

Letter to Unitholders

2023 was another successful year for our business. Our disciplined approach to development and underwriting enabled us to continue generating strong returns and advance our business plans. This is evident in our results where we generated record funds from operations (FFO) and had a record year for both capital deployed and asset development. We maintained our best-in-class balance sheet and have significant flexibility moving forward to continue generating our target returns for shareholders.

We have established ourselves as a global clean energy supermajor, growing our capacity, capabilities and relationships. We now have almost 33,000 megawatts of renewable power operating capacity and an approximately 155,000-megawatt development pipeline. We grew our sustainable solutions business, which contributed approximately 5% to our FFO this year and have a visible pipeline to grow this segment which complements our renewable power business.

Our global scale and ability to provide large scale decarbonization solutions continues to positively impact our performance and differentiates our value proposition to our customers. We have evolved from a pure play renewable energy producer to a preeminent platform for renewable power and decarbonization solutions, with a wider set of growth opportunities and greater upside. However, we continue to, and always will, measure ourselves based on the value we generate for shareholders.

Given our strong financial performance and liquidity, and the positive outlook for the business, we are pleased to announce an over 5% increase to our distributions to \$1.42 per unit on an annualized basis. This is the 13th consecutive year of at least 5% annual distribution growth, dating back to 2011, when Brookfield Renewable was publicly listed.

Highlights for the year include:

- Generated record FFO for the year of \$1.1 billion, or \$1.67 per unit, a 7% increase over last year, including solid fourth quarter results (per unit FFO increased 9%), as we benefitted from our diverse asset base, high-quality inflation-linked and contracted cash flows, organic growth, and contributions from acquisitions.
- We advanced commercial priorities including securing contracts for new developments for almost 50 terawatt hours of generation, of which over 90% is with corporate customers.
- Accelerated our development activities, commissioning almost 5,000 megawatts of new clean energy capacity globally across wind, solar and battery storage, further diversifying and growing our cash flows. We expect commissioned capacity to contribute ~\$60 million of incremental FFO annually on a run-rate basis.
- Our advanced stage development pipeline expanded to almost 24,000 megawatts which is expected to contribute approximately \$300 million of FFO annually to Brookfield Renewable once commissioned.

- Deployed, or agreed to deploy a record \$9 billion of capital (\$2 billion net to Brookfield Renewable) into accretive investments across all of our key markets and closed a number of significant transactions in the fourth quarter including Westinghouse and Deriva Energy, immediately growing our cash flows.
- We continued to execute on our capital recycling initiatives generating \$800 million of proceeds (\$500 million net to Brookfield Renewable) representing nearly three times our invested capital, and providing funds for growth.
- Strengthened our best-in-class balance sheet executing approximately \$15 billion of financings and finishing the year with available liquidity of over \$4 billion, positioning the business to opportunistically deploy capital at strong risk adjusted returns.

We are a key enabler of the technology sector

With the significant growth in demand for data globally, the position of the technology mega-cap players as the largest and fastest growing businesses in the world continues to solidify. Since 2020, the cloud computing segments of these companies have grown by over 30% annually, representing their highest growth segments and generating their highest margins. Demand for cloud computing from digitalization and the adoption of AI enabled tools is incentivizing these companies to continue investing heavily in their capabilities and capacity, and two of the key ingredients needed to deliver these products are computing power and energy.

Over the last twelve months, the race to increase computing power has been illustrated by the increase in demand for certain inputs, such as computer chips. However, we believe most investors have yet to grasp the importance of a secure energy source in being able to deliver data center and computing power growth.

The largest cloud computing businesses run on clean power. These companies have 100% clean energy targets and have been growing their consumption by approximately 50% per annum over the past couple years, making them the largest buyers of green power globally. However, the highly power intensive nature of AI is acting as a multiplier on energy demand which is increasingly becoming a key bottleneck for growth of cloud computing. For example, the integration of AI uses up to ten times more power when integrated into a typical search process. The accelerating global trend of digitalization was already driving a step change in electricity needs, which is now being further multiplied by the implementation of AI. Renewable power, as the cheapest form of bulk electricity production, is the solution to this growing electricity demand.

Furthermore, as the scale and energy intensity of data centers increases, these facilities put pressure on global electricity grids. As a result, certain regulators are now requiring data center developers to provide a power solution in order to receive data center permitting approvals. This has put power on the critical path to growth for these technology companies. Along with electrification of large segments like industrials and transportation, this trend creates an environment where significant increases in demand for new electricity projects is a reality in developed markets for the first time in decades.

It is widely estimated that global electricity consumption from data centers will increase to approximately 10% of total electricity demand by 2030 (from approximately 2% today). Meaning to satisfy the needs of data centers alone – which doesn't factor in the penetration of EV or broader electrification – additional generation capacity will be required equivalent to the size of the current U.S. grid.

