News
from Ontario Power Generation
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August 12, 2025

OPG Reports 2025 Second Quarter Financial Results

Toronto – Ontario Power Generation Inc. (OPG or Company) today reported its financial and operating results for the second quarter of 2025, with net income attributable to the Shareholder of $541 million, compared to $160 million for the same period last year. Net income attributable to the Shareholder was $1,046 million for the six months ended June 30, 2025, compared to $381 million for the same period in 2024.

Second quarter highlights include:

Darlington Refurbishment Update; Operating Licence Renewal Underway

With lower feeder installation on the last of the four units of the Darlington nuclear generating station (Darlington GS) nearing completion, the Darlington Refurbishment Project is currently tracking to be completed earlier in 2026 than its original schedule and on budget, including COVID-19 pandemic and inflation impacts.

“The Darlington Refurbishment Project’s success to date is a true testament to the planning completed ahead of project execution and the commitment and expertise of OPG staff, skilled trades and project partners,” said OPG President and CEO Nicolle Butcher. “Darlington has long been a clean energy powerhouse for Ontario, and thanks to this refurbishment, completed safely and with quality, will continue to reliably generate electricity for decades to come.”

The Canadian Nuclear Safety Commission (CNSC) held a public hearing in late June 2025 on OPG’s application to renew Darlington GS’s operating licence for an additional 30 years – the projected lifespan of the refurbished station. The CNSC’s decision, expected in the fall of this year, will be an important step as part of enabling the continued safe and reliable operation of the Darlington GS for decades to come.

OPG’s Role Powering Ontario’s Future

In June 2025, the Ontario government released the province’s first-ever integrated energy plan, *Energy for Generations,* a blueprint to power future growth, and drive the most competitive economy in the G7. OPG’s long-term strategy of maintaining existing and adding net new generation to the grid will help meet that growing need for clean, reliable, and cost-effective electricity.

“With electricity demand forecasted to increase by as much as 75 per cent between now and 2050, OPG will continue to play a key role in meeting Ontarians’ energy needs – affordably and reliably,” said Butcher. “By refurbishing and maintaining our existing fleet, advancing construction on the first of four small modular reactors at the Darlington New

Nuclear Project (DNNP) site, and engaging with Rightsholders and stakeholders on potential new generation opportunities on our strategic sites, we are well-positioned to help power Ontario's clean energy future."

New Isotopes at Darlington

OPG's Darlington GS is set to become the single largest source of potentially life-saving isotope production in North America. In May 2025, the CNSC approved an amendment to the Darlington GS operating licence, permitting OPG subsidiary Laurentis Energy Partners to begin producing Lutetium-177 and Yttrium-90 isotopes from Darlington's Unit 2 reactor.

Lutetium-177 and Yttrium-90 are part of a new wave of targeted radionuclide therapies that deliver radiation directly to cancer cells while sparing healthy tissue and offering new hope to patients with hard-to-treat cancers such as liver, neuroendocrine, and prostate.

"Our Darlington nuclear station is not only helping power Ontario's growing clean energy needs; it is also advancing the future of cancer care," said Butcher. "Cancer patients around the world could soon benefit from life-saving treatment based on these two new medical isotopes produced here in Ontario, from OPG's reactors."

Net Income attributable to the Shareholder

Net income attributable to the Shareholder for the three and six month periods ended June 30, 2025 was $541 million and $1,046 million, respectively, representing an increase of $381 million and $665 million compared to the same periods in 2024. The increases for both periods were primarily attributable to higher earnings from the Regulated – Nuclear Generation business segment as a result of higher electricity generation and lower operating, maintenance and administration expenses due to fewer planned cyclical outage activities.

Generating and Operating Performance

Electricity generated was 21.9 terawatt hours (TWh) and 45.4 TWh for the three and six month periods ended June 30, 2025, respectively, compared to 18.9 TWh and 40.0 TWh for the same periods in 2024.

Regulated – Nuclear Generation Segment

Electricity generation from the Regulated – Nuclear Generation business segment increased by 2.5 TWh and 4.4 TWh during the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The increases in both periods were primarily due to electricity generation from Unit 1 of the Darlington GS following its return to service from refurbishment in November 2024 and fewer planned outage days at the Darlington GS and the Pickering nuclear generating station (Pickering GS), partially offset by reduced electricity generation resulting from the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024.

The Darlington GS unit capability factor increased to 98.6 per cent for both the three and six month periods ended June 30, 2025, compared to 61.2 per cent and 64.7 per cent for the same periods in 2024.

The Pickering GS unit capability factor increased to 92.0 per cent and 94.3 per cent for the three and six month periods ended June 30, 2025, respectively, compared to 76.7 per cent and 78.5 per cent for the same periods in 2024.

The increases in the unit capability factors in both periods were due to fewer planned and unplanned outage days at each generating station.

Regulated – Hydroelectric Generation Segment

Electricity generation from the Regulated – Hydroelectric Generation business segment for the three and six month periods ended June 30, 2025 was comparable to the same periods in 2024.

Availability at the regulated hydroelectric stations decreased to 88.9 per cent and 87.3 per cent for the three and six month periods ended June 30, 2025, respectively, compared to 89.3 per cent and 88.5 per cent for the same periods in 2024. The decreases in both periods were primarily due to higher unplanned outages across the regulated hydroelectric fleet.

Contracted Hydroelectric and Other Generation Segment

Electricity generation from the Contracted Hydroelectric and Other Generation business segment increased by 0.5 TWh and 0.3 TWh for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024, primarily due to higher water flows across the contracted hydroelectric facilities in northeastern Ontario during the second quarter of 2025.

Availability of the hydroelectric stations in the business segment decreased to 82.1 per cent and increased to 85.5 per cent for the three and six month periods ended June 30, 2025, respectively, compared to 84.5 per cent and 84.2 per cent for the same periods in 2024. The decrease for the three months ended June 30, 2025 was primarily due to higher unplanned outages at the Lower Mattagami and Lac Seul hydroelectric generating stations. The increase for the six months ended June 30, 2025 was primarily due to fewer planned outages across the contracted hydroelectric fleet.

Atura Power Segment

Electricity generation from the Atura Power business segment increased by 0.6 TWh for the six months ended June 30, 2025, compared to the same period in 2024, primarily due to higher demand for electricity generation from the combined cycle plants. Electricity generation from the Atura Power business segment for the three months ended June 30, 2025 was comparable to the same period in 2024.

Thermal Availability of the generating stations in the business segment as at June 30, 2025 was comparable to June 30, 2024.

Generation Development

The Company is undertaking a number of generation development and other projects to maximize the value of and expand its generating fleet in support of Ontario's electricity system.

Darlington Refurbishment Project

The Darlington Refurbishment Project will extend the operating life of the four-unit Darlington GS by at least 30 years.

The Unit 4 refurbishment is currently in the third major segment, Reassembly, which includes installation and reassembly of reactor components, and continues to progress as planned. The Reassembly segment is targeted for completion in the third quarter of 2025. Unit 4 is the last Darlington GS unit to undergo refurbishment and is expected to be safely returned to service earlier in 2026 than its original schedule, reflecting the benefits and efficiencies from the experience of the completed refurbishments of Unit 2, Unit 3 and Unit 1.

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

Darlington New Nuclear Project

Following the CNSC's approval of the licence to construct and the Province of Ontario's (Province) approval to proceed, OPG is advancing the execution phase of the first small modular reactor (SMR) at the DNNP site. OPG expects to complete the construction of the first SMR by the end of the decade and connect it to the electricity grid by the end of 2030. The total budget for the first SMR, including infrastructure that would be common for all four planned SMRs at the site, is $7.7 billion.

In June 2025, a slurry Tunnel Boring Machine arrived in Ontario in support of the construction of the first SMR, marking a significant project milestone.

OPG also continues to advance planning and licensing activities for three additional SMRs at the DNNP site. Pending the Province and regulatory approvals for the construction of these additional SMRs, the DNNP's total generating capacity is expected to reach approximately 1,200 MW.

Further details on OPG's major projects can be found in Management's Discussion and Analysis as at and for the three and six month periods ended June 30, 2025, section, *Core Business and Outlook* under the heading, *Project Excellence*.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(millions of dollars – except where noted)	Three Months Ended June 30 2025	Three Months Ended June 30 2024	Six Months Ended June 30 2025	Six Months Ended June 30 2024
Revenue	**2,032**	1,691	**4,189**	3,458
Fuel expense	**284**	240	**656**	493
Operations, maintenance and administration expenses	**660**	840	**1,371**	1,710
Depreciation and amortization expenses	**355**	304	**710**	604
Accretion on fixed asset removal and nuclear waste management liabilities	**311**	305	**624**	611
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(280)**	(274)	**(564)**	(545)
Other net expenses	**3**	33	**-**	42
Earnings before interest and income taxes	**699**	243	**1,392**	543
Net interest expense	**52**	51	**108**	96
Income tax expense	**100**	26	**228**	56
Net income	**547**	166	**1,056**	391
Net income attributable to the Shareholder	**541**	160	**1,046**	381
Net income attributable to non-controlling interest [1]	**6**	6	**10**	10
Earnings (loss) before interest and income taxes				
Electricity generating business segments	**719**	290	**1,409**	608
Regulated – Nuclear Sustainability Services	**(28)**	(28)	**(54)**	(60)
Other	**8**	(19)	**37**	(5)
Earnings before interest and income taxes	**699**	243	**1,392**	543
Cash flow provided by operating activities	**875**	540	**1,629**	1,104
Capital expenditures [2]	**1,500**	993	**2,842**	1,719
Electricity generation (TWh)				
Regulated – Nuclear Generation	**9.7**	7.2	**19.6**	15.2
Regulated – Hydroelectric Generation	**8.4**	8.3	**16.9**	16.8
Contracted Hydroelectric and Other Generation [3]	**2.1**	1.6	**3.3**	3.0
Atura Power	**1.7**	1.8	**5.6**	5.0
Total OPG electricity generation	**21.9**	18.9	**45.4**	40.0
Nuclear unit capability factor (per cent) [4]				
Darlington Nuclear GS	**98.6**	61.2	**98.6**	64.7
Pickering Nuclear GS	**92.0**	76.7	**94.3**	78.5
Availability (per cent)				
Regulated – Hydroelectric Generation	**88.9**	89.3	**87.3**	88.5
Contracted Hydroelectric and Other Generation – hydroelectric stations	**82.1**	84.5	**85.5**	84.2
Atura Power [5]	**87.7**	87.9	**87.7**	87.9

[1] Relates to the following: 25 per cent interest of Amisk-oo-Skow Finance Corporation, a corporation wholly owned by the Moose Cree First Nation, in Lower Mattagami Limited Partnership; 33 per cent interest of Coral Rapids Power Corporation, a corporation wholly owned by the Taykwa Tagamou Nation, in PSS Generating Station Limited Partnership; 15 per cent and 5 per cent interests of corporations wholly owned by Six Nations of Grand River Development Corporation and the Mississaugas of the Credit First Nation, respectively, in Nanticoke Solar LP; and non-controlling interests in certain electricity generating facilities in the United States.

[2] Includes net changes in accruals.

[3] Includes OPG's proportionate share of electricity generation from co-owned and minority shareholdings in electricity generating facilities.

[4] Excludes nuclear unit(s) during the period in which they are undergoing refurbishment. Accordingly, Unit 1 of the Darlington GS was excluded from the reported planned and unplanned outage days during its refurbishment period of February 15, 2022 to November 27, 2024 and Unit 4 of the Darlington GS has been excluded from the measure since commencing refurbishment on July 19, 2023.

[5] Reflects the thermal availability of combined cycle plants as at the period end date, calculated on a three-year rolling average basis.

About OPG

As Ontario's largest and one of North America's most diverse electricity generators, OPG invests in local economies and employs thousands of people across Ontario. OPG and its family of companies are advancing the development of new low-carbon technologies, refurbishment projects and electrification initiatives to power the growing demands of a clean economy. Learn more about how the company is delivering these initiatives while prioritizing people, partnerships and strong communities at www.opg.com.

Ontario Power Generation Inc.'s unaudited interim consolidated financial statements and Management's Discussion and Analysis as at and for the three and six month periods ended June 30, 2025, can be accessed on OPG's web site (www.opg.com), the Canadian Securities Administrators' web site (www.sedarplus.com), or can be requested from the Company.

For further information, please contact:

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ONTARIO POWER GENERATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

2025 SECOND QUARTER REPORT

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ONTARIO POWER GENERATION

ONTARIO POWER GENERATION INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes of Ontario Power Generation Inc. and its subsidiaries (OPG or Company) as at and for the three and six month periods ended June 30, 2025. OPG's unaudited interim consolidated financial statements are prepared in accordance with United States generally accepted accounting principles (US GAAP) and are presented in Canadian dollars, unless otherwise noted.

For a complete description of OPG's corporate strategies, risk management, corporate governance, and the effect of critical accounting policies and estimates on OPG's results of operations and financial condition, this MD&A should also be read in conjunction with OPG's audited consolidated financial statements, Annual Information Form, and MD&A as at and for the year ended December 31, 2024.

As required by *Ontario Regulation 395/11*, as amended, a regulation under the *Financial Administration Act* (Ontario), OPG adopted US GAAP for the presentation of its consolidated financial statements, effective January 1, 2012. Since January 1, 2012, OPG has also received exemptive relief from the Ontario Securities Commission (OSC) that allows OPG to apply US GAAP instead of International Financial Reporting Standards (IFRS). In September 2022, the OSC approved an exemption which allows the Company to continue to apply US GAAP up to January 1, 2027. The term of the exemption is subject to certain conditions, which may result in the expiry of the exemption prior to January 1, 2027. For details, refer to the section, *Critical Accounting Policies and Estimates* under the heading, *Exemptive Relief for Reporting under US GAAP*, in OPG's 2024 annual MD&A. This MD&A is dated August 12, 2025.

Additional information about OPG, including the Company's Annual Information Form, is available on SEDAR+ at www.sedarplus.com and the Company's website at www.opg.com.

FORWARD-LOOKING STATEMENTS

The MD&A contains forward-looking statements that reflect OPG's current views regarding certain future events and circumstances. Any statement contained in this document that is not current or historical is a forward-looking statement. OPG generally uses words such as "anticipate", "believe", "budget", "foresee", "forecast", "estimate", "expect", "schedule", "intend", "plan", "project", "seek", "target", "goal", "strategy", "may", "will", "should", "could" and other similar words and expressions to indicate forward-looking statements. The absence of any such word or expression does not indicate that a statement is not forward-looking.

All forward-looking statements involve inherent assumptions, risks and uncertainties, including those set out in the section, *Risk Management*, and forecasts discussed in the section, *Core Business and Outlook*. All forward-looking statements could be inaccurate to a material degree. In particular, forward-looking statements may contain assumptions such as those relating to OPG's generating station (GS) performance, availability and operating lives, fuel costs, surplus baseload generation (SBG), fixed asset removal and nuclear waste management obligations and costs, availability of facilities for the permanent disposal of used nuclear fuel and other nuclear waste, performance and earnings of segregated nuclear and OPG pension funds, refurbishment of existing facilities, development and construction of new facilities, acquisition transactions and other business expansion opportunities, performance of acquired businesses, divestiture transactions, defined benefit pension and other post-employment benefit (OPEB) obligations and costs, income taxes, proposed new legislation, government policy including tariffs and the trade environment, the ongoing evolution and growth of electricity industries and markets in Ontario, Canada and the United States of America (United States or US), the continued application and renewal of energy supply agreements (ESAs) with the Independent Electricity System Operator (IESO) and other contracts for non-regulated facilities, inflation, interest rates, foreign currency exchange rates, commodity prices, wholesale electricity market prices, environmental and other regulatory requirements, operating licence applications to the Canadian Nuclear Safety Commission (CNSC) and the Federal Energy Regulatory Commission (FERC), health, safety and environmental developments, changes in the Company's workforce, renewal of union collective agreements, business continuity events, the weather, climate change, technological change, geopolitical events, financing requirements and liquidity, funding sources, applications to the Ontario Energy Board (OEB) for regulated prices, the impact of regulatory decisions by the OEB, clean energy investment government programs, forecasts of earnings, cash flow, earnings before interest, income taxes, depreciation and amortization, gross margin, operations, maintenance and administration (OM&A) expenses and project and other expenditures, retention of critical talent, supply chain availability and capacity, and supplier and third party performance. Accordingly, undue reliance should not be placed on any forward-looking statement. The forward-looking statements included in this MD&A are made only as of the date of this MD&A. Except as required by applicable securities laws, OPG does not undertake to publicly update these forward-looking statements to reflect new information, future events or otherwise.

Use of Non-GAAP Financial Measures

The Company uses the following non-GAAP financial performance measures in the MD&A:

- "Earnings before Interest, Income Taxes, Depreciation and Amortization"; and
- "Gross Margin".

For a detailed description of each of the non-GAAP measures used in this MD&A, refer to the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*. The non-GAAP financial performance measures set out in this MD&A are intended to provide additional information to investors and do not have any standardized meaning under US GAAP, and therefore may not be comparable to other issuers, and should not be considered in isolation or as a substitute for measures of performance prepared under US GAAP.

THE COMPANY

OPG is an Ontario-based electricity generation company whose principal business is the generation and sale of electricity. OPG was established under the *Business Corporations Act* (Ontario) and is wholly owned by the Province of Ontario (Province or Shareholder).

As at June 30, 2025, OPG owned and operated two nuclear generating stations, 66 hydroelectric generating stations, two thermal generating stations, one solar facility and four combined-cycle gas turbine (combined cycle) plants in Ontario, Canada. The combined cycle plants are natural gas-fired facilities owned and operated through the Company's wholly-owned subsidiary operating as Atura Power. Through its US-based wholly-owned subsidiary, OPG Eagle Creek Holdings LLC (Eagle Creek), OPG also wholly or jointly owned and operated 85 hydroelectric generating stations and held minority interests in 14 hydroelectric and two solar facilities in the US as at June 30, 2025. In addition, OPG owned two nuclear generating stations in Ontario, the Bruce A GS and the Bruce B GS, which are leased on a long-term basis to, and operated by, Bruce Power L.P. (Bruce Power).

