

OPG Q2 2025 Investor Briefing Script – Aug 14, 2025

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Neal Kelly, Director of Media and Public Affairs

Good afternoon, everyone.

Welcome to our investor briefing to discuss Ontario Power Generation's 2025 Second Quarter results. My name is Neal Kelly, OPG's Director of Media and Public Affairs. I am joined today by OPG's President and CEO, Nicolle Butcher, and OPG's Chief Financial Officer and Chief Administrative Officer, Aida Cipolla.

Nicolle and Aida will present a slide deck that you will be able to follow. Once the presentation is finished, we will be open to questions from investors.

You may ask a question in the Q&A field and I will facilitate the question-and-answer session at the end of the presentation.

Just a reminder, this is an investor call. Media and others are welcome to listen but only investors will be able to ask questions.

<Pause for (Slide 2 - "Disclaimers")>

Before I turn things over to Nicolle and Aida, I want to bring your attention to Slide 2, disclaimers for a 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 differ materially from what is 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.

On Slide 3, you will see today's agenda.

<Pause for Title Page> (Slide 3 - “Agenda”)

<Pause for Title Page> (Slide 4 - “Today’s presenters”)

I will now turn the call over to OPG’s President and CEO, Nicolle Butcher, who will go over the highlights from the past quarter.

<Pause for Title Page> (Slide 5 - “Key Highlights”)

Nicolle Butcher, President and CEO

Thank you, Neal.

Good afternoon and thank you all for joining today’s call.

We are very pleased to share with you our results from the second quarter and recap our progress on what has been a busy and eventful year so far.

Slide 6 – Key Highlights

In the second quarter, OPG and our more than 11,000 employees continued to perform with excellence to ensure reliable and safe power generation for the province.

We also continued to advance a number of key projects that will help meet Ontario’s growing need for clean electricity in the coming years.

Financially, we recorded net income attributable to the Shareholder of 541 million dollars for the three months ended June 30, 2025, an increase of 381 million dollars over the same period in 2024.

For the first six months of 2025, we recorded just over 1 billion dollars, an increase of 665 million dollars over the previous year.

Earnings before interest and income taxes saw an increase of 456 million dollars over the second quarter of 2024, and 849 million dollars over the first six months of 2024.

This increase was primarily due to higher nuclear generation as we welcomed Darlington Nuclear's Unit 1 back into service after a successful refurbishment in late 2024.

We also experienced fewer outage days across our nuclear fleet.

To strengthen our financial footing for the future, in March 2025, we issued 1 billion dollars of green bonds under our Sustainable Finance Framework.

The net proceeds from this issuance will be used to fund Eligible Green Projects as defined under the Framework.

Several of these projects are now underway, and, as I mentioned, we continue to mark new milestones.

This includes our Darlington Refurbishment project, which is now in the home stretch.

Unit 4, the final unit to be refurbished, is currently progressing in the third major segment, Reassembly, which includes installing and reassembling reactor components.

Darlington's Unit 4 is expected to be safely returned to service earlier in 2026 than its original schedule.

Once Unit 4 returns to service next year, it will mark the completion of this 10-year mega-project, which has succeeded largely due to the thorough planning and collaboration of our employees and project partners.

The thousands of lessons learned here will be invaluable as we deploy our first Small Modular Reactor, or SMR, as well as executing our Pickering Nuclear refurbishment project, which is now in the project definition phase.

On our SMR project, in April, the Canadian Nuclear Safety Commission, or the CNSC, issued a licence to construct for the first of our four planned SMRs as part of the Darlington New Nuclear Project.

Subsequently, the Province provided a green light for OPG to begin construction on the first SMR unit, which is now underway.

This was a huge milestone, and we are proud to be leading Ontario's first new nuclear build in more than three decades with the G7's first commercial SMR.

Once in service, our SMR will provide more low-carbon, reliable power to support Ontario's electrification and growth.

In our hydroelectric projects, we began the redevelopment of our 114-year-old Matabitchuan station in March to secure many more decades of clean, reliable generation from this site.

In the second quarter, we also signed letters of intent with Taykwa Tagamou and Moose Cree First Nations to jointly lead planning for potential new hydro developments in the northeast.

