Summary of 2026 Agreement

- **More value to the Province with deal value** totaling **$49B** (2026 NPV).
- Largest clean energy investment in North American history, with **$50+ billion capital spend in Newfoundland and Labrador on a suite of hydro, wind and transmission developments.**
- Current agreement compared to the 2024 MOU **increases the value** to Newfoundland and Labrador from $36 billion (2024 NPV) to **$49 billion** (2026 NPV). In nominal dollars the value of the current deal is **$273 billion.**
- **$3.5B** (2026 NPV) **in federal support for NL** through financial support, investments and tax credits/equivalent supports.
- Higher effective price of **7.4 cents/kWh (2027)** for Churchill Falls electricity sold to HQ.
- **$10B in earlier cashflows to NL prior to 2041** under new contract.
- **More power for NL -** 2,350 MW vs 1,990 MW hydropower + additional 400 MW wind totaling 2,750 MW a total increase of **760 MW.**
- Straight forward pricing model for Churchill Falls contract with built-in escalation and further price increases if inflation is higher than expected.
- **Premium pricing option @ 150%** for unused block of NL's Churchill Falls base plant power. Newfoundland and Labrador has gained optionality throughout the contract and can choose to **use or export at premium pricing/market prices.**

Summary of 2026 Agreement (continued)

- **More power and transmission before 2041** to serve Labrador mining and industry needs.
- Commitment to build Labrador West Transmission line with $1B (2026 NPV) federal support, investments, ITCs or equivalent support.
- **Removal of 2% escalation** and debt balloon at end of term for Gull Island.
- **985 MW transmission portfolio into the US markets.**
- **$3.9 Billion (2026 NPV)** Gull Island option payment retained with CFX removed from current agreement.
- **Securing more electricity supply from developments:**
  - Increasing generation from Gull Island - 2,700 MW with additional unit (vs 2,250 MW).
  - Targeting **23.5% increase at Churchill Falls** through upgrades to existing units (1,275 MW vs 550/10% MW in 2024).
- **New wind development.** 2000 MW wind development to be developed via Independent Power Producer with Canada taking up to 40% equity position. Newfoundland and Labrador to receive up to $1 billion (2026 NPV) in value from federal government.
- **Opportunity for Labrador Innu participation** in new transmission and wind assets in Labrador.
- **Feasibility study** for Churchill Falls Expansion. Commercial arrangements not in place.
- **Final agreements targeted completion 2026**.

