

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**September 30, 2023**  
**(Unaudited)**

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(Unaudited)

<i>As at (thousands of Canadian dollars)</i>	Notes	September 30 2023	December 31 2022
			(Note 15)
<b>ASSETS</b>			
Current assets			
Cash		4	4
Restricted cash		404,212	373,922
Trade and other receivables		5,362	6,048
Related party receivable	12	80,920	-
Other current assets		3,083	2,317
<b>Total current assets</b>		<b>493,581</b>	<b>382,291</b>
Non-current assets			
Property, plant and equipment	3	5,460,764	5,400,703
Intangible assets	4	75,594	77,378
Right-of-use assets		609	2,234
<b>Total assets</b>		<b>6,030,548</b>	<b>5,862,606</b>
<b>LIABILITIES AND DEFICIENCY</b>			
Current liabilities			
Trade and other payables	5	69,639	41,668
Contract liability	6	8,670	-
Current portion of long-term debt	7	21,000	21,000
Current portion of lease liabilities		3	91
Deferred revenue	12	42,338	112,900
<b>Total current liabilities</b>		<b>141,650</b>	<b>175,659</b>
Non-current liabilities			
Long-term debt	7	3,367,479	3,378,032
Class A limited partnership units	8	1,744,768	1,579,508
Class B limited partnership units	8	785,398	738,908
Lease liabilities		641	2,280
Contributions		10	10
<b>Total liabilities</b>		<b>6,039,946</b>	<b>5,874,397</b>
Partners' deficit			
Deficit		(9,398)	(11,791)
<b>Total deficiency</b>		<b>(9,398)</b>	<b>(11,791)</b>
<b>Total liabilities and deficiency</b>		<b>6,030,548</b>	<b>5,862,606</b>

Commitments and contingencies (Note 13)

See accompanying notes

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**  
**CONSOLIDATED STATEMENT OF PROFIT (LOSS) AND COMPREHENSIVE INCOME (LOSS)**  
(Unaudited)

<i>For the period ended September 30 (thousands of Canadian dollars)</i>	Notes	Three months ended		Nine months ended	
		<b>2023</b>	2022	<b>2023</b>	2022
Revenue	12	<b>106,032</b>	-	<b>194,334</b>	-
Total revenue		<b>106,032</b>	-	<b>194,334</b>	-
Operating costs	9	<b>1,657</b>	98	<b>3,689</b>	2,040
Depreciation		<b>25,076</b>	-	<b>50,184</b>	-
Net finance expense (income)	10	<b>77,039</b>	(121)	<b>138,498</b>	(605)
Other (income) expense		<b>(113)</b>	28	<b>(430)</b>	108
Expenses		<b>103,659</b>	5	<b>191,941</b>	1,543
Total profit (loss) and comprehensive income (loss) for the period		<b>2,373</b>	(5)	<b>2,393</b>	(1,543)

*See accompanying notes*

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**  
**CONSOLIDATED STATEMENT OF CHANGES IN DEFICIT**  
(Unaudited)

<i>(thousands of Canadian dollars)</i>	Allocation to Class A Limited Partner	Allocation to Class B Limited Partner	Total Deficit
<b>Balance at January 1, 2023</b>	<b>(4,405)</b>	<b>(7,386)</b>	<b>(11,791)</b>
<b>Total profit and comprehensive income for the period</b>	<b>2,742</b>	<b>(349)</b>	<b>2,393</b>
<b>Balance at September 30, 2023</b>	<b>(1,663)</b>	<b>(7,735)</b>	<b>(9,398)</b>
Balance at January 1, 2022	(4,476)	(6,411)	(10,887)
Total loss and comprehensive loss for the period	(605)	(938)	(1,543)
Balance at September 30, 2022	(5,081)	(7,349)	(12,430)

