

**NALCOR ENERGY MARKETING CORPORATION**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**March 31, 2024**  
**(Unaudited)**

**NALCOR ENERGY MARKETING CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Unaudited)

| <i>As at (thousands of Canadian dollars)</i> | Notes | <b>March 31<br/>2024</b> | December 31<br>2023 |
|--|-------|--------------------------|---------------------|
| <b>ASSETS</b>                                |       |                          |                     |
| Current assets                               |       |                          |                     |
| Cash   |       | <b>19,424</b>            | 28,499              |
| Trade and other receivables                  |       | <b>17,252</b>            | 16,621              |
| Prepayments                                  |       | <b>2,708</b>             | 2,802               |
| Derivative assets                            | 9     | <b>54,950</b>            | 68,146              |
| <b>Total current assets</b>                  |       | <b>94,334</b>            | 116,068             |
| Non-current assets                           |       |                          |                     |
| Property, plant and equipment                |       | <b>146</b>               | 152                 |
| Intangible assets                            |       | <b>6</b>                 | 6                   |
| Long-term derivative assets                  | 9     | <b>8</b>                 | -                   |
| <b>Total assets</b>                          |       | <b>94,494</b>            | 116,226             |
| <b>LIABILITIES AND EQUITY</b>                |       |                          |                     |
| Current liabilities                          |       |                          |                     |
| Trade and other payables                     |       | <b>7,995</b>             | 8,315               |
| Derivative liabilities                       | 9     | <b>16</b>                | 26                  |
| Deferred liability                           | 3     | <b>51,098</b>            | 68,131              |
| <b>Total current liabilities</b>             |       | <b>59,109</b>            | 76,472              |
| Non-current liabilities                      |       |                          |                     |
| Employee future benefits                     |       | <b>789</b>               | 767                 |
| <b>Total liabilities</b>                     |       | <b>59,898</b>            | 77,239              |
| Shareholder's equity                         |       |                          |                     |
| Share capital                                |       | <b>1</b>                 | 1                   |
| Reserves                                     |       | <b>409</b>               | 409                 |
| Retained earnings                            |       | <b>34,186</b>            | 38,577              |
| <b>Total equity</b>                          |       | <b>34,596</b>            | 38,987              |
| <b>Total liabilities and equity</b>          |       | <b>94,494</b>            | 116,226             |

*See accompanying notes*

**NALCOR ENERGY MARKETING CORPORATION**  
**STATEMENT OF PROFIT (LOSS) AND COMPREHENSIVE INCOME (LOSS)**  
**(Unaudited)**

| <i>For the period ended March 31 (thousands of Canadian dollars)</i>      | Notes | Three months ended |                |
|---|-------|--------------------|----------------|
|   |       | 2024               | 2023           |
| Energy sales  |       | <b>29,723</b>      | 18,971         |
| Other revenue   | 5     | <b>4,960</b>       | -              |
| Net finance income  | 7     | <b>489</b>         | 344            |
| <b>Revenue</b>  |       | <b>35,172</b>      | <b>19,315</b>  |
| Transmission rental and market fees                                       |       | <b>15,772</b>      | 9,176          |
| Operating costs   | 6     | <b>1,356</b>       | 1,270          |
| Power purchased   | 10    | <b>12,716</b>      | 6,249          |
| Depreciation and amortization   |       | <b>9</b>           | 8              |
| Other (income) expense  | 8     | <b>(4,290)</b>     | 7,020          |
| <b>Expenses</b>   |       | <b>25,563</b>      | <b>23,723</b>  |
| <b>Total profit (loss) and comprehensive income (loss) for the period</b> |       | <b>9,609</b>       | <b>(4,408)</b> |

