



NORTHPOINT ENERGY SOLUTIONS INC.

— ANNUAL REPORT —

REPORT OF MANAGEMENT

The financial statements of NorthPoint Energy Solutions Inc. (NorthPoint) are the responsibility of management and have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS). The preparation of financial statements necessarily involves the use of estimates based on management's best judgment, particularly when transactions affecting the current period cannot be finalized with certainty until future periods. In management's opinion, the financial statements have been properly prepared within the framework of selected accounting policies summarized in the financial statements and incorporate, within reasonable limits of materiality, information available up to May 15, 2025.

Management maintains appropriate systems of internal control which provide reasonable assurance that NorthPoint's assets are safeguarded and appropriately accounted for, that financial records are relevant, reliable, and accurate, and that transactions are executed in accordance with management's authorization. This system includes corporate-wide policies and procedures, as well as the appropriate delegation of authority and segregation of responsibilities within the organization. An internal audit function independently evaluates the effectiveness of these controls on an ongoing basis and reports its findings to management and the NorthPoint Board of Directors.

The NorthPoint Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. At regular meetings, the Board reviews audit, internal control and financial reporting matters with management, the internal auditors and the external auditors to satisfy itself that each is properly discharging its responsibilities. The financial statements and the independent auditor's report have been approved by the NorthPoint Board of Directors. The internal and external auditors have full and open access to the NorthPoint Board of Directors, with and without the presence of management.

The financial statements have been examined by Deloitte LLP, Chartered Professional Accountants, as appointed by the Lieutenant Governor in Council and approved by the Crown Investments Corporation of Saskatchewan. The external auditor's responsibility is to express its opinion on whether the financial statements are fairly presented in accordance with IFRS.

On behalf of management,



Kory Hayko

President & Chief Executive Officer

May 15, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan:

Opinion

We have audited the financial statements of NorthPoint Energy Solutions Inc. (the Corporation), which comprise the statement of financial position as at March 31, 2025, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (Canadian GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants

May 15, 2025
Regina, Saskatchewan

STATEMENT OF COMPREHENSIVE INCOME

(in thousands)

| For the year ended March 31 | 2025 | 2024 |
|-----------------------------------|--------|--------|
| Other income | | |
| Foreign exchange gains | \$ 188 | \$ 127 |
| Finance income net of expenses | 67 | 114 |
| Net income | \$ 255 | \$ 241 |
| Other comprehensive income | - | - |
| Total comprehensive income | \$ 255 | \$ 241 |

See accompanying notes

STATEMENT OF FINANCIAL POSITION

(in thousands)

| As at March 31 | Notes | 2025 | 2024 |
|--|-------|------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | \$ 15,614 | \$ 15,089 |
| Accounts receivable | | 1,111 | 3,859 |
| Total assets | | \$ 16,725 | \$ 18,948 |
| Liabilities and equity | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 68 | \$ 419 |
| Due to SaskPower | 8 | 703 | 2,830 |
| Short-term debt from SaskPower | 6 | 20,000 | 20,000 |
| Total liabilities | | 20,771 | 23,249 |
| Equity | | | |
| Share capital | | 10,000 | 10,000 |
| Deficit | | (14,046) | (14,301) |
| Total equity | | (4,046) | (4,301) |
| Total liabilities and equity | | \$ 16,725 | \$ 18,948 |

See accompanying notes

On behalf of the Board:



Rupen Pandya
Chair



Troy King
Director

STATEMENT OF CHANGES IN EQUITY

(in thousands)

| | # of Class A shares ¹ | Share capital | Deficit | Total |
|--------------------------------|-------------------------------------|------------------|--------------------|-------------------|
| Equity | | | | |
| Balance, April 1, 2023 | 10,000 | \$ 10,000 | \$ (14,542) | \$ (4,542) |
| Comprehensive income | - | - | 241 | 241 |
| Balance, March 31, 2024 | 10,000 | \$ 10,000 | \$ (14,301) | \$ (4,301) |
| Comprehensive income | - | - | 255 | 255 |
| Balance, March 31, 2025 | 10,000 | \$ 10,000 | \$ (14,046) | \$ (4,046) |

1. Unlimited Class A non-cumulative, voting common shares authorized. All shares are held by the parent corporation, Saskatchewan Power Corporation.

