

2023 Year End Investor Briefing

March 2024

An aerial photograph of a dam and river system at sunset. The sun is low on the horizon, casting a warm glow over the landscape. The river flows through a forested area, and the dam structure is visible in the foreground. The sky is filled with colorful clouds, and the overall scene is serene and scenic.

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GENERAL

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NON-GAAP MEASURES

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 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.sedarplus.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

4 | Financial Profile

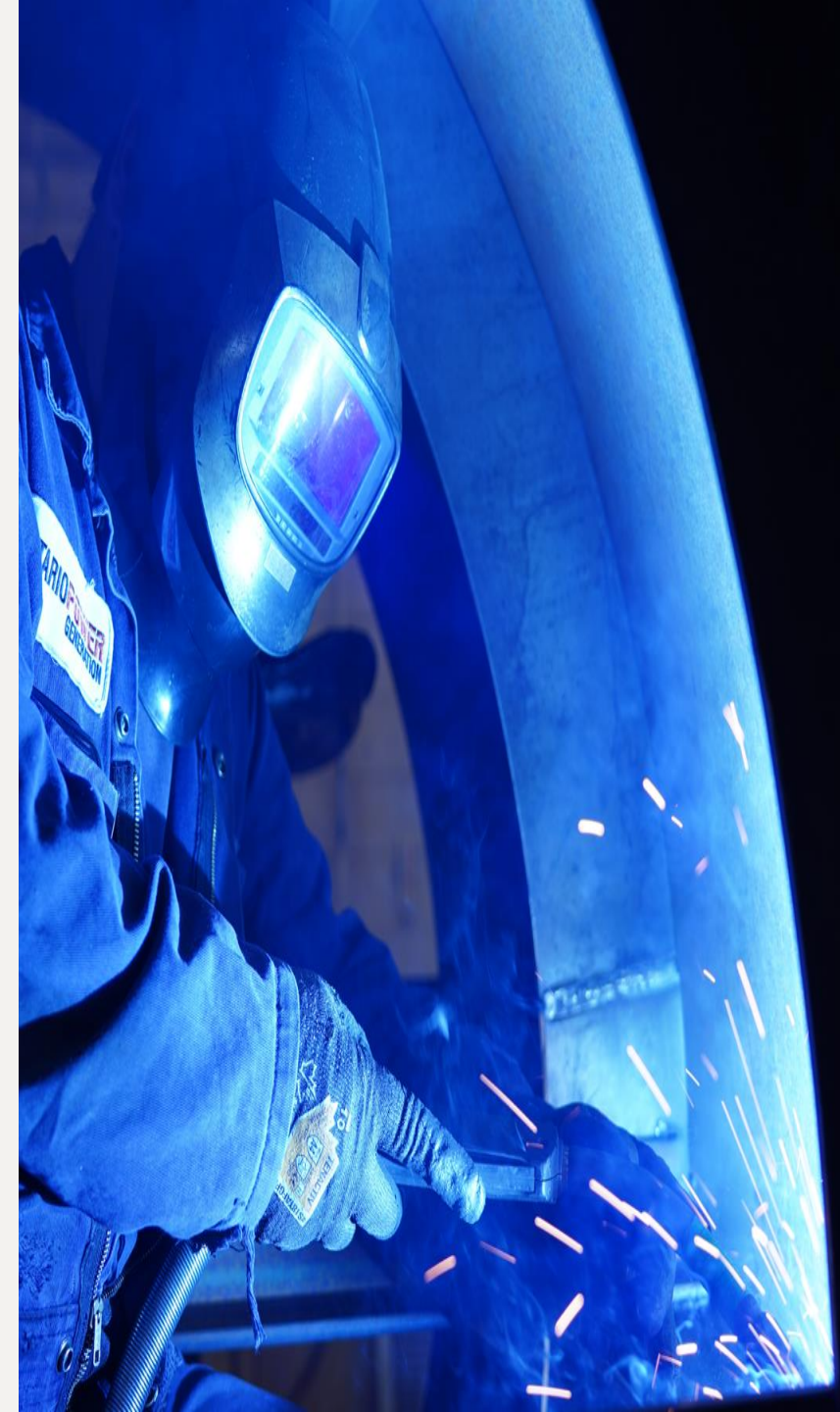
5 | Outlook

6 | Q&A

Highlights

OPG to begin preparations for Pickering's mid-life overhaul; Excellent operating performance at our nuclear stations contributes to strong 2023 results.