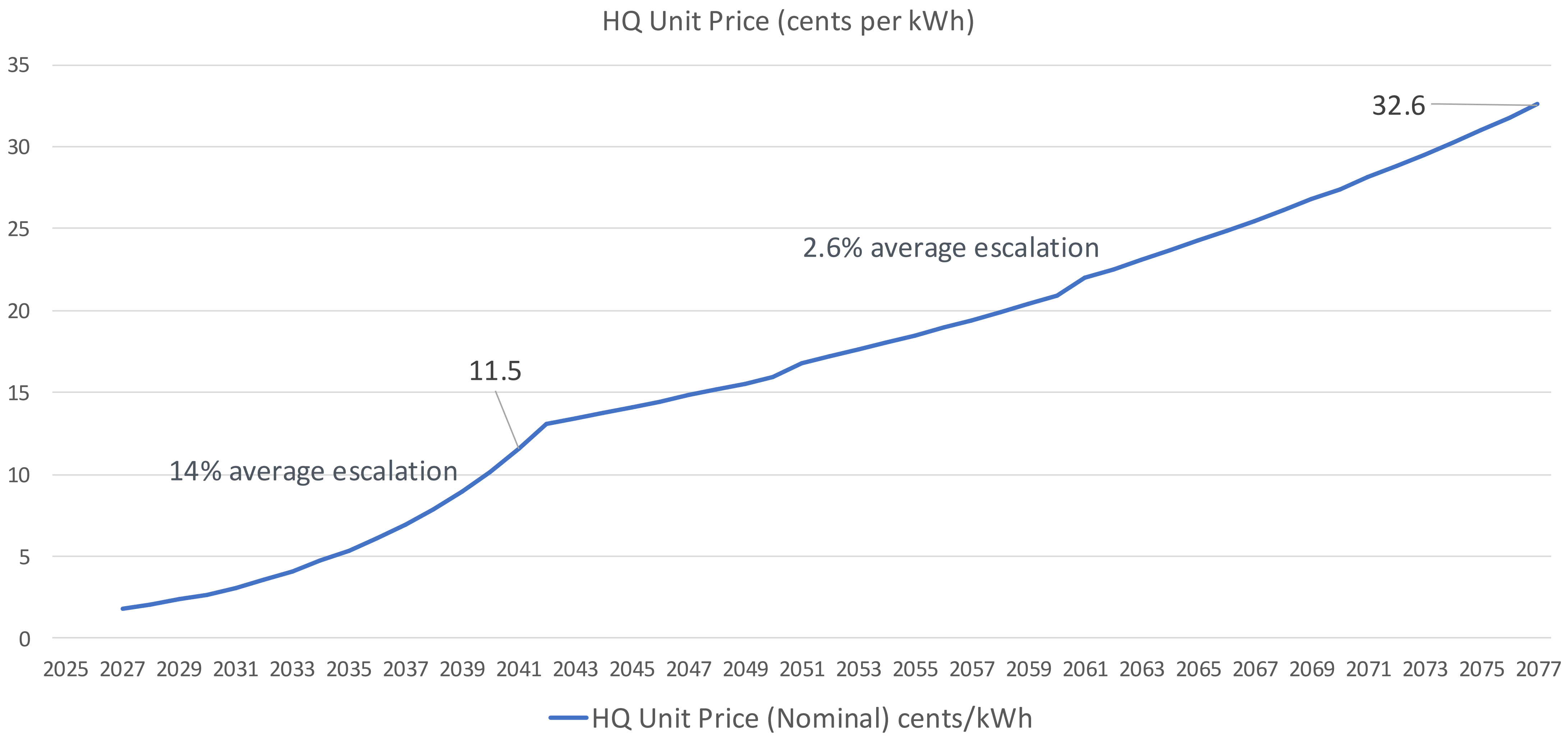
Negotiation Governance

- Negotiation strategy approved by Government and Board of Newfoundland and Labrador Hydro. Strategy focused on more power, more value, and more transmission.
- Board apprised of negotiations by negotiating team throughout.
- Churchill River Oversight Committee met with negotiating team frequently to assess concurrence with mandate.

Respect for Indigenous Communities

- Respect IBA with Innu Nation.
- Several updates held with Innu Nation advisors and negotiating team.
- Potential opportunities for Indigenous partnership, could include equity ownership in wind and transmission development.
- Long-term economic and community benefits for Indigenous partners through employment and business opportunities.

Escalation in HQ pricing for CF power



- Assumes maximum sold at premium tranche.
- Excludes transmission and delivery costs; not reflective of QC customer rate or comparable to metered unit price in NL.
- Combines prices paid to CF and NLH.

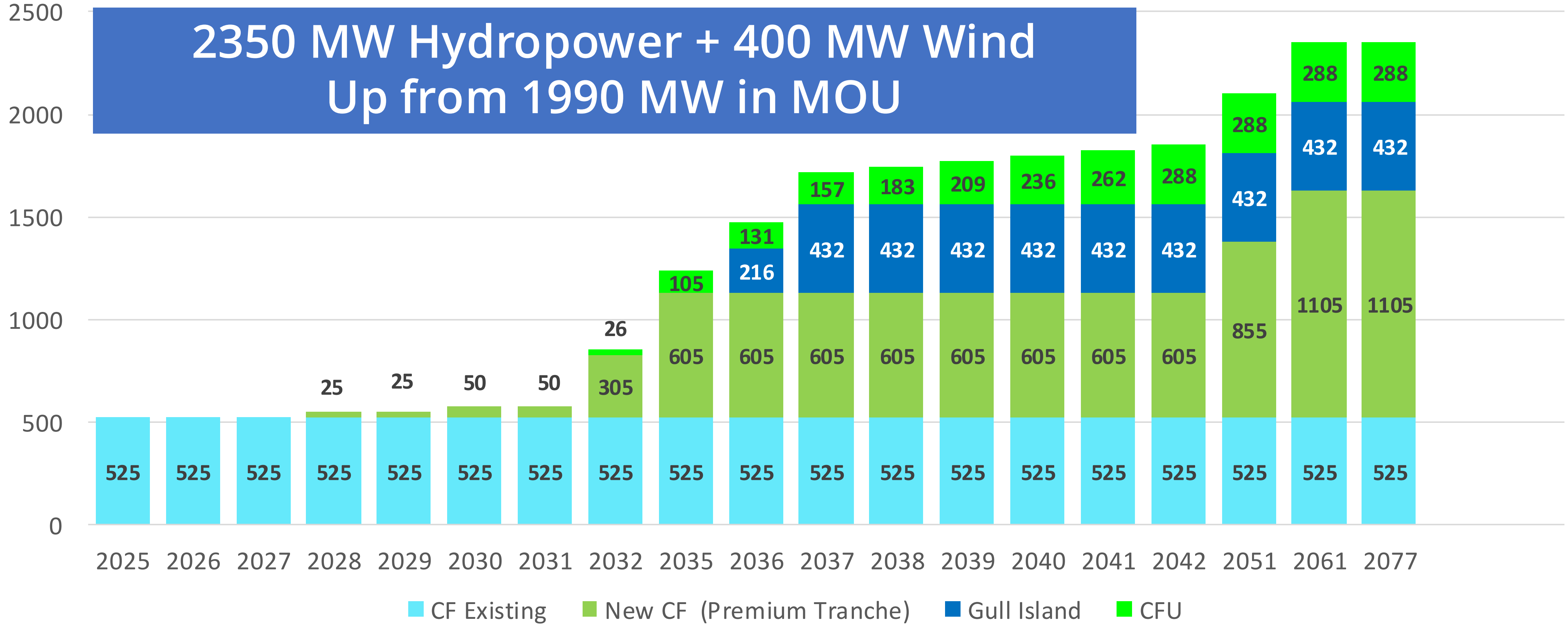
Optionality in Churchill Falls Power Use

