

2025

# Brookfield Renewable Corporation

CONSOLIDATED FINANCIAL STATEMENTS AND  
RELATED MANAGEMENT'S DISCUSSION AND ANALYSIS

**Brookfield**

# Management's Discussion and Analysis

## For the year ended December 31, 2025

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This Management's Discussion and Analysis for the year ended December 31, 2025 is provided as of February 27, 2026. Unless the context indicates or requires otherwise, the terms, "we", "us", and "our company" mean (i) when such references refer to a point in time before December 24, 2024, Brookfield Renewable Holdings Corporation (formerly, Brookfield Renewable Corporation) "BRHC" and its direct subsidiaries, and indirect operating entities as a group; (ii) when such references refer to a point in time on or after December 24, 2024, Brookfield Renewable Corporation (formerly 1505127 B.C.Ltd.) ("BEPC"). BEPC is an indirect controlled subsidiary of Brookfield Renewable Partners L.P. ("BEP", or collectively with its subsidiaries, including BRHC and our company, "Brookfield Renewable") (NYSE: BEP; TSX:BEP.UN). Unless the context indicates or requires otherwise, the "partnership" means Brookfield Renewable and its controlled subsidiaries, excluding BRHC and our company. The ultimate parent of Brookfield Renewable and Brookfield Renewable Corporation is Brookfield Corporation ("Brookfield Corporation"). Brookfield Corporation and its subsidiaries, other than Brookfield Renewable and Brookfield Renewable Corporation, and unless the context otherwise requires, includes Brookfield Asset Management Ltd. ("Brookfield Asset Management"), are also individually and collectively referred to as "Brookfield" in this Management's Discussion and Analysis. The term "Brookfield Holders" means Brookfield, Brookfield Wealth Solutions and their related parties.

In addition to historical information, this MD&A contains forward-looking statements. Readers are cautioned that these forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. See "Cautionary Statements Regarding Forward-Looking Statements".

BEPC's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), which require estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expense during the reporting periods.

References to \$, €, R\$, and COP are to United States ("U.S.") dollars, Euros, Brazilian reais and Colombian pesos, respectively. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

For a description on our operational and segmented information and for the non-IFRS financial measures we use to explain our financial results see "Part 9 – Presentation to Stakeholders and Performance Measurement". For a reconciliation of the non-IFRS financial measures to the most comparable IFRS financial measures, see "Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of non-IFRS measures". This Management's Discussion and Analysis contains forward-looking information within the meaning of U.S. and Canadian securities laws. Refer to "Part 10 – Cautionary Statements" for cautionary statements regarding forward-looking statements and the use of non-IFRS measures. Our Annual Report and additional information filed with the Securities Exchange Commission ("SEC") and with securities regulators in Canada are available on our website (<https://bep.brookfield.com>), on the SEC's website ([www.sec.gov](http://www.sec.gov)), or on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

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# PART 1 – OVERVIEW

## BUSINESS OVERVIEW

BEPC is a Canadian corporation incorporated on October 3, 2024 under the laws of British Columbia. Our company was established by Brookfield Renewable to be an alternative investment vehicle for investors who prefer owning securities through a corporate structure. While our operations are primarily located in the United States, Brazil, Colombia, and Europe, shareholders will, on economic terms, have exposure to all regions BEP operates in as a result of the exchange feature attaching to the Class A exchangeable subordinate voting shares (“BEPC exchangeable shares”), whereby BEPC will have the option to meet an exchange request by delivering cash or non-voting limited partnership units of BEP (“LP units”).

The BEPC exchangeable shares of our company are structured with the intention of being economically equivalent to the LP units. We believe economic equivalence is achieved through identical dividends and distributions on the BEPC exchangeable shares and the LP units and each BEPC exchangeable share being exchangeable at the option of the holder for one LP unit at any time. Given the economic equivalence, we expect that the market price of the BEPC exchangeable shares will be significantly impacted by the market price of the LP units and the combined business performance of our company and Brookfield Renewable as a whole. In addition to carefully considering the disclosure made in this document, shareholders are strongly encouraged to carefully review the partnership’s periodic reporting. The partnership is required to file reports, including annual reports on Form 20-F, and other information with the United States Securities and Exchange Commission (the “SEC”). The partnership’s SEC filings are available to the public from the SEC’s website at <https://www.sec.gov>. Copies of documents that have been filed with the Canadian securities authorities can be obtained at <https://www.sedarplus.ca>. Information about the partnership, including its SEC filings, is also available on its website at <https://bep.brookfield.com>. The information found on, or accessible through <https://bep.brookfield.com> is not incorporated into and does not form a part of this MD&A.

Our company, Brookfield Renewable Holdings Corporation (“BRHC”), our subsidiaries and Brookfield Renewable, (together our “Group”), target a total return of 12% to 15% per annum on the renewable assets that we own, measured over the long-term. Our group intends to generate this return from cash flows from our operations plus growth through investments in upgrades and expansions of our asset base, as well as acquisitions and capital recycling initiatives. Brookfield Renewable determines its distributions based primarily on an assessment of its operating performance. Our group uses Funds From Operations (“FFO”) to assess operating performance which can be used on a per unit basis as a proxy for future distribution growth over the long-term. For further details, see the “Performance Disclosures” section of this MD&A.

### The Arrangement

On December 24, 2024, the partnership, BRHC, and the company completed an arrangement (the “Arrangement”), pursuant to which 1505127 B.C. Ltd. (which was renamed Brookfield Renewable Corporation) became the “successor issuer” (as defined in NI 44-101) to the former BEPC, which was renamed Brookfield Renewable Holdings Corporation and BRHC’s class A exchangeable subordinate voting shares were delisted. The purpose of the Arrangement was to allow BEPC to maintain the benefits of its business structure, while addressing proposed amendments to the Income Tax Act (Canada) that were expected to result in additional costs to the company if no action was taken. In connection with the Arrangement, among other things, (i) holders of class A exchangeable subordinate voting shares of BRHC, other than Brookfield, received BEPC exchangeable shares in exchange for their class A exchangeable subordinate voting shares of BRHC on a one-for-one basis; (ii) Brookfield exchanged their class A exchangeable subordinate voting shares of BRHC for class A.2 exchangeable shares on a one-for-one basis; (iii) the class A exchangeable subordinate voting shares of BRHC were delisted; (iv) the exchangeable shares of BEPC were listed on the NYSE and the TSX; (v) the partnership transferred 55 class B shares of BRHC to BEPC in exchange for 55 class B shares of BEPC; and (vi) 43,605 class B shares of BEPC were issued to the partnership in exchange for \$1 million. The class A.2 exchangeable shares are exchangeable by Brookfield into BEPC exchangeable shares (subject to an ownership cap that limits the exchange by Brookfield of

class A.2 exchangeable shares such that exchanges by Brookfield may not result in Brookfield owning 9.5% or more of the aggregate fair market value of all issued and outstanding shares of BEPC) or LP units on a one-for-one basis.

On December 31, 2025, BRHC undertook a reorganization pursuant to which a new corporation, 1566030 B.C. Ltd. (“New BRHC”) was formed, and all existing shares of BRHC were contributed to New BRHC in exchange for shares of New BRHC. The reorganized structure operates substantially the same as the previous structure. New BRHC became a party to all agreements to which BRHC was a party, including the Master Services Agreement. New BRHC subsequently changed its name to Brookfield Renewable Holdings Corporation. Unless otherwise indicated, all references to BRHC refer to New BRHC.

## PART 2 – FINANCIAL PERFORMANCE REVIEW ON CONSOLIDATED INFORMATION

The following table reflects key financial data for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2025	2024	2023
Revenues .....	\$ 3,728	\$ 4,142	\$ 3,967
Direct operating costs .....	(1,495)	(1,767)	(1,466)
Management service costs .....	(110)	(106)	(88)
Interest expense .....	(1,672)	(1,667)	(1,258)
Depreciation .....	(1,240)	(1,262)	(1,342)
Remeasurement of interests held in BRHC by the partnership .....	(813)	58	—
Remeasurement of BEPC exchangeable and BRHC class A.2 exchangeable shares .....	(848)	61	—
Remeasurement of exchangeable and class B shares of BRHC .....	—	574	(106)
Income tax recovery (expense) .....	13	(167)	(73)
Net (loss) income .....	(2,343)	433	308
	Average FX rates to USD		
€ .....	0.89	0.92	0.92
R\$ .....	5.59	5.39	4.99
COP .....	4,052	4,071	4,328

### Current Year Variance Analysis (2025 vs 2024)

Revenues totaling \$3,728 million represents a decrease of \$414 million over the prior year as the growth of our business, inflation escalation on our contracted generation and the benefits of strong hydrology from our Colombian hydroelectric assets were offset by unfavorable hydrology at our U.S. and Brazilian businesses, a reorganization in the prior year that resulted in the disposition of a fully integrated developer and operator of renewable power assets in the United States and recently completed asset sales. Recently commissioned facilities contributed 923 GWh of generation and \$57 million of revenues offset by a reorganization in the prior year that resulted in the disposition of a fully integrated developer and operator of renewable power assets in the U.S. to Brookfield Renewable and recently completed asset sales that reduced generation by 4,568 GWh and revenues by \$346 million. On a same store, constant currency basis, revenues decreased by \$156 million as the benefits from higher resources at our Colombian hydroelectric assets as well as inflation escalation on our contracted generation in South America were more than offset by lower hydrology at our U.S. and Brazilian businesses and lower spot prices on our uncontracted Colombian generation caused by higher system-wide hydrology.

The strengthening of the Colombian peso and Euro relative to the U.S. dollar compared to the prior year was partially offset by the relative weakening of the Brazilian real, which increased revenues by \$2 million and decreased operating and interest expenses by \$1 million.

Direct operating costs totaled \$1,495 million, representing a decrease of \$272 million compared to prior year due to a reorganization in the prior year that resulted in the disposition of a fully integrated developer and operator of renewable power assets in the U.S. to Brookfield Renewable, the sale of a European renewable platform and decreased power purchases in Columbia which are passed through to our customers, partly offset by additional costs from recently commissioned and acquired facilities and the above noted strengthening of the Colombian peso and Euro relative to the U.S. dollar.

Management service costs totaling \$110 million represents an increase of \$4 million compared to prior year.

Interest expense totaling \$1,672 million represents an increase of \$5 million compared to prior year due to the re-classification of distributions on the BRHC Class C shares to interest expense due to their treatment as a liability as a result of the Arrangement, partially offset by recently completed asset sales and organizational structuring initiatives.

Remeasurement of shares classified as financial liabilities resulted in a \$1,661 million loss compared to a \$693 million gain in the prior year due to the movement in the LP unit and BEPC exchangeable share price during the year.

Depreciation expense totaling \$1,240 million represents a decrease of \$22 million compared to prior year due to recently completed asset sales.

Net loss totaling \$2,343 million represents a decrease of \$2,776 million compared to prior year primarily due to remeasurement of shares classified as financial liabilities and other items noted above.

### **Prior Year Variance Analysis (2024 vs 2023)**

Revenues totaling \$4,142 million represents an increase of \$175 million compared to prior year due to the growth of our business, inflation escalation on contracted generation and high asset availability. Recently acquired and commissioned facilities contributed 4,107 GWh of generation and \$156 million of revenues, which was partly offset by recently completed asset sales that reduced generation by 2,572 GWh and revenues by \$167 million. On a same store, constant currency basis, revenues increased by \$155 million as the benefits from inflation escalation on our contracted generation in Brazil and Colombia were offset by lower resources at our hydroelectric portfolios.

The strengthening of the Colombian peso relative to the U.S. dollar compared to the prior year was partially offset by the relative weakening of the Brazilian real, increasing revenues by \$31 million, offset by a \$36 million unfavorable foreign exchange impact on our operating and interest expenses.

Direct operating costs totaled \$1,767 million, representing an increase of \$301 million compared to prior year due to additional costs from our recently acquired and commissioned facilities, higher power purchases in Colombia, which are passed through to our customers and the above noted foreign exchange fluctuations partly offset by our recently completed asset sales.

Management service costs totaled \$106 million representing an increase of \$18 million compared to prior year.

Interest expense totaling \$1,667 million represents an increase of \$409 million compared to prior year due to recent acquisitions, financing initiatives to fund development activities, the re-classification of distributions on the BRHC Class C shares as interest expense due to their treatment as a liability as a result of the Arrangement, and the above noted foreign exchange fluctuations.

Remeasurement of shares classified as financial liabilities resulted in a \$693 million gain compared to a \$106 million loss in the prior year due to the movement in the LP unit and BEPC exchangeable share price during the periods.

Depreciation expense totaling \$1,262 million represents a decrease of \$80 million compared to prior year due to asset sales.

Net income totaling \$433 million represents an increase of \$125 million over the same period in the prior year due to the above noted items, offset by other income relating to non-recurring items that benefited the prior year.

## PART 3 – ADDITIONAL CONSOLIDATED FINANCIAL INFORMATION

### SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table provides a summary of the key line items on the audited annual consolidated statements of financial position as at December 31:

(MILLIONS)	<b>December 31, 2025</b>	December 31, 2024
Current assets .....	<b>\$ 3,943</b>	\$ 3,114
Equity-accounted investments .....	<b>1,014</b>	753
Property, plant and equipment, at fair value .....	<b>39,699</b>	38,696
Total assets .....	<b>46,267</b>	44,129
Non-recourse borrowings .....	<b>15,264</b>	13,775
Deferred income tax liabilities .....	<b>7,339</b>	6,493
Interests held in BRHC by Brookfield Renewable .....	<b>5,245</b>	4,432
BEPC exchangeable and class A.2 exchangeable shares .....	<b>5,016</b>	4,168
Total equity in net assets .....	<b>9,232</b>	12,108
Total liabilities and equity .....	<b>46,267</b>	44,129
	<b>FX rates to USD</b>	
€ .....	<b>0.85</b>	0.97
RS .....	<b>5.50</b>	6.19
COP .....	<b>3,757</b>	4,409

#### Property, plant and equipment

Property, plant and equipment totaled \$39.7 billion as at December 31, 2025 compared to \$38.7 billion as at December 31, 2024, representing an increase of \$1.0 billion. Our continued investments in the development of power generation assets and our sustaining capital expenditure increased property, plant and equipment by \$1.2 billion. Our annual revaluation, which recognized the benefit of higher power prices across South America and European markets, the expected growth in demand for renewable power and the strengthening of most currencies against the U.S. dollar, increased property plant and equipment by \$2.9 billion. These increases were partially offset by dispositions that decreased property, plant and equipment by \$1.9 billion and depreciation expense that reduced property, plant and equipment by \$1.2 billion.

See Note 13 – Property, plant and equipment, at fair value in our audited annual consolidated financial statements for information on the revaluation assumptions used and associated sensitivity analyses.

#### Shares classified as financial liability

Prior to the Arrangement, class C shares were classified as financial liabilities and were presented as equity instruments given the narrow scope presentations existing in IAS 32. Following the Arrangement, and upon consolidation of BRHC into our company, the class C shares are now presented as financial liabilities as Interests held in BRHC at a value of \$5,245 million.

As a result of the Arrangement, holders of the BRHC exchangeable shares, other than Brookfield, received our company's exchangeable shares in exchange for their BRHC exchangeable shares on a one-for-one basis and Brookfield transferred their exchangeable shares of BRHC to our company in exchange for class A.2 shares on a one-for-one basis. The exchangeable shares and class A.2 exchangeable shares, upon consolidation into our company, are classified as financial liabilities at a value of \$5,016 million.

## RELATED PARTY TRANSACTIONS

Our company's related party transactions are in the normal course of business, are recorded at the exchange amount, and are primarily with the partnership and Brookfield.

Since inception, our parent company has had a Master Services Agreement with Brookfield. The Master Services Agreement was amended in connection with the completion of the Arrangement to include, among other things, BEPC as a service recipient.

Our company sells electricity to Brookfield through a single long-term PPA across our New York hydroelectric facilities.

In 2011, on formation of Brookfield Renewable, Brookfield transferred certain development projects to subsidiaries of our company for no upfront consideration but is entitled to receive variable consideration on commercial operation or sale of these projects. These projects have been transferred to our company as part of the special distribution.

Our company has entered into voting agreements with Brookfield and the partnership, whereby our company gained control or significant influence of the entities that own certain renewable power generating facilities in the United States and Brazil, as well as TerraForm Power. Our company has also entered into a voting agreement with its consortium partners in respect of the Colombian business. The voting agreements provide our company the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide our company with control. Accordingly, our company consolidates the accounts of these entities.

Our company may participate with institutional partners in Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV, Brookfield Infrastructure Fund V, Brookfield Infrastructure Income Fund, Brookfield Global Transition Fund I, Brookfield Global Transition Fund II, Brookfield Infrastructure Debt Fund, and the Catalytic Transition Fund ("Private Funds"), each of which is a Brookfield sponsored fund, and in connection therewith, our company, together with our institutional partners, has access to financing using the Private Funds' credit facilities.

From time to time, in order to facilitate investment activities in a timely and efficient manner, our company will fund deposits or incur other costs and expenses (including by use of loan facilities to consummate, support, guarantee or issue letters of credit) in respect of an investment that ultimately will be shared with or made entirely by Brookfield sponsored vehicles, consortiums and/or partnerships (including private funds, joint ventures and similar arrangements), our company, or by co-investors.

Brookfield has provided a \$400 million unsecured revolving credit facility maturing in December 2030 and the draws bear interest at the Secured Overnight Financing Rate ("SOFR") plus a margin of 1.80%. During the current period, there were no draws on the committed unsecured revolving credit facility provided by Brookfield. Brookfield may from time to time place funds on deposit with the company which are repayable on demand including any interest accrued. There were nil funds placed on deposit with the company as at December 31, 2025 (December 31, 2024: nil). There was no interest expense on the Brookfield revolving credit facility and deposit reflected for the year ended December 31, 2025, 2024, and 2023.

From time to time Brookfield Renewable may enter into short-term arrangements with consolidated subsidiaries of the company that permit such entities to place funds on deposit with Brookfield Renewable up to a limit of \$750 million per deposit. Interest earned or incurred on such deposits fall between the interest rate that would otherwise be payable by Brookfield Renewable under its commercial paper program or credit facilities with unrelated parties and the interest rate that would otherwise be available to the applicable depositing party in similar transactions on an arms' length basis with unrelated parties. Each deposit carries a maturity date which must not exceed three months, however the company may request repayment upon three business days' written notice. As at December 31, 2025, there were \$376 million (2024: \$125 million) of funds placed on deposit with Brookfield Renewable, which carry an interest rate of 3.39% to 4.03%. Funds placed on deposit are reflected within due from related parties on the consolidated statements of financial position. Interest income earned on the deposits placed with Brookfield Renewable for year ended December 31, 2025 less than \$1 million.

On December 24, 2024, the partnership, BRHC, and the company completed an arrangement (the “Arrangement”), pursuant to which 1505127 B.C. Ltd. (which was renamed Brookfield Renewable Corporation) became the “successor issuer” (as defined in NI 44-101) to the former BEPC, which was renamed Brookfield Renewable Holdings Corporation and BRHC’s class A exchangeable subordinate voting shares were delisted. The purpose of the Arrangement was to allow BEPC to maintain the benefits of its business structure, while addressing proposed amendments to the Income Tax Act (Canada) that were expected to result in additional costs to the company if no action was taken. In connection with the Arrangement, among other things, (i) holders of class A exchangeable subordinate voting shares of BRHC, other than Brookfield, received BEPC exchangeable shares in exchange for their class A exchangeable subordinate voting shares of BRHC on a one-for-one basis; (ii) Brookfield transferred their class A exchangeable subordinate voting shares of BRHC to BEPC in exchange for class A.2 exchangeable shares on a one-for-one basis; (iii) the class A exchangeable subordinate voting shares of BRHC were delisted; (iv) the exchangeable shares of BEPC were listed on the NYSE and the TSX; (v) the partnership transferred 55 class B shares of BRHC to BEPC in exchange for 55 class B shares of BEPC; and (vi) 43,605 class B shares of BEPC were issued to the partnership in exchange for \$1 million. The class A.2 exchangeable shares are exchangeable by Brookfield into BEPC exchangeable shares (subject to an ownership cap that limits the exchange by Brookfield of class A.2 exchangeable shares such that exchanges by Brookfield may not result in Brookfield owning 9.5% or more of the aggregate fair market value of all issued and outstanding shares of BEPC) or LP units on a one-for-one basis.

In connection with the Arrangement, the company entered into two deposit agreements with one or more subsidiaries of the partnership, one as depositor or lender and one as depositee or borrower. Each deposit agreement contemplates potential deposit arrangements pursuant to which the parties thereunder would mutually agree to deposit funds thereunder from time to time on a demand basis at a specified rate of interest. Additionally, the company, as borrower, entered into a credit agreement with a subsidiary of the partnership, as lender, pursuant to which the subsidiary of the partnership established a revolving credit facility in the aggregate principal amount of \$150 million in favour of the company.

The credit agreement has a ten-year term, subject to automatic one-year extensions occurring annually unless terminated by the lender.

On December 31, 2025, BRHC undertook a reorganization pursuant to which a new corporation, 1566030 B.C. Ltd. (“New BRHC”) was formed, and all existing shares of BRHC were contributed to New BRHC in exchange for shares of New BRHC. The reorganized structure operates substantially the same as the previous structure. New BRHC became a party to all agreements to which BRHC was a party, including the Master Services Agreement. New BRHC subsequently changed its name to Brookfield Renewable Holdings Corporation. Unless otherwise indicated, all references to BRHC refer to New BRHC.

From time to time, Brookfield Wealth Solutions and its related entities may agree to provide financing to Brookfield Renewable. In addition, Brookfield Wealth Solutions and its related entities may also participate, alongside unaffiliated third parties on market terms and at market rates, in capital raises undertaken by Brookfield Renewable that are recognized non-recourse borrowings in the statement of financial position. As at December 31, 2025, the company, together with its institutional partners, had the following balances owing to Brookfield Wealth Solutions: nil of non-recourse borrowings (2024: \$13 million); and \$458 million (2024: \$58 million) of borrowings from Brookfield Wealth Solutions classified as due to related party. Subsidiaries of Brookfield Wealth Solutions may from time to time decide to participate in the company’s equity offerings.

From time to time as part of normal course tax efficiency initiatives of our group, the company may invest in a subsidiary of the partnership or extend intercompany loans which are generally unsecured, bear interest at market rates, and are repayable on demand or under agreed terms to a subsidiary of the partnership to optimize the use of tax attributes, including net operating losses within the group. During the second quarter of 2025, Brookfield Renewable executed a \$945 million intercompany loan with the company, which carries an interest rate of 7.5%, and is classified as Due from related parties and Due to related parties on the consolidated statements of financial position. The interest expense for the year ended December 31, 2025 totaled approximately \$45 million.

During the third quarter of 2025, the company transferred its interest in a portfolio of 220 MW under construction storage assets in the U.S. to a subsidiary of the partnership for proceeds of approximately \$114 million. As a result of the transfer, the company derecognized \$258 million of total assets and \$134 million of total liabilities. The transaction was accounted for as a common control transaction with the difference between consideration received and the assets and liabilities given up recorded directly to equity and presented as a Disposal in the consolidated statements of changes in equity.

During the fourth quarter of 2025, the company, together with its institutional partners, completed the sale of a 25% interest in a 403 MW portfolio of operating hydroelectric assets in the U.S. for proceeds of approximately \$230 million (\$111 million net to the company), to a private fund managed by BAM, at a value equivalent to what was agreed to with an unaffiliated third party.

During the fourth quarter of 2025, the company, together with its institutional partners, completed the sale of a 700 MW portfolio of operating distributed generation assets in the U.S. for proceeds, net of transaction costs, of approximately \$546 million (\$215 million net to the company). 47% was sold to a third party and the remaining 53% was sold to a private fund managed by BAM, at a value equivalent to what was agreed to with the unaffiliated third party.

During the fourth quarter of 2025, Brookfield Renewable completed the acquisition of an incremental 15% ownership in Isagen for \$1 billion, of which the company's share was \$900 million, from a private fund managed by BAM, at a value equivalent to the purchase price agreed to with an unaffiliated third party. Brookfield Renewable increased its ownership in the business to approximately 37.3%, of which the company's share is 34%, and will continue to consolidate this business. In connection with the closing of the transaction, Brookfield Renewable obtained \$400 million in financing from Brookfield Wealth Solutions.

Subsequent to year end, the company, together with its institutional partners, agreed to the sale of a 132 MW portfolio of operating wind and solar assets in the U.S. for proceeds of approximately \$89 million (\$57 million net to the company), of which 33.3% was agreed to be sold to a private fund managed by BAM, at a value equivalent to what was agreed to with the unaffiliated third parties that agreed to acquire the remaining 66.6% interest in the portfolio. The closing of this transaction is subject to customary closing conditions.

In addition, our company has executed, amended, or terminated other agreements with the partnership and Brookfield that are described in Note 28 - Related party transactions in our audited consolidated financial statements. For a description of certain of our agreements with Brookfield and the partnership, please see Item 7.B "Related Party Transactions" in our Form 20-F for the year ended December 31, 2025.

The following table reflects the related party agreements and transactions in the audited annual consolidated statements of income (loss), for the year ended December 31:

(MILLIONS)	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>			
Power purchase and revenue agreements.....	\$ 31	\$ 68	\$ 10
<b>Other income</b>			
Interest income.....	\$ 88	\$ 42	\$ 29
Distribution income.....	—	3	7
	<u>\$ 88</u>	<u>\$ 45</u>	<u>\$ 36</u>
<b>Direct operating costs</b>			
Energy purchases.....	\$ (31)	\$ (27)	\$ (19)
Energy marketing fee & other services.....	(25)	(2)	(2)
	<u>\$ (56)</u>	<u>\$ (29)</u>	<u>\$ (21)</u>
<b>Interest expense</b>			
Borrowings and distributions.....	\$ (469)	\$ (462)	\$ (140)
<b>Other</b>			
Other related party services (expense) income.....	\$ (8)	\$ (5)	\$ 3
Financial instrument gain.....	—	2	9
	<u>\$ (8)</u>	<u>\$ (3)</u>	<u>\$ 12</u>
Management service costs.....	\$ (110)	\$ (106)	\$ (88)

The following table reflects the impact of the related party agreements and transactions on the consolidated statements of financial position as at December 31:

(MILLIONS)	Related party	2025	2024
<b>Current assets</b>			
Due from related parties			
Amounts due from	Brookfield .....	\$ 16	\$ 30
	The partnership .....	1,590	1,363
	Equity-accounted investments and other .....	19	11
		<u>\$ 1,625</u>	<u>\$ 1,404</u>
<b>Non-current assets</b>			
Due from related parties			
Amounts due from	Equity-accounted investments and other .....	\$ —	\$ 9
<b>Current liabilities</b>			
Due to related parties			
Amounts due to	Brookfield .....	\$ 67	\$ 34
	The partnership .....	903	480
	Brookfield Wealth Solutions and associates .....	24	24
	Equity-accounted investments and other .....	17	6
		<u>1,011</u>	<u>544</u>
<b>Non-current liabilities</b>			
Due to related parties			
Amounts due to	Brookfield .....	\$ 9	\$ 53
	The partnership .....	42	452
	Brookfield Wealth Solutions and associates .....	434	34
	Equity-accounted investments and other .....	—	2
		<u>\$ 485</u>	<u>\$ 541</u>
Non-recourse borrowings	Brookfield Wealth Solutions and associates .....	\$ —	\$ 13

## PART 4 – FINANCIAL PERFORMANCE REVIEW ON PROPORTIONATE INFORMATION

### SEGMENTED DISCLOSURES

Segmented information is prepared on the same basis that our company’s chief operating decision maker, which we refer to as “CODM”, manages our company, evaluates financial results, and makes key operating decisions. See “Part 9 – Presentation to Stakeholders and Performance Measurement” for information on segments and an explanation on the calculation and relevance of proportionate information.

### PROPORTIONATE RESULTS FOR THE YEAR ENDED DECEMBER 31

The following chart reflects the generation and summary financial figures on a proportionate basis for the year ended December 31:

	(GWh)		(MILLIONS)					
	Renewable Actual Generation		Revenues		Adjusted EBITDA <sup>(1)</sup>		Funds From Operations <sup>(1)</sup>	
	2025	2024	2025	2024	2025	2024	2025	2024
Hydroelectric .....	13,793	13,368	\$ 1,296	\$ 1,189	\$ 776	\$ 684	\$ 480	\$ 434
Wind .....	2,268	2,848	151	223	111	246	68	190
Utility-scale solar .....	1,412	1,636	224	238	172	237	102	169
Distributed energy & sustainable solutions .....	850	939	107	124	99	82	73	57
Corporate .....	—	—	—	—	16	50	(95)	(56)
<b>Total</b> .....	<b>18,323</b>	<b>18,791</b>	<b>\$ 1,778</b>	<b>\$ 1,774</b>	<b>\$ 1,174</b>	<b>\$ 1,299</b>	<b>\$ 628</b>	<b>\$ 794</b>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

## HYDROELECTRIC OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations for the year ended December 31:

(MILLIONS)	<u>2025</u>	<u>2024</u>
Revenue	\$ 1,296	\$ 1,189
Other income	81	33
Direct operating costs	<u>(601)</u>	<u>(538)</u>
Adjusted EBITDA <sup>(1)</sup>	776	684
Interest expense	(277)	(229)
Current income taxes	<u>(19)</u>	<u>(21)</u>
Funds From Operations	<u>\$ 480</u>	<u>\$ 434</u>
<i>Generation (GWh) – actual</i>	<i>13,793</i>	<i>13,368</i>
<i>Average revenue per MWh<sup>(2)</sup></i>	<i>77</i>	<i>80</i>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

<sup>(2)</sup> Average revenue per MWh was adjusted to net the impact of power purchases and any revenue with no corresponding generation.

Funds From Operations at our hydroelectric business was \$480 million versus \$434 million in the prior year as the benefit of stronger hydrology at our Colombia business, inflation indexation on contracted generation, lower cash taxes from recently acquired development assets, and our increased ownership in our Colombia business, was partially offset by lower hydrology at our U.S. and Brazil businesses, and lower spot prices on our uncontracted Colombian generation caused by higher system-wide hydrology. We also advanced our capital rotation strategy through the partial sale of a U.S. non-core hydro asset portfolio, crystallising significant value from our initial acquisition.

## WIND OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the year ended December 31:

(MILLIONS)	<u>2025</u>	<u>2024</u>
Revenue	\$ 151	\$ 223
Other income	34	106
Direct operating costs	<u>(74)</u>	<u>(83)</u>
Adjusted EBITDA <sup>(1)</sup>	111	246
Interest expense	(38)	(47)
Current income taxes	<u>(5)</u>	<u>(9)</u>
Funds From Operations	<u>\$ 68</u>	<u>\$ 190</u>
<i>Generation (GWh) – actual</i>	<i>2,268</i>	<i>2,848</i>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our wind business was \$68 million versus \$190 million in the prior year. The impact from newly commissioned facilities was offset by a reorganization in the prior year that resulted in the disposition of a fully integrated developer and operator of renewable power assets in the U.S., gains on the sale of development assets that benefited the prior year, and the impact from the sale of wind assets in Portugal and Spain that reduced results compared to last year.

## UTILITY-SCALE SOLAR OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for utility-scale solar operations for the year ended December 31:

(MILLIONS)	<u>2025</u>	<u>2024</u>
Revenue .....	\$ 224	\$ 238
Other income .....	9	66
Direct operating costs .....	<u>(61)</u>	<u>(67)</u>
Adjusted EBITDA <sup>(1)</sup> .....	172	237
Interest expense .....	(55)	(68)
Current income taxes .....	(15)	—
Funds From Operations .....	<u>\$ 102</u>	<u>\$ 169</u>
<i>Generation (GWh) – actual</i> .....	<i>1,412</i>	<i>1,636</i>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our utility-scale solar business was \$102 million versus \$169 million in the prior year as the benefit from newly commissioned facilities was offset by lower generation on a same store basis, a reorganization in the prior year that resulted in the disposition of a fully integrated developer and operator of renewable power assets in the U.S. to Brookfield Renewable as well as the sale of solar assets in Spain that reduced results compared to last year.

## DISTRIBUTED ENERGY & SUSTAINABLE SOLUTIONS OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for distributed energy & sustainable solutions for the year ended December 31:

(MILLIONS)	<u>2025</u>	<u>2024</u>
Revenue .....	\$ 107	\$ 124
Other income .....	46	8
Direct operating costs .....	<u>(54)</u>	<u>(50)</u>
Adjusted EBITDA <sup>(1)</sup> .....	99	82
Interest expense .....	(24)	(24)
Current income taxes .....	(2)	(1)
Funds From Operations .....	<u>\$ 73</u>	<u>\$ 57</u>
<i>Generation (GWh) – actual</i> .....	<i>850</i>	<i>939</i>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our distributed energy & sustainable solutions business was \$73 million versus \$57 million in the prior year as the benefits from a gain on the sale of our North American distributed energy business was partially offset by lower generation and lower contributions from our pumped storage business.

## PROPORTIONATE RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

The following chart reflects the generation and summary financial figures on a proportionate basis for the year ended December 31:

	(GWh)		(MILLIONS)					
	Renewable Actual Generation		Revenues		Adjusted EBITDA <sup>(1)</sup>		Funds From Operations <sup>(1)</sup>	
	2024	2023	2024	2023	2024	2023	2024	2023
Hydroelectric .....	\$ 13,368	\$ 14,449	\$ 1,189	\$ 1,212	\$ 684	\$ 787	\$ 434	\$ 504
Wind .....	2,848	1,728	223	152	246	138	190	108
Utility-scale solar .....	1,636	1,261	238	165	237	146	169	94
Distributed energy & sustainable solutions .....	939	886	124	125	82	101	57	80
Corporate .....	—	—	—	—	50	15	(56)	(70)
<b>Total</b> .....	<b>18,791</b>	<b>18,324</b>	<b>\$ 1,774</b>	<b>\$ 1,654</b>	<b>\$ 1,299</b>	<b>\$ 1,187</b>	<b>\$ 794</b>	<b>\$ 716</b>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

## HYDROELECTRIC OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations for the year ended December 31:

(MILLIONS)	<u>2024</u>	<u>2023</u>
Revenue .....	\$ 1,189	\$ 1,212
Other income .....	33	51
Direct operating costs .....	<u>(538)</u>	<u>(476)</u>
Adjusted EBITDA <sup>(1)</sup> .....	684	787
Interest expense .....	(229)	(261)
Current income taxes .....	<u>(21)</u>	<u>(22)</u>
Funds From Operations .....	<u>\$ 434</u>	<u>\$ 504</u>
<i>Generation (GWh) – actual</i> .....	<i>13,368</i>	<i>14,449</i>
<i>Average revenue per MWh<sup>(2)</sup></i> .....	<i>80</i>	<i>78</i>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

<sup>(2)</sup> Average revenue per MWh was adjusted to net the impact of power purchases and any revenue with no corresponding generation.

Funds From Operations at our hydroelectric business was \$434 million versus \$504 million in the prior year as the benefit of higher average revenue per MWh at our Colombia hydroelectric facilities due to inflation indexation and recontracting initiatives was offset by unfavorable hydrology conditions in the U.S. and Brazil.

## WIND OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the year ended December 31:

(MILLIONS)	<u>2024</u>	<u>2023</u>
Revenue .....	\$ 223	\$ 152
Other income .....	106	33
Direct operating costs .....	<u>(83)</u>	<u>(47)</u>
Adjusted EBITDA <sup>(1)</sup> .....	246	138
Interest expense .....	(47)	(28)
Current income taxes .....	<u>(9)</u>	<u>(2)</u>
Funds From Operations .....	<u>\$ 190</u>	<u>\$ 108</u>
<i>Generation (GWh) – actual</i> .....	<i>2,848</i>	<i>1,728</i>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our wind business was \$190 million versus \$108 million in the prior year primarily due to the benefits from our newly acquired and commissioned facilities and gains on sale related to the disposition of a European development portfolio.

