	2025				2024			
(MILLIONS, EXCEPT AS NOTED)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Generation (GWh) – LTA	31,323	29,779	31,450	30,476	24,779	22,151	24,895	22,514
Total Generation (GWh) – actual	28,798	27,554	30,650	29,008	21,121	18,819	21,467	20,300
Proportionate Renewable Generation (GWh) – LTA	9,590	8,529	9,819	8,999	8,616	8,132	9,522	8,654
Proportionate Actual Renewable Generation (GWh)	7,759	7,186	9,542	8,670	6,868	7,320	8,298	8,461
Revenues	**$ 1,539**	**$ 1,596**	**$ 1,692**	**$ 1,580**	**$ 1,432**	**$ 1,470**	**$ 1,482**	**$ 1,492**
Net income (loss) attributable to Unitholders	**410**	**(120)**	**(112)**	**(197)**	**(9)**	**(181)**	**(154)**	**(120)**
Basic income (loss) per LP unit	**0.54**	**(0.23)**	**(0.22)**	**(0.35)**	**(0.06)**	**(0.32)**	**(0.28)**	**(0.23)**
Funds From Operations	346	302	371	315	304	278	339	296
Funds From Operations per Unit	0.51	0.46	0.56	0.48	0.46	0.42	0.51	0.45
Distribution per LP unit	0.37	0.37	0.37	0.37	0.36	0.36	0.36	0.36

PROPORTIONATE RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31

The following chart reflects the generation and summary financial figures on a proportionate basis for the three months ended December 31:

	(GWh)				(MILLIONS)					
	Actual Renewable Generation		Renewable LTA Generation		Revenues		Adjusted EBITDA(1)		Funds From Operations(1)	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Hydroelectric										
North America	**1,664**	1,880	**2,910**	2,910	**$ 207**	$ 165	**$ 133**	$ 88	**$ 57**	$ 22
Brazil	**840**	904	**983**	983	**49**	48	**33**	41	**29**	36
Colombia	**1,787**	776	**1,697**	1,009	**136**	100	**90**	50	**34**	28
	4,291	3,560	**5,590**	4,902	**392**	313	**256**	179	**120**	86
Wind	**2,224**	2,289	**2,591**	2,588	**169**	172	**137**	265	**86**	214
Utility-scale solar	**942**	731	**1,159**	896	**73**	58	**92**	99	**52**	70
Distributed energy & storage	**302**	288	**250**	230	**73**	50	**224**	37	**206**	23
Sustainable solutions	**—**	—	**—**	—	**178**	144	**44**	47	**37**	38
Corporate	**—**	—	**—**	—	**—**	—	**(9)**	(9)	**(155)**	(127)
Total	**7,759**	6,868	**9,590**	8,616	**$ 885**	$ 737	**$ 744**	$ 618	**$ 346**	$ 304

(1) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis.

For the three months ended December 31, 2025, Funds From Operations were $346 million versus $304 million in the prior year. Funds From Operations increased $42 million primarily due to contributions from recently acquired and commissioned facilities, the benefits of inflation indexation on our contracted generation in Canada, Brazil and Colombia, an increase in ownership in Isagen and a gain on the sale of a North American distributed energy platform.

RECONCILIATION OF NON-IFRS MEASURES

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the three months ended December 31, 2025:

(MILLIONS)	Hydroelectric North America	Hydroelectric Brazil	Hydroelectric Colombia	Wind	Utility -scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total
Net (loss) income	$ (62)	$ 31	$ 59	$ (164)	$ (91)	$ 280	$ 764	$ (139)	$ 678
Add back or deduct the following:									
Depreciation	103	18	52	215	158	67	9	—	622
Deferred income tax (recovery) expense	(26)	(6)	10	(53)	(49)	65	1	(15)	(73)
Foreign exchange and financial instrument (gain) loss	(20)	(27)	(35)	(148)	(361)	(144)	(131)	2	(864)
Other[1]	57	2	36	227	362	419	(616)	16	503
Management service costs	—	—	—	—	—	—	—	61	61
Interest expense	106	15	104	168	138	41	1	65	638
Current income tax expense (recovery)	24	1	17	10	17	(261)	(1)	1	(192)
Amount attributable to equity accounted investments and non-controlling interests[2]	(49)	(1)	(153)	(118)	(82)	(243)	17	—	(629)
Adjusted EBITDA attributable to Unitholders	$ 133	$ 33	$ 90	$ 137	$ 92	$ 224	$ 44	$ (9)	$ 744

(1) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

(2) Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries, excluding amounts attributable to Unitholders. By adjusting Adjusted EBITDA attributable to non-controlling interest, Brookfield Renewable is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to Brookfield Renewable.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the three months ended December 31, 2024:

(MILLIONS)	Hydroelectric North America	Hydroelectric Brazil	Hydroelectric Colombia	Wind	Utility-scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total
Net (loss) income	$ (55)	$ 33	$ 93	$ 203	$ (134)	$ 25	$ 105	$ (82)	$ 188
Add back or deduct the following:									
Depreciation	108	16	34	184	87	45	3	—	477
Deferred income tax (recovery) expense	(21)	(1)	7	21	(11)	(32)	5	(17)	(49)
Foreign exchange and financial instrument gain	(26)	(21)	(13)	(86)	(120)	(65)	(114)	(13)	(458)
Other[(1)]	10	4	(3)	81	330	115	22	8	567
Management service costs	—	—	—	—	—	—	—	47	47
Interest expense	90	15	80	136	97	38	4	49	509
Current income tax (recovery) expense	(1)	2	15	(16)	(50)	(115)	—	(1)	(166)
Amount attributable to equity accounted investments and non-controlling interests[(2)]	(17)	(7)	(163)	(258)	(100)	26	22	—	(497)
Adjusted EBITDA attributable to Unitholders	$ 88	$ 41	$ 50	$ 265	$ 99	$ 37	$ 47	$ (9)	$ 618

(1) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

(2) Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries, excluding amounts attributable to Unitholders. By adjusting Adjusted EBITDA attributable to non-controlling interest, Brookfield Renewable is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to Brookfield Renewable.

The following table reconciles the non-IFRS financial metrics to the most directly comparable IFRS measures. Net income is reconciled to Funds From Operations for the three months ended December 31:

(MILLIONS)	2025	2024
Net income	**$ 678**	$ 188
Add back or deduct the following:		
Depreciation	**622**	477
Foreign exchange and financial instruments gain	**(864)**	(458)
Deferred income tax recovery	**(73)**	(49)
Other[1]	**503**	567
Amount attributable to equity accounted investments and non-controlling interest[2]	**(520)**	(421)
Funds from Operations	**$ 346**	$ 304

(1) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included in Funds From Operations.

(2) Amount attributable to equity accounted investments corresponds to the Funds From Operations that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries, excluding amounts attributable to Unitholders. By adjusting Funds From Operations attributable to non-controlling interest, Brookfield Renewable is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to Brookfield Renewable.

The following table reconciles the per Unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic earnings per LP unit is reconciled to Funds From Operations per Unit, for the three months ended December 31:

	2025	2024
Basic earnings (loss) per LP unit[1]	**$ 0.54**	$ (0.06)
Depreciation	**0.46**	0.39
Foreign exchange and financial instruments gain	**(0.20)**	(0.24)
Deferred income tax recovery	**(0.29)**	(0.04)
Other[2]	**—**	0.41
Funds From Operations per Unit[3]	**$ 0.51**	$ 0.46

(1) Average LP units outstanding for the three months ended December 31, 2025 were 295.4 million (2024: 285.1 million).

(2) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included in Funds From Operations as well as amounts attributable to holders of Redeemable/Exchangeable partnership units, GP interest and exchangeable shares.

(3) Average Units for the three months ended December 31, 2025 were 673.5 million (2024: 663.2 million), being inclusive of LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and class A.2 exchangeable shares and GP interest.

PART 7 – BUSINESS RISKS AND RISK MANAGEMENT

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Management's objectives are to protect Brookfield Renewable against material economic exposures and variability of results from various financial risks that include electricity price risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are further discussed in Note 6 – Risk management and financial instruments in the audited annual consolidated financial statements.

The following table outlines Brookfield Renewable's financial risks and how they are managed:

Financial Risk	Description of Risk	Management of Risk
Electricity price	We have exposure to movements in the market price of electricity.	- Enter into long-term contracts that specify the price at which electricity is sold - Maintain a portfolio of short, medium, and long-term financial contracts to mitigate our exposure to fluctuations in electricity prices - Ensure limits and controls are in place for trading activities - As of December 31, 2025, we have, on a proportionate basis, approximately 91% of 2026 generation (2024: 88% of 2025 generation) contracted under power purchase agreements and financial contracts, excluding Brazil and Colombia. In Brazil and Colombia, on a proportionate basis, we had approximately 85% and 75% of 2026 (2024: 80% and 85%, of 2025, respectively) generation contracted under power purchase agreements, respectively. See "Part 4 – Financial Performance Review on Proportionate Information"
Foreign currency	We are exposed to foreign currency risk – including Canadian dollar, Brazilian real, Euro, British pound sterling, Colombian peso, Indian rupee, Chinese yuan and Australian dollar – related to operations, anticipated transactions, and certain foreign currency debt.	- Enter into foreign currency contracts designed to minimize the exposure to foreign currency fluctuations - 46% of cash flow is generated in the United States while Canadian Dollar and Euro exposure, representing 30% of our portfolio, is proactively managed through foreign currency contracts - Limited foreign currency contracts to hedge our exposure to currencies in South America and Asia-Pacific – representing 24% of our portfolio – due to the high costs associated with hedging certain currencies. However, these specific exposures are largely mitigated by the annual inflation-linked escalations in our power purchase agreements

Financial Risk	Description of Risk	Management of Risk
Interest rate	We are exposed to interest rate risk on the interest rates of our variable-rate debt, and on dividend and distribution rate resets on our Class A Preference Shares and Preferred Units, respectively.	- Assets largely consist of long duration physical assets, and financial liabilities consist primarily of long-term fixed-rate debt or floating-rate debt that has been swapped to fixed rates with interest rate financial instruments to minimize the exposure to interest rate fluctuations - Enter into interest rate contracts to lock-in fixed rates on certain anticipated future debt issuances and on floating rate debts - Our proportionate floating rate exposure represents 16% of our total debt, after affecting for variable-rate debt that has been hedged through the use of interest rate swaps. Our floating rate exposure arises primarily from our South American operations, as we have limited opportunities to raise fixed-rate debt or hedge due to the high associated costs