Moving onto highlights from our operations, our Darlington Nuclear station was once again recognized by the World Association of Nuclear Operators for performing at the highest levels of operational safety and reliability.

The CNSC also amended Darlington's operating licence to authorize the production of the medical isotopes lutetium-177 and yttrium-90, which are primarily used to treat certain cancers and tumours.

To further support the global deployment of SMRs, we signed a letter of intent with Orlen Synthos Green Energy to support the development of the BWRX-300 technology in Poland.

Lastly, in May, OPG secured a five-year contract with the Independent Electricity System Operator, or the IESO, for the continued operation of our oil and gas-fuelled Lennox Generating Station.

All of our projects and operations will be key to supporting Ontario's recently released integrated energy plan, Energy for Generations, which outlines a roadmap for addressing the province's growing energy needs.

In the coming years, OPG's electricity, both present and future, will help ensure Ontario has access to the affordable, secure, reliable, and clean energy it will need to thrive.

With that, I will now turn the call over to OPG’s Chief Financial Officer and Chief Administrative Officer **Aida Cipolla** to go over the company’s performance from the past quarter in more detail.

<Pause for Title Page> (Slide 7 – “Operational Excellence”)

Aida Cipolla, Chief Financial Officer and Chief Administrative Officer

Slide 8 – Electricity Generation

Thank you, Nicolle.

I will start by going over OPG’s electricity generation from the second quarter and the first six months of this year.

As Nicolle mentioned, we have seen higher nuclear generation of 2.5 terawatt-hours in the second quarter compared to the same period in 2024 and 4.4 terawatt-hours increase over the first six months of the year.

This has resulted in a total of 21.9 terawatt-hours of electricity generated in the second quarter—an increase of 3 terawatt-hours over the second quarter of 2024.

For the first six months of the year, we produced a total of 45.4 terawatt-hours of electricity, an increase of 5.4 terawatt-hours over the same period in 2024.

Outside of our nuclear segment, we saw fairly consistent generation performance in our other businesses, including our regulated – hydroelectric segment and our natural gas generation from our Atura Power subsidiary.

<Pause for Title Page> (Slide 9 – “Project Excellence”)

Slide 10 – Darlington Refurbishment Project Overview

Going over our key projects, we will start with one that remains highly important to OPG and Ontario's future—the refurbishment of our Darlington Nuclear station.

This major project remains on budget and on track to be completed earlier in 2026 than originally scheduled.

As Nicolle mentioned in her opening, the final unit undergoing refurbishment, Unit 4, is now progressing through the Reassembly phase.

In the second quarter, we continued to progress fuel channel installation on the unit.

In August, we completed the overhaul of Unit 4's turbine generator, which included the installation of the upgraded turbine control systems.

Thus far, we have successfully refurbished and returned three of Darlington's four units back to service, with the most recent, Unit 1, coming back online ahead of schedule in November 2024.

Unit 4 is expected to safely return to service earlier in 2026 than its original schedule, reflecting the benefits and efficiencies gained from the refurbishments of Unit 1, 2, and 3.

The total project costs, including impacts of the COVID-19 pandemic and inflation, are on track to meet the 12.8-billion dollar budget set a decade ago.

Once Unit 4 returns to service, our fully refurbished Darlington station will provide 30 more years of reliable, cost-effective, and low-carbon power for Ontario.

As such, we have submitted an application to the CNSC seeking a 30-year extension on Darlington's operating licence beyond November 2025. The CNSC wrapped up a two-part hearing on the application this past quarter.

Slide 11 – Pickering Refurbishment Project Overview

Leveraging our success on Darlington Refurbishment project, we are now focused on advancing the refurbishment of our Pickering Nuclear station's Unit 5 to 8.

Similar to the Darlington Refurbishment, this project will be crucial to securing decades more low-carbon, cost-effective, and reliable baseload power to help meet Ontario's forecasted increase in energy demand.

Building on the Province's approval to proceed with the project definition phase, we are now working to complete a high-quality cost estimate and schedule for this project.

We are also progressing on procurement and contracting work, continuing to optimize the project's scope, and developing our execution plan.

OPG continues to coordinate closely with the CNSC to support Pickering's future.