## UTILITY-SCALE SOLAR OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for utility-scale solar operations for the year ended December 31:

(MILLIONS)	2024	2023
Revenue .....	\$ 238	\$ 165
Other income .....	66	23
Direct operating costs .....	(67)	(42)
Adjusted EBITDA <sup>(1)</sup> .....	237	146
Interest expense .....	(68)	(50)
Current income taxes .....	—	(2)
Funds From Operations .....	\$ 169	\$ 94
<i>Generation (GWh) – actual</i> .....	<i>1,636</i>	<i>1,261</i>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our utility-scale solar business was \$169 million versus \$94 million in the prior year due to the benefits of growth in our business and gains related to the sale of a European development portfolio.

## DISTRIBUTED ENERGY & SUSTAINABLE SOLUTIONS OPERATIONS ON A PROPORTIONATE BASIS

The following table presents our proportionate results for distributed energy & sustainable solutions for the year ended December 31:

(MILLIONS)	2024	2023
Revenue .....	\$ 124	\$ 125
Other income .....	8	18
Direct operating costs .....	(50)	(42)
Adjusted EBITDA <sup>(1)</sup> .....	82	101
Interest expense .....	(24)	(21)
Current income taxes .....	(1)	—
Funds From Operations .....	\$ 57	\$ 80
<i>Generation (GWh) – actual</i> .....	<i>939</i>	<i>886</i>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our distributed energy & sustainable solutions business was \$57 million versus \$80 million in the prior year as the benefits from stronger resources were offset by lower contributions from our pumped storage business as the prior year benefited from higher grid stability prices.

## RECONCILIATION OF NON-IFRS MEASURES

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the year ended December 31, 2025:

(MILLIONS)	Hydroelectric	Wind	Utility-scale Solar	Distributed energy & sustainable solutions	Corporate	Total
<b>Net income (loss)</b> .....	\$ 298	\$ (143)	\$ (82)	\$ (99)	\$ (2,317)	\$ (2,343)
Add back or deduct the following:						
Depreciation .....	545	310	281	104	—	1,240
Deferred income tax recovery .....	(27)	(55)	(23)	(23)	(4)	(132)
Foreign exchange and financial instrument (gain) loss .....	(15)	(72)	(5)	(7)	8	(91)
Other <sup>(1)</sup> .....	43	68	57	155	6	329
Dividends on BEPC exchangeable, class A.2 exchangeable shares and exchangeable shares of BRHC <sup>(2)</sup> .....	—	—	—	—	550	550
Remeasurement of interests held in BRHC by the partnership .....	—	—	—	—	813	813
Remeasurement of BEPC exchangeable and class A.2 exchangeable shares .....	—	—	—	—	848	848
Management service costs .....	—	—	—	—	110	110
Interest expense <sup>(2)</sup> .....	684	157	216	64	1	1,122
Current income tax expense .....	73	13	26	6	1	119
Amount attributable to equity accounted investments and non-controlling interests <sup>(3)</sup> .....	(825)	(167)	(298)	(101)	—	(1,391)
Adjusted EBITDA attributable to the company .....	<u>\$ 776</u>	<u>\$ 111</u>	<u>\$ 172</u>	<u>\$ 99</u>	<u>\$ 16</u>	<u>\$ 1,174</u>

<sup>(1)</sup> Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

<sup>(2)</sup> Total interest expense of \$1,672 million is comprised of Interest expense and Dividends on BEPC exchangeable, class A.2 exchangeable shares and exchangeable shares of BRHC.

<sup>(3)</sup> Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to the company that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the year ended December 31, 2024:

(MILLIONS)	Hydroelectric	Wind	Utility-scale Solar	Distributed energy & sustainable solutions	Corporate	Total
<b>Net income (loss)</b> .....	\$ 370	\$ 55	\$ 16	\$ (33)	\$ 25	\$ 433
Add back or deduct the following:						
Depreciation .....	518	367	287	90	—	1,262
Deferred income tax expense .....	9	12	31	7	8	67
Foreign exchange and financial instrument gain .....	(131)	(73)	(32)	(2)	—	(238)
Other <sup>(1)</sup> .....	(39)	18	(18)	(33)	(18)	(90)
Dividends on BEPC exchangeable shares <sup>(2)</sup> .....	—	—	—	—	549	549
Remeasurement of interests held in BRHC by the partnership .....	—	—	—	—	(58)	(58)
Remeasurement of BEPC exchangeable and A.2 .....	—	—	—	—	(61)	(61)
Remeasurement of exchangeable and class B shares of BRHC .....	—	—	—	—	(574)	(574)
Management service costs .....	—	—	—	—	106	106
Interest expense <sup>(2)</sup> .....	625	231	201	47	14	1,118
Current income tax expense .....	70	10	13	6	1	100
Amount attributable to equity accounted investments and non-controlling interests <sup>(3)</sup> .....	(738)	(374)	(261)	—	58	(1,315)
Adjusted EBITDA attributable to the company .....	<u>\$ 684</u>	<u>\$ 246</u>	<u>\$ 237</u>	<u>\$ 82</u>	<u>\$ 50</u>	<u>\$ 1,299</u>

<sup>(1)</sup> Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

<sup>(2)</sup> Total interest expense of \$1,667 million is comprised of Interest expense and Dividends on BEPC exchangeable shares.

<sup>(3)</sup> Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to the company that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the year ended December 31, 2023:

(MILLIONS)	Hydroelectric	Wind	Utility-scale Solar	Distributed energy & sustainable solutions	Corporate	Total
<b>Net income (loss)</b> .....	\$ 493	\$ 116	\$ 200	\$ (2)	\$ (499)	\$ 308
Add back or deduct the following: .....						
Depreciation .....	542	384	322	94	—	1,342
Deferred income tax (recovery) expense .....	(8)	(4)	(24)	2	(6)	(40)
Foreign exchange and financial instrument (gain) loss .....	(140)	(7)	(6)	5	(11)	(159)
Other <sup>(1)</sup> .....	31	(162)	(191)	2	11	(309)
Dividends on BEPC exchangeable shares <sup>(2)</sup> .....	—	—	—	—	241	241
Remeasurement of BEPC exchangeable and BEPC class B shares .....	—	—	—	—	106	106
Management service costs .....	—	—	—	—	88	88
Interest expense <sup>(2)</sup> .....	626	137	205	46	3	1,017
Current income tax expense .....	84	14	12	—	3	113
Amount attributable to equity accounted investments and non-controlling interests <sup>(3)</sup> .....	(841)	(340)	(372)	(46)	79	(1,520)
<b>Adjusted EBITDA attributable to the company</b> .....	<b>\$ 787</b>	<b>\$ 138</b>	<b>\$ 146</b>	<b>\$ 101</b>	<b>\$ 15</b>	<b>\$ 1,187</b>

<sup>(1)</sup> Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

<sup>(2)</sup> Total interest expense of \$1,258 million is comprised of Interest expense and Dividends on BEPC exchangeable shares.

<sup>(3)</sup> Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to the company that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

The following table reconciles non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Funds From Operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net (loss) income .....	\$ (2,343)	\$ 433	\$ 308
Add back or deduct the following:.....			
Depreciation .....	1,240	1,262	1,342
Foreign exchange and financial instruments gain .....	(91)	(238)	(159)
Deferred income tax (recovery) expense .....	(132)	67	(40)
Other <sup>(1)</sup> .....	329	(90)	(316)
Dividends on BEPC exchangeable, class A.2 exchangeable shares and exchangeable shares of BRHC .....	551	549	241
Remeasurement of interests held in BRHC by the partnership .....	813	(58)	—
Remeasurement of BEPC exchangeable and class A.2 exchangeable shares .....	848	(61)	—
Remeasurement of exchangeable and class B shares of BRHC .....	—	(574)	106
Amount attributable to equity accounted investments and non-controlling interest <sup>(2)</sup> .....	(587)	(496)	(766)
Funds From Operations .....	<u>\$ 628</u>	<u>\$ 794</u>	<u>\$ 716</u>

<sup>(1)</sup> Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included in Funds From Operations.

<sup>(2)</sup> Amount attributable to equity accounted investments corresponds to the Funds From Operations that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Funds From Operations attributable to non-controlling interest, our company is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to our company.

## PART 5 – LIQUIDITY AND CAPITAL RESOURCES

### AVAILABLE LIQUIDITY

Our company assesses liquidity on a group-wide basis, consistent with the partnership, because shareholders have exposure to a broader base of renewable investments by virtue of the exchange feature of BEPC exchangeable shares. Our group-wide liquidity consisted of the following:

(MILLIONS)	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Our company's share of cash and cash equivalents .....	\$ 397	\$ 255
Authorized credit facilities <sup>(1)</sup> .....	<u>2,450</u>	<u>2,450</u>
	2,847	2,705
Available portion of subsidiary credit facilities .....	235	85
Brookfield Renewable group liquidity on a proportionate basis .....	<u>1,543</u>	<u>1,530</u>
Available liquidity .....	<u>\$ 4,625</u>	<u>\$ 4,320</u>

<sup>(1)</sup> Includes the \$2,050 million Subordinated Credit Facilities with the partnership and a \$400 million revolving credit facility with Brookfield Corporation.

We operate with sufficient liquidity to enable us to fund growth initiatives, capital expenditures, distributions and withstand sudden adverse changes in economic circumstances or short-term fluctuations in generation. We maintain a strong, investment grade balance sheet characterized by a conservative capital structure, access to multiple funding levers including a focus on capital recycling on an opportunistic basis, and diverse sources of capital. Principal sources of liquidity are cash flows from operations, our credit facilities, upfinancings on non-recourse borrowings and proceeds from the issuance of various securities through public markets.

### DIVIDEND POLICY

The BEPC board may declare dividends at its discretion. However, the BEPC exchangeable shares have been structured with the intention of providing an economic return equivalent to the LP units and it is expected that dividends on the BEPC exchangeable shares will be declared at the same time and in the same amount as distributions made on the LP units. In the event dividends are not declared and paid concurrently with a distribution on the LP units, then the undeclared or unpaid amount of such BEPC exchangeable share dividend will accrue and accumulate. Pursuant to the amended and restated equity commitment agreement, the partnership has also agreed not to declare or pay any distribution on the LP units if on such date our company does not have sufficient funds or other assets to enable the declaration and payment of an equivalent dividend on the BEPC exchangeable shares. See Item 7.B “Related Party Transactions – BEPC relationship with the partnership – Equity Commitment Agreement” of our Form 20-F for the annual period ended December 31, 2025. Brookfield Renewable’s distributions are underpinned by stable, highly regulated and contracted cash flows generated from operations. Brookfield Renewable’s objective is to pay a distribution that is sustainable on a long-term basis and has set its target payout ratio at approximately 70% of Brookfield Renewable’s Funds From Operations.

The board of directors of the general partner of Brookfield Renewable approved an over 5% increase in its annual distribution to \$1.568 per LP unit, or \$0.392 per LP unit quarterly, starting with the distribution paid in March 2026, an increase from \$1.492 per LP unit in 2025 (2024: \$1.42 per LP unit and 2023: \$1.35 per LP unit). This increase reflects the forecasted contribution from Brookfield Renewable's recently commissioned capital projects, as well as the expected cash yield on recent acquisitions net of dispositions. Brookfield Renewable targets a 5% to 9% annual distribution growth in light of growth it foresees in its operations.

## BORROWINGS

The composition of debt obligations, overall maturity profile, and average interest rates associated with our borrowings and credit facilities on a proportionate basis as at December 31 is presented in the following table:

(MILLIONS, EXCEPT AS NOTED)	2025			2024		
	Weighted-average			Weighted-average		
	Interest rate % <sup>(1)</sup>	Term (years)	Total <sup>(1)</sup>	Interest rate % <sup>(1)</sup>	Term (years)	Total <sup>(1)</sup>
Proportionate non-recourse borrowings <sup>(2)</sup>						
Hydroelectric .....	7.4	5	\$ 4,050	6.8	6	\$ 2,939
Wind .....	6.2	8	658	5.1	6	695
Utility-scale solar .....	5.4	10	1,412	5.4	10	1,281
Distributed energy & sustainable solutions .....	6.0	10	142	4.8	8	304
	6.8	7	6,262	6.1	7	5,219
Proportionate unamortized financing fees, net of unamortized premiums .....			(33)			(31)
			6,229			5,188
Equity-accounted borrowings .....			(259)			(104)
Non-controlling interests and other <sup>(3)</sup> .....			9,294			8,691
As per IFRS Statements .....			<u>\$ 15,264</u>			<u>\$13,775</u>

<sup>(1)</sup> Includes proportionate share of cash obligations on tax equity and yields on tax equity.

<sup>(2)</sup> See “Part 9 – Presentation to Stakeholders and Performance Measurement” for information on proportionate debt.

<sup>(3)</sup> Includes tax equity adjustments.

The following table summarizes our undiscounted principal repayments, scheduled amortization and interest payable on a proportionate basis as at December 31, 2025:

(MILLIONS)	2026	2027	2028	2029	2030	Thereafter	Total
<b>Debt principal repayments</b>							
Non-recourse borrowings							
Hydroelectric .....	\$ 418	\$ 129	\$ 97	\$ 278	\$ 968	\$ 909	\$ 2,799
Wind .....	1	1	125	56	125	4	312
Utility-scale solar .....	11	1	151	67	151	—	381
Distributed energy & sustainable solutions .....	—	—	—	—	—	142	142
	<u>430</u>	<u>131</u>	<u>373</u>	<u>401</u>	<u>1,244</u>	<u>1,055</u>	<u>3,634</u>
<b>Amortizing debt principal repayments</b>							
Non-recourse borrowings							
Hydroelectric .....	132	132	176	118	204	489	1,251
Wind .....	35	45	33	32	29	172	346
Utility-scale Solar .....	80	90	87	88	88	598	1,031
Distributed energy & sustainable solutions .....	—	—	—	—	—	—	—
	<u>247</u>	<u>267</u>	<u>296</u>	<u>238</u>	<u>321</u>	<u>1,259</u>	<u>2,628</u>
Total .....	<u>\$ 677</u>	<u>\$ 398</u>	<u>\$ 669</u>	<u>\$ 639</u>	<u>\$ 1,565</u>	<u>\$ 2,314</u>	<u>\$ 6,262</u>
<b>Interest payable<sup>(1)</sup></b>							
Non-recourse borrowings							
Hydroelectric .....	\$ 288	\$ 248	\$ 230	\$ 207	\$ 177	\$ 305	\$ 1,455
Wind .....	32	33	30	25	20	178	318
Utility-scale Solar .....	71	69	64	58	52	503	817
Distributed energy & sustainable solutions .....	9	6	9	11	9	39	83
Total .....	<u>\$ 400</u>	<u>\$ 356</u>	<u>\$ 333</u>	<u>\$ 301</u>	<u>\$ 258</u>	<u>\$ 1,025</u>	<u>\$ 2,673</u>

<sup>(1)</sup> Represents aggregate interest payable expected to be paid over the entire term of the obligations, if held to maturity. Variable-rate interest payments have been calculated based on estimated interest rates.

We remain focused on refinancing near-term facilities on acceptable terms and maintaining a manageable maturity ladder. We do not anticipate material issues in refinancing our borrowings through 2030 on acceptable terms and will do so opportunistically based on the prevailing interest rate environment.

Proportionate debt is presented to assist investors in understanding the capital structure of the underlying investments of our company that are consolidated in its financial statements but are not wholly-owned. When used in conjunction with Funds from Operations, proportionate debt is expected to provide useful information as to how our company has financed its businesses at the asset-level. The only difference between consolidated debt presented under IFRS and proportionate debt is the adjustment to remove the share of debt of consolidated investments not attributable to our company and the adjustment to include share of debt attributable to the equity-accounted investments of our company. Management utilizes proportionate debt in understanding the capital structure of the underlying investments that are consolidated in its financial statements but are not wholly-owned. Proportionate debt provides useful information as to how our company has financed its businesses at the asset-level and provides a view into the return on the capital that it invests at a given degree of leverage.

## CAPITAL EXPENDITURES

We fund growth capital expenditures with cash flow generated from operations, supplemented by non-recourse debt sized to investment grade coverage and covenant thresholds. This is designed to ensure that our investments have stable capital structures supported by a substantial level of equity and cash flows at the asset level can be remitted freely to our company. This strategy also underpins our investment grade profile.

To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling mature businesses, in addition to raising money in the capital markets through equity, debt and preferred share issuances. Furthermore, our company has \$2.45 billion of committed revolving credit facilities available for investments and acquisitions, as well as funding the equity component of organic growth initiatives. The facilities are intended, and have historically been used, as a bridge to a long-term financing strategy rather than a permanent source of capital. We believe these capital sources will be sufficient to permit us to deploy the necessary capital for our contractual commitments (see Note 27 - Commitments, contingencies and guarantees in the audited annual consolidated financial statements) and our company's share of anticipated transactions by our group.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the key items in the audited annual consolidated statements of cash flows for the years ended December 31:

(MILLIONS)	2025	2024	2023
Cash flow provided by (used in):			
Operating activities before changes in due to or from related parties and net working capital change .....	\$ 551	\$ 752	\$ 1,218
Change in due to or from related parties .....	45	61	(20)
Net change in working capital balances .....	<u>(94)</u>	<u>(264)</u>	<u>405</u>
Operating activities .....	502	549	1,603
Financing activities .....	96	192	(636)
Investing activities .....	(576)	(665)	(1,018)
Foreign exchange gain (loss) on cash .....	44	(77)	36
Increase (decrease) in cash and cash equivalents .....	<u>\$ 66</u>	<u>\$ (1)</u>	<u>\$ (15)</u>

### Operating Activities

Cash flows provided by operating activities before changes in due to or from related parties and net working capital changes for the year ended December 31, 2025 totaled \$551 million compared to \$752 million in 2024 and \$1,218 million in 2023, reflecting the strong operating performance of our business during the periods. The prior year benefited from the results of a fully integrated developer and operator of renewable power assets in the U.S. that was transferred to Brookfield Renewable, as well as a European renewable platform that was sold in late 2024.

### Financing Activities

Cash flows provided by financing activities totaled \$96 million for the year ended December 31, 2025. The strength of our balance sheet and disciplined access to diverse sources of capital enabled us to fund growth as discussed below and allowed us to generate net proceeds of \$1,419 million from non-recourse financings and related party financings of \$206 million. This included several up-financings across our hydro fleet on the back of signing favorable long-term contracts, generating incremental liquidity to fund growth on an investment grade basis.

During the year, we returned and distributed capital totaling \$2,731 million primarily driven by our acquisition of an incremental 15% ownership interest in Isagen that distributed capital to our non-controlling interests. Capital contributed by our non-controlling interests totaled \$1,207 million.

Cash flows provided by financing activities totaled \$192 million for the year ended December 31, 2024. The strength of our balance sheet and disciplined access to diverse sources of capital enabled us to fund growth as discussed below and allowed us to generate net proceeds of \$803 million from non-recourse financings that were offset by repayment of related party financings of \$336 million. Distributions paid during the year to participating non-controlling interest in operating subsidiaries totaled \$410 million. Our non-controlling interest contributed capital net of capital returns of \$135 million.

Cash flows used in financing activities totaled \$636 million for the year ended December 31, 2023. The strength of our balance sheet allowed us to raise proceeds of approximately \$3,041 million, including \$251 million from equity financing net of transactions fees through a bought deal of BEPC exchangeable shares during the second quarter of 2023. The proceeds raised to fund the growth of our business through the investing activities noted below were offset by the repayment of borrowings. Distributions paid during the year to the partnership and participating non-controlling interest in operating subsidiaries totaling \$669 million.

### **Investing Activities**

Cash flows used in investing activities totaled \$576 million for the year ended December 31, 2025. Our continued investment in property, plant and equipment and equity accounted investments, including the construction and development of solar, wind and storage development projects in the U.S., Colombia, and Brazil totaled \$1,291 million for the year ended December 31, 2025.

Our capital recycling initiatives, including the sale of our North American distributed generation business and financial assets resulted in proceeds of \$882 million for the year ended December 31, 2025.

Cash flows used in investing activities totaled \$665 million for the year ended December 31, 2024. Our continued investment in property, plant and equipment, including the construction and development of wind, solar and storage development projects in the U.S. and Brazil totaled \$949 million for the year ended December 31, 2024. We also invested \$685 million into our structured investments and equity accounted investments including acquiring a 67% interest in an eFuels facility in the U.S. that will be capable of producing 500 barrels per day.

Our capital recycling initiatives including a portfolio of 63 MW solar assets, 682 MW wind assets, and a 1.6 GW development pipeline in Spain and Portugal, a 30 MW hydroelectric asset in the U.S., a 85 MW portfolio of biomass facilities in Brazil and a 90 MW portfolio of hydroelectric assets in Brazil were offset by cash and cash equivalents transferred alongside our 100% interest in a portfolio of 5,900 MW of operating and under construction assets, with a 6,100 MW development pipeline in the U.S. to a subsidiary of Brookfield Renewable, resulting in proceeds of \$982 million for the year ended December 31, 2024.

Cash flows used in investing activities totaled \$1,018 million for the year ended December 31, 2023. During the year, we invested \$180 million into growth, including a 136 MW portfolio of operating wind assets in Brazil, a fully integrated developer and operator of renewable power assets in the United States with 5,900 MW of operating and under construction assets, with a 6,100 MW development pipeline, and a 60 MW portfolio of operating wind assets in Brazil. Our continued investment in our property, plant and equipment, including 248 MW of wind development projects in Brazil, 200 MW of wind development projects in the U.S. and 60 MW of solar assets in Colombia totaled \$1,028 million, partially offset by proceeds of \$243 million generated from the sale of non-core wind assets and financial securities for the year ended December 31, 2023.

## SHARES AND UNITS OUTSTANDING

Our company's equity interests include BEPC exchangeable shares and class A.2 exchangeable shares held by Brookfield Holders and public shareholders and BEPC class B, BRHC class B and BRHC class C shares held by the partnership. Dividends on each of our BEPC exchangeable shares and class A.2 exchangeable shares are expected to be declared and paid at the same time and in the same amount per share as distributions on each LP unit of the partnership. Ownership of BEPC class B, BRHC class B, and BRHC class C shares will entitle holders to receive dividends as and when declared by our board.

Our company's capital structure is comprised of the following shares:

(SHARES)	<u>December 31, 2025</u>
BEPC exchangeable and class A.2 exchangeable shares <sup>(1)</sup> .....	179,604,793
BEPC class B shares .....	55
BRHC class B shares .....	110
BRHC class C shares .....	194,460,874

<sup>(1)</sup> Includes 144,885,110 (December 31, 2024: 144,921,168) of BEPC exchangeable shares and 34,719,683 (December 31, 2024: 34,719,683) of Class A.2 exchangeable shares.

BEPC exchangeable shares and class A.2 exchangeable shares provide the holder, at its discretion, with the right to redeem these shares for cash consideration. The redemption right related to the BEPC exchangeable shares is subject to the company's right, at its sole discretion, to satisfy the redemption request with LP units on a one-for-one basis. Similarly, the redemption right related to class A.2 shares is subject to the company's right, at its sole discretion, to satisfy any such redemption request with BEPC exchangeable shares or LP units, at the election of Brookfield, rather than cash, on a one-for-one basis. For more information, see Item 10.B "Memorandum and Articles of Association – BEPC Exchangeable Shares" of our Form 20-F for the annual period ended December 31, 2025. During the year ended December 31, 2025, our shareholders exchanged 36,058 (2024: 10,675 and 2023: 8,465) BEPC exchangeable shares for an equivalent number of LP units. BEPC class B, BRHC class B and BRHC class C shares are redeemable for cash in an amount equal to the market price of an LP unit. There have been no redemptions of class A.2 exchangeable shares, BEPC class B or BRHC class C shares to date. Due to the exchange feature of the BEPC exchangeable shares and class A.2 exchangeable shares and the cash redemption feature of the BEPC class B, BRHC class B and BRHC class C shares, the BEPC exchangeable shares, class A.2 exchangeable shares, BEPC class B shares, BRHC class B shares and BRHC class C shares are classified as financial liabilities. However, the BEPC class B shares meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentations existing in IAS 32.

During the year ended December 31, 2025, our company declared dividends of \$269 million (2024: \$256 million and 2023: \$241 million) on its outstanding BEPC exchangeable shares and class A.2 exchangeable shares and \$282 million (2024: \$293 million) on its outstanding BRHC class C shares. Dividends on our BEPC exchangeable shares, class A.2 exchangeable shares and BRHC class C shares are presented as interest expense in the consolidated financial statements. No dividends were declared on BEPC class B shares and BRHC class B shares during the year.

As at December 31, 2025, Brookfield Holders held a direct and indirect interest of approximately 25% of the company. Brookfield Holders own, directly and indirectly, 10,094,152 BEPC exchangeable shares and 34,719,683 class A.2 exchangeable shares on a combined basis and the remaining BEPC exchangeable shares are held by public investors.

Our company may from time-to-time, subject to applicable law, purchase shares for cancellation in the open market, provided that any necessary approval has been obtained.

In December 2025, the company renewed its normal course issuer bid for its outstanding BEPC exchangeable shares. The company is authorized to repurchase up to 7,244,255 BEPC exchangeable shares, representing 5% of its issued and outstanding BEPC exchangeable shares. The bids will expire on December 17, 2026, or earlier should the company complete its repurchases prior to such date. There were no BEPC exchangeable shares repurchased during the year ended December 31, 2025.

As at the date of this report, Brookfield Holders and the partnership, through their ownership of BEPC exchangeable shares, class A.2 exchangeable shares and BEPC class B shares, hold an approximate 79% voting interest in our company (assuming the maximum permitted number of the class A.2 exchangeable shares held by Brookfield Corporation are converted into BEPC exchangeable shares). Holders of BEPC exchangeable shares, excluding Brookfield Holders, hold an approximate 21% aggregate voting interest in BEPC.

## **CONTRACTUAL OBLIGATIONS**

Please see Note 27 – Commitments, contingencies and guarantees in the audited annual consolidated financial statements:

- Commitments – Water, land, and dam usage agreements, and agreements and conditions on committed acquisitions of operating portfolios and development projects;
- Contingencies – Legal proceedings, arbitrations and actions arising in the normal course of business, and providing for letters of credit; and
- Guarantees – Nature of all the indemnification undertakings and guarantees to third-parties for certain transactions.

## **OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS**

Our company does not have any off-statement of financial position arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Our company issues letters of credit from its corporate credit facilities for general corporate purposes which include, but are not limited to, security deposits, performance bonds and guarantees for reserve accounts. As at December 31, 2025, letters of credit issued amounted to \$1,672 million (2024: \$1,002 million).

Two direct and indirect wholly owned subsidiaries of our company have fully and unconditionally guaranteed (i) any and all present and future unsecured debt securities issued by Brookfield Renewable Partners ULC, in each case as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture under which such securities are issued, (ii) all present and future senior preferred shares of Brookfield Renewable Power Preferred Equity Inc. (“BRP Equity”) as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BRP Equity, (iii) certain of BEP’s preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BEP, (iv) the obligations of all present and future bilateral credit facilities established for the benefit of Brookfield Renewable, and (v) notes issued by Brookfield BRP Holdings (Canada) Inc. under its U.S. commercial paper program. BRP Bermuda Holdings I Limited (“BBHI”) and BEP Subco Inc. subsidiaries of the company have guaranteed the perpetual subordinated notes issued by Brookfield BRP Holdings (Canada) Inc. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

## PART 6 – SELECTED QUARTERLY AND ANNUAL INFORMATION

### SUMMARY OF HISTORICAL QUARTERLY RESULTS

The following is a summary of unaudited quarterly financial information of our company for the last eight consecutive quarters:

(MILLIONS)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues .....	\$ 938	\$ 931	\$ 952	\$ 907	\$ 987	\$ 1,041	\$ 989	\$ 1,125
Net (loss) income .....	(666)	(225)	(1,447)	(5)	945	(664)	(339)	491
Net (loss) income attributable to the partnership .....	(706)	(233)	(1,410)	5	761	(674)	(342)	491

## PROPORTIONATE RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 and 2024

The following chart reflects the generation and summary financial figures of our company on a proportionate basis for the three months ended December 31:

	(GWh)		(MILLIONS)					
	Renewable Actual Generation		Revenues		Adjusted EBITDA <sup>(1)</sup>		Funds From Operations <sup>(1)</sup>	
	2025	2024	2025	2024	2025	2024	2025	2024
Hydroelectric .....	3,450	3,029	\$ 331	\$ 272	\$ 218	\$ 129	\$ 106	\$ 69
Wind .....	582	738	40	61	28	132	15	112
Utility-scale Solar .....	293	262	32	28	14	57	(5)	40
Distributed energy & sustainable solutions <sup>(2)</sup> .....	191	182	24	25	49	16	42	9
Corporate .....	—	—	—	—	(3)	12	(38)	(31)
<b>Total</b> .....	<b>4,516</b>	<b>4,211</b>	<b>\$ 427</b>	<b>\$ 386</b>	<b>\$ 306</b>	<b>\$ 346</b>	<b>\$ 120</b>	<b>\$ 199</b>

<sup>(1)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

## HISTORICAL OPERATIONAL AND FINANCIAL INFORMATION RELATED TO THE PARTNERSHIP

As the market price of BEPC exchangeable shares is expected to be significantly impacted by the market price of the LP units and the combined business performance of Brookfield Renewable as a whole, we are providing the following historical operational and financial information regarding Brookfield Renewable. For further details please review the partnership's periodic reporting referenced in the introductory section of this MD&A.

YEAR ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	2025	2024	2023
<b>Operational information:</b>			
Capacity (MW)	47,203	46,211	32,949
Total generation (GWh)			
Long-term average generation	123,028	94,339	75,584
Actual generation	116,010	80,842	69,704
Proportionate generation (GWh)			
Actual Renewable generation	33,157	30,947	30,947
<b>Additional financial information:</b>			
Net loss attributable to Unitholders	\$ (19)	\$ (464)	\$ (100)
Basic loss per LP unit <sup>(1)</sup>	(0.25)	(0.89)	(0.32)
Proportionate Adjusted EBITDA <sup>(2)</sup>	2,698	2,408	2,182
Funds From Operations <sup>(2)</sup>	1,334	1,217	1,095
Funds From Operations per Unit <sup>(2)(3)</sup>	2.01	1.83	1.67
Distribution per LP unit <sup>(3)</sup>	1.49	1.42	1.35
YEAR ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	2025	2024	2023
Property, plant and equipment, at fair value	\$ 70,456	\$ 73,475	\$ 64,005
Equity-accounted investments	4,087	2,740	2,546
Total assets	98,701	94,809	76,128
Total borrowings	34,892	34,390	29,702
Deferred income tax liabilities	9,395	8,439	7,174
Other liabilities	19,440	15,524	9,273
Participating non-controlling interests – in operating subsidiaries	24,164	26,168	18,863
General partnership interest in a holding subsidiary held by Brookfield	52	50	55
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	2,524	2,457	2,684
BEPC exchangeable shares and class A.2 exchangeable shares	2,330	2,269	2,479
Preferred equity	563	537	583
Perpetual subordinated notes	737	737	592
Preferred limited partners' equity	634	634	760
Limited partners' equity	3,970	3,604	3,963
Total liabilities and equity	98,701	94,809	76,128
Debt-to-total capitalization (market value) <sup>(4)</sup>	39 %	40 %	40 %

<sup>(1)</sup> For the year ended December 31, 2025, average LP units totaled 287.0 million (2024: 285.5 million and 2023: 282.4 million).

<sup>(2)</sup> Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure, See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "PART 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures".

<sup>(3)</sup> Average Units outstanding for the year ended December 31, 2025 totaled 665.1 million (2024: 663.6 million and 2023: 657.1 million), being inclusive of LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and class A.2 exchangeable shares and GP interest.

<sup>(4)</sup> Based on market values of Preferred equity, Perpetual subordinated notes, Preferred limited partners' equity, and Unitholder equity.

## RECONCILIATION OF NON-IFRS MEASURES

The following table reflects the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the three months ended December 31, 2025:

(MILLIONS)	Hydroelectric	Wind	Utility-scale solar	Distributed energy & sustainable solutions	Corporate	Total
<b>Net income (loss)</b>	\$ 71	\$ (14)	\$ (27)	\$ (36)	\$ (660)	\$ (666)
Add back or deduct the following:						
Depreciation	142	77	72	10	—	301
Deferred income tax (recovery) expense	(8)	(28)	(23)	(13)	(2)	(74)
Foreign exchange and financial instrument (gain) loss	(78)	(52)	(18)	—	5	(143)
Other <sup>(1)</sup>	59	43	15	145	3	265
Dividends on BEPC exchangeable, class A.2 exchangeable shares and exchangeable shares of BRHC <sup>(2)</sup>	—	—	—	—	128	128
Remeasurement of interests held in BRHC by the partnership	—	—	—	—	230	230
Remeasurement of BEPC exchangeable and class A.2 exchangeable shares	—	—	—	—	253	253
Management service costs	—	—	—	—	35	35
Interest expense <sup>(2)</sup>	190	40	48	25	5	308
Current income tax expense	39	9	11	5	—	64
Amount attributable to equity accounted investments and non-controlling interests <sup>(3)</sup>	(197)	(47)	(64)	(87)	—	(395)
<b>Adjusted EBITDA attributable to the company</b>	<b>\$ 218</b>	<b>\$ 28</b>	<b>\$ 14</b>	<b>\$ 49</b>	<b>\$ (3)</b>	<b>\$ 306</b>

<sup>(1)</sup> Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

<sup>(2)</sup> Total interest expense of \$436 million is comprised of Interest expense and Dividends on BEPC exchangeable, class A.2 exchangeable shares and exchangeable shares of BRHC.

<sup>(3)</sup> Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to the company that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

The following table reflects the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the three months ended December 31, 2024:

(MILLIONS)	Hydroelectric	Wind	Utility-scale Solar	Distributed energy & sustainable solutions	Corporate	Total
<b>Net income (loss)</b> .....	\$ 111	\$ 151	\$ 72	\$ (30)	\$ 641	\$ 945
Add back or deduct the following: .....						
Depreciation .....	129	72	67	24	—	292
Deferred income tax (recovery) expense .....	(10)	35	18	16	5	64
Foreign exchange and financial instrument gain .....	(65)	(32)	(59)	(4)	—	(160)
Other <sup>(1)</sup> .....	(36)	31	25	2	1	23
Dividends on BEPC exchangeable, class A.2 exchangeable shares and exchangeable shares of BRHC <sup>(2)</sup> .....	—	—	—	—	356	356
Remeasurement of interests held in BRHC by the partnership .....	—	—	—	—	(58)	(58)
Remeasurement of BEPC exchangeable and class A.2 exchangeable shares .....	—	—	—	—	(61)	(61)
Remeasurement of exchangeable and class B shares of BRHC .....	—	—	—	—	(915)	(915)
Management service costs .....	—	—	—	—	35	35
Interest expense <sup>(2)</sup> .....	158	53	56	12	—	279
Current income tax expense .....	17	2	12	6	—	37
Amount attributable to equity accounted investments and non-controlling interests <sup>(3)</sup> .....	(175)	(180)	(134)	(10)	8	(491)
Adjusted EBITDA attributable to the company .....	<u>\$ 129</u>	<u>\$ 132</u>	<u>\$ 57</u>	<u>\$ 16</u>	<u>\$ 12</u>	<u>\$ 346</u>

<sup>(1)</sup> Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included within Adjusted EBITDA.

<sup>(2)</sup> Total interest expense of \$635 million is comprised of amounts on Interest expense and Dividends on BEPC exchangeable shares.

<sup>(3)</sup> Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to the company that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our company is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our company.

The following table reconciles non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Funds From Operations for the three months ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2025	2024
Net (loss) income .....	\$ (666)	\$ 945
Add back or deduct the following: .....		
Depreciation .....	301	292
Foreign exchange and financial instrument gain .....	(143)	(160)
Deferred income tax (recovery) expense .....	(74)	64
Other <sup>(1)</sup> .....	265	23
Dividends on BEPC exchangeable shares, class A.2 exchangeable shares and exchangeable shares of BRHC .....	128	356
Remeasurement of interests held in BRHC by the partnership .....	230	—
Remeasurement of BEPC exchangeable and BEPC class B shares .....	(595)	—
Remeasurement of exchangeable and class B shares of BRHC .....	848	(1,034)
Amount attributable to equity accounted investments and non-controlling interest <sup>(2)</sup> .....	(174)	(287)
Funds From Operations .....	\$ 120	\$ 199

(1) Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and other hedges, income earned on financial assets and structured investments in sustainable solutions and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term that are included in Funds From Operations.