Financial Risk	Description of Risk	Management of Risk
Credit	We are exposed to credit risk from operating activities and certain financing activities, the maximum exposure of which is represented by the carrying amounts reported in the statements of financial position. We are exposed to credit risk if counterparties to our energy contracts, interest rate swaps, forward foreign exchange contracts and physical electricity and gas transactions as well as trade receivables are unable to meet their obligations.	- Diverse counterparty base with long-standing credit histories - Exposure to counterparties with investment-grade credit ratings - Use of standard trading contracts and other standard credit risk mitigation techniques - As at December 31, 2025, 88% (2024: 83%) of Brookfield Renewable's trade receivables were current
Liquidity	We are exposed to liquidity risk for financial liabilities. We are also subject to internal liquidity risk because we conduct our business activities through separate legal entities (subsidiaries and affiliates) and are dependent on receipts of cash from those entities to defray corporate expenses and to make dividend and distribution payments to shareholders and Unitholders, respectively. Under the credit agreements for subsidiary debt, it is conventional for distributions of cash to Brookfield Renewable to be prohibited 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. Refer to Note 19 – Capital management of the annual consolidated financial statement for further disclosures.	- As at December 31, 2025, available liquidity was $4.6 billion. Liquidity is comprised of our share of cash and cash equivalents, investments in marketable securities, the available portion of the corporate credit facilities, and our share of subsidiary credit facilities. Details of the available liquidity and debt maturity ladder are included in "Part 5 – Liquidity and Capital Resources" - Effective and regular monitoring of debt covenants and cooperation with lenders to cure any defaults - Target investment grade debt or debt with investment grade characteristics with the ability to absorb volatility in cash flows - Long-term duration of debt instruments and the diversification in maturity dates over an extended period of time - Sufficient cash from operating activities, access to undrawn credit facilities, and possible capital markets financing to fund our operations and fulfill our obligations as they become due - Ensure access to public capital markets and maintain a strong investment grade credit rating

RISK FACTORS

The following represents the most relevant risk factors relating to Brookfield Renewable's business, and is not all-inclusive. For a description of other possible risks please see the Form 20-F which can be accessed on EDGAR and SEDAR+.

Risks Relating to Our Operations and Our Industry

Changes to resource availability, as a result of climate change or otherwise, at any of our renewable power facilities could adversely affect the amount of electricity that we are able to generate.

The revenues generated by our renewable power facilities are correlated to the amount of electricity produced, which is in turn dependent upon available water flows and upon wind, irradiance and weather conditions generally. Hydrology, wind, irradiance and weather conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors.

If one or more of our generation facilities were to be subject in the future to flooding, extreme weather conditions (including extreme heat, severe wind storms and droughts), fires, natural disasters, or if unexpected geological or other adverse physical conditions were to develop at any of our generation facilities, the generation capacity of that facility could be significantly reduced or eliminated. For example, our hydroelectric facilities depend on the availability of water flows within the watersheds in which we operate and could be materially impacted by changes to hydrology patterns, such as droughts. In the event of severe flooding, our hydroelectric facilities may be damaged. Wind energy and solar energy are highly dependent on weather conditions and, in particular, on wind conditions and irradiance, respectively. The profitability of a wind farm depends not only on observed wind conditions at the site, which are inherently variable, but also on whether observed wind conditions are consistent with assumptions made during the project development phase or when a given project was acquired. Similarly, projections of solar resources depend on assumptions about weather patterns, shading and irradiance, which are inherently variable and may not be consistent with actual conditions at the site. A sustained decline in water flow at our hydroelectric facilities, in wind conditions at our wind energy facilities or of irradiance at our solar facilities could lead to an adverse change in the volume of electricity generated, and to revenues and cash flow, as well as our ability to service debt in respect of such facility. In addition, extreme weather conditions could impact our access to the various transmission systems required to deliver power.

Climate change may increase the frequency and severity of severe weather conditions and may change existing weather patterns in ways that are difficult to anticipate, which could result in more frequent and severe disruptions to our generation facilities (including as a result of extreme flooding that may be above the normal design parameters of our hydroelectric facilities) and the power markets in which we operate and could have direct or indirect impacts to our key contractors or suppliers. In addition, customers' energy needs generally vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, customers' energy use could increase or decrease depending on the duration and magnitude of changing weather conditions, which could adversely affect our business, results of operations and cash flows.

Supply and demand in energy markets are volatile and such volatility could have an adverse impact on electricity prices and an adverse effect on Brookfield Renewable's assets, liabilities, business, financial condition, results of operations and cash flow.

A portion of our revenues are tied, either directly or indirectly, to the wholesale market price for electricity in the energy markets in which we operate. Wholesale market electricity prices are impacted by a number of factors including: the management of generation and the amount of excess generating capacity relative to load in a particular market; the cost of controlling emissions of carbon dioxide and other pollutants; the structure of the electricity market; weather conditions (such as extremely hot or cold weather) that impact electrical load; the price of fuel (such as natural gas) that is used to generate electricity; changes in government policy; political instability; and geopolitical uncertainty.

In the long term, there is uncertainty surrounding the trend in electricity demand growth, which is influenced by macroeconomic conditions, absolute and relative energy prices, energy conservation and demand-side management. For example, the increased computing power and energy requirements from artificial intelligence has resulted in accelerating demand for power. However, there is no guarantee that current trends in the adoption of artificial intelligence will continue. In addition, while corporate demand and contracting for power, including renewable power, has increased significantly, and is expected to continue to increase, there can be no assurance that such demand will continue to grow or at what rate. Additionally, such demand may exacerbate transmission constraints, interconnection delays, and regulatory intervention, which could limit our ability to progress the development of projects, monetize generation or secure favorable contract terms. Correspondingly, from a supply perspective, there are uncertainties associated with long term plans for the construction of baseload generation capacity, the timing of generating plant retirements (e.g., coal) and with the scale, pace and structure of replacement capacity, again reflecting a complex interaction of economic and political pressures and environmental preferences. This volatility and uncertainty in power markets generally, including non-renewable power markets, could have an adverse effect on Brookfield Renewable's assets, liabilities, business, financial condition, results of operations and cash flow.

As our contracts expire, we may not be able to replace them with agreements on similar terms.

Certain long-term contracts in our portfolio will be subject to re-contracting in the future, including PPAs, power guarantee agreements or similar long-term agreements between a seller and a buyer of electrical power generation, or other commercial contracts that our business benefits from. For example, with respect to PPAs in our renewable power portfolio, if the price of electricity in power markets is declining at the time of such re-contracting, it may impact our ability to re-negotiate or replace these contracts on terms that are acceptable to us, or at all. In addition, a concentrated pool of potential buyers for electricity generated by our renewable energy facilities in certain jurisdictions may restrict our ability to negotiate favorable terms under new PPAs or existing PPAs that are subject to re-contracting. We cannot provide any assurance that we will be able to re-negotiate or replace these contracts or other contracts once they expire, and even if we are able to do so, we cannot provide any assurance that we will be able to obtain the same prices or terms we currently receive. If we are unable to re-negotiate or replace these contracts, or unable to secure prices or terms at least equal to what we current;y receive, our business, financial condition, results of operation and prospects could be adversely affected. In addition, what may appear to be an attractive price at the time of re-contracting could, if prices significantly rise over the contract's term, result in us having committed to sell power or other goods or services in the future at below then-market rates.

There is a risk that our concessions and licenses will not be renewed or that, where concessions are required to build out our development pipeline, they may not be granted or awarded.

We hold concessions and licenses and we have rights to operate our facilities (including, for example, in respect of our hydroelectric projects, rights to the land and water required for power generation), and which are subject to renewal at the end of their terms. We generally expect that our concessions and licenses will be renewed. However, if we are not granted renewal rights, or if our concessions and licenses are renewed subject to conditions which impose additional costs, or impose additional restrictions (including, for example, setting a price ceiling for energy sales), our profitability and operational activity could be adversely impacted. In addition, concessions and licenses may be required to advance projects in our development pipeline. There can be no assurance that we will be granted any concession or license that we require with respect to any given project or on what timelines or conditions.

The amount of uncontracted generation in our renewable power portfolio may increase and the contract profile for future renewable power projects may change.

In 2025, approximately 90% of our renewable power generation (on a proportionate basis) was contracted under long-term, fixed price contracts with creditworthy counterparties. The average life of our contracts is 13 years on a proportionate basis, reducing the impact of negative short term price fluctuations in the power market. The portion of our renewable power portfolio that is uncontracted may increase gradually over time. We may sell electricity from our uncontracted generation into the spot-market or other competitive power markets from time to time. With respect to such transactions, we are not guaranteed any rate of return on our capital investments through mandated rates, and revenues and results of operations are likely to depend, in large part, upon prevailing market prices. These market prices are driven by factors outside of our control and may fluctuate substantially over relatively short periods of time. Additionally, future renewable power projects may be contracted with different types of counterparties (including commercial and industrial users) and using different contract structures compared to our historical projects. Such increased uncontracted generation and changing contract profiles could have an adverse effect on our business, financial condition, results of operations and cash flows.

Our ability to deliver electricity to our various counterparties and buildout our renewable power development pipeline requires the availability of (and access to) interconnection facilities and transmission systems.

Our ability to sell electricity is impacted by the availability of, and access to, the various transmission systems to deliver power to a contractual delivery point and the arrangements and facilities necessary to connect renewable generation projects to transmission systems. The absence of this availability and access, our inability to obtain reasonable terms and conditions for interconnection and transmission agreements, the operational failure or decommissioning of existing interconnection facilities or transmission facilities, the lack of adequate capacity on such interconnection or transmission facilities, curtailment as a result of transmission facility downtime, or the failure of any relevant jurisdiction to expand transmission facilities, may have an adverse effect on our ability to deliver electricity to our various counterparties or the requirement of counterparties to accept and pay for energy delivery. Insufficient access to transmission and interconnection systems may also constrain our ability to develop new utility-scale projects, which require transmission systems to have available interconnection points and the overall capacity necessary to transmit the energy expected to be generated by a development project once it achieves commercial operation. Lack of access to transmission systems could accordingly adversely affect our assets, liabilities, business, financial condition, results of operations and cash flow.