Reporting Structure

The composition of OPG's reportable business segments effective as at June 30, 2025 was as follows:

- Regulated – Nuclear Generation;
- Regulated – Nuclear Sustainability Services;
- Regulated – Hydroelectric Generation;
- Contracted Hydroelectric and Other Generation; and
- Atura Power.

Income from the generating stations leased to Bruce Power is included in revenue under the Regulated – Nuclear Generation business segment. The leased stations are not included in the Company's electricity generation and other operating statistics set out in this MD&A.

Trends

OPG's quarterly electricity generation and the financial results of the Regulated – Nuclear Generation business segment are primarily impacted by maintenance outage cycles, unplanned outage activities and timing of refurbishment activities at the nuclear generating stations, which may result in period-over-period variability in OPG's financial results. The maintenance outage cycle at each of OPG's nuclear generating stations determines the number of planned outages in a particular year. Outage cycles are designed to ensure continued safe and reliable long-term operations of the stations and their compliance with the CNSC's regulatory requirements.

The Darlington and Pickering nuclear generating stations have been designed to operate at full power as baseload generating facilities and therefore their electricity production does not vary with changes in grid-supplied electricity demand.

OPG's quarterly electricity generation from the Regulated – Hydroelectric Generation, Contracted Hydroelectric and Other Generation, and Atura Power business segments is affected by changes in grid-supplied electricity demand. Changes in grid-supplied electricity demand are primarily caused by variations in seasonal weather conditions, changes in economic conditions, the impact of small-scale generation embedded in distribution networks, and the impact of conservation efforts. Historically, there has been greater electricity demand in Ontario during the winter and summer months due to heating and air conditioning demands. The financial impact of forgone hydroelectric electricity generation from the Regulated – Hydroelectric Generation business segment due to SBG conditions is mitigated by a regulatory variance account authorized by the OEB.

OPG's quarterly electricity generation from hydroelectric facilities is impacted by weather conditions that affect water flows. Historically, there have been higher water flows in the second quarter as a result of snow and ice melt entering the river systems. The financial impact of variability in water flows on the Regulated – Hydroelectric Generation business segment is mitigated by regulatory variance accounts authorized by the OEB.

The financial impact of variability in electricity generation from the Contracted Hydroelectric and Other Generation business segment and the Atura Power business segment is mitigated by the terms of the applicable ESAs with the IESO for the contracted generating facilities in Ontario.

In-Service Generating Capacity

OPG's in-service generating capacity by business segment as at June 30, 2025 and December 31, 2024 was as follows:

(MW)	As At June 30 2025	 December 31 2024
Regulated – Nuclear Generation [1]	**4,698**	4,698
Regulated – Hydroelectric Generation [2]	**6,566**	6,566
Contracted Hydroelectric and Other Generation [2, 3]	**4,080**	4,080
Atura Power	**2,750**	2,715
Total [4]	**18,094**	18,059

[1] The in-service generating capacity as at June 30, 2025 and December 31, 2024 excludes Unit 4 of the Darlington GS. Unit 4 was taken offline for refurbishment in July 2023 and has a generating capacity of 878 MW. As at June 30, 2025 and December 31, 2024, the Darlington GS had three units in service and the Pickering GS had four units in service.

[2] In-service generating capacity is initially based on estimates at the time of asset in-service. The final capacity may differ once required engineering assessments have been completed and verified.

[3] Includes OPG's proportionate share of in-service generating capacity from co-owned and minority shareholdings in electricity generating facilities.

[4] In-service generating capacity represents the portion of installed capacity (the highest level of MW output which a generating unit can maintain indefinitely under reference conditions, without damage to the unit) that has not been removed from service. The Bruce Power leased stations are excluded from electricity generation and operating statistics set out in this MD&A.

The total in-service generating capacity as at June 30, 2025 increased by 35 megawatts (MW) compared to December 31, 2024. The increase was due to the completion of the contractual generating capacity upgrades at the Halton Hills GS in the first quarter of 2025, as previously awarded by the IESO.

HIGHLIGHTS

Overview of Results

This section provides an overview of OPG's unaudited interim consolidated operating results for the three and six month periods ended June 30, 2025, compared to the same periods in 2024. A discussion of OPG's performance by business segment can be found in the section, *Discussion of Operating Results by Business Segment*.

(millions of dollars – except where noted)	Three Months Ended June 30 2025	Three Months Ended June 30 2024	Six Months Ended June 30 2025	Six Months Ended June 30 2024
Revenue	**2,032**	1,691	**4,189**	3,458
Fuel expense	**284**	240	**656**	493
Operations, maintenance and administration expenses	**660**	840	**1,371**	1,710
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Accretion on fixed asset removal and nuclear waste management liabilities	**311**	305	**624**	611
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(280)**	(274)	**(564)**	(545)
Other net expenses	**3**	33	**-**	42
Earnings before interest and income taxes	**699**	243	**1,392**	543
Net interest expense	**52**	51	**108**	96
Income tax expense	**100**	26	**228**	56
Net income	**547**	166	**1,056**	391
Net income attributable to the Shareholder	**541**	160	**1,046**	381
Net income attributable to non-controlling interest [1]	**6**	6	**10**	10
Electricity generation (TWh) [2]	**21.9**	18.9	**45.4**	40.0
Cash flow provided by operating activities	**875**	540	**1,629**	1,104
Capital expenditures [3]	**1,500**	993	**2,842**	1,719
Earnings (loss) before interest and income taxes by segment				
Regulated – Nuclear Generation	**407**	14	**755**	9
Regulated – Hydroelectric Generation	**157**	159	**326**	326
Contracted Hydroelectric and Other Generation [4]	**107**	65	**188**	143
Atura Power	**48**	52	**140**	130
Total electricity generating business segments	**719**	290	**1,409**	608
Regulated – Nuclear Sustainability Services	**(28)**	(28)	**(54)**	(60)
Other	**8**	(19)	**37**	(5)
Earnings before interest and income taxes	**699**	243	**1,392**	543

1 Relates to the following: 25 percent interest of Amisk-oo-Skow Finance Corporation, a corporation wholly owned by the Moose Cree First Nation, in Lower Mattagami Limited Partnership; 33 percent interest of Coral Rapids Power Corporation, a corporation wholly owned by the Taykwa Tagamou Nation, in PSS Generating Station Limited Partnership; 15 percent interest and 5 percent interest of corporations wholly owned by Six Nations of Grand River Development Corporation and the Mississaugas of the Credit First Nation, respectively, in Nanticoke Solar LP; and non-controlling interests in certain electricity generating facilities in the United States.
2 Includes OPG's proportionate share of electricity generation from co-owned and minority-held facilities.
3 Includes net changes in accruals.
4 Includes contracted revenue from hydroelectric generating stations in Ontario operating under ESAs, with expiration dates ranging from 2059 to 2067.

<u>Second Quarter</u>

Net income attributable to the Shareholder was $541 million for the second quarter of 2025, representing an increase of $381 million compared to the same period in 2024.

Earnings before interest and income taxes (EBIT) were $699 million for the second quarter of 2025, representing an increase of $456 million compared to the same period in 2024.

Significant factors that increased EBIT:

- Increase in revenue of $247 million from the Regulated – Nuclear Generation business segment due to higher electricity generation of 2.5 terawatt hours (TWh). The higher electricity generation was primarily driven by the return to service of Unit 1 of the Darlington nuclear generating station (Darlington GS) following refurbishment in November 2024 and fewer planned outage days at both the Darlington GS and the Pickering nuclear generating station (Pickering GS), partially offset by the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024; and

- Lower OM&A expenses of $176 million from the Regulated – Nuclear Generation business segment, largely due to lower expenditures related to the cyclical maintenance activities as a result of fewer planned outage days at both the Darlington GS and Pickering GS, and the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024.

Net interest expense in the second quarter of 2025 was comparable to the same period in 2024. An increase in the interest expense on the Company's long-term debt due to bond issuances during 2024 and the first quarter of 2025 was largely offset by a higher amount of interest costs capitalized related to increased project expenditures, including the Pickering Refurbishment project and the Darlington New Nuclear Project (DNNP), and a higher amount of interest recorded as recoverable from customers through deferral and variance accounts (regulatory accounts).

Income tax expense increased by $74 million in the second quarter of 2025, compared to the same period in 2024. The increase was primarily due to the impact of higher earnings before income taxes.

Year-To-Date

Net income attributable to the Shareholder was $1,046 million for the first six months of 2025, representing an increase of $665 million compared to the same period in 2024.

Earnings before interest and income taxes were $1,392 million for the first six months of 2025, an increase of $849 million compared to the same period in 2024.

Significant factors that increased EBIT:

- Increase in revenue of $438 million from the Regulated - Nuclear Generation business segment due to higher electricity generation of 4.4 TWh. The higher electricity generation was primarily driven by the return to service of Unit 1 of the Darlington GS following refurbishment in November 2024 and fewer planned outage days at both the Darlington GS and the Pickering GS, partially offset by the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024; and

- Lower OM&A expenses of $344 million from the Regulated - Nuclear Generation business segment, largely due to lower expenditures related to the cyclical maintenance activities as a result of fewer planned outage days at both the Darlington GS and Pickering GS, and the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024.

Net interest expense increased by $12 million for the six months ended June 30, 2025, compared to the same period in 2024, primarily due to interest expense from bond issuances during 2024 and the first quarter of 2025. This was partially offset by a higher amount of interest costs capitalized related to increased project expenditures, including the Pickering Refurbishment project and the DNNP, and a higher amount of interest recorded as recoverable from customers through regulatory accounts.

Income tax expense increased by $172 million for the six months ended June 30, 2025, compared to the same period in 2024. The increase was primarily due to the impact of higher earnings before income taxes.

Electricity Generation

Electricity generation for the three and six month periods ended June 30, 2025 and 2024 was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(TWh)	**2025**	**2024**	**2025**	**2024**
Regulated – Nuclear Generation	**9.7**	7.2	**19.6**	15.2
Regulated – Hydroelectric Generation	**8.4**	8.3	**16.9**	16.8
Contracted Hydroelectric and Other Generation [1]	**2.1**	1.6	**3.3**	3.0
Atura Power	**1.7**	1.8	**5.6**	5.0
Total OPG electricity generation	**21.9**	18.9	**45.4**	40.0

[1] Includes OPG's proportionate share of electricity generation from co-owned and minority shareholdings in electricity generating facilities.

Total OPG electricity generation increased by 3.0 TWh and 5.4 TWh for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The increases in both periods were primarily due to higher electricity generation from the Regulated – Nuclear Generation business segment.

Electricity generation from the Regulated – Nuclear Generation business segment increased by 2.5 TWh and 4.4 TWh for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The increases in both periods were primarily due to electricity generation from Unit 1 of the Darlington GS following its return to service from refurbishment in November 2024 and fewer planned outage days at both the Darlington and Pickering nuclear generating stations. The increases were partially offset by reduced electricity generation resulting from the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024.

Electricity generation from the Regulated – Hydroelectric Generation business segment for the three and six month periods ended June 30, 2025 was comparable to the same periods in 2024.

Electricity generation from the Contracted Hydroelectric and Other Generation business segment increased by 0.5 TWh and 0.3 TWh for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024, primarily due to higher water flows across the contracted hydroelectric facilities in northeastern Ontario during the second quarter of 2025.

Electricity generation from the Atura Power business segment increased by 0.6 TWh for the six months ended June 30, 2025, compared to the same period in 2024, primarily due to higher demand for electricity generation from the combined cycle plants. Electricity generation from the Atura Power business segment for the three months ended June 30, 2025 was comparable to the same period in 2024.

Ontario's electricity demand as reported by the IESO for the three and six month periods ended June 30, 2025, excluding electricity exports out of the province, was 33.3 TWh and 71.0 TWh, respectively, compared to 32.7 TWh and 68.5 TWh for the same periods in 2024.

Power that is surplus to the Ontario market is managed by the IESO, mainly through generation reductions at hydroelectric and certain nuclear generating stations, and other grid-connected renewable resources. Baseload generation surplus in Ontario was higher in the three and six month periods ended June 30, 2025, compared to the same periods in 2024. Production forgone at OPG's regulated hydroelectric stations due to SBG conditions was 0.1 TWh and 0.6 TWh for the three and six month periods ended June 30, 2025, respectively, compared to 0.2 TWh for both periods in 2024. The gross margin impact of production forgone at OPG's regulated hydroelectric stations due to SBG conditions was offset by the impact of a regulatory variance account authorized by the OEB. OPG did not forgo any electricity production at its nuclear generating stations due to SBG conditions.

Cash Flow from Operations

Cash flow provided by operating activities was $875 million and $1,629 million for the three and six month periods ended June 30, 2025, respectively, compared to $540 million and $1,104 million for the same periods in 2024.

The increases for the three and six month periods ended June 30, 2025 were primarily due to higher revenue receipts from the Regulated – Nuclear Generation business segment and lower income tax installment payments.

Capital Expenditures

Capital expenditures for the three and six month periods ended June 30, 2025 and 2024 were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2025**	**2024**	**2025**	**2024**
Regulated – Nuclear Generation – Darlington Refurbishment	**178**	262	**407**	493
Regulated – Nuclear Generation – Pickering Refurbishment	**283**	83	**692**	124
Regulated – Nuclear Generation – DNNP	**219**	150	**415**	240
Regulated – Nuclear Generation – Excluding Darlington Refurbishment, Pickering Refurbishment and DNNP	**138**	208	**244**	347
Regulated – Hydroelectric Generation	**167**	86	**291**	159
Contracted Hydroelectric and Other Generation	**35**	45	**69**	98
Atura Power	**390**	126	**557**	200
Other	**90**	33	**167**	58
Total capital expenditures [1]	**1,500**	993	**2,842**	1,719

[1] Includes net changes in accruals.

Total capital expenditures increased by $507 million and $1,123 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024.

Capital expenditures for the Darlington Refurbishment project decreased by $84 million and $86 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The decreases were primarily due to the return to service of Unit 1 of the Darlington GS from refurbishment in November 2024, partially offset by higher expenditures on refurbishment activities at Unit 4 of the Darlington GS.

Capital expenditures for the Pickering Refurbishment project increased by $200 million and $568 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The increases in both periods were due to higher expenditures on pre-execution refurbishment activities for Units 5 to 8 of the Pickering GS reflecting the project's transition to the definition phase in January 2025.

Capital expenditures for the DNNP increased by $69 million and $175 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The increases in both periods were driven by commencement of construction activities for the first small modular reactor (SMR), Unit 1, and infrastructure that would be common for all four planned SMRs at the DNNP site in the second quarter of 2025 and higher expenditures for site preparation and other ongoing development activities for the additional three planned SMRs.

Excluding the Darlington Refurbishment project, the Pickering Refurbishment project and the DNNP, capital expenditures for the Regulated – Nuclear Generation business segment decreased by $70 million and $103 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The decreases in both periods were primarily driven by the completion of the water treatment facility at the Darlington GS in the second quarter of 2024, and the completion of the replacement of primary moisture separators, a component of steam generators, in Unit 1 and Unit 4 of the Darlington GS.

Capital expenditures for the Regulated – Hydroelectric Generation business segment increased by $81 million and $132 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The increases in both periods were primarily due to higher expenditures on the redevelopments of the Kakabeka Falls and several other hydroelectric generating stations as well as the ongoing refurbishment program across the hydroelectric fleet.

Capital expenditures for the Contracted Hydroelectric and Other Generation business segment decreased by $10 million and $29 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The decreases in both periods were primarily due to lower expenditures on the Smoky Falls Dam Safety project.

Capital expenditures for the Atura Power business segment increased by $264 million and $357 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The increases in both periods were primarily due to higher expenditures on the development of a battery energy storage system at the Napanee GS site (Napanee BESS). The increase for the six months ended June 30, 2025 was also attributable to higher expenditures for the expansion of the combined cycle plant at the Napanee GS. Both facilities will operate under long-term agreements with the IESO.

Capital expenditures within the Other category increased by $57 and $109 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The increases in both periods were primarily due to higher expenditures related to the retrofitting and renovation of OPG's new corporate headquarters building in Oshawa, Ontario prior to the planned occupancy in summer 2025.

Further details on the Company's major projects can be found in sections, *Core Business and Outlook* under the heading, *Project Excellence,* and *Significant Developments* under the heading, *Project Excellence.*

SIGNIFICANT DEVELOPMENTS

Project Excellence

Darlington Refurbishment

The Darlington GS Unit 4 refurbishment activities are in the Reassembly segment, which includes the installation and reassembly of reactor components, and are progressing as planned. The Reassembly segment is targeted for completion in the third quarter of 2025, with lower feeder installation series currently in progress. During the second quarter of 2025, the project completed the Unit 4 fuel channel installation series. In August 2025, the project completed the reconditioning of the Unit 4 turbine generator, which included the overhaul of the turbine generator, installation of the turbine control systems upgrade and static commissioning. Unit 4 is expected to be safely returned to service earlier in 2026 than its original schedule, reflecting the benefits and efficiencies from the experience of the completed refurbishments of Unit 2, Unit 3 and Unit 1.

The total project costs, including the impacts of the COVID-19 pandemic, are on track to meet the $12.8 billion budget.

Darlington New Nuclear Project

OPG continues to advance the DNNP and expects to complete the construction of Canada's first grid-scale SMR by the end of the decade and connect it to the electricity grid by the end of 2030, using the BWRX-300 reactor plant technology.

On April 4, 2025, the CNSC announced its decision to issue a power reactor construction licence to OPG, authorizing the construction of one SMR at the DNNP site. The licence is valid until March 31, 2035 and includes standard licence conditions as well as three Regulatory Hold Points (RHPs) at key project milestones during the licence to construct phase. The removal of the RHPs is tied to completion of design and safety analysis and will allow for the progression of the detailed design and phased construction. Overall, the licence conditions and hold points will enable effective regulatory oversight of the licensed activities.