*See accompanying notes*

**NALCOR ENERGY MARKETING CORPORATION**  
**STATEMENT OF CHANGES IN EQUITY**  
(Unaudited)

| <i>(thousands of Canadian dollars)</i>                      | Note     | Share<br>Capital | Employee<br>Benefit<br>Reserve | Retained<br>Earnings | Total           |
|---|----------|------------------|--------------------------------|----------------------|-----------------|
| <b>Balance at January 1, 2024</b>                           |          | <b>1</b>         | <b>409</b>                     | <b>38,577</b>        | <b>38,987</b>   |
| <b>Profit for the period</b>                                |          | -                | -                              | <b>9,609</b>         | <b>9,609</b>    |
| <b>Total profit and comprehensive income for the period</b> |          | -                | -                              | <b>9,609</b>         | <b>9,609</b>    |
| <b>Dividends</b>  | <b>4</b> | -                | -                              | <b>(14,000)</b>      | <b>(14,000)</b> |
| <b>Balance at March 31, 2024</b>                            |          | <b>1</b>         | <b>409</b>                     | <b>34,186</b>        | <b>34,596</b>   |
| <br>  |          |                  |                                |                      |                 |
| Balance at January 1, 2023                                  |          | 1                | 530                            | 40,232               | 40,763          |
| Loss for the period   |          | -                | -                              | (4,408)              | (4,408)         |
| Total loss and comprehensive loss for the period            |          | -                | -                              | (4,408)              | (4,408)         |
| Dividends   | 4        | -                | -                              | (14,000)             | (14,000)        |
| Balance at March 31, 2023                                   |          | 1                | 530                            | 21,824               | 22,355          |

See accompanying notes

**NALCOR ENERGY MARKETING CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**(Unaudited)**

| <i>For the period ended March 31 (thousands of Canadian dollars)</i>               | Notes | <b>Three months ended</b> |             |
|--|-------|---------------------------|-------------|
|  |       | <b>2024</b>               | <b>2023</b> |
| Operating activities   |       |                           |             |
| Profit (loss) for the period   |       | <b>9,609</b>              | (4,408)     |
| Adjustments to reconcile profit (loss) to cash provided from operating activities: |       |                           |             |
| Depreciation and amortization  |       | <b>9</b>                  | 8           |
| (Gain) loss on power purchase agreement (PPA) balances                             | 9.2   | <b>(3,771)</b>            | 6,071       |
| Unrealized loss on derivatives   |       | <b>2</b>                  | 1,079       |
| Finance income   | 7     | <b>(496)</b>              | (360)       |
| Finance expense  | 7     | <b>7</b>                  | 16          |
| Other  |       | <b>22</b>                 | (76)        |
|  |       | <b>5,382</b>              | 2,330       |
| Changes in non-cash working capital balances                                       | 11    | <b>(942)</b>              | 3,617       |
| Interest received  |       | <b>496</b>                | 360         |
| Interest paid  |       | <b>(7)</b>                | (16)        |
| <b>Net cash provided from operating activities</b>                                 |       | <b>4,929</b>              | 6,291       |
| Investing activities   |       |                           |             |
| Additions to property, plant and equipment   |       | <b>(3)</b>                | (2)         |
| Additions to financial transmission rights   | 9.2   | <b>(86)</b>               | (172)       |
| Change in non-cash working capital balances  | 11    | <b>85</b>                 | 158         |
| <b>Net cash used in investing activities</b>                                       |       | <b>(4)</b>                | (16)        |
| Financing activity   |       |                           |             |
| Dividends paid   | 4     | <b>(14,000)</b>           | (14,000)    |
| <b>Net cash used in financing activity</b>   |       | <b>(14,000)</b>           | (14,000)    |
| Net decrease in cash   |       | <b>(9,075)</b>            | (7,725)     |
| Cash, beginning of the period  |       | <b>28,499</b>             | 25,741      |
| <b>Cash, end of the period</b>   |       | <b>19,424</b>             | 18,016      |

*See accompanying notes*

**NALCOR ENERGY MARKETING CORPORATION**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

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**1. DESCRIPTION OF BUSINESS**

Nalcor Energy Marketing Corporation (Energy Marketing) was incorporated under the Corporations Act of Newfoundland and Labrador (the Province) on March 24, 2014. The purpose of Energy Marketing is to manage Nalcor Energy's (Nalcor) participation in extra-provincial electricity markets. Energy Marketing is a 100% owned subsidiary of Nalcor. Energy Marketing's head office is located at 500 Columbus Drive, St. John's, Newfoundland and Labrador, A1B 0P5, Canada.

**2. MATERIAL ACCOUNTING POLICIES**

**Statement of Compliance and Basis of Measurement**

These condensed interim financial statements have been prepared in accordance with *International Accounting Standard 34 – Interim Financial Reporting* using accounting policies consistent with those used in the preparation of the annual audited financial statements for the year ended December 31, 2023.

