



2022 Year End
Investor Briefing

March 2023

ONTARIO **POWER**
GENERATION

Where a brighter
tomorrow begins.

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GENERAL

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This presentation also contains references to certain financial measures (non-GAAP measures) that do not have any standardized meaning prescribed by United States generally accepted accounting principles ("US GAAP") and, therefore, may not be comparable to similar measures presented by other issuers. The Company believes that these measures are important since they provide additional information about OPG's performance, facilitate comparison of results over different periods, and present measures consistent with the Company's strategies to provide value to the Province of Ontario as its sole shareholder, improve cost performance, and ensure availability of cost effective funding. These non-GAAP financial measures have not been presented as an alternative to net income, or any other measure in accordance with US GAAP, but as indicators of operating performance. The definitions and calculations of Enterprise Total Generation Cost per MWh, and Earnings before interest and income taxes are found in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures* of the Company's annual Management's Discussion and Analysis, which is available on SEDAR at www.sedar.com or on the Company's website at www.opg.com.

Agenda

Highlights

Energy Industry Leader

1 | Financial and Operating Performance

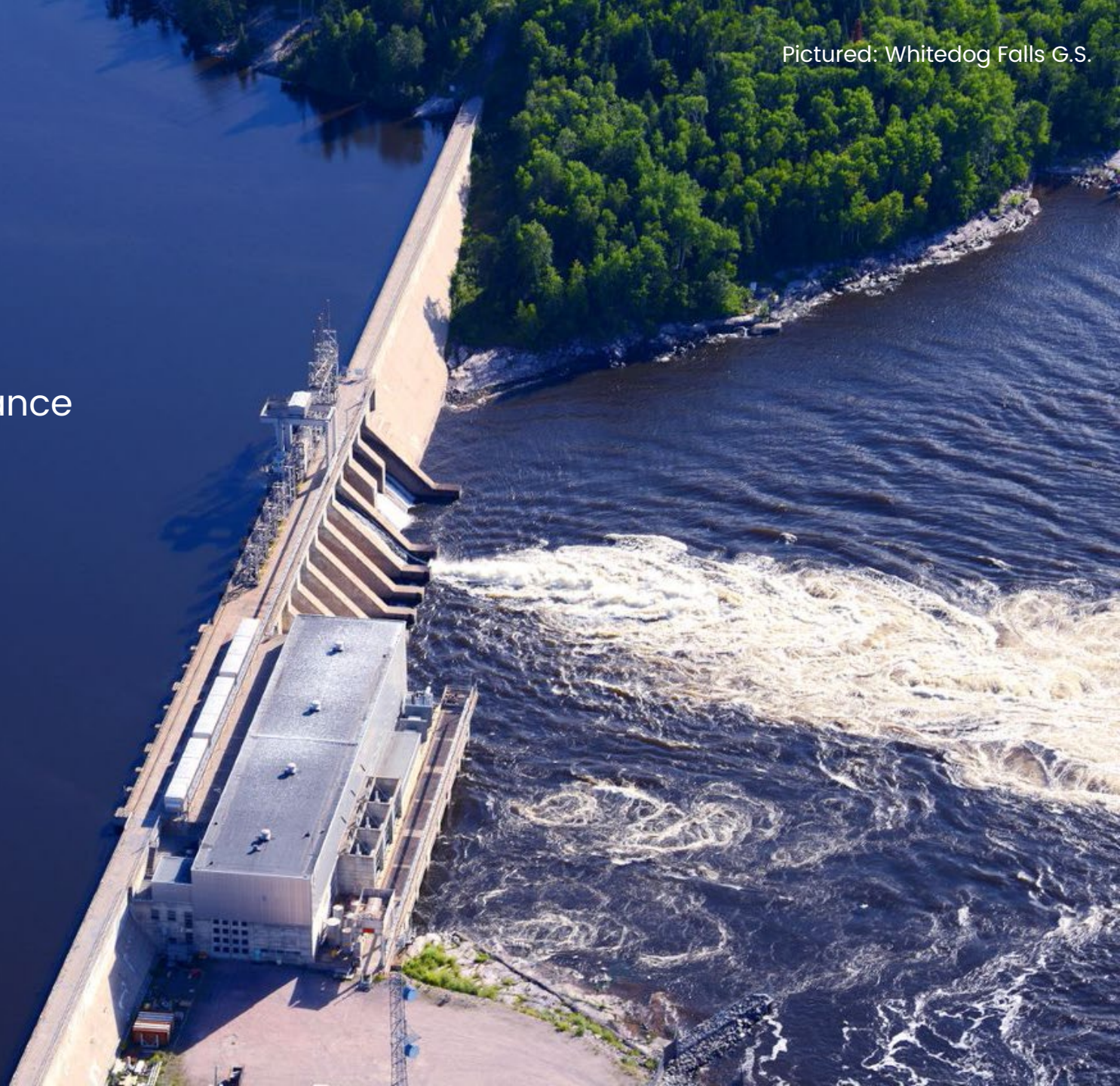
2 | Darlington Refurbishment

3 | Project Excellence

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5 | Outlook

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Highlights

Delivering strong financial, operational and project performance and advances **critical nuclear projects**.