- The Province of Ontario has **announced its support** for OPG proceeding with next steps toward refurbishing Units 5 to 8 at the Pickering GS in January 2024. Once refurbished, the **Pickering GS would produce more than 2,000 MW of electricity**, fuelling the province's economic growth.
- The refurbished Unit 3 of the Darlington GS was reconnected to the electricity grid **ahead of schedule**. Unit 1 and Unit 4 refurbishments are progressing on schedule.
- **High unit capability factors at the Pickering GS and Darlington GS** is a testament to OPG's operational excellence and the successful refurbishments of Units 2 and 3 at Darlington.
- **Hydroelectric operations** continue to provide **much needed baseload generation**. OPG is working to **optimize existing assets** and **advance projects**, while engaging **Indigenous communities for new potential projects**.
- Through its wholly-owned subsidiary, **Atura Power**, OPG has commenced:
 - Building a **250 MW four-hour battery energy storage system** at the Napanee GS site in partnership with a subsidiary of Ameresco Inc.; and
 - Development of the **Niagara Hydrogen Centre** for producing low-carbon hydrogen.



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 Province released the **Powering Ontario's Growth plan** in response to the IESO's Pathways to Decarbonization Report in 2022.

- **New Nuclear Feasibility Study:** In collaboration with the IESO, OPG and Bruce Power to develop a feasibility study for future nuclear generation in Ontario. OPG is evaluating its sites to better understand the potential for future nuclear generation options, along with other economic growth opportunities.
- **New hydroelectric assessment:** OPG will continue to conduct further due diligence on high potential hydroelectric sites as identified in the Company's recent report on northern Ontario hydroelectric opportunities.
- **Pumped storage facility:** OPG continues to work with the IESO to identify opportunities to advance the 400 MW Marmora pumped storage facility project.
- Advancing project work on **four Small Modular Reactors (SMRs)** at the Darlington New Nuclear site.
- Significant safety project to replace two large steel sluice gates at the Smoky Falls Dam on the Lower Mattagami River is proceeding on budget and **ahead of schedule**.
- The Niagara region delivered its **highest generation output in 40 years**.





1 Financial and Operating Performance

Net Income Attributable to Shareholder

Higher net income was primarily attributable to higher earnings from the Regulated – Nuclear Generation business segment as a result of:

- Higher nuclear base regulated price in effect during 2023 and higher electricity generation of 0.8 terawatt hours.
- The financial results of this segment is a testament to OPG demonstrating its project excellence with the Darlington Refurbishment Project and operational excellence at the Pickering GS.

For 2023, OPG's net income was also impacted by higher compensation expenses due to the impact on OPG's collective agreements from the November 2022 Ontario Superior Court's decision on Bill 124* and the OEB's subsequent decisions denying OPG's request for a regulatory variance account to record the related costs for the OEB's future review and disposition.

*Protecting a Sustainable Public Sector for Future Generations Act, 2019 (Bill 124).



