News
from Ontario Power Generation

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May 5, 2026

OPG Reports 2026 First Quarter Financial Results

Continued progress made on clean energy projects; major financing milestones advanced

Oshawa, ON – Ontario Power Generation Inc. (OPG or Company) today reported its financial and operating results for the first quarter of 2026, with net income attributable to the Shareholder of $475 million largely consistent with net income of $505 million for the same period last year.

Project Milestones Advanced on Major Nuclear Projects

Darlington Nuclear Generating Station's (Darlington GS) Unit 4 safely returned to service in March 2026, ahead of schedule and below the project's $12.8 billion budget. With all four units refurbished, the station is now positioned to meet Ontario's growing clean energy needs for at least another 30 years.

Building on this momentum, the Darlington New Nuclear Project (DNNP) achieved major construction and regulatory milestones, including the Canadian Nuclear Safety Commission's (CNSC) authorization in April 2026 to remove the first Regulatory Hold Point under the licence to construct, and the successful 900+ tonne lift and installation of the Unit 1 reactor building basemat. This enables OPG to commence civil construction of the reactor building and its internal structures, systems and components.

OPG also submitted the first phase of DNNP's 20-year Licence to Operate application to the CNSC in March 2026, initiating an approximately two-year review process with public hearings and supporting a timely transition from construction to commissioning and operations.

"The lessons we learned on the Darlington Refurbishment – including robust practice and training ahead of project execution and openness to innovation to achieve schedule gains while not compromising safety and quality – were key to the project's success," said Nicolle Butcher, OPG President and CEO. "We'll apply what we learned on the Darlington Refurbishment to deliver success as we build out the DNNP and other clean energy infrastructure needed to help power Ontario now and into the future."

Provincial and Federal Support for Clean Energy Projects

Having committed to provide a $5 billion equity injection over the 2025-2027 timeframe toward OPG's overall financing needs, the Province of Ontario provided the second $1 billion tranche of this funding to OPG, in exchange for shares, in April 2026, per the arrangement. Also in April 2026, OPG received funding totalling approximately $585 million from the federal Canada Growth Fund and the provincial Building Ontario Fund, representing these parties' initial investment in the DNNP, as part of a previously announced $3 billion minority equity financing arrangement through an OPG subsidiary formed for this purpose.

In March 2026, with the Budget Implementation Act receiving Royal Assent, the Government of Canada's Clean Electricity Investment Tax Credit program was legislated and is available to OPG. This refundable tax credit of up to 15% could be applied to eligible expenditures on certain clean energy projects – including small modular reactors and large-scale nuclear reactors, hydroelectric electricity generation, certain stationary electricity storage systems, including battery and pumped hydroelectric storage projects, and refurbishment of certain existing facilities.

In April 2026, credit rating agencies, DBRS Limited and S&P Global Ratings, reaffirmed OPG's credit ratings with a stable outlook as the Company continues to execute major clean energy projects. Maintaining an investment grade credit rating supports OPG's ability to access cost effective financing.

"Credit-supportive equity funding arrangements, alongside initiatives such as the Clean Electricity Investment Tax Credit program, bolster OPG's investment capacity in clean electricity projects, easing ratepayer costs and supporting Ontario's increasing electricity needs," said Butcher.

First quarter highlights include:

Net Income attributable to the Shareholder

Net income attributable to the Shareholder for the first quarter of 2026 of $475 million was largely consistent with the same quarter in 2025. The decrease of $30 million was primarily attributable to expected lower earnings from the Regulated – Nuclear Generation business segment, mainly due to revenue net of associated costs earned in 2026 from the continued operation of the Pickering Nuclear Generating Station (Pickering GS) being returned to ratepayers through a regulatory account. This was partially offset by higher revenue from the Darlington GS due to a higher nuclear base regulated price effective January 1, 2026, and higher electricity generation from the refurbished Unit 4 returning to service in March 2026.

OPG's net income outlook for 2026, which is expected to be lower than for the 2025 year, is detailed in the 2025 annual Management's Discussion and Analysis (MD&A), section, *Core Business and Outlook*, under the heading, *Outlook*.

Generating and Operating Performance

Electricity generated in the first quarter of 2026 was 23.3 terawatt hours (TWh), compared to 23.5 TWh for the same period in 2025.

Regulated – Nuclear Generation Segment

Electricity generation from the Regulated – Nuclear Generation business segment increased by 0.2 TWh during the first quarter of 2026, compared to the same quarter in 2025, primarily due to electricity generation from Unit 4 of the Darlington GS following its return to service from refurbishment in March 2026.

The Unit Capability Rates at the Darlington GS and the Pickering GS were 99.8 per cent and 99.9 per cent, respectively, for the first quarter of 2026, which were comparable to the same quarter in 2025.

Regulated – Hydroelectric Generation Segment

Electricity generation from the Regulated – Hydroelectric Generation business segment decreased by 0.6 TWh in the first quarter of 2026, compared to the same quarter in 2025, primarily due lower water flows across the regulated hydroelectric facilities in southeast Ontario during the first quarter of 2026.

Availability at the regulated hydroelectric stations for the first quarter of 2026 was comparable to the same quarter in 2025.

Contracted Generation Segment

Electricity generation from the Contracted Generation business segment decreased by 0.5 TWh in the first quarter of 2026, compared to the same quarter in 2025, primarily due to the sale of the hydroelectric and solar electricity generation business in the United States, which was completed in January 2026.

Availability of the hydroelectric stations in the business segment decreased to 77.9 per cent for the first quarter of 2026, compared to 88.1 per cent for the same quarter in 2025. The decrease was primarily due to higher outage days at the Lower Mattagami hydroelectric generating stations.

Atura Power Segment

Electricity generation from the Atura Power business segment increased by 0.7 TWh during the first quarter of 2026, compared to the same quarter in 2025, primarily due to higher demand for electricity generation from the combined cycle plants.

Thermal Availability of the generating stations in the segment for the first quarter of 2026 was 96.4 per cent, compared to 91.9 per cent for the same quarter in 2025. The increase was primarily due to fewer planned outages at the Brighton Beach generating station.

Generation Development Projects

Further details on OPG's Darlington Refurbishment Project, the DNNP and other generation development projects can be found in the MD&A as at and for the three months ended March 31, 2026, section, *Highlights* under the heading, *Major Generation Development Projects in Execution Phase*.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	Three Months Ended March 31	
(millions of dollars – except where noted)	**2026**	**2025**
Revenue	**1,912**	2,157
Fuel expense	**408**	372
Operations, maintenance and administration expenses	**531**	711
Depreciation and amortization expenses	**351**	355
Accretion on fixed asset removal and nuclear waste management liabilities	**321**	313
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(295)**	(284)
Other net expenses (gain)	**2**	(3)
Earnings before interest and income taxes	**594**	693
Net interest expense	**51**	56
Income tax expense	**63**	128
Net Income	**480**	509
Net income attributable to the Shareholder	**475**	505
Net income attributable to non-controlling interest [1]	**5**	4
Earnings (loss) before interest and income taxes		
Electricity generating business segments	**595**	690
Regulated – Nuclear Sustainability Services	**(23)**	(26)
Other	**22**	29
Earnings before interest and income taxes	**594**	693
Cash flow provided by operating activities	**337**	754
Capital expenditures [2]	**1,674**	1,342
Capital placed in service	**2,058**	223
Electricity generation (TWh)		
Regulated – Nuclear Generation	**10.1**	9.9
Regulated – Hydroelectric Generation	**7.9**	8.5
Contracted Generation [3, 4]	**0.7**	1.2
Atura Power	**4.6**	3.9
Total OPG electricity generation	**23.3**	23.5
Nuclear unit capability rate (per cent) [5]		
Darlington GS [6]	**99.8**	98.9
Pickering GS	**99.9**	98.5
Availability (per cent) [7]		
Regulated – Hydroelectric Generation	**85.3**	85.7
Contracted Generation [4] – hydroelectric stations	**77.9**	88.1
Atura Power	**96.4**	91.9

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 During the first quarter of 2026, OPG renamed its Contracted Hydroelectric and Other Generation business segment to the Contracted Generation business segment to reflect the nature of the segment following the completion of the sale of the hydroelectric and solar electricity generation and development assets in the United States (Eagle Creek). For the prior periods presented, operating results from Eagle Creek are included within the Contracted Generation segment.