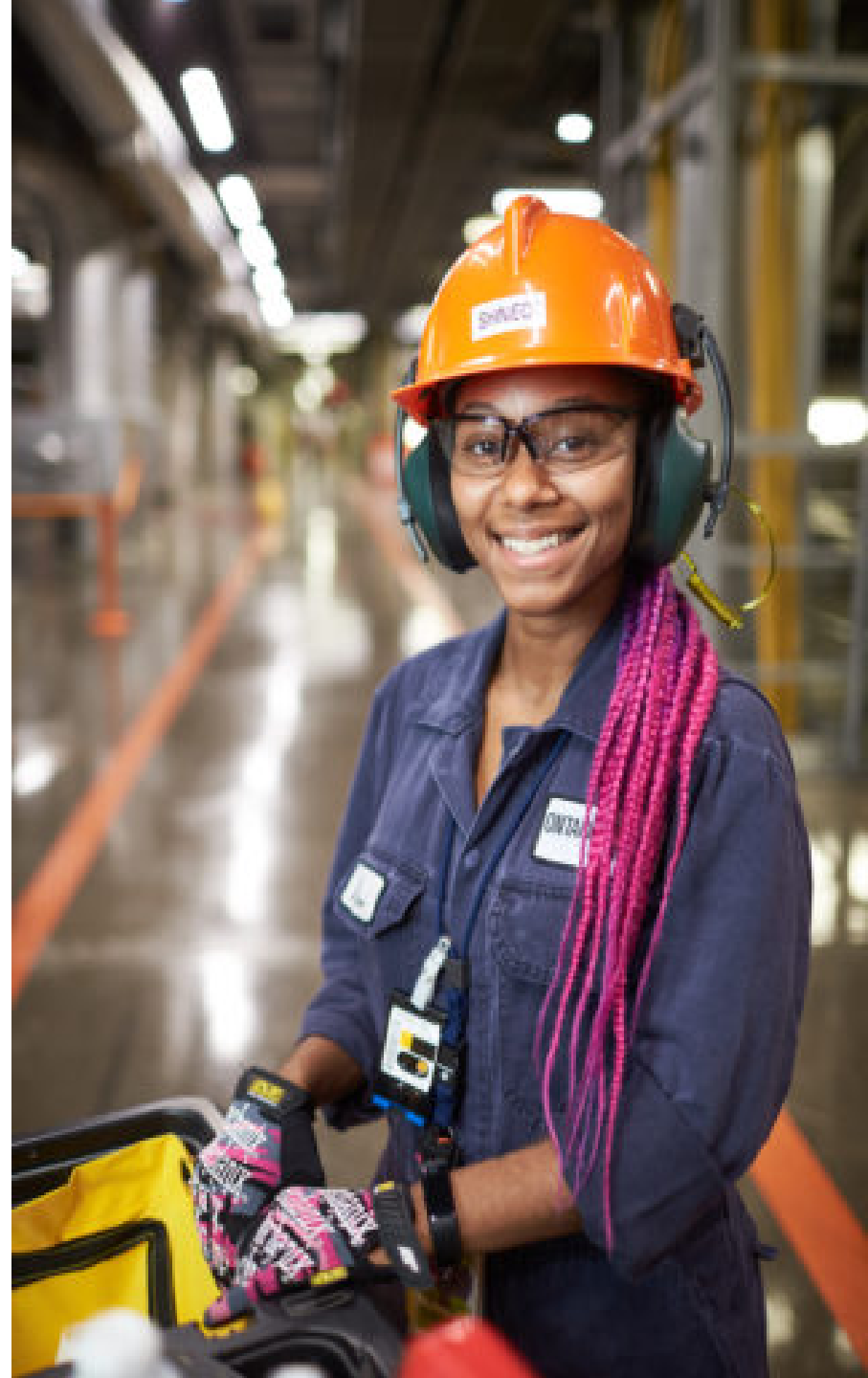
- Supported by \$970 million in financing from the Canada Infrastructure Bank, site preparation activities have begun at the Darlington New Nuclear project site. In January 2023, OPG partnered with an **integrated project delivery team** to deploy Canada's first grid-scale SMR.
- Darlington's **Unit 3** refurbishment is progressing **ahead of schedule** and has transitioned to the **final major segment, Power Up. Unit 1** is progressing and **nearing completion of Disassembly**.
- Review of operational plans for Pickering Units 5 to 8 show that these units could **continue operating safely until the end of September 2026**, pending CNSC approval. OPG has also been asked by the Province to conduct a **technical feasibility assessment** to determine if these units should be refurbished.
- OPG continues to make a substantial investment in **clean hydro power** assets to support our net-zero climate change goals.



Energy Industry Leader

OPG's strategy is to be a **transformational North American clean energy leader** that drives **efficient, economy-wide growth and prosperity** for Ontario and beyond.

- The **Darlington New Nuclear Project** (DNNP) is progressing on schedule, with the licence to construct application submitted to the CNSC in October 2022.
- OPG released the **Northern Ontario Hydroelectric Opportunities Report** in response to the Province's request to evaluate potential for new hydroelectric development in northern Ontario. This report, alongside the **IESO's Pathways to Decarbonization Report**, is intended to help inform the development of future power generation facilities to meet Ontario's emerging electricity demand needs.
- OPG released its **inaugural ESG Report** in 2022, which details the Company's ESG performance and practices including climate change initiatives, progress toward becoming a more equitable, inclusive and diverse employer, and actions underway as part of **OPG's Reconciliation Action Plan**.
- OPG was named one of **Canada's Best Diversity Employers** for 2023.