The occurrence of dam failures could result in a loss of generating capacity and damage to the environment, third parties or the public, which could require us to expend significant amounts of capital and other resources and expose us to significant liability.

The occurrence of dam failures at any of our hydroelectric generating stations or the occurrence of dam failures at other generating stations or dams operated by third parties whether upstream or downstream of our hydroelectric generating stations could result in a loss of generating capacity until the failure has been repaired. If the failure is at one of our facilities, repairing such failure could require us to expend significant amounts of capital and other resources. As noted above, severe failures could also result in harm to third parties or the environment, either of which could expose us to significant liability. A dam failure at a generating station or dam operated by a third party that is upstream of one of our facilities could result in a loss of revenue due to short term disruption to expected water flows. A dam failure in the broader industry, even if unrelated to our operations, could result in new and potentially onerous regulations that could impact Brookfield Renewable's facilities. Any such new regulations could require material capital expenditures to maintain compliance and our financial position could be adversely affected.

Energy marketing risks may have an adverse effect on our business.

Our energy marketing business involves the establishment of positions in the wholesale and retail energy markets. To the extent that we enter into forward purchase contracts or take long positions in the energy markets, a downturn in market prices could result in losses from a decline in the value of such long positions. Conversely, to the extent that we enter into forward sales contracts or take short positions in the energy markets, an upturn in market prices could expose us to losses as we attempt to cover any short positions by acquiring energy in a rising market.

Our energy marketing strategies also depend on counterparties fulfilling their obligations to us and on the quality of the collateral that they post. Additionally, we are required to post collateral to support certain of our energy marketing strategies, and there are costs associated with posting such collateral. Our positions can be impacted by volatility in the energy markets that, in turn, depend on various factors, including weather in various geographical areas and short-term supply and demand imbalances, which cannot be predicted with any certainty. A shift in the energy markets could adversely affect our positions which could also have an adverse effect on our business.

Although we employ a number of risk management controls in order to limit exposure to risks arising from trading activities, we cannot guarantee that losses will not occur and such losses may be outside the parameters of our risk controls.

There are general industry risks associated with the power markets in which we operate.

We currently operate in power markets in North America, South America, Europe and Asia-Pacific, each of which is affected by competition, price, supply of and demand for power, the location of import/export transmission lines and overall political, economic and social conditions and policies. Our renewable power operations are also largely concentrated in certain countries, and accordingly are exposed to country-specific risks (such as weather conditions, local economic conditions or political/regulatory environments) that could disproportionately affect us. A general and extended decline in the North American, South American, European or Asia-Pacific economies, or in the economies of the specific countries in which we operate, or sustained conservation efforts to reduce electricity consumption, could have the effect of reducing demand for electricity and could thereby have an adverse effect on our business, financial condition, results of operations and cash flows.

Our operations are exposed to health, safety, security and environmental risks.

The ownership, construction and operation of our operating subsidiaries and structured investments carry an inherent risk of liability related to health, safety, security and the environment, including the risk of government imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination or damage. We could also be exposed to potential penalties for contravention of health, safety, security and environmental laws and potential civil liability. In the ordinary course of business we incur capital and operating expenditures to comply with health, safety, security and environmental laws, to obtain and comply with licenses, permits and other approvals and to assess and manage related risks. The cost of compliance with these laws (and any future laws or amendments enacted) may increase over time and result in additional material expenditures. We may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health, safety, security and environmental matters as a result of which our operations may be limited or suspended. Additionally, health, safety, security and environmental events may negatively impact our reputation. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of health, safety, security and environmental laws could have an adverse impact on operations and result in additional material expenditures. Additional environmental, health and safety issues relating to presently known or unknown matters may require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) that may be adverse to our business and results of operations.

Counterparties to our contracts may not fulfill their obligations.

In the normal course of our business, we enter into a wide range of contracts including but not limited to PPAs, engineering, procurement and construction contracts, long term service agreements, supply agreements, contracts to purchase equipment and joint venture agreements. If our counterparties do not perform as expected under these contracts, it may have an adverse impact on our business and results of operations. For example, if purchasers of power under our PPAs are unable or unwilling to fulfill their contractual obligations under the relevant PPA or if they refuse to accept delivery of power pursuant to the relevant PPA, our assets, liabilities, business, financial condition, results of operations and cash flow could be adversely affected as we may not be able to replace the agreement with an agreement on equivalent terms and conditions. Similarly, external events, such as a severe economic downturn, could impair the ability of some counterparties to the PPAs to fulfill their contractual obligations or some customers to pay for electricity received.

We rely on computerized business systems, which could expose us to cyber-attacks.

Our business relies on information technology. In addition, our business relies upon telecommunication services to remotely monitor and control our assets and interface with regulatory agencies, wholesale power markets and customers. The information and embedded systems of key business partners, third-party service providers (including suppliers of the information technology systems on which we rely), and regulatory agencies are also important to our operations. In light of this, our computer systems may face ongoing cybersecurity threats and attacks, which could result in the failure of such systems, and we may be subject to cyber-terrorism or other cybersecurity risks or other breaches of information technology system security intended to obtain unauthorized access to our proprietary information, personally identifiable information or to client or third-party data stored on our systems, destroy or disable our data and/or that of our business partners, disclose confidential data in breach of data privacy legislation, destroy data or disable, degrade, or sabotage these systems through the introduction of computer viruses, cyber-attacks and other means. Such attacks could originate from a wide variety of sources including internal or unknown third parties.

The sophistication of the threats continues to evolve and grow, including the risk associated with the use of emerging technologies, such as artificial intelligence and quantum computing, for nefarious purposes. We cannot predict what effects such cyber-attacks or compromises or shut-downs may have on our business and on the privacy of the individuals or entities affected, and the consequences could be material. A significant actual or potential theft, loss, corruption, exposure, fraudulent, unauthorized or accidental use or misuse of investor, employee or other personally identifiable or proprietary business data, whether by third parties or as a result of employee malfeasance or otherwise, non-compliance with our contractual or other legal obligations regarding such data or intellectual property or a violation of our privacy and security policies with respect to such data could result in significant remediation and other costs, fines, litigation and regulatory actions against us by governments, various regulatory organizations or exchanges, or affected individuals, in addition to significant reputational harm and/or financial loss, and it may not be possible to recover losses suffered from such incidents under our insurance policies.

A breach of our cybersecurity measures, or those of third-party service providers, or the failure or malfunction of any of our computerized business systems, associated backup or data storage systems could cause us to suffer a disruption in one or more parts of our business and experience, among other things, financial loss, reputational damage, a loss of business opportunities, the unplanned shutdown of our operating facilities, misappropriation or unauthorized release of confidential or personal information, damage to our technology systems and those with whom we do business, violation of privacy and other laws, litigation, regulatory penalties and remediation and restoration costs as well as increased costs to maintain our systems. Cybersecurity breaches or failures of our information technology systems could have an adverse effect on our business operations, financial reporting, financial condition and results of operations, and result in reputational damage. Although we are continuing to enhance defenses to such attacks, we can provide no assurance that our efforts or those of third-party service providers will be successful in preventing or ameliorating damage from such an attack on us and, as the manner in which cyber-attacks are undertaken has become more sophisticated, there is a risk that the occurrence of cyber-attack may remain undetected for an extended period.

We are reliant on third-party service providers for certain aspects of our business, including for certain information systems and technology platforms, legal services, technology, administration, tax, accounting and compliance matters. A disaster, disruption or compromise in technology or infrastructure that supports our businesses, including a disruption involving electronic communications or other services used by us, our vendors or third parties with whom we conduct business, may have an adverse impact on our ability to continue to operate our businesses without interruption which could have a material adverse effect on us. In addition to the fact that these third-party service providers could also face ongoing cybersecurity threats and compromises of their systems, we generally have less control over the delivery of such third-party services, and as a result, we may face disruptions to our ability to operate a business as a result of interruptions of such services. A prolonged global failure of cloud services provided by a variety of cloud services providers that we engage could result in cascading systems failures for us.

Data protection and privacy rules have become a focus for regulators globally. For instance, the European General Data Protection Regulation ("**GDPR**") sets out data protection rules for individuals that are residents of the E.U. GDPR imposes stringent rules and penalties for non-compliance, as does similar legislation in certain U.S. states and Canadian provinces in which we operate and in Brazil, which could have an adverse effect on our business.

Risks Relating to Financing

Our ability to finance our operations and fund growth initiatives is subject to various risks relating to the state of capital markets.

We expect to finance future acquisitions, the development and construction of new facilities and other capital expenditures out of cash generated from our operations, capital recycling, debt and possible future issuances of equity. Disruptions and volatility in capital markets, including those caused by interest rate volatility, could increase Brookfield Renewable's cost of capital and adversely affect its ability to fund its liquidity and capital needs and fund the growth of the business.

There is debt throughout our corporate structure that will need to be replaced from time to time. For example, BEP, BRELP and LATAM Holdco, NA Holdco, Euro Holdco and Investco and any other direct wholly-owned subsidiary of BRELP created or acquired after the date of the Amended and Restated Limited Partnership Agreement of BREL (collectively, "Holding Entities") have corporate debt, certain of our subsidiaries of the Holding Entities ("Operating Entities") have limited recourse project level debt and certain of our operating subsidiaries have holding company level debt. Our ability to obtain debt or equity financing to fund our growth, and our ability to refinance existing corporate and non-recourse indebtedness on favourable terms, if at all, is dependent on, among other factors, the level of future interest rates, the overall state of capital markets (as well as local market conditions, particularly in the case of non-recourse financings), continued operating performance of our assets, future electricity market prices, lenders' and investors' assessment of our credit risk and investor appetite for investments in renewable energy and infrastructure assets in general and in Brookfield Renewable's securities in particular. Also, certain Brookfield Renewable financing agreements contain conditions that limit our ability to repay indebtedness prior to maturity without incurring penalties, which may limit our ability to refinance indebtedness or raise new capital on favorable terms. To the extent that external sources of capital become limited or unavailable or available on onerous terms (including requirements for Brookfield Renewable to provide credit support such as letters of credit or parent guarantees), our ability to fund acquisitions and make necessary capital investments to construct new or maintain existing facilities may be impaired, and as a result, our business, financial condition, results of operations and prospects may be adversely affected.