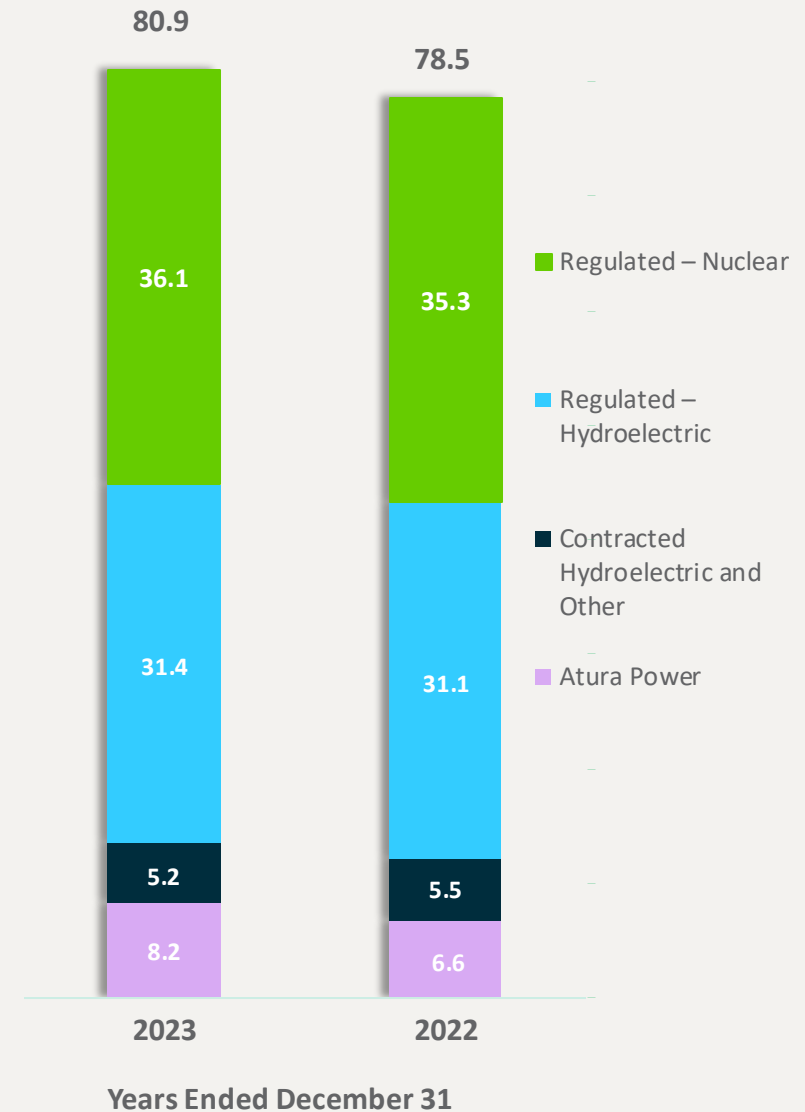
Electricity Generation

Regulated – Nuclear Generation: The increase in 2023 was primarily due to fewer planned and unplanned outage days at the Darlington GS, partially offset by the planned removal from service of Unit 1 of the Darlington GS for the duration of the unit’s refurbishment, which began in February 2022. Two Darlington GS units have been undergoing refurbishment in parallel since Unit 1 was removed from service.

Regulated – Hydroelectric Generation: The increase in 2023 was primarily due to higher electricity generation at the hydroelectric facilities in the Niagara region, partially offset by lower electricity generation due to lower water flows in northwestern Ontario.

Contracted Hydroelectric and Other Generation: The decrease was primarily due to lower water flows in northeastern Ontario.

Atura Power: The increase was primarily due to higher demand for electricity generation from the combined-cycle plants.



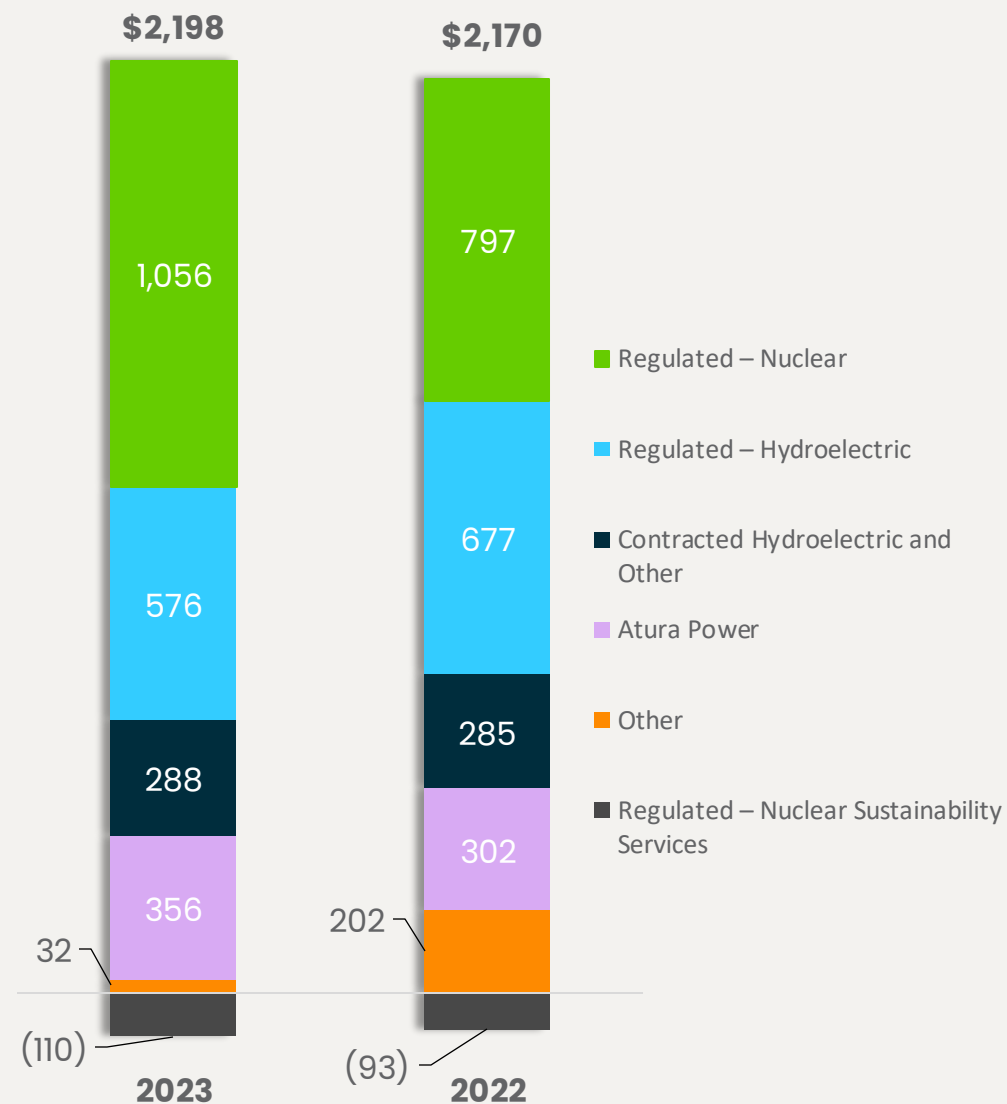
Segment Earnings before Interest and Income Taxes