For the better part of a decade, we have been positioning our business to capitalize on these trends. By building a leading global development platform, combined with our early focus on corporate power marketing capabilities, this

has allowed us to serve the needs of the largest and fastest growing buyers of green power. The global technology companies have been the largest corporate customers of our business for years, as we have differentiated ourselves with our scale and credibility, delivering new energy projects on time to enable their growth.

Our ability to deliver 24/7 clean power solutions at scale and across geographies positions our business to continue to be a major beneficiary of this robust demand growth going forward. Further, our ability to provide unique and tailored solutions of scale allows us to avoid competition and drive better returns in bilateral contracts. We have signed contracts to provide over 60 terawatt hours of power over the past two years to the large technology businesses, an amount we expect to increase dramatically in the coming years.

As a result, going forward we expect the vast majority of our new renewable power development will be contracted to corporate customers where we are seeing strong demand for our differentiated offerings at attractive contract terms. Currently we have approximately 22 terawatt hours per year of generation contracted to corporate customers representing approximately 30% of our total contract volumes, over double the volumes contracted to these types customers five years ago. Based on our existing development pipeline we expect contracted generation to corporate customers to double again by 2028 to approximately 44 terawatt hours per year, or 45% of contract volumes.

We continue to deliver attractive risk adjusted returns

We were well equipped to navigate the rising rate environment and supply chain challenges that faced the sector over the past twelve-months. Most notably, our disciplined approach to development, which focuses on removing risks upfront, meant that our development activities remained robust, delivering a record year, at a time when some market participants saw headwinds. Lastly, our prudent approach to financing our business, combined with the strength of our balance sheet, durability of our cash flows, and diverse sources of scale capital, ensured that we were able to continue to pursue growth at a time when some could not and there was less competition.

We capitalized on opportunities, deploying or agreeing to deploy \$9 billion of capital (\$2 billion net to Brookfield Renewable) highlighted by our acquisitions of Westinghouse, Deriva Energy, a further 50% interest in X-Elio which we did not own, Banks Renewables, and investments in CleanMax and Avaada in India.

While our proposed acquisition of Origin Energy did not receive the required level of shareholder support, which was a condition precedent to the closing of the transaction, we are confident in achieving our target deployment of \$7-8 billion over the next five years and growing our cash flows and distributions in-line with our targets. Since the initial announcement of the Origin transaction, we have received in-bounds from businesses around the world who are seeking a partner with significant capital and deep operating expertise to accelerate their transition goals and enhance the value of their businesses.

In light of public market conditions and our strong conviction in the intrinsic value of our business and growth trajectory, we continued to allocate capital to repurchase shares. In 2023, we repurchased 2 million units under our normal course issuer bid. Looking forward, we will continue to allocate capital based on where we are seeing the best risk-adjusted returns and remain confident we will continue to create meaningful value for our investors.

We have been scaling our development capabilities and delivered almost 5,000 megawatts in the past year, a record for our business, while also pulling forward our pipeline. Our advanced stage development pipeline now stands at almost 24,000 megawatts with just under 7,000 megawatts on track to be delivered this year and over 7,000 megawatts in 2025. These projects are well advanced with almost 25% of our three year pipeline under construction, over 20% with revenues and inputs fully contracted and over 30% in the final stages of securing PPAs and

construction contracts. These projects and our remaining advanced stage pipeline are expected to contribute \$300 million of incremental run-rate FFO once commissioned.

Operating Results

Our operating business continued to perform well and we delivered record FFO despite cyclical resource volatility and generation below the long term average at some of our assets. We generated FFO of \$1.1 billion, or \$1.67 per unit, a 7% per unit increase year-over-year and a 9% increase per unit in the fourth quarter. While our results fell slightly below our target of 10%+ FFO per unit growth, largely due to later than expected transaction closings during the fourth quarter, we remain well positioned to achieve our goal going into 2024 and beyond.

We are already seeing the benefits of our growth activities which were back-end weighted this year with commissioning of nearly half of our almost 5,000 megawatts of new capacity in the fourth quarter and the closing of major acquisitions contributing over \$100 million in incremental annual FFO in the final three months of the year. We expect to also receive an uplift as our fleet reverts to its long-term average generation, particularly from our hydro assets where we often see cyclicity.

Additionally, we expect that our growth initiatives will continue to stabilize our results going forward, not only increasingly diversifying our cash flows, but also enhancing the contracted and less variable components of our business. As we continue to diversify our business, we are reducing the volatility of our results and helping to minimize our exposure to any underlying resource to deliver our earnings growth targets. While we constantly update and monitor our long-term average resource figures for financings and management of our operations, the impact of these metrics on our financial performance is being watered down (pardon the pun), by our broader development, growth, and contracting initiatives.