5 Nuclear unit capability rate 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, adjusted for planned energy losses.

6 Excludes nuclear unit(s) during the period in which they are undergoing refurbishment. Accordingly, Unit 4 of the Darlington GS was excluded from the reported planned and unplanned outage days during its refurbishment period of July 19, 2023 to March 12, 2026.

7 For hydroelectric generating stations, availability represents the percentage of time a 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. For Atura Power, availability represents the percentage of time a generating unit at a combined cycle plant 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.

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.

OPG's unaudited interim consolidated financial statements and Management's Discussion and Analysis as at and for the three months ended March 31, 2026, 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

2026 FIRST QUARTER REPORT

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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 months ended March 31, 2026. 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 significant accounting policies and critical accounting 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, 2025.

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 December 2025, the OSC approved an exemption which allows the Company to continue to apply US GAAP up to January 1, 2032. The term of the exemption is subject to certain conditions, which may result in the expiry of the exemption prior to January 1, 2032. For details, refer to the section, *Significant Accounting Policies and Critical Accounting Estimates* under the heading, *Exemptive Relief for Reporting under US GAAP*, in OPG's 2025 annual MD&A. This MD&A is dated May 5, 2026.

Additional information about OPG, including the Company's Annual Information Form (AIF), 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, *Business Developments 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 including timing and satisfaction of closing conditions and other business expansion opportunities, performance of acquired businesses, divestiture transactions including timing and satisfaction of closing conditions, 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), 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 and transactions, applications to the Ontario Energy Board (OEB) for regulated prices, the impact of regulatory decisions by the OEB and other regulatory bodies, 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";
- "Gross Margin"; and
- "Project Costs Performance".

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 similar measures presented by 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). OPG's electricity generation portfolio had an in-service generating capacity of 18,365 megawatts (MW) as at March 31, 2026.

As at March 31, 2026, 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 owned and operated through the Company's subsidiary operating as Atura Power. Through the Company's subsidiary, DNNP LP, OPG is also constructing the first grid-scale small modular reactor (SMR) at the Darlington New Nuclear Project (DNNP) site in Ontario, Canada.

In addition, as at March 31, 2026, OPG owned two nuclear generating stations in Ontario, Canada, the Bruce A GS and the Bruce B GS (Bruce nuclear generating stations), which are leased on a long-term basis to, and operated by, Bruce Power L.P. (Bruce Power). These leased stations are not included in the Company's electricity generation and other operating statistics set out in this MD&A.

Reporting Structure and Business Segments

The composition of OPG's reportable business segments effective as at March 31, 2026 was as follows:

- Regulated – Nuclear Generation;
- Regulated – Nuclear Sustainability Services;
- Regulated – Hydroelectric Generation;
- Contracted 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.

During the first quarter of 2026, OPG renamed its Contracted Hydroelectric and Other Generation business segment to the Contracted Generation business segment to reflect the nature of the segment following the completion of the sale of the hydroelectric and solar electricity generation and development assets in the United States (Eagle Creek). For the prior periods presented, operating results from Eagle Creek are included within the Contracted Generation segment.

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. The Pickering GS is expected to be taken offline in September 2026 in preparation for the refurbishment of the station's Units 5 to 8. Units 1 to 4 of the Pickering GS have been permanently shut down and have been or are being placed in a safe storage state.

OPG's quarterly electricity generation from the Regulated – Hydroelectric Generation, Contracted 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 a regulatory variance account authorized by the OEB.

The financial impact of variability in electricity generation from the Contracted Generation business segment and the Atura Power business segment is largely 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 was as follows:

	As At	
(MW)	**March 31 2026**	**December 31 2025**
Regulated – Nuclear Generation [1]	**5,576**	4,698
Regulated – Hydroelectric Generation [2]	**6,566**	6,572
Contracted Generation [2, 3]	**3,381**	4,083
Atura Power	**2,842**	2,743
Total [4]	**18,365**	18,096

[1] The in-service generating capacity as at December 31, 2025 excludes Unit 4 of the Darlington GS. Unit 4 was taken offline for refurbishment in July 2023 and returned to service in March 2026. Unit 4 has a generating capacity of 878 MW. As at March 31, 2026, both the Darlington GS 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 generating 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 held through Eagle Creek as at December 31, 2025. Eagle Creek's in-service generating capacity included 698 MW from hydroelectric generating stations and 3 MW from an owned and operated solar facility placed in service in December 2025. Effective January 9, 2026, OPG completed the sale of Eagle Creek.

[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 generating stations are excluded from electricity generation and operating statistics set out in this MD&A.

During the three months ended March 31, 2026, the total in-service generating capacity increased by 269 MW. The increase was primarily due to the return to service of Unit 4 of the Darlington nuclear generating station (Darlington GS) following refurbishment on March 12, 2026, and the completion of the contractual generating capacity upgrades at the Brighton Beach GS and the Portlands Energy Center reported under the Atura Power business segment. The increase was partially offset by the sale of Eagle Creek, leading to OPG no longer having electricity generation facilities in the United States.

Regulated Operations

For the regulated business segments, OPG's performance 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 the regulated facilities in Ontario for the period from January 1, 2025 to December 31, 2026 in effect as of the date of this MD&A:

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

[1] Base regulated prices for the nuclear facilities for the 2022-2026 period were established using a rate smoothing approach that deferred, in certain years, a portion of approved annual nuclear revenue requirements 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 deferral and variance accounts (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.

In December 2025, the Province amended *Ontario Regulation 53/05* under the *Ontario Energy Board Act, 1998* (*Ontario Regulation 53/05*) to prescribe DNNP LP as a new OEB rate regulated electricity generator, subject to the OEB's satisfaction that DNNP LP has met certain conditions, and to set out certain additional requirements the OEB must follow in setting regulated prices for the DNNP SMR facilities and OPG's existing nuclear facilities. Among these new requirements, the Province amended *Ontario Regulation 53/05* to establish a mechanism for recovery through regulated prices of interest amounts in respect of the capital expenditures on the refurbishment of Units 5 to 8 of the Pickering nuclear generating station (Pickering GS) and the capital expenditures on the DNNP prior to such assets being placed in service, effective January 1, 2026. Under the mechanism, the OEB-approved revenue requirement used to set regulated prices for OPG's existing nuclear facilities and the DNNP facilities must include an amount equal to the product of such forecast cumulative capital expenditures and OPG's cost of long-term borrowing approved by the OEB. The amendments also established variance accounts for OPG to record, as applicable and including in respect of DNNP LP, the differences between such forecast interest amounts and the amounts determined by multiplying such actual cumulative capital expenditures by OPG's cost of long-term borrowing as approved by the OEB, effective January 1, 2026. The regulation requires the OEB to authorize disposition of the balances in these accounts, together with interest at OPG's cost of long-term borrowing approved by the OEB, on an annual basis in the year following the year in which the amounts are recorded in the account.