Regulated – Nuclear: In 2023, higher earnings driven by higher nuclear base regulated prices, higher generation and lower depreciation and amortization expense. This was partially offset by higher OM&A expenses largely driven by increased compensation expenses.

Regulated – Hydroelectric: In 2023, decrease in earnings due to lower electricity market prices on congestion management revenues and higher OM&A expenses, primarily driven by increased compensation expenses.

Contracted Hydroelectric and Other: Slightly higher earnings primarily due to higher earnings from the Ontario-based hydroelectric facilities, driven by higher revenues from the Lower Mattagami generating stations. The increase was partially offset by lower earnings from the US operations, reflecting lower wholesale electricity market prices and lower earnings from the Ontario-based thermal assets, primarily due to higher OM&A expenses.

Atura Power: In 2023, higher earnings primarily due to the release of a contingent liability under a 2021 settlement agreement related to an acquisition of combined cycle plants. The increase was partially offset by lower gross margin, driven by higher greenhouse gas compliance costs and reduced capacity payments under respective ESAs.



Years Ended December 31



2

Darlington Refurbishment

Darlington Refurbishment

Unit 4 currently in Disassembly segment and **Unit 1** continues in Reassembly segment

- On July 17, 2023, Unit 3 of the Darlington GS was reconnected to the electricity grid, ahead of schedule, and in line with the Company's high quality and safety standards.
- Defueling of the reactor on Unit 4 was completed in September 2023 and the islanding of Unit 4 was completed in October 2023. Unit 4 refurbishment is currently in the Disassembly segment.
- Unit 1 refurbishment activities are progressing on schedule and are currently in the third major segment, Reassembly. In December 2023, the project completed the fuel channel installation.
- 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