In May 2025, the Province announced its support for OPG to proceed with the execution phase of the first SMR at the DNNP site. The total cost of the four-unit DNNP, including interest, cost escalation, and contingency, is currently estimated at approximately $20.9 billion. The first unit SMR is expected to cost $6.1 billion along with systems and services that would be common to all four SMRs planned as part of the project of $1.6 billion. The total budget of $7.7 billion represents the release-quality estimate for both the first SMR and shared infrastructure, and was approved by the OPG Board of Directors (Board). OPG and its project partners will continue to refine the total estimated project cost during the definition phase of the remaining three units, incorporating lessons learned from the construction of the first SMR and the Darlington Refurbishment project. Pending the Province and regulatory approvals for the construction of the three additional SMRs, the DNNP's total generating capacity is expected to reach approximately 1,200 MW.

The SMRs at the DNNP site are prescribed for rate regulation by the OEB. As a rate regulated project, the recovery of the costs of the DNNP will be reviewed by the OEB in a future proceeding for OPG's regulated prices. The Province has also indicated that it is exploring potential financial policy tools that would benefit ratepayers. In parallel, OPG continues to explore optimal financing arrangements in support of funding requirements for the planned capital investments.

The Darlington Refurbishment project and Darlington New Nuclear Project are discussed further in the section, *Core Business and Outlook* under the heading, *Project Excellence.*

Ontario's Integrated Energy Plan

On June 12, 2025, the Ontario Ministry of Energy and Mines released its first-ever integrated energy plan, *Energy for Generations*, which provides a roadmap for addressing the province's future energy needs. The plan highlights that Ontario's demand for energy is projected to grow by 75 percent leading up to 2050. During the same month, the Province introduced the *Protect Ontario by Securing Affordable Energy Act, 2025* (Bill 40) to support the implementation of the integrated energy plan.

In alignment with the Province's integrated energy plan, OPG is advancing a portfolio of major nuclear and hydroelectric refurbishment projects to extend the life of its generating assets, building the G7's first SMR, exploring the potential for new generation at its existing sites in southern Ontario, including new nuclear energy generation in Port Hope, and exploring opportunities for additional hydroelectric generation in northern Ontario.

Operational Excellence

Darlington GS World Association of Nuclear Operators Recognition

In the second quarter of 2025, OPG hosted a World Association of Nuclear Operators (WANO) peer review for the Darlington GS, the first since 2020. The review focused on the progress made in safety, equipment reliability, performance and continuous improvement at the station over the past five years. Through this visit, the Darlington GS was recognized as performing at the highest levels of operational safety and reliability.

New Energy Supply Agreement for Lennox GS

In May 2025, OPG secured a new five-year ESA for the Lennox GS, an oil/gas dual-fueled power plant, under the IESO's Medium-Term 2 (MT2) Request for Proposal process. Together with its existing ESA, this will provide revenue certainty for the Lennox GS until 2034, enabling it to continue providing 2,100 MW of electricity generating capacity to the Ontario grid. The existing ESA will remain in place until April 2029, at which time the new ESA will take effect. The results of the Lennox GS are reported in OPG's Contracted Hydroelectric and Other Generation business segment.

CORE BUSINESS AND OUTLOOK

The discussion in this section is qualified in its entirety by the cautionary statements included in the section, *Forward-Looking Statements* at the beginning of the MD&A.

The following sections provide an update to OPG's disclosures in the 2024 annual MD&A related to its four business imperatives – operational excellence, project excellence, financial strength, and social licence. A detailed discussion of these imperatives as part of OPG's corporate strategy is included in the 2024 annual MD&A in the sections, *The Company* and *Core Business and Outlook.*

Operational Excellence

Electricity Generation Production and Reliability

Nuclear Operations

OPG's plan to optimize the end of operations dates for the Pickering GS includes operating Units 5 to 8 until the end of September 2026, prior to their planned refurbishment. The current CNSC power reactor operating licence for the Pickering GS is valid until August 31, 2028. On June 27, 2025, OPG submitted an application to the CNSC to renew the power reactor operating licence for the Pickering GS for a period of 10 years, inclusive of planned refurbishment activities. The two-part public hearing on the application is scheduled to be held by the CNSC in April 2026 and June 2026.

In January 2025, the Province announced its approval of OPG's plan to proceed with the project definition phase as the next step toward refurbishing Units 5 to 8 of the Pickering GS. The Board approved budget for this work is $4.1 billion, bringing the total Board-approved budget for the project to date to $6.2 billion. During the definition phase, OPG expects to complete a high-quality cost estimate and schedule for the project, further procurement and contracting work, continue to optimize project scope, and develop the project execution plan. This work is ongoing, with the definition phase expected to last through 2026. Once refurbished, the Pickering GS would continue to provide over 2,000 MW of baseload generating capacity, equivalent to powering approximately two million homes, to help meet Ontario's demand for electricity. The refurbishment of Units 5 to 8 of the Pickering GS is anticipated to be completed by the mid-2030s.

In May 2024, OPG submitted an application to the CNSC to renew the power reactor operating licence for the Darlington GS, valid until November 30, 2025, for a period of 30 years. The two-part public hearing on the application took place in March 2025 and June 2025.

Based on the results of planned inspections of the units of the Darlington GS, OPG identified that the primary moisture separators, a component of steam generators (SG), required replacement on all units to ensure ongoing safe, reliable and efficient operations throughout the station's extended lifespan. The function of the primary moisture separators is to provide high quality dry steam to the downstream turbine equipment. There are four SGs in each Darlington GS unit and each SG has 104 primary moisture separators. In May 2025, the Board approved the scope of the project to replace the primary moisture separators in Unit 2 and those in the remaining two SGs of Unit 3, with an overall budget of $253 million. The project commenced execution planning activities in July 2025. The replacement of all other primary moisture separators at the Darlington GS was completed in 2023 and 2024.

On June 6, 2023, the Federal Court of Canada (Federal Court) endorsed the CNSC's move to require pre-placement and random alcohol and drug testing of workers in safety-critical positions, as mandated by the CNSC's approved regulatory document *REGDOC 2.2.4 – Fitness for Duty, Vol. II: Managing Alcohol and Drug Use* (version 3) (REGDOC 2.2.4) for use at Canadian high-security nuclear sites in November 2020. The requirements outlined in REGDOC 2.2.4 ensure that Canada is in line with the international best practices for the operation of high-security nuclear facilities. On July 11, 2023, the Power Workers' Union (PWU) and the Society of United Professionals (Society) filed a motion to appeal the Federal Court's June 6, 2023 decision, and a motion to stay the implementation of the pre-placement and random alcohol and drug testing regimes, pending the outcome of the appeal. On October 27, 2023, the stay motion was granted, and all licensees were restricted from implementing such testing pending the final disposition of the appeal, which was heard in January 2024. On November 6, 2024, the Federal Court of Appeal upheld the Federal Court's June 6, 2023 ruling. On May 29, 2025, after the unions sought to appeal the matter before the Supreme Court of Canada, a decision was received dismissing the unions' application for leave, ending the legal review process regarding the validity of pre-placement and random alcohol and drug testing provisions of REGDOC 2.2.4. The CNSC has provided direction to OPG to implement these provisions by no later than January 1, 2026.

Renewable Generation Operations

OPG continues to progress on an ongoing refurbishment program for its hydroelectric generating units across Ontario. In the second quarter of 2025, OPG completed the refurbishment of Unit 9 at the R.H. Saunders GS, located on the St. Lawrence River in eastern Ontario, marking the completion of the first of 16 units at the station scheduled for refurbishment.

Collective Agreements

Construction work in Ontario is performed through craft unions with established bargaining rights at OPG facilities. These bargaining rights are established either through the Electrical Power Systems Construction Association (EPSCA) or directly with OPG or its wholly-owned subsidiaries. The associated collective agreements are negotiated either directly between the parties or through the EPSCA, as applicable. Negotiations for the renewal of all EPSCA collective agreements have been completed, with all agreements finalized. All renewal agreements have five-year terms covering the period from May 1, 2025 to April 30, 2030. EPSCA is a voluntary association of owners and contractors who perform work in Ontario's electrical power systems sector.

Project Excellence

Darlington New Nuclear Project

OPG is advancing the execution phase of the first SMR at the DNNP site. During the second quarter of 2025, OPG continued off-site fabrication of the structural components for the reactor building, progressed the laying of the foundations for the power block buildings, and continued excavation activities for the reactor building shaft and the condenser cooling water launch shaft. In June 2025, a slurry tunnel boring machine arrived in Ontario to support the construction of the first SMR, marking a significant project milestone. This machine will bore and line the condenser cooling water tunnel, an essential component for bringing the first SMR online. At the same time, the condenser cooling water system is being constructed in Lake Ontario offshore of the DNNP site. OPG also continues to advance planning and licensing activities for three additional SMRs at the DNNP site, including site grading activities, which are nearing completion.

OPG's major projects in the execution phase as at June 30, 2025 are outlined below:

Project *(millions of dollars)*	**Capital Expenditures Year-to-date**	**Capital Expenditures Life-to-date**	**Approved Budget**	**Expected In-service Date**	**Current Status**
Darlington Refurbishment Project	407	11,597	12,800 [1]	Unit 4 – 2026	The Unit 4 refurbishment is currently in the Reassembly segment and progressing as planned. The project is tracking on budget and is expected to be completed earlier in 2026 than its original schedule.
Darlington New Nuclear Project	415	1,386	7,700 [2]	Unit 1 – 2030	The project is advancing the execution phase of the first SMR at the DNNP site. The project is tracking on schedule and on budget.
Redevelopment of Kakabeka Falls Hydroelectric GS	63	102	519	2028	Demolition work is underway, including the powerhouse lean-to structure, penstocks and surge building. The remaining design activities are progressing as planned. The project is tracking on schedule and on budget.
Atura Power Development Projects	464	752	1,500 [3]	Niagara Hydrogen Centre – 2026 Napanee BESS – 2026 Napanee Combined Cycle GS Expansion Project – 2028	The Niagara Hydrogen Centre project continues to progress construction activities, with civil, foundation and structural steel installation completed. Major substation equipment has also been installed. The Napanee BESS project continues to progress civil and foundation construction work, which is nearing completion. The complete battery system has been successfully received, marking a key milestone in the equipment delivery schedule. The installation of the critical equipment, including battery system, transformers and transmission line cabling, is underway. Engineering, design and permitting activities for the Napanee Combined Cycle GS Expansion project continue to progress on schedule. Early site preparation has commenced. These projects are tracking within the total approved budget.

[1] The total project budget of $12.8 billion is for the refurbishment of all four units at the Darlington GS. The refurbishments of Units 1 to 3 have been completed. Refurbishment of the four generating units is expected to extend the operating life of the station by at least 30 years.

[2] The approved budget of $7.7 billion includes $6.1 million allocated to Unit 1 and $1.6 billion allocated to systems and services that would be common to all four SMRs planned as part of the project.

[3] The total project budget of approximately $1.5 billion is for the Niagara Hydrogen Centre, the Napanee BESS and the Napanee Combined Cycle GS Expansion projects.

Financial Strength

Increasing Revenue, Reducing Costs and Achieving Appropriate Return

In line with its commercial mandate, OPG is focused on increasing revenue and net income, and achieving an appropriate return on the Shareholder's investment, while seeking to minimize the impact on electricity customers through continuous improvement in the Company's cost structure.

For regulated operations, achievement of the above objectives is largely dependent on outcomes of OPG's applications for regulated prices to the OEB and prudent growth of rate base earning a return. Rate base for OPG represents the average net level of investment in regulated fixed and intangible assets in service and an allowance for working capital.

The following table presents the OEB-authorized regulated prices for electricity generated from OPG's regulated facilities in Ontario for the period from January 1, 2024 to December 31, 2026 in effect as of the date of this MD&A:

($/MWh)	**2024**	**2025**	**2026**
Regulated – Nuclear Generation			
Base regulated price [1]	103.48	**102.85**	111.33
Deferral and variance account rate riders [2]	4.28	**8.76**	12.43
Total regulated price	107.76	**111.61**	123.76
Regulated – Hydroelectric Generation			
Base regulated price	43.88	**43.88**	43.88
Deferral and variance account rate riders [2]	3.64	**3.30**	3.30
Total regulated price	47.52	**47.18**	47.18

[1] Base regulated prices for the nuclear facilities were established using a rate smoothing approach that defers a portion of each year's approved nuclear revenue requirement for future collection in the Rate Smoothing Deferral Account. Base regulated prices for the nuclear facilities do not include amounts deferred in the Rate Smoothing Deferral Account.

[2] Deferral and variance account riders reflect the OEB's January 2022 payment amounts order that authorized recovery and repayment of balances recorded in regulatory accounts as at December 31, 2019, and, effective July 2024, the OEB's June 2024 decision and order that authorized recovery and repayment of balances recorded in regulatory accounts as at December 31, 2022.

The base regulated prices for OPG's nuclear electricity generation in effect for the period from January 1, 2022 to December 31, 2026 were established by the payment amounts order issued by the OEB in January 2022 reflecting the OEB's decisions on OPG's 2022-2026 rate application issued during the second half of 2021.

Pursuant to *Ontario Regulation 53/05*, the base regulated price for OPG's hydroelectric electricity generation (hydroelectric base regulated price) for the period from January 1, 2022 to December 31, 2026 has been set equal to the 2021 hydroelectric base regulated price.

In 2024, the OEB initiated a generic cost of capital proceeding to review the methodology for determining the cost of capital parameters and deemed capital structure used for setting utility rates. As part of its decision issued in March 2025, the OEB updated the cost of capital parameters including the prescribed rate of return on deemed equity applicable to all electricity transmitters, electricity distributors, natural gas utilities, and rate-regulated electricity generators. As a result, the interim prescribed return on a deemed equity portion (ROE) of 9.25 percent applicable to 2025 cost-based rate applications was updated to 9.0 percent on a final basis, effective January 1, 2025. The prescribed ROE will continue to be updated annually through the OEB's ROE adjustment formula. These changes do not affect the prescribed ROE levels or other cost of capital parameters reflected in OPG's previously authorized regulated prices for the period through December 31, 2026. While the OEB did not make changes to deemed capital structures in this proceeding, it stated that it would consider, on its merits, a proposal by OPG to modify its deemed capital structure, should OPG submit one in its next application for new regulated prices. For information on OEB-approved cost of capital parameters and rate base levels reflected in OPG's authorized regulated prices through December 31, 2026, refer to OPG's 2024 annual MD&A in the section, *Revenue Mechanisms for Regulated and Non-Regulated Generation.*

Effective July 1, 2025, the Province amended *Ontario Regulation 53/05* to clarify the scope of the Pickering B Extension Variance Account such that OPG can record costs incurred on or after January 1, 2024 to preserve the ability to operate Units 5 to 8 of the Pickering GS upon refurbishment for future recovery, subject to review by the OEB.

In April 2025, the Province released a proposal for potential amendments to *Ontario Regulation 53/05* to allow for the creation of a new variance account to record pre-development expenses for proposed hydroelectric projects by OPG for future recovery, subject to review by the OEB. The comment period for the proposal ended on June 13, 2025.

Under the current OEB rate-setting framework, OPG begins recovering costs through regulated prices once projects are placed in-service. In May 2025, the Province proposed potential changes in regulations that would establish a new mechanism for concurrent cost recovery to allow OPG to recover debt interest during the construction periods of the DNNP and the Pickering Refurbishment project (if the project is approved to proceed). The proposed change would also prescribe a new OEB-regulated generator and establish the applicable rate-setting framework to enable OPG to enter into commercial partnerships for the DNNP. The comment period for the proposal ended on June 26, 2025.

For generation assets that do not form part of the rate regulated operations, OPG generally seeks to secure long-term revenue arrangements that support an appropriate return on the investment. In line with this strategy, all of OPG's non-regulated facilities in Ontario are subject to ESAs with the IESO. These contracts are generally designed to provide for recovery of operating costs and capital investment in the underlying facilities and a return on invested capital, subject to the facilities continuing to meet their contractual obligations.

Ensuring Availability of Cost Effective Funding

OPG actively monitors its funding requirements and forecasts availability of funds to ensure that it can meet the Company's operational needs, project and other commitments, and long-term obligations. In addition to funds generated from operations, OPG currently utilizes the following primary funding sources: commercial paper; letters of credit; credit facilities; public debt offerings; debt sourced from the Ontario Electricity Financial Corporation (OEFC) and Ontario Financing Authority (OFA), agencies of the Province; and private placement and other project financing arrangements.

Credit Ratings

Maintaining an investment grade credit rating supports OPG's ability to access cost effective financing. As at June 30, 2025, the Company's credit ratings were as follows:

Type of Rating	DBRS Limited (DBRS) [1]	S&P Global Ratings (S&P) [2]	Moody's Investors Service (Moody's) [3]
Issuer rating	A (low)	BBB+	A3
Senior unsecured debt	A (low)	BBB+	A3
Trend/Outlook	Stable	Stable	Stable
Commercial paper program – Canada	R-1 (low)	A-1 (low)	NR [4]
Commercial paper program – US	NR [4]	A-2	P-2

[1] In April 2025, DBRS confirmed OPG's A (low) issuer rating, A (low) senior unsecured debt rating and R-1 (low) Canadian commercial paper rating, all with Stable trends.
[2] In August 2024, S&P confirmed OPG's ratings including BBB+ issuer rating with stable outlook, BBB+ senior unsecured debt rating and A-1 (low) Canada commercial paper rating.
[3] In May 2025, Moody's confirmed OPG's A3 issuer rating with stable outlook, A3 senior unsecured debt rating and P-2 US commercial paper rating.
[4] NR indicates no rating assigned.