In December 2025, OPG filed a five-year application with the OEB for new regulated prices for electricity generated from OPG's regulated hydroelectric and nuclear facilities, including for the DNNP SMR facilities on behalf of DNNP LP, with a proposed effective date of January 1, 2027. The application reflects the December 2025 amendments to *Ontario Regulation 53/05.* The OEB has processed OPG's application and the public proceeding is in progress.

HIGHLIGHTS

Overview of Results

This section provides an overview of OPG's unaudited interim consolidated operating results for the three months ended March 31, 2026, compared to the same period in 2025. 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 March 31** **2026**	**2025**
Revenue	**1,912**	2,157
Fuel expense	**408**	372
Operations, maintenance and administration expenses	**531**	711
Depreciation and amortization expenses	**351**	355
Accretion on fixed asset removal and nuclear waste management liabilities	**321**	313
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(295)**	(284)
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Earnings before interest and income taxes	**594**	693
Net interest expense	**51**	56
Income tax expense	**63**	128
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Net income attributable to the Shareholder	**475**	505
Net income attributable to non-controlling interest [1]	**5**	4
Electricity generation (TWh) [2]	**23.3**	23.5
Cash flow provided by operating activities	**337**	754
Capital expenditures [3]	**1,674**	1,342
Capital placed in service	**2,058**	223
Earnings (loss) before interest and income taxes by segment		
Regulated – Nuclear Generation	**232**	348
Regulated – Hydroelectric Generation	**182**	169
Contracted Generation [4]	**75**	81
Atura Power	**106**	92
Total electricity generating business segments	**595**	690
Regulated – Nuclear Sustainability Services	**(23)**	(26)
Other	**22**	29
Earnings before interest and income taxes	**594**	693

[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.

Net income attributable to the Shareholder was $475 million for the first quarter of 2026, representing a decrease of $30 million compared to the same period in 2025. Earnings before interest and income taxes (EBIT) were $594 million for the first quarter of 2026, representing a decrease of $99 million compared to the same period in 2025.

Significant factor that decreased EBIT:

- A reduction in earnings from the Regulated – Nuclear Generation business segment, as anticipated, due to $249 million in revenues, net of associated fuel expense and OM&A expenses, earned from the electricity generated by Units 5 to 8 of the Pickering GS during the first quarter of 2026 being recorded in a regulatory account established by *Ontario Regulation 53/05,* in order to subsequently return these amounts to customers.

Significant factors that increased EBIT:

- Net increase of $100 million in revenue from the Regulated – Nuclear Generation business segment, due to a higher base regulated price effective January 1, 2026 for the OPG's nuclear electricity generation ("nuclear base regulated price") facilities, and higher electricity generation of 0.4 terawatt hours (TWh), as a result of the return to service of Unit 4 of the Darlington GS following refurbishment in March 2026; and
- Higher gross margin of $23 million from the Atura Power business segment, as a result of higher demand for electricity generation from the combined cycle plants.

Net interest expense decreased by $5 million in the first quarter of 2026, compared to the same period in 2025. The decrease was mainly due to higher amount of interest costs capitalized related to increased project expenditures, including the Darlington Refurbishment project, Atura Power development projects and refurbishments across the regulated hydroelectric fleet, largely offset by a decrease in interest expense capitalized to the Pickering Refurbishment project and the DNNP capital expenditures in 2026, a higher interest expense on the Company's long-term debt due to bond issuances during 2024 and the first quarter of 2025, and higher interest earned on the Company's cash and cash equivalents balance in 2026.

During the first quarter of 2026, OPG recognized revenue as a result of the Province's December 2025 amendment to *Ontario Regulation 53/05*, which enables the recovery of interest amounts on capital expenditures for the Pickering Refurbishment project and the DNNP through regulated prices prior to such assets being placed in service, effective January 1, 2026. As a result of such revenue being recognized concurrently with the capital expenditures, effective January 1, 2026, interest costs are no longer capitalized for these projects.

Income tax expense decreased by $65 million in the first quarter of 2026, compared to the same period in 2025. The decrease was primarily due to a higher amount of income tax expense deferred as regulatory assets and the impact of lower earnings before income taxes.

Electricity Generation

Electricity generation for the three months ended March 31 was as follows:

	Three Months Ended March 31	
(TWh)	**2026**	**2025**
Regulated – Nuclear Generation	**10.1**	9.9
Regulated – Hydroelectric Generation	**7.9**	8.5
Contracted Generation [1]	**0.7**	1.2
Atura Power	**4.6**	3.9
Total OPG electricity generation	**23.3**	23.5

[1] Includes OPG's proportionate share of electricity generation from co-owned and minority shareholdings in electricity generating facilities for the three months ended March 31, 2025.

Total OPG electricity generation decreased by 0.2 TWh for the three months ended March 31, 2026, compared to the same period in 2025.

Quarter-over-quarter changes in electricity generation:

- Higher generation of 0.2 TWh from the Regulated – Nuclear Generation business segment, primarily due to electricity generation from Unit 4 of the Darlington GS following its return to service from refurbishment in March 2026;
- Lower generation of 0.6 TWh from the Regulated – Hydroelectric Generation business segment, primarily due to lower water flows across the regulated hydroelectric facilities in southeast Ontario during the first quarter of 2026;
- Lower generation of 0.5 TWh from the Contracted Generation business segment, primarily due to the sale of Eagle Creek, which was completed in January 2026; and
- Higher generation of 0.7 TWh from the Atura Power business segment, primarily due to higher demand for electricity generation from the combined cycle plants.

Ontario's electricity demand as reported by the IESO was 38.6 TWh for the three months ended March 31, 2026, compared to 37.7 TWh for the same period in 2025, excluding electricity exports out of the province.

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 months ended March 31, 2026, compared to the same period in 2025. Production forgone at OPG's regulated hydroelectric stations due to SBG conditions was nil for the three months ended March 31, 2026 and 0.1 TWh for the same period in 2025. 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 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 $337 million for the three months ended March 31, 2026, compared to $754 million for the same period in 2025. The decrease was primarily due to higher income tax installment payments, partially offset by higher revenue receipts from the Regulated – Nuclear Generation business segment.

Capital Expenditures

Capital expenditures were as follows:

(millions of dollars)	Three Months Ended March 31 **2026**	**2025**
Regulated – Nuclear Generation – Darlington Refurbishment Project	**201**	229
Regulated – Nuclear Generation – Pickering Refurbishment Project	**541**	409
Regulated – Nuclear Generation – DNNP	**304**	196
Regulated – Nuclear Generation – Excluding Darlington Refurbishment Project, Pickering Refurbishment Project and DNNP	**238**	106
Regulated – Hydroelectric Generation	**199**	124
Contracted Generation	**15**	34
Atura Power	**128**	167
Other	**48**	77
Total capital expenditures [1]	**1,674**	1,342

[1] Includes net changes in accruals.