- In keeping with the recommendation of the IRC, the new deal provides flexibility for Newfoundland and Labrador when it comes to keeping power within the province for industrial use (economic value) or for sale to external markets (financial value).
- In the case of Churchill Falls base plant power, Newfoundland and Labrador Hydro will retain **optionality** for how to allocate its allotted power. Any power not allocated for domestic use can be sold back to Hydro Quebec at a 150% premium compared to base PPA prices.
- The relative allocations for internal use or external sale can be changed at the sole discretion of Newfoundland and Labrador Hydro throughout the entire duration of the contract as long as three years notice is provided (well within timelines for allocating power for industrial development)
- HQ prices for Churchill Falls electricity inclusive of premium priced sales from NLH to HQ reach 11.5¢/kWh in 2041 and 32.6¢/kWh by 2077.
- $10.4B NPV 2027-2041 (2026 EOY)
- $38.6B NPV 2027-2077 (2026 EOY)

Power Allocation

Asset	Today (MW)		Future (MW)	
	NLH	HQ	NLH	HQ
Churchill Falls Base	525	4765	1630	3660
Churchill Falls Upgrades	n/a	n/a	288	987
Gull Island	n/a	n/a	432	2268
Wind	n/a	n/a	400	1600
Total MW	**525**	**4765**	**2750**	**8515**

Churchill Falls / Gull Island Volumes



Note: premium pricing is available for the full entitlement from CF, however it is unlikely that existing entitlement (525 MW) will not be required for use in NL.

Transmission and Market Pricing

- NL can choose to sell up to 985 MW of its power at export market pricing, including up to:
  - 240 MW at New York City pricing via Champlain Hudson Power Express transmission line (equivalent to pricing earned by HQ) for CF/Gull Island/CFU
  - 200 MW at Massachusetts pricing via New England Clean Energy Connect transmission line (equivalent to pricing earned by HQ) for CF/Gull Island/CFU
  - 280 MW at synthetic export pricing – a blend of Ontario, New York and New England spot markets (energy and capacity) for CF/Gull Island/CFU
  - 265 MW confirmed direct market access for surplus Muskrat Falls power and/or future sources such as wind via NLH's existing 265 MW of transmission rights.

- Sole authority for the above decisions rests with Hydro. Approval of CF(L)Co board including HQ not required.

Federal Support

- Canada is providing **$3.5 billion NPV** to NL:
  - $1 billion NPV: Labrador West Transmission
  - $1 billion NPV value to NL for Wind Development
  - $1.5 billion NPV in Gull Island, CF Upgrades, and NL transmission
- Canada to guarantee Gull Island debt.
- Support for Innu Nation.
- Further support could be available via the Major Projects Office:
  - Single point of contact for coordination, permitting, environmental/regulatory reviews, Indigenous engagement, issues resolution, etc.
  - Coordination of federal funding
  - National visibility and alignment with federal strategic initiatives

Benefits and Procurement

- Benefits Strategy for Gull Island to be updated prior to definitive agreements, reflecting HQ as principal constructor.
  - Hiring protocol in place prioritizing qualified persons in the following order:
    - Innu of Labrador, Remainder of Labrador, Newfoundland, Quebec
  - Engineering and Project Management requirement - minimum of 4M person hours.
  - Construction and Assembly - 85% or minimum 20M person hours (the greater of).
  - EPCM and sub-contractors are subject to the Benefits Strategy.
- Thousands of jobs expected through all developments.
- Billions expected to be spent directly with NL based companies for Gull Island, transmission, wind development, and CF upgrades.
- Women’s employment and diversity plan will be completed.