1

Financial and Operating Performance

Net Income Attributable to Shareholder

Higher net income in 2022 was primarily attributable to:

- net impact of **nuclear base regulated prices** effective January 1, 2022, partially offset by lower **nuclear electricity generation** due to the planned commencement of Unit 1 refurbishment at Darlington;
- a **gain** recognized in the fourth quarter of 2022 on the sale of certain premises located at 800 Kipling Avenue in Toronto, Ontario; and
- Higher earnings from US operations due to **higher electricity market prices.**



Segment Earnings before Interest and Tax

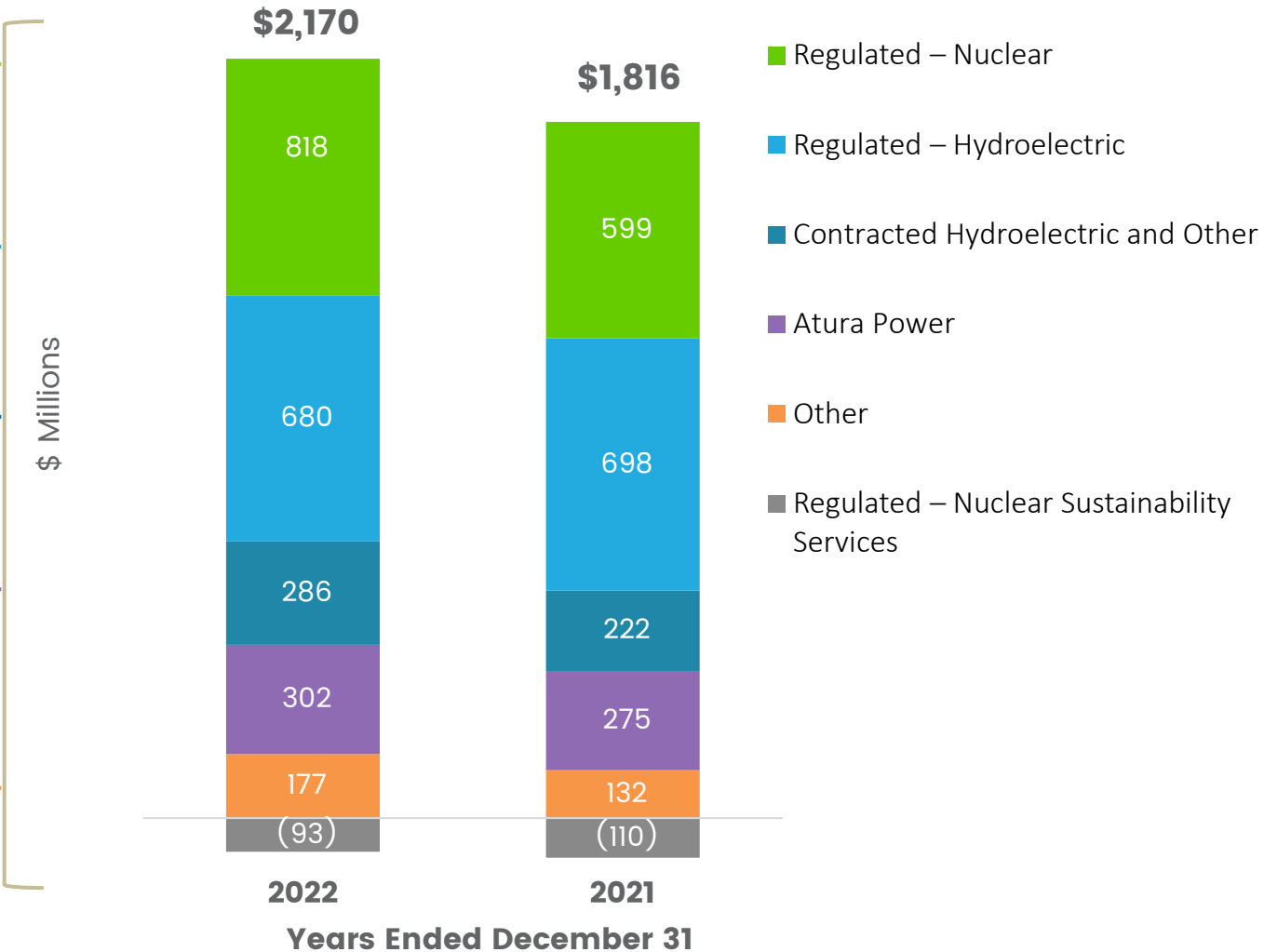
Regulated – Nuclear: Increase in base regulated price and lower OM&A expenses, partially offset by lower electricity generation revenue and higher depreciation.

Regulated – Hydroelectric: Higher OM&A expenses and the net impact of the OEB's Settlement Agreement in 2021 resulted in a decrease in earnings in 2022.

Contracted Hydroelectric and Other: Higher earnings from US operations due to higher electricity market prices.

Atura Power: Higher earnings driven by higher demand for combined cycle generation due to the ongoing refurbishments of nuclear generating stations in Ontario.

Other: In 2022, a gain recognized on the sale of certain premises at 800 Kipling Avenue, partially offset by market gains on the sale of non-core equity holdings in a publicly held smart energy storage company in 2021.