*See accompanying notes*

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Unaudited)**

<i>For the period ended September 30 (thousands of Canadian dollars)</i>	Notes	Three months ended		Nine months ended	
		2023	2022	2023	2022
<b>Operating activities</b>					
Profit (loss) for the period		<b>2,373</b>	(5)	<b>2,393</b>	(1,543)
Adjustments to reconcile profit (loss) to cash provided from (used in) operating activities:					
Depreciation and amortization		<b>25,076</b>	-	<b>50,184</b>	-
Finance income	10	<b>(4,774)</b>	(1,542)	<b>(13,176)</b>	(2,539)
Finance expense	10	<b>81,813</b>	1,421	<b>151,674</b>	1,934
Gain on disposals		<b>(109)</b>	-	<b>(109)</b>	-
		<b>104,379</b>	(126)	<b>190,966</b>	(2,148)
Changes in non-cash working capital balances	14	<b>2,103</b>	147	<b>422</b>	121
Increase in contract liability		<b>3,945</b>	-	<b>8,670</b>	-
Decrease in deferred revenue		<b>(42,337)</b>	-	<b>(70,562)</b>	-
Interest received		<b>4,550</b>	1,343	<b>12,946</b>	2,169
Interest paid		<b>(402)</b>	(554)	<b>(59,998)</b>	(59,900)
<b>Net cash provided from (used in) operating activities</b>		<b>72,238</b>	810	<b>82,444</b>	(59,758)
<b>Investing activities</b>					
Additions to property, plant and equipment		<b>(4,919)</b>	(16,188)	<b>(21,064)</b>	(35,735)
Additions to intangible assets	4	<b>(261)</b>	(46)	<b>(693)</b>	(159)
Change in related party receivable		<b>990</b>	-	<b>(80,920)</b>	-
Decrease in advances		-	81	-	383
Changes in non-cash working capital balances	14	<b>2,004</b>	4,981	<b>(1,897)</b>	(6,222)
<b>Net cash used in investing activities</b>		<b>(2,186)</b>	(11,172)	<b>(104,574)</b>	(41,733)
<b>Financing activities</b>					
Repayment of long-term debt		-	-	<b>(10,500)</b>	(10,500)
Increase in restricted cash		<b>(70,052)</b>	(7,434)	<b>(30,290)</b>	(32,003)
Increase in Class A limited partnership units	8	-	17,843	<b>63,014</b>	144,556
Repayment of Class A limited partnership units	8	-	-	-	(421)
Repayment of lease liabilities		-	(47)	<b>(94)</b>	(141)
<b>Net cash (used in) provided from financing activities</b>		<b>(70,052)</b>	10,362	<b>22,130</b>	101,491
Net increase (decrease) in cash		-	-	-	-
Cash, beginning of the period		<b>4</b>	4	<b>4</b>	4
Cash, end of the period		<b>4</b>	4	<b>4</b>	4

See accompanying notes

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)**

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**1. DESCRIPTION OF BUSINESS**

Labrador-Island Link Limited Partnership (LIL LP) was formed on July 31, 2012 under the laws of the Province of Newfoundland and Labrador. LIL LP's head office is located at 500 Columbus Drive, St. John's, Newfoundland and Labrador, A1B 0M4, Canada.

LIL LP has two limited partners, Labrador-Island Link Holding Corporation (LIL Holdco), a wholly-owned subsidiary of Nalcor Energy (Nalcor), and Emera Newfoundland and Labrador Island Link Inc. (Emera NL). LIL Holdco holds 75 Class A partnership units and one Class C unit while Emera NL holds 25 Class B units. LIL LP is expected to terminate on December 31, 2081, unless terminated earlier or extended in accordance with the Labrador-Island Link Limited Partnership Agreement (the Partnership Agreement).

The general partner of LIL LP is Labrador-Island Link General Partner Corporation (LIL GP), a wholly-owned subsidiary of Nalcor. Although LIL GP holds legal title to the assets, LIL LP is the beneficial owner and assumes all risks and rewards of the assets.

LIL LP was established to carry on the business of designing, engineering, constructing, commissioning, owning, financing and sustaining the assets and property constituting the Labrador-Island Link (LIL). LIL LP has entered into the LIL Lease and the Transmission Funding Agreement (TFA) with Labrador-Island Link Operating Corporation (LIL Opco) and Newfoundland and Labrador Hydro (Hydro), both of which are wholly-owned subsidiaries of Nalcor. These agreements effectively provide Hydro with transmission services over the LIL. LIL Opco maintains and operates the LIL on behalf of LIL LP.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of Compliance and Basis of Measurement**

These condensed consolidated interim financial statements have been prepared in accordance with *International Accounting Standard 34 - Interim Financial Reporting* and have been prepared using accounting policies consistent with those used in the preparation of the annual audited consolidated financial statements for the year ended December 31, 2022.

These condensed consolidated interim financial statements do not include all of the disclosures normally found in LIL LP's annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements.

These condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars with all values rounded to the nearest thousand, except when otherwise noted. LIL GP has delegated the authority to approve the condensed consolidated interim financial statements to the Audit Committee of the Board of Directors of Nalcor, which approved the condensed consolidated interim financial statements on November 16, 2023.

**2.2 Basis of Consolidation**

These condensed consolidated interim financial statements include the financial statements of LIL LP and the LIL Construction Project Trust (the IT). Intercompany transactions and balances have been eliminated upon consolidation. Upon commissioning of the LIL, the IT will take steps to terminate and assign all indebtedness, rights, titles and interest under the IT Project Finance Agreement (IT PFA) to the Labrador – Island Link Funding Trust (LIL Funding Trust).

## LABRADOR - ISLAND LINK LIMITED PARTNERSHIP

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

#### 3. PROPERTY, PLANT AND EQUIPMENT

<i>(thousands of Canadian dollars)</i>	Transmission and Terminals	Service Facilities and Other	Construction in Progress (Note 15)	Total
<b>Cost</b>				
Balance at January 1, 2022	8,058	11,759	5,071,029	5,090,846
Additions	-	-	317,844	317,844
Other adjustments	-	-	(208)	(208)
Transfers	1,200	1,400	(2,600)	-
Balance at December 31, 2022	9,258	13,159	5,386,065	5,408,482
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>113,236</b>	<b>113,236</b>
<b>Other adjustments</b>	<b>-</b>	<b>(5,372)</b>	<b>(86)</b>	<b>(5,458)</b>
<b>Transfers</b>	<b>5,449,360</b>	<b>41,688</b>	<b>(5,491,048)</b>	<b>-</b>
<b>Balance at September 30, 2023</b>	<b>5,458,618</b>	<b>49,475</b>	<b>8,167</b>	<b>5,516,260</b>
<b>Depreciation</b>				
Balance at January 1, 2022	53	7,032	-	7,085
Depreciation	101	593	-	694
Balance at December 31, 2022	154	7,625	-	7,779
<b>Depreciation</b>	<b>46,387</b>	<b>1,330</b>	<b>-</b>	<b>47,717</b>
<b>Balance at September 30, 2023</b>	<b>46,541</b>	<b>8,955</b>	<b>-</b>	<b>55,496</b>
<b>Carrying value</b>				
Balance at January 1, 2022	8,005	4,727	5,071,029	5,083,761
Balance at December 31, 2022	9,104	5,534	5,386,065	5,400,703
<b>Balance at September 30, 2023</b>	<b>5,412,077</b>	<b>40,520</b>	<b>8,167</b>	<b>5,460,764</b>

On April 14, 2023, commissioning of the LIL was approved by all required stakeholders resulting in full commissioning of all components of the Lower Churchill Project. The categories of property, plant and equipment have been updated to reflect this change.

#### Capitalized Borrowing Costs

The construction of the LIL was financed, in part, through the issuance of long-term debt. For the period ended September 30, 2023, \$31.8 million (December 31, 2022 - \$112.4 million) of borrowing costs were capitalized. LIL LP also capitalized borrowing costs associated with the Class A units and the Class B units of \$54.8 million (December 31, 2022 - \$163.9 million) as non-cash additions to property, plant and equipment. Borrowing costs are no longer being capitalized as of April 14, 2023 upon commissioning of the LIL.

## LABRADOR - ISLAND LINK LIMITED PARTNERSHIP

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

#### 4. INTANGIBLE ASSETS

<i>(thousands of Canadian dollars)</i>	Computer Software	Other	Construction in Progress (Note 15)	Total
Cost				
Balance at January 1, 2022	3,055	35,644	39,696	78,395
Additions	-	236	1,256	1,492
Balance at December 31, 2022	3,055	35,880	40,952	79,887
<b>Additions</b>	<b>-</b>	<b>129</b>	<b>564</b>	<b>693</b>
<b>Transfers</b>	<b>41,236</b>	<b>-</b>	<b>(41,236)</b>	<b>-</b>
<b>Balance at September 30, 2023</b>	<b>44,291</b>	<b>36,009</b>	<b>280</b>	<b>80,580</b>
Amortization				
Amortization	2,443	-	-	2,443
Amortization	66	-	-	66
Balance at December 31, 2022	2,509	-	-	2,509
<b>Amortization</b>	<b>2,117</b>	<b>360</b>	<b>-</b>	<b>2,477</b>
<b>Balance at September 30, 2023</b>	<b>4,626</b>	<b>360</b>	<b>-</b>	<b>4,986</b>
Carrying value				
Balance at January 1, 2022	612	35,644	39,696	75,952
Balance at December 31, 2022	546	35,880	40,952	77,378
<b>Balance at September 30, 2023</b>	<b>39,665</b>	<b>35,649</b>	<b>280</b>	<b>75,594</b>

Categories of intangible assets have been updated to reflect commissioning of the LIL assets

Other intangible assets represent LIL LP's right to collect costs incurred related to upgrades to Hydro assets through the LIL Lease and TFA.