Corporate Governance

- Objective will be identical governance regimes at CF(L)Co. and Gull Island during operations phase.
- Enhanced shareholder's agreement along with a new conflict resolution process for future contracts.
- Post PPA guaranteed access to power for NL, and ability to achieve maximum value for CF in future.
- Board representation follows ownership – NLH nominates majority of the directors and an independent chair.
- NLH's equity interest cannot be diluted.

New Contracts & Developments

New Churchill Falls Contracts
- 51-years, 2027-2077
- $38.6B NPV
- Premium pricing option @ 150% for CF base plant volumes not needed in NL

Churchill Falls Upgrades
- Targeting 23.5% increase in unit output
- Additional 1275 MW
- Est. capital cost $4.8B*, federal ITCs to 2040
- One unit upgraded/year (2032-2042)

Gull Island
- More power - 2700 MW, 6 units
- Est. capital cost $29.1B*, with federal loan guarantee & ITCs to 2040
- 50-yr PPA, removal of 2% escalator and debt balloon
- HQ constructs, NLH operates
- Owned 60% NLH, 40% HQ
- Full in-service 2037

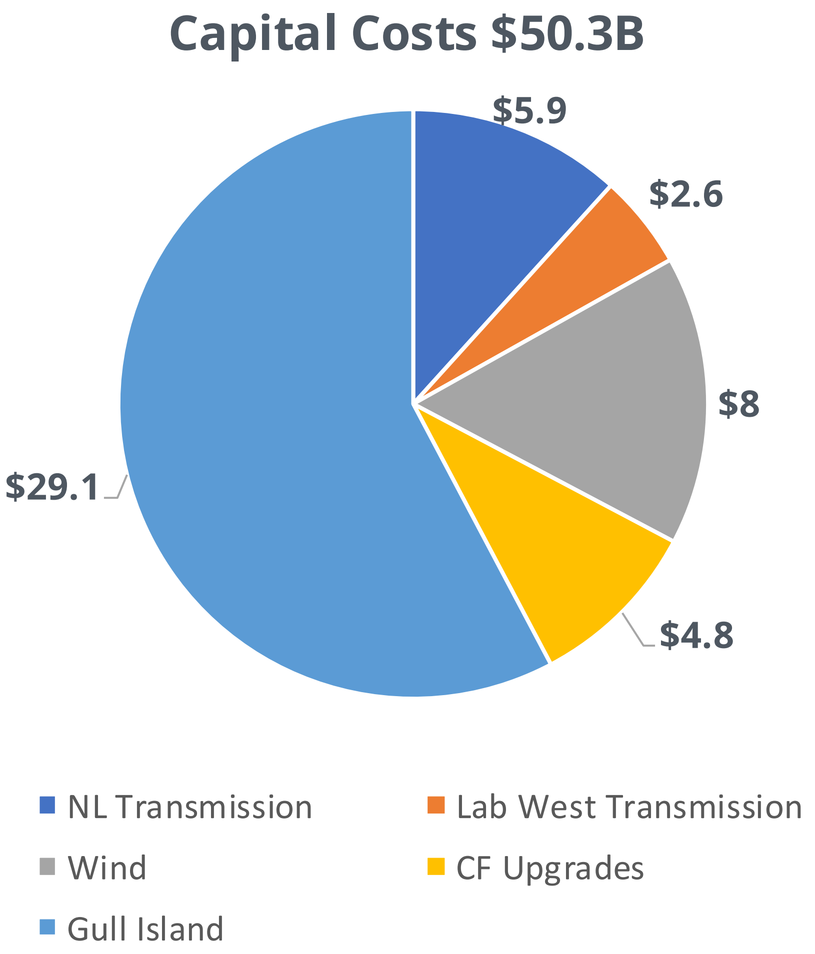
Labrador Transmission
- **Gull Island** – 735 kV lines to CF, and border; 100% owned by NLH, built by HQ
- **NL Transmission in Labrador** – $5.9B*, 100% NL ownership
- **Lab West** – 735 kV line from CF to serve mining customers, future growth. Est. $2.6B* with $1.3B NPV in federal investments, ITCs or equivalent. In service no earlier than 2032.