(2) Amount attributable to equity accounted investments corresponds to the Funds From Operations that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Funds From Operations attributable to non-controlling interest, our company is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to our company.

## PART 7 – BUSINESS RISKS AND RISK MANAGEMENT

### RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Management’s objectives are to protect our company against material economic exposures and variability of results from various financial risks that include electricity price risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are further discussed in Note 6 – Risk management and financial instruments in the audited annual consolidated financial statements.

The following table outlines the company’s financial risks and how they are managed:

Financial Risk	Description of Risk	Management of Risk
Electricity price	We have exposure to movements in the market price of electricity.	<ul style="list-style-type: none"> <li>- Enter into long-term contracts that specify the price at which electricity is sold</li> <li>- Maintain a portfolio of short, medium, and long-term financial contracts to mitigate our exposure to short-term fluctuations in electricity prices</li> <li>- Ensure limits and controls are in place for trading activities</li> <li>- As of December 31, 2025, we had on a proportionate basis approximately 90% of 2026 generation (2024: 88% of 2025 generation) contracted under power purchase agreements and financial contracts excluding Brazil and Colombia. In Brazil and Colombia, on a proportionate basis, we had approximately 85% and 75% of 2026 generation (2024: 80% and 85% of 2025 generation, respectively) contracted under power purchase agreements, respectively. See “Part 4 – Financial Performance Review on Proportionate Information”</li> </ul>
Foreign currency	We are exposed to foreign currency risk – including Canadian dollar, Brazilian real, Euro, and Colombian peso – related to operations, anticipated transactions, and certain foreign currency debt.	<ul style="list-style-type: none"> <li>- Enter into foreign currency contracts designed to minimize the exposure to foreign currency fluctuations</li> <li>- 55% of cash flow is generated in the United States while Canadian Dollar and Euro exposure, representing 10% of our portfolio cash flow, is proactively managed through foreign currency contracts</li> <li>- Limited foreign currency contracts to hedge our exposure currencies in South America – representing 35% of our portfolio cash flow – due to the high costs of hedging certain currencies. However, these specific exposures are partially mitigated by the annual inflation-linked escalations in our power purchase agreements</li> </ul>

Financial Risk	Description of Risk	Management of Risk
Interest rate	We are exposed to risk on the interest rates of our variable-rate debt.	<ul style="list-style-type: none"> <li>- Assets largely consist of long duration physical assets, and financial liabilities consist primarily of long-term fixed-rate debt or floating-rate debt that has been swapped to fixed-rates with interest rate financial instruments to minimize the exposure to interest rate fluctuations</li> <li>- Enter into interest rate contracts to lock-in fixed-rates on certain anticipated future debt issuances and on floating rate debts</li> <li>- Our proportionate floating rate exposure represents 23% of our total debt, after affecting for variable-rate debt that has been hedged through the use of interest rate swaps. Our variable-rate exposure arises primarily from our South American operations, as we have limited opportunities to raise fixed-rate debt or hedge due to the high associated costs</li> </ul>
Credit	We are exposed to credit risk from operating activities and certain financing activities, the maximum exposure of which is represented by the carrying amounts reported in the statements of financial position. We are exposed to credit risk if counterparties to our energy contracts, interest rate swaps, forward foreign exchange contracts and physical electricity and gas transactions as well as trade receivables are unable to meet their obligations.	<ul style="list-style-type: none"> <li>- Diverse counterparty base with long standing credit histories</li> <li>- Exposure to counterparties with investment-grade credit ratings</li> <li>- Use of standard trading contracts and other standard credit risk mitigation techniques</li> <li>- As at December 31, 2025, 89% (2024: 86%) of the company's trade receivables were current</li> </ul>

Financial Risk	Description of Risk	Management of Risk
Liquidity	<p>We are exposed to liquidity risk for financial liabilities.</p> <p>We are also subject to internal liquidity risk because we conduct our business activities through separate legal entities (subsidiaries and affiliates) and are dependent on receipts of cash from those entities to defray corporate expenses and to make dividend payments to shareholders. Under the credit agreements for subsidiary debt, it is conventional for distributions of cash to our company to be prohibited if the loan is in default (notably for non-payment of principal or interest) or if the entity fails to achieve a benchmark debt service coverage ratio. Refer to Note 18 – Capital Management of the annual audited consolidated financial statements for further disclosures.</p>	<ul style="list-style-type: none"> <li>- As at December 31, 2025, available group liquidity was \$4.6 billion. Liquidity is comprised of the group's proportionate share of cash and cash equivalents, investments in marketable securities, the available portion of the corporate credit facilities, and share of subsidiary credit facilities. Details of the available portion of credit facilities and debt maturity ladder are included in "PART 5 – Liquidity and Capital Resources"</li> <li>- Effective and regular monitoring of debt covenants and cooperation with lenders to cure any defaults</li> <li>- Target investment grade debt or debt with investment grade characteristics with the ability to absorb volatility in cash flows</li> <li>- Long-term duration of debt instruments and the diversification in maturity dates over an extended period of time</li> <li>- Sufficient cash from operating activities, access to undrawn credit facilities, and possible capital markets financing to fund our operations and fulfill our obligations as they become due</li> <li>- Ensure access to public capital markets and maintain a strong investment grade credit rating</li> </ul>

## **PART 8 – CRITICAL ESTIMATES, JUDGMENTS IN APPLYING ACCOUNTING POLICIES, AND INTERNAL CONTROLS**

The audited consolidated financial statements of Brookfield Renewable Corporation as at December 31, 2025 and 2024 and for each of the three years ended December 31, 2025, 2024 and 2023 are prepared in accordance with IFRS, which require the use of estimates and judgments in reporting assets, liabilities, revenues, expenses and contingencies. In the judgment of management, none of the estimates outlined in Note 1 – Basis of presentation and material accounting policy information in the audited consolidated financial statements are considered critical accounting estimates with the exception of the estimates related to the valuation of property, plant and equipment, financial instruments, deferred income tax liabilities, decommissioning liabilities and impairment of goodwill. These assumptions include estimates of future electricity prices, discount rates, expected long-term average generation, inflation rates, terminal year, the amount and timing of operating and capital costs, forecasted development MWs per annum, future leverage assumptions, and the income tax rates of future income tax provisions. Estimates also include determination of accruals, provisions, purchase price allocations, useful lives, asset valuations, asset impairment testing and those relevant to the defined benefit pension and non-pension benefit plans. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis, as required. These estimates have been applied in a manner consistent with that in the prior year and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this MD&A. These estimates are impacted by, among other things, future power prices, movements in interest rates, foreign exchange volatility and other factors, some of which are highly uncertain, as described in the “Risk Factors” section of our Form 20-F for the annual period ended December 31, 2025. The interrelated nature of these factors prevents us from quantifying the overall impact of these movements on our company’s financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to substantially all asset and liability account balances. Actual results could differ from those estimates.

### **CRITICAL ESTIMATES**

Our company makes estimates and assumptions that affect the carrying value of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of income and other comprehensive income for the year. Actual results could differ from these estimates. The estimates and assumptions that are critical to the determination of the amounts reported in the audited consolidated financial statements relate to the following:

#### **(i) Property, plant and equipment**

The fair value of our company’s property, plant and equipment is calculated using estimates and assumptions about future electricity prices from renewable sources, anticipated long-term average generation, estimated operating and capital expenditures, future inflation rates and discount rates, as described in Note 13 – Property, plant and equipment, at fair value in our company's audited annual consolidated financial statements. Judgment is involved in determining the appropriate estimates and assumptions in the valuation of our company’s property, plant and equipment. See Note 1(u)(iii) – Critical judgments in applying accounting policies – Property, plant and equipment in our company's audited annual consolidated financial statements for further details.

Estimates of useful lives and residual values are used in determining depreciation and amortization. To ensure the accuracy of useful lives and residual values, these estimates are reviewed on an annual basis.

#### **(ii) Financial instruments**

Our company makes estimates and assumptions that affect the carrying value of its financial instruments, including estimates and assumptions about future electricity prices, long-term average generation, capacity prices, discount rates, the timing of energy delivery and the elements affecting fair value of tax equity financings. Non-financial instruments are valued using estimates of future electricity prices which are estimated by considering broker quotes for the years in which there is a liquid market and for the subsequent years the company’s best

estimate of electricity prices that would allow new entrants into the market. This valuation technique approximates the net present value of future cash flows.

For power purchase agreements accounted for under IFRS 9 (“IFRS 9 PPAs”) that have unobservable values, our company determines the fair value of these IFRS 9 PPAs using a discounted cash flow model based on the term of the contract and applies judgments surrounding the inputs used within the valuation model. The valuation model incorporates various inputs and assumptions including future power prices, contractual prices, contractual volumes, expected long-term average generation, and discount rates. Future power prices are based on broker quotes from independent sources and for IFRS 9 PPAs with no available broker quotes, future fuel driven merchant prices are incorporated within the model. Contractual prices are stipulated within each individual agreement, contractual volumes are either specified within the agreement or determined using estimated future generation of the power generating assets and discount rate used in the valuation model is the credit adjusted risk free rate. See Note 6 – Risk management and financial instruments in our audited annual consolidated financial statements for more details.

**(iii) Deferred income taxes**

The audited consolidated financial statements include estimates and assumptions for determining the future tax rates applicable to subsidiaries and identifying the temporary differences that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the audited consolidated statements of financial position dates. Operating plans and forecasts are used to estimate when the temporary difference will reverse based on future taxable income.

**(iv) Decommissioning liabilities**

Decommissioning costs will be incurred at the end of the operating life of some of the company’s assets. These obligations are typically many years in the future and require judgment to estimate. The estimate of decommissioning costs can vary in response to many factors including changes in relevant legal, regulatory, and environmental requirements, the emergence of new restoration techniques or experience at other power generating facilities. Inherent in the calculations of these costs are assumptions and estimates including the ultimate settlement amounts, inflation factors, discount rates, and timing of settlements.

**(v) Impairment of goodwill**

The impairment assessment of goodwill requires estimation of the value-in-use or fair value less costs of disposal of the cash generating unit or units (“CGUs”) or groups of CGUs to which goodwill has been allocated.

The company uses the following critical assumptions and estimates for the value-in-use method: the circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the CGUs; discount rates; terminal capitalization rates; terminal valuation dates forecasted development MWs per annum, and future leverage assumptions for the platforms.

## **CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The following are the critical judgments that have been made in applying the accounting policies used in the audited consolidated financial statements that have the most significant effect on the amounts in the audited consolidated financial statements:

**(i) Preparation of consolidated financial statements**

These consolidated financial statements present the financial position, results of operations and cash flows of our company. Our company exercises judgment in determining whether non-wholly owned subsidiaries are controlled by our company. Our company’s judgment included the determination of (i) how the relevant activities of the subsidiary are directed; (ii) whether the rights of shareholdings are substantive or protective in nature; and (iii) our company’s ability to influence the returns of the subsidiary.

**(ii) Common control transactions**

Common control business combinations specifically fall outside of scope of IFRS 3 and as such management has used its judgment to determine an appropriate policy to account for these transactions by considering other relevant accounting guidance that is within the framework of principles in IFRS and that reflects the economic reality of the transactions. The company's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the consolidated statements of income (loss), consolidated statements of comprehensive income (loss), consolidated statements of financial position, consolidated statements of changes in equity and consolidated statements of cash flows reflect the results of the combined entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place. Differences between the consideration given and the assets and liabilities received are recorded directly to equity.

**(iii) Property, plant and equipment**

The accounting policy relating to our company's property, plant and equipment is described in Note 1(i) – Property, plant and equipment and revaluation method in the audited consolidated financial statements of our company. In applying this policy, judgment is used in determining whether certain costs are additions to the carrying amount of the property, plant and equipment as opposed to repairs and maintenance that are expensed when incurred. If an asset has been developed, judgment is required to identify the point at which the asset is capable of being used as intended and to identify the directly attributable costs to be included in the carrying value of the development asset. The useful lives of property, plant and equipment are determined by independent engineers periodically with an annual review by management.

Annually, our company determines the fair value of its property, plant and equipment using a methodology that it has judged to be reasonable. The methodology for hydroelectric assets is generally a twenty-year discounted cash flow model. Twenty years is the period considered reasonable as our company has twenty-year capital plans, and it believes a reasonable third party would be indifferent between extending the cash flows further in the model versus using a discounted terminal value. The methodology for wind, solar and other assets is to align the model length with the expected remaining useful life of the subject assets.

The valuation model incorporates future cash flows from long-term power purchase agreements that are in place where it is determined that the power purchase agreements are linked specifically to the related power generating assets. With respect to estimated future generation that does not incorporate long-term power purchase agreement pricing, the cash flow model uses estimates of future electricity prices using broker quotes from independent sources for the years in which there is a liquid market. The valuation of generation not linked to long-term power purchase agreements also requires the development of a long-term estimate of future electricity prices. In this regard the valuation model uses a discount to the all-in cost of construction with a reasonable return to secure energy from a new renewable resource with a similar generation profile to the asset being valued as the benchmark that will establish the market price for electricity for renewable resources.

Our company's long-term view is anchored to the cost of securing new energy from renewable sources to meet future demand growth by the years 2030 to 2035 in North America, 2030 in Colombia and 2029 in Brazil. The year of new entry is viewed as the point when generators must build additional capacity to maintain system reliability and provide an adequate level of reserve generation with the retirement of older coal-fired plants and rising environmental compliance costs in North America, and overall increasing demand in Colombia and Brazil. The company has based its long term energy views for existing assets on a discount to price required to incentive new build generation, considering the expected technology profile of the relevant region.

Terminal values are included in the valuation of hydroelectric assets in North America and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset with consideration of a one-time thirty-year renewal on qualifying hydroelectric assets.

Discount rates are determined each year by considering the current interest rates, average market cost of capital as well as the price risk and the geographical location of the operational facilities as judged by management. Inflation rates are also determined by considering the current inflation rates and the expectations of future rates by economists. Operating costs are based on long-term budgets escalated for inflation. Each operational facility has a twenty-year capital plan that it follows to ensure the maximum life of its assets is achieved. Foreign exchange rates

are forecasted by using the spot rates and the available forward rates, extrapolated beyond the period available. The inputs described above to the discounted cash flow model require management to consider facts, trends and plans in making its judgments as to what derives a reasonable fair value of its property, plant and equipment.

**(iv) Financial instruments**

The accounting policy relating to our company's financial instruments is described in Note 1(n) – Financial instruments in our audited annual consolidated financial statements. In applying the policy, judgments are made in applying the criteria set out in IFRS 9 - Financial instruments (“IFRS 9”) to record financial instruments at fair value through profit and loss, fair value through other comprehensive income and the assessments of the effectiveness of hedging relationships.

For commodity derivatives that have unobservable value, our company applies judgements surrounding the inputs used within the valuation model. The valuation model incorporates various inputs and assumptions including forward power prices, contractual prices, contractual volumes and discount rates. Forward power prices are based on broker quotes from independent sources, contractual prices are stipulated within each individual agreement, contractual volumes are either specified within the agreement or determined using future generation of the power generating assets and discount rates are determined by considering the current interest rates, average market cost of capital as well as the price risk and geographical location of the power generating assets as judged by management.

**(v) Deferred income taxes**

The accounting policy relating to our company's income taxes is described in Note 1(p) – Income taxes in the audited consolidated financial statements of our company. In applying this policy, judgments are made in determining the probability of whether deductions, tax credits and tax losses can be utilized.

## **FUTURE CHANGES IN ACCOUNTING POLICIES**

### **IFRS 18 - Presentation and Disclosure in Financial Statements (“IFRS 18”)**

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 is expected to improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. The company is currently assessing the impact of this standard on its presentation and disclosures.

### **Amendments to IFRS 9 - Financial Instruments (“IFRS 9”) and IFRS 7 - Financial Instruments: Disclosures (“IFRS 7”) - Classification and Measurement of Financial Instruments**

The amendments clarify the requirements for the timing of recognition and derecognition of financial liabilities settled through an electronic cash transfer system, add further guidance for assessing the contractual cash flow characteristics of financial assets with contingent features, and adds new or amended disclosures relating to investments in equity instruments designated at fair value through other comprehensive income (“FVOCI”) and financial instruments with contingent features. The amendments to IFRS 9 and IFRS 7 apply to annual reporting periods beginning on or after January 1, 2026. The company has assessed the impacts of these amendments and have noted no material impact.

### **Amendments to IFRS 9 - Financial Instruments (“IFRS 9”) and IFRS 7 - Financial Instruments: Disclosures (“IFRS 7”) - Contracts Referencing Nature-Dependent Electricity**

The amendments apply only to contracts referencing nature-dependent electricity and clarify the application of the “own-use” requirements, the use of hedge accounting, and adds new disclosure requirements around the effect of these contracts on company financial performance and cash flows. The amendments to IFRS 9 and IFRS 7 apply to annual reporting periods beginning on or after January 1, 2026. The company has assessed the impacts of these amendments and have noted no material impact.

There are currently no other future changes to IFRS Accounting Standards with a potential material impact on the company.

## **SUBSEQUENT EVENTS**

Subsequent to year-end, the company together with its institutional partners, completed the sale of 25% interest in a 403 MW portfolio of operating hydroelectric assets in the U.S. for proceeds of approximately \$230 million (\$111 million net to the company). The company continues to consolidate the business.

Subsequent to year-end, the company established an at-the-market (“ATM”) equity program under which it may, at its discretion, offer and sell up to \$400 million BEPC exchangeable shares directly from treasury. To date, 635,247 BEPC exchangeable shares were issued for gross proceeds of approximately \$28 million.

## **PART 9 – PRESENTATION TO STAKEHOLDERS AND PERFORMANCE MEASUREMENT**

### **PRESENTATION TO PUBLIC STAKEHOLDERS**

#### **Actual Generation**

For assets acquired, disposed or reached commercial operation during the year, reported generation is calculated from the acquisition, disposition or commercial operation date and is not annualized. Generation on a same store basis refers to the generation of assets that were owned during both periods presented. As it relates to Colombia only, generation includes hydroelectric facilities. Distributed energy & sustainable solutions includes generation from our distributed generation, pumped storage, North America cogeneration and Brazil biomass assets.

Our risk of hydrology generation shortfall in Brazil continues to be minimized by participation in the MRE administered by the government of Brazil. This program mitigates hydrology risk by assuring that all participants receive, at any particular point in time, an assured energy amount, irrespective of the actual volume of energy generated. The program reallocates energy, transferring surplus energy from those who generated an excess to those who generate less than their assured energy, up to the total generation within the pool. Periodically, low precipitation across the entire country’s system could result in a temporary reduction of generation available for sale. During these periods, we expect that a higher proportion of thermal generation would be needed to balance supply and demand in the country, potentially leading to higher overall spot market prices.

#### **Voting Agreements with Affiliates**

Our company has entered into voting agreements with Brookfield and the partnership, whereby our company gained control of the entities that own certain renewable power generating facilities in the United States and Brazil, as well as TerraForm Power. Our company has also entered into a voting agreement with its consortium partners in respect of our Colombian business. The voting agreements provide our company the authority to direct the election of the boards of directors of the relevant entities, among other things, and therefore provide our company with control. Accordingly, our company consolidates the accounts of these entities.

For entities previously controlled by Brookfield Corporation the voting agreements entered into do not represent business combinations in accordance with IFRS 3, as all combining businesses are ultimately controlled by Brookfield Corporation both before and after the transactions were completed. Our company accounts for these transactions involving entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-voting agreement financial information as if the transactions had always been in place. Refer to Note 1(u)(ii) – Critical judgments in applying accounting policies – Common control transactions in our audited annual consolidated financial statements for our policy on accounting for transactions under common control.

## **PERFORMANCE MEASUREMENT**

### **Segment Information**

Our operations are segmented by – 1) hydroelectric, 2) wind, 3) utility-scale solar, 4) distributed energy & sustainable solutions (distributed generation, pumped storage, carbon capture and storage, cogeneration, biomass,

and eFuels), and 5) corporate. This best reflects the way in which the CODM reviews results, manages operations and allocates resources.

We report our results in accordance with these segments and present prior period segmented information in a consistent manner. See Note 7 – Segmented information in our audited annual consolidated financial statements.

One of our primary business objectives is to generate stable and growing cash flows while minimizing risk for the benefit of all stakeholders. We monitor our performance in this regard through three key metrics — i) Net Income (Loss), ii) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”), and iii) Funds From Operations.

It is important to highlight that Adjusted EBITDA and Funds From Operations do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies and have limitations as analytical tools. We provide additional information below on how we determine Adjusted EBITDA and Funds From Operations. We also provide reconciliations to Net income (loss). See “Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures” and “Part 6 – Selected Quarterly and Annual Information – Reconciliation of Non-IFRS measures”.

### **Proportionate Information**

Reporting to the CODM on the measures utilized to assess performance and allocate resources has been provided on a proportionate basis. Information on a proportionate basis reflects our company’s share from facilities which it accounts for using consolidation and the equity method whereby our company either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides a shareholder perspective that the CODM considers important when performing internal analyses and making strategic and operating decisions. The CODM also believes that providing proportionate information helps investors understand the impacts of decisions made by management and financial results that can be allocated to shareholders.

Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Tables reconciling IFRS data with data presented on a proportionate basis have been disclosed. Segment revenues, other income, direct operating costs, interest expense, current income taxes, and other are items that will differ from results presented in accordance with IFRS as these items (1) include our company’s proportionate share of earnings (loss) from equity-accounted investments attributable to each of the above-noted items, (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by us apportioned to each of the above-noted items, and (3) other income includes but is not limited to our proportionate share of settled foreign currency and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains on non-core assets and on recently developed assets that we have monetized to reflect the economic value created from our development activities as we design, build and commercialize new renewable energy capacity and sell these assets to lower cost of capital buyers which may not otherwise be reflected in our consolidated statements of income.

The presentation of proportionate results has limitations as an analytical tool, including the following:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and
- Other companies may calculate proportionate results differently than we do.

Because of these limitations, our proportionate financial information should not be considered in isolation or as a substitute for our financial statements as reported under IFRS.

Our company does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its financial statements. The presentation of the assets and liabilities and revenues and expenses do not represent our company’s legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish our company’s legal claims or exposures to such items.

Unless the context indicates or requires otherwise, information with respect to the megawatts (“MW”) attributable to our company’s facilities, including development assets, is presented on a consolidated basis, including with respect to facilities whereby our company either controls or jointly controls the applicable facility.

### **Net Income (Loss)**

Net income (loss) is calculated in accordance with IFRS.

Net income (loss) is an important measure of profitability, in particular because it has a standardized meaning under IFRS. The presentation of net income (loss) on an IFRS basis for our business will often lead to the recognition of a loss even though the underlying cash flows generated by the assets are supported by strong margins and stable, long-term power purchase agreements. The primary reason for this is that accounting rules require us to recognize a significantly higher level of depreciation for our assets than we are required to reinvest in the business as sustaining capital expenditures.

### **Adjusted EBITDA**

Adjusted EBITDA is a non-IFRS measure used by investors to analyze the operating performance of companies.

Our company uses Adjusted EBITDA to assess the performance of our operations before the effects of interest expense, income taxes, depreciation, management service costs, non-controlling interests, unrealized gain or loss on financial instruments, non-cash income or loss from equity-accounted investments, distributions to preferred shareholders, preferred limited partnership unit holders, perpetual subordinated noteholders and other typical non-recurring items. Our company adjusts for these factors as they may be non-cash, unusual in nature and/or are not factors used by management for evaluating operating performance. Our company includes other income within Adjusted EBITDA in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in the current period.

Our company believes that presentation of this measure will enhance an investor’s ability to evaluate our financial and operating performance on an allocable basis.

### **Funds From Operations**

Funds From Operations is a non-IFRS measure used by investors to analyze net earnings from operations without the effects of certain volatile items that generally have no current financial impact or items not directly related to the performance of the business.

Our company uses Funds From Operations to assess the performance of our company before the effects of certain cash items (e.g. acquisition costs and other typical non-recurring cash items) and certain non-cash items (e.g. deferred income taxes, depreciation, non-cash portion of non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments, and other non-cash items) as these are not reflective of the performance of the underlying business. The company includes other income in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in the current period. In the audited annual consolidated financial statements of our company, the revaluation approach is used in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation is determined based on a revalued amount, thereby reducing comparability with peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. Management adds back deferred income taxes on the basis that they do not believe this item reflects the present value of the actual tax obligations that they expect our company to incur over the long-term investment horizon of our company.

Our company believes that analysis and presentation of Funds From Operations on this basis will enhance an investor’s understanding of the performance of the business.

Funds From Operations is not a generally accepted accounting measure under IFRS and therefore may differ from definitions of Funds From Operations used by other entities, as well as the definition of funds from operations used by the Real Property Association of Canada (“REALPAC”) and the National Association of Real Estate

Investment Trusts, Inc. (“NAREIT”). Furthermore, this measure is not used by the CODM to assess our company’s liquidity.

### **Proportionate Debt**

Proportionate debt is presented based on the proportionate share of borrowings obligations relating to the investments of our company in various portfolio businesses. The proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Proportionate debt measures are provided because management believes it assists investors and analysts in estimating the overall performance and understanding the leverage pertaining specifically to our company's share of its invested capital in a given investment. When used in conjunction with Proportionate Adjusted EBITDA, proportionate debt is expected to provide useful information as to how our company has financed its businesses at the asset-level. Management believes that the proportionate presentation, when read in conjunction with our company’s reported results under IFRS, including consolidated debt, provides a more meaningful assessment of how the operations of our company are performing and capital is being managed.

The presentation of proportionate results has limitations as an analytical tool, including the following:

- Proportionate debt amounts do not represent the consolidated obligation for debt underlying a consolidated investment. If an individual project does not generate sufficient cash flows to service the entire amount of its debt payments, management may determine, in their discretion, to pay the shortfall through an equity injection to Brookfield Renewable Corporation to avoid defaulting on the obligation. Such a shortfall may not be apparent from or may not equal the difference between aggregate Proportionate Adjusted EBITDA for all of the portfolio investments of our company and aggregate proportionate debt for all of the portfolio investments of our company; and
- Other companies may calculate proportionate debt differently.

Because of these limitations, the proportionate financial information of our company should not be considered in isolation or as a substitute for the financial statements of our company as reported under IFRS.

## PART 10 – CAUTIONARY STATEMENTS

### CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This report contains forward-looking statements and information, within the meaning of Canadian 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, concerning the business and operations of the group. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this report include, but are not limited to statements regarding the quality of our group’s assets and the resiliency of the cash flow they will generate, our anticipated financial performance, future commissioning of assets, contracted portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions and dispositions, future energy prices and demand for electricity, economic recovery, achieving long-term average generation, project development and capital expenditure costs, energy policies, economic growth, growth potential of the renewable asset class, reorganizations or other structural simplification transactions, our future growth prospects and distribution profile, our access to capital and future dividends and distributions made to holders of BEP units and BEPC exchangeable shares. In some cases, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “scheduled”, “estimates”, “intends”, “anticipates”, “believes”, “potentially”, “tends”, “continue”, “attempts”, “likely”, “primarily”, “approximately”, “endeavors”, “pursues”, “strives”, “seeks”, “targets”, “believes” or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. 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 we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this report are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward-looking statements and information as such statements and information involve assumptions, known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. 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 results of operations and our plans and strategies may vary materially from those expressed in the forward-looking statements and forward-looking information herein.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to, the following: 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 group’s renewable power facilities; supply, demand, volatility and marketing in the energy markets; changes to government policies and incentives relating to the renewable power and sustainable solutions industries; our group’s inability to re-negotiate or replace expiring contracts (including PPAs, power guarantee agreements or similar long-term agreements between a seller and a buyer of electrical power generation or other commercial contracts that our business benefits from) on similar terms; an increase in the amount of uncontracted generation in our group’s renewable power portfolio or a change in the contract profile for future renewable power projects; availability and access to interconnection facilities and transmission systems; our group’s ability to comply with, secure, replace or renew concessions, licenses, permits and other governmental approvals needed for our operating and development projects; our group’s real property rights for our facilities being adversely affected by the rights of lienholders and leaseholders that are superior to those granted to our group; increases in the cost of operating our existing facilities and of developing new projects; health, safety, security and environmental risks; equipment failures and procurement challenges; adverse impacts of inflationary pressures; changes in regulatory, political, economic and social conditions in the jurisdictions in which we operate; our group’s reliance on computerized business systems, which could expose our group to cyber-attacks; dam failures and the costs and potential liabilities associated with such failures; uninsurable losses and higher insurance premiums; energy marketing risks and our ability to manage commodity and financial risk; the termination of, or a change to, the MRE; involvement in litigation and other disputes, and governmental and regulatory investigations; counterparties to our group’s contracts not fulfilling their obligations; the time and expense of enforcing contracts against non-performing counterparties and the uncertainty of success; increased regulation of our operations; new regulatory initiatives related to sustainability and ESG; foreign laws or regulation to which our group becomes subject as a result of future acquisitions in new markets; force majeure events; our group’s operations being affected by local communities; newly developed technologies or new business lines in which our group invests 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; ineffective management of human capital; labor disruptions and economically unfavorable collective bargaining agreements; human rights impacts of our group’s business activities; = uncertainty regarding the U.S. Government making a final investment decision and entering into definitive agreements with our group’s nuclear services business regarding the construction of nuclear reactors and realizing the anticipated benefits therefrom; increased regulation of and third party opposition to our group’s nuclear services investment’s customers and operations; failure of the nuclear power industry to expand; insufficient indemnification for our group’s nuclear services investment; our group’s inability to finance our operations and fund growth due to the status of the capital markets; our group’s inability to complete capital recycling initiatives; operating and financial restrictions imposed on us by our group’s loan, debt and security agreements; changes to our group’s credit ratings; the incurrence of debt at multiple levels within our group’s organizational structure; restrictions on our ability to engage in certain activities or make distributions due to our indebtedness; adverse changes in currency exchange rates and our inability to effectively manage foreign currency exposure through our group’s hedging strategy or otherwise; our group’s inability to identify sufficient investment opportunities and complete transactions; political instability or changes in government policy negatively impacting our business or assets; changes to our group’s current business, including through future sustainable solutions investments; the growth of our group’s portfolio and our group’s inability to realize the expected benefits of its transactions or acquisitions; our group’s investment opportunities may not be completed as planned and we may not realize the anticipated benefits therefrom; our group’s inability to develop the projects in our development pipeline; delays, cost overruns and other problems associated with the construction and operation of our facilities and risks associated with the arrangements our group enters into with communities and joint venture partners; our group does not have control over all of our group’s operations or investments, including certain

investments made through joint ventures, partnerships, consortiums or structured arrangements; some of our group's acquisitions may be of distressed companies, which may subject our group to increased risks; a decline in the value of our group's investments in securities, including publicly traded securities of other companies; the separation of economic interest from control within our group's organizational structure; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems and restrictions on foreign direct investment; our group's dependence on Brookfield and Brookfield's significant influence over our group; Brookfield's election not to source acquisition opportunities for our group and our group's lack of access to all renewable power acquisitions that Brookfield identifies, including by reason of conflicts of interest; the departure of some or all of Brookfield's key professionals; Brookfield acting in a way that is not in our group's best interests or the best interests of our shareholders; changes in how Brookfield elects to hold its ownership interests in our group; our group's inability to terminate the Master Services Agreement and the limited liability of the Service Provider under our arrangements with them; Brookfield's relationship with Walled-Off Businesses; any changes in the market price of the BEP units and BEPC exchangeable shares; the redemption of the BEPC exchangeable shares; difference in the trading price of the BEPC exchangeable shares and BEP units; the de-listing of the BEPC exchangeable shares; future sales or issuances of our securities will result in dilution of existing holders and even the perception of such sales or issuances taking place could depress the trading price of the BEP units or BEPC exchangeable shares; changes in the amount of cash we can distribute to our shareholders; the inability of our shareholders to take part in the management of BEPC; limitations on holdings of our shares due to FPA and FERC regulations; the termination of the Rights Agreement; limits on our shareholders' ability to obtain favourable judicial forum for disputes related to BEPC or to enforce judgements against us; foreign currency risk associated with BEPC distributions; our group is not subject to the same disclosure requirements as a U.S. domestic issuer; being deemed an "investment company" under the Investment Company Act; the effectiveness of our group's internal controls over financial reporting; the redemption of BEPC exchangeable shares by us at any time or upon notice from the holder of the BEPC class B shares; changes in tax law and practice; and other factors described in our most recent Annual Report on Form 20-F, including those set forth under Item 3.D "Risk Factors".

We caution that 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 report and should not be relied upon as representing our views as of any date subsequent to the date of this report. 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. For further information on these known and unknown risks, please see "Risk Factors" included in our most recent Annual Report on Form 20-F and other risks and factors that are described therein.

## **CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES**

This report contains references to Adjusted EBITDA and Funds From Operations which are not generally accepted accounting measures standardized under IFRS and therefore may differ from definitions of Adjusted EBITDA and Funds From Operations used by other entities. In particular, our definition of Funds From Operations may differ from the definition of funds from operations used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT") in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. We believe that Adjusted EBITDA and Funds From Operations are useful supplemental measures that may assist investors in assessing our financial performance. None of Adjusted EBITDA or Funds From Operations 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. These non-IFRS measures reflect how we manage our business and, in our opinion, enable investors and other readers to better understand our business.

Reconciliations of each of Adjusted EBITDA and Funds From Operations to net income (loss) are presented in our Management's Discussion and Analysis. We have also provided a reconciliation of Adjusted EBITDA and Funds From Operations to net income (loss) in Note 7 – Segmented information in the audited annual consolidated financial statements.

## MANAGEMENT’S RESPONSIBILITY

### Management’s Responsibility for Financial Statements

The accompanying consolidated financial statements have been prepared by Brookfield Renewable Corporation (the “company”) management which is responsible for their integrity, consistency, objectivity and reliability. To fulfill this responsibility, Brookfield Renewable maintains policies, procedures and systems of internal control to ensure that its reporting practices and accounting and administrative procedures are appropriate to provide a high degree of assurance that relevant and reliable financial information is produced and assets are safeguarded. These controls include the careful selection and training of employees, the establishment of well-defined areas of responsibility and accountability for performance, and the communication of policies and the code of conduct throughout the company.

These consolidated financial statements have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and, where appropriate, reflect estimates based on management’s judgment.

Ernst & Young LLP, the Independent Registered Public Accounting Firm appointed by the directors of the general partner of the company, have audited the consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) to enable them to express to the partners their opinion on the consolidated financial statements. Their report outlines the scope of their examination and opinion on the consolidated financial statements.

The consolidated financial statements have been further reviewed and approved by the Board of Directors of the company acting through its Audit Committee, which is comprised of directors who are not officers or employees of the company. The Audit Committee, which meets with the auditors and management to review the activities of each and reports to the Board of Directors, oversees management’s responsibilities for the financial reporting and internal control systems. The auditors have full and direct access to the Audit Committee and meet periodically with the committee both with and without management present to discuss their audit and related findings.

/s/ Connor Teskey

Connor Teskey  
Chief Executive Officer

/s/ Patrick Taylor

Patrick Taylor  
Chief Financial Officer

February 27, 2026

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of Brookfield Renewable Corporation

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated statements of financial position of Brookfield Renewable Corporation and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 27, 2026 expressed an unqualified opinion thereon.

### **Basis for Opinion**

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

### **Revaluation of power generating assets**

#### *Description of the Matter*

The Company measures power generating assets (classified as property, plant and equipment) using the revaluation method under IAS 16, Property, Plant and Equipment. As at December 31, 2025, property, plant and equipment on the consolidated statement of financial position totaled \$39,699 million. Revaluations of property, plant and equipment recognized in the consolidated statement of comprehensive income (loss) totaled \$166 million and a loss in the consolidated statement of income (loss) of \$103 million for 2025. As discussed in Notes 1(i), 1(t)(i) and 1(u)(iii) and 13 – Property, Plant and Equipment, at Fair Value to the financial statements, significant estimation and management judgment are involved in assessing the estimates and assumptions regarding the future performance of the power generating assets.

Management applies a dual approach which involves a discounted cash flow model as well as a market evaluation in determining the fair value of the Company's power generating assets. Significant assumptions included within the discounted cash flow models are future electricity prices, terminal value, discount rates, anticipated long-term average generation and estimated operating and capital expenditures.