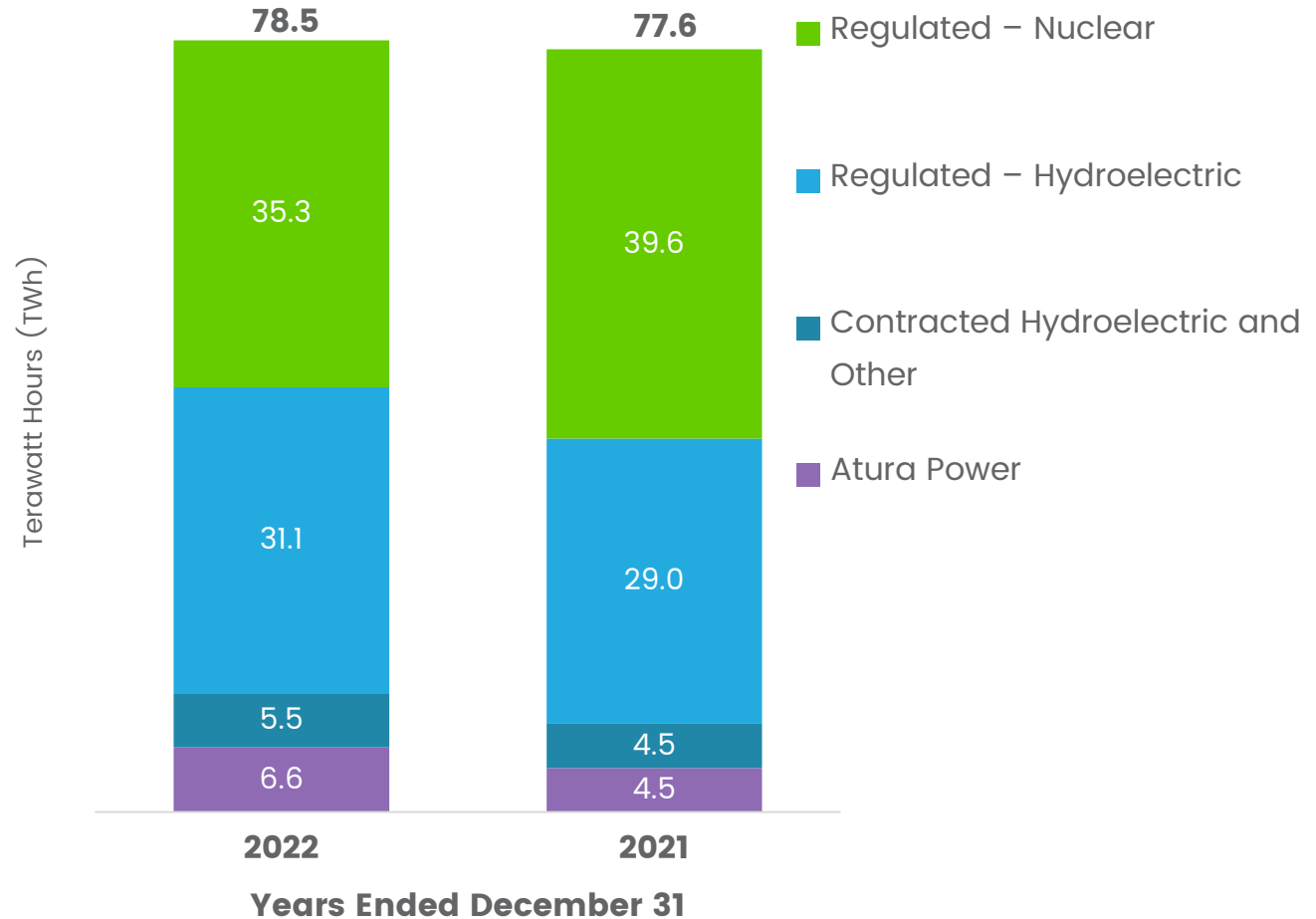
Electricity Generation

Regulated – Nuclear Generation: The decrease was primarily due to the commencement of the **refurbishment of Darlington GS Unit 1** which was taken offline in February 2022.

Regulated – Hydroelectric Generation: Higher electricity generation due to **significantly higher water flows** across most of Ontario.

Contracted Hydroelectric and Other Generation: Higher electricity generation was primarily due to **higher water flows** in northeastern Ontario.

Atura Power: **Higher demand** for electricity generation from combined cycle plants, reflecting the ongoing refurbishments of nuclear generating stations in Ontario.





2

Darlington Refurbishment

Darlington Refurbishment

Unit 3 transitions into final segment and Unit 1 nears completion of the Disassembly segment.

- Unit 3 refurbishment concluded the third major segment, Reassembly, in the fourth quarter of 2022 and transitioned into the fourth and final segment, Power Up. Unit 3 is scheduled to be returned to service in the second half of 2023, ahead of the originally planned schedule.
- Unit 1 refurbishment is nearing completion of the second major segment, Disassembly. The unit refurbishment is on schedule to be completed in 2025.
- Planning and pre-requisite activities for the refurbishment of Unit 4 are progressing as planned.
- OPG continues to assess and seek ways to manage the impact of the COVID-19 pandemic on the project's total cost, which is otherwise continuing to track to the \$12.8 billion budget.





3

Project Excellence

Sir Adam Beck I G1 & G2 Replacement

Units G1 and G2 replacement complete; Adding approximately 115 MW of additional generating capacity at this regulated hydroelectric facility.

- OPG successfully completed the replacement of the G1 and G2 units at the Sir Adam Beck I hydroelectric GS.
- The project marks the first full-unit replacements in the station's 100-year history.
- The overall project added approximately 115 MW of incremental renewable generating capacity and will provide decades of cost effective, clean power.
- The project was completed below its \$128 million budget.

