

**Ontario Power Generation Inc. – Investor Call Transcript – Wednesday,  
November 26, 2025**

**<Title Page on Screen (Slide 1 – “Deck Cover Page”)>**

***Nick, Evercall Coordinator***

Good day, and welcome to the Ontario Power Generation Inc. fixed income investor update. My name is Nick and I will be your Evercall Coordinator.

The format of the call includes prepared remarks from the company. Please note that all attendees will be on a “Listen Only” mode for the duration of the presentation and are welcome to submit questions in writing via the “Ask a Question” button found on the upper right of the Deal Roadshow screen.

At this time, I'll turn the call over to Rob Brown, Managing Director and Co-Head of Debt Capital Markets, RBC. You may now begin.

***Rob Brown, RBC Managing Director and Co-Head of Debt Capital Markets***

Great, thanks Nick.

Good afternoon and thank you to all of the investors for joining this non-deal fixed income investor update call for Ontario Power Generation.

**<Pause for (Slide 2 – “Today’s Presenters”)>**

I'm pleased to be joined on this call by the following members of OPG's management team:

- Aida Cipolla – Chief Financial Officer and Chief Administrative Officer;
- Arthur Kwok – Senior Vice President and Treasurer; and
- James Brewer – Vice President, New Growth and Business Development.

The purpose of today's call is to enable OPG to connect with the fixed income community and discuss the Province of Ontario's announcement this

morning regarding the refurbishment of the Pickering Nuclear Generating Station, in addition to touching on OPG's funding strategy.

As noted by Nick at the outset, the OPG team will begin by making prepared remarks before addressing questions from fixed income investors. We encourage investors to use the link that was circulated this morning to view the slides that will guide today's discussion and use the FINSIGHT web portal to submit questions. As noted, please click on the blue "Ask Anything" button in the top right-hand corner of your screen, noting that that you can log questions throughout this call.

We also note that a replay will be available for two weeks following this call with details to follow.

With that, thanks again for your participation, and over to Aida to kick things off.

***Aida Cipolla, Chief Financial Officer and Chief Administrative Officer***

Wonderful. Thank you Rob for the introduction, and good afternoon everyone. Thank you all for joining our call today.

**<Pause for (Slide 3 - "Disclaimers")>**

Before I continue, I want to bring to your attention to Slide 3, disclaimers for caution on forward-looking statements and the use of non-GAAP financial measures in this presentation.

Note that certain material factors or assumptions are applied in making forward-looking statements and actual results may materially differ from what was stated. This slide also indicates where to find more information on topics and what factors could cause actual results to differ materially from those stated.

**<Pause for (Slide 4 - "Agenda")>**

On slide four, you will see today's agenda.

**<Pause for (Slide 5 - “Key Updates”)>**

While we normally hold our investor calls on a semi-annual basis, we want to acknowledge that the material developments from this morning's provincial announcement on our Pickering Refurbishment Project and providing an update on our funding strategy, which we have discussed previously.

While we intend to access the capital debt markets in 2026, it is unlikely that we need to issue additional bonds for the remainder of 2025.

As we will elaborate later on this call, OPG is focused on maintaining our strong investment grade credit ratings by pursuing a diverse set of credit supportive funding strategies.

**<Pause for (Slide 6 – “Pickering Refurbishment Project”)>**

As announced this morning, the Province has approved Ontario Power Generation's plan to refurbish four nuclear reactors, Units 5 to 8, at the Pickering Nuclear Generating Station. The final budget for the refurbishment is \$26.8 billion.

Minister Lecce also announced this morning that OPG is executing on its Darlington Refurbishment Project ahead of schedule and under budget. With this, OPG is in a good position to leverage its track record with Pickering Refurbishment on the forefront.

The Pickering Refurbishment Project is currently in the Project Definition Stage, which will continue through 2026. The timing aligns with the authorization from the Canadian Nuclear Safety Commission, or the CNSC, to operate units 5 to 8 at the Pickering Generating Station until the end of 2026.