Auditing the measurement of power generating assets is complex due to the highly judgmental nature of the significant assumptions described above, which required the involvement of specialists. Changes in these assumptions can have a material effect on the fair value of the power generating assets.

#### *How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's processes in determining the fair value of power generating assets. We tested controls over management's review of the valuation models, including the controls over the review and approval of all significant assumptions.

To test the fair value of the power generating assets, our audit procedures included, among others, evaluating the Company's valuation methodology, the significant assumptions used, and testing the completeness and accuracy of the underlying data supporting the significant assumptions. For each power generating asset, we analyzed the significant drivers of the change in fair value including the future electricity prices, terminal value and discount rates. With the support of our valuation specialists, we inspected management's valuation analysis and assessed the estimates of future electricity prices by reference to shorter-term broker price quotes and management's longer-term market forecasts specific to each region and power generating asset. We also involved our valuation specialists in the evaluation of the terminal value and discount rates, which included consideration of benchmark interest rates, geographic location, whether the asset is contracted or uncontracted and type of technology.

For a sample of power generating assets, we performed audit procedures that included, among others, agreeing contracted power prices to executed power purchase agreements and assessing the anticipated long-term average generation through corroboration with third party engineering reports and historical trends. Further, we assessed the estimated operating and capital expenditures by comparison to historical data and to third party data for a selection of assets and corroboration with third party engineering reports. We also tested the computational accuracy of the fair value model.

With the assistance of our valuation specialists for the same samples, we also performed a sensitivity analysis over the future electricity prices, terminal value and discount rates to evaluate the fair value of power generating assets. We also evaluated the fair values using other market-based evidence by comparing the portfolio as a whole to recent similar transactions and by calculating the revenue and EBITDA multiples of a sample of the power generating assets and comparing them to multiples of comparable public companies.

Furthermore, we evaluated the adequacy of the Company's disclosures regarding the significant assumptions and sensitivity analysis around the fair value of power generating assets.

/s/ Ernst & Young LLP

Chartered Professional Accountants  
Licensed Public Accountants

We have served as the Company's auditor since 2020.

Toronto, Canada  
February 27, 2026

## INTERNAL CONTROL OVER FINANCIAL REPORTING

### Management's Report on Internal Control over Financial Reporting

Management of Brookfield Renewable Corporation. ("our company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and the Chief Financial Officer and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board as defined in Regulation 240.13a-15(f) or 240.15d-15(f).

Management assessed the effectiveness of our company's internal control over financial reporting as of December 31, 2025, based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, management concludes that, as of December 31, 2025, our company's internal control over financial reporting is effective.

Our company's internal control over financial reporting as of December 31, 2025, has been audited by Ernst & Young LLP, the Independent Registered Public Accounting Firm, who also audited our company's consolidated financial statements for the year ended December 31, 2025. As stated in the Report of Independent Registered Public Accounting Firm, Ernst & Young LLP expressed an unqualified opinion on the effectiveness of our company's internal control over financial reporting as of December 31, 2025.

/s/ Connor Teskey

Connor Teskey  
Chief Executive Officer

/s/ Patrick Taylor

Patrick Taylor  
Chief Financial Officer

February 27, 2026

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Brookfield Renewable Corporation

### Opinion on Internal Control Over Financial Reporting

We have audited Brookfield Renewable Corporation's (the "Company") internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the accompanying consolidated statements of financial position of Brookfield Renewable Corporation and its subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"), and our report dated February 27, 2026 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
February 27, 2026

# BROOKFIELD RENEWABLE CORPORATION

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31  
(MILLIONS)

	Notes	2025	2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents .....	20	\$ 682	\$ 624
Restricted cash .....	21	21	39
Trade receivables and other current assets .....	22	992	933
Financial instrument assets .....	6	157	102
Due from related parties .....	28	1,625	1,404
Assets held for sale .....	5	466	12
		<u>3,943</u>	<u>3,114</u>
Financial instrument assets .....	6	435	684
Equity-accounted investments .....	19	1,014	753
Property, plant and equipment, at fair value .....	13	39,699	38,696
Goodwill .....	17	809	692
Deferred income tax assets .....	12	179	56
Other long-term assets .....	23	188	134
<b>Total Assets</b> .....		<u>\$ 46,267</u>	<u>\$ 44,129</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities .....	24	\$ 777	\$ 571
Financial instrument liabilities .....	6	405	244
Due to related parties .....	28	1,011	544
Non-recourse borrowings .....	14	2,772	1,282
Provisions .....	25	7	13
Liabilities directly associated with assets held for sale .....	5	220	—
Interests held in BRHC by the partnership .....	16	5,245	4,432
BEPC exchangeable and class A.2 exchangeable shares .....	16	5,016	4,168
		<u>15,453</u>	<u>11,254</u>
Financial instrument liabilities .....	6	474	408
Non-recourse borrowings .....	14	12,492	12,493
Deferred income tax liabilities .....	12	7,339	6,493
Provisions .....	25	349	416
Due to related parties .....	28	485	541
Other long-term liabilities .....	26	443	416
<b>Equity</b>			
<b>Non-controlling interests</b>			
Participating non-controlling interests – in operating subsidiaries .....	15	9,305	10,508
Participating non-controlling interests – in a holding subsidiary held by the partnership .....	15	333	259
The partnership .....	16	(406)	1,341
<b>Total Equity</b> .....		<u>\$ 9,232</u>	<u>\$ 12,108</u>
<b>Total Liabilities and Equity</b> .....		<u>\$ 46,267</u>	<u>\$ 44,129</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

Approved on behalf of Brookfield Renewable Corporation.:



Patricia Zuccotti  
Director



Lou Maroun  
Director

# BROOKFIELD RENEWABLE CORPORATION

## CONSOLIDATED STATEMENTS OF INCOME (LOSS)

YEAR ENDED DECEMBER 31 (MILLIONS)	Notes	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues .....	28	\$ 3,728	\$ 4,142	\$ 3,967
Other income .....	8	194	429	584
Direct operating costs <sup>(1)</sup> .....	9	(1,495)	(1,767)	(1,466)
Management service costs .....	28	(110)	(106)	(88)
Interest expense .....	7	(1,672)	(1,667)	(1,258)
Share of loss from equity-accounted investments .....	19	(8)	(24)	(8)
Foreign exchange and financial instruments gain .....	6	91	238	159
Depreciation .....	13	(1,240)	(1,262)	(1,342)
Other .....	10	(183)	(76)	(61)
Remeasurement of interests held in BRHC by the partnership .....	16	(813)	58	—
Remeasurement of BEPC exchangeable and class A.2 exchangeable shares .....	16	(848)	61	—
Remeasurement of exchangeable and class B shares of BRHC .....	16	—	574	(106)
Income tax (expense) recovery				
Current .....	12	(119)	(100)	(113)
Deferred .....	12	132	(67)	40
		<u>13</u>	<u>(167)</u>	<u>(73)</u>
Net (loss) income .....		<u>\$ (2,343)</u>	<u>\$ 433</u>	<u>\$ 308</u>
Net (loss) income attributable to:				
Non-controlling interests				
Participating non-controlling interests – in operating subsidiaries .....	15	\$ 1	\$ 193	\$ 481
Participating non-controlling interests – in a holding subsidiary held by the partnership .....	15	—	4	8
The partnership .....		<u>(2,344)</u>	<u>236</u>	<u>(181)</u>
		<u>\$ (2,343)</u>	<u>\$ 433</u>	<u>\$ 308</u>

<sup>(1)</sup> Direct operating costs exclude depreciation expense disclosed below.  
The accompanying notes are an integral part of these consolidated financial statements.

# BROOKFIELD RENEWABLE CORPORATION

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

YEAR ENDED DECEMBER 31 (MILLIONS)	Notes	2025	2024	2023
Net (loss) income .....		\$ (2,343)	\$ 433	\$ 308
Other comprehensive income (loss) that will not be reclassified to net income				
Revaluations of property, plant and equipment .....	13	166	3,096	(544)
Actuarial gain (loss) on defined benefit plans .....		1	2	(10)
Deferred income tax (expense) recoveries on above items .....	12	(148)	(1,222)	118
Equity-accounted investments .....	19	46	131	49
Total items that will not be reclassified to net income (loss) .....		65	2,007	(387)
Other comprehensive income (loss) that may be reclassified to net income (loss)				
Foreign currency translation .....	11	1,470	(1,286)	1,274
(Losses) gains arising during the year on financial instruments designated as cash-flow hedges .....	6	(145)	(78)	209
Unrealized (loss) gain on foreign exchange swaps – net investment hedges .....	6	(479)	135	(131)
Reclassification adjustments for amounts recognized in net income .....	6	(3)	(103)	(106)
Deferred income tax recoveries (expense) on above items .....	12	18	26	(6)
Equity-accounted investments .....	19	—	3	1
Total items that may be reclassified subsequently to net income (loss) .....		861	(1,303)	1,241
Other comprehensive income .....		926	704	854
Comprehensive (loss) income .....		<u>\$ (1,417)</u>	<u>\$ 1,137</u>	<u>\$ 1,162</u>
Comprehensive (loss) income attributable to:				
Non-controlling interests				
Participating non-controlling interests – in operating subsidiaries .....	15	\$ 221	\$ 904	\$ 1,308
Participating non-controlling interests – in a holding subsidiary held by the partnership .....	15	38	18	22
The partnership .....		(1,676)	215	(168)
		<u>\$ (1,417)</u>	<u>\$ 1,137</u>	<u>\$ 1,162</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

# BROOKFIELD RENEWABLE CORPORATION

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31 (MILLIONS)	Accumulated other comprehensive income (loss)				Non-controlling interests			
	The partnership	Foreign currency translation	Revaluation surplus	Other	Total	Participating non-controlling interests – in a holding subsidiary held by the partnership	Participating non-controlling interests – in operating subsidiaries	Total equity
Balance, as at December 31, 2024	\$ (7,825)	\$ (1,653)	\$ 10,790	\$ 29	\$ 1,341	\$ 259	\$ 10,508	\$ 12,108
Net (loss) income	(2,344)	—	—	—	(2,344)	—	1	(2,343)
Other comprehensive income (loss)	—	140	582	(54)	668	38	220	926
Capital contributions (Note 15)	—	—	—	—	—	31	1,194	1,225
Return of capital	—	—	—	—	—	—	(330)	(330)
Disposal (Note 4)	47	—	(47)	—	—	—	3	3
Dividends declared	—	—	—	—	—	(5)	(1,404)	(1,409)
Change in ownership	(466)	(199)	612	3	(50)	8	(599)	(641)
Other	(31)	(3)	16	(3)	(21)	2	(288)	(307)
Change in year	(2,794)	(62)	1,163	(54)	(1,747)	74	(1,203)	(2,876)
Balance, as at December 31, 2025	<u>\$ (10,619)</u>	<u>\$ (1,715)</u>	<u>\$ 11,953</u>	<u>\$ (25)</u>	<u>\$ (406)</u>	<u>\$ 333</u>	<u>\$ 9,305</u>	<u>\$ 9,232</u>
Balance, as at December 31, 2023	\$ (3,477)	\$ (1,255)	\$ 10,437	\$ 82	\$ 5,787	\$ 272	\$ 11,070	\$ 17,129
Net income (loss)	236	—	—	—	236	4	193	433
Other comprehensive (loss) income	—	(390)	436	(67)	(21)	14	711	704
Capital contributions	—	—	—	—	—	—	268	268
Return of capital	—	—	—	—	—	—	(133)	(133)
Dividends declared	—	—	—	—	—	(31)	(379)	(410)
Disposal	91	—	(91)	15	15	—	(1,269)	(1,254)
Arrangement	(4,572)	—	—	—	(4,572)	—	—	(4,572)
Other	(103)	(8)	8	(1)	(104)	—	47	(57)
Change in year	(4,348)	(398)	353	(53)	(4,446)	(13)	(562)	(5,021)
Balance, as at December 31, 2024	<u>\$ (7,825)</u>	<u>\$ (1,653)</u>	<u>\$ 10,790</u>	<u>\$ 29</u>	<u>\$ 1,341</u>	<u>\$ 259</u>	<u>\$ 10,508</u>	<u>\$ 12,108</u>
Balance, as at December 31, 2022	\$ (3,186)	\$ (1,582)	\$ 10,615	\$ 26	\$ 5,873	\$ 271	\$ 10,680	\$ 16,824
Net (loss) income	(181)	—	—	—	(181)	8	481	308
Other comprehensive income (loss)	—	327	(361)	47	13	14	827	854
Capital contributions	—	—	—	—	—	—	589	589
Acquisition through business combinations	—	—	—	—	—	—	343	343
Return of capital	—	—	—	—	—	—	(140)	(140)
Disposal	34	—	(34)	—	—	—	(418)	(418)
Dividends declared	—	—	—	—	—	(20)	(1,353)	(1,373)
Other	(144)	—	217	9	82	(1)	61	142
Change in year	(291)	327	(178)	56	(86)	1	390	305
Balance, as at December 31, 2023	<u>\$ (3,477)</u>	<u>\$ (1,255)</u>	<u>\$ 10,437</u>	<u>\$ 82</u>	<u>\$ 5,787</u>	<u>\$ 272</u>	<u>\$ 11,070</u>	<u>\$ 17,129</u>

The accompanying notes are an integral part of these consolidated financial statements.

# BROOKFIELD RENEWABLE CORPORATION

## CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31 (MILLIONS)	Notes	<u>2025</u>	2024	<u>2023</u>
<b>Operating activities</b>				
Net (loss) income .....		\$ (2,343)	\$ 433	\$ 308
Adjustments for the following non-cash items:				
Depreciation .....	13	1,240	1,262	1,342
Unrealized financial instrument gain .....	6	(99)	(265)	(159)
Share of loss from equity-accounted investments .....	19	8	24	8
Deferred income tax (recovery) expense .....	12	(132)	67	(40)
Other non-cash items .....		209	(150)	(361)
Remeasurement of interests held in BRHC by the partnership .....	16	813	(58)	—
Remeasurement of BEPC exchangeable and class A.2 shares .....	16	848	(61)	—
Remeasurement of exchangeable and class B shares of BRHC .....	16	—	(574)	106
Dividends received from equity-accounted investments .....	19	7	74	14
		<u>551</u>	<u>752</u>	<u>1,218</u>
Changes in due to or from related parties .....		45	61	(20)
Net change in working capital balances .....	29	(94)	(264)	405
		<u>502</u>	<u>549</u>	<u>1,603</u>
<b>Financing activities</b>				
Proceeds from non-recourse borrowings .....	14	4,238	3,908	2,601
Repayment of non-recourse borrowings .....	14	(2,819)	(3,105)	(2,032)
Capital contributions from non-controlling interests .....	15	1,207	268	189
Capital repaid to non-controlling interests .....	15	(803)	(133)	(169)
Exchangeable share issuance .....		—	—	251
Distributions paid:				
To participating non-controlling interests .....	15	(1,928)	(410)	(669)
To the partnership by BRHC .....	16	(5)	—	—
Related party borrowings, net .....		206	(336)	(807)
		<u>96</u>	<u>192</u>	<u>(636)</u>
<b>Investing activities</b>				
Acquisitions, net of cash and cash equivalents in acquired entity .....	3	—	—	(180)
Acquisitions of equity-accounted investments .....	19	(153)	(110)	(22)
Investment in property, plant and equipment .....	13	(1,138)	(949)	(1,028)
Proceeds from disposal of assets .....	4	568	810	109
Purchase of financial assets .....	6	—	(575)	—
Proceeds from financial assets .....	6	314	172	134
Restricted cash and other .....		(167)	(13)	(31)
		<u>(576)</u>	<u>(665)</u>	<u>(1,018)</u>
Cash and cash equivalents				
Increase (decrease) .....		22	76	(51)
Foreign exchange gain (loss) on cash .....		44	(77)	36
Net change in cash classified within assets held for sale .....		(8)	(2)	—
Balance, beginning of year .....		624	627	642
Balance, end of year .....		<u>\$ 682</u>	<u>\$ 624</u>	<u>\$ 627</u>
Supplemental cash flow information:				
Interest paid .....		\$ 1,530	\$ 1,689	\$ 1,177
Interest received .....		92	90	101
Income taxes paid .....		116	73	167

*The accompanying notes are an integral part of these consolidated financial statements.*

# BROOKFIELD RENEWABLE CORPORATION

## NOTES TO THE AUDITED ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Brookfield Renewable Corporation (“BEPC” or the “company”) and its subsidiaries, own and operate a portfolio of renewable power and sustainable solution assets primarily in North America, South America and Europe. BEPC was formed as a corporation established under the British Columbia Business Corporation Act on October 3, 2024 and is a subsidiary of Brookfield Renewable Partners L.P. (“BEP”), or, collectively with its controlled subsidiaries, including BEPC (“Brookfield Renewable”, or, collectively with its controlled subsidiaries, excluding BEPC, (the “partnership”). Brookfield Corporation (“Brookfield Corporation” or together with its controlled subsidiaries, other than Brookfield Renewable, and unless the context otherwise requires, includes Brookfield Corporation, “Brookfield”) is our company’s ultimate parent. The term “Brookfield Holders” means Brookfield, Brookfield Wealth Solutions (formerly Brookfield Reinsurance) and their related parties.

The class A exchangeable subordinate voting shares (“BEPC exchangeable shares”) of Brookfield Renewable Corporation are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol “BEPC”.

The registered head office of Brookfield Renewable Corporation is 250 Vesey Street, New York, NY, United States.

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## **1. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION**

### **(a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The accounting policies used in the consolidated financial statements are based on the IFRS applicable as at December 31, 2025, which encompass individual IFRS, International Accounting Standards (“IAS”), and interpretations made by the International Financial Reporting Interpretations Committee (“IFRIC”) and the Standard Interpretations Committee (“SIC”). The policies set out below are consistently applied to all periods presented, unless otherwise noted.

These consolidated financial statements have been authorized for issuance by the Board of Directors of the company on February 27, 2026.

Certain comparative figures have been reclassified to conform to the current year’s presentation.

References to \$, €, R\$, and COP are to United States (“U.S.”) dollars, Euros, Brazilian reais and Colombian pesos, respectively.

All figures are presented in millions of U.S. dollars unless otherwise noted.

### **(b) Basis of presentation**

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of property, plant and equipment and certain assets and liabilities which have been measured at fair value. Cost is recorded based on the fair value of the consideration given in exchange for assets.

### **(c) The Arrangement**

On December 24, 2024, the partnership, BRHC, and the company completed an arrangement (the “Arrangement”), pursuant to which 1505127 B.C. Ltd. (which was renamed Brookfield Renewable Corporation) became the “successor issuer” (as defined in NI 44-101) to the former BEPC, which was renamed Brookfield Renewable Holdings Corporation and BRHC’s class A exchangeable subordinate voting shares were delisted. The purpose of the Arrangement was to allow BEPC to maintain the benefits of its business structure, while addressing proposed amendments to the Income Tax Act (Canada) that were expected to result in additional costs to the company if no action was taken. In connection with the Arrangement, among other things, (i) holders of class A exchangeable subordinate voting shares of BRHC, other than Brookfield, received BEPC exchangeable shares in exchange for their class A exchangeable subordinate voting shares of BRHC on a one-for-one basis; (ii) Brookfield exchanged their class A exchangeable subordinate voting shares of BRHC for class A.2 exchangeable shares on a one-for-one basis; (iii) the class A exchangeable subordinate voting shares of BRHC were delisted; (iv) the exchangeable shares of BEPC were listed on the NYSE and the TSX; (v) the partnership transferred 55 class B shares of BRHC to BEPC in exchange for 55 class B shares of BEPC; and (vi) 43,605 class B shares of BEPC were issued to the partnership in exchange for \$1 million. The class A.2 exchangeable shares are exchangeable by Brookfield into BEPC exchangeable shares (subject to an ownership cap that limits the exchange by Brookfield of class A.2 exchangeable shares such that exchanges by Brookfield may not result in Brookfield owning 9.5% or more of the aggregate fair market value of all issued and outstanding shares of BEPC) or LP units on a one-for-one basis.

### **(d) Continuity of interest**

The company was established on October 3, 2024 by the partnership. On December 24, 2024, the date of the Arrangement, the company acquired an interest and consolidated BRHC in its financial statements. The partnership directly controlled BRHC prior to the Arrangement and continues to control the company subsequent to the Arrangement through ownership of the class B shares. There is insufficient substance to justify a change in the measurement of the company as a result of this common control transaction. In accordance with the company’s and the partnership’s accounting policy, the company has reflected the acquisition of BRHC in its consolidated financial statements using BRHC’s carrying values prior to the Arrangement.

To reflect this continuity of interests, these consolidated financial statements provide comparative information of the company for the periods prior to December 24, 2024, as previously reported by BRHC. The economic and accounting impact of contractual relationships created or modified in conjunction with acquisition of interest in BRHC by the company have been reflected prospectively from the date of the Arrangement and have not been reflected in the results of operations or financial position of our company prior to December 24, 2024, as such items were in fact not created or modified prior thereto. Accordingly, the financial information for the periods prior to December 24, 2024 is presented based on the historical financial information of BRHC. For the period after December 24, 2024, the results are based on the actual results of the company, including the impact of contractual relationships created or modified in association with the acquisition of interest in BRHC by the company. As the partnership held all of the class C shares of BRHC prior to December 24, 2024, which was the only class of shares presented as equity, and the partnership holds all of the class B shares of the company after December 24, 2024, which is the only class of shares presented as equity, net income and equity attributable to common equity have been allocated to the partnership prior to and after December 24, 2024.

Prior to the Arrangement, class C shares of BRHC were classified as financial liabilities due to their cash redemption feature. However, the class C shares met certain qualifying criteria and were presented as equity. Following the Arrangement and upon consolidation of BRHC into the company, the class C shares are presented as financial liabilities recognized at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows are based on the price of one BEP unit. As a result, the share capital pertaining to the class C shares was derecognized, and the value of the class C shares was reflected for the Arrangement as shown in the consolidated statements of changes in equity.

On December 31, 2025, BRHC undertook a reorganization pursuant to which a new corporation, 1566030 B.C. Ltd. (“New BRHC”) was formed, and all existing shares of BRHC were contributed to New BRHC in exchange for shares of New BRHC. The reorganized structure operates substantially the same as the previous structure. New BRHC became a party to all agreements to which BRHC was a party, including the Master Services Agreement. New BRHC subsequently changed its name to Brookfield Renewable Holdings Corporation. Unless otherwise indicated, all references to BRHC refer to New BRHC.

#### **(e) Consolidation**

These consolidated financial statements include the accounts of the company and its subsidiaries, which are the entities over which the company has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Non-controlling interests in the equity of the company’s subsidiaries are shown separately in equity in the consolidated statements of financial position.

The company has entered into voting agreements with Brookfield, whereby the company gained control or significant influence of the entities that own certain renewable power generating operations. The company has also entered into a voting agreement with its consortium partners in respect of its Colombian operations. These voting agreements provide the company the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide the company with control. Accordingly, the company consolidates the accounts of these entities. Refer to Note 28 – Related party transactions for further information.

For entities previously controlled by Brookfield Corporation, the voting agreements entered into do not represent business combinations in accordance with IFRS 3, Business Combinations (“IFRS 3”), as all combining businesses are ultimately controlled by Brookfield Asset Management both before and after the transactions were completed. The company accounts for these transactions involving entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-voting agreement financial information as if the transactions had always been in place. Refer to Note 1(u)(ii) – Critical judgments in applying accounting policies – Common control transactions for the company’s policy on accounting for transactions under common control.

#### **Equity-accounted investments**

Equity-accounted investments are entities over which the company has significant influence or joint arrangements representing joint ventures. Significant influence is the ability to participate in the financial and operating policy

decisions of the investee, but without controlling or jointly controlling those investees. Such investments are accounted for using the equity method.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The company accounts for its interests in joint ventures using the equity method.

Under the equity method, the carrying value of an interest in an investee is initially recognized at cost and adjusted for the company's share of net income, other comprehensive income ("OCI"), distributions by the equity-accounted investment and other adjustments to the company's proportionate interest in the investee.

#### **(f) Foreign currency translation**

All figures reported in the consolidated financial statements and tabular disclosures to the consolidated financial statements are reflected in millions of U.S. dollars, which is the functional currency of the company. Each of the foreign operations included in these consolidated financial statements determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency.

Assets and liabilities of foreign operations having a functional currency other than the U.S. dollar are translated at the rate of exchange prevailing at the reporting date and revenues and expenses at the rate of exchange prevailing at the dates of the transactions during the period. Gains or losses on translation of foreign subsidiaries are included in OCI. Gains or losses on foreign currency denominated balances are reported in the same manner.

In preparing the consolidated financial statements of the company, foreign currency denominated monetary assets and liabilities are translated into the functional currency using the closing rate at the applicable consolidated statement of financial position dates. Non-monetary assets and liabilities, denominated in a foreign currency and measured at fair value, are translated at the rate of exchange prevailing at the date when the fair value was determined and non-monetary assets measured at historical cost are translated at the historical rate. Revenues and expenses are measured in the functional currency at the rates of exchange prevailing at the dates of the transactions with gains or losses included in income.

#### **(g) Cash and cash equivalents**

Cash and cash equivalents include cash, term deposits and money market instruments with original maturities of less than 90 days.

#### **(h) Restricted cash**

Restricted cash includes cash and cash equivalents, where the availability of funds is restricted primarily by credit and construction agreements.

#### **(i) Property, plant and equipment and revaluation method**

Power generating assets are classified as property, plant and equipment and are accounted for using the revaluation method under IAS 16, Property, Plant and Equipment ("IAS 16"). Property, plant and equipment are initially measured at cost and subsequently carried at their revalued amount, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

The company generally determines the fair value of its property, plant and equipment by using 20-year discounted cash flow model for hydroelectric assets and the estimated remaining useful life for other technologies. This model incorporates future cash flows from long-term power purchase agreements that are in place where it is determined that the power purchase agreements are linked specifically to the related power generating assets. The model also includes estimates of future electricity prices, anticipated long-term average generation, estimated operating and capital expenditures, and assumptions about future inflation rates and discount rates by geographical location. Construction work-in-progress ("CWIP") is revalued when sufficient information exists to determine fair value using the discounted cash flow method. Revaluations are made on an annual basis as at December 31 to ensure that the carrying amount does not differ significantly from fair value. For power generating assets acquired through business combinations, the company initially measures the assets at fair value consistent with the policy described in Note 1(q) – Business combinations, with no revaluations at year-end in the year of acquisition unless there is

external evidence specific to those assets that would indicate the carrying value of the asset has either increased or decreased materially.

Where the carrying amount of an asset increased as a result of a revaluation, the increase is recognized in income to the extent the increase reverses a previously recognized decrease recorded through income, with the remainder of the increase recognized in OCI and accumulated in equity under revaluation surplus and non-controlling interest. When the carrying amount of an asset decreases, the decrease is recognized in OCI to the extent that a balance exists in revaluation surplus with respect to the asset, with the remainder of the decrease recognized in income.

Depreciation on power generating assets is calculated on a straight-line basis over the estimated service lives of the assets, which are as follows:

	<u>Estimated service lives</u>
Dams .....	Up to 115 years
Penstocks .....	Up to 100 years
Powerhouses .....	Up to 115 years
Hydroelectric generating units .....	Up to 115 years
Wind generating units .....	Up to 30 years
Solar generating units .....	Up to 35 years
Other assets .....	Up to 60 years

Costs are allocated to significant components of property, plant and equipment. When items of property, plant and equipment have different useful lives, they are accounted for as separate items (significant components) and depreciated separately. To ensure the accuracy of useful lives and residual values, a review is conducted annually.

Depreciation is calculated based on the fair value of the asset less its residual value. Depreciation commences when the asset is in the location and conditions necessary for it to be capable of operating in the manner intended by management. It ceases at the earlier of the date the asset is classified as held-for-sale and the date the asset is derecognized. An item of property, plant and equipment and any significant component is derecognized upon disposal or when no future economic benefits are expected from its use. Other assets include equipment, buildings and leasehold improvements. Buildings, furniture and fixtures, leasehold improvements and office equipment are recorded at historical cost, less accumulated depreciation. Land and CWIP are not subject to depreciation.

The depreciation of property, plant and equipment in Brazil is based on the duration of the authorization or the useful life of a concession asset. The weighted-average remaining duration at December 31, 2025 is 30 years (2024: 30 years). Since land rights are part of the concession or authorization, this cost is also subject to depreciation.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is applied to the revalued amount of the asset.

Gains on disposal of an item of property, plant and equipment of operating assets are recognized in Other income and related transactions costs are recorded in Other in the consolidated statements of income (loss).. The revaluation surplus is reclassified within the respective components of equity and not reclassified to net income when the assets are disposed.

#### **(j) Leases**

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract specified explicitly or implicitly the use of an identified asset, and that is physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- The company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the company has the right to direct the use of the asset. The company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decisions about how and for what purpose the asset is used are predetermined, the company has the right to direct the use of the asset if either:
  - The company has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
  - The company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the company has elected not to separate non-lease components and, therefore, accounts for the lease and non-lease components as a single lease component.

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewable period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made either to the carrying amount of the right-of-use asset or, when the adjustment is a reduction to the right-of-use asset, is recorded in the consolidated statements of income (loss) if the carrying amount of the right-of-use asset has been reduced to nil.

The company presents right-of-use assets in property, plant and equipment and lease liabilities in other long-term liabilities in the consolidated statements of financial position.

The company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **(k) Goodwill**

Goodwill represents the excess of the price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets and liabilities acquired. Goodwill is allocated to the cash generating unit or units (“CGU”) to which it relates. The Company identifies CGU as identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is evaluated for impairment annually or more often if events or circumstances indicate there may be impairment. Impairment is determined for goodwill by assessing if the carrying value of a CGU, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs of disposal or the value in use. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGU. Any goodwill impairment is charged to profit or loss in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed. In the year of a business acquisition, the recoverability of the acquired goodwill is assessed by revisiting the assumptions of the related underwriting model.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the operation.

### **(l) Asset impairment**

At each statement of financial position date, the company assesses whether for non-financial assets there is any indication that such assets are impaired. This assessment includes a review of internal and external factors which includes, but is not limited to, changes in the technological, political, economic or legal environment in which the entity operates in, structural changes in the industry, changes in the level of demand, physical damage and obsolescence due to technological changes. An impairment is recognized if the recoverable amount, determined as the higher of the estimated fair value less costs of disposal or the discounted future cash flows generated from use and eventual disposal from an asset or CGU is less than its carrying value.

For non-financial assets (including equity-accounted investments), an impairment is recognized if the recoverable amount, determined as the greater of the estimated fair value, less costs of disposal, and the discounted future cash flows generated from use and eventual disposal of an asset or CGU, is less than its carrying value. The projections of future cash flows take into account the relevant operating plans and management’s best estimate of the most probable set of conditions anticipated to prevail. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

### **(m) Trade receivables and other current assets**

Trade receivables and other current assets are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest method, less any provision for expected credit losses.

### **(n) Financial instruments**

#### **Initial recognition**

Under IFRS 9 – Financial Instruments (“IFRS 9”), regular purchases and sales of financial assets are recognized on the trade date, being the date on which the company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the company measures a financial asset at its fair value. In the case of a financial asset not categorized as fair value through profit and loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset are included at initial recognition. Transaction costs of financial assets carried at FVPL are expensed in income.

## Classification and measurement

Subsequent measurement of financial assets depends on the company's business objective for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its financial assets:

**Amortized cost** – Financial assets held for collection of contractual cash flows that represent solely payments of principal and interest are measured at amortized cost. Interest income is recognized as other income in the financial statements, and gains/losses are recognized in income when the asset is derecognized or impaired.

**FVOCI** – Financial assets held to achieve a particular business objective other than short-term trading are designated at fair value through other comprehensive income ("FVOCI"). For equity instruments designated at FVOCI, there is no recycling of gains or losses through income. Upon derecognition of the asset, accumulated gains or losses are transferred from OCI directly to retained earnings.

**FVPL** – Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. Gains or losses on these types of assets are recognized in income.

The company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its assets carried at amortized cost and FVOCI. For trade receivables and contract assets, the company applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the asset. The simplified approach to the recognition of ECL does not require entities to track the changes in credit risk; rather, entities recognize a loss allowance at each reporting date based on the lifetime ECL since the date of initial recognition of the asset.

Evidence of impairment may include:

- Indications that a debtor or group of debtors is experiencing significant financial difficulty;
- A default or delinquency in interest or principal payments;
- Probability that a debtor or a group of debtors will enter into bankruptcy or other financial reorganization;
- Changes in arrears or economic conditions that correlate with defaults, where observable data indicates that there is a measurable decrease in the estimated future cash flows.

Trade receivables are reviewed qualitatively on a case-by-case basis to determine if they need to be written off.

ECL are measured as the difference in the present value of the contractual cash flows that are due under contract and the cash flows expected to be received. ECL is measured by considering the risk of default over the contract period and incorporates forward looking information into its measurement.

Financial liabilities are classified as financial liabilities at fair value through profit and loss, amortized cost, or derivatives designated as hedging instruments in an effective hedge. The company determines the classification of its financial liabilities at initial recognition. The company's financial liabilities include accounts payable and accrued liabilities, corporate borrowings, non-recourse borrowings, derivative liabilities, due to related party balances, and tax equity. Financial liabilities are initially measured at fair value, with subsequent measurement determined based on their classification as follows:

**FVPL** – Financial liabilities held for trading, such as those acquired for the purpose of selling in the near term, derivative financial instruments entered into by the company that do not meet hedge accounting criteria, and tax equity are classified as fair value through profit and loss. Gains or losses on these types of liabilities are recognized in income.

The company owns and operates certain projects in the U.S. under tax equity structures to finance the construction of utility-scale solar and wind projects. Such structures are designed to allocate renewable tax incentives, such as investment tax credits ("ITCs"), production tax credits ("PTCs") and accelerated tax depreciation, to tax equity investors. Generally, tax equity structures grant the tax equity investors the majority of the project's U.S. taxable earnings and renewable tax incentives, along with a smaller portion of the projects' cash flows, until a contractually determined point at which the allocations are adjusted (the "Flip Point"). Subsequent to the Flip Point the majority of the project's U.S. taxable earnings, renewable tax incentives and cash flows are allocated to the sponsor. The Flip Point dates are generally dependent on the underlying projects' reaching an agreed upon after tax investment return,

however, from time to time, the Flip Point dates may be dates specified within the contract. At all times, both before and after the projects' Flip Point, the company retains control over the projects financed with a tax equity structure. In accordance with the substance of the contractual agreements, the amounts paid by the tax equity investors for their equity stakes are classified as financial instrument liabilities on the consolidated statements of financial position and at each reporting date are remeasured to their fair value in accordance with IFRS 9.

The fair value of the tax equity financing is generally comprised of the following elements:

<b>Elements affecting the fair value of the tax equity financing</b>	<b>Description</b>
Production tax credits (PTCs)	Allocation of PTCs to the tax equity investor are derived from the power generated during the period. The PTCs are recognized in foreign exchange and financial instrument gain (loss) with a corresponding reduction to the tax equity liability.
Investment tax credits (ITCs)	Allocation of ITCs to the tax equity investor are derived as a percentage of a project's total cost. The ITCs are recognized in foreign exchange and financial instrument gain (loss) with a corresponding reduction to the tax equity liability.
Taxable loss, including tax attributes such as accelerated tax depreciation	Under the terms of the tax equity agreements, the company is required to allocate specified percentages of taxable losses to the tax equity investor. As amounts are allocated, the obligation to deliver them is satisfied and a reduction to the tax equity liability is recorded with a corresponding amount recorded within foreign exchange and financial instrument gain (loss) on the consolidated statements of income (loss).
Pay-go contributions	Certain of the contracts contain annual production thresholds. When the thresholds are exceeded, the tax equity investor is required to contribute additional cash amounts. The cash amounts paid increase the value of the tax equity liability.
Cash distributions	Certain of the contracts also require cash distributions to the tax equity investor. Upon payment, the tax equity liability is reduced in the amount of the cash distribution.