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

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments at fair value through profit or loss (FVTPL) which have been measured at fair value. The financial statements are presented in Canadian Dollars (CAD) and all values rounded to the nearest thousand, except when otherwise noted. The Board of Directors has delegated authority to approve the condensed interim financial statements to the Audit Committee of the Board of Directors of Nalcor, which approved the condensed interim financial statements on May 15, 2024.

**3. DEFERRED LIABILITY**

The deferred liability associated with the Energy Marketing – Hydro PPA represents Energy Marketing's current liability related to its expected commitments for 2024 under the PPA with Hydro. The PPA, which became effective on October 1, 2015, allows Energy Marketing to purchase available Recapture energy from Hydro for resale in export markets or through agreements with counterparties. Additionally, the PPA allows for the use of Hydro's transmission service rights by Energy Marketing to deliver electricity, through rights which are provided to Hydro pursuant to a Transmission Service Agreement with Hydro-Québec dated April 1, 2009. The PPA can be terminated by either party with notice provided 60 days prior to the intended termination date.

| <i>As at (thousands of Canadian dollars)</i> | <b>March 31</b> | December 31 |
|--|-----------------|-------------|
|  | <b>2024</b>     | 2023        |
| Deferred liability, beginning of the period  | <b>68,131</b>   | 85,689      |
| Additions                                    | -               | 68,131      |
| Amortization                                 | <b>(17,033)</b> | (85,689)    |
| Deferred liability, end of the period        | <b>51,098</b>   | 68,131      |

**4. DIVIDENDS**

| <i>For the period ended March 31 (thousands of Canadian dollars)</i> | <b>Three months ended</b> |        |
|--|---------------------------|--------|
|  | <b>2024</b>               | 2023   |
| Declared and paid during the period                                  | <b>14,000</b>             | 14,000 |

**NALCOR ENERGY MARKETING CORPORATION**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

**5. OTHER REVENUE**

|  | <b>Three months ended</b> |      |
|--|---------------------------|------|
| <i>For the period ended March 31 (thousands of Canadian dollars)</i> | <b>2024</b>               | 2023 |
| Renewable energy credits   | <b>4,960</b>              | -    |

**6. OPERATING COSTS**

|  | <b>Three months ended</b> |       |
|--|---------------------------|-------|
| <i>For the period ended March 31 (thousands of Canadian dollars)</i> | <b>2024</b>               | 2023  |
| Salaries and benefits  | <b>978</b>                | 902   |
| Professional services  | <b>171</b>                | 178   |
| Other operating costs  | <b>207</b>                | 190   |
| Total operating costs  | <b>1,356</b>              | 1,270 |

**7. NET FINANCE INCOME**

|  | <b>Three months ended</b> |      |
|--|---------------------------|------|
| <i>For the period ended March 31 (thousands of Canadian dollars)</i> | <b>2024</b>               | 2023 |
| Finance income   |                           |      |
| Bank interest  | <b>496</b>                | 360  |
| Finance expense  |                           |      |
| Bank and interest charges  | <b>7</b>                  | 16   |
| Net finance income   | <b>489</b>                | 344  |

**8. OTHER (INCOME) EXPENSE**

|  |     | <b>Three months ended</b> |       |
|--|-----|---------------------------|-------|
| <i>For the period ended March 31 (thousands of Canadian dollars)</i> |     | <b>2024</b>               | 2023  |
| Net PPA (gain) loss  | 9.2 | <b>(3,771)</b>            | 6,071 |
| Mark-to-market of open market positions                              |     | <b>(10)</b>               | 878   |
| Unrealized foreign exchange (gain) loss                              |     | <b>(593)</b>              | 218   |
| Net Financial transmission rights income and amortization            |     | <b>6</b>                  | -     |
| Realized foreign exchange loss (gain)                                |     | <b>78</b>                 | (147) |
| Total other (income) expense   |     | <b>(4,290)</b>            | 7,020 |

**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**9.1 Fair Value**

The estimated fair values of financial instruments as at March 31, 2024 and December 31, 2023 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 below are not necessarily indicative of the amounts that Energy Marketing might receive or incur in actual market transactions.