We are subject to risks impacting our ability to complete all or some of our capital recycling initiatives.

We seek to recycle capital to fund acquisitions and the development and construction of new projects by selling certain assets or an interest in certain assets, including our operating subsidiaries. However, we may not be able to complete all or some of our capital recycling initiatives on our desired timelines, at favorable prices or at all. For example, adverse market conditions, changing investor sentiment with respect to our industry or other factors beyond our control might mean that we are unable to complete an asset sale at a price that is aligned with our business plan resulting in a decision to transact at a lower price or to abandon the sales process altogether. If our capital recycling initiatives do not proceed as planned this could reduce the liquidity available to fund future growth, which could in turn limit our ability to grow our distributions in line with our stated goals and the market value of our Units could decline.

We are subject to operating and financial restrictions through covenants in our loan, debt and security agreements.

Brookfield Renewable and its subsidiaries are subject to operating and financial restrictions through covenants in our loan, debt and security agreements. These restrictions prohibit or limit our ability to, among other things, incur additional debt, provide guarantees for indebtedness, grant liens, dispose of assets, liquidate, dissolve, amalgamate, consolidate or effect corporate or capital reorganizations, declare distributions, issue equity interests and create subsidiaries. A financial covenant in our corporate bonds and in our corporate bank credit facilities limits our overall indebtedness to a percentage of total capitalization, a restriction which may limit our ability to obtain additional financing, withstand downturns in our business and take advantage of business and development opportunities. If we breach our covenants, our credit facilities may be terminated or come due and such event may cause our credit rating to deteriorate and subject Brookfield Renewable to higher interest and financing costs. From time to time, we also acquire businesses and assets that have debt obligations that are in default. We may also be required to seek additional debt financing on terms that include more restrictive covenants and/or higher interest rates, change of control restrictions, require repayment on an accelerated schedule or impose other obligations that limit our ability to grow our business, acquire needed assets, exit investments in assets or portfolio companies, or take other actions that we might otherwise consider appropriate or desirable.

Changes in our group's credit ratings may have an adverse effect on our financial position and ability to raise capital.

We cannot assure you that any credit rating assigned to Brookfield Renewable or any of its subsidiaries or their debt securities will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such ratings may have an adverse effect on our group's financial position and ability to raise capital and fund the growth of the business.

Risks Relating to Our Growth Strategy

We may be unable to identify sufficient investment opportunities and complete transactions, as planned.

Our strategy for building value for our Unitholders is to seek to acquire or develop high-quality assets and businesses that generate sustainable and increasing cash flows, with the objective of achieving appropriate risk-adjusted returns on our invested capital over the long-term. However, there is no certainty that we will be able to find sufficient investment opportunities and complete transactions that meet our investment criteria. Our investment criteria consider, among other things, the financial, operating, governance and strategic merits of a proposed acquisition including whether we expect it will meet our targeted return hurdle and, as such, there is no certainty that we will be able to continue growing our business by making acquisitions or developing assets at attractive returns. Competition for assets is significant and competition from other well-capitalized investors or companies may significantly increase the purchase price or prevent us from completing an acquisition. We may also decline opportunities that we do not believe meet our investment criteria, which our competition may pursue instead.

Our growth initiatives may be subject to a number of closing conditions, including, as applicable, third-party consents, regulatory approvals (including from competition authorities) and other third-party approvals or actions that are beyond our control. In particular, many jurisdictions in which we seek to invest impose government consent requirements on investments by foreign persons. Consents and approvals may not be obtained, may be obtained subject to conditions which adversely affect anticipated returns, and/or may be delayed and delay or ultimately preclude the completion of acquisitions, dispositions and other transactions. Government policies, regulation and attitudes may change, making it more difficult to complete acquisitions, dispositions and other transactions. Furthermore, interested stakeholders could take legal steps to prevent transactions from being completed. We may also be unable to secure financing on acceptable terms (or at all) for our proposed acquisitions.

If all or some of our acquisitions and other transactions are unable to be completed on the terms agreed, we may need to modify or delay or, in some cases, abandon these transactions altogether (which may result in the payment of significant break-up fees). If we are unable to achieve the expected benefits of transactions, the market value of our Units may decline.

Political instability, changes in government policy, or unfamiliar cultural factors could adversely impact the value of our investments.

We are subject to the risk of geopolitical uncertainties in certain jurisdictions in which we operate. We make investments in businesses globally and we can pursue investments in new, non-core markets, which may expose us to additional risks. For example, Brookfield continues to raise funds for the Catalytic Transition Fund, which is expected to provide Brookfield Renewable (through its participation in such fund) exposure to certain emerging markets that Brookfield Renewable has not historically invested in (including, but not limited to, Thailand, Vietnam and the Philippines). We may not properly adjust to the local culture and business practices in such markets, and there is the prospect that we may hire personnel or partner with local persons who might not comply with our culture and ethical business practices; either scenario could result in the failure of our initiatives in new markets and lead to financial losses for us and our managed entities. There are risks of political instability in several of the jurisdictions in which we conduct business, including, for example, from factors such as political conflict, sanctions, tariffs and other protectionist trade policies, including the encouragement of the onshoring of manufacturing in the U.S. and other countries, income inequality, refugee migration, terrorism, armed conflict, the potential break-up of countries or political-economic unions, and political corruption. For example, changes in U.S. policy have resulted in significant new or increased tariffs, export controls and other trade measures, resulting in strained international trade relations and the implementation of retaliatory tariffs on goods imported from the U.S. by foreign governments. Additionally, the ongoing conflicts in Eastern Europe and the Middle East and the global response to each, including the imposition of economic and other sanctions, has significantly impacted the global economy and financial markets, resulted in volatility in fuel prices, amplified existing supply chain challenges caused by increases in shipping costs (including as a result of conflicts and other attacks in or near shipping channels) and heightened cybersecurity disruptions and threats.

Although wholesale power and natural gas prices in Europe have moderated from the extreme volatility experienced in 2022 and 2023, energy markets in the region remain subject to structural change, regulatory intervention and geopolitical uncertainty. Further economic and political instability and the escalation or expansion of armed conflict in Eastern Europe, the Middle East, or elsewhere in the world, could result in local, regional and/or global instability that could adversely impact our business, including through the disruption of free movement of goods, services and people, or a destabilization of energy markets. The materialization of one or more of these risks could negatively affect our financial performance.

Our operations in the future may be different from our current business, including through future sustainable solutions investments.

Our operations today primarily include hydroelectric, onshore wind, utility-scale solar and distributed generation power generation in North and South America, Europe and Asia-Pacific. We also have other investments, including cogeneration, storage, nuclear services businesses, biomass power generation in South America and offshore wind generation in Europe. Our development pipeline includes renewable power generation and storage projects as well as CCS, RNG, recycling projects and electrofuels ("**eFuels**"). We may acquire interests in other businesses, and we may seek to divest of certain of our existing operations in the future. In addition, pursuant to the Relationship Agreement with Brookfield, Brookfield may (but is not required to) offer us the opportunity to acquire: (i) an integrated utility even if a significant component of such utility's operations consist of a non-renewable power generation operation or development, such as a power generation operation that uses coal or natural gas, (ii) a portfolio of power operations, even if a significant component of such portfolio's operations consist of non-renewable power generation, or (iii) renewable power generation operations or developments that comprise part of a broader enterprise.

The completion of new acquisitions can have the effect of significantly increasing the scale and scope of our operations, including operations in new geographic areas and industry sectors, and the Service Provider may have difficulty managing these additional operations. In addition, acquisitions involve risks to our business.

A key part of our strategy will involve seeking acquisition opportunities upon Brookfield's recommendation and allocation of opportunities to us. Acquisitions may increase the scale, scope and diversity of our operating subsidiaries and structured investments. We depend on the diligence and skill of Brookfield's and our professionals to effectively manage Brookfield Renewable, integrating acquired businesses with our existing operations. These individuals may have difficulty managing additional acquired businesses and may have other responsibilities within Brookfield's asset management business. If any such acquired businesses are not effectively integrated and managed, our existing business, financial condition and results of operations may be adversely affected.

Future acquisitions will likely involve some or all of the following risks, which could materially and adversely affect our business, financial condition or results of operations: the difficulty of integrating the acquired operations and personnel into our current operations; potential disruption of our current operations; diversion of resources, including Brookfield's time and attention; the difficulty of managing the growth of a larger organization; the risk of entering markets in which we have little experience; the risk of becoming involved in labor, commercial or regulatory disputes or litigation related to the new enterprise; risk of environmental or other liabilities associated with the acquired business; and the risk of a change of control resulting from an acquisition triggering rights of third parties or government agencies under contracts with, or authorizations held by the operating business being acquired. While it is our practice to conduct extensive due diligence investigations into businesses being acquired, it is possible that due diligence may fail to uncover all material risks in the business being acquired, or to identify a change of control trigger in a material contract or authorization, or that a contractual counterparty or government agency may take a different view on the interpretation of such a provision to that taken by Brookfield Renewable, thereby resulting in a dispute. The discovery of any material liabilities subsequent to an acquisition, as well as the failure of an acquisition to perform according to expectations, could have an adverse effect on our business, financial condition and results of operations. In addition, if returns are lower than anticipated from new acquisitions, we may not be able to achieve growth in our distributions in line with our stated goals and the market value of our securities may decline.

Not all of the projects in our development pipeline will achieve commercial operation.

We have a large development pipeline that includes projects at different levels of advancement, from early stage projects which may not yet have the permits, licenses or other government approvals that are required, to later stage projects that we believe have a path to construction readiness, to under-construction projects that are in the process of being built. Our development pipeline also includes projects in which we do not own 100% of the economic and/or voting interests and, accordingly, in certain circumstances, we do not have control over such investments. While the likelihood of a project being built increases when it receives, for example, required permits, licenses or other government approvals, when it signs construction and equipment supply agreements, and when it signs an offtake agreement, there can be no assurance that any one or a specific percentage of the projects in our development pipeline will be built or on what timeline.