Additional discussion of the Company's credit facilities and liquidity can be found in the section, *Liquidity and Capital Resources*.

Growth and Transformation

OPG strives to be a leader in the North American energy transition, while maintaining and expanding the Company's scale and industry leadership through the pursuit of commercial-based opportunities. This strategy considers the Company's financial position, anticipated future changes in the generating fleet, and the evolving external environment in which it operates. The strategy is also informed by industry, technological, environmental, social, and economic factors. Opportunities are evaluated on an ongoing basis using financial and risk-based analyses as well as strategic considerations, including the evaluation of partnership opportunities with other entities where aligned with OPG's business objectives.

Nuclear Services Collaboration

In July 2025, OPG signed a letter of intent (LOI) with Orlen Synthos Green Energy, a Polish-based energy company, to support the deployment of BWRX-300 SMRs in Poland. Through this LOI, OPG will have the opportunity to offer a range of pre-operational services, including site assessments, project management and strategic advisory support, and to explore future opportunities for operational services for the Polish SMRs.

Medical Isotopes

On May 26, 2025, the CNSC announced its decision to amend OPG's power reactor operating licence for the Darlington GS to authorize production of lutetium-177 (Lu-177) and yttrium-90 (Y-90) isotopes using the existing target delivery system at Unit 2 of the Darlington GS. Laurentis Energy Partners (LEP), a wholly-owned subsidiary of OPG, will produce Lu-177 and Y-90, which are used to deliver targeted radionuclide therapy for treating certain cancers and tumors. Lu-177 is used to treat rare tumors and prostate cancer, while Y-90 is primarily used for the treatment of liver cancer and other large inoperable tumors.

Social Licence

OPG is committed to maintaining high standards of public health and safety and corporate citizenship, including environmental stewardship, transparency, community engagement and Indigenous relations. The Company also strives to be a leader in climate change action, equity, diversity and inclusion (ED&I) practices, and advancing reconciliation with Indigenous peoples.

Further details on social licence activities and initiatives can be found in the section, *Environmental, Social, Governance and Sustainability*.

Outlook

As at June 30, 2025, OPG's capital expenditures for the year 2025 were forecasted at approximately $6 billion, approximately $1 billion higher than previously disclosed in the 2024 annual MD&A. The increase is mainly due to the timing associated with pre-execution phase activities for the planned refurbishment of Units 5 to 8 of the Pickering GS and work advanced across the Atura Power development projects.

OPG's net income outlook for 2025, which is expected to be higher than net income for 2024, remains consistent with the outlook provided in the 2024 annual MD&A.

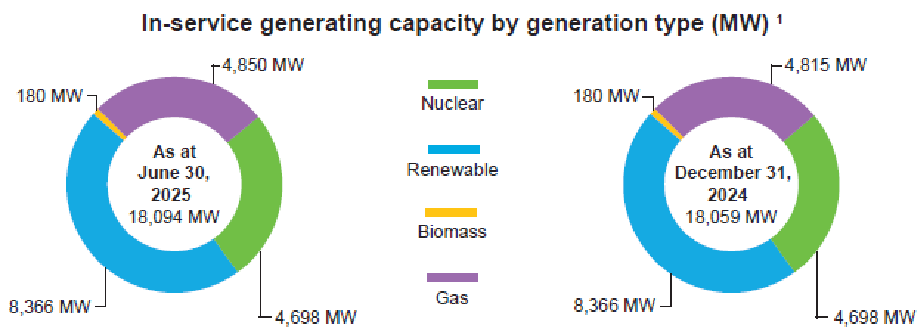
The Company's operating results in 2025 may be impacted by macro-economic factors and geopolitical events, including tariffs and the trade environment, as discussed further in the section, *Risk Management.*

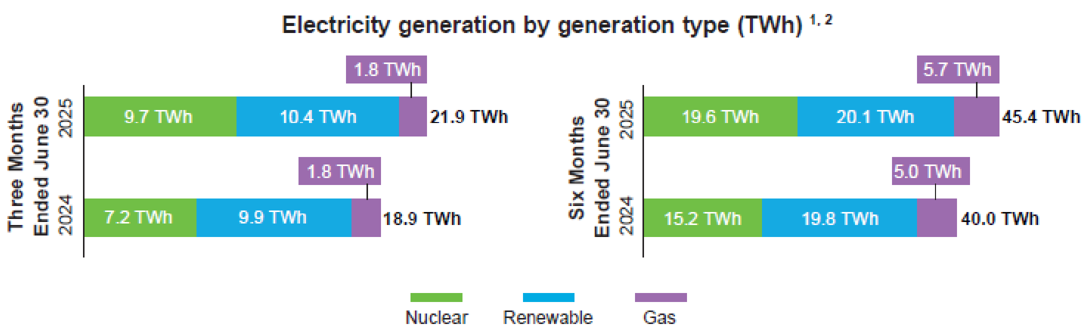
Further details on OPG's outlook, including capital expenditures and financing and liquidity, can be found in OPG's 2024 annual MD&A in the section, *Core Business and Outlook* under the heading, *Outlook*.

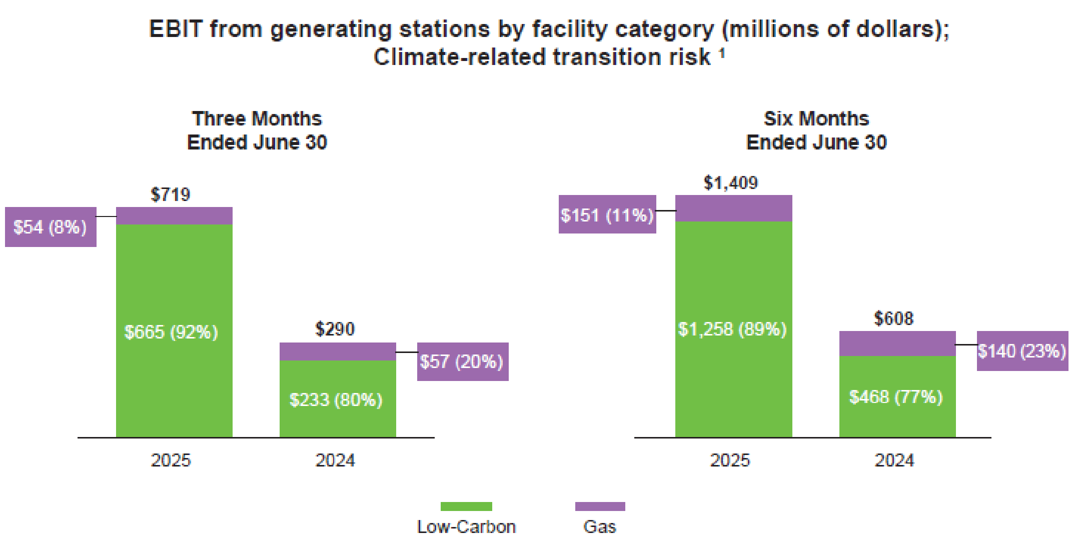
ENVIRONMENTAL, SOCIAL, GOVERNANCE AND SUSTAINABILITY

The following sections provide an update to disclosures in the 2024 annual MD&A, related to OPG's social licence activities, sustainability, and environmental, social, governance (ESG) metrics.

Climate-Related Performance and Key Metrics







[1] Includes OPG's proportionate share of in-service generating capacity and electricity generation from co-owned and minority-held facilities. Nuclear generating units undergoing refurbishment are excluded. Gas category includes the dual-fueled Lennox GS and the Company's combined cycle plants operated through Atura Power.

[2] Electricity generated from the Biomass category for the three and six month periods ended June 30, 2025 represents 0.03 TWh and 0.06 TWh, respectively (three and six month periods ended June 30, 2024 – nil and 0.04 TWh, respectively).

Climate Change Metrics	
In-service generating capacity by generation type [1]	In-service generating capacity from gas generation sources increased as at June 30, 2025, compared to December 31, 2024, due to the completion of the contractual generating capacity upgrades at the Halton Hills GS in the first quarter of 2025. Low-carbon sources continue to account for the majority of OPG's total in-service generating capacity.
Electricity generation by generation type [1]	Low-carbon sources, which comprise nuclear, renewable and biomass generation, accounted for approximately 92 percent and 88 percent of OPG's total electricity generation during the three and six month periods ended June 30, 2025, respectively, compared to 90 percent and 88 percent during the same periods in 2024. The percentage increase for the three months ended June 30, 2025 was primarily due to the increase in electricity generation from the Regulated – Nuclear Generation business segment. For further details, refer to the section, *Highlights* under the heading, *Electricity Generation*.
EBIT from generating stations by facility category; Climate-related transition risk	The portion of EBIT from low-carbon electricity generation increased during the three and six month periods ended June 30, 2025, compared to the same periods in 2024, primarily due to higher electricity generation and lower OM&A expenses from the Regulated – Nuclear Generation business segment. For further details, refer to the section, *Discussion of Operating Results by Business Segment* under the heading, *Regulated – Nuclear Generation Segment*.

[1] Identifies capacity available from OPG's different electricity generation sources and tracks low-carbon energy capacity relative to other sources. Nuclear, Renewable (which includes hydroelectric and solar) and Biomass (which uses wood pellets from sustainably managed forests) generation are considered to be low-carbon emitting generation sources.

Equity, Diversity and Inclusion

With the support of its employees, host communities and business partners, the Company continues to advance its ED&I Strategy and priorities to build a workforce that represents our communities and create a culture of inclusion. In May 2025, OPG updated its ED&I Strategy actions, building on the prior commitments as discussed in the 2024 annual MD&A in the section *Environmental, Social, Governance, and Sustainability* under the heading *Equity, Diversity and Inclusion*. OPG's ED&I Strategy can be found on the Company's website www.opg.com.

DISCUSSION OF OPERATING RESULTS BY BUSINESS SEGMENT

Regulated – Nuclear Generation Segment

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars – except where noted)	**2025**	**2024**	**2025**	**2024**
Electricity Generation (TWh)	**9.7**	7.2	**19.6**	15.2
Revenue	**1,135**	880	**2,274**	1,780
Fuel expense	**79**	79	**161**	144
Gross margin	**1,056**	801	**2,113**	1,636
Operations, maintenance and administration expenses	**443**	619	**948**	1,292
Property taxes	**6**	7	**13**	13
Other losses	**4**	4	**7**	4
Earnings before interest, income taxes, depreciation and amortization	**603**	171	**1,145**	327
Depreciation and amortization expenses	**196**	157	**390**	318
Earnings before interest and income taxes	**407**	14	**755**	9

Earnings before interest and income taxes from the segment increased by $393 million and $746 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024.

The increases in segment earnings were largely due to higher revenue of $247 million and $438 million as a result of higher electricity generation of 2.5 TWh and 4.4 TWh, respectively, during the three and six month periods ended June 30, 2025, compared to the same periods in 2024. Additionally, the increases in both periods were also driven by lower OM&A expenses of $176 million and $344 million, respectively, largely due to lower expenditures related to the cyclical maintenance activities as a result of fewer planned outage days at the Darlington GS and Pickering GS, and the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024.

The lower depreciation and amortization expenses of $17 million and $37 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024, excluding amortization expense related to the recovery and repayment of OEB-authorized regulatory account balances, were primarily due to the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024. The decreases were partially offset by lower amounts of depreciation expense recorded as recoverable from customers through regulatory accounts and higher depreciation expense recognized from placing capital in service, including the return to service of Unit 1 of the Darlington GS following refurbishment in November 2024.

The increases in segment earnings for the three and six month periods ended June 30, 2025, compared to the same periods in 2024, were partially offset by a higher amount of $48 million recorded in the second quarter of 2024 as recoverable from customers in the Pickering B Extension Variance Account in connection with forgone electricity generation due to activities associated with the extension of commercial operation of Units 5 to 8 of the Pickering GS to September 2026.

An increase in revenue for the three and six month periods ended June 30, 2025 reflecting the impact of the new rate riders for disposition of regulatory accounts under the OEB's June 2024 decision and order on OPG's application for such disposition, effective July 1, 2024, was largely offset by a corresponding increase in the amortization expense of regulatory assets and regulatory liabilities recorded for regulatory account balances.

The planned and unplanned outage days at the Darlington and Pickering nuclear generating stations were as follows:

	Three Months Ended June 30		**Six Months Ended June 30**	
	2025	**2024**	**2025**	**2024**
Planned Outage Days				
Darlington GS [1]	**1.7**	58.5	**2.7**	100.9
Pickering GS	**0.4**	96.6	**7.6**	194.5
Unplanned Outage Days				
Darlington GS [1]	**2.9**	12.8	**6.0**	28.8
Pickering GS	**30.6**	39.2	**35.9**	48.8

[1] The planned and unplanned outage days exclude unit(s) during the period in which they are undergoing refurbishment. Accordingly, Unit 1 of the Darlington GS was excluded from the reported planned and unplanned outage days during its refurbishment period of February 15, 2022 to November 27, 2024 and Unit 4 of the Darlington GS has been excluded from the measure since commencing refurbishment on July 19, 2023.

The lower planned outage days at the Darlington GS for the three and six month periods ended June 30, 2025, compared to the same periods in 2024, were driven by the impact of the station's cyclical maintenance outage on the station's Unit 2 during the first half of 2024.

The lower planned outage days at the Pickering GS for the three and six month periods ended June 30, 2025, compared to the same periods in 2024, were driven by the impact of the station's cyclical maintenance schedule and other planned maintenance and repair work executed at the station during 2024.

The lower unplanned outages days at the Darlington GS for the three and six month periods ended June 30, 2025, compared to the same periods in 2024, were primarily driven by steam generators repair activities on the station's Unit 3 in the first half of 2024.

The lower unplanned outage days at the Pickering GS for the three and six month periods ended June 30, 2025, compared to the same periods in 2024, were primarily due to fueling machine recovery activities executed at the station in the first half of 2024, partially offset by higher unplanned outage days associated with non-routine maintenance work performed in the second quarter of 2025.

The Unit Capability Factors for the Darlington and Pickering nuclear generating stations were as follows:

	Three Months Ended June 30		**Six Months Ended June 30**	
	2025	**2024**	**2025**	**2024**
Unit Capability Factor *(%)* [1, 2]				
Darlington GS	**98.6**	61.2	**98.6**	64.7
Pickering GS	**92.0**	76.7	**94.3**	78.5

[1] Nuclear Unit Capability Factor excludes unit(s) during the period in which they are undergoing refurbishment.
[2] Nuclear Unit Capability Factor is defined in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*.

The Unit Capability Factor at the Darlington GS and Pickering GS increased for the three and six month periods ended June 30, 2025, compared to the same periods in 2024, due to fewer planned and unplanned outage days at each station, respectively.

Regulated – Nuclear Sustainability Services Segment

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars – except where noted)	**2025**	**2024**	**2025**	**2024**
Revenue	**35**	44	**71**	80
Operations, maintenance and administration expenses	**35**	44	**71**	80
Accretion on nuclear fixed asset removal and nuclear waste management liabilities	**308**	302	**618**	605
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(280)**	(274)	**(564)**	(545)
Loss before interest and income taxes	**(28)**	(28)	**(54)**	(60)

The segment loss before interest and income taxes was the same for the three month period ended June 30, 2025 compared to the same period in 2024, and lower by $6 million for the six month period ended June 30, 2025, compared to the same period in 2024. The decrease for the six months ended June 30, 2025 was primarily due to higher earnings on the nuclear fixed asset removal and nuclear waste management segregated funds (Nuclear Segregated Funds), largely offset by higher accretion expense on the nuclear fixed asset removal and nuclear waste management liabilities (Nuclear Liabilities). The higher accretion expense on the Nuclear Liabilities was due to the increase in the present value of the underlying obligation to reflect the passage of time.

The higher earnings from the Nuclear Segregated Funds were primarily due to the growth in the present value of the underlying funding liabilities per the approved Ontario Nuclear Funds Agreement (ONFA) reference plan in effect. As both the Decommissioning Segregated Fund and the Used Fuel Segregated Fund were in an overfunded position during the six months ended June 30, 2025, and during the same period in 2024, they were not impacted by market returns or the rate of return guarantee provided by the Province for a portion of the Used Fuel Segregated Fund. When both funds are in an overfunded position, OPG limits the amount of Nuclear Segregated Funds assets reported on the consolidated balance sheet to the present value of the underlying funding liabilities per the approved ONFA reference plan in effect.

Further details on the accounting for the Nuclear Segregated Funds can be found in OPG's 2024 annual MD&A in the section, *Critical Accounting Policies and Estimates* under the heading, *Nuclear Fixed Asset Removal and Nuclear Waste Management Funds.*

Regulated – Hydroelectric Generation Segment

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars – except where noted)	**2025**	**2024**	**2025**	**2024**
Electricity generation (TWh)	**8.4**	8.3	**16.9**	16.8
Revenue [1]	**431**	403	**839**	787
Fuel expense	**91**	88	**163**	158
Gross margin	**340**	315	**676**	629
Operations, maintenance and administration expenses	**109**	103	**210**	204
Property taxes	**-**	1	**-**	1
Other losses	**8**	5	**8**	5
Earnings before interest, income taxes, depreciation and amortization	**223**	206	**458**	419
Depreciation and amortization expenses	**66**	47	**132**	93
Earnings before interest and income taxes	**157**	159	**326**	326

[1] During the three and six month periods ended June 30, 2025, the Regulated – Hydroelectric Generation business segment revenue included incentive payments of $7 million and $12 million, respectively, related to the OEB-approved hydroelectric incentive mechanism (three and six month periods ended June 30, 2024 – incentive payments of $7 million and $9 million, respectively). The mechanism provides a pricing incentive to OPG to shift hydroelectric production from lower market price periods to higher market price periods, reducing the overall costs to customers. The incentive payments are reduced to remove incentive revenues arising in connection with SBG conditions.

Earnings before interest and income taxes from the segment for the three and six month periods ended June 30, 2025 were comparable to the same periods in 2024.