Computer software is amortized on a straight-line basis over the finite useful lives of one to 10 years.

#### 5. TRADE AND OTHER PAYABLES

<i>As at (thousands of Canadian dollars)</i>	<b>September 30 2023</b>	December 31 2022
Accrued interest	<b>39,409</b>	9,866
Trade payables and accruals	<b>21,590</b>	25,044
HST payable	<b>6,829</b>	3,180
Due to related parties	<b>1,811</b>	3,578
	<b>69,639</b>	41,668

#### 6. CONTRACT LIABILITY

<i>As at (thousands of Canadian dollars)</i>	<b>September 30 2023</b>	December 31 2022
Contract liability, beginning of the period	-	-
Revenue recognized	<b>(194,524)</b>	-
Payments	<b>203,194</b>	-
Contract liability, end of the period	<b>8,670</b>	-

The contract liability represents the timing difference between the satisfaction of performance obligations to LIL Opco under the LIL Lease and the timing of commercial payments.



## LABRADOR - ISLAND LINK LIMITED PARTNERSHIP

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

#### 7. LONG-TERM DEBT

The following table represents the value of long-term debt measured at amortized cost:

<i>As at (thousands of Canadian dollars)</i>	Face Value	Coupon Rate %	Year of Issue	Year of Maturity	September 30 2023	December 31 2022
Tranche A	725,000	3.76	2013	2033	725,151	725,163
Tranche B	600,000	3.86	2013	2045	600,079	600,082
Tranche C	1,075,000	3.85	2013	2053	1,075,170	1,075,175
Tranche 7-10	42,000	1.59-1.75	2017	2023-2025	42,002	52,503
Tranche 11-20	105,000	1.84-2.37	2017	2025-2030	105,013	105,015
Tranche 21-30	105,000	2.41-2.64	2017	2030-2035	105,034	105,037
Tranche 31-40	105,000	2.66-2.80	2017	2035-2040	105,081	105,085
Tranche 41-50	105,000	2.81-2.86	2017	2040-2045	105,089	105,092
Tranche 51-60	105,000	2.84-2.86	2017	2045-2050	105,117	105,121
Tranche 61-70	105,000	2.85	2017	2050-2055	105,174	105,178
Tranche 71-74	315,000	2.85	2017	2055-2057	315,569	315,581
<b>Total</b>	<b>3,387,000</b>				<b>3,388,479</b>	<b>3,399,032</b>
Less: maturities of debt within one year					(21,000)	(21,000)
					<b>3,367,479</b>	<b>3,378,032</b>

#### 8. LIMITED PARTNERSHIP UNITS

##### 8.1 Class A Limited Partnership Units

<i>As at (thousands of Canadian dollars)</i>	Units	September 30 2023	Units	December 31 2022
Class A limited partnership units, beginning of the period	75	1,579,508	75	1,139,796
Contributions	-	63,014	-	334,166
Repayment	-	-	-	(421)
Accrued interest	-	102,246	-	105,967
<b>Class A limited partnership units, end of the period</b>	<b>75</b>	<b>1,744,768</b>	<b>75</b>	<b>1,579,508</b>

##### 8.2 Class B Limited Partnership Units

<i>As at (thousands of Canadian dollars)</i>	Units	September 30 2023	Units	December 31 2022
Class B limited partnership units, beginning of the period	25	738,908	25	681,021
Accrued interest	-	46,490	-	57,887
<b>Class B limited partnership units, end of the period</b>	<b>25</b>	<b>785,398</b>	<b>25</b>	<b>738,908</b>

#### 9. OPERATING COSTS

<i>For the period ended September 30 (thousands of Canadian dollars)</i>	Three months ended		Nine months ended	
	2023	2022	2023	2022
Salaries and benefits	696	347	1,674	1,084
Professional fees	767	(377)	1,464	441
Other operating costs	194	128	551	515
	<b>1,657</b>	<b>98</b>	<b>3,689</b>	<b>2,040</b>