Total capital expenditures for the three months ended March 31, 2026 were $1,674 million, representing an increase of $332 million, compared to the same period in 2025.

Quarter-over-Quarter changes in capital expenditures:

- Decrease of $28 million for the Darlington Refurbishment project, primarily due to the return to service of Unit 4 of the Darlington GS from refurbishment in March 2026;
- Increase of $132 million for the Pickering Refurbishment project due to higher expenditures on pre-execution refurbishment activities for Units 5 to 8 of the Pickering GS as the project progresses through the definition phase;
- Increase of $108 million for the DNNP due to ongoing construction activities for the first SMR, Unit 1, and infrastructure that would be common for all four planned SMRs at the DNNP site;
- Increase of $132 million related to other projects for the Regulated – Nuclear Generation business segment. The increase was primarily due to pre-execution capital expenditures on the turbine rotors replacement project at the Darlington GS;
- Increase of $75 million for the Regulated – Hydroelectric Generation business segment, primarily due to expenditures for ongoing turbine-generator refurbishments across the regulated hydroelectric fleet, mainly reflecting expenditures for the Sir Adam Beck I and II GS refurbishments, as well as higher expenditures on the redevelopment of the Kakabeka Falls and other hydroelectric generating stations;
- Decrease of $19 million for the Contracted Generation business segment, primarily due to the sale of the electricity generation and development business in the United States, effective January 9, 2026;
- Decrease of $39 million for the Atura Power business segment, primarily due to lower expenditures on the expansion of the combined cycle plant at the Napanee GS (Napanee Combined Cycle GS Expansion Project) as well as lower expenditures at existing combined cycle plant facilities; and
- Decrease of $29 million for the Other category, primarily due to the completion of retrofitting and renovation of OPG's new corporate headquarters building in Oshawa, Ontario prior to occupancy in August 2025, partially offset by higher expenditures on information technology improvements during the first quarter of 2026.

Capital Placed in Service

For the three months ended March 31, 2026, the Company placed $2,058 million of capital in service, compared to $223 million for the same period in 2025. The increase was primarily due to capital placed in service related to the return to service of Unit 4 of the Darlington GS following refurbishment in March 2026.

Major Generation Development Projects in Execution Phase

Details on major generation development projects can be found in the 2025 annual MD&A in the section *Core Business and Outlook* under the heading, *Project Excellence.*

Major projects in the execution phase as at March 31, 2026 are outlined below:

Project *(millions of dollars)*	**Life-to-Date Expenditures** [1]	**Approved Budget** [1]	**Expected In-service Date**
Darlington Refurbishment Project	12,380	12,800 [2]	**In-service** March 2026 – Unit 4
Darlington New Nuclear Project	2,197	7,700 [3]	2030 – Unit 1
Atura Power Development Projects	1,038	1,500 [4]	**In-service** April 2026 – Napanee BESS 2026 – Niagara Hydrogen Centre 2028 – Napanee Combined Cycle GS Expansion Project
Redevelopment of Kakabeka Falls Hydroelectric GS	235	519	2028

[1] Represents capital expenditures and, where approved in the budget, associated project OM&A expenses. For certain projects, projects costs are also inclusive of interest amounts recoverable through regulated prices concurrent with associated capital expenditures.
[2] The total project budget of $12.8 billion is for the refurbishment of all four units at the Darlington GS.
[3] The approved budget of $7.7 billion includes $6.1 million allocated to Unit 1 and $1.6 billion allocated for systems and services that would be common to all four SMRs planned as part of the project. Project cost performance is measured inclusive of interest amounts recoverable through regulated prices concurrent with the associated capital expenditures.
[4] 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.

For significant developments related to the above projects, refer to the section *Business Developments and Outlook* under the heading, *Significant Developments*.

BUSINESS DEVELOPMENTS AND OUTLOOK

Significant Developments

Darlington Refurbishment

On March 12, 2026, following the successful completion of start-up activities, the refurbished Unit 4 of the Darlington GS was reconnected to the electricity grid, four months ahead of the original schedule. The return to service of Unit 4 marks the completion of the four-unit Darlington Refurbishment project, which will continue to provide at least another 30 years of cost effective, reliable and clean energy for Ontario. Unit 4 provides 878 MW of baseload electricity generating capacity in Ontario. The total project cost, including the impacts of the COVID-19 pandemic, is expected to be approximately $150 million under the $12.8 billion budget, upon completion of project closure activities.

Darlington New Nuclear Project

Through DNNP LP, OPG continues to advance the DNNP and plans 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. In March 2026, OPG submitted an application to the CNSC for a 20-year licence to operate the first SMR at the DNNP site, with a public hearing on the application to be announced at a later date. During the first quarter of 2026, the project completed all shaft excavation work, representing a significant milestone in site construction for the first SMR. In April 2026, following the CNSC's authorization to remove the first Regulatory Hold Point under the licence to construct, which allowed DNNP to proceed with construction activities related to installing the reactor building foundation, OPG successfully installed the Unit 1 reactor building basemat. OPG also continues to advance planning and licensing activities for the three additional SMRs at the DNNP site.

Napanee Battery Energy Storage System

Atura Power has completed the project to build a 250 MW four-hour battery energy storage system at the Napanee GS site (Napanee BESS), with the system placed in service in April 2026. The Napanee BESS will support Ontario's energy grid by drawing and storing electricity off-peak when power demand is low and returning it to the system at times of higher electricity demand. The storage system will operate under a 21-year capacity agreement with the IESO. The project was completed ahead of schedule and within the approved budget.

Other Major Generation Development Projects

Atura Power continues to advance the construction of the Niagara Hydrogen Centre and the Napanee Combined Cycle GS Expansion Project. The Niagara Hydrogen Centre continues to advance construction, testing and commissioning activities, progressing through the commissioning and integration phase, with a focus on system completion and readiness for commissioning. The Napanee Combined Cycle GS Expansion Project site construction activities continue, with underground conduit and equipment foundation for the transformer and gas turbine progressing. All major equipment is on schedule for delivery to site.

OPG continues to progress the redevelopment of the Kakabeka Falls hydroelectric GS, which includes construction of a new powerhouse extension, replacement of the surge system, and replacement of the penstocks. During the quarter, the project completed the excavation work, with concrete placement advancing at both the new powerhouse and the surge building.

Equity Injection from Province

In April 2026, as part of the Province's commitment to providing $5 billion in equity injections to OPG over the 2025-2027 period, OPG issued its second tranche of 1,000,000 non-voting Class B preferred shares to the Province at $1,000 per share, generating $1 billion in proceeds.

Third Party Investment for Darlington New Nuclear Project

In April 2026, OPG received approximately $585 million in equity contributions under the previously announced equity financing arrangements for the four-SMR DNNP. The contributions comprised approximately $390 million from the federal Canada Growth Fund (CGF) and approximately $195 million from the provincial Building Ontario Fund (BOF), through their respective subsidiaries, representing their initial funding for Unit 1. Upon such contributions, through their respective subsidiaries, CGF and BOF hold minority equity interests of 15 percent and 7.5 percent, respectively, in DNNP LP.