In June, we submitted an application to renew Pickering's operating licence for 10 years, including the planned refurbishment scope.

The two-part hearing on the application is scheduled to be held in April 2026 and June 2026.

Slide 12 – Darlington New Nuclear Project

Moving onto our Darlington New Nuclear Project, as Nicolle mentioned earlier, we have now entered the execution phase for the first SMR, with major construction activities now underway at site.

This follows the CNSC's decision to issue a power reactor construction licence for one BWRX-300 SMR in April. This has been a huge milestone for the team and our company.

In the past quarter, we continued off-site fabrication of the structural components for the unit's reactor building.

We also progressed excavation for the reactor building shaft and condenser cooling water launch shaft.

This summer, the project's massive tunnel boring machine arrived at the site, marking a significant project milestone.

This machine is a critical component for digging the path for the condenser cooling water tunnel, an essential element for the commissioning of the first SMR.

Once in service, our planned fleet of four BWRX-300 SMRs are expected to produce approximately 1,200 megawatts to help power about 1.2 million homes.

The project is also set to have a big economic impact. The construction and operations of our SMR fleet could increase Canada's GDP by \$38.5 billion over 65 years and sustain, on average, about 3,700 jobs per year.

The total estimated cost for the fleet is expected to be 20.9 billion dollars, with the first SMR expected to cost approximately 6.1 billion dollars.

We will also build systems and services that would be common to all four SMRs planned at a cost of 1.6 billion dollars.

In May 2025, the Province proposed potential changes in regulations that would establish a new mechanism for concurrent cost recovery.

This would allow OPG to recover debt interest during the construction period of the SMRs and the Pickering Refurbishment project, should the project be approved to proceed.

OPG continues to explore optimal financing arrangements in support of funding requirements for these planned capital investments.

Slide 13 – Hydroelectric and Atura Projects

Outside of nuclear, we are advancing several other projects to support Ontario's electrification and growth.

In our hydroelectric business, we are now executing several station redevelopments, including at our Kakabeka Falls and Matabitchuan generating facilities.

Demolition work is now underway at the Kakabeka Falls and remaining design activities are progressing as planned on schedule.

The overall project is tracking on schedule and to its approved budget of 519 million dollars.

Once complete in 2028, the redeveloped station is expected to have generating capacity of approximately 27 megawatts.

Meanwhile, in March, we began the execution phase for the redevelopment of our 114-year-old Matabitchuan facility. With an approved budget of 190 million dollars, the project will involve demolishing and replacing the existing powerhouse and installing two new modern units.

Once in service sometime in 2028, the redeveloped plant will have a generating capacity of about 12 megawatts and is expected to provide safe, reliable operations for approximately an additional 90 years.

Our subsidiary, Atura Power, is also advancing several important development projects.

This includes building the Niagara Hydrogen Centre, which will use renewable electricity from our Sir Adam Beck II hydro station to produce low-carbon hydrogen.

Once in service in 2026, the centre is expected to be Ontario's largest green hydrogen production facility.

So far, civil, foundation, and structural steel installation work has been completed and major substation equipment has been installed.

Atura is also advancing a 250-megawatt battery energy storage system at its Napanee Generating Station to help improve grid resilience and reliability.

The system aims to store surplus energy generated during low-demand periods and release it to meet periods of peak demand.

Civil and foundation work for the project is nearing completion and the complete battery system has been successfully received, marking a key milestone in the equipment delivery schedule

Finally, Atura is progressing on its efforts to expand its Napanee facility.

The project will add an additional natural gas combustion turbine generator at site, providing up to 405 megawatts of additional electricity output.

Engineering, design, and permitting activities for the project are progressing on schedule and early site preparation has begun.

In all, Atura's projects are progressing on schedule and are tracking to their approved 1.5-billion-dollar budget.

<Pause for Title Page> (Slide 14 - "Financial profile")

Slide 15 – Quarterly Financial Results

Looking at our financial performance from the second quarter and the first six months of the year, net income attributed to the Shareholder increased significantly compared to the same periods in 2024.

This increase was expected given the return to service of Darlington's refurbished Unit 1 in November 2024, as well as fewer planned outage days at both our Darlington and Pickering nuclear stations.

We also experienced lower OM&A expenses from our Regulated – Nuclear business.