Pickering currently has a license to operate until the end of 2028. OPG has applied to the CNSC for a 10-year license that includes refurbishment activities. When approved, the new license would be in effect throughout the refurbishment period and into operations at the newly refurbished station.

OPG will begin the Project Execution Phase to refurbish Pickering “B”, Units 5 to 8, in early 2027, with completion expected by the mid-2030s.

To finance the Pickering Refurbishment Project and ensure affordability for ratepayers, we continue to make progress on securing diverse and credit supportive sources of financing.

**<Pause for (Slide 7 – “Financing Strategy”)>**

With the capital expenditures we have planned for the next several years, we continue to execute on a multi-faceted funding strategy, with the aim of protecting our strong investment grade credit rating and ensuring financial discipline and cost-effective financing for our projects.

This robust strategy includes credit supportive funding strategies. We have talked about our well-known bubble chart in the past. The credit supportive funding strategies we are discussing here today are in the emerald bubbles at the top of the slide.

Starting at the top left, as a power generating company, our main line of business is the generation of electricity. When we sell electricity to the Independent Electricity System Operator, we receive revenues and thus cash from operations. We do not currently pay a dividend to our shareholder, and so every dollar we earn is reinvested back into the business and our capital plans. As such, maximizing cash from operations by ensuring operational and project excellence is a critical priority, and these cash flows are important non-debt sources of funding.

In the next bubble to the right, the Federal Investment Tax Credits provides an important non-debt source of funding. With Prime Minister Mark Carney's budget announcement in early November, and the subsequent confidence vote a couple of weeks later, the Clean Electricity Investment Tax Credit is expected to make its way through the legislative process early next year. This will support OPG's projects, including the Pickering Refurbishment, the

Darlington New Nuclear Project, or our DNNP SMR project, and hydroelectric development.

In the middle bubble, Supportive Regulatory Mechanisms continue to include consultative measures announced by the Provincial Government in May earlier this year. First, the Province provided an opportunity for public consultation on a regulatory amendment to provide OPG with concurrent cost recovery of debt interest from ratepayers through the Ontario Energy Board, or OEB-approved rates during the construction phase of the Pickering Refurbishment Project and DNNP. Recall, DNNP is the construction of our small modular reactors, or SMRs. Second, the Province also consulted on amendments to allow for a new OEB-prescribed rate regulated generator for DNNP, which will facilitate external equity investments and ensure any SMRs built as part of DNNP remains subject to the oversight by the Ontario Energy Board through its public and transparent rate setting processes.

In combination, these consultations will set the foundation for future regulatory amendments to ensure that: (1) debt incurred by OPG can be secured through the collection of cash flows from ratepayers during the construction period of DNNP and Pickering; and (2) that equity investments can support the DNNP SMR project and also have DNNP remain a rate regulated asset.

Which then brings us to the next bubble on the chart: Federal and Provincial Support continues to be a key source of funding for OPG. In addition to the Canada Infrastructure Bank's early work credit facility and the Future Electricity Fund providing \$55 million into DNNP project, OPG since has announced that we have secured \$3 billion in equity financing for the DNNP project through the Canada Growth Fund and from the Building Ontario Fund. This signal continued support by the Federal and Provincial Government, respectively, for OPG. Under this agreement, OPG will remain the majority owner and operator of the DNNP SMR project, while the Canada Growth Fund and the Building Ontario Fund will each acquire meaningful minority stakes in the project, representing up to 15% and 7.5% ownership, respectively.

In addition, the Province also announced through the same consultation in May, that it will continue to work with OPG to maintain ratepayer impacts, or, pardon me, to minimize ratepayer impacts and identify additional sources of cash to ensure sufficient funding is available to finance these projects.

Similarly, in today's announcement, you will see that the Province has stated that to reduce costs, the government will continue to explore potential financial instruments that would benefit ratepayers, in parallel, OPG to continue to explore optimal financing arrangements.