Amortized cost – All other financial liabilities are classified as amortized cost using the effective interest rate method. Gains and losses are recognized in income when the liabilities are derecognized as well as through the amortization process. Remeasurement gains and losses on financial liabilities classified as amortized cost are presented in the consolidated statements of income (loss). Amortized cost is computed using the effective interest method less any principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. This category includes trade and other payables, dividends payable, interest-bearing loans and borrowings, and corporate credit facilities.

### **Derivatives and hedge accounting**

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The company designates its derivatives as hedges of:

- Foreign exchange risk associated with the cash flows of highly probable forecast transactions (cash flow hedges);
- Foreign exchange risk associated with net investment in foreign operations (net investment hedges);
- Commodity price risk associated with cash flows of highly probable forecast transactions (cash flow hedges); and
- Floating interest rate risk associated with floating rate debts (cash flow hedges).

At the inception of a hedge relationship, the company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an ‘economic relationship’ between the hedged item and the hedging instrument;
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the company actually hedges and the quantity of the hedging instrument that the company actually uses to hedge that quantity of hedged item.

The fair values of various derivative financial instruments used for hedging purposes and movements in the hedge reserve within equity are shown in Note 6 – Risk management and financial instruments.

When a hedging instrument expires, is sold, is terminated, or no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remain in equity until the forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging are immediately reclassified to income.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in income at the time of the hedge relationship rebalancing.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in income, within foreign exchange and financial instruments gain (loss).

Gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve within equity. Amounts accumulated in equity are reclassified in the period when the hedged item affects income.

(ii) Net investment hedges that qualify for hedge accounting

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in OCI and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit and loss within Foreign exchange and financial instruments gain (loss). Gains and losses accumulated in equity will be reclassified to income when the foreign operation is partially disposed of or sold.

(iii) Hedge ineffectiveness

The company’s hedging policy only allows for the use of derivative instruments that form effective hedge relationships. Sources of hedge effectiveness are determined at the inception of the hedge relationship and measured through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. Where the critical terms of the hedging instrument match exactly with the terms of the hedged item, a qualitative assessment of effectiveness is performed. For other hedge relationships, the hypothetical derivative method to assess effectiveness is used.

**(o) Revenue and expense recognition**

The majority of revenue is derived from the sale of power renewable credits, and power related ancillary services both under contract and in the open market, sourced from the company’s power generating facilities. The obligations are satisfied over time as the customer simultaneously receives and consumes benefits as the company delivers

electricity and related products. Revenue is recorded based upon the output delivered and capacity provided at rates specified under either contract terms or prevailing market rates. The revenue reflects the consideration the company expects to be entitled to in exchange for those goods or services. Costs related to the purchases of power or fuel are recorded upon delivery. All other costs are recorded as incurred.

Details of the revenue recognized per technology are included in Note 7 – Segmented information.

Where available, the company has elected the practical expedient available under IFRS 15 – Revenue from contracts with customers (“IFRS 15”) for measuring progress toward complete satisfaction of a performance obligation and for disclosure requirements of remaining performance obligations. The practical expedient allows an entity to recognize revenue in the amount to which the entity has the right to invoice such that the entity has a right to the consideration in an amount that corresponds directly with the value to the customer for performance completed to date by the entity.

If the consideration in a contract that does not apply the practical expedient available under IFRS 15 for measuring progress toward complete satisfaction of a performance obligation includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The company also sells power and related products under bundled arrangements. Energy, capacity and renewable credits within power purchase agreements are considered to be distinct performance obligations. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied under IFRS 15. The company views the sale of energy and capacity as a series of distinct goods that is substantially the same and has the same pattern of transfer measured by the output method. The company views renewable credits to be performance obligations satisfied at a point in time. During the year ended December 31, 2025, revenues recognized at a point in time corresponding to the sale of renewable credits were \$245 million (2024: \$307 million and 2023: \$244 million). Measurement of satisfaction and transfer of control to the customer of renewable credits in a bundled arrangement coincides with the pattern of revenue recognition of the underlying energy generation.

Revenues recognized that are outside the scope of IFRS 15 include realized gains and losses from derivatives used in the risk management of the company’s generation activities related to commodity prices. From time to time, our company also enters into commodity contracts to hedge all or a portion of its estimated revenue stream when selling electricity to an independent system operated market and there is no PPA available. These commodity contracts require periodic settlements in which our company receives a fixed-price based on specified quantities of electricity and pays the counterparty a variable market price based on the same specified quantity of electricity. As these derivatives are accounted for under hedge accounting, the changes in fair value are recorded in operating revenues in the consolidated statements of income (loss) when they are realized. Financial transactions included in revenues for the year ended December 31, 2025 decreased revenues by \$14 million (2024: increased revenues by \$94 million and 2023: increased revenues by \$119 million).

#### **(p) Income taxes**

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, based on the tax rates and laws enacted or substantively enacted at the statement of financial position dates. Current income tax assets and liabilities are included in trade receivables and other current assets and accounts payable and accrued liabilities, respectively.

Included within current income tax recovery (expense) is the realized value of transferable ITCs and PTCs, where the necessary conditions per the Inflation Reduction Act (“IRA”) have been satisfied for receipt of the credits. ITCs and PTCs retained for own use and meeting the conditions for recognition are recognized as deferred tax assets.

Deferred tax is recognized on taxable temporary differences between the tax basis and the carrying amounts of assets and liabilities. Deferred tax is not recognized if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit. Deferred income tax assets are recognized for all deductible temporary

differences, carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent it is no longer probable that the income tax assets will be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the statement of financial position dates.

Current and deferred income taxes relating to items recognized directly in OCI are also recognized directly in OCI.

#### **(q) Business combinations**

The acquisition of a business is accounted for using the acquisition method. The consideration for an acquisition is measured at the aggregate of the fair values, at the date of exchange, of the assets transferred, the liabilities incurred to former owners of the acquired business, and equity instruments issued by the acquirer in exchange for control of the acquired business. The acquired business' identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 – Business combinations (“IFRS 3”), are recognized at their fair values at the acquisition date, except for income taxes which are measured in accordance with IAS 12 – Income taxes (“IAS 12”), share-based payments which are measured in accordance with IFRS 2 – Share-based payment, liabilities and contingent liabilities which are measured under IAS 37 - Provisions, contingent liabilities and contingent assets or IFRIC 21 - Levies and non-current assets that are classified as held-for-sale which are measured at fair value less costs to sell in accordance with IFRS 5 – Non-current assets held for sale and discontinued operations. On an acquisition-by-acquisition basis, Brookfield Renewable elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

To the extent that the aggregate of the fair value of consideration paid, the amount of any non-controlling interest and the fair value of any previously held interest in the acquiree exceeds the fair value of the net identifiable tangible and intangible assets acquired, goodwill is recognized. To the extent that this difference is negative, the amount is recognized as a gain in income. Goodwill is not amortized and is not deductible for tax purposes. However, after initial recognition, goodwill will be measured at cost less any accumulated impairment losses. An impairment assessment will be performed at least annually, and whenever circumstances such as significant declines in expected revenues, earnings or cash flows indicate that it is more likely than not that goodwill might be impaired. Goodwill impairment charges are not reversible.

When a business combination is achieved in stages, previously held interests in the acquired entity are re-measured to fair value at the acquisition date, which is the date control is obtained, and the resulting gain or loss, if any, is recognized in income. Amounts arising from interests in the acquired business prior to the acquisition date that have previously been recognized in OCI are reclassified to income. Upon disposal or loss of control of a subsidiary, the carrying amount of the net assets of the subsidiary (including any OCI relating to the subsidiary) are derecognized with the difference between any proceeds received and the carrying amount of the net assets recognized as a gain or loss in income.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in fair values are adjusted against the cost of the acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as liabilities will be recognized in the consolidated statements of income (loss), whereas changes in the fair values of contingent consideration classified within equity are not subsequently re-measured.

#### **(r) Assets held for sale**

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification subject to limited exceptions.

When the company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the company will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Assets classified as held for sale and the assets of a disposal group are presented separately from other assets in the consolidated statements of financial position and are classified as current. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statements of financial position and are classified as current.

Once classified as held for sale, property, plant and equipment and intangible assets are not depreciated or amortized.

#### **(s) Other items**

##### **(i) Capitalized costs**

Capitalized costs related to CWIP include eligible expenditures incurred in connection with acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that takes a substantial period of time to prepare for its intended use. Interest expense related to CWIP are capitalized when activities that are necessary to prepare the asset for its intended use or sale are in progress, expenditures for the asset have been incurred and funds have been used or borrowed to fund the construction or development. Capitalization of costs ceases when the asset is ready for its intended use.

##### **(ii) Pension and employee future benefits**

Pension and employee future benefits are recognized in the consolidated financial statements in respect of employees of the operating entities within the company. The costs of retirement benefits for defined benefit plans and post-employment benefits are recognized as the benefits are earned by employees. The projected unit credit method, using the length of service and management's best estimate assumptions, is used to value pension and other retirement benefits. All actuarial gains and losses are recognized immediately through OCI in order for the net pension asset or liability recognized in the consolidated statements of financial position to reflect the full value of the plan deficit or surplus. Net interest is calculated by applying the discount rate to the net defined benefit asset or liability. Changes in the net defined benefit obligation related to service costs (comprising of current service costs, past services costs, gains and losses on curtailments and non-routine settlements), and net interest expense or income are recognized in the consolidated statements of income (loss).

Re-measurements, comprising of actuarial gains or losses, the effect of the asset ceiling, and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to OCI in the period in which they occur. Re-measurements are not reclassified to income in subsequent periods. For defined contribution plans, amounts are expensed based on employee entitlement.

##### **(iii) Decommissioning, restoration and environmental liabilities**

Legal and constructive obligations associated with the retirement of property, plant and equipment are recorded as liabilities when those obligations are incurred and are measured at the present value of the expected costs to settle the liability, using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The liability is accreted up to the date the liability will be settled with a corresponding charge to operating expenses. The carrying amount of decommissioning, restoration and environmental liabilities is reviewed annually with changes in the estimates of timing or amount of cash flows added to or deducted from the cost of the related asset.

(iv) Provisions

A provision is a liability of uncertain timing or amount. A provision is recognized if the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The provision is measured at the present value of the best estimate of the expenditures expected to be required to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. Provisions are re-measured at each statement of financial position date using the current discount rate. The increase in the provision due to the passage of time is recognized as interest expense.

(v) Interest income

Interest income is earned with the passage of time and is recorded on an accrual basis.

(vi) Government grants

The company becomes eligible for government grants by constructing or purchasing renewable power generating assets, and by bringing those assets to commercial operation, coupled with a successful application to the applicable program or agency. The assessment of whether or not a project has complied with the conditions and that there is reasonable assurance the grants will be received will be undertaken on a case-by-case basis. The company reduces the cost of the asset by the amount of the grant. The grant amounts are recognized in income on a systematic basis as a reduction of depreciation over the periods, and in the proportions, in which depreciation on those assets is charged.

With respect to grants related to income, the government assistance (in the form of the difference between market price and guaranteed fixed price) typically becomes payable once electricity is produced and delivered to the relevant grid. It is at this point that the receipt of the grant becomes reasonably assured, and therefore the grant is recognized as revenue in the month that delivery of the electricity occurs.

**(t) Critical estimates**

The company makes estimates and assumptions that affect the carrying value of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of income and other comprehensive income for the year. Actual results could differ from these estimates. The estimates and assumptions that are critical to the determination of the amounts reported in the consolidated financial statements relate to the following:

(i) Property, plant and equipment

The fair value of the company's property, plant and equipment is calculated using estimates and assumptions about future electricity prices from renewable sources, anticipated long-term average generation, estimated operating and capital expenditures, future inflation rates and discount rates, as described in Note 13 – Property, plant and equipment, at fair value. Judgment is involved in determining the appropriate estimates and assumptions in the valuation of the company's property, plant and equipment. See Note 1(u)(iii) – Critical judgments in applying accounting policies – Property, plant and equipment for further details.

Estimates of useful lives and residual values are used in determining depreciation and amortization. To ensure the accuracy of useful lives and residual values, these estimates are reviewed on an annual basis.

(ii) Financial instruments

The company makes estimates and assumptions that affect the carrying value of its financial instruments, including estimates and assumptions about future electricity prices, long-term average generation, capacity prices, discount rates, the timing of energy delivery and the elements affecting fair value of the tax equity financings. This valuation technique approximates the net present value of future cash flows. Non-financial instruments are valued using estimates of future electricity prices which are estimated by considering broker quotes for the years in which there is a liquid market and for the subsequent years the company's best estimate of electricity prices that would allow new entrants into the market.

For power purchase agreements accounted for under IFRS 9 ("IFRS 9 PPAs") that have unobservable values, the company determines the fair value of these IFRS 9 PPAs using a discounted cash flow model based on the term of the contract and applies judgements surrounding the inputs used within the valuation model. The valuation model

incorporates various inputs and assumptions including future power prices, contractual prices, contractual volumes and discount rates. Future power prices are based on broker quotes from independent sources and for IFRS 9 PPAs with no available broker quotes, future fuel driven merchant prices are incorporated within the model. Contractual prices are stipulated within each individual agreement, contractual volumes are either specified within the agreement or determined using future generation of the power generating assets and discount rate used in the valuation model is the credit adjusted risk free rate. See Note 6 – Risk management and financial instruments for more details.

(iii) Deferred income taxes

The consolidated financial statements include estimates and assumptions for determining the future tax rates applicable to subsidiaries and identifying the temporary differences that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the consolidated statement of financial position dates. Operating plans and forecasts are used to estimate when the temporary difference will reverse based on future taxable income.

(iv) Decommissioning liabilities

Decommissioning costs will be incurred at the end of the operating life of some of the company's assets. These obligations are typically many years in the future and require judgment to estimate. The estimate of decommissioning costs can vary in response to many factors including changes in relevant legal, regulatory, and environmental requirements, the emergence of new restoration techniques or experience at other power generating facilities. Inherent in the calculations of these costs are assumptions and estimates including the ultimate settlement amounts, inflation factors, discount rates, and timing of settlements.

**(u) Critical judgments in applying accounting policies**

The following are the critical judgments that have been made in applying the accounting policies used in the consolidated financial statements that have the most significant effect on the amounts in the consolidated financial statements:

(i) Preparation of consolidated financial statements

These consolidated financial statements present the financial position, results of operations and cash flows of the company. The company exercises judgment in determining whether non-wholly owned subsidiaries are controlled by the company. The company's judgment included the determination of (i) how the relevant activities of the subsidiary are directed; (ii) whether the rights of shareholdings are substantive or protective in nature; and (iii) the company's ability to influence the returns of the subsidiary.

(ii) Common control transactions

Common control business combinations specifically fall outside of scope of IFRS 3 and as such management has used its judgment to determine an appropriate policy to account for these transactions by considering other relevant accounting guidance that is within the framework of principles in IFRS and that reflects the economic reality of the transactions. The company's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the consolidated statements of income (loss), consolidated statements of comprehensive income (loss), consolidated statements of financial position, consolidated statements of changes in equity and consolidated statements of cash flows reflect the results of the combined entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place. Differences between the consideration given and the assets and liabilities received are recorded directly to equity.

(iii) Property, plant and equipment

The accounting policy relating to the company's property, plant and equipment is described in Note 1(i) – Property, plant and equipment and revaluation method. In applying this policy, judgment is used in determining whether certain costs are additions to the carrying amount of the property, plant and equipment as opposed to repairs and maintenance that are expensed when incurred. If an asset has been developed, judgment is required to identify the point at which the asset is capable of being used as intended and to identify the directly attributable costs to be

included in the carrying value of the development asset. The useful lives of property, plant and equipment are determined by independent engineers periodically with an annual review by management.

Annually, the company determines the fair value of its property, plant and equipment using a methodology that it has judged to be reasonable. The methodology for hydroelectric assets is generally a twenty-year discounted cash flow model. Twenty years is the period considered reasonable as the company has twenty-year capital plans and it believes a reasonable third party would be indifferent between extending the cash flows further in the model versus using a discounted terminal value. The methodology for wind, solar and other assets is to align the model length with the expected remaining useful life of the subject assets.

The valuation model incorporates future cash flows from long-term power purchase agreements that are in place where it is determined that the power purchase agreements are linked specifically to the related power generating assets. With respect to estimated future generation that does not incorporate long-term power purchase agreement pricing, the cash flow model uses estimates of future electricity prices using broker quotes from independent sources for the years in which there is a liquid market. The valuation of generation not linked to long-term power purchase agreements also requires the development of a long-term estimate of future electricity prices. In this regard the valuation model uses a discount to the all-in cost of construction with a reasonable return to secure energy from a new renewable resource with a similar generation profile to the asset being valued as the benchmark that will establish the market price for electricity for renewable resources.

The company's long-term view is anchored to the cost of securing new energy from renewable sources to meet future demand growth by the years 2030 to 2035 in North America, 2030 in Colombia and 2029 in Brazil. The year of new entry is viewed as the point when generators must build additional capacity to maintain system reliability and provide an adequate level of reserve generation with the retirement of older coal-fired plants and rising environmental compliance costs in North America, and overall increasing demand in Colombia and Brazil. The company has based its long term energy views for existing assets on a discount to price required to incentive new build generation, considering the expected technology profile of the relevant region.

Terminal values are included in the valuation of hydroelectric assets in North America and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset with consideration of a one-time thirty-year renewal on qualifying hydroelectric assets.

Discount rates are determined each year by considering the current interest rates, average market cost of capital as well as the price risk and the geographical location of the operational facilities as judged by management. Inflation rates are also determined by considering the current inflation rates and the expectations of future rates by economists. Operating costs are based on long-term budgets escalated for inflation. Each operational facility has a twenty-year capital plan that it follows to ensure the maximum life of its assets is achieved. Foreign exchange rates are forecasted by using the spot rates and the available forward rates, extrapolated beyond the period available. The inputs described above to the discounted cash flow model require management to consider facts, trends and plans in making its judgments as to what derives a reasonable fair value of its property, plant and equipment.

#### (iv) Financial instruments

The accounting policy relating to the company's financial instruments is described in Note 1(n) – Financial instruments. In applying the policy, judgments are made in applying the criteria set out in IFRS 9 to record financial instruments at fair value through profit and loss, fair value through other comprehensive income and the assessments of the effectiveness of hedging relationships.

For commodity derivatives that have unobservable value, the company applies judgements surrounding the inputs used within the valuation model. The valuation model incorporates various inputs and assumptions including forward power prices, contractual prices, contractual volumes and discount rates. Forward power prices are based on broker quotes from independent sources, contractual prices are stipulated within each individual agreement, contractual volumes are either specified within the agreement or determined using future generation of the power generating assets and discount rates are determined by considering the current interest rates, average market cost of capital as well as the price risk and geographical location of the power generating assets as judged by management.

(v) Deferred income taxes

The accounting policy relating to the company's income taxes is described in Note 1(p) – Income taxes. In applying this policy, judgments are made in determining the probability of whether deductions, tax credits and tax losses can be utilized.

(vi) Earnings per share

The company's basic and diluted earnings per share have not been presented in the consolidated financial statements. BEPC exchangeable, class A.2 exchangeable shares, BRHC class B, and BRHC class C shares are classified as financial liabilities, while BEPC class B shares are classified as financial liabilities, but presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32. As each share classification represents a financial liability, they do not constitute ordinary shares. Refer to Note 16 BEPC Exchangeable Shares, BRHC Exchangeable Shares, Class A.2 Exchangeable Shares, BRHC Class B Shares and BRHC Class C Shares for further details.

**(v) Future changes in accounting policies**

**IFRS 18 - Presentation and Disclosure in Financial Statements (“IFRS 18”)**

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 is expected to improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. The company is currently assessing the impact of this standard on its presentation and disclosures.

**Amendments to IFRS 9 - Financial Instruments (“IFRS 9”) and IFRS 7 - Financial Instruments: Disclosures (“IFRS 7”) - Classification and Measurement of Financial Instruments**

The amendments clarify the requirements for the timing of recognition and derecognition of financial liabilities settled through an electronic cash transfer system, add further guidance for assessing the contractual cash flow characteristics of financial assets with contingent features, and adds new or amended disclosures relating to investments in equity instruments designated at FVOCI and financial instruments with contingent features. The amendments to IFRS 9 and IFRS 7 apply to annual reporting periods beginning on or after January 1, 2026. The company has assessed the impacts of these amendments and have noted no material impact.

**Amendments to IFRS 9 - Financial Instruments (“IFRS 9”) and IFRS 7 - Financial Instruments: Disclosures (“IFRS 7”) - Contracts Referencing Nature-Dependent Electricity**

The amendments apply only to contracts referencing nature-dependent electricity and clarify the application of the “own-use” requirements, the use of hedge accounting, and adds new disclosure requirements around the effect of these contracts on company financial performance and cash flows. The amendments to IFRS 9 and IFRS 7 apply to annual reporting periods beginning on or after January 1, 2026. The company has assessed the impacts of these amendments and have noted no material impact.

There are currently no other future changes to IFRS Accounting Standards with a potential material impact on the company.

Terminal values are included in the valuation of hydroelectric assets in North America and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset with consideration of a one-time thirty-year (30) renewal on qualifying hydroelectric assets.

## 2. PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the company which significantly affect its financial position and results of operations as at December 31, 2025:

	Jurisdiction of Incorporation or Organization	Percentage of voting securities owned or controlled (%)
BP Brazil US Subco LLC.....	Delaware	100
Brookfield Power US Holding America Co.....	Delaware	100
Isagen S.A. E.S.P. <sup>(1)</sup> .....	Colombia	99.7
TerraForm Power Parent, LLC <sup>(1)</sup> .....	Delaware	100

<sup>(1)</sup> Voting control held, in whole or in part, through voting agreements with Brookfield.

### 3. ACQUISITIONS

*The following investment was accounted for using the equity method as the company has significant influence through its position in the business, and the results of operations have been included in the audited annual consolidated financial statements since the date of investment.*

#### **Colombian Solar Partnership**

On August 6, 2025, Isagen S.A. E.S.P. invested COP544 billion (\$135 million) (COP113 billion (\$27 million) net to the company) into a utility-scale solar asset through a strategic partnership formed with a renewable energy operator and developer in South America. The company, together with its institutional partners holds an interest of approximately 50% in the project (17% net to the company).

#### **Completed in 2024**

*The following investment was accounted for using the equity method as the company has significant influence through its position in the business, and the results of operations have been included in the audited annual consolidated financial statements since the date of investment.*

#### **U.S. eFuels Portfolio**

In December 2024, the company, together with its institutional partners, completed the acquisition of a 67% interest in an eFuels facility in the U.S. that will be capable of producing 500 barrels per day for consideration of \$45 million (\$9 million net to the company).

#### **Completed in 2023**

*The following investments were accounted for using the acquisition method, and the results of operations have been included in the audited annual consolidated financial statements since the date of acquisition.*

#### **Brazilian Wind Portfolio**

On March 3, 2023, the company, together with its institutional partners, completed the acquisition of 100% interest in a 136 MW portfolio of wind assets in Brazil. The total purchase price of this acquisition was \$95 million (approximately \$21 million net to the company), comprising of closing consideration, including working capital and closing adjustments of \$90 million (approximately \$20 million net to the company) plus \$5 million of deferred consideration (approximately \$1 million net to the company). The company holds an approximately 22.5% economic interest. The total transaction costs related to the acquisition were less than \$1 million and have been classified under Other in the consolidated statement of income (loss). If the acquisition had taken place at the beginning of the year, the revenue from the Brazil Wind Portfolio would have been \$24 million for the year ending December 31, 2023.

#### **U.S. Renewable Portfolio**

On October 25 2023, the company, together with its institutional partners, completed the acquisition of a 100% interest in a fully integrated developer and operator of renewable power assets in the United States with 5,900 MW of operating and under construction assets, with a 6,100 MW development pipeline for \$1,083 million (approximately \$308 million net to the company) \$565 million (approximately \$161 million net to the company) plus \$518 million of deferred consideration (approximately \$147 million net to the company). Total fair value of net assets acquired, net of non-controlling interest was \$1,453 million. The total transaction costs related to the acquisition were \$6 million (approximately \$2 million net to the company) and have been classified under Other in the consolidated statement of income (loss). If the acquisition had taken place at the beginning of the year, the revenue from the U.S. Renewable Portfolio would have been \$401 million for the year ended December 31, 2023.

## Brazilian Wind Portfolio

On November 6, 2023, the company, together with its institutional partners, completed the acquisition of a 100% interest in a 60 MW portfolio of operating wind assets in Brazil for total consideration of R\$113 million (\$23 million) (R\$25 million (\$5 million) net to the company). The company holds an approximately 22.5% economic interest. The total transaction costs related to the acquisition were less than \$1 million and have been classified under Other in the consolidated statement of income (loss). If the acquisition had taken place at the beginning of the year, the revenue from the Brazil Wind Portfolio would have been \$9 million for the year ended December 31, 2023.

The purchase price allocations, at fair value, as at December 31, 2023, with respect to the acquisitions are as follows:

(MILLIONS)	<b>Brazil Wind Portfolio</b>	<b>U.S. Renewable Portfolio</b>	<b>Brazil Wind Portfolio</b>	<b>Total</b>
Cash and cash equivalents .....	\$ 10	\$ 88	\$ 1	\$ 99
Restricted cash .....	—	111	—	111
Trade receivables and other current assets .....	9	127	4	140
Property, plant and equipment .....	130	3,937	40	4,107
Financial instruments assets .....	—	38	—	38
Equity accounted investments .....	—	36	—	36
Other non-current assets .....	19	54	5	78
Accounts payable and accrued liabilities ..	(22)	(88)	(2)	(112)
Current portion of non-recourse borrowings .....	(4)	(187)	(2)	(193)
Financial instruments liabilities .....	—	(1,037)	—	(1,037)
Non-recourse borrowings .....	(45)	(905)	(17)	(967)
Deferred tax liabilities .....	—	(29)	—	(29)
Provisions .....	(2)	(219)	—	(221)
Other long-term liabilities .....	—	(130)	(6)	(136)
Fair value of net assets acquired .....	95	1,796	23	1,914
Non-controlling interests .....	—	(343)	—	(343)
Total fair value of net assets acquired including goodwill, net of non-controlling interests .....	\$ 95	\$ 1,453	\$ 23	\$ 1,571

## 4. DISPOSAL OF ASSETS

On December 30, 2025, the company, together with its institutional partners, completed the sale of a 700 MW portfolio of operating and under construction distributed generation assets in the United States for proceeds, net of transactions costs, of approximately \$546 million (\$215 million net to the company). As a result of the disposition, the company derecognized \$1,285 million of total assets and \$698 million of total liabilities from the consolidated statements of financial position. The post-tax portion of the accumulated revaluation surplus of \$89 million (\$35 million net to the company) was reclassified from accumulated other comprehensive income directly to equity and presented as a Disposal item in the consolidated statements of changes in equity.

## 5. ASSETS HELD FOR SALE

As at December 31, 2025, assets held for sale included the following:

During the third quarter of 2025, the company, together with its institutional partners, agreed to the sale of a 45 MW portfolio of operating hydroelectric assets in the United States for proceeds of approximately \$125 million (\$51 million net to the company). As at December 31, 2025, these assets had post-tax accumulated revaluation surplus of \$64 million (\$24 million net to the company) that would be reclassified to equity upon disposition.

Subsequent to year-end, the company, together with its institutional partners, agreed to the sale of a 132 MW portfolio of operating wind and solar assets in the United States for proceeds of approximately \$89 million (\$57 million net to the company).

The following is a summary of the major items of assets and liabilities classified as held for sale as at December 31:

(MILLIONS)	<u>2025</u>
Assets	
Cash and cash equivalents .....	\$ 6
Trade receivables and other current assets .....	9
Financial instrument assets .....	10
Property, plant and equipment .....	441
Assets held for sale .....	<u>\$ 466</u>
Liabilities	
Current liabilities .....	\$ 4
Non-recourse borrowings .....	133
Financial instrument liabilities .....	65
Other long-term liabilities .....	10
Provisions .....	8
Liabilities directly associated with assets held for sale .....	<u>\$ 220</u>

The company continues to consolidate and recognize the revenues, expenses and cash flows associated with assets held for sale in the consolidated statements of income (loss), consolidated statements of comprehensive income (loss), and the consolidated statements of cash flows, respectively. Non-current assets classified as held for sale are not depreciated.

## 6. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including market risk (i.e., commodity price risk, interest rate risk, and foreign currency risk), credit risk and liquidity risk. The company uses financial instruments primarily to manage these risks.

The sensitivity analysis discussed below reflects the risks associated with instruments that the company considers are market sensitive and the potential loss resulting from one or more selected hypothetical changes. Therefore, the discussion below is not intended to fully reflect the company's risk exposure.

#### (a) Market risk

Market risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by the company will fluctuate because of changes in market prices.

The company faces market risk from foreign currency assets and liabilities, the impact of changes in interest rates, and floating rate liabilities. Market risk is managed by funding assets with financial liabilities in the same currency and with similar interest rate characteristics and holding financial contracts, such as interest rate swaps and foreign exchange contracts, to minimize residual exposures. Financial instruments held by the company that are subject to

market risk include borrowings and financial instruments, such as interest rate, currency and commodity contracts. The categories of financial instruments that can give rise to significant variability are described below:

(i) *Electricity price risk*

The company aims to sell electricity under long-term contracts to secure stable prices and mitigate its exposure to wholesale markets. Electricity price risk arises from the sale of the company's uncontracted generation and is mitigated by entering into short-term energy derivative contracts. Electricity price risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by the company will fluctuate because of changes in electricity prices.

The table below summarizes the impact of changes in the market price of electricity as at December 31. The impact is expressed in terms of the effect on net income and OCI. The sensitivities are based on the assumption that the market price changes by 5% with all other variables held constant.

Impact of a 5% change in the market price of electricity, on outstanding energy derivative contracts and IFRS 9 PPAs, for the year ended December 31:

(MILLIONS)	Effect on net income <sup>(1)</sup>			Effect on OCI <sup>(1)</sup>		
	2025	2024	2023	2025	2024	2023
5% increase .....	\$ (15)	\$ (5)	\$ (24)	\$ (90)	\$ (24)	\$ (23)
5% decrease .....	15	5	24	90	24	23

<sup>(1)</sup> Amounts represent the potential annual net pretax impact.

(ii) *Foreign currency risk*

Foreign currency risk is defined for these purposes as the risk that the fair value of a financial instrument held by the company will fluctuate because of changes in foreign currency rates.

The company has exposure to the Canadian dollar, euro, Brazilian real, and Colombian peso through its investments in foreign operations. Consequently, fluctuations in the U.S. dollar exchange rate against these currencies increase the volatility of net income and other comprehensive income. The company holds foreign currency contracts primarily to mitigate this exposure.

The table below summarizes the impact to the company's financial instruments of changes in the exchange rate as at December 31. The impact is expressed in terms of the effect on income and OCI. The sensitivities are based on the assumption that the currency exchange rate changes by five percent with all other variables held constant.

Impact of a 5% change in U.S. dollar exchange rates, on outstanding foreign exchange swaps, for the year ended December 31:

(MILLIONS)	Effect on net income <sup>(1)</sup>			Effect on OCI <sup>(1)</sup>		
	2025	2024	2023	2025	2024	2023
5% increase .....	\$ 8	\$ 26	\$ 18	\$ 106	\$ 132	\$ 163
5% decrease .....	(8)	(26)	(18)	(106)	(132)	(163)

<sup>(1)</sup> Amounts represent the potential annual net pretax impact.

(iii) *Interest rate risk*

Interest rate risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by the company will fluctuate, because of changes in interest rates.

The company's assets largely consist of long duration physical assets. The company's financial liabilities consist primarily of long-term fixed-rate debt or variable-rate debt that has been swapped to fixed rates with interest rate financial instruments. All non-derivative financial liabilities are recorded at their amortized cost. The company also holds interest rate contracts to lock-in fixed rates on certain anticipated future debt issuances.

The company will enter into interest rate swaps designed to minimize the exposure to interest rate fluctuations on its variable-rate debt. Fluctuations in interest rates could impact the company's cash flows, primarily with respect to the interest payable against the company's variable rate debt, which is limited to certain non-recourse borrowings with a total principal value of \$8,527 million (2024: \$7,129 million). Of this principal value, \$2,843 million (2024: \$2,583 million) has been fixed through the use of interest rate contracts. The fair values of the recognized asset and liability for the interest rate swaps were calculated using a valuation model with observable interest rates.

The table below summarizes the impact of changes in the interest rate as at December 31. The impact is expressed in terms of the effect on income and OCI. The sensitivities are based on the assumption that the interest rate changes by 1% with all other variables held constant.

Impact of a 1% change in interest rates, on outstanding interest rate swaps, variable rate debt and tax equity, for the year ended December 31:

(MILLIONS)	Effect on net income <sup>(1)</sup>			Effect on OCI <sup>(1)</sup>		
	2025	2024	2023	2025	2024	2023
1% increase	\$ (47)	\$ (29)	\$ (91)	\$ 180	\$ 67	\$ 89
1% decrease	46	28	92	(186)	(72)	(95)

<sup>(1)</sup> Amounts represent the potential annual net pretax impact.

### (b) Credit risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfill its contractual obligations. The company's exposure to credit risk in respect of financial instruments relates primarily to counterparty obligations regarding energy contracts, interest rate swaps, forward foreign exchange contracts and physical electricity transactions.

The company minimizes credit risk with counterparties through the selection, monitoring and diversification of counterparties, and the use of standard trading contracts, and other credit risk mitigation techniques. In addition, the company's power purchase agreements are reviewed regularly and the majority are with customers having long standing credit histories or investment grade ratings, which limit the risk of non-collection. See Note 22 – Trade receivables and other current assets, for additional details regarding the company's trade receivables balance.

The maximum credit exposure at December 31 was as follows:

(MILLIONS)	2025	2024
Trade receivables and other short-term receivables	\$ 754	\$ 652
Financial instrument assets <sup>(1)</sup>	272	220
Due from related parties <sup>(1)</sup>	1,625	1,413
Long-term receivables	80	56
	<u>\$ 2,731</u>	<u>\$ 2,341</u>

<sup>(1)</sup> Includes both the current and long-term amounts.

### (c) Liquidity risk

Liquidity risk is the risk that the company cannot meet a demand for cash or fund an obligation when due. Liquidity risk is mitigated by the company's cash and cash equivalent balances and its access to undrawn credit facilities. Details of the available portion of credit facilities are included in Note 14 – Borrowings. The company also ensures that it has access to public capital markets and maintains a strong investment grade credit rating.

The company is also subject to the risk associated with debt financing. This risk is mitigated by the long-term duration of debt instruments and the staggered maturity dates over an extended period of time.

## CASH OBLIGATIONS

The table below classifies the cash obligations related to the company's liabilities into relevant maturity groupings based on the remaining period from the statement of financial position dates to the contractual maturity date. As the amounts are the contractual undiscounted cash flows (gross of unamortized financing fees and accumulated amortization, where applicable), they may not agree with the amounts disclosed in the consolidated statements of financial position.

AS AT DECEMBER 31, 2025 (MILLIONS)	< 1 year	1-5 years	> 5 years	Total
Accounts payable and accrued liabilities.....	\$ 777	\$ —	\$ —	\$ 777
Financial instrument liabilities <sup>(1)</sup> .....	389	218	272	879
Due to related parties <sup>(1)</sup> .....	1,011	—	485	1,496
Lease liabilities <sup>(1)</sup> .....	29	81	190	300
Non-recourse borrowings <sup>(1)</sup> .....	2,772	7,259	5,319	15,350
Interest payable on borrowings <sup>(2)</sup> .....	1,033	3,101	3,762	7,896
Total.....	<u>\$ 6,011</u>	<u>\$ 10,659</u>	<u>\$ 10,028</u>	<u>\$ 26,698</u>

AS AT DECEMBER 31, 2024 (MILLIONS)	< 1 year	1-5 years	> 5 years	Total
Accounts payable, accrued liabilities, and provisions.....	\$ 571	\$ —	\$ —	\$ 571
Financial instrument liabilities <sup>(1)</sup> .....	151	209	499	859
Due to related parties <sup>(1)</sup> .....	544	—	—	544
Lease liabilities <sup>(1)</sup> .....	25	86	207	318
Non-recourse borrowings <sup>(1)</sup> .....	1,282	6,370	6,192	13,844
Interest payable on borrowings <sup>(2)</sup> .....	828	2,536	1,740	5,104
Total.....	<u>\$ 3,401</u>	<u>\$ 9,201</u>	<u>\$ 8,638</u>	<u>\$ 21,240</u>

<sup>(1)</sup> Includes both the current and long-term amounts.