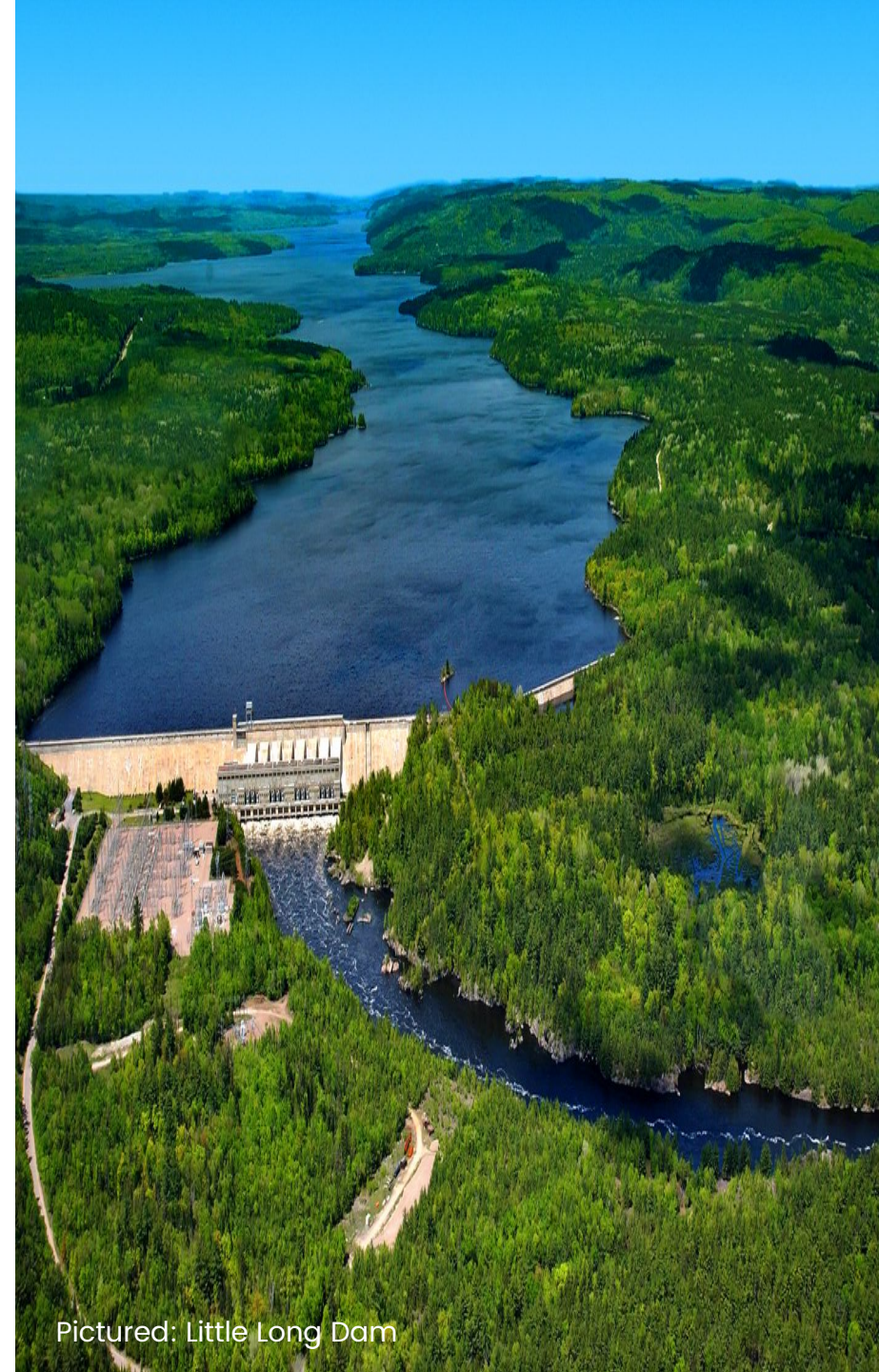


Pictured: Sir Adam Beck I

Little Long Dam Safety

Project will provide additional discharge capacity for the Little Long Main Dam; Adheres to dam safety requirements with the replacement of end-of-life gates and associated equipment.

- OPG began commissioning the replaced Adam Creek gates and commenced the demolition of the east upstream dam in front of the two new sluice gate bays.
- During the fourth quarter of 2022, the east cofferdam was fully removed as part of gate commissioning activities.
- The progress towards completing the replacement of the existing Adam Creek gates continues on schedule.
- The expected completion date is in 2023; project is tracking within its revised approved \$700 million budget; an increase of \$50 million due to construction challenges, disruptions related to the COVID-19 pandemic, and additional costs incurred in 2022 to manage unusual fall freshet.



Pictured: Little Long Dam

Smoky Falls Dam Safety

Project will provide new operational sluice gates to enhance the water management facility at Smoky Falls; strengthen the spillways to meet dam safety requirements.

- Continuing to execute on a project to improve dam safety at the Smoky Falls GS located along the Lower Mattagami River in northeastern Ontario.
- The project will rehabilitate the 100-year-old spillway and sluiceway structures in compliance with provincial dam safety requirements.
- OPG completed concrete closure and stabilization activities on the east spillways. Closure of the surplus sluice gate bays, dam stabilization and preparation activities for replacement of two operational sluice gates continues on schedule.
- The project is expected to be placed in service in 2025; project is tracking within its budget of \$390 million.