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)**

**10. NET FINANCE EXPENSE (INCOME)**

<i>For the period ended September 30 (thousands of Canadian dollars)</i>	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
Finance income				
Interest on restricted cash	<b>4,756</b>	1,524	<b>13,122</b>	2,483
Other interest	<b>18</b>	18	<b>54</b>	56
	<b>4,774</b>	1,542	<b>13,176</b>	2,539
Finance expense				
Interest and fees on long-term debt	<b>29,557</b>	29,634	<b>88,736</b>	85,977
Interest on limited partnership units	<b>51,855</b>	42,228	<b>148,736</b>	118,997
Other interest	<b>401</b>	575	<b>843</b>	619
	<b>81,813</b>	72,437	<b>238,315</b>	205,593
Interest capitalized during construction	-	(71,016)	<b>(86,641)</b>	(203,659)
	<b>81,813</b>	1,421	<b>151,674</b>	1,934
Net finance expense (income)	<b>77,039</b>	(121)	<b>138,498</b>	(605)

**11. FINANCIAL INSTRUMENTS**

**Fair Value**

The estimated fair values of financial instruments as at September 30, 2023 and December 31, 2022 are based on relevant market prices and information available at the time. Fair value estimates are based on valuation techniques which are significantly affected by the assumptions used including the amount and timing of future cash flows and discount rates reflecting various degrees of risk. As such, the fair value estimates disclosed are not necessarily indicative of the amounts that LIL LP might receive or incur in actual market transactions.

As a significant number of LIL LP's assets and liabilities do not meet the definition of a financial instrument, the fair value estimates disclosed do not reflect the fair value of LIL LP as a whole.

Establishing Fair Value

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the nature of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. For assets and liabilities that are recognized at fair value on a recurring basis, LIL LP determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between Level 1, 2 and 3 fair value measurements during the period ended September 30, 2023 and the year ended December 31, 2022.

## LABRADOR - ISLAND LINK LIMITED PARTNERSHIP

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
		September 30, 2023		December 31, 2022	
<i>As at (thousands of Canadian dollars)</i>					
Financial liabilities					
Long-term debt including amount due within one year	2	3,388,479	2,837,775	3,399,032	3,084,492
Class A limited partnership units	3	1,744,768	1,744,768	1,579,508	1,579,508
Class B limited partnership units	3	785,398	785,398	738,908	738,908

The fair values of cash, restricted cash, trade and other receivables, related party receivable and trade and other payables approximate their carrying values due to their short-term maturity.

The fair values of Level 2 financial instruments are determined using quoted prices in active markets, which in some cases are adjusted for factors specific to the asset or liability. Level 2 fair values of other risk management assets and liabilities and long-term debt are determined using observable inputs other than unadjusted quoted prices, such as interest rate yield curves.

The Class A and Class B limited partnership units are carried at amortized cost, calculated using the effective interest method, which approximates fair value. The effective interest rate of 8.5% (December 31, 2022 - 8.5%) is defined in the Newfoundland and Labrador Development Agreement as the rate of return on equity, and is equal to the rate approved by the Newfoundland and Labrador Board of Commissioners of Public Utilities for privately-owned regulated electrical utilities. Due to the unobservable nature of the effective interest rate and resulting discounted cash flows associated with the units, the instruments have been classified as Level 3.

The table below sets forth a summary of changes in fair value of LIL LP's Level 3 financial liabilities given a one percent change in the discount rate while holding other variables constant:

<i>(thousands of Canadian dollars)</i>	1% increase in discount rate	1% decrease in discount rate
Class A limited partnership units	(76,490)	72,222
Class B limited partnership units	(60,259)	56,339
Total	(136,749)	128,561

## 12. RELATED PARTY TRANSACTIONS

LIL LP enters into various transactions with its partners and other related parties. Unless otherwise noted, these transactions occur within the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties. Outstanding balances due to or from related parties are non-interest bearing with settlement within 30 days, unless otherwise stated.