An increase in revenue for the three and six months ended June 30, 2025 reflecting the impact of the new rate riders for disposition of regulatory accounts under the OEB's June 2024 decision and order on OPG's application for such disposition, effective July 1, 2024, was largely offset by a corresponding increase in the amortization expense of regulatory assets and regulatory liabilities recorded for regulatory account balances.

The Hydroelectric Availability for the generating stations reported in the Regulated – Hydroelectric Generation business segment was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Hydroelectric Availability *(%)* [1]	**88.9**	89.3	**87.3**	88.5

[1] Hydroelectric Availability is defined in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*.

The Hydroelectric Availability decreased for the three and six month periods ended June 30, 2025, compared to the same periods in 2024, primarily due to higher unplanned outages across the regulated hydroelectric fleet.

Contracted Hydroelectric and Other Generation Segment

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars – except where noted)	**2025**	**2024**	**2025**	**2024**
Electricity generation (TWh)	**2.1**	1.6	**3.3**	3.0
Revenue	**245**	212	**475**	422
Fuel expense	**32**	13	**55**	26
Gross margin	**213**	199	**420**	396
Operations, maintenance and administration expenses	**75**	79	**153**	151
Accretion on fixed asset removal liabilities	**3**	2	**5**	4
Property taxes	**5**	4	**10**	9
Other gains	**(19)**	(1)	**(19)**	(4)
Earnings before interest, income taxes, depreciation and amortization	**149**	115	**271**	236
Depreciation and amortization expenses	**42**	50	**83**	93
Earnings before interest and income taxes	**107**	65	**188**	143

Earnings before interest and income taxes from the segment increased by $42 million and $45 million for the three and six month periods ended June 30, 2025, respectively, compared to the same periods in 2024. The increases for both periods were primarily due to higher earnings from US operations, reflecting higher wholesale electricity market prices and lower depreciation and amortization expenses during the second quarter of 2025 as well as a one-time gain of $18 million recognized in the second quarter of 2025 related to a service contract termination settlement. The increase for the six months ended June 30, 2025 was also due to higher earnings from the Ontario-based hydroelectric facilities, driven by higher revenue from the Lower Mattagami generating stations.

The Hydroelectric Availability and the Thermal Equivalent Forced Outage Rate (EFOR) within the Contracted Hydroelectric and Other Generation segment were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Hydroelectric Availability *(%)* [1, 2]	**82.1**	84.5	**85.5**	84.2
Thermal EFOR *(%)* [2]	**13.9**	0.9	**17.3**	0.4

[1] Hydroelectric Availability reflects the Company's hydroelectric generating stations in Ontario and the United States.
[2] Hydroelectric Availability and Thermal EFOR are defined in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*.

The Hydroelectric Availability decreased for the three months ended June 30, 2025, compared to the same period in 2024, primarily due to higher unplanned outages at the Lower Mattagami and Lac Seul hydroelectric generating stations. The Hydroelectric Availability increased for the six months ended June 30, 2025, compared to the same period in 2024, primarily due to fewer planned outages across the contracted hydroelectric fleet.

The Thermal EFOR increased for the three and six month periods ended June 30, 2025, compared to the same periods in 2024, due to higher unplanned outages at the Lennox GS.

Atura Power Segment

(millions of dollars – except where noted)	Three Months Ended June 30 2025	Three Months Ended June 30 2024	Six Months Ended June 30 2025	Six Months Ended June 30 2024
Electricity generation (TWh)	**1.7**	1.8	**5.6**	5.0
Revenue	**194**	172	**538**	407
Fuel expense	**82**	60	**277**	165
Gross margin	**112**	112	**261**	242
Operations, maintenance and administration expenses	**30**	30	**53**	50
Accretion on fixed asset removal liabilities	**-**	-	**1**	1
Property taxes	**1**	-	**1**	1
Other losses	**1**	-	**1**	-
Earnings before interest, income taxes, depreciation and amortization	**80**	82	**205**	190
Depreciation and amortization expenses	**32**	30	**65**	60
Earnings before interest and income taxes	**48**	52	**140**	130

Earnings before interest and income taxes from the segment increased by $10 million for the six months ended June 30, 2025, compared to the same period in 2024. The increase in earnings was primarily due to a higher gross margin in the first quarter of 2025 as a result of higher demand for electricity generation from the combined cycle plants. Earnings before interest and income taxes from the segment for the three months ended June 30, 2025 were comparable to the same period in 2024.

The Thermal Availability for the assets within the Atura Power business segment was as follows:

	As At June 30 2025	As At June 30 2024
Thermal Availability *(%)* [1]	**87.7**	87.9

[1] Thermal Availability is defined in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*. The measure reflects the availability of the combined cycle plants as at the period end date, calculated on a three-year rolling average basis.

The Thermal Availability for the combined cycle plants as at June 30, 2025 was comparable to June 30, 2024.

LIQUIDITY AND CAPITAL RESOURCES

OPG maintains a range of funding sources to ensure sufficient liquidity and meet financing requirements. These sources are used for multiple purposes including: to invest in plants and technologies, undertake major projects and business acquisitions, fund long-term obligations such as contributions to the pension fund, make payments under the OPEB plans, fund expenditures on Nuclear Liabilities not eligible for reimbursement from the Nuclear Segregated Funds, service and repay long-term debt, and provide general working capital. Highlights of OPG's interim consolidated cash flow position are noted below.

Changes in cash and cash equivalents for the three and six month periods ended June 30, 2025 and 2024 were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2025**	**2024**	**2025**	**2024**
Cash, cash equivalents and restricted cash, beginning of period	**2,612**	926	**1,363**	1,481
Cash flow provided by operating activities	**875**	540	**1,629**	1,104
Cash flow used in investing activities	**(1,534)**	(1,050)	**(2,605)**	(1,861)
Cash flow (used in) provided by financing activities	**(123)**	1,461	**1,443**	1,149
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**(7)**	2	**(7)**	6
Net (decrease) increase in cash, cash equivalents and restricted cash	**(789)**	953	**460**	398
Cash, and cash equivalents and restricted cash, end of period	**1,823**	1,879	**1,823**	1,879

For a discussion of cash flow provided by operating activities, refer to the details in the section, *Highlights* under the heading, *Overview of Results.*

Investing Activities

Cash flow used in investing activities for the three and six month periods ended June 30, 2025 increased by $484 million and $744 million, respectively, compared to the same periods in 2024. The increases for both periods were primarily due to the higher capital expenditures within the Regulated – Nuclear Generation and Atura Power business segments. The increase for the six months ended June 30, 2025 was partially offset by the acquisition of Lightstar Renewables LLC and Lightstar Operations One LLC on January 31, 2024.

Financing Activities

Cash flow provided by financing activities for the three months ended June 30, 2025 decreased by $1,584 million, compared to the same period in 2024. The decrease was primarily due the issuance of $1 billion green bonds through the Company's Medium Term Note Program and higher net issuances of corporate commercial paper during the second quarter of 2024, partially offset by higher repayment of long-term debt the second quarter of 2025.

Cash flow provided by financing activities for the six months ended June 30, 2025 increased by $294 million, compared to the same period in 2024. The increase was primarily due to higher net issuance of corporate commercial paper in the first quarter of 2025.

Committed credit facilities and maturity dates as at June 30, 2025 were as follows:

(millions of dollars)		**Amount**
Bank facilities:		
Corporate [1, 2]		**1,039**
Corporate [1]	US Dollars	**750**
Lower Mattagami Energy Limited Partnership [3]		**460**
OPG Eagle Creek Holdings LLC and subsidiaries	US Dollars	**20**
Ontario Financing Authority facility [2]		**1,250**
Ontario Electricity Financial Corporation facility [2]		**750**

1 Certain corporate credit facilities contain a sustainability-linked feature that allows reduced pricing if the Company meets certain sustainability targets.
2 Represents amounts available under the facility net of debt issuances.
3 Letter of credit of $60 million was outstanding under this facility as at June 30, 2025.

Short-term debt, letters of credit and guarantees were as follows:

	As At	
(millions of dollars)	**June 30 2025**	**December 31 2024**
Lower Mattagami Energy Limited Partnership	**200**	215
Corporate commercial paper	**694**	-
Total short-term debt	**894**	215
Letters of credit	**734**	504
Guarantees	**-**	30

As at June 30, 2025, a total of $734 million of letters of credit had been issued. This included $314 million for the supplementary pension plans, $267 million for general corporate purposes, $60 million for Lower Mattagami Energy Limited Partnership, $44 million for Atura Power, $20 million for Eagle Creek and its subsidiaries, $14 for UMH Energy Partnership, $9 million for LEP and its subsidiaries, $5 million for PowerON Energy Solutions LP and $1 million for PSS Generating Station Limited Partnership.

Long-term debt balances were as follows:

	As At	
(millions of dollars)	**June 30 2025**	**December 31 2024**
Medium Term Notes payable	**6,550**	5,950
Senior notes payable under corporate credit facilities	**3,031**	2,859
Project financing	**2,888**	2,916
Other	**25**	25
Total long-term debt [1]	**12,494**	11,750

1 Excludes the impact of fair value premium or discount and unamortized bond issuance fees.

BALANCE SHEET HIGHLIGHTS

Highlights of OPG's interim consolidated financial position are noted below:

(millions of dollars)	As At June 30 2025	 December 31 2024
Property, plant and equipment – net The increase was primarily due to capital expenditures, partially offset by depreciation expense. Further details on capital expenditures can be found in the section, *Highlights* under the heading, *Capital Expenditures.*	**38,310**	36,131
Nuclear fixed asset removal and nuclear waste management funds *(current and non-current portions)* The increase was primarily due to earnings recognized on the Nuclear Segregated Funds, partially offset by reimbursement of eligible expenditures on nuclear fixed asset removal and nuclear waste management activities from the Nuclear Segregated Funds.	**22,864**	22,412
Short-term debt The increase was primarily due to net issuances of corporate commercial paper.	**894**	215
Long-term debt *(current and non-current portions)* The increase was due to net issuances under the Company's Medium Term Note Program and corporate credit facilities.	**12,445**	11,707
Fixed asset removal and nuclear waste management liabilities The increase was primarily a result of accretion expense, partially offset by expenditures on fixed asset removal and nuclear waste management activities.	**26,352**	26,042

Off-Balance Sheet Arrangements

In the normal course of operations, OPG engages in a variety of transactions that, under US GAAP, are either not recorded in the Company's consolidated financial statements or are recorded in the Company's consolidated financial statements using amounts that differ from the full contract amounts. Principal off-balance sheet activities for OPG include guarantees and long-term contracts.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

OPG's significant accounting policies are outlined in Note 3 to OPG's audited consolidated financial statements as at and for the year ended December 31, 2024. OPG's critical accounting policies are consistent with those noted in OPG's 2024 annual MD&A.

RISK MANAGEMENT

The discussion in this section is qualified in its entirety by the cautionary statements included in the section, *Forward-Looking Statements* at the beginning of the MD&A. The following section provides an update to the discussion of the Company's risks and risk management activities included in OPG's 2024 annual MD&A in the section, *Risk Management*.

Risks to Achieving Operational Excellence

Tariffs and Trade Environment

Given the highly interconnected nature of the Canadian and US economies, trade and other impacts of tariffs between the two countries could disproportionately impact the Canadian economy. These impacts are expected to increase procurement costs of certain materials for OPG's projects and operations, and may result in supply chain disruptions if there are further restrictions placed on international trade. The economic impacts of the trade disputes could also impact demand for electricity in Ontario. The Company continues to actively identify procurements and supplier relationships that are now subject to tariffs, and, where possible, is pursuing alternate suppliers to reduce exposure to tariffs. OPG will continue to monitor changing trade and geopolitical landscapes and refine mitigation strategies as needed.

Risks to Maintaining Financial Strength

Credit

The Company's credit risk exposure is a function of its electricity sales, trading and hedging activities, and treasury activities including investing and commercial transactions with various suppliers of goods and services. OPG's credit risk exposure relating to energy market transactions as at June 30, 2025 was $641 million, including $561 million with the IESO. OPG continues to consider overall credit risk exposure relating to electricity sales to be low, as the majority of sales are through the IESO-administered market in Ontario.

Commodity Markets

Changes in the market prices of fuels used to produce electricity can adversely impact OPG's earnings and cash flow provided by operating activities. To manage the risk of unpredictable increases in the price of fuels, the Company has fuel hedging programs, which include using fixed price and indexed contracts. The percentages hedged of OPG's fuel requirements are shown in the following table. These amounts are based on yearly forecasts of electricity generation and supply mix and, as such, are subject to change as these forecasts are updated.

	2025 [1]	2026	2027
Estimated fuel requirements hedged *(%)* [2]	100	82	85

1 Based on actual fuel requirements hedged for the six months ended June 30, 2025 and forecast for the remainder of the year.
2 Represents the approximate portion of megawatt-hour (MWh) of expected electricity generation (and year-end inventory targets) from each type of OPG-operated facility (nuclear, hydroelectric, thermal and combined cycle) for which the price of fuel is fixed, or for which the Company has entered into contractual arrangements to secure the price of fuel or secure the recovery of fuel costs. In the case of regulated and contracted hydroelectric electricity generation in Ontario, this represents the gross revenue charge and water rental charges. Excess fuel inventories (nuclear, thermal and combined cycle) in a given year are attributed to the next year for the purpose of measuring hedge ratios.

Electricity Markets

OPG's revenue can be impacted by external factors related to electricity markets. In October 2024, the IESO approved market rules and design required to operationalize the Market Renewal Program, an IESO initiative to redesign the Ontario's electricity markets. The renewed electricity markets were launched on May 1, 2025. OPG has redesigned and updated its internal systems and processes to effectively participate in the new market. The Market Renewal Program is not expected to have a material impact on OPG's net income.

RELATED PARTY TRANSACTIONS

Given that the Province owns all of the shares of OPG, related parties include the Province and other entities controlled by the Province.

The related party transactions summarized below include transactions with the Province and the principal successors to the former Ontario Hydro's integrated electricity business, including Hydro One Limited (Hydro One), the IESO and the OEFC. Transactions between OPG and related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As one of several wholly owned government business enterprises of the Province, OPG also has transactions in the normal course of business with various government ministries and organizations in Ontario that fall under the purview of the Province.

The related party transactions were as follows:

	Three Months Ended June 30			
	2025		**2024**	
(millions of dollars)	**Income**	**Expense**	**Income**	**Expense**
Hydro One				
Electricity sales	**5**	**-**	4	-
Services	**-**	**2**	-	2
Dividends	**1**	**-**	1	-
Province of Ontario				
Change in Decommissioning Segregated Fund amount due to Province [1]	**-**	**158**	-	35
Change in Used Fuel Segregated Fund amount due to Province [1]	**-**	**216**	-	46
Hydroelectric gross revenue charge	**-**	**33**	-	31
OEFC				
Hydroelectric gross revenue charge	**-**	**58**	-	58
Interest expense on long-term notes	**-**	**22**	-	22
Income taxes	**-**	**168**	-	93
Property taxes	**-**	**4**	-	3
IESO				
Electricity related revenue	**1,893**	**-**	1,448	-
Fair Hydro Trust				
Interest income	**8**	**-**	8	-
	1,907	**661**	1,461	290

[1] The Nuclear Segregated Funds are reported on the consolidated balance sheets net of amounts recognized as due to the Province in respect of any excess funding and, for the Used Fuel Segregated Fund, the Province's rate of return guarantee. As at June 30, 2025 and December 31, 2024, the Nuclear Segregated Funds were reported net of amounts due to the Province of $10,687 million and $10,236 million, respectively.

	Six Months Ended June 30			
	2025		2024	
(millions of dollars)	**Income**	**Expense**	**Income**	**Expense**
Hydro One				
Electricity sales	**15**	**-**	10	-
Services	**-**	**8**	-	4
Dividends	**2**	**-**	2	-
Province of Ontario				
Change in Decommissioning Segregated Fund amount due to Province [1]	**-**	**193**	-	448
Change in Used Fuel Segregated Fund amount due to Province [1]	**-**	**258**	-	597
Hydroelectric gross revenue charge	**-**	**63**	-	61
OEFC				
Hydroelectric gross revenue charge	**-**	**95**	-	99
Interest expense on long-term notes	**-**	**43**	-	45
Income taxes	**-**	**341**	-	163
Property taxes	**-**	**7**	-	6
IESO				
Electricity-related revenue	**3,936**	**-**	3,031	-
Fair Hydro Trust				
Interest income	**16**	**-**	16	-
	3,969	**1,008**	3,059	1,423

[1] The Nuclear Segregated Funds are reported on the consolidated balance sheets net of amounts recognized as due to the Province in respect of any excess funding and, for the Used Fuel Segregated Fund, the Province's rate of return guarantee. As at June 30, 2025 and December 31, 2024, the Nuclear Segregated Funds were reported net of amounts due to the Province of $10,687 million and $10,236 million, respectively.

Balances between OPG and its related parties are summarized below:

(millions of dollars)	**June 30 2025**	**December 31 2024**
Receivables from related parties		
Hydro One	**2**	3
IESO – Electricity related receivables	**561**	608
Fair Hydro Trust	**4**	4
OEFC	**9**	-
Province of Ontario	**6**	1
Loan receivable		
Fair Hydro Trust	**901**	902
Equity securities		
Hydro One shares	**152**	159
Accounts payable, accrued charges and other payables		
Hydro One	**1**	3
OEFC	**85**	85
Province of Ontario	**3**	10
Long-term debt (including current portion)		
Notes payable to OEFC	**2,100**	2,100

OPG may hold Province of Ontario bonds and treasury bills in the Nuclear Segregated Funds and the OPG registered pension plan. As at June 30, 2025, the Nuclear Segregated Funds held $1,743 million of Province of Ontario bonds (December 31, 2024 – $1,740 million) and $12 million of Province of Ontario treasury bills (December 31, 2024 – $8 million). As of June 30, 2025, the OPG registered pension plan held $310 million of Province of Ontario bonds (December 31, 2024 − $327 million) and $11 million of Province of Ontario treasury bills (December 31, 2024 – $9 million). These Province of Ontario bonds and treasury bills are publicly traded securities and are measured at fair value. OPG jointly oversees the investment management of the Nuclear Segregated Funds with the Province.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS

The Company maintains a comprehensive system of policies, procedures, and processes that represents its framework for Internal Control over Financial Reporting (ICFR) and for its Disclosure Controls and Procedures (DC&P). There were no changes in the Company's internal control system during the current interim period that has or is reasonably likely to have a material impact on the financial statements.