Our hydroelectric segment delivered FFO of \$624 million. Despite a more challenging year from a resource perspective in our high value markets, the portfolio performed well, benefiting from strong all-in power prices. Reservoirs have rebounded to start 2024, with the first quarter trending positively compared with the end of 2023.

Our wind and solar segments generated a combined \$643 million of FFO benefiting from the commissioning of new projects, repowering activities and our inflation linked contracted generation. As is expected during a period of rapid growth, we have acquired a number of assets that were performing below their long-term average generation under prior ownership. As part of our business plans, we leverage our operational capabilities, through repowering and other upgrades, to drive improvement in these assets back to their long-term average levels in the first few years post-ownership. We have been executing several repowering and upgrade initiatives in the past couple years that are expected to be completed and start contributing higher earnings this year.

Our distributed energy and storage, and sustainable solutions segments generated a combined \$185 million of FFO, benefiting from organic growth as we scale these businesses. We continue to see positive momentum for the more nascent technologies that sit in our sustainable solutions segment. For example, our Canadian carbon capture and storage business Entropy entered into a fixed price 15-year carbon credit offtake agreement with the Canada Growth Fund that guarantees an offtake price for 600 Kt per annum of CO₂, de-risking the project pipeline. Alongside the offtake agreement, Canada Growth Fund agreed to invest up to C\$200 million in the business which could result in a fully drawn post-money valuation of approximately one and a half times our entry point.

Balance Sheet and Liquidity

We finished the year in an excellent financial position with over \$4 billion of available liquidity providing significant flexibility to fund our growth. Our best-in-class balance sheet and access to diverse sources of capital continue to differentiate our business and enable us to opportunistically invest when capital becomes scarce, as we demonstrated this year, adding quality businesses at attractive risk-adjusted returns.

During the year we strengthened our financial position executing on almost \$15 billion in non-recourse financings generating almost \$500 million in upfinancing proceeds to Brookfield Renewable. We also recently updated our Green Financing Framework to incorporate eligible investment categories in-line with our strategy to invest in businesses and projects that support the transition to net zero. We subsequently took advantage of a favorable market environment in early January, issuing C\$400 million of 30-year notes at 5.3%, conservatively raising debt as our cash flows grow, maintaining our investment grade rating and meaningfully extending our debt maturity profile.

We were successful with our capital recycling program generating \$800 million in proceeds (\$500 million net to Brookfield Renewable) over the past twelve-months, representing almost three times our invested capital. Our recycling initiatives are a consistent source of funding which we will continue to scale with our growth in development activities. We take a disciplined and practical approach to asset rotation, looking to sell assets when they are in-demand and attracting valuations at or above our internal assessments, regardless of technology or geography.

We sold a 150-megawatt solar project in Spain which we commissioned in early 2023 generating \$100 million in proceeds (~\$20 million net to Brookfield Renewable). We also executed the sale of a minority interest in a portfolio of contracted wind assets in Canada which we developed over ten years ago returning over three and half times our invested capital over this period.

Our approach to selling assets that are in demand irrespective of technology or geography has served us well and generated meaningful returns above our underwriting targets for investors. We expect to continue to leverage this funding source going forward as we bring online new projects and acquire new platforms.

Outlook

The prospects for our business continue to be very positive. Our goal remains to deliver 12-15% long-term total returns for investors and to do this we will continue to be disciplined allocators of capital leveraging our differentiated operating and development capabilities and diverse funding sources.

On behalf of the Board and management, we thank all our unitholders and shareholders for their ongoing support. We look forward to updating you on our progress throughout 2024.

Sincerely,



Connor Teskey
Chief Executive Officer

February 2, 2024

Cautionary Statement Regarding Forward-looking Statements

This letter to unitholders contains forward-looking statements and information within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. The words “will”, “intend”, “should”, “could”, “target”, “growth”, “expect”, “believe”, “plan”, derivatives thereof and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify the above mentioned and other forward-looking statements. Forward-looking statements in this letter to unitholders include statements regarding the quality of Brookfield Renewable’s and its subsidiaries’ businesses and our expectations regarding future cash flows, distribution growth and the success of growth initiatives. They include statements regarding Brookfield Renewable’s anticipated financial performance, future commissioning of assets, ability to execute on the development pipeline, contracted nature of our portfolio (including our ability to recontract certain asset), technology diversification, acquisition opportunities, expected completion of acquisitions and dispositions, financing and refinancing opportunities, future energy prices and demand for electricity, global decarbonization targets and related government incentives, economic recovery, achieving long-term average generation, project development and capital expenditure costs, energy policies, economic growth, growth potential of the renewable asset class, the future growth prospects and distribution profile of Brookfield Renewable and Brookfield Renewable’s access to capital. 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 Brookfield Renewable believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, you should not place undue reliance on them, or any other forward-looking statements or information in this letter to unitholders. 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. The future performance and prospects of Brookfield Renewable are subject to a number of known and unknown risks and uncertainties.