Moreover, to support OPG and as Ontario's leading generating clean, safe, reliable and low-cost power producer, and while helping lower costs for ratepayers, OPG is working with the Province for a \$5 billion equity injection over the 2025 to 2027 period to support OPG's funding strategy.

Lastly, the last emerald bubble there on the far right is Asset Optimization. Recently, OPG undertook a strategic review of its balance sheet and undertaken Asset Optimization initiatives. Proceeds from these initiatives will be redeployed back into OPG's Ontario-based projects such as the Pickering Project and its refurbishment.

By continuing to execute on our credit supportive funding initiative, this will ensure continued cost-effective capital as we fund our projects and in a responsible and disciplined manner, driving value for ratepayers of Ontario. Pursuing these initiatives demonstrates OPG's commitment to our strong investment grade credit rating.

In addition to these sources of financing, public debt markets will continue to play an important role in our overall financing strategy, and we will continue to work with our fixed income investors, such as yourself, for the support that you have showed us historically, and for that we are very grateful. I will pass this call on to Arthur, our Senior Vice President and Treasurer, to discuss our upcoming issuance strategy.

***Arthur Kwok, Senior Vice President and Treasurer***

**<Pause for (Slide 8 – “Financing Outlook”)>**

Thank you, Aida.

In recent years, OPG has been a regular issuer in the Canadian bond market. As we think about our issuance plan for the next few years, we reflect on how our assets have generated strong cash flow from operations, which, as mentioned by Aida, forms a key pillar of our funding strategy.

In the last few years, our cash flow from operations has ranged from approximately \$2 to \$3 billion annually. This amount has covered more than half our capital expenditures for a given year. This year, we disclosed our capex target to be \$6 billion. We continue to track to that target, spending \$4.2 billion for the 9 months ended September 30<sup>th</sup>, 2025.

Looking ahead, as our capex continues to grow, and with Pickering units 5 to 8 coming offline starting next year, OPG will need to rely more on external sources of funding to ensure it can meet capex and debt maturity refinancing needs. We envision that we could be accessing the bond market next year in the range of approximately \$1 to \$2 billion. We have provided a range as we continue to solidify the remaining pieces of our credit supportive funding strategy that Aida discussed earlier. As such, we do anticipate being back in the bond markets in 2026. Sorry, let me just repeat that – we do anticipate being back in the bond markets in 2026. Again, the timing and quantum will be dependent on when the credit supportive funding initiatives materialize.

Finally, we anticipate releasing our 2026 forecast capital expenditures in our year-end financial results, which is expected to be released in March 2026.

With that, we will now begin the question-and-answer session. I will pass it back to Nick to remind everyone how to ask a question.

**<Pause for (Slide 9 – “Q&A”)>**

***Evercall Coordinator***

Thank you. If at any point you'd like to submit a written question, click on the "Ask a Question" button on the upper right of the Deal Roadshow and type in your question.

***Arthur Kwok, Senior Vice President and Treasurer***

Great, we have our first question here from Tatenda at RP Investment Advisors. The question is, why is the project cost for Pickering Refurbishment twice that of Darlington, especially given that Pickering benefits from the lessons learned from the Darlington Refurbishment Project?

***Aida Cipolla, Chief Financial Officer and Chief Administrative Officer***

Perfect, and thank you, Tatenda, for the question. So, I'm happy to take that. This is Aida Cipolla.

So our estimate for completing the Pickering Refurbishment Project is \$26.8 billion and this is not an overnight cost – it is the all-in cost that includes interest, escalation, and contingency. And so, as we've been talking to you, many of you, over the period of time, we've been noting that there are differences between the Darlington Refurbishment Project and that of the Pickering Project.

And so, at a high level, the difference is about: 50% is attributed to the scope and higher cost relating to procurement in 2025 dollars versus Darlington, which was priced – when we priced the \$12.8 billion – within 2015 dollars; 25% related to interest and escalation; and 25% related to labour costs and contingencies.