Federal Clean Electricity Investment Tax Credits

In March 2026, the *Budget 2025 Implementation Act, No.1*, which included the Clean Electricity Investment Tax Credit (CEITC) legislation, received Royal Assent. For eligible projects commencing after March 2023, the CEITC provides a 15 percent refundable tax credit on eligible clean electricity investments made after April 16, 2024. If certain labour conditions are not met, these refundable credits are reduced to five percent. The CEITC is available for certain clean energy projects for the period up to and including 2034, and applies to both federally taxable entities and federal tax-exempt entities such as OPG. Investments in new projects including SMRs and large-scale nuclear reactors, hydroelectric electricity generation, certain stationary electricity storage systems including battery and pumped hydroelectric storage projects, and refurbishment of certain existing facilities are eligible for the CEITC. OPG's December 2025 application for new regulated prices with the OEB proposes regulatory account mechanisms to record the revenue requirement impact of the CEITCs for OPG's regulated facilities for repayment to customers, which would lower the total amounts ultimately recoverable from customers.

Sale of US Electricity Generation Operations

On January 9, 2026, OPG completed the previously announced sale of Eagle Creek for consideration of USD $1.48 billion (C$2.05 billion) inclusive of debt to be assumed by the buyer and other closing adjustments.

Outlook

OPG's net income outlook for 2026 continues to be expected to be lower than in 2025, with the primary drivers consistent with those outlined in the 2025 annual MD&A. Forecast capital expenditures for 2026 remain in line with the forecast of between $7 billion and $8 billion for the full year.

The Company's operating results in 2026 may be impacted by macro-economic factors and geopolitical events, including tariffs and the trade environment. For further details, refer to the section, *Risk Management,* and in OPG's 2025 annual MD&A in the section, *Risk Management.*

Further details on OPG's outlook, including with respect to capital expenditures and financing and liquidity, can be found in OPG's 2025 annual MD&A in the section, *Core Business and Outlook* under the heading, *Outlook*.

DISCUSSION OF OPERATING RESULTS BY BUSINESS SEGMENT

Regulated – Nuclear Generation Segment

(millions of dollars – except where noted)	**Three Months Ended March 31** **2026**	**2025**
Electricity generation (TWh)	**10.1**	9.9
Revenue	**834**	1,139
Fuel expense	**59**	82
Gross margin	**775**	1,057
Operations, maintenance and administration expenses	**337**	505
Property taxes	**6**	7
Other losses	**1**	3
Earnings before interest, income taxes, depreciation and amortization	**431**	542
Depreciation and amortization expenses	**199**	194
Earnings before interest and income taxes	**232**	348

Earnings before interest and income taxes from the segment decreased by $116 million for the three months ended March 31, 2026, compared to the same period in 2025.

The decrease was primarily due to $249 million in revenues, net of associated fuel expense and OM&A expenses, earned from the electricity generated by Units 5 to 8 of the Pickering GS during the first quarter of 2026 being recorded in a regulatory account previously established by *Ontario Regulation 53/05,* in order to subsequently return these amounts to customers. The account is designed to return such amounts to customers in recognition of OPG's approved nuclear base regulated prices for the 2022-2026 period having been set on the assumption of the continued operation of Units 5 to 8 of the Pickering GS until the end of 2025. The OM&A expenses applied against the revenue recorded in the account include those incurred to preserve the ability to operate Units 5 to 8 of the Pickering GS upon refurbishment. The disposition of the balance recorded in the account is subject to the OEB's review.

The decrease in earnings was partially offset by higher revenues of $100 million from the Darlington GS, due to a higher nuclear base regulated price effective January 1, 2026 and higher electricity generation.

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

	Three Months Ended March 31	
	2026	2025
Planned Outage Days		
Darlington GS [1]	**4.1**	1.1
Pickering GS	**31.0**	7.2
Unplanned Outage Days		
Darlington GS [1]	**1.6**	3.2
Pickering GS	**0.5**	5.3

[1] The planned and unplanned outage days exclude unit(s) during the period in which they are undergoing refurbishment. Accordingly, Unit 4 of the Darlington GS was excluded from the reported planned and unplanned outage days during its refurbishment period of July 19, 2023 to March 12, 2026.

The planned outage days at the Darlington GS for the three months ended March 31, 2026 were comparable to the same period in 2025.

The higher planned outage days at the Pickering GS for the three months ended March 31, 2026, compared to the same period in 2025, were driven by the timing of planned outage activities and repair work that occurred at the station during first quarter of 2026.

The unplanned outages days at both the Darlington GS and the Pickering GS for the three months ended March 31, 2026 were comparable to the same period in 2025.

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

	Three Months Ended March 31	
	2026	2025
Unit Capability Rate *(%)* [1,2]		
Darlington GS	**99.8**	98.9
Pickering GS	**99.9**	98.5

[1] Nuclear Unit Capability Rate excludes unit(s) during the period in which they are undergoing refurbishment.
[2] Effective in the fourth quarter of 2025, the Company replaced the Unit Capability Factor with the Unit Capability Rate as an operating performance measure. For additional details on Unit Capability Rate, refer to the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*.

The Unit Capability Rates at both the Darlington GS and the Pickering GS for the three months ended March 31, 2026 were comparable to the same period in 2025.

Regulated – Nuclear Sustainability Services Segment

	Three Months Ended March 31	
(millions of dollars – except where noted)	**2026**	**2025**
Revenue	**51**	36
Operations, maintenance and administration expenses	**51**	36
Accretion on nuclear fixed asset removal and nuclear waste management liabilities	**318**	310
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(295)**	(284)
Loss before interest and income taxes	**(23)**	(26)

The segment loss before interest and income taxes decreased by $3 million for the three months ended March 31, 2026, compared to the same period in 2025. The decrease 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 three months ended March 31, 2026, and during the same period in 2025, 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. OPG jointly oversees the investment management of the Nuclear Segregated Funds with the Province.

Based on the current approved ONFA reference plan, OPG is not required to make overall contributions to the Nuclear Segregated Funds. Contributions may be required in the future should the Nuclear Segregated Funds be in an underfunded position at the time of the next ONFA reference plan update, which is scheduled to be completed at the end of 2026. Changes in funding liability estimates upon an ONFA reference plan update can also result in adjustments to the values of Nuclear Segregated Funds assets reported on the consolidated balance sheet, as these values are limited to the cost estimate of the funding liability based on the most recently ONFA reference plan approved by the Province, plus a portion of the Decommissioning Segregated Fund surplus that may be directed to the Used Fuel Segregated Fund in certain circumstances. On the consolidated statements of income, these adjustments are recorded as increases or decreases to earnings on the Nuclear Segregated Funds, such that an increase in the funding liability would increase earnings on the Nuclear Segregated Funds and a decrease in the funding liability would decrease earnings on the Nuclear Segregated Funds. In line with this next ONFA reference plan update process, OPG expects to conduct a comprehensive reassessment of the assumptions and baseline cost estimates underlying the nuclear fixed asset removal and nuclear waste management liabilities recorded in the consolidated financial statements. Any resulting changes in the related asset retirement costs will be capitalized as part of the carrying amount of nuclear fixed assets in service.