<sup>(2)</sup> Represents aggregate expected interest payable over the entire term of the obligations, if held to maturity. Variable rate interest payments have been calculated based on estimated interest rates.

### Fair value disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, management looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, commodity prices and, as applicable, credit spreads.

A fair value measurement of a non-financial asset is the consideration that would be received in an orderly transaction between market participants, considering the highest and best use of the asset.

Assets and liabilities measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

Level 1 – inputs are based on unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – inputs, other than quoted prices in Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

The following table presents the company's assets and liabilities including energy derivative contracts, power purchase agreements accounted for under IFRS 9 ("IFRS 9 PPAs"), interest rate swaps, foreign exchange swaps and tax equity measured and disclosed at fair value classified by the fair value hierarchy as at December 31:

(MILLIONS)	December 31, 2025				December 31, 2024	
	Level 1	Level 2	Level 3	Total <sup>(1)</sup>	Total <sup>(1)</sup>	
<b>Assets measured at fair value:</b>						
Cash and cash equivalents .....	\$ 682	\$ —	\$ —	\$ 682	\$	624
Restricted cash <sup>(2)</sup> .....	81	—	—	81		85
Financial instrument assets <sup>(2)</sup>						
IFRS 9 PPAs .....	—	—	78	78		8
Energy derivative contracts .....	—	104	—	104		60
Interest rate swaps .....	—	85	—	85		115
Foreign exchange swaps .....	—	5	—	5		37
Property, plant and equipment .....	—	—	39,699	39,699		38,696
<b>Liabilities measured at fair value:</b>						
Financial instrument liabilities <sup>(2)</sup>						
IFRS 9 PPAs .....	—	(34)	(219)	(253)		(111)
Energy derivative contracts .....	—	(154)	—	(154)		(108)
Interest rate swaps .....	—	(59)	—	(59)		(10)
Foreign exchange swaps .....	—	(201)	—	(201)		(45)
Tax equity .....	—	—	(212)	(212)		(378)
<b>Liabilities for which fair value is disclosed:</b>						
Interests held in BRHC by the partnership <sup>(3)</sup> ..	(5,245)	—	—	(5,245)		(4,432)
BEPC exchangeable and class A.2 exchangeable shares <sup>(3)</sup> .....	(5,016)	—	—	(5,016)		(4,168)
Non-recourse borrowings <sup>(2)</sup> .....	(1,703)	(13,659)	—	(15,362)		(13,675)
Total .....	<u>\$ (11,201)</u>	<u>\$ (13,913)</u>	<u>\$ 39,346</u>	<u>\$ 14,232</u>	<u>\$</u>	<u>16,698</u>

<sup>(1)</sup> Excludes \$320 million (2024: \$566 million) of investments in debt securities measured at amortized cost.

<sup>(2)</sup> Includes both the current amount and long-term amounts.

<sup>(3)</sup> BEPC class B shares are also classified as financial liabilities due to their cash redemption feature. As discussed in Note 16 – BEPC Exchangeable Shares, BRHC Exchangeable Shares, Class A.2 Exchangeable Shares, BRHC Class B Shares and BRHC Class C Shares, the BEPC class B shares meet certain qualifying criteria and are presented as equity.

## Financial instruments disclosures

Financial assets and liabilities are offset with the net amount reported in the Consolidated Statements of Financial Position, where the company currently has a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The aggregate amount of our company's net financial instrument positions as at December 31 are as follows:

	Financial Instruments Assets					Financial Instruments Liabilities				Net Assets (Liabilities)
	Instruments designated as hedges	Instruments not designated as hedges			Total	Instruments designated as hedges	Instruments not designated as hedges		Total	
		Fair value through profit & loss	Fair value through OCI	Amortized cost			Fair value through profit & loss	Total		
(MILLIONS)										
IFRS 9 PPAs .....	\$ —	\$ 8	\$ —	\$ —	\$ 8	\$ (41)	\$ (70)	\$ (111)	\$ (103)	
Energy derivative contracts .....	3	57	—	—	60	(4)	(104)	(108)	(48)	
Interest rate swaps .....	106	9	—	—	115	(10)	—	(10)	105	
Foreign exchange swaps .....	19	18	—	—	37	(37)	(8)	(45)	(8)	
Investments in debt and equity securities .....	—	—	—	566	566	—	—	—	566	
Tax equity .....	—	—	—	—	—	—	(378)	(378)	(378)	
Balance, as at December 31, 2024 .....	<u>\$ 128</u>	<u>\$ 92</u>	<u>\$ —</u>	<u>\$ 566</u>	<u>\$ 786</u>	<u>\$ (92)</u>	<u>\$ (560)</u>	<u>\$ (652)</u>	<u>\$ 134</u>	
Less: current portion .....					(102)			244	142	
Long-term portion .....					<u>\$ 684</u>			<u>\$ (408)</u>	<u>\$ 276</u>	
IFRS 9 PPAs .....	\$ 38	\$ 40	\$ —	\$ —	\$ 78	\$ (165)	\$ (88)	\$ (253)	\$ (175)	
Energy derivative contracts .....	—	104	—	—	104	(26)	(128)	(154)	(50)	
Interest rate swaps .....	27	58	—	—	85	(56)	(3)	(59)	26	
Foreign exchange swaps .....	5	—	—	—	5	(201)	—	(201)	(196)	
Investments in debt and equity securities .....	—	—	—	320	320	—	—	—	320	
Tax equity .....	—	—	—	—	—	—	(212)	(212)	(212)	
Balance, as at December 31, 2025 .....	<u>\$ 70</u>	<u>\$ 202</u>	<u>\$ —</u>	<u>\$ 320</u>	<u>\$ 592</u>	<u>\$ (448)</u>	<u>\$ (431)</u>	<u>\$ (879)</u>	<u>\$ (287)</u>	
Less: current portion .....					(157)			405	248	
Long-term portion .....					<u>\$ 435</u>			<u>\$ (474)</u>	<u>\$ (39)</u>	

The following table presents the change in the company's total net financial instrument asset position as at and for the year ended December 31:

(MILLIONS)	Balance as at December 31, 2024 asset (liability)	Changes in fair value recognized in OCI <sup>(1)</sup>	Changes in fair value (hedge ineffectiveness) <sup>(2)</sup>	Changes in fair value on financial instruments through profit and loss <sup>(2)</sup>	Amounts reclassified from OCI to income	Acquisitions, disposals, settlements and other	Foreign exchange (loss) gain	Balance as at December 31, 2025 asset (liability)
IFRS 9 PPAs <sup>(3)</sup>	\$ (103)	\$ (111)	\$ (8)	\$ (30)	\$ 7	\$ 70	\$ —	\$ (175)
Energy derivative contracts	(48)	(29)	(8)	61	7	(33)	—	(50)
Interest rate swaps	105	(16)	(1)	15	(17)	(65)	5	26
Foreign exchange swaps	(8)	(479)	—	(27)	—	318	—	(196)
Investments in debt and equity securities <sup>(4)</sup>	566	—	—	—	—	(315)	69	320
Tax equity	(378)	—	—	107	—	59	—	(212)
	<u>\$ 134</u>	<u>\$ (635)</u>	<u>\$ (17)</u>	<u>\$ 126</u>	<u>\$ (3)</u>	<u>\$ 34</u>	<u>\$ 74</u>	<u>\$ (287)</u>

<sup>(1)</sup> Amounts recognized in Equity-accounted investments, Gains (losses) arising during the year on financial instruments designated as cash-flow hedges and Unrealized gain (loss) on foreign exchange swaps – net investment hedge on the consolidated statements of comprehensive income (loss).

<sup>(2)</sup> Amounts recognized in Foreign exchange and financial instruments gain (loss) on the consolidated statements of income (loss) excluding realized gains and losses recorded on foreign exchange.

<sup>(3)</sup> Level 3 power purchase agreements accounted for as energy derivatives that are either designated as a hedge or not designated as a hedge.

<sup>(4)</sup> Includes \$320 million of investments in debt securities measured at amortized cost.

(MILLIONS)	Balance as at December 31, 2023 asset (liability)	Changes in fair value recognized in OCI <sup>(1)</sup>	Changes in fair value (hedge ineffectiveness) <sup>(2)</sup>	Changes in fair value on derivatives not designated in hedge relationships <sup>(2)</sup>	Amounts reclassified from OCI to income	Acquisitions, settlements and other <sup>(4)</sup>	Foreign exchange loss	Balance as at December 31, 2024 asset (liability)
IFRS 9 PPAs <sup>(3)</sup>	\$ (491)	\$ (61)	\$ 1	\$ 62	\$ (1)	\$ 387	\$ —	\$ (103)
Energy derivative contracts	12	(3)	—	40	(94)	(3)	—	(48)
Interest rate swaps	135	28	—	24	7	(87)	(2)	105
Foreign exchange swaps	(284)	71	—	92	—	113	—	(8)
Investments in debt and equity securities	171	—	—	1	—	403	(9)	566
Tax equity	(935)	—	—	94	—	463	—	(378)
	<u>\$ (1,392)</u>	<u>\$ 35</u>	<u>\$ 1</u>	<u>\$ 313</u>	<u>\$ (88)</u>	<u>\$ 1,276</u>	<u>\$ (11)</u>	<u>\$ 134</u>

<sup>(1)</sup> Amounts recognized in Equity-accounted investments, Gains (losses) arising during the year on financial instruments designated as cash-flow hedges and Unrealized gain (loss) on foreign exchange swaps – net investment hedge on the consolidated statements of comprehensive income (loss).

<sup>(2)</sup> Amounts recognized in Foreign exchange and financial instruments gain (loss) on the consolidated statements of income (loss) excluding realized gains and losses recorded on foreign exchange.

<sup>(3)</sup> Level 3 power purchase agreements accounted for as energy derivatives that are either designated as a hedge or not designated as a hedge.

<sup>(4)</sup> Includes \$812 million derecognized on transfer of a U.S. renewables portfolio to a subsidiary of the partnership

<sup>(5)</sup> Includes \$566 million of investments in debt securities measured at amortized cost.

**(a) Tax equity**

The company owns and operates certain projects in the United States under tax equity structures to finance the construction of certain power generating assets. In accordance with the substance of the contractual agreements, the amounts paid by the tax equity investors for their equity stakes are classified as financial instrument liabilities on the consolidated statements of financial position.

Gain or loss on the tax equity liabilities are recognized within foreign exchange and financial instruments gain (loss) in the consolidated statements of income (loss).

**(b) Energy derivative contracts and IFRS 9 PPAs**

The company has entered into long-term energy derivative contracts primarily to stabilize or eliminate the price risk on the sale of certain future power generation. Certain energy contracts are recorded in the company's consolidated financial statements at an amount equal to fair value, using quoted market prices or, in their absence, a valuation model using both internal and third-party evidence and forecasts.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the energy derivative contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The company has established a hedge ratio of 1:1 for the hedging relationship. To measure the hedge effectiveness, the company uses the hypothetical derivative method and compares changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. The hedge ineffectiveness can arise from different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments.

Certain subsidiaries that the company controls, through a voting agreement, have entered into agreements appointing the partnership as their agent in entering into certain derivative transactions with external counterparties. Pursuant to each Agreement, the partnership was entitled to be reimbursed for any third party costs incurred in connection with these derivative transactions. Substantially all of the company's energy contract derivatives are entered into pursuant to these agreements. Upon the closing of the Energy Marketing Internalization on April 1, 2021, all power agency agreements were transferred by the partnership to the company. Refer to Note 28 - Related party transactions for more details.

For the year ended December 31, 2025, loss of \$14 million relating to energy derivative contracts were realized and reclassified from OCI to the consolidated statements of income (loss) (2024: \$94 million of gains and 2023: \$119 million of gains).

Based on market prices as of December 31, 2025, unrealized losses of \$5 million (2024: \$4 million of losses and 2023: \$48 million of losses) recorded in accumulated other comprehensive income ("AOCI") on energy derivative contracts are expected to be settled or reclassified into income in the next twelve months. The actual amount reclassified from AOCI, however, could vary due to future changes in market prices.

The following table summarizes the energy derivative contracts designated as hedging instruments:

Energy derivative contracts and IFRS 9 PPAs	<b>December 31, 2025</b>	December 31, 2024
Carrying amount (asset/(liability))	\$ (153)	\$ (42)
Notional amount – GWh	71,118	9,729
Weighted average hedged rate for the year (\$/MWh)	42	55
Maturity dates	2026-2052	2025-2033
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments	(136)	(34)
Change in value of hedged item used to determine hedge effectiveness	(172)	(32)

There is \$17 million of hedge ineffectiveness losses recognized in foreign exchange and financial instruments gain (loss) in the consolidated statements of income (loss) related to energy derivative contracts (cash flow hedges) for the year ended December 31, 2025 (2024: \$3 million loss and 2023: \$1 million loss).

### (c) Interest rate hedges

The company has entered into interest rate hedge contracts primarily to minimize exposure to interest rate fluctuations on its variable rate debt or to lock in interest rates on future debt refinancing. All interest rate hedge contracts are recorded in the consolidated financial statements at fair value.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate hedges match the terms of the respective fixed rate loans (i.e., notional amount, maturity, payment and reset dates). The company established a hedge ratio of 1:1 for the hedging relationship. To measure the hedge effectiveness, the company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged items attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curves being applied to discount the hedged item and hedging instrument
- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk having an asymmetrical impact on the fair value movements of the hedging instrument and hedged item

At December 31, 2025, agreements with a total notional exposure of \$3,753 million were outstanding (2024: \$2,431 million) including \$933 million (2024: \$163 million) associated with agreements that are not formally designated as hedging instruments. The weighted-average fixed interest rate resulting from these agreements is 4.4% (2024: 2.9%).

For the year ended December 31, 2025, net movements relating to cash flow hedges realized and reclassified from OCI to interest expense in the consolidated statements of income (loss) were \$17 million gains (2024: \$9 million losses and 2023: \$3 million losses).

Based on market prices as of December 31, 2025, unrealized gains of \$7 million (2024: \$18 million losses and 2023: \$37 million losses) recorded in AOCI on interest rate swaps are expected to be settled or reclassified into income in the next twelve months. The actual amount reclassified from AOCI, however, could vary due to future changes in market rates.

The following table summarizes the interest rate hedges designated as hedging instruments:

Interest rate hedges	December 31, 2025	December 31, 2024
Carrying amount (asset/(liability))	\$ (29)	\$ 96
Notional amount – \$	2,459	1,070
Notional amount – COP <sup>(1)</sup>	98	92
Notional amount – C\$ <sup>(1)</sup>	99	105
Notional amount – € <sup>(1)</sup>	164	1,001
Maturity dates	2026-2056	2025-2048
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments	(9)	(31)
Change in value of hedged item used to determine hedge effectiveness	9	32

<sup>(1)</sup> Notional amounts of foreign currency denominated interest rate hedges are presented at the U.S. dollar equivalent value based on the December 31, 2025 foreign currency spot rate

The hedge ineffectiveness gains recognized within foreign exchange and financial instrument gain (loss) in the consolidated statements of income (loss) related to interest rate contracts (cash flow hedges) for the year ended December 31, 2025 was \$1 million (2024: \$1 million and 2023: nil).

### (d) Foreign exchange swaps

The company has entered into foreign exchange swaps to minimize its exposure to currency fluctuations impacting its investments and earnings in foreign operations, and to fix the exchange rate on certain anticipated transactions denominated in foreign currencies.

There is an economic relationship between the hedged item and the hedging instrument as the net investment or anticipated foreign currency transaction creates a translation risk that will match the respective hedging instrument. The company established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component.

Certain Brookfield subsidiaries that the company controls, through a voting agreement, have entered into Master Hedge Agreements appointing Brookfield as their agent in entering into certain derivative transactions with external counterparties to hedge against fluctuations in foreign exchange. Pursuant to each Agreement, Brookfield was entitled to be reimbursed for any third party costs incurred in connection with these derivative transactions. Substantially all of the company's foreign exchange swaps are entered into pursuant to a Master Hedge Agreement.

At December 31, 2025, agreements with a total notional exposure of \$2,025 million were outstanding (2024: \$2,962 million) including \$212 million (2024: \$528 million) associated with agreements that are not formally designated as hedging instruments.

There are nil unrealized gains or losses recorded in AOCI on foreign exchange swaps that are expected to be settled or reclassified into income in the next twelve months (2024: nil and 2023: nil). The actual amount reclassified from AOCI, however, could vary due to future changes in market rates.

The following table summarizes the foreign exchange swaps designated as hedging instruments:

Foreign exchange swaps	<b>December 31, 2025</b>	December 31, 2024
Carrying amount (asset/(liability))	\$ (196)	\$ (18)
Notional amount for hedges of the Colombian Peso <sup>(1)</sup>	1,351	2,061
Notional amount for hedges of the Euro <sup>(1)</sup>	288	254
Notional amount for hedges of the Brazilian real <sup>(1)</sup>	174	119
Maturity date	2026 - 2027	2025 - 2026
Hedge ratio	1:1	1:1
Weighted average hedged rate for the year:		
COP/\$ foreign exchange forward contracts	4,765	4,572
€/ \$ foreign exchange forward contracts	0.96	0.96
BRL/\$ foreign exchange forward contracts	6.15	6.19

<sup>(1)</sup> Notional amounts expressed in millions of U.S. dollars

## 7. SEGMENTED INFORMATION

The company's Chief Executive Officer and Chief Financial Officer (collectively, the chief operating decision maker or "CODM") review the results of the operations, manage the operations, and allocate resources based on the type of technology, in conjunction with other segments of Brookfield Renewable.

The operations of the company are segmented by – 1) hydroelectric, 2) wind, 3) utility-scale solar, 4) distributed energy & sustainable solutions (distributed generation, pumped storage, carbon capture and storage, cogeneration, biomass, and eFuels) and 5) corporate. This best reflects the way in which the CODM reviews the results of the company.

In accordance with IFRS 8, Operating Segments, the company discloses information about its reportable segments based upon the measures used by the CODM in assessing performance. The accounting policies of the reportable segments are the same as those described in Note 1 – Basis of presentation and material accounting policy information.

Reporting to the CODM on the measures utilized to assess performance and allocate resources is provided on a proportionate basis. Information on a proportionate basis reflects the company's share from facilities which it accounts for using consolidation and the equity method whereby the company either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides shareholders perspective that the CODM considers important when performing internal analyses and making strategic and operating decisions. The CODM also believes that providing proportionate information helps investors understand the impacts of decisions made by management and financial results allocable to the company's shareholders.

Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Tables reconciling IFRS data with data presented on a proportionate consolidation basis have been disclosed below. Segment revenues, other income, direct operating costs, interest expense, current income taxes, and other are items that will differ from results presented in accordance with IFRS as these items (1) include the company's proportionate share of earnings from equity-accounted investments attributable to each of the above-noted items, (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by the company apportioned to each of the above-noted items, and (3) other income includes items that are considered within the company's measure of return on invested capital, including but not limited to our proportionate share of settled foreign currency and other hedges, income earned on financial assets and structured investments in sustainable solutions, monetization of tax attributes at certain development projects and realized disposition gains on non-core assets and on recently developed assets that we have monetized to reflect the economic value created from our development activities as we design, build and commercialize new renewable energy capacity and sell these assets to lower cost of capital buyers which may not otherwise be reflected in our consolidated statements of income (loss).

The company uses Funds From Operations "FFO" to assess the performance of the company before the effects of certain cash items (e.g., acquisition costs and other typical non-recurring cash items) and certain non-cash items (e.g., deferred income taxes, depreciation, non-cash portion of non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments, and other non-cash items) as these are not reflective of the performance of the underlying business, and including monetization of tax attributes at certain development projects. The company includes realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term within FFO in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in current period net income.

The company does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its consolidated financial statements. The presentation of the assets and liabilities and revenues and expenses does not represent the company's legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish the company's legal claims or exposures to such items.

The company reports its results in accordance with these segments and presents prior period segmented information in a consistent manner.

The company analyzes the performance of its operating segments based on FFO. FFO is not a generally accepted accounting measure under IFRS and therefore may differ from definitions of FFO used by other entities, as well as the definition of funds from operations used by the Real Property Association of Canada (“REALPAC”) and the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”).

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles the company's proportionate results to the consolidated statements of income (loss) on a line-by-line basis by aggregating the components comprising the earnings from the company's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the year ended December 31, 2025:

(MILLIONS)	Attributable to the partnership						Contribution from equity-accounted investments	Attributable to non-controlling interests and other <sup>(4)</sup>	As per IFRS financials <sup>(1)</sup>
	Hydroelectric	Wind	Utility-scale solar	Distributed energy & sustainable solutions	Corporate	Total			
Revenues	\$ 1,296	\$ 151	\$ 224	\$ 107	\$ —	\$ 1,778	\$ (266)	\$ 2,216	\$ 3,728
Other income <sup>(3)</sup>	81	34	9	46	22	192	(21)	23	194
Direct operating costs	(601)	(74)	(61)	(54)	(6)	(796)	107	(806)	(1,495)
Share of revenue, other income and direct operating costs from equity-accounted investments <sup>(1)</sup>	—	—	—	—	—	—	180	—	180
	776	111	172	99	16	1,174	—	1,433	
Management service costs	—	—	—	—	(110)	(110)	—	—	(110)
Interest income (expense)	(277)	(38)	(55)	(24)	(2)	(396)	60	(785)	(1,121)
Current income taxes	(19)	(5)	(15)	(2)	1	(40)	14	(93)	(119)
Share of interest and cash taxes from equity-accounted investments <sup>(1)</sup>	—	—	—	—	—	—	(74)	—	(74)
Share of Funds From Operations attributable to non-controlling interests <sup>(2)</sup>	—	—	—	—	—	—	—	(555)	(555)
Funds From Operations	480	68	102	73	(95)	628	—	—	
Depreciation									(1,240)
Foreign exchange and financial instrument gain									91
Deferred income tax expense									132
Other									(183)
Dividends on BEPC exchangeable, class A.2 exchangeable shares and exchangeable shares of BRHC									(551)
Remeasurement of interests held in BRHC by the partnership									(813)
Remeasurement of BEPC exchangeable and class A.2 exchangeable shares									(848)
Remeasurement of exchangeable and class B shares of BRHC									—
Share of earnings (loss) from equity-accounted investments <sup>(1)</sup>									(114)
Net income attributable to non-controlling interests <sup>(2)</sup>									554
Net income attributable to the partnership <sup>(5)</sup>									<u>\$ (2,344)</u>

<sup>(1)</sup> Share of loss from equity-accounted investments in the consolidated statement of income (loss) of \$8 million is comprised of amounts found on the Share of revenue, other income and direct operating costs, Share of interest and cash taxes and Share of earnings from equity-accounted investments lines.

<sup>(2)</sup> Net income attributable to non-controlling interests in the consolidated statement of income (loss) of \$1 million is comprised of amounts found on the Share of FFO attributable to non-controlling interests and Net income (loss) attributable to non-controlling interests.

<sup>(3)</sup> Other income in FFO of \$192 million, includes the company's share of recurring and cash generative items recognized in various elements of the IFRS statements and are predominantly associated with dispositions and monetizations of developed or non-core assets and businesses, recognized in the following line items of the IFRS statements: i) Other income on the consolidated statement of income (loss), ii) Foreign exchange and financial instruments gain on the consolidated statement of income (loss), iii) items recognized directly in equity in the Disposals and Ownership Changes line of the consolidated statement of changes in equity and iv) the aforementioned items earned via equity-accounted investments recorded on the share of earnings of equity-accounted investments line in the consolidated statement of income (loss). See Note 8 - Other Income, Note 6 - Risk Management And Financial Instruments and Note 4 - Disposal of Assets for further details.

<sup>(4)</sup> Amounts attributable to non-controlling interests and other associated with Other income (loss) of \$23 million includes the removal of the aforementioned items in footnote 3 that are included in FFO but excluded from Other income on the consolidated statement of income (loss).

<sup>(5)</sup> Net income (loss) attributable to non-controlling interest and other includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares, class A.2 exchangeable shares and LP units.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles the company's proportionate results to the consolidated statements of income (loss) on a line-by-line basis by aggregating the components comprising the earnings from the company's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the year ended December 31, 2024:

(MILLIONS)	Attributable to the partnership						Contribution from equity-accounted investments	Attributable to non-controlling interests <sup>(4)</sup>	As per IFRS financials
	Hydroelectric	Wind	Utility-scale solar	Distributed energy & sustainable solutions	Corporate	Total			
Revenues	\$ 1,189	\$ 223	\$ 238	\$ 124	\$ —	\$ 1,774	\$ (67)	\$ 2,435	\$ 4,142
Other income <sup>(3)</sup>	33	106	66	8	56	269	—	160	429
Direct operating costs	(538)	(83)	(67)	(50)	(6)	(744)	29	(1,052)	(1,767)
Share of revenue, other income and direct operating costs from equity-accounted investments <sup>(1)</sup>	—	—	—	—	—	—	38	—	38
	684	246	237	82	50	1,299	—	1,543	
Management service costs	—	—	—	—	(106)	(106)	—	—	(106)
Interest income (expense)	(229)	(47)	(68)	(24)	—	(368)	11	(761)	(1,118)
Current income taxes	(21)	(9)	—	(1)	—	(31)	—	(69)	(100)
Share of interest and cash taxes from equity-accounted investments <sup>(1)</sup>	—	—	—	—	—	—	(11)	—	(11)
Share of Funds From Operations attributable to non-controlling interests <sup>(2)</sup>	—	—	—	—	—	—	—	(713)	(713)
Funds From Operations	434	190	169	57	(56)	794	—	—	
Depreciation									(1,262)
Foreign exchange and financial instrument gain									238
Deferred income tax expense									(67)
Other									(76)
Dividends on BEPC exchangeable shares									(549)
Remeasurement of interests held in BRHC by the partnership									58
Remeasurement of BEPC exchangeable and class A.2 exchangeable shares									61
Remeasurement of exchangeable and class B shares of BRHC									574
Share of loss from equity-accounted investments <sup>(1)</sup>									(51)
Net income attributable to non-controlling interests <sup>(2)</sup>									516
Net loss attributable to the partnership <sup>(5)</sup>									<u>\$ 236</u>

<sup>(1)</sup> Share of loss from equity-accounted investments in the consolidated statement of income (loss) of \$24 million is comprised of amounts found on the Share of revenue, other income and direct operating costs, Share of interest and cash taxes and Share of earnings from equity-accounted investments lines.

<sup>(2)</sup> Net income attributable to non-controlling interests in the consolidated statement of income (loss) of \$197 million is comprised of amounts found on the Share of FFO attributable to non-controlling interests and Net income (loss) attributable to non-controlling interests.

<sup>(3)</sup> Other income in FFO of \$269 million, includes the company's share of recurring and cash generative items recognized in various elements of the IFRS statements and are predominantly associated with dispositions and monetizations of developed or non-core assets and businesses, recognized in the following line items of the IFRS statements: i) Other income on the consolidated statement of income (loss), ii) Foreign exchange and financial instruments gain on the consolidated statement of income (loss), iii) items recognized directly in equity in the consolidated statement of changes in equity and iv) the aforementioned items earned via equity-accounted investments recorded on the share of earnings of equity-accounted investments line in the consolidated statement of income (loss). See Note 8 - Other Income and Note 6 - Risk Management And Financial Instruments for further details.

<sup>(4)</sup> Amounts attributable to non-controlling interests and other associated with Other income (loss) of \$160 million includes the removal of the aforementioned items in footnote 3 that are included in FFO but excluded from Other income on the consolidated statement of income (loss).

<sup>(5)</sup> Net income (loss) attributable to non-controlling interest and other includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares, class A.2 exchangeable shares and LP units.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles the company's proportionate results to the consolidated statements of income (loss) on a line-by-line basis by aggregating the components comprising the earnings from the company's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the year ended December 31, 2023:

(MILLIONS)	Attributable to the partnership						Contribution from equity-accounted investments	Attributable to non-controlling interests <sup>(4)</sup>	As per IFRS financials <sup>(1)</sup>
	Hydroelectric	Wind	Utility-scale solar	Distributed energy & sustainable solutions	Corporate	Total			
Revenues	\$ 1,212	\$ 152	\$ 165	\$ 125	\$ —	\$ 1,654	\$ (47)	\$ 2,360	\$ 3,967
Other income (loss) <sup>(3)</sup>	51	33	23	18	21	146	(13)	451	584
Direct operating costs	(476)	(47)	(42)	(42)	(6)	(613)	22	(875)	(1,466)
Share of revenue, other income and direct operating costs from equity-accounted investments <sup>(1)</sup>	—	—	—	—	—	—	38	—	38
	787	138	146	101	15	1,187	—	1,936	
Management service costs	—	—	—	—	(88)	(88)	—	—	(88)
Interest income (expense)	(261)	(28)	(50)	(21)	3	(357)	8	(668)	(1,017)
Current income taxes	(22)	(2)	(2)	—	—	(26)	—	(87)	(113)
Share of interest and cash taxes from equity-accounted investments <sup>(1)</sup>	—	—	—	—	—	—	(8)	—	(8)
Share of Funds From Operations attributable to non-controlling interests <sup>(2)</sup>	—	—	—	—	—	—	—	(1,181)	(1,181)
Funds From Operations	504	108	94	80	(70)	716	—	—	
Depreciation									(1,342)
Foreign exchange and financial instrument gain (loss)									159
Deferred income tax recovery (expense)									40
Other									(61)
Dividends on BEPC exchangeable shares									(241)
Remeasurement of BEPC exchangeable and BEPC class B shares									(106)
Share of loss from equity-accounted investments <sup>(1)</sup>									(38)
Net income attributable to non-controlling interests <sup>(2)</sup>									692
Net income attributable to the partnership <sup>(5)</sup>									<u>\$ (181)</u>

<sup>(1)</sup> Share of loss from equity-accounted investments in the consolidated statement of income (loss) of \$8 million is comprised of amounts found on the Share of revenue, other income and direct operating costs, Share of interest and cash taxes and Share of earnings from equity-accounted investments lines.

<sup>(2)</sup> Net income attributable to non-controlling interests in the consolidated statement of income (loss) of \$489 million is comprised of amounts found on the Share of FFO attributable to non-controlling interests and Net income (loss) attributable to non-controlling interests.

<sup>(3)</sup> Other income in FFO of \$146 million, includes the company's share of recurring and cash generative items recognized in various elements of the IFRS statements and are predominantly associated with dispositions and monetizations of developed or non-core assets and businesses, recognized in the following line items of the IFRS statements: i) Other income on the consolidated statement of income (loss), ii) Foreign exchange and financial instruments gain on the consolidated statement of income (loss), iii) items recognized directly in equity in the consolidated statement of changes in equity and iv) the aforementioned items earned via equity-accounted investments recorded on the share of earnings of equity-accounted investments line in the consolidated statement of income (loss). See Note 8 - Other Income for further details.

<sup>(4)</sup> Amounts attributable to non-controlling interests and other associated with Other income (loss) of \$451 million includes: i) the removal of the aforementioned items in footnote 3 that are included in FFO but excluded from Other income on the consolidated statement of income (loss) and ii) the addition of certain non-cash items recorded in Other income in the consolidated statement of income (loss) which are not included in FFO, such as non-cash items recorded in Other income in the IFRS financial statements that are excluded from FFO, including non-cash acquisition gains (See Note 8 - Other Income).

<sup>(5)</sup> Net income (loss) attributable to non-controlling interest and other includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares, class A.2 exchangeable shares and LP units.

The following table presents information on a segmented basis about certain items in the company's consolidated statements of financial position and reconciles the company's proportionate results to the consolidated statements of financial position by aggregating the components comprising the company's investments in associates and reflecting the portion of each line item attributable to non-controlling interests:

(MILLIONS)	Attributable to the partnership						Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials
	Hydroelectric	Wind	Utility-scale solar	Distributed energy & sustainable solutions	Corporate	Total			
As at December 31, 2025									
Cash and cash equivalents .....	\$ 253	\$ 46	\$ 67	\$ 30	\$ 1	\$ 397	\$ (23)	\$ 308	\$ 682
Property, plant and equipment, at fair value .....	16,407	1,722	1,603	651	—	20,383	(1,001)	20,317	39,699
Total assets .....	19,065	2,032	1,876	743	212	23,928	(332)	22,671	46,267
Total liabilities .....	10,765	1,262	1,626	326	10,332	24,311	(332)	13,056	37,035
As at December 31, 2024									
Cash and cash equivalents .....	\$ 110	\$ 42	\$ 77	\$ 24	\$ 2	\$ 255	\$ (19)	\$ 388	\$ 624
Property, plant and equipment, at fair value .....	13,678	1,724	1,516	1,374	—	18,292	(857)	21,261	38,696
Total assets .....	15,592	1,873	1,766	1,468	213	20,912	(277)	23,494	44,129
Total liabilities .....	7,698	1,140	1,520	575	8,636	19,569	(277)	12,729	32,021

## Geographical Information

The following table presents consolidated revenue split by technology for the year ended December 31:

(MILLIONS)	2025	2024	2023
Hydroelectric .....	\$ 2,492	\$ 2,620	\$ 2,505
Wind .....	451	670	609
Utility-scale solar .....	622	643	632
Distributed energy & sustainable solutions .....	163	209	221
	<u>\$ 3,728</u>	<u>\$ 4,142</u>	<u>\$ 3,967</u>

The following table presents consolidated property, plant and equipment and equity-accounted investments split by geographical region:

(MILLIONS)	December 31, 2025	December 31, 2024
North America .....	\$ 19,795	\$ 21,630
Colombia .....	15,375	12,431
Brazil .....	3,818	3,674
Europe .....	1,725	1,714
	<u>\$ 40,713</u>	<u>\$ 39,449</u>

## 8. OTHER INCOME

The company's other income for the year ended December 31 is comprised of the following:

(MILLIONS)	2025	2024	2023
Interest and other investment income .....	\$ 137	\$ 101	\$ 87
Gain on regulatory and contract settlement .....	—	—	22
Gain on disposition .....	—	324	72
Other <sup>(1)</sup> .....	57	4	403
	<u>\$ 194</u>	<u>\$ 429</u>	<u>\$ 584</u>

<sup>(1)</sup> During the year ended December 31, 2023, the company's application of the acquisition method for its completed investments resulted in the recognition of net assets at a fair value that exceeded consideration transferred. The difference in value of \$370 million was recorded within Other income in the consolidated statements of income (loss). Refer to Note 3 - Acquisitions for more details.

## 9. DIRECT OPERATING COSTS

The company's direct operating costs for the year ended December 31 are comprised of the following:

(MILLIONS)	Notes	2025	2024	2023
Fuel and power purchases <sup>(1)</sup> .....		\$ (522)	\$ (718)	\$ (560)
Salaries and benefits .....		(285)	(332)	(263)
Operations and maintenance .....		(201)	(289)	(252)
Water royalties, property taxes and other regulatory fees .....		(187)	(208)	(169)
Professional fees .....		(127)	(90)	(70)
Insurance .....		(53)	(64)	(52)
Other related party services .....	28	(25)	(2)	(2)
Other .....		(95)	(64)	(98)
		<u>\$ (1,495)</u>	<u>\$ (1,767)</u>	<u>\$ (1,466)</u>

<sup>(1)</sup> Fuel and power purchases are primarily attributable to our portfolio in the U.S. and Colombia.

Direct operating costs exclude depreciation expense of \$1,240 million (2024: \$1,262 million and 2023: \$1,342 million) which is presented separately Refer to Note 13- Property, plant and equipment, at fair value.