As some of Energy Marketing's assets and liabilities do not meet the definition of a financial instrument, the fair value

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estimates below do not reflect the fair value of Energy Marketing 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, Energy Marketing 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 March 31, 2024 and the year ended December 31, 2023.

|  | Level    | Carrying Value        | Fair Value    | Carrying Value           | Fair Value |
|--|----------|-----------------------|---------------|--------------------------|------------|
|  |          | <b>March 31, 2024</b> |               | <b>December 31, 2023</b> |            |
| <i>As at (thousands of Canadian dollars)</i> |          |                       |               |                          |            |
| Financial assets                             |          |                       |               |                          |            |
| Derivative assets                            | <b>3</b> | <b>54,950</b>         | <b>54,950</b> | 68,146                   | 68,146     |
| Long-term derivative assets                  | <b>3</b> | <b>8</b>              | <b>8</b>      | -                        | -          |
| Financial liabilities                        |          |                       |               |                          |            |
| Derivative liabilities                       | <b>2</b> | <b>16</b>             | <b>16</b>     | 26                       | 26         |

The fair value of cash, trade and other receivables 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 derivative instruments are valued based on observable commodity future curves, broker quotes or other publicly available data. Level 2 fair values of other risk management assets and liabilities are determined using observable inputs other than unadjusted quoted prices, such as interest rate yield curves and currency rates.

Level 3 financial instruments include the PPA derivative with Hydro and financial transmission rights.

The PPA derivative represents Energy Marketing's forecasted energy sales net of Recapture power purchases, for the 2024 calendar year. It does not include the value of transmission rights or other transportation and market related costs.

Financial transmission rights are purchased contracts used to mitigate risk associated with congestion in export markets.

The following table summarizes quantitative information about the valuation techniques and unobservable inputs used in the fair value measurement of Level 3 financial instruments as at March 31, 2024.

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| <i>(thousands of Canadian dollars)</i>             | Carrying Value | Valuation Techniques | Significant Unobservable Input(s)     | Range                              |
|--|----------------|----------------------|---------------------------------------|------------------------------------|
| Derivative asset (Financial transmission rights)   | <b>89</b>      | Modelled pricing     | Price, seasonality and market factors | -17% to 181%                       |
| Derivative asset (Power purchase derivative asset) | <b>54,869</b>  | Modelled pricing     | Volumes (MWh)                         | 40% to 47% of available generation |

Methodologies for calculating the fair values of financial transmission rights are determined by using underlying contractual data as well as observable and unobservable inputs. Fair value methodologies are reviewed by Management on a quarterly basis to assess the reasonability of the assumptions made and models are adjusted as necessary for significant expected changes in fair value due to changes in key inputs. As at March 31, 2024, the effect of using reasonably possible alternative assumptions regarding the unobservable implied volatilities may have resulted in \$nil to \$0.2 million change in the carrying value of the financial transmission rights.

The derivative asset arising under the PPA is designated as a Level 3 instrument as certain forward market prices and related volumes are not readily determinable to estimate a portion of the fair value of the derivative asset. Hence, fair value measurement of this instrument is based upon a combination of internal and external pricing and volume estimates. As at March 31, 2024, the effect of using reasonably possible alternative assumptions for volume inputs to valuation techniques may have resulted in +\$0.9 million to +\$4.4 million change in the carrying value of the power purchase derivative asset.

**9.2 Risk Management**

Energy Marketing is exposed to certain credit, liquidity and market risks through its operating, financing and investing activities. Financial risk is managed in accordance with a Board approved policy, which outlines the objectives and strategies for the management of financial risk, including the use of derivative contracts. Permitted financial risk management strategies are aimed at minimizing the volatility of Energy Marketing's expected future cash flows.

Credit Risk

Energy Marketing's expected future cash flows are exposed to credit risk through its operating activities, primarily due to the potential for non-performance by its customers, and through its financing and investing activities, based on the risk of non-performance by counterparties to its financial instruments. The degree of exposure to credit risk on trade receivables is minimal and the receivables are primarily due from independent system operators or approved counterparties, which are either investment-grade or have provided sufficient collateral to support their obligations. Exposure to approved counterparties is continuously monitored to ensure credit limits are adhered to, and in cases where those limits may be exceeded additional collateral is required. The maximum exposure to credit risk on these financial instruments is represented by their carrying values on the Statement of Financial Position at the reporting date. Credit risk on cash is considered to be minimal, as Energy Marketing's cash deposits are held by a Canadian Schedule 1 Chartered bank with a rating of A+ (Standard and Poor's).