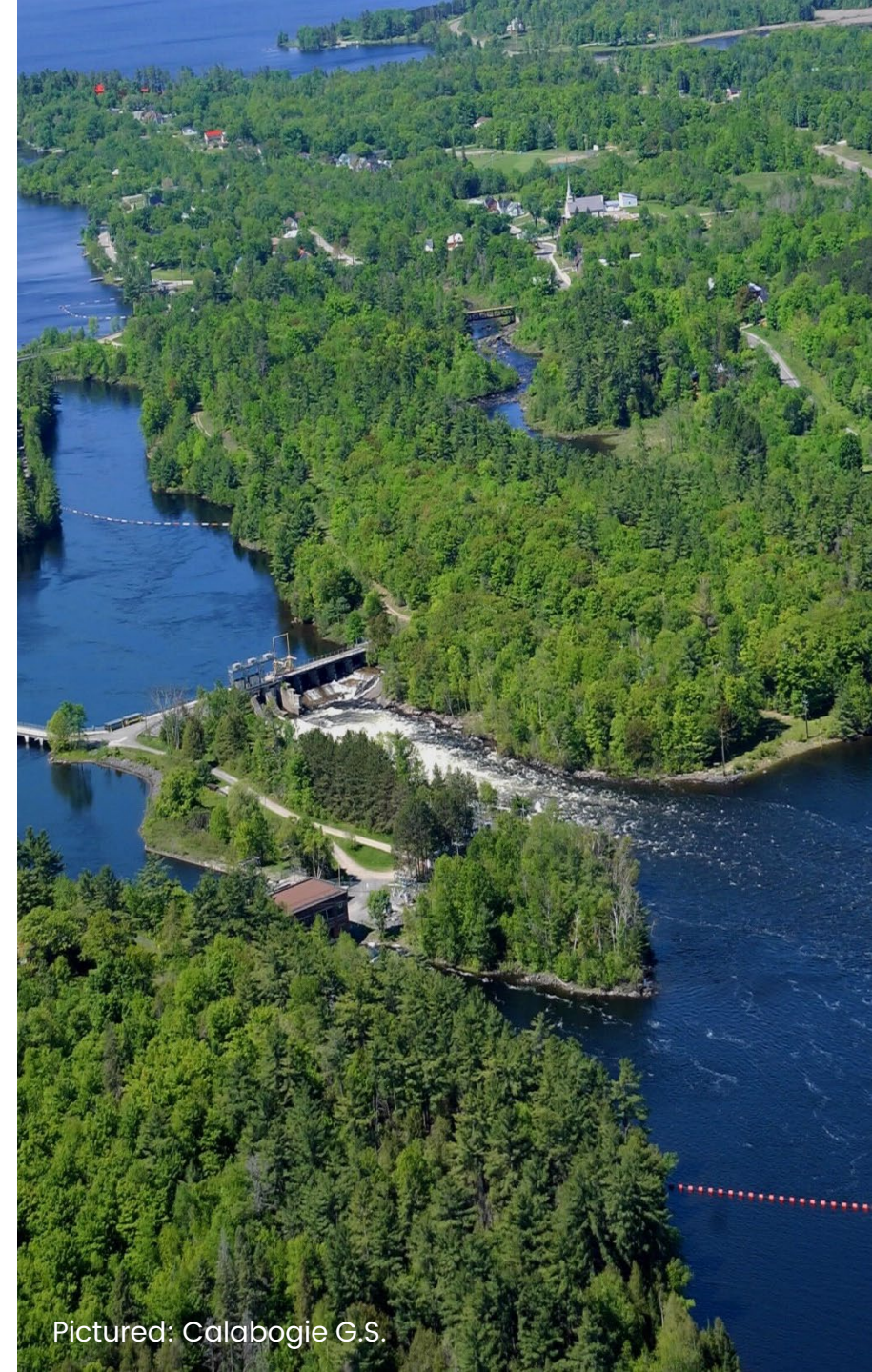


Pictured: Smoky Falls G.S.

Calabogie Hydroelectric Station

Re-development project is part of regulated assets; will double the station's capacity to approximately 11 MW.

- Continuing to execute on a project to redevelop the Calabogie station along the Madawaska River in eastern Ontario.
- OPG completed the removal of the inlet structure, the construction on the east and west embankments, and commissioning of the headgates followed by watering up of the new forebay.
- Installation of Unit 1 and Unit 2 inside the powerhouse commenced and is expected to be completed in early 2023.
- The project is tracking within its revised approved budget of \$168 million; an increase of \$23 million due to further procurement, construction and engineering related activities due to discovery work and scope changes from unanticipated site conditions.