QUARTERLY FINANCIAL HIGHLIGHTS

The following tables set out selected financial information for each of the eight most recently completed quarters. This information is derived from OPG's unaudited interim consolidated financial statements and the audited annual consolidated financial statements, and has been prepared in accordance with US GAAP.

(millions of dollars – except where noted) *(unaudited)*	**June 30 2025**	**March 31 2025**	**December 31 2024**	**September 30 2024**
Electricity generation (*TWh*)	**21.9**	23.5	20.4	21.7
Revenue	**2,032**	2,157	1,838	1,891
Net income	**547**	509	232	383
Less: Net income attributable to non-controlling interest	**6**	4	4	4
Net income attributable to the Shareholder	**541**	505	228	379
Earnings per share, attributable to the Shareholder *(dollars)*	**$1.97**	$1.84	$0.83	$1.38

(millions of dollars – except where noted) *(unaudited)*	**June 30 2024**	**March 31 2024**	**December 31 2023**	**September 30 2023**
Electricity generation (*TWh*)	18.9	21.1	20.8	20.9
Revenue	1,691	1,767	1,894	1,882
Net income	166	225	454	449
Less: Net income attribute to the non-controlling interest	6	4	4	5
Net income attributable to the Shareholder	160	221	450	444
Earnings per share, attributable to the Shareholder *(dollars)*	$0.58	$0.80	$1.64	$1.62

[1] Earnings per share was calculated using the weighted average number of shares outstanding of 274.6 million for all periods presented. There were no dilutive securities during any of the periods presented.

KEY OPERATING PERFORMANCE INDICATORS AND NON-GAAP FINANCIAL MEASURES

Key Operating Performance Measures

OPG evaluates the performance of its generating stations using a number of key indicators. Key operating performance indicators aligned with corporate business imperatives include measures of production reliability, cost effectiveness, environmental performance and safety performance. Certain of the measures used vary depending on the generating technology.

Nuclear Unit Capability Factor

The Nuclear Unit Capability Factor is a key measure of nuclear station performance. It measures the amount of energy that the unit(s) generated over a period of time, adjusted for externally imposed constraints such as transmission or demand limitations, as a percentage of the amount of energy that would have been produced over the same period had the unit(s) produced maximum generation. Capability factors are primarily affected by planned and unplanned outages. An outage day represents a single unit being offline or derated for an amount of time equivalent to one day. By industry definition, capability factors exclude production losses beyond plant management's control, such as grid-related unavailability. The nuclear Unit Capability Factor also excludes unit(s) during the period in which they are undergoing refurbishment.

Hydroelectric Availability

Hydroelectric Availability represents the percentage of time the generating unit is capable of providing service, whether or not it is actually generating electricity, compared to the total time for the respective period, weighted by unit capacity.

Thermal Equivalent Forced Outage Rate

Equivalent forced outage rate is an index of the reliability of a generating unit at OPG's wholly-owned thermal stations. It is measured by the ratio of time a generating unit is forced out of service by unplanned events, including any forced deratings, compared to the amount of time the generating unit was available to operate.

Thermal Availability

Thermal Availability represents the percentage of time a generating unit at Atura Power's combined cycle plants is capable of providing service, whether or not it is actually generating electricity, compared to the total time for the respective period, averaged by the number of facilities owned and operated through Atura Power. The measure is calculated on a three-year rolling average basis.

Other Key Indicators

OPG has also identified certain environmental and safety performance measures, which are discussed in the section, *Environmental, Social, Governance and Sustainability*.

Non-GAAP Financial Performance Measures

In addition to net income and other financial information in accordance with US GAAP, certain non-GAAP financial measures are also presented in this MD&A. These non-GAAP measures do not have any standardized meaning prescribed by US GAAP and, therefore, may not be comparable to similar measures presented by other issuers. OPG utilizes these measures to make operating decisions and assess performance. Readers of the MD&A would utilize these measures in assessing the Company's financial performance from ongoing operations. The Company believes that these indicators 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 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 of the non-GAAP financial measures are as follows:

(1) Earnings before interest, income taxes, depreciation and amortization is defined as net income before net interest expense, income tax expense and depreciation and amortization expenses.

(2) Gross margin is defined as revenue less fuel expense.

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ONTARIO POWER GENERATION INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

JUNE 30, 2025

INTERIM CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(millions of dollars – except where noted)	Three Months Ended June 30 2025	Three Months Ended June 30 2024	Six Months Ended June 30 2025	Six Months Ended June 30 2024
Revenue	**2,032**	1,691	**4,189**	3,458
Fuel expense	**284**	240	**656**	493
Gross margin	**1,748**	1,451	**3,533**	2,965
Operations, maintenance and administration expenses	**660**	840	**1,371**	1,710
Depreciation and amortization expenses	**355**	304	**710**	604
Accretion on fixed asset removal and nuclear waste management liabilities	**311**	305	**624**	611
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(280)**	(274)	**(564)**	(545)
Property taxes	**12**	12	**25**	24
	1,058	1,187	**2,166**	2,404
Income before other (gains) losses, interest and income taxes	**690**	264	**1,367**	561
Other (gains) losses	**(9)**	21	**(25)**	18
Income before interest and income taxes	**699**	243	**1,392**	543
Net interest expense *(Note 4)*	**52**	51	**108**	96
Income before income taxes	**647**	192	**1,284**	447
Income tax expense	**100**	26	**228**	56
Net income	**547**	166	**1,056**	391
Net income attributable to the Shareholder	**541**	160	**1,046**	381
Net income attributable to non-controlling interest	**6**	6	**10**	10
Basic and diluted earnings per share *(dollars)* [1]	**1.97**	0.58	**3.81**	1.39

[1] The weighted average number of shares outstanding as at June 30, 2025 and 2024 was 274.6 million. There were no dilutive securities during the three and six month periods ended June 30, 2025 and 2024.

See accompanying notes to the interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended June 30		Six Months Ended June 30	
(millions of dollars)	**2025**	**2024**	**2025**	**2024**
Net income	**547**	166	**1,056**	391
Other comprehensive (loss) income, net of income taxes *(Note 7)*				
Reclassification to income of amounts related to pension and other post-employment benefits [1]	**(1)**	-	**(1)**	(1)
Reclassification to income of amounts related to derivatives designated as cash flow hedges [2]	**-**	(1)	**-**	(2)
Net gain (loss) on derivatives designated as cash flow hedges [3]	**2**	8	**(4)**	1
Currency translation adjustment	**(109)**	20	**(112)**	69
Other comprehensive (loss) income for the period	**(108)**	27	**(117)**	67
Comprehensive income	**439**	193	**939**	458
Comprehensive income attributable to the Shareholder	**433**	187	**929**	448
Comprehensive income attributable to non-controlling interest	**6**	6	**10**	10

[1] Net of income tax recovery of nil for each of the three and six month periods ended June 30, 2025. Net of income tax recovery of nil for each of the three and six month periods ended June 30, 2024.
[2] Net of income tax recovery of nil for each of the three and six month periods ended June 30, 2025. Net of income tax recovery of $1 million for each of the three and six month periods ended June 30, 2024.
[3] Net of income tax expense of $1 million and recovery of $1 million for the three and six month periods ended June 30, 2025, respectively. Net of income tax expense of $2 million and nil for the three and six month periods ended June 30, 2024, respectively.

See accompanying notes to the interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended June 30	
(millions of dollars)	**2025**	**2024**
Operating activities		
Net income	**1,056**	391
Adjust for non-cash items:		
Depreciation and amortization expenses	**710**	604
Accretion on fixed asset removal and nuclear waste management liabilities	**624**	611
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(564)**	(545)
Pension and other post-employment benefit costs *(Note 8)*	**155**	182
Deferred income tax (recovery) expense	**(30)**	18
Regulatory assets and regulatory liabilities	**38**	(57)
Other losses	**3**	21
Other	**(10)**	(8)
Expenditures on fixed asset removal and nuclear waste management	**(516)**	(225)
Reimbursement of eligible expenditures on nuclear fixed asset removal and nuclear waste management	**103**	121
Contributions to pension funds and expenditures on other post-employment benefits and supplementary pension plans	**(156)**	(150)
Net changes to other long-term assets and long-term liabilities	**83**	156
Net changes in non-cash working capital balances *(Note 13)*	**133**	(15)
Cash flow provided by operating activities	**1,629**	1,104
Investing activities		
Investment in property, plant and equipment and intangible assets *(Note 12)*	**(2,616)**	(1,730)
Acquisition of Lightstar Renewables and Lightstar Operations One	**-**	(131)
Proceeds from sale of interest in joint venture	**11**	-
Cash flow used in investing activities	**(2,605)**	(1,861)
Financing activities		
Issuance of long-term debt *(Note 4)*	**1,167**	1,357
Repayment of long-term debt *(Note 4)*	**(401)**	(601)
Issuance of short-term debt *(Note 5)*	**2,374**	1,795
Repayment of short-term debt *(Note 5)*	**(1,695)**	(1,395)
Equity investment from non-controlling interest	**7**	3
Distribution to non-controlling interest	**(9)**	(10)
Cash flow provided by financing activities	**1,443**	1,149
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**(7)**	6
Net increase in cash, cash equivalents and restricted cash	**460**	398
Cash, cash equivalents and restricted cash, beginning of period	**1,363**	1,481
Cash, cash equivalents and restricted cash, end of period	**1,823**	1,879

See accompanying notes to the interim consolidated financial statements

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *(millions of dollars)*	**June 30 2025**	**December 31 2024**
Assets		
Current assets		
Cash, cash equivalents and restricted cash	**1,823**	1,363
Equity securities	**152**	159
Receivables from related parties	**582**	616
Nuclear fixed asset removal and nuclear waste management funds	**504**	283
Fuel inventory	**402**	297
Materials and supplies	**181**	145
Regulatory assets *(Note 3)*	**540**	540
Prepaid expenses	**249**	292
Other current assets	**198**	388
	4,631	4,083
Property, plant and equipment	**53,967**	51,290
Less: accumulated depreciation	**15,657**	15,159
	38,310	36,131
Intangible assets	**1,047**	1,029
Less: accumulated amortization	**482**	439
	565	590
Goodwill	**218**	230
Other assets		
Nuclear fixed asset removal and nuclear waste management funds	**22,360**	22,129
Loan receivable from related party	**901**	902
Long-term materials and supplies	**328**	355
Regulatory assets *(Note 3)*	**4,357**	4,367
Investments subject to significant influence	**41**	52
Pension assets	**38**	-
Other long-term assets	**168**	137
	28,193	27,942
	71,917	68,976

See accompanying notes to the interim consolidated financial statements

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *(millions of dollars)*	**June 30** **2025**	**December 31** **2024**
Liabilities		
Current liabilities		
Accounts payable, accrued charges and other payables	**2,108**	2,068
Short-term debt *(Note 5)*	**894**	215
Long-term debt due within one year *(Note 4)*	**925**	604
Regulatory liabilities *(Note 3)*	**246**	246
	4,173	3,133
Long-term debt *(Note 4)*	**11,520**	11,103
Other liabilities		
Fixed asset removal and nuclear waste management liabilities *(Note 6)*	**26,352**	26,042
Pension liabilities	**-**	46
Other post-employment benefit liabilities	**2,768**	2,716
Long-term accounts payable and accrued charges	**424**	382
Deferred revenue	**350**	355
Deferred income taxes	**2,557**	2,461
Regulatory liabilities *(Note 3)*	**1,012**	939
	33,463	32,941
Equity		
Common shares [1]	**5,126**	5,126
Class A shares [2]	**787**	787
Contributed surplus	**27**	28
Retained earnings	**16,515**	15,469
Accumulated other comprehensive income *(Note 7)*	**76**	193
Equity attributable to the Shareholder	**22,531**	21,603
Equity attributable to non-controlling interest	**230**	196
Total equity	**22,761**	21,799
	71,917	68,976

[1] 256,300,010 common shares outstanding at a stated value of $5,126 million as at June 30, 2025 and December 31, 2024.
[2] 18,343,815 Class A shares outstanding at a stated value of $787 million as at June 30, 2025 and December 31, 2024.

Commitments and Contingencies *(Notes 4, 5, 8 and 11)*

See accompanying notes to the interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (UNAUDITED)

(millions of dollars)	**Six Months Ended June 30** **2025**	**2024**
Common shares	**5,126**	5,126
Class A shares	**787**	787
Contributed surplus		
Balance at beginning of period	**28**	30
Reclassification to income of amounts related to gain on deconsolidation of Fair Hydro Trust	**(1)**	(1)
Balance at end of period	**27**	29
Retained earnings		
Balance at beginning of period	**15,469**	14,481
Net income attributable to the Shareholder	**1,046**	381
Balance at end of period	**16,515**	14,862
Accumulated other comprehensive income, net of income taxes *(Note 7)*		
Balance at beginning of period	**193**	(15)
Other comprehensive (loss) income	**(117)**	67
Balance at end of period	**76**	52
Equity attributable to the Shareholder	**22,531**	20,856
Equity attributable to non-controlling interest		
Balance at beginning of period	**196**	182
Income attributable to non-controlling interest	**10**	10
Equity investment from non-controlling interest	**33**	8
Distribution to non-controlling interest	**(9)**	(10)
Balance at end of period	**230**	190
Total equity	**22,761**	21,046

See accompanying notes to the interim consolidated financial statements

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

These interim consolidated financial statements for the three and six month periods ended June 30, 2025 and 2024 include the accounts of Ontario Power Generation Inc. (OPG or the Company) and its subsidiaries. The Company consolidates its interest in entities over which it is able to exercise control and attributes the results to its sole shareholder, the Province of Ontario (the Province or the Shareholder). These interim consolidated financial statements have been prepared and presented in accordance with United States generally accepted accounting principles (US GAAP). These interim consolidated financial statements do not contain all of the disclosures required by US GAAP for annual financial statements. Accordingly, they should be read in conjunction with the annual consolidated financial statements of the Company as at and for the year ended December 31, 2024.

All dollar amounts are presented in Canadian dollars, unless otherwise noted. Certain 2024 comparative amounts have been reclassified from consolidated financial statements previously presented to conform to the 2025 interim consolidated financial statement presentation.

Seasonal Variations

OPG's quarterly electricity generation from the Regulated – Hydroelectric Generation, Contracted Hydroelectric and Other Generation, and Atura Power business segments is affected by changes in grid-supplied electricity demand. Changes in grid-supplied electricity demand are primarily caused by variations in seasonal weather conditions, changes in economic conditions, the impact of small-scale generation embedded in distribution networks, and the impact of conservation efforts. Historically, there has been greater electricity demand in Ontario during the winter and summer months due to heating and air conditioning demands.

OPG's quarterly electricity generation from hydroelectric facilities is impacted by weather conditions that affect water flows. Historically, there have been higher water flows in the second quarter as a result of snow and ice melt entering the river systems. The financial impact of variability in water flows on the Regulated – Hydroelectric Generation business segment is mitigated by regulatory deferral and variance accounts (regulatory accounts) authorized by the Ontario Energy Board (OEB).

The financial impact of variability in electricity generation from the Contracted Hydroelectric and Other Generation business segment and the Atura Power business segment is mitigated by the terms of the applicable Energy Supply Agreements with the Independent Electricity System Operator (IESO) for the contracted generating facilities in Ontario.

2. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies followed in the presentation of these interim consolidated financial statements are consistent with those of the previous fiscal year.

Recent Accounting Pronouncements Not Yet Adopted

Improvements to Income Tax Disclosures

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09, *Improvements to Income Tax Disclosures* (ASU 2023-09), an update to Topic 740, *Income Taxes*. The purpose of ASU 2023-09 is to enhance the transparency and decision usefulness of income tax disclosures through increasing disclosure requirements related to the rate reconciliation and income taxes paid information. The update requires specific categories to be disclosed in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold. The update also requires that entities disclose income taxes paid disaggregated by federal, provincial and foreign taxes and by individual jurisdiction in which income tax paid exceeds five percent of total income taxes paid. The update is effective for annual periods beginning after December 15, 2024. The adoption of the standard update is not expected to have a material impact on the disclosures contained in the Company's annual and interim consolidated financial statements.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, an update to Subtopic 220-40, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures*. The purpose of the standard update is to improve the disclosures about a public business entity's expenses by requiring more detailed information about the types of expenses (including purchases of inventory and employee compensation) included within consolidated income statement expense captions. The update is effective for fiscal years beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted. The standard update is to be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact of adoption of the standard update on the disclosures contained within the Company's annual and interim consolidated financial statements.

Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity

In May 2025, the FASB issued ASU 2025-03, *Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, an update to Topic 805, *Business Combinations* and Topic 810, *Consolidation*. The update amends the guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a variable interest entity that meets the definition of a business. The update is effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years, with early adoption permitted. The standard update is to be applied prospectively. The Company is currently evaluating the impact of adoption of the standard update on the disclosures contained within the Company's annual and interim consolidated financial statements.