## 10. OTHER

The company's other for the year ended December 31 is comprised of the following:

(MILLIONS)	Notes	2025	2024	2023
Change in fair value of property, plant and equipment .....	13	\$ (103)	\$ (103)	\$ (46)
Amortization of service concession assets .....		—	—	(11)
Transaction costs .....		(5)	(4)	(3)
Other .....		(75)	31	(1)
		<u>\$ (183)</u>	<u>\$ (76)</u>	<u>\$ (61)</u>

## 11. FOREIGN CURRENCY TRANSLATION

The company's foreign currency translation for the year ended December 31 shown in the consolidated statements of comprehensive income (loss) is comprised of the following:

(MILLIONS)	Notes	2025	2024	2023
Foreign currency translation on:				
Property, plant and equipment, at fair value .....	13	\$ 2,810	\$ (2,501)	\$ 2,640
Goodwill .....	17	106	(94)	149
Borrowings .....	14	(830)	874	(713)
Deferred income tax liabilities and assets .....	12	(722)	445	(670)
Other assets and liabilities .....		106	(10)	(132)
		<u>\$ 1,470</u>	<u>\$ (1,286)</u>	<u>\$ 1,274</u>

## 12. INCOME TAXES

The major components of income tax recovery (expense) for the year ended December 31 are as follows:

(MILLIONS)	2025	2024	2023
Income tax recovery (expense) applicable to:			
Current taxes			
Attributed to the current period .....	\$ (119)	\$ (100)	\$ (113)
Deferred taxes			
Origination and reversal of temporary differences .....	163	(30)	46
Relating to change in tax rates / imposition of new tax laws .....	(31)	—	—
Decrease (increase) in tax assets not recognized .....	—	(37)	(6)
	<u>132</u>	<u>(67)</u>	<u>40</u>
Total income tax recovery .....	<u>\$ 13</u>	<u>\$ (167)</u>	<u>\$ (73)</u>

The major components of deferred income tax (expense) recovery for the years ended December 31 recorded directly to other comprehensive income are as follows:

(MILLIONS)	<u>2025</u>	<u>2024</u>	<u>2023</u>
Deferred income taxes attributed to:			
Financial instruments designated as cash flow hedges .....	\$ 12	\$ 20	\$ (8)
Other .....	6	4	5
Revaluation surplus			
Origination and reversal of temporary differences .....	(317)	(1,220)	115
Relating to changes in tax rates / imposition of new tax laws .....	169	—	—
	<u>\$ (130)</u>	<u>\$ (1,196)</u>	<u>\$ 112</u>

The company's effective income tax recovery (expense) for the year ended December 31 is different from its recovery at its statutory income tax rate due to the differences below:

(MILLIONS)	<u>2025</u>	<u>2024</u>	<u>2023</u>
Statutory income tax recovery (expense) <sup>(1)</sup> .....	\$ 691	\$ (176)	\$ (112)
Reduction (increase) resulting from:			
Increase in tax assets not recognized .....	—	(37)	(6)
Portion of gains (losses) subject to different tax rates .....	1	(27)	23
Differences between statutory rate and future tax rate and tax rate changes ..	(31)	—	—
Non-controlling interest .....	5	13	87
Subsidiaries' income taxed at different rates .....	(67)	19	27
Non-deductible remeasurement of exchangeable shares and dividends presented as interest (expense) recovery .....	(586)	39	(93)
Other .....	—	2	1
Effective income tax recovery (expense) .....	<u>\$ 13</u>	<u>\$ (167)</u>	<u>\$ (73)</u>

<sup>(1)</sup> Statutory income tax recovery (expense) is calculated using domestic rates applicable to the profits in the relevant country.

The above reconciliation has been prepared by aggregating the information for all of the company's subsidiaries using the domestic rate in each tax jurisdiction.

The company's effective income tax rate was 0.6% for the year ended December 31, 2025 (2024: 27.8% and 2023: 19.2%). The effective tax rate is different than the statutory rate primarily due to non-deductible remeasurement of exchangeable shares and dividends presented as interest expense, rate differentials, changes in tax rates during the year and non-controlling interests income not subject to tax.

The following table details the expiry date, if applicable, of the unrecognized deferred tax assets as at December 31:

(MILLIONS)	<u>2025</u>	<u>2024</u>	<u>2023</u>
Less than four years .....	\$ —	\$ —	\$ —
Thereafter .....	191	138	133

The deferred tax assets and liabilities of the following temporary differences have been recognized in the consolidated financial statements for the year ended December 31:

(MILLIONS)	Non-capital losses	Difference between tax and carrying value	Net deferred tax (liabilities) assets
As at January 1, 2023 .....	\$ 897	\$ (6,090)	\$ (5,193)
Recognized in net (loss) income .....	(58)	98	40
Recognized in equity .....	—	117	117
Business combinations and disposals .....	—	(11)	(11)
Foreign exchange .....	—	(670)	(670)
As at December 31, 2023 .....	839	(6,556)	(5,717)
Recognized in net (loss) income .....	(106)	39	(67)
Recognized in equity .....	(2)	(1,213)	(1,215)
Business combinations and disposals <sup>(1)</sup> .....	—	117	117
Foreign exchange .....	(6)	451	445
As at December 31, 2024 .....	725	(7,162)	(6,437)
Recognized in net (loss) income .....	(136)	268	132
Recognized in equity .....	—	(135)	(135)
Business combinations and disposals .....	—	2	2
Foreign exchange .....	—	(722)	(722)
As at December 31, 2025 .....	<u>\$ 589</u>	<u>\$ (7,749)</u>	<u>\$ (7,160)</u>

<sup>(1)</sup> Includes \$28 million transferred to a subsidiary of the partnership. Refer to Note 28 - Related party transactions for more details.

Deferred income tax liabilities includes \$6,331 million (2024: \$6,256 million and 2023: \$5,153 million) of liabilities which relate to property, plant and equipment revaluations included in equity.

The unrecognized taxable temporary difference attributable to the company's interest in its subsidiaries, branches, associates, and joint ventures is \$5,099 million (2024: \$5,127 million and 2023: \$5,216 million).

The deferred tax assets related to losses available for carry forward includes \$132 million (2024: \$19 million and 2023: nil) of tax benefits that have been recognized based on projections of future taxable profits. In addition, the company also considers tax planning opportunities that will create taxable income in the period in which the unused tax losses can be utilized.

### 13. PROPERTY, PLANT AND EQUIPMENT, AT FAIR VALUE

The following table presents a reconciliation of property, plant and equipment at fair value:

(MILLIONS)	Notes	Hydroelectric	Wind	Solar	Other <sup>(1)</sup>	Total <sup>(2)(3)</sup>
<b>Property, plant and equipment, at fair value</b>						
As at December 31, 2023		\$ 26,591	\$ 7,172	\$ 8,302	\$ 197	\$ 42,262
Additions, net		4	31	(53)	—	(18)
Transfer from construction work-in-progress		82	246	410	—	738
Transfer to assets held for sale		—	—	—	(9)	(9)
Disposals	4	(174)	(2,705)	(1,863)	(39)	(4,781)
Items recognized through OCI:						
Change in fair value		2,846	(4)	(65)	101	2,878
Foreign exchange	11	(1,687)	(222)	(466)	(19)	(2,394)
Items recognized through net income:						
Change in fair value		(51)	(9)	(12)	(31)	(103)
Depreciation		(507)	(369)	(370)	(16)	(1,262)
As at December 31, 2024		27,104	4,140	5,883	184	37,311
Additions, net <sup>(4)</sup>		15	2	63	23	103
Transfer from construction work-in-progress		115	334	179	3	631
Transfer to assets held for sale		(126)	(165)	(136)	(14)	(441)
Disposals	4	—	—	(1,153)	(23)	(1,176)
Items recognized through OCI:						
Change in fair value		416	103	(415)	(116)	(12)
Foreign exchange	11	2,221	113	417	(8)	2,743
Items recognized through net income:						
Change in fair value		(9)	(38)	(33)	—	(80)
Depreciation		(528)	(314)	(355)	(43)	(1,240)
<b>As at December 31, 2025</b>		<b>\$ 29,208</b>	<b>\$ 4,175</b>	<b>\$ 4,450</b>	<b>\$ 6</b>	<b>\$ 37,839</b>
<b>Construction work-in-progress, at fair value</b>						
As at December 31, 2023		\$ 221	\$ 803	\$ 741	\$ 11	\$ 1,776
Additions, net		115	216	393	54	778
Transfer to property, plant and equipment		(82)	(246)	(410)	—	(738)
Disposals	3	(1)	(148)	(390)	(3)	(542)
Items recognized through OCI:						
Change in fair value		—	(15)	165	68	218
Foreign exchange	11	(10)	(64)	(33)	—	(107)
As at December 31, 2024		243	546	466	130	1,385
Additions, net		145	261	541	220	1,167
Transfer to property, plant and equipment		(115)	(334)	(179)	(3)	(631)
Disposals <sup>(5)</sup>	4	—	—	(22)	(261)	(283)
Items recognized through OCI:						
Change in fair value		—	54	40	84	178
Foreign exchange	11	7	15	45	—	67
Items recognized through net income:						
Change in fair value		—	—	(23)	—	(23)
<b>As at December 31, 2025</b>		<b>\$ 280</b>	<b>\$ 542</b>	<b>\$ 868</b>	<b>\$ 170</b>	<b>\$ 1,860</b>
<b>Total property, plant and equipment, at fair value</b>						
As at December 31, 2024 <sup>(2)(3)</sup>		\$ 27,347	\$ 4,686	\$ 6,349	\$ 314	\$ 38,696
<b>As at December 31, 2025<sup>(2)(3)</sup></b>		<b>\$ 29,488</b>	<b>\$ 4,717</b>	<b>\$ 5,318</b>	<b>\$ 176</b>	<b>\$ 39,699</b>

<sup>(1)</sup> Includes battery storage (2024: biomass, cogeneration and battery).

<sup>(2)</sup> Includes right-of-use assets not subject to revaluation of \$29 million (2024: \$34 million) in our hydroelectric segment, \$104 million (2024: \$119 million) in our wind segment, \$118 million (2024: \$126 million) in our solar segment and \$8 million (2024: nil) in other.

<sup>(3)</sup> Includes land not subject to revaluation of \$204 million (2024: \$200 million) in our hydroelectric segment, \$12 million (2024: \$12 million) in our wind segment, \$40 million (2024: \$44 million) in our solar segment, and nil (2024: \$1 million) in other.

<sup>(4)</sup> Includes fair value changes to decommissioning assets of \$6 million.

<sup>(5)</sup> Includes \$258 million transferred to a subsidiary of the partnership. Refer to Note 28 - Related party transactions for more details.

During the year ended December 31, 2025, the company, together with its institutional partners, completed the acquisition of the following investments. These transactions are accounted for as asset acquisitions as they do not constitute a business combination under IFRS 3.

Region	Technology	Capacity	Amount recognized in Property, Plant and Equipment	Brookfield Renewable Corporation Economic Interest
U.S.	Utility-scale solar	300 MW	\$66 million	20%
U.S.	Utility-scale solar & storage	725 MW	\$47 million	39%
U.S.	Utility-scale solar	177 MW	\$23 million	20%

The fair value of the company's property, plant and equipment is calculated as described in Notes 1(i) – Property, plant and equipment and revaluation method and 1(t)(i) – Critical estimates – Property, plant and equipment. Judgment is involved in determining the appropriate estimates and assumptions in the valuation of the company's property, plant and equipment. See Note 1(u)(iii) – Critical judgments in applying accounting policies – Property, plant and equipment. The company has classified its property, plant and equipment under level 3 of the fair value hierarchy.

Discount rates, terminal capitalization rates and terminal years used in the valuation methodology are provided in the following table:

	North America		Colombia		Brazil		Europe	
	2025	2024	2025	2024	2025	2024	2025	2024
Discount rate <sup>(1)</sup>								
Contracted .....	5.0% - 5.7%	5.1% - 5.8%	8.4 %	8.5 %	9.4 %	9.6 %	5.0 %	4.9 %
Uncontracted .....	6.0% - 6.8%	6.1% - 7.0%	9.6 %	9.8 %	10.6 %	10.8 %	5.0 %	4.9 %
Terminal capitalization rate <sup>(2)</sup>	4.7 %	5.1 %	7.1 %	7.3 %	N/A	N/A	N/A	N/A
Terminal year <sup>(3)</sup> .....	2046	2045	2045	2044	2053	2053	2036	2036

<sup>(1)</sup> Discount rates are not adjusted for asset specific risks.

<sup>(2)</sup> The terminal capitalization rate applies only to hydroelectric assets in the United States and Colombia.

<sup>(3)</sup> Terminal year refers to the weighted-average valuation date of the terminal value.

The following table summarizes the impact of a change in discount rates, electricity prices and terminal capitalization rates on the fair value of property, plant and equipment:

(MILLIONS)	2025				
	North America	Colombia	Brazil	Europe	Total
25 bps increase in discount rates .....	\$ (790)	\$ (630)	\$ (80)	\$ (20)	\$ (1,520)
25 bps decrease in discount rates .....	870	520	80	20	1,490
5% increase in future long-term energy prices .....	580	720	110	—	1,410
5% decrease in future long-term energy prices .....	(580)	(720)	(110)	—	(1,410)
25 bps increase in terminal capitalization rate .....	(260)	(150)	—	—	(410)
25 bps decrease in terminal capitalization rate .....	290	170	—	—	460

  

(MILLIONS)	2024				
	North America	Colombia	Brazil	Europe	Total
25 bps increase in discount rates .....	\$ (890)	\$ (400)	\$ (80)	\$ (20)	\$ (1,390)
25 bps decrease in discount rates .....	980	550	80	20	1,630
5% increase in future long-term energy prices .....	890	560	90	—	1,540
5% decrease in future long-term energy prices .....	(890)	(560)	(90)	—	(1,540)
25 bps increase in terminal capitalization rate .....	(270)	(120)	—	—	(390)
25 bps decrease in terminal capitalization rate .....	300	130	—	—	430

Terminal values are included in the valuation of hydroelectric assets in the United States and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset plus a one-time 30-year renewal term for the majority of the hydroelectric assets. The weighted-average remaining duration of the authorization or useful life of a concession asset at December 31, 2025, including a one-time 30-year renewal for applicable hydroelectric assets, is 30 years (2024: 30 years). Consequently, there is no terminal value attributed to the hydroelectric assets in Brazil at the end of the authorization term.

The following table summarizes the percentage of total generation contracted under power purchase agreements as at December 31, 2025:

	North America	Colombia	Brazil	Europe
<b>1 - 5 years</b> .....	<b>83 %</b>	<b>61 %</b>	<b>86 %</b>	<b>100 %</b>
<b>6 - 10 years</b> .....	<b>60 %</b>	<b>25 %</b>	<b>71 %</b>	<b>100 %</b>
<b>11 - 20 years</b> .....	<b>49 %</b>	<b>3 %</b>	<b>33 %</b>	<b>100 %</b>
2024 .....				
1 - 5 years .....	65 %	66 %	84 %	100 %
6 - 10 years .....	47 %	32 %	74 %	100 %
11 - 20 years .....	29 %	4 %	41 %	100 %

The following table summarizes average power prices from long-term power purchase agreements that are linked specifically to the related power generating assets:

Per MWh <sup>(1)</sup>	North America	Colombia	Brazil	Europe
1 - 10 years .....	\$ 87	COP 308,000	R\$ 301	€ 61
11 - 20 years .....	101	394,000	367	76
2024 .....				
1 - 10 years .....	\$ 88	COP 310,000	R\$ 301	€ 53
11 - 20 years .....	127	398,000	393	66

<sup>(1)</sup> Assumes nominal prices based on weighted-average generation.

The following table summarizes the estimates of future electricity prices:

Per MWh <sup>(1)</sup>	North America	Colombia	Brazil	Europe
1 - 10 years .....	\$ 92	COP 555,000	R\$ 374	N/A
11 - 20 years .....	111	763,000	469	N/A
2024 .....				
1 - 10 years .....	\$ 88	COP 494,000	R\$ 306	N/A
11 - 20 years .....	116	684,000	431	N/A

<sup>(1)</sup> Assumes nominal prices based on weighted-average generation.

The company's long-term view is anchored to the cost of securing new energy from renewable sources to meet future demand growth between 2029 and 2035. A further one year change would increase or decrease the fair value of property, plant and equipment by approximately \$73 million (2024: \$97 million).

Had the company's revalued property, plant and equipment been measured on a historical cost basis, the carrying amounts, net of accumulated depreciation would have been as follows at December 31:

(MILLIONS)	<u>2025</u>	<u>2024</u>
Hydroelectric .....	\$ 8,673	\$ 8,125
Wind .....	3,294	3,494
Solar .....	4,472	5,122
Other <sup>(1)</sup> .....	120	100
	<u>\$ 16,559</u>	<u>\$ 16,841</u>

<sup>(1)</sup> Includes battery storage (2024: biomass, cogeneration, and battery storage)

## 14. BORROWINGS

### Non-recourse borrowings

Non-recourse borrowings are typically asset-specific, long-term, non-recourse borrowings denominated in the domestic currency of the subsidiary. Non-recourse borrowings in North America and Europe consist of both fixed and floating interest rate debt indexed to the Secured Overnight Financing Rate ("SOFR"), the Sterling Overnight Index Average ("SONIA"), the Euro Interbank Offered Rate ("EURIBOR") and the Canadian Overnight Repo Rate Average ("CORRA"). Brookfield Renewable uses interest rate swap agreements in North America and Europe to minimize its exposure to floating interest rates. Non-recourse borrowings in Brazil consist of floating interest rates of Taxa de Juros de Longo Prazo ("TJLP"), the Brazil National Bank for Economic Development's long-term interest rate, or Interbank Deposit Certificate rate ("CDI"), plus a margin. Non-recourse borrowings in Colombia consist of both fixed and floating interest rates indexed to Indicador Bancario de Referencia rate ("IBR"), the Banco Central de Colombia short-term interest rate, and Colombian Consumer Price Index ("IPC"), Colombia inflation rate, plus a margin.

The composition of non-recourse borrowings as at December 31 is presented in the following table:

(MILLIONS EXCEPT AS NOTED)	December 31, 2025				December 31, 2024			
	Weighted-average		Carrying value	Estimated fair value	Weighted-average		Carrying value	Estimated fair value
Interest rate (%)	Term (years) <sup>(3)</sup>	Interest rate (%)			Term (years)			
Non-recourse borrowings <sup>(1)(2)</sup>								
Hydroelectric .....	7.5	5	\$ 9,310	\$ 9,368	7.7	6	\$ 7,599	\$ 7,555
Wind .....	5.8	7	2,114	2,103	5.9	8	2,004	1,943
Utility-scale solar .....	5.9	9	3,926	3,891	6.1	11	3,514	3,484
Distributed energy & sustainable solutions	—	—	—	—	5.1	9	727	693
Total .....	<u>6.9</u>	<u>6</u>	<u>\$ 15,350</u>	<u>\$ 15,362</u>	<u>6.9</u>	<u>8</u>	<u>\$ 13,844</u>	<u>\$ 13,675</u>
Add: Unamortized premiums (discounts) <sup>(3)</sup> .....			9				6	
Less: Unamortized financing fees <sup>(3)</sup> .....			(95)				(75)	
Less: Current portion .....			(2,772)				(1,282)	
			<u>\$ 12,492</u>				<u>\$ 12,493</u>	

<sup>(1)</sup> Includes \$1 million (2024: \$1 million) borrowed under a subscription facility of a Brookfield sponsored private fund.

<sup>(2)</sup> Includes nil (2024: \$13 million) outstanding to an associate of Brookfield. Refer to Note 28 - Related party transactions for more details.

<sup>(3)</sup> Unamortized premiums, discounts, and financing fees are amortized over the terms of the borrowing.

Future repayments of the company's non-recourse borrowings for each of the next five years and thereafter are as follows:

(MILLIONS)	2026	2027	2028	2029	2030	Thereafter	Total
Non-recourse borrowings							
Hydroelectric.....	\$ 1,872	\$ 540	\$ 1,089	\$ 1,045	\$ 1,599	\$ 3,165	\$ 9,310
Wind.....	269	96	482	272	478	517	2,114
Utility-scale solar.....	631	221	535	362	540	1,637	3,926
	<u>\$ 2,772</u>	<u>\$ 857</u>	<u>\$ 2,106</u>	<u>\$ 1,679</u>	<u>\$ 2,617</u>	<u>\$ 5,319</u>	<u>\$ 15,350</u>

The following table outlines the change in the unamortized financing fees of non-recourse borrowings for the year ended December 31:

(MILLIONS)	2025	2024
Non-recourse borrowings		
Unamortized financing fees, beginning of year.....	\$ (75)	\$ (68)
Additional financing fees.....	(63)	(31)
Amortization of financing fees.....	26	22
Foreign exchange translation and other.....	17	2
Unamortized financing fees, end of year.....	<u>\$ (95)</u>	<u>\$ (75)</u>

The following table outlines the change in the unamortized discounts and premiums of non-recourse borrowings for the year ended December 31:

(MILLIONS)	2025	2024
Non-recourse borrowings		
Unamortized premiums (discounts), beginning of year.....	\$ 6	\$ (77)
Amortization of premiums (discounts) fees.....	1	3
Disposals <sup>(1)</sup> .....	—	92
Foreign exchange translation and other.....	2	(12)
Unamortized premiums (discounts), end of year.....	<u>\$ 9</u>	<u>\$ 6</u>

<sup>(1)</sup> Includes \$90 million transferred in 2024 to a subsidiary of the partnership.

## Supplemental Information

The following table outlines changes in the company's borrowings for the year ended December 31:

(MILLIONS)	January 1	Net cash flows from financing activities <sup>(1)</sup>	Non-cash				December 31
			Acquisition	Disposal	Transfer to Held for Sale	Other <sup>(2)(3)(4)</sup>	
<b>2025</b>							
Non-recourse borrowings.....	\$ 13,775	1,397	—	(545)	(133)	770	\$ 15,264
<b>2024</b>							
Non-recourse borrowings.....	\$ 16,072	493	—	(587)	—	(2,203)	\$ 13,775

<sup>(1)</sup> Excludes \$22 million (2024: \$310 million) of net cash flow from financing activities related to tax equity recorded on the consolidated statements of cash flows.

<sup>(2)</sup> Includes foreign exchange and amortization of unamortized premium and financing fees.

<sup>(3)</sup> Includes nil (2024: nil) of non-recourse borrowings acquired through asset acquisitions.

<sup>(4)</sup> Includes \$122 million (2024: \$1,507 million) transferred to a subsidiary of the partnership. Refer to Note 28 - Related party transactions for more details.

## 15. NON-CONTROLLING INTERESTS

The company's non-controlling interests are comprised of the following as at December 31:

(MILLIONS)	<u>2025</u>	<u>2024</u>
Non-controlling interests .....		
Participating non-controlling interests – in operating subsidiaries .....	\$ 9,305	\$ 10,508
Participating non-controlling interests – in a holding subsidiary held by the partnership .....	<u>333</u>	<u>259</u>
	<u>\$ 9,638</u>	<u>\$ 10,767</u>

*Participating non-controlling interests – in operating subsidiaries*

The net change in participating non-controlling interests – in operating subsidiaries is as follows:

(MILLIONS)	Interests held by third parties	As at December 31, 2024	Net income (loss)	Other comprehensive income (loss)	Capital contributions	Disposal	Return of capital	Distributions	Change in Ownership <sup>(1)</sup>	Other	As at December 31, 2025
Brookfield Americas Infrastructure Fund	78%	\$ 44	\$ (1)	\$ (17)	\$ 2	\$ —	\$ —	\$ —	\$ —	\$ 11	\$ 39
Brookfield Infrastructure Fund II	43% - 60%	2,011	39	(400)	—	—	(10)	(336)	(131)	(2)	1,171
Brookfield Infrastructure Fund III	35% - 71%	2,986	(32)	(438)	—	—	(318)	(739)	(713)	(1)	745
Brookfield Infrastructure Fund IV	75%	842	(52)	87	—	—	—	—	—	(6)	871
Brookfield Infrastructure Fund V	N/A	—	—	—	—	—	—	—	—	—	—
Brookfield Infrastructure Income Fund	7%-25%	165	(5)	(123)	230	—	—	(8)	293	260	812
Isagen institutional partners	54%	3,447	99	906	576	—	—	(274)	(120)	(366)	4,268
Isagen public non-controlling interests	0.3%	22	—	2	—	—	—	—	—	—	24
The Catalyst Group	25%	125	14	64	—	—	—	(7)	—	—	196
TerraForm Power	19%	193	(32)	(47)	—	—	—	—	—	(1)	113
Other	1.3% - 80%	673	(29)	186	386	3	(2)	(40)	72	(183)	1,066
<b>Total</b>		<b>\$ 10,508</b>	<b>\$ 1</b>	<b>\$ 220</b>	<b>\$ 1,194</b>	<b>\$ 3</b>	<b>\$ (330)</b>	<b>\$ (1,404)</b>	<b>\$ (599)</b>	<b>\$ (288)</b>	<b>\$ 9,305</b>

<sup>(1)</sup> Includes \$900 million of accumulated other comprehensive income and retained earnings transferred to the partnership's equity related to the acquisition of an incremental 15% ownership in Isagen S.A. E.S.P. Refer to Note 28 - Related party transactions for more details.

(MILLIONS)	Interests held by third parties	As at December 31, 2023	Net income (loss)	Other comprehensive income (loss)	Capital contributions	Acquisition	Disposal	Return of capital	Distributions	Other	As at December 31, 2024
Brookfield Americas Infrastructure Fund	78%	\$ 75	\$ 22	\$ (1)	\$ —	\$ —	\$ —	\$ (21)	\$ (31)	\$ —	\$ 44
Brookfield Infrastructure Fund II	43% - 60%	2,462	(9)	(323)	—	—	—	(68)	(54)	3	2,011
Brookfield Infrastructure Fund III	23% - 71%	2,658	91	341	—	—	—	—	(82)	(22)	2,986
Brookfield Infrastructure Fund IV	75%	1,007	(42)	(159)	44	—	—	—	(8)	—	842
Brookfield Infrastructure Fund V	N/A	917	(2)	(40)	54	—	(940)	—	—	11	—
Brookfield Infrastructure Income Fund	7% - 25%	143	13	18	—	—	(5)	—	(4)	—	165
Isagen institutional partners	53%	2,704	100	801	—	—	—	—	(158)	—	3,447
Isagen public non-controlling interests	0.3%	17	1	5	—	—	—	—	(1)	—	22
The Catalyst Group	25%	122	12	(3)	—	—	—	—	(6)	—	125
TerraForm Power	19%	188	28	(11)	—	—	—	—	—	(12)	193
Other	0.3% - 80%	777	(21)	83	170	—	(324)	(44)	(35)	67	673
<b>Total</b>		<b>\$ 11,070</b>	<b>\$ 193</b>	<b>\$ 711</b>	<b>\$ 268</b>	<b>\$ —</b>	<b>\$ (1,269)</b>	<b>\$ (133)</b>	<b>\$ (379)</b>	<b>\$ 47</b>	<b>\$ 10,508</b>

(MILLIONS)	Interests held by third parties	As at December 31, 2022	Net income (loss)	Other comprehensive income (loss)	Capital contributions	Acquisition	Disposal	Return of capital	Distributions	Other	As at December 31, 2023
Brookfield Americas Infrastructure Fund	75% - 78%	\$ 477	27	(43)	—	—	(388)	—	(25)	27	\$ 75
Brookfield Infrastructure Fund II	43% - 60%	2,615	64	(96)	—	—	—	—	(123)	2	2,462
Brookfield Infrastructure Fund III	23% - 71%	3,061	65	210	—	—	(14)	—	(644)	(20)	2,658
Brookfield Infrastructure Fund IV	75%	707	(3)	205	102	—	—	—	(6)	2	1,007
Brookfield Infrastructure Fund V	N/A	—	291	—	410	—	—	(140)	—	356	917
Brookfield Infrastructure Income Fund	7% - 25%	233	5	4	—	—	(3)	—	(94)	(2)	143
Isagen institutional partners	53%	2,159	98	603	—	—	—	—	(156)	—	2,704
Isagen public non-controlling interests	0.3%	13	1	4	—	—	—	—	(1)	—	17
The Catalyst Group	25%	115	7	3	—	—	—	—	(3)	—	122
TerraForm Power	33%	832	9	(62)	—	—	(13)	—	(279)	(299)	188
Other	0.3% - 80%	468	(83)	(1)	77	343	—	—	(22)	(5)	777
<b>Total</b>		<b>\$ 10,680</b>	<b>\$ 481</b>	<b>\$ 827</b>	<b>\$ 589</b>	<b>\$ 343</b>	<b>\$ (418)</b>	<b>\$ (140)</b>	<b>\$ (1,353)</b>	<b>\$ 61</b>	<b>\$ 11,070</b>

The following tables summarize certain financial information of operating subsidiaries that have non-controlling interests that are material to the company: the remainder is held by the partnership.

(MILLIONS)	Interests held by third parties	Place of business	For the year ended December 31, 2025				For the year ended December 31, 2024				For the year ended December 31, 2023			
			Revenue	Net income (loss)	Total comprehensive income (loss)	Net income (loss) allocated to non-controlling interests	Revenue	Net income (loss)	Total comprehensive income (loss)	Net income (loss) allocated to non-controlling interests	Revenue	Net income (loss)	Total comprehensive income (loss)	Net income (loss) allocated to non-controlling interests
Brookfield Americas Infrastructure Fund <sup>(1)</sup>	78%	North America	\$ —	\$ —	\$ —	\$ —	\$ 4	\$ 33	\$ 36	\$ 22	\$ 51	\$ 31	\$ (15)	\$ 27
Brookfield Infrastructure Fund II <sup>(1)</sup>	58% - 60%	United States, Brazil	168	54	(13)	32	197	(21)	(135)	(11)	187	45	108	27
Brookfield Infrastructure Fund III <sup>(2)</sup>	71%	United States, Brazil, Europe	79	3	(489)	2	75	(6)	11	(4)	65	18	36	13
Brookfield Infrastructure Fund IV	75%	Brazil	208	(67)	46	(52)	181	(56)	(267)	(42)	128	(4)	269	(3)
Brookfield Infrastructure Fund V	N/A	United States	—	—	—	—	53	8	(43)	(2)	45	411	411	291
U.S. Hydroelectric Portfolio <sup>(3)</sup>	50% - 84%	United States	118	15	(940)	5	124	2	(488)	2	158	77	(181)	37
Isagen <sup>(4)</sup>	63%	Colombia	1,293	186	1,858	133	1,489	191	1,712	148	1,285	186	1,331	144
The Catalyst Group	25%	United States	138	56	318	14	129	49	37	12	102	27	40	7
TerraForm Power <sup>(5)</sup>	61%	North America, South America, Europe	985	(181)	(388)	(119)	1,199	131	48	73	1,213	(27)	(93)	(34)
Other	6.8% - 30%	North America, South America	38	(16)	(123)	(14)	79	(11)	123	(5)	59	(59)	(210)	(28)
<b>Total</b>			<b>\$3,027</b>	<b>\$ 50</b>	<b>\$ 269</b>	<b>\$ 1</b>	<b>\$3,530</b>	<b>\$ 320</b>	<b>\$ 1,034</b>	<b>\$ 193</b>	<b>\$3,293</b>	<b>\$ 705</b>	<b>\$ 1,696</b>	<b>\$ 481</b>

<sup>(1)</sup> Excludes information relating to a 448 MW hydroelectric portfolio in the United States which is presented separately.

<sup>(2)</sup> Excludes information relating to Isagen and TerraForm Power which is presented separately.

<sup>(3)</sup> The total third party ownership interest in the portfolio as of December 31, 2025 was 49.9% - 83.5% and comprised of Brookfield Americas Infrastructure Fund: up to 58.5% Brookfield Infrastructure Fund II: up to 49.9% and other non-controlling interest: up to 25%.

<sup>(4)</sup> The total third parties' ownership interest in Isagen as of December 31, 2025 was 62.7% and comprised of Brookfield Global Infrastructure Income Fund: 6.8%, Isagen institutional partners: 55.6% and other non-controlling interests: 0.3%.

<sup>(5)</sup> The total third parties' ownership interest in TerraForm Power as of December 31, 2025 was 77.4% and comprised of Brookfield Global Infrastructure Income Fund: 6.8% with the remainder is held by the partnership.

(MILLIONS)	Interests held by third parties	Place of business	As at December 31, 2025:					As at December 31, 2024:					
			Property, plant and equipment, at fair value	Total assets	Total borrowings	Total liabilities	Carrying value of non-controlling interests	Property, plant and equipment, at fair value	Total assets	Total borrowings	Total liabilities	Carrying value of non-controlling interests	
Brookfield Americas Infrastructure Fund <sup>(1)</sup>	78%	North America	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 68	\$ —	\$ —	\$ 51
Brookfield Infrastructure Fund II <sup>(1)</sup>	58% - 60%	United States, Brazil	2,154	2,238	1,024	1,167	641	2,218	2,306	585	656	995	
Brookfield Infrastructure Fund III <sup>(2)</sup>	71%	United States, Brazil, Europe	1,615	1,629	806	882	534	2,073	2,088	461	474	1,152	
Brookfield Infrastructure Fund IV	75%	Brazil	2,157	2,401	1,048	1,234	873	1,948	2,248	966	1,128	843	
Brookfield Infrastructure Fund V	N/A	United States	—	—	—	—	—	—	—	—	—	—	
U.S. Hydroelectric Portfolio <sup>(3)</sup>	50% - 84%	United States	1,701	2,173	750	865	805	2,790	2,865	733	821	1,009	
Isagen <sup>(4)</sup>	63%	Colombia	15,219	16,764	3,596	8,912	4,926	12,431	13,958	3,251	7,443	5,041	
The Catalyst Group	25%	United States	1,238	1,248	353	360	196	996	1,007	394	406	125	
TerraForm Power <sup>(5)</sup>	61%	North America, South America, Europe	6,315	7,085	4,416	6,040	815	7,933	8,731	5,006	7,281	1,056	
Other	6.8% - 30%	North America, South America	951	1,586	383	779	515	473	685	74	334	236	
<b>Total</b>			<b>\$ 31,350</b>	<b>\$35,124</b>	<b>\$ 12,376</b>	<b>\$ 20,239</b>	<b>\$ 9,305</b>	<b>\$ 30,862</b>	<b>\$33,956</b>	<b>\$ 11,470</b>	<b>\$ 18,543</b>	<b>\$ 10,508</b>	

<sup>(1)</sup> Excludes information relating to a 448 MW hydroelectric portfolio in the United States which is presented separately.

<sup>(2)</sup> Excludes information relating to Isagen and TerraForm Power which is presented separately.

<sup>(3)</sup> The total third party ownership interest in the portfolio as of December 31, 2025 was 49.9% - 83.5% and comprised of Brookfield Americas Infrastructure Fund: up to 58.5% Brookfield Infrastructure Fund II: up to 49.9% and other non-controlling interest: up to 25%.

<sup>(4)</sup> The total third parties' ownership interest in Isagen as of December 31, 2025 was 62.7% and comprised of Brookfield Global Infrastructure Income Fund: 6.8%, Isagen institutional partners: 55.6% and other non-controlling interests: 0.3%.

<sup>(5)</sup> The total third parties' ownership interest in TerraForm Power as of December 31, 2025 was 77.4% and comprised of Brookfield Global Infrastructure Income Fund: 6.8% with the remainder is held by the partnership.

The following table summarizes certain financial information regarding *Participating non-controlling interests – in a holding subsidiary held by the partnership*:

(MILLIONS)	2025	2024	2023
<b>For the year ended December 31:</b>			
Revenue .....	\$ 1,678	\$ 1,838	\$ 1,627
Net income .....	86	151	217
Comprehensive income .....	1,653	1,368	1,407
Net income allocated to participating non-controlling interests – in a holding subsidiary held by the partnership .....	—	4	8
<b>As at December 31:</b>			
Property, plant and equipment, at fair value .....	\$ 18,772	\$ 15,580	
Total assets .....	20,876	17,674	
Total borrowings .....	5,279	4,537	
Total liabilities .....	11,639	9,077	
Carrying value of participating non-controlling interests – in a holding subsidiary held by the partnership .....	333	259	

## **16. BEPC EXCHANGEABLE SHARES, BRHC EXCHANGEABLE SHARES, CLASS A.2 EXCHANGEABLE SHARES, BRHC CLASS B SHARES AND BRHC CLASS C SHARES**

The BEPC exchangeable shares, BRHC class B shares, BRHC class C shares and class A.2 exchangeable non-voting shares of BRHC (“class A.2 exchangeable shares”) are classified as liabilities due to their exchange and cash redemption features.