Further details on the accounting for the Nuclear Segregated Funds can be found in OPG's 2025 annual MD&A in the section, *Significant Accounting Policies and Critical Accounting Estimates* under the heading, *Nuclear Fixed Asset Removal and Nuclear Waste Management Funds.*

Regulated – Hydroelectric Generation Segment

	Three Months Ended March 31	
(millions of dollars – except where noted)	**2026**	**2025**
Electricity generation (TWh)	**7.9**	8.5
Revenue [1]	**428**	408
Fuel expense	**71**	72
Gross margin	**357**	336
Operations, maintenance and administration expenses	**108**	101
Earnings before interest, income taxes, depreciation and amortization	**249**	235
Depreciation and amortization expenses	**67**	66
Earnings before interest and income taxes	**182**	169

[1] During the three months ended March 31, 2026 and 2025, the Regulated – Hydroelectric Generation business segment revenue included incentive payments of $16 million and $5 million, respectively, related to the OEB-approved hydroelectric incentive mechanism. 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 increased by $13 million for the three months ended March 31, 2026, compared to the same period in 2025. The increase in earnings was mainly due to higher hydroelectric incentive mechanism payments and higher make-whole payments driven by market constraints during periods of higher market prices during the first quarter of 2026. The increase was partially offset by higher OM&A expenses, driven by increased maintenance activities.

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

	Three Months Ended March 31	
	2026	**2025**
Hydroelectric Availability *(%)* [1]	**85.3**	85.7

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

The Hydroelectric Availability for the three months ended March 31, 2026 was comparable to the same period in 2025.

Contracted Generation Segment

	Three Months Ended March 31	
(millions of dollars – except where noted)	**2026**	**2025**
Electricity generation (TWh)	**0.7**	1.2
Revenue	**190**	230
Fuel expense	**40**	23
Gross margin	**150**	207
Operations, maintenance and administration expenses	**46**	78
Accretion on fixed asset removal liabilities	**2**	2
Property taxes	**1**	5
Other losses	**1**	-
Earnings before interest, income taxes, depreciation and amortization	**100**	122
Depreciation and amortization expenses	**25**	41
Earnings before interest and income taxes	**75**	81

Earnings before interest and income taxes from the segment decreased by $6 million for the three months ended March 31, 2026, compared to the same period in 2025. The decrease was primarily due to the sale of the Eagle Creek business in the United States, which was completed on January 9, 2026, partially offset by higher earnings from thermal facilities reflecting higher revenue from the Atikokan GS.

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

	Three Months Ended March 31	
	2026	**2025**
Hydroelectric Availability *(%)* [1,2]	**77.9**	88.1
Thermal EFOR *(%)* [2]	**3.0**	20.2

[1] For the three months ended March 31, 2025, 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 March 31, 2026, compared to the same period in 2025, primarily due to higher outage days at the Lower Mattagami hydroelectric generating stations.

The Thermal EFOR decreased for the three months ended March 31, 2026 compared to the same period in 2025, primarily due to fewer unplanned outage days and increased operations at the Lennox GS, which had experienced a significant forced extension event in the first quarter of 2025.

Atura Power Segment

(millions of dollars - except where noted)	Three Months Ended March 31 2026	2025
Electricity Generation (TWh)	**4.6**	3.9
Revenue	**410**	344
Fuel expense	**238**	195
Gross margin	**172**	149
Operations, maintenance and administration expenses	**23**	23
Accretion on fixed asset removal liabilities	**1**	1
Property taxes	**1**	-
Other losses	**1**	-
Earnings before interest, income taxes, depreciation and amortization	**146**	125
Depreciation and amortization expenses	**40**	33
Earnings before interest and income taxes	**106**	92

Earnings before interest and income taxes from the segment increased by $14 million for the three months ended March 31, 2026, compared to the same period in 2025. The increase in earnings was primarily due to higher gross margin as a result of higher demand for electricity generation from the combined cycle plants, partially offset by higher deprecation and amortization expenses, mainly from capital placed in service.

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

	Three Months Ended March 31 2026	2025
Thermal Availability *(%)* [1]	**96.4**	91.9

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

The Thermal Availability for the combined cycle plants increased for the three months ended March 31, 2026, compared to the same period in 2025, primarily due to fewer planned outages at the Brighton Beach GS.

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, 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 were as follows:

	Three Months Ended March 31	
(millions of dollars)	**2026**	**2025**
Cash, cash equivalents and restricted cash, beginning of period	**1,249**	1,363
Cash flow provided by operating activities	**337**	754
Cash flow provided by (used in) investing activities [1]	**122**	(1,071)
Cash flow provided by financing activities	**311**	1,566
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**1**	-
Net increase in cash, cash equivalents and restricted cash	**771**	1,249
Cash and cash equivalents and restricted cash, end of period	**2,020**	2,612

[1] Includes $31 million held in escrow account pending the final resolution of all post-closing adjustments.

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 provided by investing activities for the three months ended March 31, 2026 increased by $1,193 million, compared to the same period in 2025. Cash flows provided by investing activities were largely due to proceeds of $1,741 million received from the sale of Eagle Creek. Excluding the sale of Eagle Creek, cash flows used in investing activities increased by $537 million for the three months ended March 31, 2026 compared to the same period in 2025, primarily due to higher capital expenditures within the Regulated – Nuclear Generation business segment.

Financing Activities

Cash flow provided in financing activities for the three months ended March 31, 2026 decreased by $1,255 million, compared to the same period in 2025. The decrease was due to the issuance of $1 billion of green bonds and higher net issuance of corporate commercial paper during the first quarter of 2025.

Committed credit facilities and maturity dates as at March 31, 2026 were as follows:

(millions of dollars)		**Amount**
Bank facilities:		
Corporate [1, 2]		**1,000**
Corporate [1]	US Dollars	**750**
Lower Mattagami Energy Limited Partnership [3]		**460**
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 $65 million was outstanding under this facility as at March 31, 2026.

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

	As At	
(millions of dollars)	**March 31 2026**	**December 31 2025**
Lower Mattagami Energy Limited Partnership	**115**	170
Corporate commercial paper	**873**	503
Total short-term debt	**988**	673
Letters of credit	**793**	799

As at March 31, 2026, letters of credit issued included $345 million for the supplementary pension plans, $274 million for general corporate purposes, $75 million for Atura Power, $65 million for Lower Mattagami Energy Limited Partnership, $14 million for UMH Energy Partnership, $10 million for Laurentis Energy Partners and its subsidiaries, $9 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)	**March 31 2026**	**December 31 2025**
Medium Term Notes payable	**6,550**	6,550
Senior notes payable under corporate credit facilities	**2,811**	2,811
Project financing	**2,397**	2,397
Other	**25**	25
Total long-term debt [1]	**11,783**	11,783

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

Guarantees and Indemnifications

As part of normal business, OPG and certain of its subsidiaries enter into various agreements to provide financial or performance assurance to third parties. Such agreements include guarantees, indemnifications, standby Letters of Credit and surety bonds.

The Company has entered into certain guarantees and indemnifications, which in aggregate have a maximum potential of future payments totalling $449 million (December 31, 2025 – $454 million). As at March 31, 2026, in relation to the events covered by these agreements, the Company recognized $55 million (December 31, 2025 – $69 million) in liabilities on the consolidated balance sheets. As current estimates change, additional losses related to guarantees, indemnifications, standby Letters of Credit and surety bonds to third parties, which could be material, may be recorded by the Company in the future.

Credit Ratings

Maintaining an investment grade credit rating supports OPG's ability to access cost effective financing. As at March 31, 2026, 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 2026, 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 April 2026, 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.