Liquidity Risk

Energy Marketing is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. Liquidity risk management is aimed at ensuring cash is available to meet those obligations as they become due.

Short-term liquidity is provided mainly through cash on hand, funds from operations, and a \$20.0 million demand operating credit facility with its bank. This credit facility, which is unconditionally and irrevocably guaranteed by Nalcor, had no amounts outstanding as of March 31, 2024 (December 31, 2023 - \$nil), however \$9.6 million CAD equivalent of the limit was used to issue irrevocable letters of credit (December 31, 2023 - \$10.7 million CAD equivalent).

As at March 31, 2024, Nalcor, on behalf of Energy Marketing, has issued \$6.2 million CAD equivalent (December 31, 2023 - \$6.1 million CAD equivalent) in letters of credit to various independent system operators, transmission providers, and bilateral counterparties in relation to power purchase and sale contracts. These letters of credit have automatic renewal clauses, unless cancelled with appropriate notice by the issuer or beneficiary.

**NALCOR ENERGY MARKETING CORPORATION**  
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As at March 31, 2024, Nalcor, on behalf of Energy Marketing, has issued unconditional guarantees and sales contracts in the amount of \$22.6 million CAD equivalent (December 31, 2023 - \$22.5 million CAD), in order to guarantee amounts under power purchase and sale contracts with bilateral counterparties and sale of transmission rights.

Market Risk

In the course of carrying out its operating, financing and investing activities, Energy Marketing is exposed to possible market price movements that could impact expected future cash flow and the carrying value of certain financial assets and liabilities. Market price movements to which Energy Marketing has significant exposure include those relating to USD/CAD foreign exchange rates and current commodity prices, most notably the spot prices for electricity.

Energy Marketing participates in the day-ahead market of several independent system operators and enters into fixed price transactions with bilateral counterparties. Changes in fair value associated with the difference between the committed energy price and real time energy during the hour the energy physically flows are included in energy sales on the Statement of Profit (Loss) and Comprehensive Income (Loss). For the period ended March 31, 2024, \$2.8 million in realized gains (March 31, 2023 - \$1.5 million in realized gains) related to these fair value differences were included in energy sales.

*Foreign Currency and Commodity Exposure*

Energy Marketing's primary exposure to both foreign exchange and commodity price risk arises from its USD denominated electricity and renewable energy credit sales. For the period ended March 31, 2024, total energy and renewable energy credit sales denominated in USD were \$25.7 million USD (March 31, 2023 - \$11.7 million USD).

The components of change impacting the carrying value of derivative assets and liabilities for the period ended March 31, 2024 and 2023 are as follows:

|  | <b>Total</b>    |                  |
|--|-----------------|------------------|
| <i>(thousands of Canadian dollars)</i> | <b>Level II</b> | <b>Level III</b> |
| <b>Balance at January 1, 2024</b>      | <b>(26)</b>     | <b>68,146</b>    |
| <b>Net purchases</b>                   | <b>-</b>        | <b>86</b>        |
|  | <b>(26)</b>     | <b>68,232</b>    |
| <b>Changes to profit (loss)</b>        |                 |                  |
| <b>Amortization</b>                    | <b>-</b>        | <b>(44)</b>      |
| <b>Mark-to-market</b>                  | <b>10</b>       | <b>2,819</b>     |
| <b>Settlements (a)</b>                 | <b>-</b>        | <b>(16,049)</b>  |
| <b>Total</b>                           | <b>10</b>       | <b>(13,274)</b>  |
| <b>Balance at March 31, 2024</b>       | <b>(16)</b>     | <b>54,958</b>    |
| Balance at January 1, 2023             | 2,653           | 86,021           |
| Net Purchases                          | -               | 172              |
|  | 2,653           | 86,193           |
| <b>Changes to profit (loss)</b>        |                 |                  |
| <b>Amortization</b>                    | <b>-</b>        | <b>(175)</b>     |
| <b>Mark-to-market</b>                  | <b>(878)</b>    | <b>(15,582)</b>  |
| <b>Settlements (a)</b>                 | <b>-</b>        | <b>(11,937)</b>  |
| <b>Total</b>                           | <b>(878)</b>    | <b>(27,694)</b>  |
| <b>Balance at March 31, 2023</b>       | <b>1,775</b>    | <b>58,499</b>    |