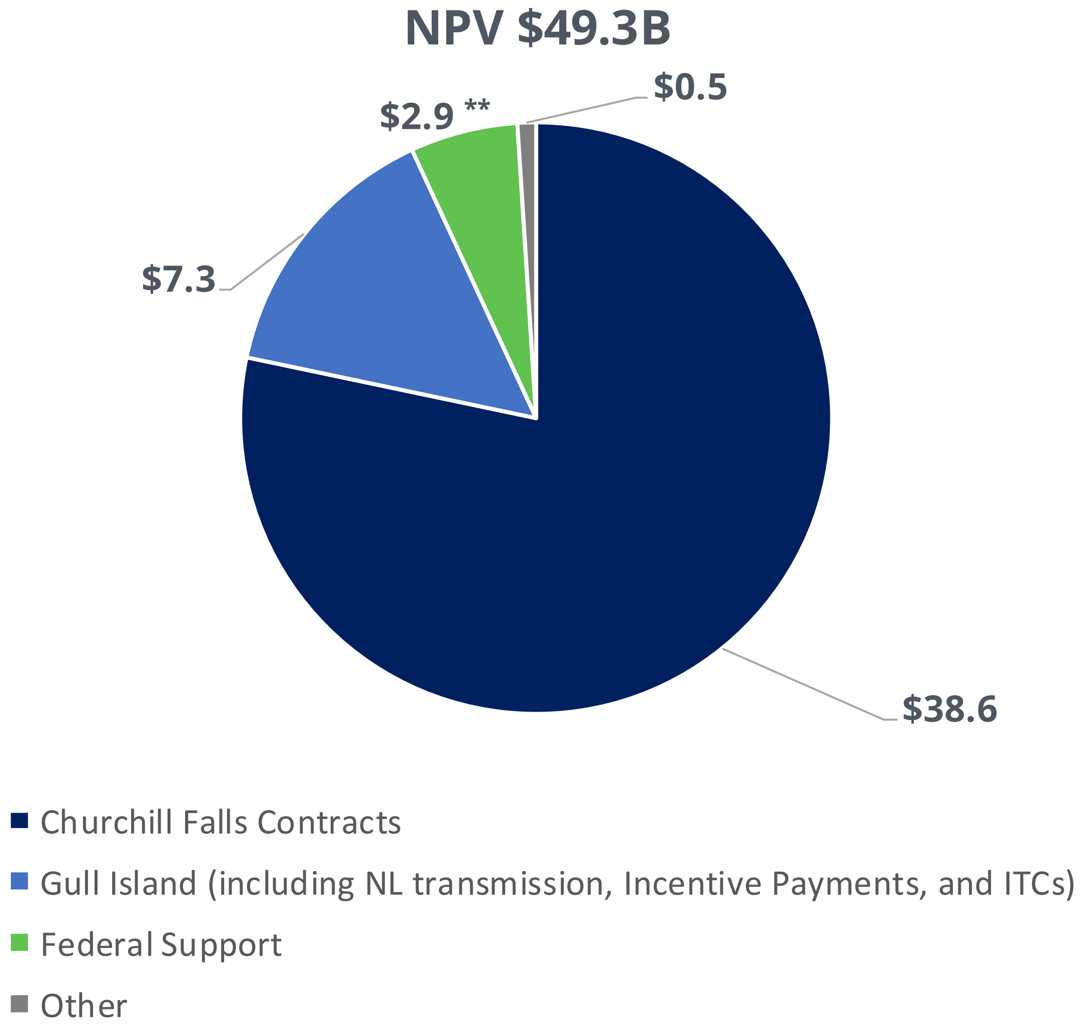
NL Wind Development
- Estimated capital cost $8B
- Feasibility study for 2000 MW development
- Potential for Indigenous participation
- HQ, as majority off-taker, prepays $400,000/MW upfront payment to GNL
- Federal material ownership, ITCs to 2040 & $1B investment or equivalent

Churchill Falls Expansion (CFX)
- Feasibility study for second powerhouse at Churchill Falls totaling 2500 MW
- No commercial arrangements yet in place

*All capital costs exclude financing, ITC impacts.

Capital Costs and NPV by Component





* Capital costs exclude financing and potential for Investment Tax Credits (ITC).
** Plus $0.6 billion ITC in Gull Island.