BALANCE SHEET HIGHLIGHTS

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

(millions of dollars)	As at March 31 2026	 December 31 2025
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*.	**40,068**	38,680
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.	**23,111**	22,817
Short-term debt The increase was primarily due to net issuances of corporate commercial paper.	**988**	673
Fixed asset removal and nuclear waste management liabilities The increase was due to net issuances under the Company's Medium Term Note Program and corporate credit facilities.	**26,830**	26,665

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 certain guarantees and long-term contracts.

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND SUSTAINABILITY

Information on OPG's social licence activities, sustainability and environmental, social, governance (ESG) and sustainability metrics can be found in OPG's 2025 annual MD&A, AIF, and the 2025 ESG Performance Summary which is anticipated to be released during the second quarter of 2026. These metrics are generally consistent over the course of the year, as they reflect OPG's stable generation mix and operations, with no material changes expected from year-end.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING 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, 2025. OPG's critical accounting policies are consistent with those noted in OPG's 2025 annual MD&A.

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.

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 2025 annual MD&A in the section, *Risk Management*.

Risks to Maintaining Operational Excellence

Middle East Conflict

The conflict in the Middle East has not had a material impact on OPG to date, however, a prolonged conflict may affect economic and capital market conditions, and could contribute to broader price volatility in North American markets resulting in potential disruption and cost escalations within OPG's supply chain. Geopolitical conflicts can also heighten cyber threats to critical infrastructure. OPG continues to monitor developments in the Middle East and globally for potential impacts to its risk profile.

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 March 31, 2026 was $670 million, including $642 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.

	2026 [1]	**2027**	**2028**
Estimated fuel requirements hedged *(%)* [2]	100	84	71

[1] Based on actual fuel requirements hedged for the three months ended March 31, 2026 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 and thermal) 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, hydroelectric and thermal) in a given year are attributed to the next year for the purpose of measuring hedge ratios.

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, and the principal successors to the former Ontario Hydro's integrated electricity business, including Hydro One Limited (Hydro One), the IESO and the Ontario Electricity Financial Corporation (OEFC). 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. 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.

The related party transactions were as follows:

	Three Months Ended March 31			
	2026		**2025**	
(millions of dollars)	**Income**	**Expense**	**Income**	**Expense**
Hydro One				
Electricity sales	**14**	**-**	10	-
Services	**-**	**4**	-	6
Dividends	**1**	**-**	1	-
Province of Ontario				
Change in Decommissioning Segregated Fund amount due to Province	**-**	**77**	-	35
Change in Used Fuel Segregated Fund amount due to Province	**-**	**96**	-	42
Hydroelectric gross revenue charge	**-**	**29**	-	30
OEFC				
Hydroelectric gross revenue charge	**-**	**38**	-	37
Interest expense on long-term notes	**-**	**21**	-	21
Income taxes	**-**	**139**	-	173
Property taxes	**-**	**3**	-	3
IESO				
Electricity related revenue	**2,549**	**-**	2,043	-
Fair Hydro Trust				
Interest income	**8**	**-**	8	-
	2,572	**407**	2,062	347

Balances between OPG and its related parties are summarized below:

	As at	
(millions of dollars)	**March 31 2026**	**December 31 2025**
Receivables from related parties		
Hydro One	**3**	3
IESO – Electricity related receivables	**642**	621
Fair Hydro Trust	**12**	4
OEFC	**9**	-
Province of Ontario	**8**	-
Loan receivable		
Fair Hydro Trust	**898**	899
Accounts payable, accrued charges and other payables		
Hydro One	**1**	1
OEFC	**67**	91
Province of Ontario	**7**	7
Long-term debt (including current portion)		
Notes payable to OEFC	**2,100**	2,100

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 March 31, 2026 and December 31, 2025, the Nuclear Segregated Funds were reported net of amounts due to the Province of $12,283 million and $12,110 million, respectively.

OPG may hold Province of Ontario bonds and treasury bills in the Nuclear Segregated Funds and the OPG registered pension plan. As at March 31, 2026, the Nuclear Segregated Funds held $1,840 million of Province of Ontario bonds (December 31, 2025 – $1,764 million) and $3 million of Province of Ontario treasury bills (December 31, 2025 – $5 million). As of March 31, 2026, the OPG registered pension plan held $328 million of Province of Ontario bonds (December 31, 2025 − $302 million) and $4 million of Province of Ontario treasury bills (December 31, 2025 – $2 million). These Province of Ontario bonds and treasury bills are publicly traded securities and are measured at fair value.

In addition, as at March 31, 2026, OPG held $171 million of Hydro One shares (December 31, 2025 – $170 million).

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)*	**March 31 2026**	**December 31 2025**	**September 30 2025**	**June 30 2025**
Electricity generation (*TWh*)	**23.3**	**20.6**	**22.3**	**21.9**
Revenue	**1,912**	**2,100**	**2,066**	**2,032**
Net income (loss)	**480**	**(14)**	**486**	**547**
Less: Net income attributable to non-controlling interest	**5**	**5**	**4**	**6**
Net income (loss) attributable to the Shareholder	**475**	**(19)**	**482**	**541**
Earnings (loss) per common share, attributable to the Shareholder *(dollars)* [1]	**$1.68**	**($0.08)**	**$1.76**	**$1.97**

(millions of dollars – except where noted) *(unaudited)*	**March 31 2025**	**December 31 2024**	**September 30 2024**	**June 30 2024**
Electricity generation (*TWh*)	23.5	20.4	21.7	18.9
Revenue	2,157	1,838	1,891	1,691
Net income	509	232	383	166
Less: Net income attributable to non-controlling interest	4	4	4	6
Net income attributable to the Shareholder	505	228	379	160
Earnings per common share, attributable to the Shareholder *(dollars)* [1]	$1.84	$0.83	$1.38	$0.58

[1] Calculated by dividing net income attributable to the Shareholder, net of paid-in-kind dividends, by the weighted average number of common shares outstanding. The weighted average number of common shares outstanding was 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 measures used vary depending on the generating technology.

Nuclear Unit Capability Rate

The nuclear Unit Capability Rate is a key measure of nuclear generating station performance. It measures the amount of energy that the generating unit(s) generates 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, adjusted for planned energy losses. Capability rates are primarily affected by unplanned outages. An outage day represents a single generating unit being offline or derated for an amount of time equivalent to one day. By industry definition, capability rates exclude production losses beyond plant management's control, such as grid-related unavailability. The nuclear Unit Capability Rate also excludes unit(s) during the period in which they are undergoing refurbishment.

OPG previously reported a nuclear Unit Capability Factor, which included the impact of both planned and unplanned outages but was otherwise determined in the same manner as the Unit Capability Rate. The Unit Capability Rate adjusts for the impact of planned outages by eliminating the planned energy losses. OPG believes that this approach provides a clearer view of a unit's underlying reliability and operational performance by focusing on factors within plant management's control and excluding scheduled maintenance periods. The nuclear Unit Capability Rate presentation also aligns with the updated World Association of Nuclear Operators (WANO) Nuclear Performance Index methodology.

Hydroelectric Availability

Hydroelectric Availability represents the percentage of time a generating unit at OPG's hydroelectric generating stations 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 thermal generating 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.

Other Key Indicators

In addition to production reliability, cost effectiveness and financial performance indicators, OPG has also identified certain environmental and safety performance measures, which, as applicable, are discussed in OPG's 2025 annual MD&A and AIF.