**NALCOR ENERGY MARKETING CORPORATION**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

(a) Net changes in Energy Marketing – Hydro PPA

| <i>For the period ended March 31 (thousands of Canadian dollars)</i> | <b>Three months ended</b> |          |
|--|---------------------------|----------|
|  | <b>2024</b>               | 2023     |
| PPA gains  |                           |          |
| Amortization of deferral   | <b>(17,033)</b>           | (21,422) |
| Mark-to-market of derivative   | <b>(2,787)</b>            | -        |
|  | <b>(19,820)</b>           | (21,422) |
| PPA losses   |                           |          |
| Mark-to-market of derivative   | -                         | 15,556   |
| Settlement of realized profit  | <b>16,049</b>             | 11,937   |
|  | <b>16,049</b>             | 27,493   |
| Net PPA (gain) loss  | <b>(3,771)</b>            | 6,071    |

**10. RELATED PARTY TRANSACTIONS**

Energy Marketing enters into various transactions with its parent 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 normally within 30 days.

Related parties with which Energy Marketing transacts are as follows:

| Related Party                             | Relationship                         |
|---|--------------------------------------|
| Nalcor                                    | 100% shareholder of Energy Marketing |
| Newfoundland and Labrador Hydro (Hydro)   | Wholly-owned subsidiary of Nalcor    |
| Muskrat Falls Corporation (Muskrat Falls) | Wholly-owned subsidiary of Nalcor    |

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

| <i>As at (thousands of Canadian dollars)</i>                         | Notes | <b>March 31</b>           | December 31 |
|--|-------|---------------------------|-------------|
|  |       | <b>2024</b>               | 2023        |
| <b>Trade and other receivables:</b>                                  |       |                           |             |
| Other related parties  |       | <b>13,628</b>             | 12,833      |
| <b>Prepayments:</b>  |       |                           |             |
| Other related parties  |       | <b>2,204</b>              | 2,204       |
| <b>Trade and other payables:</b>                                     |       |                           |             |
| Other related parties  |       | <b>5,405</b>              | 5,532       |
| Parent   |       | <b>145</b>                | 70          |
|  |       |                           |             |
|  |       | <b>Three months ended</b> | 2023        |
| <i>For the period ended March 31 (thousands of Canadian dollars)</i> |       | <b>2024</b>               | 2023        |
| <b>Transmission rental and market fees:</b>                          |       |                           |             |
| Other related parties  |       | <b>9,208</b>              | 7,864       |
| <b>Operating costs:</b>  |       |                           |             |
| Parent   |       | <b>181</b>                | 135         |
| Other related parties  |       | <b>88</b>                 | 69          |
| <b>Power purchased:</b>  |       |                           |             |
| Other related parties  | (a,b) | <b>12,547</b>             | 6,136       |

## NALCOR ENERGY MARKETING CORPORATION

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

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- (a) In April 2022, Energy Marketing and Hydro amended the Energy Marketing – Hydro PPA to allow Energy Marketing to purchase incremental Recapture energy for export and sales to external markets.
- (b) In July 2022, Energy Marketing and Muskrat Falls entered into a short-term Service Agreement where Muskrat Falls has agreed to sell and Energy Marketing has agreed to purchase Muskrat Falls Residual Block for export and sales to external markets.

#### 11. SUPPLEMENTARY CASH FLOW INFORMATION

|  | Three months ended |         |
|--|--------------------|---------|
| <i>For the period ended March 31 (thousands of Canadian dollars)</i> | 2024               | 2023    |
| Trade and other receivables  | <b>(631)</b>       | 4,643   |
| Prepayments  | <b>94</b>          | 186     |
| Trade and other payables   | <b>(320)</b>       | (1,054) |
| Changes in non-cash working capital balances                         | <b>(857)</b>       | 3,775   |
| Related to:  |                    |         |
| Operating activities   | <b>(942)</b>       | 3,617   |
| Investing activities   | <b>85</b>          | 158     |
|  | <b>(857)</b>       | 3,775   |