And so, just to give you a bit of difference within that, what this includes is replacing 800 or so, pardon me, 380 fuel channels per reactor. We are replacing 48 steam generators – that's 12 per unit. And one of the biggest differences that we have between both is that we're doing a deepwater intake. And so, this is a new intake structure that will allow deepwater and cooler

water to have a tunnel, which is about 1,500 meters in length, that Darlington already had when it was constructed. So, it is a material difference between both of those.

The other difference is, is those steam generators that I talked about, the 48 of them. They were not replaced at Darlington. But the Province of Ontario does have the experience about replacing steam generators. This is what's been done on the Bruce MCR Refurbishment. And so, there is experience with that.

In addition, turbine generator replacements, they're higher-pressure spindles and turbine control systems that are upgraded, rotor and stator rewinds, as well, that are being taken. And so, I think one of the things that we're looking at is those improvements and replacements of most auxiliary systems, in addition of the plant, such as digital control rooms, cranes, fuel handling facilities, and building upgrades.

So, it is a different scope. And so, one of the things that's important about this is recognizing that scope differential, but also the dollar difference in what is a decade of cost inflation, time, procurement, and all of those relative nature of considerations.

***Arthur Kwok, Senior Vice President and Treasurer***

Okay, thank you, Aida.

The next question is from Manpreet at Aviva Investors. The question is, will OPG finance Pickering and SMR through corporate level debt, project finance, or dedicated SPV?

I will take that one. It's Arthur here. OPG will look at all options to fund all of our assets, and that includes the different methods that Manpreet has asked about.

I will follow that up with another question on the funding, which is from Mark at Munich Re. Do you anticipate bringing a US dollar bond deal in 2026?

Similar to the answer of the previous question, OPG will continue to look at all opportunities to fund its assets across a diverse set of funding instruments.

Another question from Manpreet at Aviva. How will the Ontario Energy Board's cost recovery framework apply to Pickering's \$26.8 billion refurbishment?

***Aida Cipolla, Chief Financial Officer and Chief Administrative Officer***

Yeah, Manpreet, thank you very much for the question, it's Aida Cipolla again.

So we, in normal course, as many of you will be familiar with, submit in a five-year cost-of-service rate application to the Ontario Energy Board. And we will be doing that for the 2027 through to 2031 period. And in that rate application, we will be seeking the cost recovery for the Pickering Refurbishment Project. And so, that will include the work and scope and discussion of the \$26.8 billion, but of course over the period of time of that five-year rate application. And so, today's announcement by the Province of Ontario is very significant in approving and greenlighting this project to proceed forward. And so, that information will be included within the rate application for the adjudication of the OEB and the intervener groups around that project, but it will be included within our rate application.

***Arthur Kwok, Senior Vice President and Treasurer***

Thank you, Aida.

We have a question from Aran at BMO. The OEA is forecasting a massive increase in electricity demand in Ontario over the next three decades. What other major new generation projects does OPG envision becoming involved with over the next 10 to 15 years?

***Aida Cipolla, Chief Financial Officer and Chief Administrative Officer***

Thank you, Eric. Pardon me, Aran, pardon me for that. Happy to take that question.

So I think you would have, if you had listened to the announcement this morning by Minister Stephen Lecce, he spoke to some of these significant projects. So as you know, and I will highlight again here, that our Darlington Refurbishment Project, a 10-year project price, that \$12.8 billion, is ahead of schedule, expected to be completed in the first half of 2026 as we disclosed in our Q3 financial results, and is under budget. And so, that project will wrap up next year and be brought back those four units into service.

We spoke, and you've heard previously about our Darlington DNNP, our SMR project. That is four units of the GE Hitachi 300, BWRX-300 technology. That is 1,200 megawatts that we will be bringing back through the period into the middle of the 2030s.