4

Financial Profile

Corporate Profile

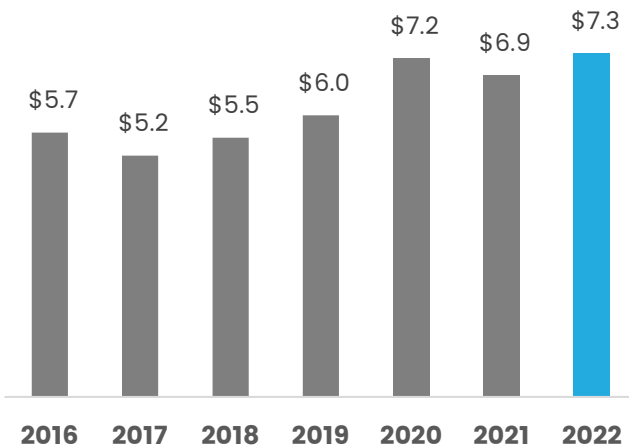
Ontario's largest **clean** energy generator

100% owned by the province of Ontario

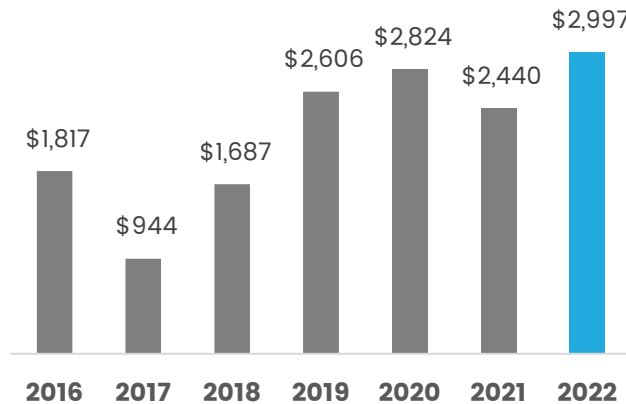
\$62.3 billion of assets ¹

Ratings **DBRS** **A (low)**
S&P Global **BBB+**
Moody's **A3**

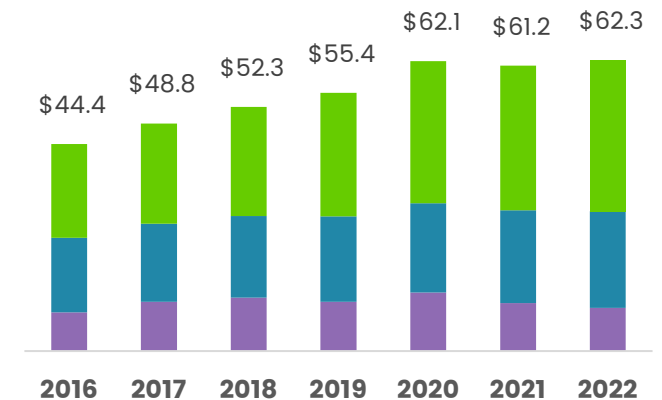
Revenue (\$B)



Cash Flow from Operations (\$M)



Total Assets (\$B)