Factors that could cause actual results of Brookfield Renewable to differ materially from those contemplated or implied by the statements in this letter to unitholders include (without limitation) 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 facilities; supply, demand, volatility and marketing in the energy markets; our inability to renegotiate or replace expiring power purchase agreements on similar terms; an increase in the amount of uncontracted generation in our portfolio or adverse changes to the hydrological balancing pool administered by the government of Brazil (“MRE”); 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; increased regulation of and third party opposition to our nuclear services business’ customers and operations; failure of the nuclear power industry to expand; our ability to comply with regulations (including with respect to indemnification requirements) related to our nuclear services business; equipment failures and procurement challenges; dam failures and the costs and potential liabilities associated with such failures; uninsurable losses and higher insurance premiums; changes in regulatory, political, economic and social conditions in the jurisdictions in which we operate; force majeure events; adverse changes in currency exchange rates and our inability to effectively manage foreign currency exposure; health, safety, security and environmental risks; energy marketing risks and our inability to manage commodity and financial risk; the termination of, or a change to, the MRE balancing pool in Brazil; involvement in litigation and other disputes, and governmental and regulatory investigations; counterparty to our contracts not fulfilling their obligations; the time and expense of enforcing contracts against non-performing counterparties and the uncertainty of success; foreign laws or regulation to which we become subject as a result of future acquisitions in new markets; our operations being affected by local communities; our reliance on computerized business systems, which could expose us to cyberattacks; newly developed technologies 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; labor disruptions and economically unfavorable collective bargaining agreements; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems;; our inability to finance our operations and fund growth due to the status of the capital markets or our ability 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; 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; the growth of our portfolio and our inability to realize the expected benefits of our transactions or acquisitions; changes to our current business, including through future sustainable solutions investments; our inability to develop the projects in our development pipeline; delays, cost overruns and other problems associated with the construction and operation of generating facilities and risks associated with the arrangements we enter into with communities and joint venture partners; 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; we do not have control over all of our operations or investments, including certain investments made through joint ventures, partnerships, consortiums or structured arrangements; political instability or changes in government policy negatively impacting our business or assets; 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; we are not subject to the same disclosure requirements a U.S. domestic issuer; the separation of economic interest from control within our organizational structure; future sales and issuances of LP Units, preferred limited partnership units in the capital of Brookfield Renewable or securities exchangeable for LP Units, including BEPC exchangeable shares, or the perception of such sales or issuances, could depress the trading price of the LP Units or BEPC exchangeable shares; our dependence on Brookfield and Brookfield’s significant influence over us; the departure of some or all of Brookfield’s key professionals; our lack of independent means of generating revenue; changes in how Brookfield elects to hold its ownership interests in Brookfield Renewable; Brookfield acting in a way that is not in our best interests or our shareholders or our unitholders; being deemed an “investment company” under the Investment Company Act; the effectiveness of our internal controls over financial reporting; any changes in the market price of the LP Units and BEPC exchangeable shares; and

the redemption of BEPC exchangeable shares by us at any time or upon notice from the holders of the BEPC class B shares. For further information on these known and unknown risks, please see "Risk Factors" included in the Form 20-F of BEP and in the Form 20-F of BEPC and other risks and factors that are described therein.

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 letter to unitholders and should not be relied upon as representing our views as of any subsequent date. 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.

No securities regulatory authority has either approved or disapproved of the contents of this letter to unitholders. This letter to unitholders is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Cautionary Statement Regarding Use of Non-IFRS Measures

This letter to unitholders contains references to FFO, FFO per Unit, which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of Adjusted EBITDA, FFO and FFO per Unit, used by other entities. We believe that FFO and FFO per Unit are useful supplemental measures that may assist investors in assessing the financial performance and the cash anticipated to be generated by our operating portfolio. None of FFO and FFO 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. For a reconciliation of FFO and FFO per Unit to the most directly comparable IFRS measure, please see "Reconciliation of Non-IFRS Measures - Year Ended December 31" included elsewhere herein and "Financial Performance Review on Proportionate Information - Reconciliation of Non-IFRS Measures" included in our audited Q4 2023 annual report.

References to Brookfield Renewable are to Brookfield Renewable Partners L.P. together with its subsidiary and operating entities unless the context reflects otherwise.

Endnotes

- 1) Any references to capital refer to Brookfield's cash deployed, excluding any debt financing.
- 2) Available liquidity refers to "Part 5 - Liquidity and Capital Resources" in the Management Discussion and Analysis in the 2023 Annual Report.