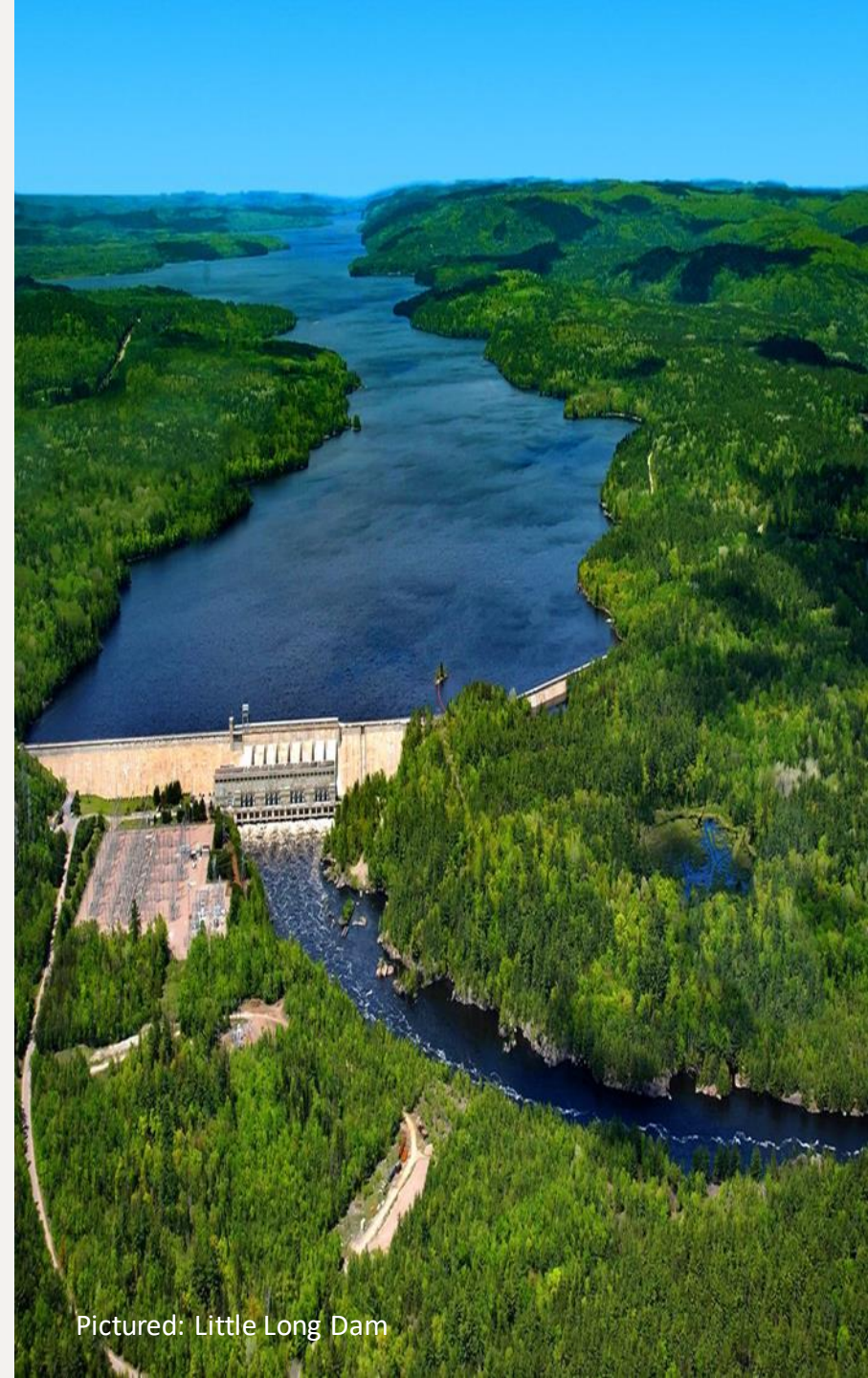
Project Excellence



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 completed construction activities on the sluiceway structures and all gates were placed in service.
- Site rehabilitation and closure activities are remaining which will continue into 2024.
- The project is tracking within the approved revised budget of \$700 million.



Pictured: Little Long Dam

Smoky Falls Dam Safety

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

- The project will rehabilitate the 100-year-old spillway and sluiceway structures in compliance with provincial dam safety requirements.
- During 2023, OPG completed concrete closure activities on the west surplus spill bays and the east sluiceway.
- The installation of newly fabricated hoist house and gate components was also completed, with commissioning activities and the closure of the remaining sluice bays and dam stabilization tracking on schedule.
- The project is expected to be placed in service in 2024, ahead of the original schedule, and is tracking within the approved budget of \$390 million.



Pictured: Smoky Falls G.S.