With respect to our renewable power assets, our ability to realize our development growth plans is dependent on our ability to develop existing sites, to repower existing projects that are nearing the end of their useful lives, and to find new sites suitable for development into viable projects. Our ability to maintain a development permit often requires specific development steps to be undertaken. Successful development of renewable power projects is typically dependent on a number of factors, including: the ability to secure or renew our rights to an attractive site on reasonable terms, often following lengthy negotiations and/or competitive bidding processes; accurately measuring resource availability at levels deemed economically attractive for continued project development; the ability to secure new or renewed approvals, licenses and permits; the acceptance of local stakeholders, including in some cases, Indigenous peoples; the ability to secure transmission interconnection access or agreements; the ability to successfully integrate new projects or technologies into existing assets; the ability to acquire suitable labor, equipment and construction services on acceptable terms; the ability to attract construction project financing, including from tax equity investors and through tax and other government incentives; and the ability to secure a long-term PPA or other sales contract on reasonable terms. Each of these factors can be critical in determining whether or not a particular development project might ultimately be suitable for construction and some of these factors are outside of our control. Failure to achieve any one of these elements may prevent the development and construction of a renewable power project, or otherwise cause such project to become obligated to make delay or termination payments or become obligated for other damages under contracts, experience the loss of tax credits or tax incentives, or experience diminished returns. When this occurs we may lose all of our investment in development expenditures and may ultimately be required to write-off project development assets and costs, which could adversely impact our ability to achieve our development growth plans, deliver energy and generate revenues.

Our ability to develop projects is subject to construction risks and risks associated with the arrangements we enter into with communities and joint venture partners.

Our ability to develop an economically successful project is dependent on, among other things, our ability to construct a particular project on-time and on-budget. For example, the construction and development of a renewable power generating facility, whether as a greenfield project or by way of a repowering of an existing project, is subject to environmental, engineering and construction risks that could result in cost-overruns, delays and reduced performance. A number of factors that could cause delays, cost over-runs or reduced performance include, but are not limited to, changes in local laws or difficulties in obtaining permits, rights of way or approvals, changing engineering and design requirements, construction costs exceeding estimates for various reasons, including inaccurate engineering and planning, failures to properly estimate the cost of raw materials, components, equipment, labor or the inability to timely obtain them, unanticipated problems with project start-up, the performance of contractors, the insolvency of the head contractor, a major subcontractor and/or a key equipment supplier, labor disruptions, inclement weather, defects in design, engineering or construction (including, without limitation, latent defects that do not materialize during an applicable warranty or limitation period) and project modifications. A delay in the projected completion of a project can result in a material increase in total project construction costs through higher capitalized interest charges, additional labor and other expenses and a resultant delay in the commencement of cash flow. In addition, such unexpected issues may result in increased debt service costs, operations and maintenance expenses and damage payments for late delivery or the failure to meet agreed upon generation levels.

This may result in an inability of the project to meet the higher interest and principal repayments arising from the additional debt required. Protracted delays could also result in a given project being in default of other terms of any applicable construction financing arrangements.

Development projects may also require large areas of land on which the new projects are to be constructed and operated. Rights to use land can be obtained through freehold title, leases and other rights of use. Land title systems vary by jurisdiction and in some cases it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with the asset owner or to secure the consent of all land owners. A government, court, regulator, Indigenous group, landowner or other stakeholder may make a decision or take action that adversely affects the development of a project or the demand for its services. For example, a regulator may restrict our access to an asset, or may require us to provide third parties with access. The restriction or curtailment of our rights with respect to an asset by a regulator or otherwise may negatively impact the success of our projects.

We may enter into various types of arrangements with communities and joint venture partners, including in some cases, Indigenous peoples, for the development of projects. In some circumstances, we may be required to notify, consult, or obtain the consent of certain stakeholders, such as Indigenous peoples, landowners and/or municipalities. In some jurisdictions, it may be possible to claim Indigenous rights to land and the existence or declaration of Indigenous title may affect the existing or future activities of our projects and impact their business, financial condition and results of operations. In Canada, for example, courts have recognized that Indigenous peoples possess constitutionally protected rights in respect of land used or occupied by their ancestors where treaties have not been concluded to deal with these rights. Certain of these communities and partners may have or may develop interests or objectives which are different from or even in conflict with our objectives. Any such differences could have a negative impact on the success of our projects.

Risks Relating to Our Relationship with Brookfield

Brookfield exercises substantial influence over Brookfield Renewable and we are highly dependent on the Service Provider.

A subsidiary of Brookfield Corporation is the sole shareholder of the Managing General Partner. As a result of its ownership of the Managing General Partner, Brookfield is able to control the appointment and removal of the Managing General Partner’s directors and, accordingly, exercise substantial influence over Brookfield Renewable. In addition, BEP holds its interest in the Operating Entities indirectly through BRELP and will hold any future acquisitions indirectly through BRELP, the general partner of which is indirectly owned by Brookfield Corporation. As BEP’s only substantial assets are the limited partnership interests and preferred limited partnership interests that it holds in BRELP, except for rights under the Voting Agreement, BEP does not have a right to participate directly in the management or activities of BRELP or the Holding Entities, including with respect to the making of decisions (although it has the right to remove and replace the BRELP GP LP).

BEP and BRELP depend on the management and administration services provided by or under the direction of the Service Provider under our Master Services Agreement. Brookfield personnel and support staff that provide services to us under our Master Services Agreement are not required to have as their primary responsibility the management and administration of BEP or BRELP or to act exclusively for either of us and our Master Services Agreement does not require any specific individuals to be provided by Brookfield to BEP. Failing to effectively manage our current operations or to implement our strategy could have an adverse effect on our business, financial condition and results of operations. Our Master Services Agreement continues in perpetuity, until terminated in accordance with its terms.

The departure of some or all of Brookfield's professionals could prevent us from achieving our objectives.

We depend on the diligence, skill and business contacts of Brookfield's professionals and the information and opportunities they generate during the normal course of their activities. Our future success will depend on the continued service of these individuals, who are not obligated to remain employed with Brookfield. Brookfield has experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on our ability to achieve our objectives. The departure of a significant number of Brookfield's professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have an adverse effect on our ability to achieve our objectives. The Amended and Restated Limited Partnership Agreement of BEP and our Master Services Agreement do not require Brookfield to maintain the employment of any of its professionals or to cause any particular professionals to provide services to us or on our behalf.

PART 8 – CRITICAL ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with IFRS, which require the use of estimates and judgments in reporting assets, liabilities, revenues, expenses and contingencies. In the judgment of management, none of the estimates outlined in Note 1 – Basis of preparation and material accounting policy information in our audited consolidated financial statements are considered critical accounting estimates as defined in Canadian National Instrument 51-102 – Continuous Disclosure Obligations with the exception of the estimates related to the valuation of property, plant and equipment, financial instruments, deferred income tax liabilities, decommissioning liabilities and impairment of goodwill. These assumptions include estimates of future electricity prices, discount rates, expected long-term average generation, inflation rates, terminal year, the amount and timing of operating and capital costs, forecasted development MWs per annum, future leverage assumptions, and the income tax rates of future income tax provisions. Estimates also include determination of accruals, provisions, purchase price allocations, useful lives, asset valuations, asset impairment testing and those relevant to the defined benefit pension and non-pension benefit plans. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis, as required. These estimates have been applied in a manner consistent with that in the prior year and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this report. These estimates are impacted by, among other things, future power prices, movements in interest rates, foreign exchange volatility and other factors, some of which are highly uncertain, as described in the "Risk Factors" section. The interrelated nature of these factors prevents us from quantifying the overall impact of these movements on Brookfield Renewable's financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to substantially all asset and liability account balances. Actual results could differ from those estimates.

CRITICAL ESTIMATES

Brookfield Renewable makes estimates and assumptions that affect the carrying value of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of income and other comprehensive income ("OCI") for the year. Actual results could differ from these estimates. The estimates and assumptions that are critical to the determination of the amounts reported in the consolidated financial statements relate to the following:

(i) Property, plant and equipment

The fair value of Brookfield Renewable's property, plant and equipment is calculated using estimates and assumptions about future electricity prices for renewable sources, anticipated long-term average generation, estimated operating and capital expenditures, future inflation rates and discount rates, as described in Note 13 – Property, plant and equipment, at fair value in our audited annual consolidated financial statements. Judgment is involved in determining the appropriate estimates and assumptions in the valuation of Brookfield Renewable's property, plant and equipment. See Note 1(s)(iii) – Critical judgments in applying accounting policies – Property, plant and equipment in our audited annual consolidated financial statements for further details.

Estimates of useful lives and residual values are used in determining depreciation. To ensure the accuracy of useful lives and residual values, these estimates are reviewed on an annual basis.

(ii) Financial instruments

Brookfield Renewable makes estimates and assumptions that affect the carrying value of its financial instruments, including estimates and assumptions about future electricity prices, contractual volumes, expected long-term average generation, capacity prices, discount rates, the timing of energy delivery and the elements affecting fair value of tax equity financings. Non-financial instruments are valued using estimates of future electricity prices which are estimated by considering broker quotes for the years in which there is a liquid market and for the subsequent years Brookfield Renewable's best estimate of electricity prices that would allow new entrants into the market. This valuation technique approximates the net present value of future cash flows. For certain financial instruments, Brookfield Renewable applies an income approach, utilizing inputs derived from board-approved business plans and applying valuation techniques consistent with IFRS to determine the fair value of its interest in the underlying entity.

For power purchase agreements accounted for under IFRS 9 ("IFRS 9 PPAs") that have unobservable values, Brookfield Renewable determines the fair value of these IFRS 9 PPAs using a discounted cash flow model based on the term of the contract and applies judgments surrounding the inputs used within the valuation model. The valuation model incorporates various inputs and assumptions including future power prices, contractual prices, contractual volumes and discount rates. Future power prices are based on broker quotes from independent sources and for IFRS 9 PPAs with no available broker quotes, future fuel driven merchant prices are incorporated within the model. Contractual prices are stipulated within each individual agreement, contractual volumes are either specified within the agreement or determined using estimated future generation of the power generating assets and discount rate used in the valuation model is the credit adjusted risk free rate. See Note 6 – Risk management and financial instruments in our audited annual consolidated financial statements for more details.