See accompanying notes

STATEMENT OF CASH FLOWS

(in thousands)

| For the year ended March 31 | 2025 | 2024 |
|---|------------------|-----------|
| Operating activities | | |
| Net income | \$ 255 | \$ 241 |
| Net change in non-cash working capital: | | |
| Accounts receivable | 2,748 | 15,352 |
| Accounts payable and accrued liabilities | (351) | (846) |
| Due to SaskPower | (2,127) | (14,574) |
| | 270 | (68) |
| Cash provided by operating activities | 525 | 173 |
| Increase in cash | 525 | 173 |
| Cash and cash equivalents, beginning of year | 15,089 | 14,916 |
| Cash and cash equivalents, end of year | \$ 15,614 | \$ 15,089 |

See accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF BUSINESS

NorthPoint Energy Solutions Inc. (NorthPoint; the Corporation) was incorporated pursuant to *The Business Corporations Act (Saskatchewan)* effective October 17, 2001, and began operations November 1, 2001. NorthPoint is a marketer of wholesale electricity products and services. The office is located at 2025 Victoria Avenue in Regina, Saskatchewan, Canada, S4P 0S1. NorthPoint is a wholly owned subsidiary of Saskatchewan Power Corporation (SaskPower), which is a subsidiary of Crown Investments Corporation of Saskatchewan (CIC). Accordingly, the financial results of NorthPoint are included in the consolidated financial statements of SaskPower and CIC.

As a subsidiary of a provincial Crown corporation, NorthPoint is not subject to federal or provincial income taxes.

NOTE 2 BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS). The financial statements were authorized for issue by the NorthPoint Board of Directors on May 15, 2025.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(e) New standards, amendments and interpretations not yet adopted

New standards, amendments and interpretations which are not yet effective for the year ended March 31, 2025, have not been applied in preparing these financial statements. In particular, the Corporation is reviewing the following new and amended standards to determine the potential impact:

- Amendments to IFRS 9, *Financial Instruments*
- IFRS 18, *Presentation and Disclosure in Financial Statements*

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 MATERIAL ACCOUNTING POLICIES

(a) Revenue recognition

The Corporation primarily acts as an agent of SaskPower and is responsible for the performance of electricity trading functions both exporting and importing related to the generation assets of SaskPower. NorthPoint receives no commission for performing this service.

(b) Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars using the rate of exchange in effect at the reporting date. Revenues and expenses are translated at the rate prevailing at the transaction date. Foreign currency translation gains and losses are included in profit or loss in the period in which they arise.

NOTE 4 FINANCIAL INSTRUMENTS

(in thousands)

As at March 31

| | | | 2025 | | 2024 | |
|--|--------------------|--------------------|-------------------|------------|-------------------|------------|
| | | | Asset (liability) | | Asset (liability) | |
| | Classification | Level ³ | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | | | |
| Cash and cash equivalents | FVTPL ¹ | 1 | \$ 15,614 | \$ 15,614 | \$ 15,089 | \$ 15,089 |
| Accounts receivable | AC ² | N/A | 1,111 | 1,111 | 3,859 | 3,859 |
| Financial liabilities | | | | | | |
| Accounts payable and accrued liabilities | AC ² | N/A | \$ (68) | \$ (68) | \$ (419) | \$ (419) |
| Due to SaskPower | AC ² | N/A | (703) | (703) | (2,830) | (2,830) |
| Short-term debt from SaskPower | AC ² | N/A | (20,000) | (20,000) | (20,000) | (20,000) |

1. FVTPL – measured mandatorily at fair value through profit or loss.

2. AC – amortized cost.

3. Fair values are determined using a fair value hierarchy as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability.