The BRHC exchangeable shares that were issued pursuant to the special distribution and the TerraForm Power acquisition were initially recognized at their fair value of \$28.28 per share. Subsequent to initial recognition, the BRHC exchangeable shares were recognized at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows were based on the price of one BEP unit.

As a result of the Arrangement being completed, holders of the BRHC exchangeable shares, other than Brookfield, received BEPC exchangeable shares in exchange for their BRHC exchangeable shares on a one-for-one basis and Brookfield transferred their BRHC exchangeable shares in exchange for class A.2 shares on a one-for-one basis.

The BEPC exchangeable shares provide the holder, at its discretion, with the right to redeem these shares in exchange for either a BEP unit on a one-for-one basis or its cash equivalent, at the discretion of BEPC. The BEPC exchangeable shares are classified as liabilities due to their exchangeable and cash redemption features and were recognized on the date of the arrangement at their fair value of \$23.09 per share. Subsequent to initial recognition, the BEPC exchangeable shares are recognized at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows are based on the price of one BEP unit. As at December 31, 2025, the BEPC exchangeable shares were remeasured to \$26.97 per share to reflect the NYSE closing price of a BEP unit.

The class A.2 exchangeable shares provide Brookfield, at its discretion, with the right to redeem these shares in exchange for BEPC exchangeable shares (subject to an ownership cap that limits the exchange by Brookfield of class A.2 exchangeable shares such that exchanges by Brookfield may not result in Brookfield owning 9.5% or more of the aggregate fair market value of all issued and outstanding shares of BEPC) or BEP units on a one-for-one basis. BEPC, however, has the right, at its sole discretion, to satisfy any such redemption request at its cash equivalent. The class A.2 exchangeable shares are classified as liabilities due to their exchangeable and cash redemption features and were recognized on the date of the arrangement at their fair value of \$28.48 per share up to the ownership cap and \$23.09 for the remaining shares. These contractual cash flows are based on the price of one BEPC unit up to the ownership cap and one BEP unit for the remaining shares. As at December 31, 2025, the class A.2 exchangeable shares up to the ownership cap were remeasured to \$38.34 per share and the remaining shares were remeasured to \$26.97 per share to reflect the NYSE closing price of a BEPC share and a BEP unit respectively.

Prior to the Arrangement, class C shares were classified as financial liabilities due to their cash redemption feature, however they met certain qualifying criteria and were presented as equity instruments given the narrow scope presentations existing in IAS 32. Following the Arrangement and upon consolidation of BRHC into the company, the class C shares are presented as financial liabilities and were recognized on the date of the arrangement at their fair value of \$23.09 per share. Subsequent to initial recognition, the class C shares are recognized at amortized cost and remeasured to reflect changes in the contractual cash flows associated with the shares. These contractual cash flows are based on the price of one BEP unit. As at December 31, 2025, the class C shares were remeasured to \$26.97 per share to reflect the NYSE closing price of a BEP unit.

During the year ended December 31, 2025, our shareholders exchanged 36,058 BEPC exchangeable shares for an equal number of BEP units resulting in a decrease of less than \$1 million to our financial liability (2024: 10,675 shares resulting in a decrease of less than \$1 million. 2023: 8,465 shares resulting in a decrease of less than \$1 million). The company declared and paid dividends of \$269 million and \$270 million, respectively (2024: \$256 million and \$256 million, respectively. 2023: \$241 million and \$241 million, respectively.) on its BEPC exchangeable shares outstanding during the year ended December 31, 2025. The company declared and paid dividends of \$282 million and \$282 million, respectively (2024: \$293 million and \$293 million and 2023: nil and nil) on its BRHC class C shares outstanding during the year ended December 31, 2025. Dividends on BEPC exchangeable shares and BRHC class C shares are presented as interest expense in the consolidated statements of income (loss).

The following table provides a continuity schedule of outstanding BEPC exchangeable shares, class A.2 exchangeable shares, BRHC class B shares and BRHC class C shares along with the corresponding liability and remeasurement gains and losses:

	Exchangeable shares outstanding (units)	Class A.2 exchangeable shares outstanding (units)	BRHC class B shares outstanding (units)	BRHC class C shares outstanding (units)	Shares classified as financial liability (\$ millions)
<b>Balance, as at December 31, 2023</b> .....	179,651,526	—	165	\$ —	\$ 4,721
Share exchanges .....	(10,675)	—	—	—	—
Arrangement .....	(34,719,683)	34,719,683	(55)	194,460,874	4,572
Remeasurement of liability .....	—	—	—	—	(693)
<b>Balance, as at December 31, 2024</b> .....	144,921,168	34,719,683	110	194,460,874	8,600
Share exchanges .....	(36,058)	—	—	—	—
Remeasurement of liability .....	—	—	—	—	1,661
<b>Balance, as at December 31, 2025</b> .....	<u>144,885,110</u>	<u>34,719,683</u>	<u>110</u>	<u>194,460,874</u>	<u>\$ 10,261</u>

As part of the Arrangement, our company issued 43,661 class B shares to Brookfield Renewable in exchange for \$1 million.

Similar to BEPC exchangeable shares, BRHC class B shares, BRHC class C shares and class A.2 exchangeable shares, BEPC Class B shares are classified as liabilities due to their cash redemption feature. However, BEPC class B shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32.

As at December 31, 2025, Brookfield Holders held a direct and indirect interest of approximately 25% of the company. Brookfield Holders own, directly and indirectly, 10,094,152 BEPC exchangeable shares and 34,719,683 class A.2 exchangeable shares on a combined basis and the remaining BEPC exchangeable shares are held by public investors.

In December 2025, the company renewed its normal course issuer bid for its outstanding BEPC exchangeable shares. The company is authorized to repurchase up to 7,244,255 BEPC exchangeable shares, representing 5% of its issued and outstanding BEPC exchangeable shares. The bids will expire on December 17, 2026, or earlier should the company complete its repurchases prior to such date. There were no BEPC exchangeable shares repurchased during the year ended December 31, 2025.

## 17. GOODWILL

The following table provides a reconciliation of goodwill:

(MILLIONS)	Notes	Total
Balance, as at December 31, 2023		\$ 854
Disposals	4	(63)
Foreign exchange and other		(99)
Balance, as at December 31, 2024		692
Foreign exchange and other		117
Balance, as at December 31, 2025		<u>\$ 809</u>

As at December 31, 2025, \$716 million (2024: \$610 million) of goodwill related to the hydroelectric segment was created as a result of recording the deferred tax liabilities assumed in the purchase price allocations of business combinations. The deferred tax liabilities are measured in accordance with IAS 12 in the purchase price allocations rather than at fair value. As a result, the goodwill recorded does not represent ‘core’ goodwill, but rather goodwill created as a result of accounting concepts or ‘non-core’ goodwill. In order to avoid an immediate impairment of this ‘non-core’ goodwill, the company removed from the carrying value any ‘non-core’ goodwill supported by the existence, as of the impairment testing date, of the original deferred tax liability that created the goodwill. As at December 31, 2025, the company performed an impairment test at the level that goodwill is monitored by management. In performing this impairment test, management removed the ‘non-core’ goodwill that continued to be supported by the existence of the original deferred tax liability that gave rise to the goodwill from the carrying value of the applicable assets. The remaining goodwill of \$93 million (2024: \$82 million) is not significant to the total balance, and was allocated to the related utility-scale solar assets in Spain.

## 18. CAPITAL MANAGEMENT

The company’s primary capital management objectives are to ensure the sustainability of its capital to support continuing operations, meet its financial obligations, allow for growth opportunities and provide stable distributions. The company’s capital is monitored through the debt-to-total capitalization ratio on a consolidated basis. As at December 31, 2025 this ratio was 37% (2024: 34%).

Subsidiaries of the company have provided covenants to certain of their lenders for their non-recourse borrowings. These covenants vary from one credit agreement to another and include ratios that address debt-service coverage. Certain lenders have also put in place requirements that oblige the company and its subsidiaries to maintain debt and capital expenditure reserve accounts. The consequences to the subsidiaries as a result of failure to comply with their covenants could include a limitation of distributions from the subsidiaries to the company, as well as repayment of outstanding debt.

The company’s strategy is to maintain the measures set out in the following schedule as at December 31:

(MILLIONS)	2025	2024
Non-recourse borrowings <sup>(1)</sup>	\$ 15,350	\$ 13,844
Deferred income tax liabilities, net <sup>(2)</sup>	7,160	6,437
Interests held in BRHC by Brookfield renewable	5,245	4,432
BEPC exchangeable and class A.2 exchangeable shares	5,016	4,168
Equity		
Participating non-controlling interest – in operating subsidiaries	9,305	10,508
Participating non-controlling interest – in a holding subsidiary held by Brookfield Renewable	333	259
The partnership	(406)	1,341
Total capitalization	<u>\$ 42,003</u>	<u>\$ 40,989</u>
Debt-to-total capitalization	37 %	34 %

<sup>(1)</sup> Excludes \$86 million (2024: \$69 million) of deferred financing fees, net of unamortized premiums.

<sup>(2)</sup> Deferred income tax liabilities less deferred income tax assets.

## 19. EQUITY-ACCOUNTED INVESTMENTS

The following table outlines the changes in the company's equity-accounted investments:

(MILLIONS)	2025	2024
Balance, beginning of year .....	\$ 753	\$ 644
Investment <sup>(1)</sup> .....	223	110
Disposal <sup>(2)</sup> .....	—	(25)
Share of net loss .....	(8)	(24)
Share of other comprehensive income .....	46	134
Dividends received .....	(7)	(74)
Foreign exchange translation and other .....	7	(12)
Balance, end of year .....	<u>\$ 1,014</u>	<u>\$ 753</u>

<sup>(1)</sup> Includes Isagen S.A. E.S.P.'s investment in a utility-scale solar asset. Refer to Note 3 - Acquisitions for more details.

<sup>(2)</sup> Includes \$25 million transferred to a subsidiary of the partnership in 2024.

## 20. CASH AND CASH EQUIVALENTS

The company's cash and cash equivalents as at December 31 are as follows:

(MILLIONS)	2025	2024
Cash .....	\$ 376	\$ 285
Short-term deposit .....	261	107
Cash subject to restriction .....	45	232
	<u>\$ 682</u>	<u>\$ 624</u>

## 21. RESTRICTED CASH

The company's restricted cash as at December 31 is as follows:

(MILLIONS)	Note	2025	2024
Operations .....		29	\$ 42
Credit obligations .....		51	37
Development projects .....		1	6
Total .....		81	85
Less: non-current .....	23	(60)	(46)
Current .....		<u>\$ 21</u>	<u>\$ 39</u>

## 22. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

The company's trade receivables and other current assets as at December 31 are as follows:

(MILLIONS)	2025	2024
Trade receivables .....	\$ 532	\$ 462
Collateral deposits <sup>(1)</sup> .....	150	196
Other short-term receivables .....	94	65
Income tax receivables .....	68	37
Short term deposits and advances .....	60	88
Prepays and other .....	56	50
Inventory .....	32	35
	<u>\$ 992</u>	<u>\$ 933</u>

<sup>(1)</sup> Collateral deposits are related to energy derivative contracts the company enters into in order to mitigate the exposure to wholesale market electricity prices on the future sale of uncontracted generation as part of the company's risk management strategy.

As at December 31, 2025, 89% (2024: 86%) of trade receivables were current. The company does not expect issues with collectability of these amounts. Accordingly, as at December 31, 2025 and 2024 an allowance for doubtful accounts for trade receivables was not deemed necessary. Trade receivables are generally on 30-day terms and credit limits are assigned and monitored for all counterparties. In determining the recoverability of trade receivables, management performs a risk analysis considering the type and age of the outstanding receivables and the credit worthiness of the counterparties. Management also reviews trade receivable balances on an ongoing basis.

The company primarily receives payments monthly for invoiced PPA revenues and has no significant aged receivables as of the reporting date. Receivables from contracts with customers are reflected in Trade receivables.

### 23. OTHER LONG-TERM ASSETS

The company's other long-term assets as at December 31 are as follows:

(MILLIONS)	Note	2025	2024
Restricted cash .....	21	\$ 60	\$ 46
Long-term receivables .....		80	65
Other .....		48	23
		<u>\$ 188</u>	<u>\$ 134</u>

At December 31, 2025 and 2024, restricted cash was held primarily to satisfy operations and maintenance reserve requirements, lease payments and credit agreements.

### 24. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The company's accounts payable and accrued liabilities as at December 31 are as follows:

(MILLIONS)	2025	2024
Operating accrued liabilities .....	\$ 188	\$ 218
Accounts payable .....	338	172
Interest payable on non-recourse borrowings .....	113	89
Current portion of lease liabilities .....	29	25
BEPC exchangeable shares and Class A.2 exchangeable shares distributions payable <sup>(1)</sup> .....	17	17
Income tax payable .....	23	9
Other .....	69	41
	<u>\$ 777</u>	<u>\$ 571</u>

<sup>(1)</sup> Includes amounts payable only to external shareholders. Amounts payable to Brookfield and the partnership are included in due to related parties.

### 25. PROVISIONS

The following table presents the change in the decommissioning liabilities for the company:

(MILLIONS)	2025	2024
Balance, beginning of the year .....	\$ 389	\$ 726
Disposals <sup>(1)</sup> .....	(111)	(278)
Accretion .....	20	20
Changes in estimates <sup>(2)</sup> .....	(6)	(88)
Foreign exchange and other .....	25	9
Balance, end of the year .....	<u>\$ 317</u>	<u>\$ 389</u>

<sup>(1)</sup> Includes \$239 million transferred to a subsidiary of the partnership in 2024.

<sup>(2)</sup> Changes in estimates are driven by changes in underlying assumptions used as inputs to determine the value of the retirement obligation.

The company has recorded decommissioning retirement obligations associated with certain power generating assets. The decommissioning retirement obligation has been established for hydroelectric, wind and utility-scale solar operation sites that are expected to be restored between the years 2031 to 2055. The estimated cost of decommissioning activities is based on a third-party assessment.

For details on other legal provisions, please refer to Note 27 – Commitments, contingencies and guarantees.

## 26. OTHER LONG-TERM LIABILITIES

The company's other long-term liabilities as at December 31 are comprised of the following:

(MILLIONS)	2025	2024
Lease liabilities.....	\$ 271	\$ 293
Pension obligations.....	52	46
Other.....	120	77
	\$ 443	\$ 416

## 27. COMMITMENTS, CONTINGENCIES AND GUARANTEES

### Commitments

In the course of its operations, the company has entered into agreements for the use of water, land and dams. Payment under those agreements varies with the amount of power generated. The various agreements can be renewed and are extendable up to 2089.

In the normal course of business, the company will enter into capital expenditure commitments which primarily relate to contracted project costs for various growth initiatives. As at December 31, 2025, the company had \$863 million (2024: \$262 million) of capital expenditure commitments outstanding, of which \$406 million is payable in 2026, \$436 million in 2027 to 2030, and \$21 million thereafter.

An integral part of the company's strategy is to participate with institutional partners in Brookfield-sponsored private equity funds that target acquisitions that suit the company's profile. In the normal course of business, the company has made commitments to Brookfield-sponsored private equity funds to participate in these target acquisitions in the future, if and when identified. From time to time, in order to facilitate investment activities in a timely and efficient manner, the company will fund deposits or incur other costs and expenses (including by use of loan facilities to consummate, support, guarantee or issue letters of credit) in respect of an investment that ultimately will be shared with or made entirely by Brookfield sponsored vehicles, consortiums and/or partnerships (including private funds, joint ventures and similar arrangements), the company, or by co-investors.

### Contingencies

The company and its subsidiaries are subject to various legal proceedings, arbitrations and actions arising in the normal course of business. While the final outcome of such legal proceedings and actions cannot be predicted with certainty, it is the opinion of management that the resolution of such proceedings and actions will not have a material impact on the company's consolidated financial position or results of operations.

The company's subsidiaries themselves have provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance.

The company, along with institutional partners, has provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance as it relates to interests in the Brookfield Americas Infrastructure Fund, the Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV, Brookfield Infrastructure Fund V, Brookfield Global Transition Fund and Brookfield Global Transition Fund II. The company's subsidiaries have similarly provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance.

Letters of credit issued by the company's subsidiaries as at December 31, 2025 were \$1,672 million (2024: \$1,002 million).

### Guarantees

In the normal course of operations, the company executes agreements that provide for indemnification and guarantees to third-parties of transactions such as business dispositions, capital project purchases, business acquisitions, power marketing activities such as purchase and sale agreements, swap agreements, sales and

purchases of assets and services, and the transfer of tax credits or renewable energy grants from tax equity partnerships. The company has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings and guarantee agreements prevents the company from making a reasonable estimate of the maximum potential amount that the company could be required to pay third parties as the agreements do not always specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time.

Two direct and indirect wholly-owned subsidiaries of our company have fully and unconditionally guaranteed (i) any and all present and future unsecured debt securities issued by Brookfield Renewable Partners ULC, in each case as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture under which such securities are issued, (ii) all present and future senior preferred shares of Brookfield Renewable Power Preferred Equity Inc. (“BRP Equity”) as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BRP Equity, (iii) certain of BEP’s preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BEP, (iv) the obligations of all present and future bilateral credit facilities established for the benefit of Brookfield Renewable, and (v) notes issued by Brookfield BRP Holdings (Canada) Inc. under its U.S. commercial paper program. BRP Bermuda Holdings I Limited (“BBHI”) and BEP Subco Inc. subsidiaries of the company have guaranteed the perpetual subordinated notes issued by Brookfield BRP Holdings (Canada) Inc. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

## **28. RELATED PARTY TRANSACTIONS**

The company’s related party transactions are recorded at the exchange amount. The company’s related party transactions are primarily with the partnership and Brookfield.

### **The Arrangement**

On December 24, 2024, the partnership, BRHC, and the company completed an arrangement (the “Arrangement”), pursuant to which 1505127 B.C. Ltd. (which was renamed Brookfield Renewable Corporation) became the “successor issuer” (as defined in NI 44-101) to the former BEPC, which was renamed Brookfield Renewable Holdings Corporation and BRHC’s class A exchangeable subordinate voting shares were delisted. The purpose of the Arrangement was to allow BEPC to maintain the benefits of its business structure, while addressing proposed amendments to the Income Tax Act (Canada) that were expected to result in additional costs to the company if no action was taken. In connection with the Arrangement, among other things, (i) holders of class A exchangeable subordinate voting shares of BRHC, other than Brookfield, received BEPC exchangeable shares in exchange for their class A exchangeable subordinate voting shares of BRHC on a one-for-one basis; (ii) Brookfield transferred their class A exchangeable subordinate voting shares of BRHC to BEPC in exchange for class A.2 exchangeable shares on a one-for-one basis; (iii) the class A exchangeable subordinate voting shares of BRHC were delisted; (iv) the exchangeable shares of BEPC were listed on the NYSE and the TSX; (v) the partnership transferred 55 class B shares of BRHC to BEPC in exchange for 55 class B shares of BEPC; and (vi) 43,605 class B shares of BEPC were issued to the partnership in exchange for \$1 million. The class A.2 exchangeable shares are exchangeable by Brookfield into BEPC exchangeable shares (subject to an ownership cap that limits the exchange by Brookfield of class A.2 exchangeable shares such that exchanges by Brookfield may not result in Brookfield owning 9.5% or more of the aggregate fair market value of all issued and outstanding shares of BEPC) or LP units on a one-for-one basis.

In connection with the Arrangement, the company entered into two deposit agreements with one or more subsidiaries of the partnership, one as depositor or lender and one as depositor or borrower. Each deposit agreement contemplates potential deposit arrangements pursuant to which the parties thereunder would mutually agree to deposit funds thereunder from time to time on a demand basis at a specified rate of interest. Additionally, the company, as borrower, entered into a credit agreement with a subsidiary of the partnership, as lender, pursuant to which the subsidiary of the partnership established a revolving credit facility in the aggregate principal amount of \$150 million in favour of the company.

The credit agreement has a ten-year term, subject to automatic one-year extensions occurring annually unless terminated by the lender.

On December 31, 2025, BRHC undertook a reorganization pursuant to which a new corporation, 1566030 B.C. Ltd. (“New BRHC”) was formed, and all existing shares of BRHC were contributed to New BRHC in exchange for shares of New BRHC. The reorganized structure operates substantially the same as the previous structure. New BRHC became a party to all agreements to which BRHC was a party, including the Master Services Agreement. New BRHC subsequently changed its name to Brookfield Renewable Holdings Corporation. Unless otherwise indicated, all references to BRHC refer to New BRHC.

## **Management Agreements**

### *Master Services Agreement*

Since inception, our parent company has had a management agreement (the “Master Services Agreement”) with certain service providers (the “Service Provider”), which are wholly-owned subsidiaries of Brookfield Asset Management. The Master Services Agreement was amended in connection with the completion of the special distribution to include BEPC as a service recipient.

The company’s annual consolidated financial statements include general corporate expenses of the partnership which were not historically allocated to the company’s operations. These expenses relate to management fees payable to Brookfield Asset Management and direct operating costs incurred by a subsidiary of the partnership. These allocated expenses have been included as appropriate in the company’s consolidated statements of income. Key decision makers of the company are employees of the ultimate parent company who provide management services under the company’s Master Services Agreement. However, the financial statements may not include all of the expenses that would have been incurred and may not reflect the company’s annual consolidated results of operations, financial position and cash flows had it been a standalone company during the periods presented. It is not practicable to estimate the actual costs that would have been incurred had the company been a standalone business during the periods presented as this would depend on multiple factors, including organizational structure and infrastructure.

Pursuant to the Master Services Agreement, on a quarterly basis, Brookfield Renewable pays a management fee, referred to as the management service costs, to the Service Provider equal to a fixed quarterly component of \$5 million per quarter, adjusted for inflation, and a variable component calculated as a percentage of the increase in the total capitalization value of Brookfield Renewable over an initial reference value (subject to an annual escalation by a specified inflation factor beginning on January 1, 2013) (the “Base Management Fee”). For purposes of calculating the management service costs, the market value of Brookfield Renewable is equal to the aggregate value of all the outstanding units and other securities issued by the service recipients, plus all outstanding third-party debt with recourse to a recipient of services under the Master Services Agreement, less all cash held by such entities. The company will be responsible for reimbursing the partnership or its subsidiaries, as the case may be, for BEPC's proportionate share of the Base Management Fee. There has been no change in how the base management fee and incentive distribution fees are calculated as a result of the Arrangement. BEPC's proportionate share of the Base Management Fee will be calculated on the basis of the value of BEPC's business relative to that of the partnership. The Base Management Fee for the year ended December 31, 2025 was \$110 million (2024: \$106 million and 2023: \$88 million).

### *Relationship Agreement*

Since inception, Brookfield Renewable has had a Relationship Agreement with Brookfield pursuant to which Brookfield has agreed, subject to certain exceptions, that Brookfield Renewable will serve as its primary vehicle through which it will directly or indirectly, acquire renewable power assets on a global basis. The company, being a controlled subsidiary of Brookfield Renewable is entitled to the benefits and subject to certain obligations under the Relationship Agreement.

### *Equity Commitment Agreement*

The partnership provides to BRHC an equity commitment in the amount of \$1 billion pursuant to an amended and restated equity commitment agreement (the “Equity Commitment Agreement”). The equity commitment may be called by BRHC in exchange for the issuance of a number of class C shares to the partnership, corresponding to the

amount of the equity commitment called divided by the fair market value of a class C share. The equity commitment is available in minimum amounts of \$10 million and the amount available under the equity commitment will be reduced permanently by the amount so called. Before funds may be called on the equity commitment, a number of conditions precedent must be met, including that the partnership continues to control BRHC and has the ability to elect a majority of the BRHC board.

Pursuant to the Equity Commitment Agreement, BEP covenants and agrees that it will not declare or pay any distribution on the BEP units if on such date BEPC does not have sufficient funds or other assets to enable the declaration and payment of an equivalent dividend on the BEPC exchangeable shares.

Any amendment, modification or waiver to the Equity Commitment Agreement that would reasonably be expected to impact the economic equivalence of a BEPC exchangeable share with a BEP unit requires the affirmative vote of holders of a majority of the outstanding BEPC exchangeable shares not held by Brookfield or its affiliates, voting as a class or, in the event that there is more than one non-overlapping director, the approval of a majority of such non-overlapping directors. The equity commitment will terminate in the event that all of the outstanding BEPC exchangeable shares are held by Brookfield, the partnership, or their controlled affiliates.

## **Power Services Agreements**

### *Energy Marketing Internalization*

In the first quarter of 2021, the company and the partnership entered into an agreement to fully internalize all energy marketing capabilities in North America into the company. The agreement provides for the transfer for the partnership's Power Agency Agreements and related party power purchase agreements relating to certain power facilities in Maine and New Hampshire held by Great Lakes Holding America ("GLHA"), which are further described below. Certain third-party power purchase agreements were also transferred to the company as part of the Energy Marketing Internalization of the partnership's North American energy marketing business.

The agreement became effective on April 1, 2021.

### *Power Agency Agreements*

Certain subsidiaries of the company entered into Power Agency Agreements appointing the partnership as their exclusive agent in respect of the sale of electricity, including the procurement of transmission and other additional services. In addition, the partnership scheduled, dispatched and arranged for transmission of the power produced and the power supplied to third-parties in accordance with prudent industry practice. Pursuant to each Agreement, the partnership was entitled to be reimbursed for any third party costs incurred, and, in certain cases, received an additional fee for its services in connection with the sale of power and for providing the other services.

On closing of the Energy Marketing Internalization, all Power Agency Agreements were transferred by the partnership to the company.

### *Energy Marketing Agreement*

Brookfield had agreed to provide energy marketing services to the company. Under this Agreement, the company paid an annual energy marketing fee commensurate to the services received. See Note 9 - Direct operating costs. On closing of the Energy Marketing Internalization, the Energy Marketing Agreement was transferred from Brookfield to the partnership.

## **Other Agreements**

### *Other Revenue Agreements*

Pursuant to a 20-year power purchase agreement, the partnership purchased all energy from several power facilities in Maine and New Hampshire held by GLHA at \$37 per MWh. The energy rates were subject to an annual adjustment equal to 20% of the increase in the CPI during the previous year.

Upon closing of the Energy Marketing Internalization, the power purchase agreement with GLHA was transferred to the company.

Brookfield Renewable from time to time may enter into other power purchase agreements with Brookfield and its subsidiaries to deliver electricity, attributes related to generation and other related services. These agreements are

typically entered into on commercial terms. During the year ended December 31, 2025 Brookfield Renewable recognized \$31 million (2024: \$68 million) in related party revenue and less than nil in financial instrument gains (2024: less than \$1 million) related to these contracts. As at December 31, 2025 Brookfield Renewable had a financial instrument balance of nil (2024: less than \$1 million) for such contracts classified under IFRS 9.

#### *Credit facilities and funds on deposit*

Brookfield has provided a \$400 million unsecured revolving credit facility maturing in December 2030 and the draws bear interest at SOFR plus a margin of 1.80%. During the current period, there were no draws on the committed unsecured revolving credit facility provided by Brookfield. Brookfield may from time to time place funds on deposit with the company which are repayable on demand including any interest accrued. There were nil funds placed on deposit with the company as at December 31, 2025 (December 31, 2024: nil). There was no interest expense on the Brookfield revolving credit facility and deposit reflected for the year ended December 31, 2025, 2024, and 2023.

From time to time Brookfield Renewable may enter into short-term arrangements with consolidated subsidiaries of the company that permit such entities to place funds on deposit with Brookfield Renewable up to a limit of \$750 million per deposit. Interest earned or incurred on such deposits fall between the interest rate that would otherwise be payable by Brookfield Renewable under its commercial paper program or credit facilities with unrelated parties and the interest rate that would otherwise be available to the applicable depositing party in similar transactions on an arms' length basis with unrelated parties. Each deposit carries a maturity date which must not exceed three months, however the company may request repayment upon three business days' written notice. As at December 31, 2025, there were \$376 million (2024: \$125 million) of funds placed on deposit with Brookfield Renewable, which carry an interest rate of 3.39% to 4.03%. Funds placed on deposit are reflected within due from related parties on the consolidated statements of financial position. Interest income earned on the deposits placed with Brookfield Renewable for year ended December 31, 2025 less than \$1 million.

The company participates with institutional partners in Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV, Brookfield Infrastructure Fund V, Brookfield Infrastructure Debt Fund, Brookfield Global Transition Fund I, Brookfield Global Transition Fund II, and The Catalytic Transition Fund ("Private Funds"), each of which is a Brookfield sponsored fund, and in connection therewith, Brookfield Renewable, together with its institutional partners, has access to financing using the Private Funds' credit facilities.

#### *Brookfield Wealth Solutions*

From time to time, Brookfield Wealth Solutions and its related entities may agree to provide financing to Brookfield Renewable. In addition, Brookfield Wealth Solutions and its related entities may also participate, alongside unaffiliated third parties on market terms and at market rates, in capital raises undertaken by Brookfield Renewable that are recognized non-recourse borrowings in the statement of financial position. As at December 31, 2025, the company, together with its institutional partners, had the following balances owing to Brookfield Wealth Solutions: nil of non-recourse borrowings (2024: \$13 million); and \$458 million (2024: \$58 million) of borrowings from Brookfield Wealth Solutions classified as due to related party. Subsidiaries of Brookfield Wealth Solutions may from time to time decide to participate in the company's equity offerings.

#### *Other*

From time to time as part of normal course tax efficiency initiatives of our group, the company may invest in a subsidiary of the partnership or extend intercompany loans which are generally unsecured, bear interest at market rates, and are repayable on demand or under agreed terms to a subsidiary of the partnership to optimize the use of tax attributes, including net operating losses within the group. During the second quarter of 2025, Brookfield Renewable executed a \$945 million intercompany loan with the company, which carries an interest rate of 7.5%, and is classified as Due from related parties and Due to related parties on the consolidated statements of financial position. The interest expense for the year ended December 31, 2025 totaled approximately \$45 million.

During the third quarter of 2025, the company transferred its interest in a portfolio of 220 MW under construction storage assets in the U.S. to a subsidiary of the partnership for proceeds of approximately \$114 million. As a result of the transfer, the company derecognized \$258 million of total assets and \$134 million of total liabilities. The transaction was accounted for as a common control transaction with the difference between consideration received and the assets and liabilities given up recorded directly to equity and presented as a Disposal in the consolidated statements of changes in equity.

During the fourth quarter of 2025, the company, together with its institutional partners, completed the sale of a 25% interest in a 403 MW portfolio of operating hydroelectric assets in the U.S. for proceeds of approximately \$230 million (\$111 million net to the company), to a private fund managed by BAM, at a value equivalent to what was agreed to with an unaffiliated third party.

During the fourth quarter of 2025, the company, together with its institutional partners, completed the sale of a 700 MW portfolio of operating distributed generation assets in the U.S. for proceeds, net of transaction costs, of approximately \$546 million (\$215 million net to the company). 47% was sold to a third party and the remaining 53% was sold to a private fund managed by BAM, at a value equivalent to what was agreed to with the unaffiliated third party.

During the fourth quarter of 2025, Brookfield Renewable completed the acquisition of an incremental 15% ownership in Isagen for \$1 billion, of which the company's share was \$900 million, from a private fund managed by BAM, at a value equivalent to the purchase price agreed to with an unaffiliated third party. Brookfield Renewable increased its ownership in the business to approximately 37.3%, of which the company's share is 34%, and will continue to consolidate this business. In connection with the closing of the transaction, Brookfield Renewable obtained \$400 million in financing from Brookfield Wealth Solutions.

Subsequent to year end, the company, together with its institutional partners, agreed to the sale of a 132 MW portfolio of operating wind and solar assets in the U.S. for proceeds of approximately \$89 million (\$57 million net to the company), of which 33.3% was agreed to be sold to a private fund managed by BAM, at a value equivalent to what was agreed to with the unaffiliated third parties that agreed to acquire the remaining 66.6% interest in the portfolio. The closing of this transaction is subject to customary closing conditions.

The following table reflects the related party agreements and transactions in the consolidated statements of income (loss), for the years ended December 31:

(MILLIONS)	2025	2024	2023
<b>Revenues</b>			
Power purchase and revenue agreements.....	\$ 31	\$ 68	\$ 10
<b>Other income</b>			
Interest income.....	\$ 88	\$ 42	\$ 29
Distribution income.....	—	3	7
	\$ 88	\$ 45	\$ 36
<b>Direct operating costs</b>			
Energy purchases.....	\$ (31)	\$ (27)	\$ (19)
Energy marketing fee & other services.....	(25)	(2)	(2)
	\$ (56)	\$ (29)	\$ (21)
<b>Interest expense</b>			
Borrowings and distributions <sup>(1)</sup> .....	\$ (469)	\$ (462)	\$ (140)
<b>Other</b>			
Other related party services (expense) income.....	\$ (8)	\$ (5)	\$ 3
Financial instrument gain.....	—	2	9
	\$ (8)	\$ (3)	\$ 12
Management service costs.....	\$ (110)	\$ (106)	\$ (88)

<sup>(1)</sup> Includes distributions on BEPC exchangeable shares, class A.2 exchangeable shares and BRHC class C shares of \$15 million, \$52 million and \$282 million, respectively. (2024: \$14 million, \$49 million and \$293 million, respectively. 2023: \$60 million, nil and nil, respectively).

The following table reflects the impact of the related party agreements and transactions on the consolidated statements of financial position as at December 31:

(MILLIONS)	Related party	2025	2024
<b>Current assets</b>			
Due from related parties			
Amounts due from	Brookfield .....	\$ 16	\$ 30
	The partnership .....	1,590	1,363
	Equity-accounted investments and other .....	19	11
		\$ 1,625	\$ 1,404
 <b>Non-current assets</b>			
Due from related parties			
Amounts due from	The partnership .....	\$ —	\$ 9
 <b>Current liabilities</b>			
Due to related parties			
Amounts due to	Brookfield .....	\$ 67	\$ 34
	The partnership .....	903	480
	Brookfield Wealth Solutions and associates .....	24	24
	Equity-accounted investments and other .....	17	6
		\$ 1,011	\$ 544
 <b>Non-current liabilities</b>			
Due to related parties			
Amounts due to	Brookfield .....	\$ 9	\$ 53
	The partnership .....	42	452
	Brookfield Wealth Solutions and associates .....	434	34
	Equity-accounted investments and other .....	—	2
		\$ 485	\$ 541
Non-recourse borrowings	Brookfield Wealth Solution and associates .....	\$ —	\$ 13

### Current assets

Amounts due from Brookfield and the partnership are non-interest bearing, unsecured and due on demand.

### Current liabilities

Amounts due to Brookfield and the partnership are unsecured, payable on demand and relate to recurring transactions.

## 29. SUPPLEMENTAL INFORMATION

The net change in working capital balances for the year ended December 31 shown in the consolidated statements of cash flows is comprised of the following:

(MILLIONS)	<u>2025</u>	<u>2024</u>	<u>2023</u>
Trade receivables and other current assets .....	\$ (34)	\$ (138)	\$ 535
Accounts payable and accrued liabilities .....	29	18	(51)
Other assets and liabilities .....	<u>(89)</u>	<u>(144)</u>	<u>(79)</u>
	<u>\$ (94)</u>	<u>\$ (264)</u>	<u>\$ 405</u>

## 30. SUBSEQUENT EVENTS

Subsequent to year-end, the company together with its institutional partners, completed the sale of a 25% interest in a 403 MW portfolio of operating hydroelectric assets in the U.S. for proceeds of approximately \$230 million (\$111 million net to the company). The company continues to consolidate the business.

Subsequent to year-end, the company established an at-the-market (“ATM”) equity program under which it may, at its discretion, offer and sell up to \$400 million BEPC exchangeable shares directly from treasury. To date, 635,247 BEPC exchangeable shares were issued for gross proceeds of approximately \$28 million.

Subsequent to year end, the company, together with its institutional partners, agreed to the sale of a 132 MW portfolio of operating wind and solar assets in the U.S. for proceeds of approximately \$89 million (\$57 million net to the company). The closing of this transaction is subject to customary closing conditions.

Brookfield Renewable Corporation

[bep.brookfield.com/bepc](http://bep.brookfield.com/bepc)

**NYSE:** BEPC

**TSX:** BEPC.UN