(iii) Deferred income taxes

The consolidated financial statements include estimates and assumptions for determining the future tax rates applicable to subsidiaries and identifying the temporary differences that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the consolidated statements of financial position dates. Operating plans and forecasts are used to estimate when the temporary difference will reverse.

(iv) Decommissioning liabilities

Decommissioning costs will be incurred at the end of the operating life of some of the company's assets. These obligations are typically many years in the future and require judgment to estimate. The estimate of decommissioning costs can vary in response to many factors including changes in relevant legal, regulatory, and environmental requirements, the emergence of new restoration techniques or experience at other power generating facilities. Inherent in the calculations of these costs are assumptions and estimates including the ultimate settlement amounts, inflation factors, discount rates, and timing of settlements.

(v) Impairment of goodwill

The impairment assessment of goodwill requires estimation of the value-in-use or fair value less costs of disposal of the cash generating unit or units ("CGUs") or groups of CGUs to which goodwill has been allocated.

Brookfield Renewable uses the following critical assumptions and estimates for the value-in-use method: the circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the CGUs; discount rates; terminal capitalization rates; terminal valuation dates forecasted development MWs per annum, and future leverage assumptions for the platforms.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgments that have been made in applying the accounting policies used in the consolidated financial statements and that have the most significant effect on the amounts in the consolidated financial statements:

(i) Preparation of consolidated financial statements

These consolidated financial statements present the financial position, results of operations and cash flows of Brookfield Renewable. Judgment is required in determining which assets, liabilities and transactions are recognized in the consolidated financial statements as pertaining to Brookfield Renewable's operations.

(ii) Common control transactions

Common control business combinations specifically fall outside the scope of IFRS 3, Business Combinations ("IFRS 3"), and as such management has used its judgment to determine an appropriate policy to account for these transactions. Consideration was given to other relevant accounting guidance within the framework of principles in IFRS and to reflect the economic reality of the transactions, in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"). As a result, the consolidated financial statements account for assets and liabilities acquired at the previous carrying value on the predecessor's financial statements. Differences between the consideration given and the assets and liabilities received are recorded directly to equity.

(iii) Property, Plant and Equipment

The accounting policy relating to Brookfield Renewable's property, plant and equipment is described in Note 1(g) – Property, plant and equipment and revaluation method in our audited annual consolidated financial statements. In applying this policy, judgment is used in determining whether certain costs are additions to the carrying amount of the property, plant and equipment as opposed to repairs and maintenance that are expensed when incurred. If an asset has been developed, judgment is required to identify the point at which the asset is capable of being used as intended and to identify the directly attributable costs to be included in the carrying value of the development asset. The useful lives of property, plant and equipment are determined by independent engineers periodically with an annual review by management.

Annually, Brookfield Renewable determines the fair value of its property, plant and equipment using a methodology that it has judged to be reasonable. The methodology for hydroelectric assets is generally a twenty-year discounted cash flow model. Twenty years is the period considered reasonable as Brookfield Renewable has twenty-year capital plans and it believes a reasonable third party would be indifferent between extending the cash flows further in the model versus using a discounted terminal value. The methodology for wind, solar and other assets is to align the model length with the expected remaining useful life of the subject assets.

The valuation model incorporates future cash flows from long-term power purchase agreements that are in place where it is determined that the power purchase agreements are linked specifically to the related power generating assets. With respect to estimated future generation that does not incorporate long-term power purchase agreement pricing, the cash flow model uses estimates of future electricity prices using broker quotes from independent sources for the years in which there is a liquid market. The valuation of generation not linked to long-term power purchase agreements also requires the development of a long-term estimate of future electricity prices. In this regard the valuation model uses a discount to the all-in cost of construction with a reasonable return, to secure energy from a new renewable resource with a similar generation profile to the asset being valued as the benchmark that will establish the market price for electricity for renewable resources.

Brookfield Renewable's long-term view is anchored to the cost of securing new energy from renewable sources to meet future demand growth by the years 2030 to 2035 in North America, 2030 in Colombia, and 2029 in Brazil. The year of new entry is viewed as the point when generators must build additional capacity to maintain system reliability and provide an adequate level of reserve generation with the retirement of older coal-fired plants and rising environmental compliance costs in North America and Europe, and overall increasing demand in Colombia and Brazil. Brookfield Renewable has based its long term energy views for existing assets on a discount to price required to incentivize new build generation, considering the expected technology profile of the relevant region.

Terminal values are included in the valuation of hydroelectric assets in North America and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset with consideration of a one-time thirty-year renewal on qualifying hydroelectric assets.

Discount rates are determined each year by considering the current interest rates, average market cost of capital as well as the price risk and the geographical location of the operational facilities as judged by management. Inflation rates are also determined by considering the current inflation rates and the expectations of future rates by economists. Operating costs are based on long-term budgets escalated for inflation. Each operational facility has a twenty-year capital plan that it follows to ensure the maximum life of its assets is achieved. Foreign exchange rates are forecasted by using the spot rates and the available forward rates, extrapolated beyond the period available. The inputs described above to the discounted cash flow model require management to consider facts, trends and plans in making its judgments as to what derives a reasonable fair value of its property, plant and equipment.

(iv) Financial instruments

The accounting policy relating to Brookfield Renewable's financial instruments is described in Note 1(l) – Financial instruments in our audited annual consolidated financial statements. In applying the policy, judgments are made in applying the criteria set out in IFRS 9 – Financial instruments ("IFRS 9") to record financial instruments at fair value through profit and loss, and the assessments of the effectiveness of hedging relationships.

For commodity derivatives that have unobservable value, Brookfield Renewable applies judgements surrounding the inputs used within the valuation model. The valuation model incorporates various inputs and assumptions including forward power prices, contractual prices, contractual volumes and discount rates. Forward power prices are based on broker quotes from independent sources, contractual prices are stipulated within each individual agreement, contractual volumes are either specified within the agreement or determined using future generation of the power generating assets and discount rates are determined by considering the current interest rates, average market cost of capital as well as the price risk and geographical location of the power generating assets as judged by management.

(v) Deferred income taxes

The accounting policy relating to Brookfield Renewable's income taxes is described in Note 1(n) – Income taxes in our audited annual consolidated financial statements. In applying this policy, judgments are made in determining the probability of whether deductions, tax credits and tax losses can be utilized.

FUTURE CHANGES IN ACCOUNTING POLICIES

IFRS 18 - Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 is expected to improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. Brookfield Renewable is currently assessing the impact of this standard on its presentation and disclosures.

Amendments to IFRS 9 - Financial Instruments ("IFRS 9") and IFRS 7 - Financial Instruments: Disclosures ("IFRS 7") - Classification and Measurement of Financial Instruments

The amendments clarify the requirements for the timing of recognition and derecognition of financial liabilities settled through an electronic cash transfer system, add further guidance for assessing the contractual cash flow characteristics of financial assets with contingent features, and adds new or amended disclosures relating to investments in equity instruments designated at Fair Value through Other Comprehensive Income "FVOCI" and financial instruments with contingent features. The amendments to IFRS 9 and IFRS 7 apply to annual reporting periods beginning on or after January 1, 2026. Brookfield Renewable has assessed the impact of these amendments and have noted no material impact.

Amendments to IFRS 9 - Financial Instruments ("IFRS 9") and IFRS 7 - Financial Instruments: Disclosures ("IFRS 7") - Contracts Referencing Nature-Dependent Electricity

The amendments apply only to contracts referencing nature-dependent electricity and clarify the application of the "own-use" requirements, the use of hedge accounting, and adds new disclosure requirements around the effect of these contracts on the partnership's financial performance and cash flows. The amendments to IFRS 9 and IFRS 7 apply to annual reporting periods beginning on or after January 1, 2026. Brookfield Renewable has assessed the impacts of these amendments and have noted no material impact.

There are currently no other future changes to IFRS Accounting Standards with a potential material impact on Brookfield Renewable.

SUBSEQUENT EVENTS

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, completed the sale of 25% of a 403 MW portfolio of operating hydroelectric assets in the U.S for proceeds of approximately $230 million ($111 million net to Brookfield Renewable). Brookfield Renewable continues to consolidate this business.

Subsequent to year-end, Brookfield Renewable established an at-the-market ("ATM") equity program under which it may, at its discretion, offer and sell up to $400 million of BEPC exchangeable shares directly from treasury. To date, 635,247 BEPC exchangeable shares were issued for gross proceeds of approximately $28 million.

Subsequent to year-end, Brookfield Renewable repurchased and cancelled 635,247 LP units on the Toronto Stock Exchange at a total cost of approximately $20 million.

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, agreed to the sale of a 2.3 GW portfolio of operating wind and solar assets in the U.S. for proceeds of approximately $1.3 billion ($316 million net to Brookfield Renewable). The closing of this transaction is subject to customary closing conditions.

Subsequent to year-end, Brookfield Renewable issued C$500 million of Series 20 medium-term notes. The medium-term notes have a fixed interest rate of 5.204% and a maturity date of January 15, 2056. The Series 20 medium-term notes are corporate-level green bonds.

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, completed the sale of a 73 MW portfolio of operating wind assets in the U.K. for proceeds of approximately £61 million ($82 million) (£16 million ($21 million) net to Brookfield Renewable).

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, completed a private placement sale of shares in a renewable operating and development platform in India, selling a 7% interest for proceeds of approximately INR7.8 billion ($86 million) (INR1.6 billion ($17 million) net to Brookfield Renewable). In addition, as a result of the successful launch of the IPO, a 3% interest was transferred to a member of the platform's IPO Founder Group for nominal consideration, as part of a pre-existing arrangement. The IPO process was completed on February 25, 2025 and the platform will be listed on the designated stock exchanges in India on or about March 2, 2026. On February 26, 2026 the platform filed the prospectus which reflects an additional divestment by Brookfield Renewable, together with its institutional partners, of an approximate 10% interest for gross proceeds to be received of approximately INR8.9 billion ($99 million) (INR1.8 billion ($19 million) net to Brookfield Renewable).

Subsequent to year-end, Brookfield Renewable redeemed all of the outstanding units of Series 7 Preferred Limited Partnership units for C$175 million.