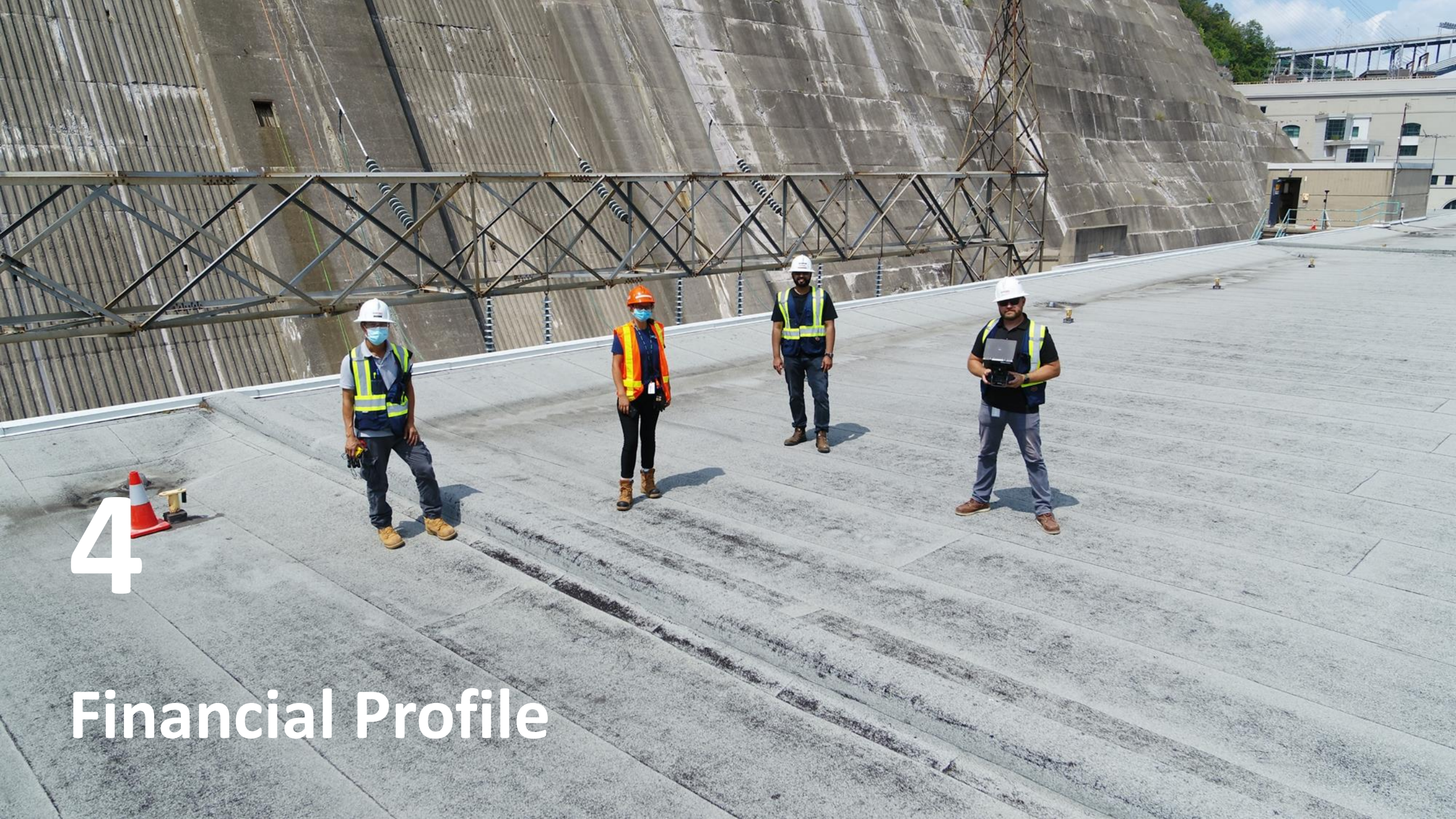
Atura Power – Development Projects

Continue to advance planning and preparation activities for a number of projects to meet the ongoing needs of Ontario’s electricity system and help enable the province’s transition toward a low-carbon economy.

- OPG and the IESO executed an agreement to support the development of the **Niagara Hydrogen Centre (NHC)**, which will allow OPG to supply electricity from the Sir Adam Beck II GS to Atura Power for producing low-carbon hydrogen. The project is in the execution phase with design and engineering activities substantially completed, along with the procurement of the critical equipment.
- In partnership with Ameresco BESS Holdings Inc., Atura Power entered into a capacity agreement with IESO to build a 250 MW four-hour **battery energy storage system at the Napanee GS site (Napanee BESS)**. The project will provide support to Ontario's energy grid by drawing and storing electricity off-peak when power demand is low and returning it to the system at times of higher electricity demand. The project has entered the execution phase, with the procurement of critical materials. Engineering and permitting activities are in progress.
- The NHC and Napanee BESS projects are expected to be completed in 2025 and 2026, respectively, with an overall approved budget of approximately \$850 million.