Related parties with which LIL LP transacts are as follows:

Related Party	Relationship
LIL Holdco	Limited Partner holding 75 Class A limited partnership units of LIL LP
Emera NL	Limited Partner holding 25 Class B limited partnership units of LIL LP
Nalcor	100% shareholder of LIL Holdco
Hydro	Wholly-owned subsidiary of Nalcor
Labrador Transmission Corporation	Wholly-owned subsidiary of Nalcor
LIL GP	Wholly-owned subsidiary of Nalcor, general partner of LIL LP
LIL Opco	Wholly-owned subsidiary of Nalcor
Lower Churchill Management Corporation	Wholly-owned subsidiary of Nalcor
Muskkrat Falls Corporation	Wholly-owned subsidiary of Nalcor

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Significant related party transactions, which are not otherwise disclosed separately in the condensed consolidated interim financial statements, are summarized below:

<i>As at (thousands of Canadian dollars)</i>	<b>September 30</b>	<b>December 31</b>
	<b>2023</b>	<b>2022</b>
<b>Trade and other receivables:</b>		
Other related parties	352	-
<b>Related party receivable:</b>		
Other related parties (a)	80,920	-
<b>Trade and other payables:</b>		
Other related parties	1,811	3,578
<b>Contract liability:</b>		
Other related parties Note 6	8,670	-
<b>Deferred revenue:</b>		
Other related parties	42,338	112,900
	<b>Three months ended</b>	<b>Nine months ended</b>
<i>For the period ended September 30 (thousands of Canadian dollars)</i>	<b>2023</b>	<b>2022</b>
	<b>2023</b>	<b>2022</b>
<b>Additions to property, plant and equipment:</b>		
Other related parties	-	2,179
<b>Revenue:</b>		
Other related parties	106,032	-
<b>Operating costs:</b>		
Other related parties	451	347
	<b>1,429</b>	<b>1,084</b>

(a) LIL LP has a non-interest bearing receivable from LIL Opco which is payable from LIL Opco upon demand as cash is required to fund final construction costs of the LIL assets.

**13. COMMITMENTS AND CONTINGENCIES**

- (a) LIL LP is required to make mandatory distributions in accordance with the Partnership Agreement. The amount of periodic distributions will be determined by LIL GP and will commence in accordance with the LIL Project Finance Agreement (LIL PFA).
- (b) As part of the LIL PFA, LIL LP has pledged its current and future assets as security to the Collateral Agent. Under the terms and conditions of the IT PFA, LIL LP has also provided a guarantee of the IT's payment obligations to the Collateral Agent for the benefit of the LIL Funding Trust.
- (c) LIL LP has entered into the LIL Lease and the TFA with LIL Opco and Hydro, whereby LIL LP has committed to design, construct and sustain the LIL and LIL Opco operates and maintains the LIL and provides such other services as agreed to ensure safe and reliable transmission of electricity. Revenue allocated to the remaining performance obligation (unsatisfied or partially satisfied) related to transmission sales under the LIL Lease as at September 30, 2023 total \$424.4 million within one year and \$20,577.0 million in more than one year.
- (d) LIL LP is subject to legal claims with respect to construction and other various matters. For some legal claims, it is not possible at this time to predict with any certainty the outcome of such litigation. Should these claims result in an unfavourable outcome for LIL LP, they may have a significant adverse effect on LIL LP's financial position.
- (e) Outstanding commitments for capital projects total approximately \$32.4 million as at September 30, 2023 (December 31, 2022 - \$24.9 million).

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)**

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**14. SUPPLEMENTARY CASH FLOW INFORMATION**

<i>For the period ended September 30 (thousands of Canadian dollars)</i>	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
Trade and other receivables	<b>(1,953)</b>	131	<b>863</b>	(580)
Prepayments	<b>16</b>	1,209	<b>118</b>	1,196
Inventories	<b>(490)</b>	(834)	<b>(884)</b>	(1,077)
Trade and other payables	<b>6,534</b>	4,622	<b>(1,572)</b>	(5,640)
Changes in non-cash working capital balances	<b>4,107</b>	5,128	<b>(1,475)</b>	(6,101)
Related to:				
Operating activities	<b>2,103</b>	147	<b>422</b>	121
Investing activities	<b>2,004</b>	4,981	<b>(1,897)</b>	(6,222)
	<b>4,107</b>	5,128	<b>(1,475)</b>	(6,101)

**15. PRIOR PERIOD ADJUSTMENT**

The December 31, 2022 comparative figures have been adjusted to conform with the current periods' presentation, incorporating a \$41.2 million reclassification from Property, plant and equipment to Intangible assets.