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

Not applicable (N/A) – Financial instruments — including accounts receivable; accounts payable and accrued liabilities; due to SaskPower; and short-term debt from SaskPower — are carried at values which approximate fair value due to the short period to maturity.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentrations of credit risk relate to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

NorthPoint maintains strict credit policies and limits in respect to counterparties, including regional transmission operators. The maximum credit risk to which NorthPoint is exposed is limited to the fair value of the financial assets recognized as follows:

(in thousands)

| As at March 31 | 2025 | 2024 |
|---------------------------|------------------|------------------|
| Financial assets | | |
| Cash and cash equivalents | \$ 15,614 | \$ 15,089 |
| Accounts receivable | 1,111 | 3,859 |
| | \$ 16,725 | \$ 18,948 |

- (a) For the year ended March 31, 2025, the Corporation had no electricity trading revenue (March 31, 2024 – nil). As at March 31, 2025, receivables from one customer comprised 99% (2024 – one customer comprised 90%) of total outstanding receivables. These amounts have been subsequently received.
- (b) The terms and conditions of certain derivative financial instrument contracts require NorthPoint to provide funds deposited as collateral. These funds allow NorthPoint to not have to settle the trades on a daily basis. As at March 31, 2025, the Corporation had \$612 thousand (2024 - \$602 thousand) in collateral posted related to these contracts which is included in accounts receivable.

Liquidity risk

Liquidity risk is the risk that NorthPoint is unable to meet its financial commitments as they become due or can do so only at excessive cost. NorthPoint manages its cash resources based on financial forecasts and anticipated cash flows. The following summarizes the contractual maturities of NorthPoint's financial liabilities at March 31, 2025:

| | Contractual cash flows | | | | | | |
|--|------------------------|------------------------|------------------|-------------|-------------|-------------|-------------------|
| (in thousands) | Carrying amount | Contractual cash flows | 0-6 months | 7-12 months | 2 years | 3-5 years | More than 5 years |
| Financial liabilities | | | | | | | |
| Accounts payable and accrued liabilities | \$ 68 | \$ 68 | \$ 68 | \$ - | \$ - | \$ - | \$ - |
| Due to SaskPower | 703 | 703 | 703 | - | - | - | - |
| Short-term debt from SaskPower | 20,000 | 20,000 | 20,000 | - | - | - | - |
| | \$ 20,771 | \$ 20,771 | \$ 20,771 | \$ - | \$ - | \$ - | \$ - |

Management believes its ability to generate and acquire funds will be adequate to support these financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 SHORT-TERM DEBT FROM SASKPOWER

NorthPoint entered into a loan advance agreement on June 26, 2017, with SaskPower for the issue of \$10.0 million. On November 16, 2020, NorthPoint entered into another loan advance agreement with SaskPower for the issue of an additional \$10.0 million. These loans are non-interest bearing and payable on demand.

NOTE 7 COMMITMENTS AND CONTINGENCIES

As at March 31, 2025, NorthPoint has letters of credit issued in the amount of \$8.2 million (2024 – \$5.1 million) to certain counterparties under contractual arrangements. If NorthPoint does not pay amounts due under such contracts, the counterparty may present its claim for payment to the financial institution through which the letter of credit was issued. Any amounts owed by NorthPoint would be reflected in the statement of financial position. The letters of credit do not contain recourse provisions nor does NorthPoint hold any assets as collateral against the guarantees issued. All letters of credit expire within one year and are expected to be renewed, as needed, through the normal course of business. During the year ended March 31, 2025, no amounts (2024 – nil) have been exercised by third parties under these arrangements.

NOTE 8 RELATED PARTY TRANSACTIONS

Included in these financial statements are various related party transactions, substantially all of which are with SaskPower. NorthPoint also has a variety of other transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to NorthPoint by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as related parties).

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

(in thousands)

| For the year ended March 31 | 2025 | 2024 |
|--------------------------------|--------|----------|
| Due to SaskPower | \$ 703 | \$ 2,830 |
| Short-term debt from SaskPower | 20,000 | 20,000 |

In addition, NorthPoint pays Saskatchewan provincial sales tax on all its taxable purchases to the Government of Saskatchewan Ministry of Finance. Taxes paid are recorded as part of the cost of those purchases.



NorthPoint Energy Solutions Inc.

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