Pictured: Battery Energy Storage System at Napanee



4

Financial Profile

Corporate Profile

Ontario's largest **clean** energy generator

100% owned by the province of Ontario

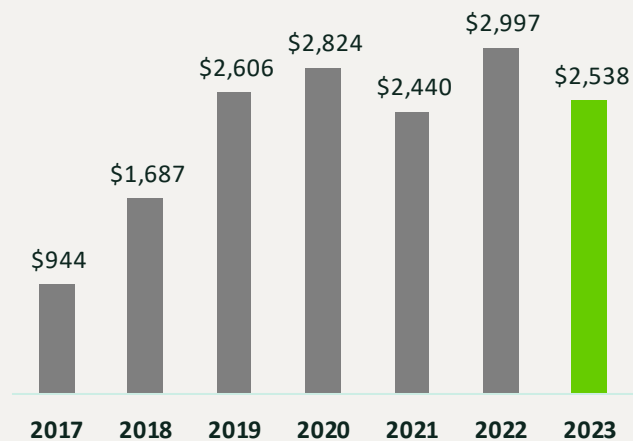
\$65.7 billion of assets ¹

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

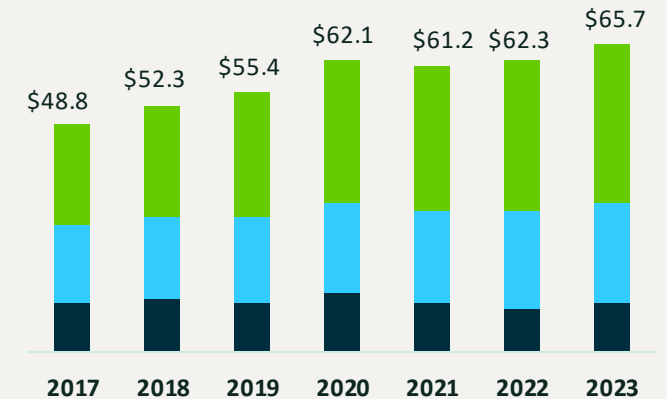
Revenue (\$B)



Cash Flow from Operations (\$M)



Total Assets (\$B)

