

**LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION
CONDENSED INTERIM FINANCIAL STATEMENTS**

June 30, 2025

(Unaudited)

LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION
STATEMENT OF FINANCIAL POSITION
(Unaudited)

<i>As at (thousands of Canadian dollars)</i>	<i>Note</i>	June 30	December 31
		2025	2024
LIABILITIES AND DEFICIENCY			
Current liabilities			
Other payables	3	6	13
Total liabilities		6	13
Shareholder's deficiency			
Share capital		1	1
Shareholder contributions		361	346
Deficit		(368)	(360)
Total deficiency		(6)	(13)
Total liabilities and deficiency		-	-

Commitments and contingencies (Note 6)

See accompanying notes

LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Uaudited)

<i>For the period ended June 30 (thousands of Canadian dollars)</i>	Note	Three months ended		Six months ended	
		2025	2024	2025	2024
Expenses					
Operating costs	4	4	4	8	8
Total loss and comprehensive loss for the period		(4)	(4)	(8)	(8)

See accompanying notes

LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION
STATEMENT OF CHANGES IN DEFICIENCY
(Uaudited)

<i>(thousands of Canadian dollars)</i>	Share Capital	Shareholder Contributions	Deficit	Total
Balance at January 1, 2025	1	346	(360)	(13)
Total loss and comprehensive loss for the period	-	-	(8)	(8)
Shareholder contributions	-	15	-	15
Balance at June 30, 2025	1	361	(368)	(6)
 Balance at January 1, 2024	 1	 332	 (345)	 (12)
Total loss and comprehensive loss for the period	-	-	(8)	(8)
Shareholder contributions	-	12	-	12
Balance at June 30, 2024	1	344	(353)	(8)

See accompanying notes

LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION
STATEMENT OF CASH FLOWS
(Unaudited)

<i>For the period ended June 30 (thousands of Canadian dollars)</i>	Three months ended		Six months ended	
	2025	2024	2025	2024
Operating activities				
Loss for the period	(4)	(4)	(8)	(8)
Changes in non-cash working capital balances:				
(Decrease) increase in other payables	(10)	2	(7)	(4)
Net cash used in operating activities	(14)	(2)	(15)	(12)
Financing activity				
Shareholder contributions	14	2	15	12
Net cash provided from financing activity	14	2	15	12
Net increase (decrease) in cash	-	-	-	-
Cash, beginning of the period	-	-	-	-
Cash, end of the period	-	-	-	-

See accompanying notes

LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

1. DESCRIPTION OF BUSINESS

Labrador-Island Link General Partner Corporation (LIL GP or the Company) was incorporated on July 26, 2012 under the laws of Newfoundland and Labrador. LIL GP is a 100% owned subsidiary of Newfoundland and Labrador Hydro (Hydro) and is the general partner of the Labrador-Island Link Limited Partnership (LIL LP). LIL GP's head office is located at 500 Columbus Drive, St. John's, Newfoundland and Labrador, A1B 0M1, Canada.

LIL LP was formed to carry on the business of designing, engineering, constructing, commissioning, owning, financing, operating and maintaining the assets and property constituting the Labrador-Island Link (LIL). LIL LP has entered into the LIL Lease Agreement and the Transmission Funding Agreement with Labrador-Island Link Operating Corporation (LIL Opco) and Hydro. These agreements effectively provide the services of the LIL assets to Hydro. LIL Opco will maintain and operate the LIL on behalf of LIL LP.

The Company owns the only issued general partner unit of the LIL LP, thereby constituting it the LIL LP general partner. As the general partner, in accordance with the Limited Partnership Agreement relating to the LIL LP and applicable law, the LIL GP has the power to control and manage LIL LP. Labrador-Island Link Holding Corporation (LIL Holdco) and KKR Island Link Incorporated (KKR), formerly ENL Island Link Incorporated are the limited partners of LIL LP.

- 1.1** Effective January 1, 2025, Nalcor Energy and its wholly owned subsidiary Newfoundland and Labrador Hydro were legislatively amalgamated into Hydro, a new legal corporation that continues under the name "Newfoundland and Labrador Hydro". The amalgamation was accounted for as a business combination under common control. Upon the amalgamation, LIL GP is wholly owned and controlled by the amalgamated entity (Hydro).

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* and have been prepared using accounting policies consistent with those used in the preparation of the annual audited financial statements for the year ended December 31, 2024.

These condensed interim financial statements do not include all of the disclosures normally found in LIL GP'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 and are presented in Canadian dollars with all values rounded to the nearest thousand, except when otherwise noted. The Board of Directors of LIL GP has delegated the authority to approve the condensed interim financial statements to the Audit Committee of the Board of Directors of Hydro, which approved the condensed interim financial statements on August 14, 2025.

3. OTHER PAYABLES

Other payables as at June 30, 2025 consist of accrued liabilities relating to professional services of \$6 thousand (December 31, 2024 - \$13 thousand).

4. OPERATING COSTS

<i>For the period ended June 30 (thousands of Canadian dollars)</i>	Three months ended		Six months ended	
	2025	2024	2025	2024
Professional services	4	4	7	7
Other operating costs	-	-	1	1
	4	4	8	8

LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

5. RELATED PARTY TRANSACTIONS

LIL GP 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 LIL GP transacts are as follows:

Related Party	Relationship
Hydro	100% shareholder of LIL GP
LIL LP	Limited partnership between LIL Holdco and KKR

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

<i>For the period ended June 30 (thousands of Canadian dollars)</i>	Three months ended		Six months ended	
	2025	2024	2025	2024
Operating costs: Parent			-	1

6. COMMITMENTS AND CONTINGENCIES

- (a) Under the terms of the Newfoundland and Labrador Development Agreement (NLDA), the Company has certain responsibilities and provisions of duty with which it must comply in its role as the general partner. Any failure of LIL GP to comply with the NLDA will result in Hydro indemnifying the applicable counterparties for any losses sustained.
- (b) LIL GP is subject to various legal proceedings and claims in the normal course of business. Although the outcome of such actions cannot be predicted with certainty, Management believes the Company's exposure to such claims and litigation will not materially affect its financial position or results of operations.