3. REGULATORY ASSETS AND REGULATORY LIABILITIES

The regulatory assets and regulatory liabilities consist of the following:

As at *(millions of dollars)*	**June 30 2025**	**December 31 2024**
Regulatory assets		
Deferral and variance accounts authorized by OEB or Ontario Regulation 53/05		
Rate Smoothing Deferral Account	**690**	677
Nuclear Liability Deferral Account	**483**	520
Capacity Refurbishment Variance Account	**456**	460
Hydroelectric Surplus Baseload Generation Variance Account	**271**	307
Pension & OPEB Cash Versus Accrual Differential Deferral Account	**268**	376
Pickering B Extension Variance Account	**151**	131
Nuclear Development Variance Account	**71**	85
Other deferral and variance accounts [1]	**172**	174
	2,562	2,730
Deferred income taxes	**2,281**	2,151
Other	**54**	26
Total regulatory assets	**4,897**	4,907
Less: current portion	**540**	540
Non-current regulatory assets	**4,357**	4,367
Regulatory liabilities		
Deferral and variance accounts authorized by OEB or Ontario Regulation 53/05		
Pension and OPEB Cost Variance Account	**422**	411
Pension & OPEB Cash Payment Variance Account	**269**	321
Hydroelectric Water Conditions Variance Account	**190**	173
Bruce Lease Net Revenues Variance Account	**119**	60
Nuclear Deferral and Variance Over/Under Recovery Variance Account	**79**	61
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges Variance Account	**60**	51
Other deferral and variance accounts [2]	**112**	92
	1,251	1,169
Pension and OPEB Regulatory Liability *(Note 8)*	**7**	16
Total regulatory liabilities	**1,258**	1,185
Less: current portion	**246**	246
Non-current regulatory liabilities	**1,012**	939

1 Represents amounts for the Hydroelectric Deferral and Variance Over/Under Recovery Variance Account, Clarington Corporate Campus Deferral Account, Fitness for Duty Deferral Account, Pickering Closure Costs Deferral Account, Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account, Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account and Impact Resulting from Changes to Pickering Station End-of-Life Dates Deferral Account (December 31, 2017).

2 Represents amounts for the Income and Other Taxes Variance Account, SR&ED ITC Variance Account, Ancillary Services Net Revenue Variance Account and Sale of Unprescribed Kipling Site Deferral Account.

Effective July 1, 2025, the Province amended *Ontario Regulation 53/05* to clarify the scope of the Pickering B Extension Variance Account such that OPG can record costs incurred on or after January 1, 2024 to preserve the ability to operate Units 5 to 8 of the Pickering nuclear generating station upon refurbishment for future recovery, subject to review by the OEB.

In April 2025, the Province released a proposal for potential amendments to *Ontario Regulation 53/05* to allow for the creation of a new variance account to record pre-development expenses for proposed hydroelectric projects by OPG for future recovery, subject to review by the OEB. The comment period for the proposal ended on June 13, 2025.

Under the current OEB rate-setting framework, OPG begins recovering costs through regulated prices once projects are placed in-service. In May 2025, the Province proposed potential changes in regulations that would establish a new mechanism for concurrent cost recovery to allow OPG to recover debt interest during the construction periods of the Darlington New Nuclear Project (DNNP) and the Pickering Refurbishment project (if the project is approved to proceed). The proposed change would also prescribe a new OEB-regulated generator and establish the applicable rate-setting framework to enable OPG to enter into commercial partnerships for the DNNP. The comment period for the proposal ended on June 26, 2025.

4. LONG-TERM DEBT AND NET INTEREST EXPENSE

Long-term debt consists of the following:

As at *(millions of dollars)*	**June 30 2025**	**December 31 2024**
Medium Term Note Program senior notes	**6,550**	5,950
Senior notes payable under corporate credit facilities	**3,031**	2,859
Lower Mattagami Energy Limited Partnership senior notes	**1,995**	1,995
PSS Generating Station Limited Partnership senior notes	**245**	245
UMH Energy Partnership senior notes	**159**	160
OPG Eagle Creek Holdings LLC and subsidiaries senior notes	**489**	516
Other	**25**	25
	12,494	11,750
Less: net fair value premium	**(2)**	-
Less: unamortized bond issuance fees	**(47)**	(43)
Less: amounts due within one year	**(925)**	(604)
Long-term debt	**11,520**	11,103

On March 13, 2025, OPG issued $1 billion of green bonds under its Sustainable Finance Framework, through its Medium Term Note Program. The issuance consisted of $500 million of senior notes maturing in March 2035, with a coupon interest rate of 4.32 percent and $500 million of senior notes maturing in March 2055, with a coupon interest rate of 4.87 percent. The net proceeds from the issuance were used to finance or re-finance Eligible Green Projects as defined under the Sustainable Finance Framework.

OPG repaid long-term debt of $400 million under the Company's Medium Term Note Program during the six months ended June 30, 2025.

For the six months ended June 30, 2025, net issuance of long-term debt under the Company's corporate credit facilities totalled $172 million (six months ended June 30, 2024 – net repayment of $236 million), which comprised issuances of $172 million (six months ended June 30, 2024 – repayment of $400 million) and repayment of nil (six months ended June 30, 2024 – issuances of $164 million).

Net Interest Expense

The following table summarizes the net interest expense:

(millions of dollars)	Three Months Ended June 30 2025	Three Months Ended June 30 2024	Six Months Ended June 30 2025	Six Months Ended June 30 2024
Interest on long-term debt	**119**	94	**227**	186
Interest on short-term debt	**8**	8	**14**	12
Interest income	**(22)**	(16)	**(42)**	(39)
Interest capitalized to property, plant and equipment and intangible assets	**(46)**	(33)	**(76)**	(61)
Interest related to regulatory assets and regulatory liabilities [1]	**(7)**	(2)	**(15)**	(2)
Net interest expense	**52**	51	**108**	96

[1] Includes interest to recognize the cost of financing regulatory account balances as authorized by the OEB, and interest costs deferred in certain regulatory accounts.

5. SHORT-TERM DEBT

Committed credit facilities and maturity dates as at June 30, 2025 were as follows:

(millions of dollars)		Amount	Maturity
Bank facilities:			
Corporate		**1,039**	August 2025 and May 2030 [1,2]
Corporate	US Dollars	**750**	May 2026 [3]
Lower Mattagami Energy Limited Partnership		**460**	June 2029 [4]
OPG Eagle Creek Holdings LLC and subsidiaries	US Dollars	**20**	October 2028
Ontario Financing Authority facility		**1,250**	December 2029 [1]
Ontario Electricity Financial Corporation facility		**750**	December 2026 [1]

[1] Represents amounts available under the facility net of debt issuances.
[2] Of the total credit facilities, $39 million is expected to mature in August 2025 and is available to finance certain expenditures of the DNNP, subject to certain conditions, and $1,000 million matures in May 2030.
[3] The facility has a one-year extension option beyond the maturity date of May 2026.
[4] A letter of credit of $60 million was outstanding under this facility as at June 30, 2025.

Short-term debt consists of the following:

As at *(millions of dollars)*	June 30 2025	December 31 2024
Lower Mattagami Energy Limited Partnership	**200**	215
Corporate commercial paper	**694**	-
Short-term debt	**894**	215

As at June 30, 2025, a total of $734 million of letters of credit had been issued (December 31, 2024 – $504 million). As at June 30, 2025, this included $314 million for the supplementary pension plans, $267 million for general corporate purposes, $60 million for Lower Mattagami Energy Limited Partnership, $44 million for Atura Power, $20 million for OPG Eagle Creek Holdings LLC and its subsidiaries, $14 million for UMH Energy Partnership, $9 million for Laurentis Energy Partners and its subsidiaries, $5 million for PowerON Energy Solutions LP and $1 million for PSS Generating Station Limited Partnership.

The weighted average interest rate on the short-term debt as at June 30, 2025 is 2.88 percent (December 31, 2024 – 3.71 percent).

6. FIXED ASSET REMOVAL AND NUCLEAR WASTE MANAGEMENT LIABILITIES

Liabilities for fixed asset removal and nuclear waste management on a present value basis consist of the following:

As at *(millions of dollars)*	**June 30 2025**	**December 31 2024**
Liability for used nuclear fuel management	**16,254**	15,991
Liability for nuclear decommissioning and nuclear low and intermediate level waste management	**9,833**	9,782
Liability for non-nuclear fixed asset removal	**265**	269
Fixed asset removal and nuclear waste management liabilities	**26,352**	26,042

7. ACCUMULATED OTHER COMPREHENSIVE INCOME

The changes in the balance of each component of accumulated other comprehensive income (loss) (AOCI), net of income taxes, were as follows:

	Six Months Ended June 30, 2025			
(millions of dollars)	**Unrealized Gains and Losses on Cash Flow Hedges**	**Pension and OPEB**	**Currency Translation Adjustment**	**Total**
Balance, beginning of period	**5**	**6**	**182**	**193**
Net loss on cash flow hedges	**(4)**	**-**	**-**	**(4)**
Amounts reclassified from AOCI	**-**	**(1)**	**-**	**(1)**
Translation of foreign operations	**-**	**-**	**(112)**	**(112)**
Other comprehensive loss for the period	**(4)**	**(1)**	**(112)**	**(117)**
Balance, end of period	**1**	**5**	**70**	**76**

	Six Months Ended June 30, 2024			
(millions of dollars)	**Unrealized Gains and Losses on Cash Flow Hedges**	**Pension and OPEB**	**Currency Translation Adjustment**	**Total**
Balance, beginning of period	9	(33)	9	(15)
Net gain on cash flow hedges	1	-	-	1
Amounts reclassified from AOCI	(2)	(1)	-	(3)
Translation of foreign operations	-	-	69	69
Other comprehensive (loss) income for the period	(1)	(1)	69	67
Balance, end of period	8	(34)	78	52

The significant amounts reclassified out of each component of AOCI, net of income taxes, were as follows:

(millions of dollars)	**Amount Reclassified from AOCI** **Three Months Ended June 30, 2025**	**Six Months Ended June 30, 2025**	**Statement of Income Line Item**
Amortization of amounts related to pension and OPEB			
Net actuarial gains, net of past service costs	**(1)**	**(1)**	See (1) below
Income tax recovery	**-**	**-**	Income tax expense
	(1)	**(1)**	
Total reclassifications for the period	**(1)**	**(1)**	

(millions of dollars)	**Amount Reclassified from AOCI** **Three Months Ended June 30, 2024**	**Six Months Ended June 30, 2024**	**Statement of Income Line Item**
Amortization of amounts related to cash flow hedges			
Losses	(2)	(3)	Revenue and Net interest expense
Income tax expense	1	1	Income tax expense
	(1)	(2)	
Amortization of amounts related to pension and OPEB			
Net actuarial gains, net of past service costs	-	(1)	See (1) below
Income tax recovery	-	-	Income tax expense
	-	(1)	
Total reclassifications for the period	(1)	(3)	

[1] These AOCI components are included in the computation of pension and OPEB costs (see Note 8 for additional details).

Existing pre-tax net losses for derivatives of nil deferred in AOCI as at June 30, 2025 are expected to be reclassified to net income within the next 12 months.

8. PENSION AND OTHER POST-EMPLOYMENT BENEFITS

OPG's pension and other post-employment benefit (OPEB) costs for the three months ended June 30, 2025 and 2024 were as follows:

	Registered Pension Plans		Supplementary Pension Plans		Other Post-Employment Benefits	
(millions of dollars)	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Components of cost recognized for the period						
Current service costs	**74**	77	**3**	2	**26**	25
Interest on projected benefit obligation	**191**	198	**4**	4	**32**	32
Expected return on plan assets, net of expenses	**(268)**	(258)	**-**	-	**-**	-
Amortization of past service costs [1]	**-**	-	**-**	-	**1**	-
Amortization of net actuarial loss (gain) [1]	**-**	-	**1**	1	**(7)**	(7)
Costs recognized [2]	**(3)**	17	**8**	7	**52**	50

[1] The net impact of amortization of past service costs and net actuarial loss (gain) is recognized as an increase (decrease) to other comprehensive income. This decrease for the three months ended June 30, 2025 was partially offset by a decrease in the Pension and OPEB Regulatory Liability of $4 million (three months ended June 30, 2024 – an increase in the Pension and OPEB Regulatory Asset of $6 million).

[2] These pension and OPEB costs for the three months ended June 30, 2025 exclude the net addition of costs of $20 million resulting from the recognition of changes in the regulatory assets or liabilities for the Pension & OPEB Cost Variance Account, the Pension & OPEB Cash Versus Accrual Differential Deferral Account and the Pension & OPEB Cash Payment Variance Account (three months ended June 30, 2024 – net addition of costs of $17 million).

OPG's pension and OPEB costs for the six months ended June 30, 2025 and 2024 were as follows:

	Registered Pension Plans		Supplementary Pension Plans		Other Post-Employment Benefits	
(millions of dollars)	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Components of cost recognized for the period						
Current service costs	**148**	153	**5**	4	**52**	50
Interest on projected benefit obligation	**383**	396	**9**	8	**64**	65
Expected return on plan assets, net of expenses	**(537)**	(516)	**-**	-	**-**	-
Amortization of past service costs [1]	**-**	-	**-**	-	**2**	1
Amortization of net actuarial loss (gain) [1]	**-**	-	**2**	2	**(14)**	(15)
Costs recognized [2]	**(6)**	33	**16**	14	**104**	101

[1] The net impact of amortization of past service costs and net actuarial loss (gain) is recognized as an increase (decrease) to other comprehensive income. This decrease for the six months ended June 30, 2025 was partially offset by a decrease in the Pension and OPEB Regulatory Liability of $9 million (six months ended June 30, 2024 – an increase in the Pension and OPEB Regulatory Asset of $11 million).

[2] These pension and OPEB costs for the six months ended June 30, 2025 exclude the net addition of costs of $41 million resulting from the recognition of changes in the regulatory assets or liabilities for the Pension & OPEB Cost Variance Account, the Pension & OPEB Cash Versus Accrual Differential Deferral Account and the Pension & OPEB Cash Payment Variance Account (six months ended June 30, 2024 – net addition of costs of $34 million).

9. RISK MANAGEMENT AND DERIVATIVES

OPG is exposed to risks related to changes in market interest rates on debt, movements in foreign currency that affect the Company's assets, liabilities and forecasted transactions, and fluctuations in commodity prices. Select derivative instruments are used to manage such risks. Derivatives are used as hedging instruments, as well as for trading purposes.

Interest Rates

Interest rate risk is the risk that the value of assets and liabilities can change due to movements in interest rates. Interest rate risk for OPG arises with the need to refinance existing debt or undertake new financing. The management of these risks includes using derivatives to hedge the exposure in accordance with corporate risk management policies. OPG periodically uses interest rate swap agreements to mitigate elements of interest rate risk exposure associated with anticipated financing.

Foreign Exchange

OPG's financial results are exposed to volatility in the Canadian/US foreign exchange rate as certain materials, services and fuels purchased for generating stations and major development projects, as well as debt issuances, may be denominated in, or tied to, US dollars. To manage this risk, the Company employs various financial instruments such as forwards and other derivative contracts, in accordance with approved corporate risk management policies. Additionally, volatility in the Canadian/US foreign exchange rate also impacts OPG's financial results from certain of its subsidiaries, whose operations are based exclusively in the United States (US).

Commodity Prices

OPG is exposed to fluctuations in commodity prices. Changes in the market prices of nuclear fuels, oil, gas and biomass used to produce electricity can adversely impact OPG's earnings and cash flow provided by operating activities. To manage the risk of unpredictable increases in the price of fuels, the Company has fuel hedging programs, which include using fixed price and indexed contracts.

A number of OPG's hydroelectric facilities in the US sell into the wholesale electricity market, and therefore are subject to volatility of wholesale electricity market pricing. Revenue from these facilities represents a small portion of OPG's overall revenue. The Company may enter into derivative instruments from time to time to further mitigate this risk.

Credit

The Company's credit risk exposure is primarily a function of its electricity and other sales. The majority of OPG's revenue is derived from electricity sales through the IESO administered market. Market participants in the IESO market provide collateral in accordance with the IESO prudential support requirements to cover funds that they might owe to the market. Although the credit exposure to the IESO represents a significant portion of OPG's accounts receivable, the risk is considered acceptable due to the IESO's primary role in the Ontario electricity market. The remaining receivables exposure is to a diverse group of generally high quality counterparties. OPG's allowance for doubtful accounts was $1 million as at June 30, 2025 (December 31, 2024 – less than $1 million).

The fair value of the derivative instruments totalled a net liability of $10 million as at June 30, 2025 (December 31, 2024 − net liability of $17 million).

10. FAIR VALUE MEASUREMENTS

OPG is required to classify fair value measurements using a fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels, based on the inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: Valuation of inputs is based on unadjusted quoted market prices observed in active markets for identical assets or liabilities.
- Level 2: Valuation is based on inputs other than quoted prices under Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Valuation is based on inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices as at the interim consolidated balance sheet dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by OPG is the current bid price. These instruments are included in Level 1 and consist primarily of equity investments and fund investments.

For financial instruments for which quoted market prices are not directly available, fair values are estimated using forward price curves developed from observable market prices or rates. The estimation of fair value may include the use of valuation techniques or models, based wherever possible on assumptions supported by observable market prices or rates prevailing as at the interim consolidated balance sheet dates. This is the case for over-the-counter derivatives and securities, which include energy commodity derivatives, foreign exchange derivatives, interest rate swap derivatives and fund investments. Various other fund investments are valued at the unit values supplied by the fund administrators. The unit values represent the underlying net assets at fair values, determined using closing market prices. Valuation models use general assumptions and market data and, therefore, do not reflect the specific risks and other factors that would affect a particular instrument's fair value. The methodologies used for calculating the fair value adjustments are reviewed on an ongoing basis to ensure that they remain appropriate. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques are used to value these instruments. Significant Level 3 inputs include recent comparable transactions, comparable benchmark information, bid/ask spread of similar transactions and other relevant factors.