Today's announcement of Pickering Generating Station, as we've been discussing here today, 2,200 megawatts of power. You also heard the minister this morning talk about and received a question around, what about this demand need and what is going to happen. He talked about the potential and the early work that we are doing with the community and the First Nations in the Port Hope area around Wesleyville, and the potential of new power generation within Wesleyville. And the Province announced two other sites, sites that OPG has, that we are looking into at Nanticoke and Lambton, of potential sites.

And so, those are all in very early stages of consideration of what needs to happen. We will, and we have talked in our previous quarterly financial disclosures, around refurbishments that we are doing and increasing megawatts at our hydroelectric fleet across Ontario. Most recent announcements of the work that we are doing at Peter Sutherland, in addition to Sir Adam Beck, where we are extending – and our fleet, which has an average of 90 years – we are extending that light for power within this Province.

And in addition to that, OPG, as you know, through our subsidiary of Atura Power, is building out a 405 megawatt natural gas generating station and has projects of 250 megawatts of battery storage at our Napanee location.

And so with that, we continue to look at other options, and we'll continue to ensure that we have strong operational and project excellence as we continue out these projects and support the Province with the demand increasing needs here in the Province of Ontario.

***Arthur Kwok, Senior Vice President and Treasurer***

Okay, thank you Aida.

The next question is from Javier at Trans-Canada Capital. Javier's question is, is hybrid issuance in the cards?

Once again, we look for all available sources of funding. We recognize the growing market that is the hybrid capital market, and that will be something that is worth keeping an eye on as we consider our funding profile in the years ahead.

The next question is from Vincent, from Jarislowsky Fraser Limited. Can you repeat the \$5 billion financing related to the Federal-Provincial funding?

***Aida Cipolla, Chief Financial Officer and Chief Administrative Officer***

Yes, thank you Vincent for the question, and happy to repeat that.

One of the things that I spoke about earlier in the presentation is that OPG is working with the Province of Ontario on a \$5 billion equity injection over the 2025 through 2027 period. And so, this is something that we're working very closely with our sole shareholder, the Province of Ontario, to support the funding strategy for OPG and ensuring low-cost electricity rates for Ontarians, our ratepayers, for generations to come.

***Arthur Kwok, Senior Vice President and Treasurer***

Thank you, Aida.

The next question is from Joe at Vestcor Investment Management. Is the cost likely to increase as you continue building out the other nuclear reactors? And is there a continuous equity commitment from CGF and Building Ontario Fund? And what is the ballpark for equity support going forward for these reactors?

***James Brewer, Vice President, New Growth and Business Development***

So, appreciate the question.

Certainly, as we look at the investment from Building Ontario Fund and the Canada Growth Fund, we're really excited about the opportunity and the commitment that we've seen from both the Provincial and the Federal Government towards developing nuclear reactors. At this point in time, that commitment is just related to the Darlington New Nuclear Project, and is obviously a significant commitment from both entities at this point in time. Obviously, in terms of their mandates for the Building Ontario Fund and Canada Growth Fund, nuclear is part of that, so they could consider in the future other programs.

***Arthur Kwok, Senior Vice President and Treasurer***

The next question is from Philippe at Industrial Alliance Financial Group. Can you share any colour on discussion that you had with rating agencies regarding Pickering cost?

***Aida Cipolla, Chief Financial Officer and Chief Administrative Officer***

Yeah, thank you Philippe for the question.

And of course, at OPG, we take quite pride in working with our credit agencies – Moody's, DBRS and S&P – very closely to continue to bring them along as it relates to the projects that OPG is working on, but in addition to that, our funding strategy. And so, through those conversations and continuous conversations, the credit agencies have provided supportive discussions

around our ability to have executed our funding strategy, or our bubble slide that many of you know, when we had come through with that strategy two years ago. To be able to be at a point here today to talk to you about the execution on all of those elements, I think speaks to our continued focus on our credit rating and maintaining that, and managing costs for ratepayers in Ontario. So, I think they are supportive of that and understand the need to build in Ontario to meet the growing demand of the Province and support the economy, GDP, and productivity here in the Province. And so, they are fully aware and understand and support our initiatives here.