PART 9 – PRESENTATION TO STAKEHOLDERS AND PERFORMANCE MEASUREMENT

PRESENTATION TO PUBLIC STAKEHOLDERS

Equity

Brookfield Renewable's consolidated equity interests include (i) non-voting publicly traded LP units, held by public unitholders and Brookfield, (ii) BEPC exchangeable shares, held by public shareholders and Brookfield Holders (iii) class A.2 exchangeable shares, held by Brookfield, (iii) Redeemable/Exchangeable Limited partnership units in BRELP, a holding subsidiary of Brookfield Renewable, held by Brookfield, and (iv) the GP interest in BRELP, held by Brookfield.

The LP units, the BEPC exchangeable shares, class A.2 exchangeable shares and the Redeemable/Exchangeable partnership units have the same economic attributes in all respects, except that the BEPC exchangeable shares and class A.2 exchangeable shares provide the holder, and the Redeemable/Exchangeable partnership units provide Brookfield, the right to request that all or a portion of such shares or units be redeemed for cash consideration. Brookfield Renewable, however, has the right, at its sole discretion, to satisfy any such redemption request related to Redeemable/Exchangeable partnership units and BEPC exchangeable shares with LP units, rather than cash, on a one-for-one basis. Similarly, Brookfield Renewable has the right, at its sole discretion, to satisfy any such redemption request related to class A.2 exchangeable shares with BEPC exchangeable shares or LP units, at the election of Brookfield, rather than cash, on a one-for-one basis. The public holders of BEPC exchangeable shares, and Brookfield Holders, as holder of BEPC exchangeable shares, class A.2 exchangeable shares and Redeemable/ Exchangeable partnership units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP units. Because Brookfield Renewable, at its sole discretion, has the right to settle any redemption request in respect of BEPC exchangeable shares and Redeemable/Exchangeable partnership units with LP units and any redemption request in respect of class A.2 exchangeable shares with BEPC exchangeable shares or LP units, at the election of Brookfield, the BEPC exchangeable shares, class A.2 exchangeable shares and Redeemable/Exchangeable partnership units are classified under equity, and not as a liability.

Given the exchange feature referenced above, we are presenting LP units, BEPC exchangeable shares and class A.2 exchangeable shares, Redeemable/Exchangeable partnership units, and GP Interest as separate components of consolidated equity. This presentation does not impact the total income (loss), per unit or share information, or total consolidated equity.

Actual and Long-term Average Generation

For assets acquired, disposed or reached commercial operation during the year, reported generation is calculated from the acquisition, disposition or commercial operation date and is not annualized. Generation on a same store basis refers to the generation of assets that were owned during both periods presented. As it relates to Colombia only, generation includes both hydroelectric and cogeneration facilities. Distributed energy & sustainable solutions includes generation from our distributed generation, pumped storage, North America cogeneration, and Brazil biomass assets.

North America hydroelectric long-term average is the expected average level of generation based on the results of a simulation based on historical inflow data performed over a period of typically 30 years. Colombia hydroelectric long-term average is the expected average level of generation based on the results of a simulation based on historical inflow data performed over a period of typically 20 years. For substantially all of our hydroelectric assets in Brazil the long-term average is based on the reference amount of electricity allocated to our facilities under the market framework which levelizes generation risk across producers. Wind long-term average is the expected average level of generation based on the results of simulated historical wind speed data performed over a period of typically 10 years. Utility-scale solar long-term average is the expected average level of generation based on the results of a simulation using historical irradiance levels in the locations of our projects from the last 14 to 20 years combined with actual generation data during the operational period.

We compare actual generation levels against the long-term average to highlight the impact of an important factor that affects the variability of our business results. In the short-term, we recognize that hydrology, wind and irradiance conditions will vary from one period to the next; over time however, we expect our facilities will continue to produce in line with their long-term averages, which have proven to be reliable indicators of performance.

Our risk of hydrology generation shortfall in Brazil continues to be minimized by participation in the MRE administered by the government of Brazil. This program mitigates hydrology risk by assuring that all participants receive, at any particular point in time, an assured energy amount, irrespective of the actual volume of energy generated. The program reallocates energy, transferring surplus energy from those who generated an excess to those who generate less than their assured energy, up to the total generation within the pool. Periodically, low precipitation across the entire country's system could result in a temporary reduction of generation available for sale. During these periods, we expect that a higher proportion of thermal generation would be needed to balance supply and demand in the country, potentially leading to higher overall spot market prices.

Generation from our pumped storage and cogeneration facilities in North America is highly dependent on market price conditions rather than the generating capacity of the facilities. Our pumped storage facility in Europe generates on a dispatchable basis when required by our contracts for ancillary services. Generation from our biomass facilities in Brazil is dependent on the amount of sugar cane harvested in a given year. For these reasons, we do not consider a long-term average for these facilities.

Voting Agreements with Affiliates

Brookfield Renewable has entered into voting agreements with Brookfield, whereby Brookfield Renewable gained control or have significant influence over the entities that own certain renewable power and sustainable solution investments. Brookfield Renewable has also entered into a voting agreement with its consortium partners in respect of the Colombian business and Neoen. The voting agreements provide Brookfield Renewable the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities.

For entities previously controlled by Brookfield Corporation, the voting agreements entered into do not represent business combinations in accordance with IFRS 3, as all combining businesses are ultimately controlled by Brookfield Corporation both before and after the transactions were completed. Brookfield Renewable accounts for these transactions involving entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-voting agreement financial information as if the transactions had always been in place. Refer to Note 1(s)(ii) – Critical judgments in applying accounting policies – Common control transactions in our December 31, 2025 audited consolidated financial statements for our policy on accounting for transactions under common control.

PERFORMANCE MEASUREMENT

Segment Information

Our operations are segmented by – 1) hydroelectric, 2) wind, 3) utility-scale solar, 4) distributed energy & storage (distributed generation, pumped storage and battery energy storage systems), 5) sustainable solutions (agricultural renewable natural gas, carbon capture and storage, recycling, cogeneration, biomass, nuclear services, eFuels, and power transformation), and 6) corporate - with hydroelectric further segmented by geography (i.e., North America, Colombia, and Brazil). This best reflects the way in which the CODM reviews results of our company.

We report our results in accordance with these segments and present prior period segmented information in a consistent manner. See Note 7 – Segmented information in our audited annual consolidated financial statements.

One of our primary business objectives is to generate stable and growing cash flows while minimizing risk for the benefit of all stakeholders. We monitor our performance in this regard through three key metrics — i) Net Income (Loss), ii) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"), and iii) Funds From Operations.

It is important to highlight that Adjusted EBITDA and Funds From Operations do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies and have limitations as analytical tools. We provide additional information below on how we determine

Adjusted EBITDA and Funds From Operations. We also provide reconciliations to Net income (loss). See “Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures” and “Part 6 – Selected Annual and Quarterly Information – Reconciliation of Non-IFRS measures”.

Proportionate Information

Reporting to the CODM on the measures utilized to assess performance and allocate resources has been provided on a proportionate basis. Information on a proportionate basis reflects Brookfield Renewable’s share from facilities which it accounts for using consolidation and the equity method whereby Brookfield Renewable either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides a Unitholder perspective that the CODM considers important when performing internal analyses and making strategic and operating decisions. The CODM also believes that providing proportionate information helps investors understand the impacts of decisions made by management and financial results that can be allocated to Unitholders.

Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Tables reconciling IFRS data with data presented on a proportionate basis have been disclosed. Segment revenues, other income, direct operating costs, interest expense, current income taxes, and other are items that will differ from results presented in accordance with IFRS as these items (1) include Brookfield Renewable’s proportionate share of earnings (loss) from equity accounted investments attributable to each of the above-noted items, (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by us apportioned to each of the above-noted items, and (3) other income includes but is not limited to our proportionate share of settled foreign currency and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains on non-core assets and on recently developed assets that we have monetized to reflect the economic value created from our development activities as we design, build and commercialize new renewable energy capacity and sell these assets to lower cost of capital buyers which may not otherwise be reflected in our consolidated statements of income.

The presentation of proportionate results has limitations as an analytical tool, including the following:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and
- Other companies may calculate proportionate results differently than we do.

Because of these limitations, our proportionate financial information should not be considered in isolation or as a substitute for our financial statements as reported under IFRS.

Brookfield Renewable does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its financial statements. The presentation of the assets and liabilities and revenues and expenses do not represent Brookfield Renewable’s legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish Brookfield Renewable’s legal claims or exposures to such items.

Unless the context indicates or requires otherwise, information with respect to the megawatts (“MW”) attributable to Brookfield Renewable’s facilities, including development assets, is presented on a consolidated basis, including with respect to facilities whereby Brookfield Renewable either controls or jointly controls the applicable facility.

Net Income (Loss)

Net income (loss) is calculated in accordance with IFRS.

Net income (loss) is an important measure of profitability, in particular because it has a standardized meaning under IFRS. The presentation of net income (loss) on an IFRS basis for our business will often lead to the recognition of a loss even though the underlying cash flows generated by the assets are supported by strong margins and stable, long-term power purchase agreements. The primary reason for this is that accounting rules require us to recognize a significantly higher level of depreciation for our assets than we are required to reinvest in the business as sustaining capital expenditures.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure used by investors to analyze the operating performance of companies.

Brookfield Renewable uses Adjusted EBITDA to assess the performance of its operations before the effects of interest expense, income taxes, depreciation, management service costs, non-controlling interests, unrealized gain or loss on financial instruments, non-cash income or loss from equity-accounted investments, distributions to preferred shareholders, preferred limited partnership unit holders, perpetual subordinated noteholders and other typical non-recurring items. Brookfield Renewable adjusts for these factors as they may be non-cash, unusual in nature and/or are not factors used by management for evaluating operating performance. Brookfield Renewable includes other income within Adjusted EBITDA in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in the current period.

Brookfield Renewable believes that presentation of this measure will enhance an investor's ability to evaluate its financial and operating performance on an allocable basis.

Funds From Operations

Funds From Operations is a non-IFRS measure used by investors to analyze net earnings from operations without the effects of certain volatile items that generally have no current financial impact or items not directly related to the performance of Brookfield Renewable.