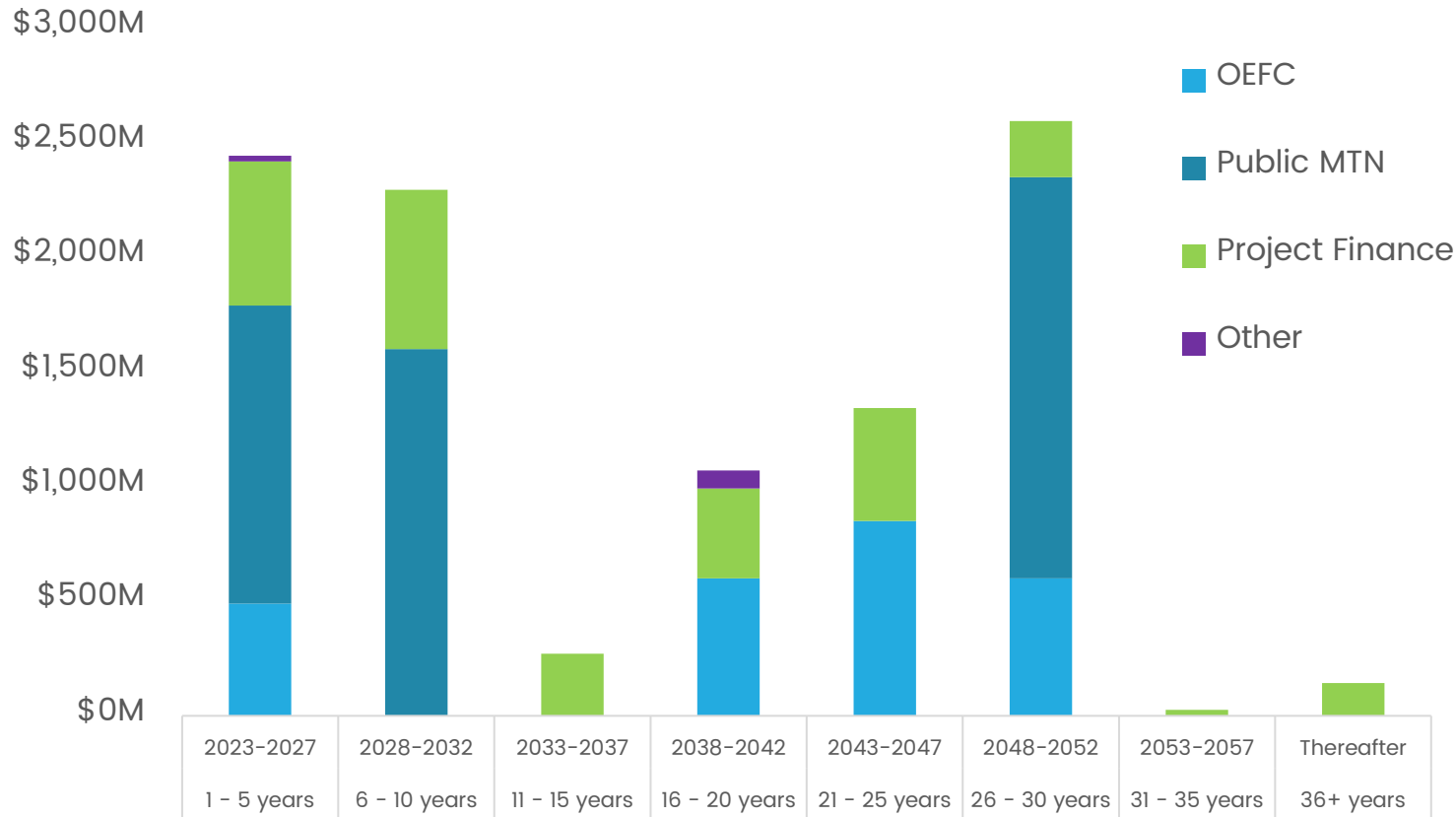


Fixed & Intangible Assets
 Nuclear Segregated Funds
 Other

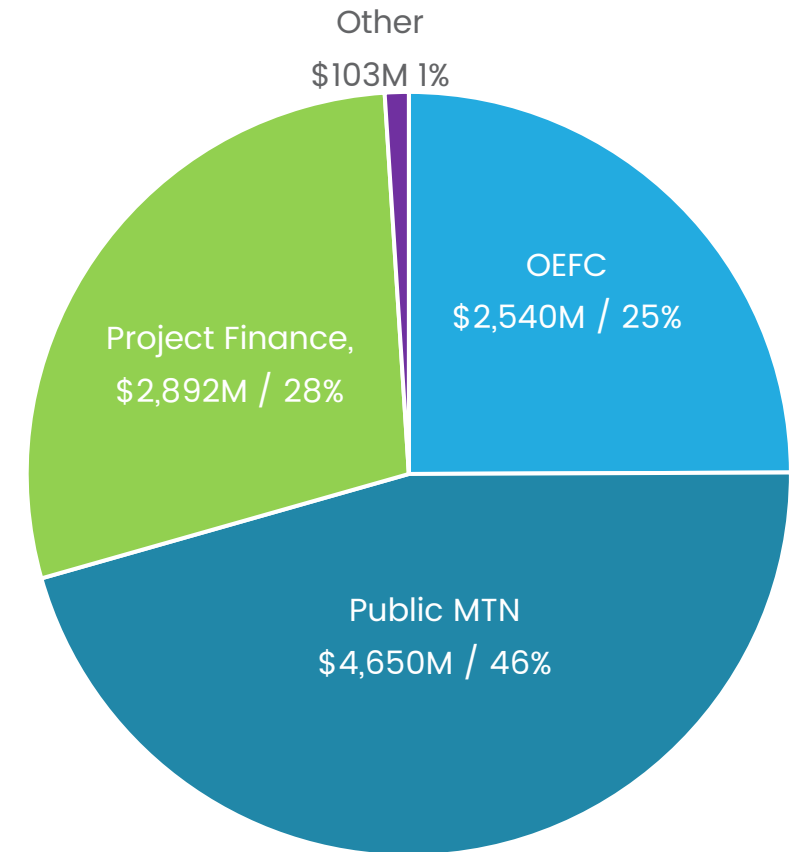
¹ As at December 31, 2022

Long-Term Debt

Existing Debt Maturities As At December 31, 2022



Debt Source As At December 31, 2022



Sources of Liquidity

Medium Term Notes Program

- OPG established its MTN Program in 2017
- OPG has issued public bonds \$4,650 million, including five tranches of Green Bonds totaling \$2,450 million*

Commercial Paper Programs

- Canadian CP program capacity of \$1 billion
- US CP program capacity of US\$750 million

Ontario Electricity Financial Corporation

- Agent of the Government of Ontario
- Rated Aa3 by Moody's and AA(low) by DBRS
- \$2,540 million in debt from the OEFC
- Undrawn \$750M facility available

Liquidity and Financing Capability

"Sustainability-Linked" Bank Credit Facilities**

- \$1 billion Revolving Credit Facility
- US\$750 million Revolving Credit Facility
- Syndicate of Canadian and international banks
- Plus facilities at subsidiaries such as Lower Mattagami

Credit Facility with Canada Infrastructure Bank

- \$970 million credit facility in support of small module reactor (SMR) program
- \$78 million drawn from the facility to date

5 Outlook



Outlook for 2023

Earnings expected to be largely consistent with 2022

- Earnings and cash flows from operations will reflect higher returns on assets placed in service including Darlington's Unit 3, the gain recognized from the sale of non-core assets in 2022 and the impact of inflationary pressures on costs.
- Ontario-based hydroelectric facilities to contribute a generally stable level of earnings and cash flows.

Continue to demonstrate project excellence at our Pickering and Darlington GS

- Per the Province's ask OPG expects to submit the updated results of the feasibility assessment on Pickering's Units 5 to 8 refurbishment by the end of 2023. Darlington's Unit 3 will be placed back into service in the second half of the year.

Advance climate change initiatives

- Continue to progress work on SMRs, electrification and battery storage, low-carbon hydrogen and other renewable energy sources.

Bill 124 and Collective Agreements

- Continue to monitor developments related to the *Protecting a Sustainable Public Sector for Future Generations Act, 2019* (Bill 124), and the Company's collective agreements. In March 2023, OPG reached a tentative Memorandum of Settlement with the Power Workers' Union.



6

Q&A



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