This was driven largely by lower expenditures related to the cyclical maintenance activities resulting from fewer planned outage days across our fleet and from the cessation of commercial operations of Pickering Units 1 and 4 in the fourth quarter of 2024.

Slide 16 – Financial performance

Continuing on our financial performance, we will now go over our segment earnings before interest and income taxes.

For the second quarter, we again saw our regulated – nuclear business leading the way, with higher earnings driven by higher electricity generation.

In our contracted hydroelectric and other segment, we also saw increased earnings from our U.S. operations.

This largely reflected higher wholesale electricity market prices and lower depreciation and amortization expenses.

Our Atura business also saw higher earnings as a result of increased demand for electricity generation from its fleet of combined-cycle plants.

Slide 17 – Financial performance

This next slide provides a breakdown of our segmented earnings for the first six months of the year.

The trend is similar to our second quarter performance, with our regulated – nuclear generation business experiencing the highest increase in earnings from the previous period.

Slide 18 – Capital Expenditures

Moving onto an overview of our capital expenditures, we have seen an increase of 1.1 billion dollars for the first six months of the year compared to the same period in 2024.

Key drivers of this increase include the Pickering Refurbishment Project, which is now advancing on certain pre-execution activities;

The start of construction on our first SMR unit;

Atura’s various development projects;

As well as the redevelopment and refurbishment projects underway across our hydro fleet.

With all of these ongoing projects, we are forecasting capital expenditures of approximately 6 billion dollars for the full-year of 2025.

Slide 19 – Corporate profile

Taking a look at our overall corporate profile, OPG is proud to remain Ontario’s largest clean energy provider.

We are 100 per cent owned by the Province of Ontario, with a track record of steady and robust financial performance.

We maintain a strong balance sheet, backed by 71.9 billion dollars in assets.

And we continue to demonstrate strong creditworthiness, with long-term credit ratings from DBRS at A (low), S&P Global at BBB+, and Moody's at A3.

All three agencies continue to have a stable outlook for OPG's rating.

We continue to monitor our credit rating profile and metrics and intend to maintain a strong investment grade credit rating going forward.

Slide 20 – Financing strategy

OPG continues to execute on a multi-faceted long-term financing strategy to ensure cost-effective financing amidst our growth.

Leveraging credit supportive funding sources such as maximizing cashflow from operations, supportive regulatory mechanisms, equity investments, and government funding programs is critical to ensure continued cost-effective and adequate access to capital.

In addition to these sources of financing, public market debt will continue to play an important role in the overall financing strategy.

Slide 21 – Sources of Liquidity

Looking at our sources of liquidity, OPG has a diverse financing base that includes the Ontario Electricity Financing Corporation, Ontario Financing Authority, as well as public bonds, which includes the issuance of green bonds.

Since 2018, OPG, including its subsidiaries, has issued more than 5.5 billion dollars of green bonds, making us Canada's largest corporate issuer of green bonds as of June 30, 2025.

Over 60 per cent of our public debt outstanding are comprised of green bonds as of June 30, 2025.

We have also secured more than 3.5 billion dollars of revolving credit facilities to support our liquidity and financing needs for major projects, including our Darlington New Nuclear Project.

Slide 22 – Long-term Debt Profile

Moving onto OPG’s long-term debt profile, the company remains well-positioned in terms of liquidity, with a long maturity timeframe on its debt.

We are confident our recent and future investments will ultimately provide great value and drive economic growth in Ontario for decades to come.

With that, I will now turn the presentation back to Neal Kelly.

<Pause for Title Page> (Slide 23 - “Q&A”)

Neal Kelly, Director of Media & Public Affairs

Thanks Aida.

We will now begin the question-and-answer session. Just a reminder, this is an investor call, and therefore only investors are able to ask questions.

If you would like to ask a question for Nicolle and Aida, please enter your question in the Q&A field now.

I will go through some of the queued questions and take any new questions as we proceed.

Neal takes questions

Thank you all, and thank you Nicolle and Aida for leading today’s presentation.

As always, investors with follow-up questions can call OPG's Investor and Media Relations line at **416-592-4008** or **1-877-592-4008**. Thank you for joining and have a wonderful day.