A summary of OPG's financial instruments and their fair value as at June 30, 2025 and December 31, 2024 was as follows:

	Fair Value		Carrying Value [1]		
(millions of dollars)	**2025**	**2024**	**2025**	**2024**	**Balance Sheet Line Item**
Nuclear Segregated Funds (includes current portion) [2]	**22,864**	22,412	**22,864**	22,412	Nuclear fixed asset removal and nuclear waste management funds
Loan receivable – from Fair Hydro Trust	**825**	828	**901**	902	Loan receivable from related party
Investment in Hydro One Limited Shares	**152**	159	**152**	159	Equity securities
Long-term debt (includes current portion)	**(9,867)**	(11,204)	**(12,445)**	(11,707)	Long-term debt
Other financial instruments	**156**	129	**156**	129	Various

[1] The carrying values of other financial instruments included in cash and cash equivalents, receivables from related parties, other current assets, short-term debt, and accounts payable, accrued charges and other payables approximate their fair values due to the immediate or short-term maturity of these financial instruments.

[2] The Nuclear Segregated Funds are comprised of the Decommissioning Segregated Fund and the Used Fuel Segregated Fund. OPG's fair value of the Nuclear Segregated Funds is set not to exceed an amount equal to the funding liability pursuant to the Ontario Nuclear Funds Agreement when the Nuclear Segregated Funds are in a surplus position.

The fair value of OPG's long-term debt issued under the Medium Term Note Program is based on indicative pricing from the market. The fair value of these debt instruments is based on Level 2 inputs. The fair value of all other long-term debt instruments is determined based on a conventional pricing model, which is a function of future cash flows, the current market yield curve and term to maturity. These inputs are considered Level 2 inputs.

The following tables present financial assets and financial liabilities measured at fair value in accordance with the fair value hierarchy:

As at	**June 30, 2025**			
(millions of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Used Fuel Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	**6,772**	**7,280**	**-**	**14,052**
Investments measured at NAV [1]				**4,903**
				18,955
Due to Province				**(5,949)**
Used Fuel Segregated Fund, net				**13,006**
Decommissioning Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	**5,190**	**5,572**	**-**	**10,762**
Investments measured at NAV [1]				**3,834**
				14,596
Due to Province				**(4,738)**
Decommissioning Segregated Fund, net				**9,858**
Equity securities	**152**	**-**	**-**	**152**
Other financial assets	**96**	**-**	**98**	**194**
Liabilities				
Other financial liabilities	**(38)**	**-**	**-**	**(38)**

As at	**December 31, 2024**			
(millions of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Used Fuel Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	7,030	6,676	-	13,706
Investments measured at NAV [1]				4,722
				18,428
Due to Province				(5,691)
Used Fuel Segregated Fund, net				12,737
Decommissioning Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	5,362	5,156	-	10,518
Investments measured at NAV [1]				3,702
				14,220
Due to Province				(4,545)
Decommissioning Segregated Fund, net				9,675
Equity securities	159	-	-	159
Other financial assets	73	-	97	170
Liabilities				
Other financial liabilities	(41)	-	-	(41)

[1] Represents investments measured at fair value using NAV as a practical expedient, which have not been classified in the fair value hierarchy. The fair value amounts for these investments presented in this table are intended to permit the reconciliation of the fair value hierarchy to amounts presented on the interim consolidated balance sheets.

During the six months ended June 30, 2025, there were no transfers between Level 1 and Level 2 and into or out of Level 3.

The changes in the net assets measured at fair value that are classified as Level 3 financial instruments for the six months ended June 30, 2025 were as follows:

(millions of dollars)	**Other financial instruments**
Opening balance, January 1, 2025	**97**
Realized losses included in revenue	**(1)**
Unrealized losses included in revenue	**(5)**
Purchases	**7**
Closing balance, June 30, 2025	**98**

Investments Measured at Net Asset Value

Nuclear Segregated Funds

Nuclear Segregated Funds' investments classified as Level 3 consist of real estate, infrastructure, other real assets and private debt investments. The fair value of these investments is determined using financial information as provided by the general partners of the limited partnership funds in which the Nuclear Segregated Funds are invested. Direct investments are valued using appropriate valuation techniques, such as recent arm's-length market transactions, references to current fair values of other instruments that are substantially the same, discounted cash flow analyses, third-party independent appraisals, valuation multiples, or other valuation methods. Any control, size, liquidity or other discount premiums on the investments are considered in the determination of fair value.

The process of valuing investments for which no published market price exists is based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for these investments. The values may also differ from the prices at which the investments may be sold.

The classes of investments within the Nuclear Segregated Funds that are reported on the basis of Net Asset Value (NAV) as at June 30, 2025 were as follows:

(millions of dollars except where noted)	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice**
Real Assets				
Infrastructure	**4,751**	**1,579**	**n/a**	**n/a**
Real Estate	**3,295**	**1,180**	**n/a**	**n/a**
Private Debt	**257**	**699**	**n/a**	**n/a**
Other	**434**	**16**	**n/a**	**n/a**
Pooled Funds				
Fixed Income	**2,394**	**n/a**	**Daily**	**1-5 days**
Equity	**1,031**	**n/a**	**Daily**	**1-5 days**
Total	**12,162**	**3,474**		

The fair value of the pooled funds is classified as Level 2. Infrastructure, real estate, other real assets, private debt and other investments are measured using NAV as a practical expedient for determining their fair value.

11. COMMITMENTS AND CONTINGENCIES

Litigation

Various legal proceedings are pending against OPG or its subsidiaries covering a wide range of matters that arise in the ordinary course of business activities. Each of these matters are subject to various uncertainties. Some of these matters may be resolved unfavourably. While it is not possible to determine the ultimate outcome of the various pending actions, it is the Company's belief that their resolution is not likely to have a material adverse impact on its interim consolidated financial position.

Guarantees

As at June 30, 2025, the total amount of guarantees provided by OPG was nil (December 31, 2024 - $30 million).

Contractual Obligations

OPG's contractual obligations as at June 30, 2025 were as follows:

(millions of dollars)	**2025** [1]	**2026**	**2027**	**2028**	**2029**	**Thereafter**	**Total**
Fuel supply agreements	46	211	207	144	136	321	1,065
Contributions to the OPG registered pension plan [2]	60	128	-	-	-	-	188
Long-term debt repayment	524	674	530	255	505	10,006	12,494
Interest on long-term debt	238	464	453	433	423	5,842	7,853
Short-term debt repayment	900	-	-	-	-	-	900
Commitments related to Darlington Refurbishment project [3]	154	-	-	-	-	-	154
Commitments related to Atura Power development projects [3]	248	113	10	9	-	-	380
Commitments related to Pickering Refurbishment project [3]	428	-	-	-	-	-	428
Commitments related to Darlington New Nuclear Project [3]	235	-	-	-	-	-	235
Operating licences	30	61	63	61	62	179	456
Operating lease obligations	13	14	12	4	3	36	82
Accounts payable, accrued charges and other payables	1,732	9	10	9	10	284	2,054
Other	51	85	49	35	21	89	330
Total	4,659	1,759	1,334	950	1,160	16,757	26,619

1 Represents amounts for the remainder of the year.
2 Represents the estimated pension contributions consistent with the period covered by the actuarial valuation of the OPG registered pension plan as at January 1, 2024. The next actuarial valuation of the OPG registered pension plan must have an effective date no later than January 1, 2027. Funding requirements after January 1, 2027 are excluded due to significant variability in the assumptions required to project the timing of future cash flows.
3 Represents estimated currently committed costs to close the projects, including accruals for completed work, demobilization of project staff and cancellation of existing contracts and material orders.

Contractual and commercial commitments as noted exclude certain purchase orders, as they represent purchase authorizations rather than legally binding contracts, and are subject to change without significant penalties.

12. BUSINESS SEGMENTS

For a detailed description of each reportable business segment, measure of profit and loss and the Company's Chief Operating Decision Maker, refer to OPG's annual consolidated financial statements as at and for the year ended December 31, 2024.

Segment Income (Loss) For the Three Months Ended June 30, 2025 *(millions of dollars)*	**Regulated**			**Unregulated**				
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Elimination**	**Total**
Revenue	**1,129**	**-**	**431**	**243**	**194**	**1**	**-**	**1,998**
Leasing revenue	**7**	**-**	**-**	**-**	**-**	**2**	**-**	**9**
Other revenue	**(1)**	**35**	**-**	**2**	**-**	**50**	**(61)**	**25**
Total revenue	**1,135**	**35**	**431**	**245**	**194**	**53**	**(61)**	**2,032**
Fuel expense	**79**	**-**	**91**	**32**	**82**	**-**	**-**	**284**
Gross margin	**1,056**	**35**	**340**	**213**	**112**	**53**	**(61)**	**1,748**
Operations, maintenance and administration expenses	**443**	**35**	**109**	**75**	**30**	**29**	**(61)**	**660**
Depreciation and amortization expenses	**196**	**-**	**66**	**42**	**32**	**19**	**-**	**355**
Accretion on fixed asset removal and nuclear waste management liabilities	**-**	**308**	**-**	**3**	**-**	**-**	**-**	**311**
Earnings on nuclear fixed asset removal and nuclear waste management funds	**-**	**(280)**	**-**	**-**	**-**	**-**	**-**	**(280)**
Property taxes	**6**	**-**	**-**	**5**	**1**	**-**	**-**	**12**
Other losses (gains)	**4**	**-**	**8**	**(19)**	**1**	**(3)**	**-**	**(9)**
Income (loss) before interest and income taxes	**407**	**(28)**	**157**	**107**	**48**	**8**	**-**	**699**
Net interest expense								**52**
Income before income taxes								**647**
Income tax expense								**100**
Net income								**547**

Segment Income (Loss) For the Three Months Ended June 30, 2024 *(millions of dollars)*	**Regulated**			**Unregulated**				
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Elimination**	**Total**
Revenue	873	-	403	211	172	-	-	1,659
Leasing revenue	7	-	-	-	-	2	-	9
Other revenue	-	44	-	1	-	45	(67)	23
Total revenue	880	44	403	212	172	47	(67)	1,691
Fuel expense	79	-	88	13	60	-	-	240
Gross margin	801	44	315	199	112	47	(67)	1,451
Operations, maintenance and administration expenses	619	44	103	79	30	32	(67)	840
Depreciation and amortization expenses	157	-	47	50	30	20	-	304
Accretion on fixed asset removal and nuclear waste management liabilities	-	302	-	2	-	1	-	305
Earnings on nuclear fixed asset removal and nuclear waste management funds	-	(274)	-	-	-	-	-	(274)
Property taxes	7	-	1	4	-	-	-	12
Other losses (gains)	4	-	5	(1)	-	13	-	21
Income (loss) before interest and income taxes	14	(28)	159	65	52	(19)	-	243
Net interest expense								51
Income before income taxes								192
Income tax expense								26
Net income								166

Segment Income (Loss) For the Six Months Ended June 30, 2025 *(millions of dollars)*	**Regulated**			**Unregulated**				
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric Other Generation**	**Atura Power**	**Other**	**Elimination**	**Total**
Revenue	**2,261**	**-**	**839**	**474**	**538**	**13**	**-**	**4,125**
Leasing revenue	**14**	**-**	**-**	**-**	**-**	**3**	**-**	**17**
Other revenue	**(1)**	**71**	**-**	**1**	**-**	**98**	**(122)**	**47**
Total revenue	**2,274**	**71**	**839**	**475**	**538**	**114**	**(122)**	**4,189**
Fuel expense	**161**	**-**	**163**	**55**	**277**	**-**	**-**	**656**
Gross margin	**2,113**	**71**	**676**	**420**	**261**	**114**	**(122)**	**3,533**
Operations, maintenance and administration expenses	**948**	**71**	**210**	**153**	**53**	**58**	**(122)**	**1,371**
Depreciation and amortization expenses	**390**	**-**	**132**	**83**	**65**	**40**	**-**	**710**
Accretion on fixed asset removal and nuclear waste management liabilities	**-**	**618**	**-**	**5**	**1**	**-**	**-**	**624**
Earnings on nuclear fixed asset removal and nuclear waste management funds	**-**	**(564)**	**-**	**-**	**-**	**-**	**-**	**(564)**
Property taxes	**13**	**-**	**-**	**10**	**1**	**1**	**-**	**25**
Other losses (gains)	**7**	**-**	**8**	**(19)**	**1**	**(22)**	**-**	**(25)**
Income (loss) before interest and income taxes	**755**	**(54)**	**326**	**188**	**140**	**37**	**-**	**1,392**
Net interest expense								**108**
Income before income taxes								**1,284**
Income tax expense								**228**
Net income								**1,056**

Segment Income (Loss) For the Six Months Ended June 30, 2024 *(millions of dollars)*	**Regulated**			**Unregulated**				
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Elimination**	**Total**
Revenue	1,766	-	787	415	407	9	-	3,384
Leasing revenue	14	-	-	-	-	3	-	17
Other revenue	-	80	-	7	-	96	(126)	57
Total revenue	1,780	80	787	422	407	108	(126)	3,458
Fuel expense	144	-	158	26	165	-	-	493
Gross margin	1,636	80	629	396	242	108	(126)	2,965
Operations, maintenance and administration expenses	1,292	80	204	151	50	59	(126)	1,710
Depreciation and amortization expenses	318	-	93	93	60	40	-	604
Accretion on fixed asset removal and nuclear waste management liabilities	-	605	-	4	1	1	-	611
Earnings on nuclear fixed asset removal and nuclear waste management funds	-	(545)	-	-	-	-	-	(545)
Property taxes	13	-	1	9	1	-	-	24
Other losses (gains)	4	-	5	(4)	-	13	-	18
Income (loss) before interest and income taxes	9	(60)	326	143	130	(5)	-	543
Net interest expense								96
Income before income taxes								447
Income tax expense								56
Net income								391

Selected Interim Consolidated Balance Sheets information as at June 30, 2025 *(millions of dollars)*	**Regulated**			**Unregulated**			
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Total**
Segment property, plant and equipment in-service, net	**14,019**	**-**	**8,201**	**6,176**	**2,973**	**260**	**31,629**
Segment construction in progress	**4,629**	**-**	**582**	**146**	**981**	**343**	**6,681**
Segment property, plant and equipment, net	**18,648**	**-**	**8,783**	**6,322**	**3,954**	**603**	**38,310**
Segment intangible assets in-service, net	**48**	**-**	**2**	**234**	**92**	**147**	**523**
Segment development in progress	**22**	**-**	**-**	**1**	**-**	**19**	**42**
Segment intangible assets, net	**70**	**-**	**2**	**235**	**92**	**166**	**565**
Segment goodwill	**-**	**-**	**-**	**218**	**-**	**-**	**218**
Segment fuel inventory	**341**	**-**	**-**	**28**	**33**	**-**	**402**
Segment materials and supplies inventory							
Current	**178**	**-**	**-**	**3**	**-**	**-**	**181**
Long-term	**327**	**-**	**-**	**1**	**-**	**-**	**328**
Nuclear fixed asset removal and nuclear waste management funds (current and non-current portions)	**-**	**22,864**	**-**	**-**	**-**	**-**	**22,864**
Loan receivable	**-**	**-**	**-**	**-**	**-**	**901**	**901**
Fixed asset removal and nuclear waste management liabilities	**-**	**(26,087)**	**-**	**(158)**	**(55)**	**(52)**	**(26,352)**

Selected Consolidated Balance Sheets information as at December 31, 2024 *(millions of dollars)*	**Regulated**			**Unregulated**			
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Total**
Segment property, plant and equipment in-service, net	14,046	-	8,189	6,322	3,033	224	31,814
Segment construction in progress	3,139	-	398	140	426	214	4,317
Segment property, plant and equipment, net	17,185	-	8,587	6,462	3,459	438	36,131
Segment intangible assets in-service, net	48	-	2	244	95	145	534
Segment development in progress	18	-	-	1	-	37	56
Segment intangible assets, net	66	-	2	245	95	182	590
Segment goodwill	-	-	-	230	-	-	230
Segment fuel inventory	231	-	-	39	27	-	297
Segment materials and supplies inventory							
Current	142	-	-	3	-	-	145
Long-term	352	-	-	3	-	-	355
Nuclear fixed asset removal and nuclear waste management funds (current and non-current portions)	-	22,412	-	-	-	-	22,412
Loan receivable	-	-	-	-	-	902	902
Fixed asset removal and nuclear waste management liabilities	-	(25,773)	-	(161)	(54)	(54)	(26,042)

Segment Capital Expenditure	**Regulated**			**Unregulated**			
(millions of dollars)	**Nuclear Generation**	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Total**
Three months ended June 30, 2025							
Investment in property, plant and equipment and intangible assets	**818**	**-**	**167**	**35**	**390**	**90**	**1,500**
Net change in accruals and other non-cash items							**34**
Investment in property, plant and equipment and intangible assets – cash flow							**1,534**
Three months ended June 30, 2024							
Investment in property, plant and equipment and intangible assets	703	-	86	45	126	33	993
Net change in accruals and other non-cash items							57
Investment in property, plant and equipment and intangible assets – cash flow							1,050

Segment Capital Expenditure	**Regulated**			**Unregulated**			
(millions of dollars)	**Nuclear Generation**	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Total**
Six months ended June 30, 2025							
Investment in property, plant and equipment and intangible assets	**1,758**	**-**	**291**	**69**	**557**	**167**	**2,842**
Net change in accruals and other non-cash items							**(226)**
Investment in property, plant and equipment and intangible assets – cash flow							**2,616**
Six months ended June 30, 2024							
Investment in property, plant and equipment and intangible assets	1,204	-	159	98	200	58	1,719
Net change in accruals and other non-cash items							11
Investment in property, plant and equipment and intangible assets – cash flow							1,730

13. NET CHANGES IN NON-CASH WORKING CAPITAL BALANCES

	Six Months Ended June 30	
(millions of dollars)	**2025**	**2024**
Receivables from related parties	**34**	98
Fuel inventory	**(99)**	(33)
Materials and supplies	**(36)**	(3)
Prepaid expenses	**13**	(18)
Other current assets	**51**	10
Accounts payable, accrued charges and other payables	**170**	(69)
Net changes in non-cash working capital balances	**133**	(15)