Brookfield Renewable uses Funds From Operations to assess the performance of Brookfield Renewable before the effects of certain cash items (e.g., acquisition costs and other typical non-recurring cash items) and certain non-cash items (e.g., deferred income taxes, depreciation, non-cash portion of non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments, and other non-cash items) as these are not reflective of the performance of the underlying business. Brookfield Renewable includes other income in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in the current period. In the consolidated financial statements of Brookfield Renewable, the revaluation approach is used in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation is determined based on a revalued amount, thereby reducing comparability with peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. Management adds back deferred income taxes on the basis that they do not believe this item reflects the present value of the actual tax obligations that they expect Brookfield Renewable to incur over the long-term investment horizon of Brookfield Renewable.

Brookfield Renewable believes that analysis and presentation of Funds From Operations on this basis will enhance an investor's understanding of the performance of Brookfield Renewable. Funds From Operations is not a substitute measure of performance for earnings per share and does not represent amounts available for distribution.

Funds From Operations is not a generally accepted accounting measure under IFRS and therefore may differ from definitions of Funds From Operations used by other entities, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"). Furthermore, this measure is not used by the CODM to assess Brookfield Renewable's liquidity.

Proportionate Debt

Proportionate debt is presented based on the proportionate share of borrowings obligations relating to the investments of Brookfield Renewable in various portfolio businesses. The proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Proportionate debt measures are provided because management believes it assists investors and analysts in estimating the overall performance and understanding the leverage pertaining specifically to Brookfield's share of its invested capital in a given investment. When used in conjunction with Proportionate Adjusted EBITDA, proportionate debt is expected to provide useful information as to how Brookfield Renewable has financed its businesses at the asset-level. Management believes that the proportionate presentation, when read in conjunction with Brookfield Renewable's reported results under IFRS, including consolidated debt, provides a more meaningful assessment of how the operations of Brookfield Renewable are performing and capital is being managed.

The presentation of proportionate results has limitations as an analytical tool, including the following:

- Proportionate debt amounts do not represent the consolidated obligation for debt underlying a consolidated investment. If an individual project does not generate sufficient cash flows to service the entire amount of its debt payments, management may determine, in their discretion, to pay the shortfall through an equity injection to avoid defaulting on the obligation. Such a shortfall may not be apparent from or may not equal the difference between aggregate Proportionate Adjusted EBITDA for all of the portfolio investments of Brookfield Renewable and aggregate proportionate debt for all of the portfolio investments of Brookfield Renewable; and
- Other companies may calculate proportionate debt differently.

Because of these limitations, the proportionate financial information of Brookfield Renewable should not be considered in isolation or as a substitute for the financial statements of Brookfield Renewable as reported under IFRS.

PART 10 – CAUTIONARY STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This report contains forward-looking statements and information, within the meaning of applicable U.S. and Canadian securities laws and and in any applicable securities regulations, concerning the business and operations of Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this report include, but are not limited to, statements regarding the quality of Brookfield Renewable's assets and the resiliency of the cash flow they will generate, our anticipated financial performance, future commissioning of assets, contracted portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions and dispositions, future energy prices and demand for electricity, economic recovery, achieving long-term average generation, project development and capital expenditure costs, energy policies, economic growth, growth potential of the renewable asset class, reorganizations or other structural simplification transactions, our future growth prospects and distribution profile, our access to capital and future dividends, and distributions made to holders of LP units and BEPC's exchangeable shares. In some cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "scheduled", "estimates", "intends", "anticipates", "believes", "potentially", "tends", "continue", "attempts", "likely", "primarily", "approximately", "endeavors", "pursues", "strives", "seeks", "targets", "believes", or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. These forward-looking statements and information are not historical facts but reflect our current expectations regarding future results or events and are based on information currently available to us and on assumptions we believe are reasonable. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this report are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward-looking statements and information as such statements and information involve assumptions, known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and result of operations and our plans and strategies may vary materially from those expressed in the forward-looking statements and forward-looking information herein.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to, the following: general economic conditions and risks relating to the economy, including unfavorable changes in interest rates, foreign exchange rates, inflation and volatility in the financial markets; changes to resource availability, as a result of climate change or otherwise, at any of our renewable power facilities; supply, demand, volatility and marketing in the energy markets; changes to government policies and incentives relating to the renewable power and sustainable solutions industries; our inability to re-negotiate or replace expiring contracts (including PPAs, power guarantee agreements or similar long-term agreements, between a seller and a buyer of electrical power generation or other commercial contracts that our business benefits from) on similar terms; an increase in the amount of uncontracted generation in our renewable power portfolio or a change in the contract profile for future renewable power projects; availability and access to interconnection facilities and transmission systems; our ability to comply with, secure, replace or renew concessions, licenses, permits and other governmental approvals needed for our operating and development projects; our real property rights for our facilities being adversely affected by the rights of lienholders and leaseholders that are superior to those granted to us; increases in the cost of operating our existing facilities and of developing new projects; health, safety, security and environmental risks; equipment failures and procurement challenges; adverse impacts of inflationary pressures; changes in regulatory, political, economic and social conditions in the jurisdictions in which we operate; our reliance on computerized business systems, which could expose us to cyber-attacks; dam failures and the costs and potential liabilities associated with such failures; uninsurable losses and higher insurance premiums; energy marketing risks and our ability to manage commodity and financial risk; the termination of, or a change to, the MRE; involvement in litigation and other disputes, and governmental and regulatory investigations; counterparties to our contracts not fulfilling their obligations; the time and expense of enforcing contracts against non-performing counterparties and the uncertainty of success; increased regulation of our operations; new regulatory initiatives related to sustainability and ESG; foreign laws or regulation to which we become subject as a result of future acquisitions in new markets; force majeure events; our operations being affected by local communities; newly developed technologies or new business lines in which we invest not performing as anticipated; advances in technology that impair or eliminate the competitive advantage of our projects; increases in water rental costs (or similar fees) or changes to the regulation of water supply; ineffective management of human capital; labor disruptions and economically unfavorable collective bargaining agreements; human rights impacts of our business activities; ; uncertainty regarding the U.S. Government making a final investment decision and entering into definitive agreements with our nuclear services investment regarding the construction of nuclear reactors and realizing the anticipated benefits therefrom; increased regulation of and third party opposition to our nuclear services investment's customers and operations; failure of the nuclear power industry to expand; insufficient indemnification for our nuclear services investment; our inability to finance our operations and fund growth due to the status of the capital markets; our inability to complete capital recycling initiatives; operating and financial restrictions imposed on us by our loan, debt and security agreements; changes to our credit ratings; the incurrence of debt at multiple levels within our organizational structure; restrictions on our ability to engage in certain activities or make distributions due to our indebtedness; adverse changes in currency exchange rates and our inability to effectively manage foreign currency exposure through our hedging strategy or otherwise; our inability to identify sufficient investment opportunities and complete transactions; political instability or changes in government policy negatively impacting our business or assets; changes to our current business, including through future sustainable solutions investments; the growth of our portfolio and our inability to realize the expected benefits of our transactions or acquisitions; our investment opportunities may not be completed as planned and we may not realize the anticipated benefits therefrom; our inability to develop the projects in our development pipeline; delays, cost overruns and other problems associated with the construction and operation of our facilities and risks associated with the arrangements we enter into with communities and joint venture partners; we do not have control over all of our operations or investments, including certain investments made through joint ventures, partnerships, consortiums or structured arrangements; some of our acquisitions may be of distressed companies, which may subject us to increased risks; a decline in the value of our investments in securities, including publicly *traded securities of other companies; the separation of economic interest from control within our organizational structure; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems and restrictions on foreign direct investment; our dependence on Brookfield and Brookfield's significant influence over us; Brookfield's election not to source acquisition opportunities for us and our lack of access to all renewable power acquisitions that Brookfield identifies, including by reason of conflicts of interest; the departure of some or all of Brookfield's key professionals; Brookfield acting in a way that is not in our best interests or the best interests of our shareholders or our unitholders; our inability to terminate the Master Services Agreement and the limited liability of the Service Provider under our arrangements with them; Brookfield's relationship with walled-off businesses; changes in how Brookfield elects to hold its ownership interests in Brookfield Renewable; changes in the amount of cash we can distribute to our unitholders; future sales or issuances of our securities (including upon exchange of class A.2 exchangeable shares by Brookfield) will result in dilution of existing holders and even the perception of such sales or issuances taking place could depress the trading price of the BEP units or BEPC exchangeable shares; any changes in the market price of the BEP units and BEPC exchangeable shares; the inability of our unitholders to take part in the management of BEP; limits on unitholders' ability to obtain favourable judicial forum for disputes related to BEP or to enforce judgements against us; our reliance on subsidiaries to provide funds to pay distributions; foreign currency risk associated with BEP's distributions; we are not subject to the same disclosure requirements as a U.S. domestic issuer; being deemed an "investment company" under the Investment Company Act; the effectiveness of our internal controls over financial reporting; changes in tax law and practice; and other factors described in our most recent Annual Report on Form 20-F, including those set forth under Item 3.D "Risk Factors".*

We caution that the foregoing list of important factors that may affect future results is not exhaustive. The forward-looking statements represent our views as of the date of this report and should not be relied upon as representing our views as of any date subsequent to the date of this report. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law. For further information on these known and unknown risks, please see "Risk Factors" included in our most recent Annual Report on Form 20-F and other risks and factors that are described therein.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

This report contains references to Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit which are not generally accepted accounting measures standardized under IFRS and therefore may differ from definitions of Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit used by other entities. In particular, our definition of Funds From Operations may differ from the definition of funds from operations used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. We believe that Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit are useful supplemental measures that may assist investors in assessing our financial performance. None of Adjusted EBITDA, Funds From Operations or Funds From Operations per Unit should be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS. These non-IFRS measures reflect how we manage our business and, in our opinion, enable the investors and other readers to better understand our business.

Reconciliations of each of Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit to net income (loss) are presented in our Management's Discussion and Analysis. We have also provided a reconciliation of Adjusted EBITDA and Funds From Operations to net income in Note 7 – Segmented information in the audited annual consolidated financial statements.

Brookfield Renewable Partners L.P.

bep.brookfield.com

NYSE: BEP
TSX: BEP.UN