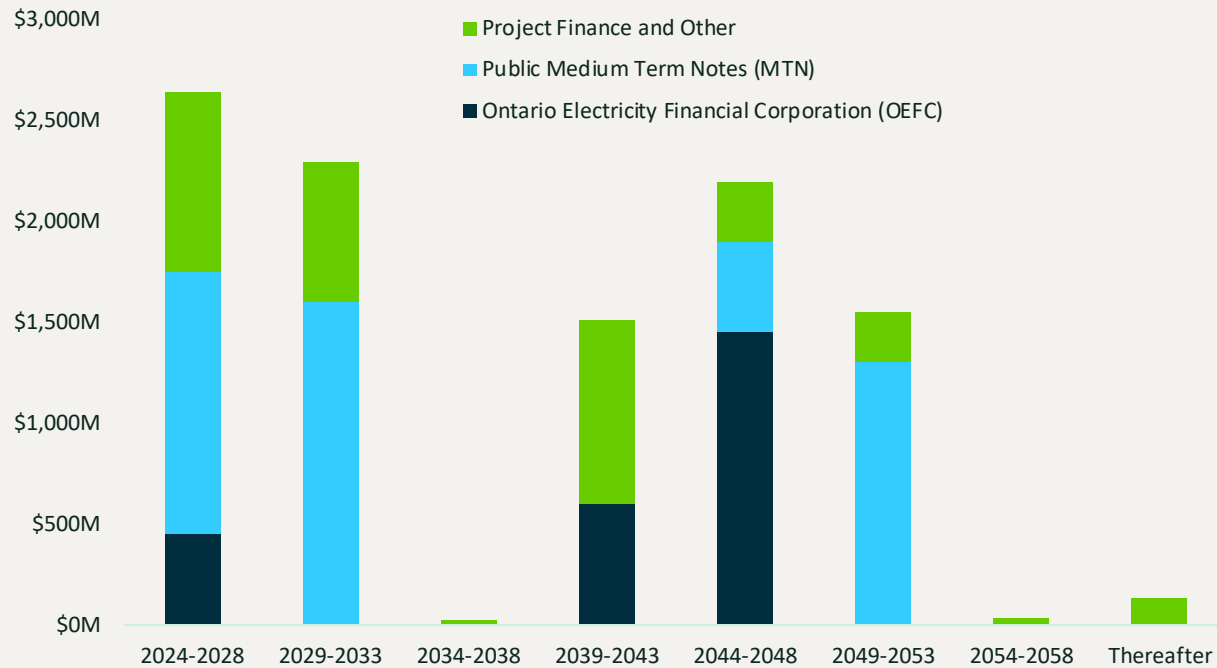


■ Fixed & Intangible Assets
 ■ Nuclear Segregated Funds
■ Other

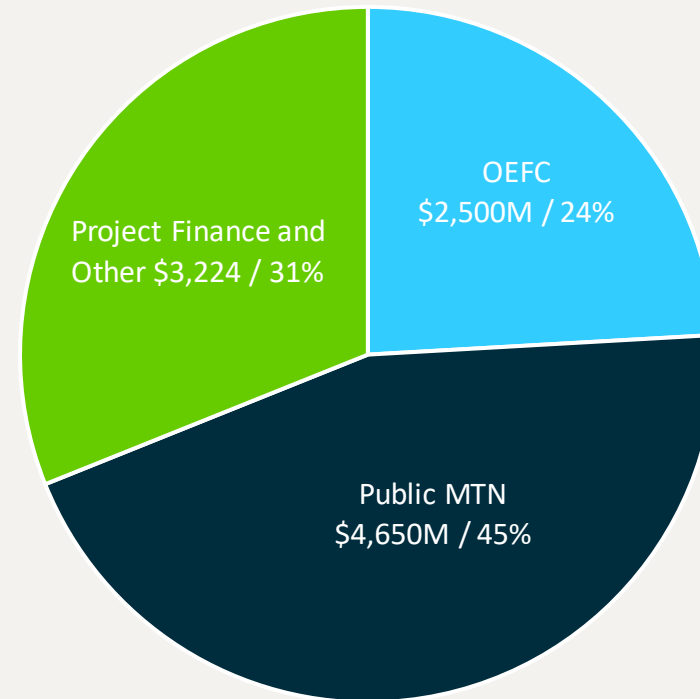
¹ As at December 31, 2023

Long-Term Debt Profile

Existing Debt Maturities As At December 31, 2023



Debt Source As At December 31, 2023



- Canada's largest corporate issuer of green bonds as of December 31, 2023, with total green bond issuances of \$3,075 million (including \$625 million issuance by Lower Mattagami Energy Limited Partnership, a wholly-owned subsidiary of OPG)
- Over 50% of OPG public debt are green bonds

Sources of Liquidity

Medium Term Notes Program

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

Commercial Paper (CP) 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
- \$2,500 million in debt from the Ontario Electricity Financial Corporation (OEFC)
- Undrawn facility available of \$750M

Liquidity and Financing Capability***

"Sustainability-Linked" Bank Credit Facilities**

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

*Amounts as of December 31, 2023. In 2022, OPG released an update to its green bond framework to include eligible nuclear projects, and OPG issued \$300 million nuclear green bonds on July 14, 2022. In addition to OPG's corporate green bonds, Lower Mattagami Energy Limited Partnership (a wholly-owned subsidiary of OPG) has also issued green bonds of \$625 million.

**Both facilities backstop CP programs

***Additional capacity includes a \$970 million facility with the Canada Infrastructure Bank in support of the SMR project (\$322 million drawn as of December 31, 2023)



5

Outlook

Outlook for 2024

Earnings expected to be lower in 2024

- OPG expects lower net income in 2024 primarily driven by lower expected nuclear electricity generation as a result of fewer planned outage days in the cyclical maintenance schedule at the Darlington GS in 2023, planned shutdown of Unit 1 at Pickering GS in September 2024, lower nuclear base regulated prices in effect for 2024, and certain gains recognized in 2023.

Continue to execute on projects to help meet Ontario's future demand

- Following the province's announcement in January 2024, OPG will now proceed with certain pre-execution phase activities regarding Pickering Refurbishment of Units 5 to 8.
- Preparing the Darlington New Nuclear Project site for four SMRs in conjunction with our partners from GE Hitachi Nuclear Energy, AtkinsRéalis and Aecon.
- Continued advancement of detailed work and system integration, with plans to bring the Niagara Hydrogen Centre online by 2025.
- Through Atura Power's partnership with Ameresco Inc. build a 250 MW four-hour Battery Energy Storage System at the Napanee GS site.
- Darlington Unit 4 and Unit 1 are continuing refurbishment and are tracking to the overall timeline with Unit 1 expected online in 2025.
- Aligning our project work with the action items outlined by the Province's 'Powering Ontario's Growth' plan.

Advance climate change initiatives

- Continue to progress work on SMRs, electrification, hydroelectric, low-carbon hydrogen, and other renewable energy sources while growing our economic impact for Indigenous communities and businesses through our project execution.





6

Q&A

Electrifying
life

OPG