***Arthur Kwok, Senior Vice President and Treasurer***

Okay, the next question is from Andrew at Sun Life Management. With the recent sale of Eagle Creek, are there other assets you are looking to sell to help the funding strategy?

***Aida Cipolla, Chief Financial Officer and Chief Administrative Officer***

Perfect, thank you, Andrew, for the question.

We have done a thorough review of our balance sheet, as I previously noted. And so, at this point in time, we've been very much focused on bringing back cash flows back to the Province of Ontario.

I think there were some other questions about hydroelectric, and there was one other investor question in there. Maybe I'll combine it within here around why would you disposition. Oh, yes, Stephen Defoe had also asked a question around: hydro provides a unique value and impossible to do greenfield. Can you add some colour to the decision of the divestiture of Eagle Creek? And so, I'll answer both of your questions together in this.

This is very important when you think about the growth in Ontario. You've heard the Province's Integrated Energy Plan, "Energy for Generations." And in that plan, it is very clear about supporting the need for growth here in the Province of Ontario. And so, our focus has been, how do we support the

nuclear, the hydroelectric, our Atura subsidiary, those of our other subsidiaries, to be able to support the Province's direction on its Integrated Energy Plan. And so with that, we did look very closely at all of our assets and made the decision to divestiture Eagle Creek, to bring back those cash flows here in the Province of Ontario, and to be able to build out, in a financially supportive way, these projects that we've been talking about here in some of the questions. And so, that was the decision criteria for the divestiture of Eagle Creek.

To answer the first question, we have gone through, and earlier this year, we disclosed the selling of our joint venture with Hydro One on Ivy, and last year with Global First Power. And so, we have done that work, and have completed it for the time being at this point.

***Arthur Kwok, Senior Vice President and Treasurer***

Okay, for the final question here from Benson at Central 1. For future issuances, do you intend on issuing any of these bonds as a green bond?

As the investor community is aware, we recently updated our Sustainable Finance Framework in 2024. The recent updates allow us to label many of our bonds going forward given the projects that we are pursuing, as a result. In addition to green bonds, there's the potential to have other labels such as a sustainable bond, and we continue to look at all options for the future.

With that, I will pass it back to Aida for concluding remarks.

**<Pause for (Slide 10 – “Thank You”)>**

***Aida Cipolla, Chief Financial Officer and Chief Administrative Officer***

Perfect. Well, first and foremost, I want to thank all investors for your active engagement on the Q&A. We hope we caught all of the questions that have come through. And if we did miss any, as we were running through them, as they were quickly coming up, we will, accordingly, follow up with you on those responses.

But first and foremost, let me just say we really value our fixed income investors. You are a critical part of our funding strategy and very important to OPG. We will continue to engage with you and participate in many conferences and discussions as we have in the past and look forward to your participation in our funding strategy next year as we come to market, as both Arthur and I have noted.

And so, with that, we'd like to thank all of you for participating in your engagement here today, and we look forward to continuing our relationships together. And with that, I will pass it back to Rob Brown from RBC.

***Rob Brown, RBC Managing Director and Co-Head of Debt Capital Markets***

Great, thank you Aida, Arthur and the rest of the OPG team for providing helpful insight and answering investor questions today.

I would also like to thank the investors for their participation and good engagement in terms of Q&A. And to repeat what Aida said, to the extent the OPG team wasn't able to get to your question, or you dialed in by phone and weren't able to ask a question, or for those that did ask questions and have follow up, please do not hesitate to reach out to either OPG directly or to your RBC representative.

And with that, I will conclude today's call. Thanks again.

***Nick, Evercall Coordinator***

This concludes today's Evercall. A replay will be made available shortly after today's call. Thank you and have a great day.