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, as applicable, additional information about OPG's performance, facilitate comparison of results over different periods and present measures consistent with the Company's strategies. These non-GAAP financial measures are not 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.

(3) Project costs performance is defined as capital expenditures and, where approved in the budget, associated project OM&A expenses. For the DNNP, this measure includes interest amounts recoverable through regulated prices concurrent with the associated capital expenditures from the effective date of the associated amendments to *Ontario Regulation 53/05*, being January 1, 2026.

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ONTARIO POWER GENERATION INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
MARCH 31, 2026

INTERIM CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Three Months Ended March 31 *(millions of dollars except where noted)*	**2026**	**2025**
Revenue	**1,912**	2,157
Fuel expense	**408**	372
Gross margin	**1,504**	1,785
Operations, maintenance and administration expenses	**531**	711
Depreciation and amortization expenses	**351**	355
Accretion on fixed asset removal and nuclear waste management liabilities	**321**	313
Earnings on nuclear fixed asset removal	**(295)**	(284)
Property taxes	**8**	13
	916	1,108
Income before other gains, interest and income taxes	**588**	677
Other gains	**(6)**	(16)
Income before interest and income taxes	**594**	693
Net interest expense *(Note 4)*	**51**	56
Income before income taxes	**543**	637
Income tax expense	**63**	128
Net income	**480**	509
Net income attributable to the Shareholder	**475**	505
Net income attributable to non-controlling interest	**5**	4
Basic and diluted earnings per common share *(dollars)* [1]	**1.68**	1.84

[1] Calculated by dividing net income attributable to the Shareholder, net of paid-in-kind dividends, by the weighted average number of common shares outstanding. For the three months ended March 31, 2026, paid-in-kind dividends were $13 million (March 31, 2025 – nil). The weighted average number of common shares outstanding as at March 31, 2026 and 2025 was 274.6 million. There were no dilutive securities during the three months ended March 31, 2026 and 2025.

See accompanying notes to the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Three Months Ended March 31 *(millions of dollars)*	**2026**	**2025**
Net income	**480**	509
Other comprehensive loss, net of income taxes *(Note 7)*		
Net loss on derivatives designated as cash flow hedges [1]	**(8)**	(6)
Currency translation adjustment	**-**	(3)
Derecognition of cumulative translation adjustments on sale of Eagle Creek	**(83)**	-
Other comprehensive loss for the period	**(91)**	(9)
Comprehensive income	**389**	500
Comprehensive income attributable to the Shareholder	**384**	496
Comprehensive income attributable to non-controlling interest	**5**	4

[1] Net of income tax recovery of $3 million and $2 million for the three months ended March 31, 2026 and 2025, respectively.

See accompanying notes to the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Three Months Ended March 31 *(millions of dollars)*	**2026**	**2025**
Operating activities		
Net income	**480**	509
Adjust for non-cash items:		
Depreciation and amortization expenses	**351**	355
Accretion on fixed asset removal and nuclear waste management liabilities	**321**	313
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(295)**	(284)
Pension and other post-employment benefit costs *(Note 8)*	**68**	78
Deferred income tax recovery	**(49)**	(21)
Regulatory assets and regulatory liabilities	**287**	44
Other	**(15)**	(14)
Expenditures on fixed asset removal and nuclear waste management	**(195)**	(178)
Reimbursement of eligible expenditures on nuclear fixed asset removal and nuclear waste management	**-**	64
Contributions to pension funds and expenditures on other post-employment benefits and supplementary pension plans	**(63)**	(74)
Net changes to other long-term assets and long-term liabilities	**5**	65
Net changes in non-cash working capital balances *(Note 14)*	**(558)**	(103)
Cash flow provided by operating activities	**337**	754
Investing activities		
Investment in property, plant and equipment and intangible assets *(Note 13)*	**(1,619)**	(1,082)
Net proceeds from sale of Eagle Creek [1] *(Note 15)*	**1,741**	-
Proceeds from sale of interest in joint venture	**-**	11
Cash flow provided by (used in) investing activities	**122**	(1,071)
Financing activities		
Issuance of long-term debt *(Note 4)*	**-**	994
Issuance of short-term debt *(Note 5)*	**1,975**	1,241
Repayment of short-term debt *(Note 5)*	**(1,660)**	(665)
Distribution to non-controlling interest	**(4)**	(4)
Cash flow provided by financing activities	**311**	1,566
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**1**	-
Net increase in cash, cash equivalents and restricted cash	**771**	1,249
Cash, cash equivalents and restricted cash, beginning of period	**1,249**	1,363
Cash, cash equivalents and restricted cash, end of period	**2,020**	2,612

[1] Proceeds include $31 million held in escrow pending the final resolution of post-closing adjustments, which are expected to be finalized later in 2026.

See accompanying notes to the interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *(millions of dollars)*	**March 31 2026**	**December 31 2025**
Assets		
Current assets		
Cash, cash equivalents and restricted cash	**2,020**	1,249
Equity securities	**171**	170
Receivables from related parties	**674**	628
Nuclear fixed asset removal and nuclear waste management funds	**294**	145
Fuel inventory	**355**	297
Materials and supplies	**191**	178
Regulatory assets *(Note 3)*	**405**	540
Prepaid expenses	**205**	210
Other current assets	**283**	250
Assets held for sale *(Note 15)*	**-**	2,322
	4,598	5,989
Property, plant and equipment	**56,162**	54,509
Less: accumulated depreciation	**16,094**	15,829
	40,068	38,680
Intangible assets	**811**	791
Less: accumulated amortization	**460**	440
	351	351
Other assets		
Nuclear fixed asset removal and nuclear waste management funds	**22,817**	22,672
Loan receivable from related party	**898**	899
Long-term materials and supplies	**409**	385
Regulatory assets *(Note 3)*	**4,290**	4,348
Pension assets	**1,133**	1,096
Other long-term assets	**321**	358
	29,868	29,758
	74,885	74,778

See accompanying notes to the interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *(millions of dollars)*	**March 31 2026**	**December 31 2025**
Liabilities		
Current liabilities		
Accounts payable, accrued charges and other payables	**2,367**	2,682
Short-term debt *(Note 5)*	**988**	673
Long-term debt due within one year *(Note 4)*	**698**	673
Regulatory liabilities *(Note 3)*	**185**	246
Liabilities associated with assets held for sale *(Note 15)*	**-**	567
	4,238	4,841
Long-term debt *(Note 4)*	**11,041**	11,066
Other liabilities		
Fixed asset removal and nuclear waste management liabilities *(Note 6)*	**26,830**	26,665
Pension liabilities	**382**	381
Other post-employment benefit liabilities	**2,849**	2,815
Long-term accounts payable and accrued charges	**303**	306
Deferred revenue	**344**	346
Deferred income taxes	**2,575**	2,521
Regulatory liabilities *(Note 3)*	**1,664**	1,551
	34,947	34,585
Equity		
Common shares *(Note 11)*	**5,126**	5,126
Class A shares *(Note 11)*	**787**	787
Class B preferred shares *(Note 11)*	**1,015**	1,002
Contributed surplus	**25**	26
Retained earnings	**17,438**	16,976
Accumulated other comprehensive income *(Note 7)*	**39**	130
Equity attributable to the Shareholder	**24,430**	24,047
Equity attributable to non-controlling interest	**229**	239
Total equity	**24,659**	24,286
	74,885	74,778

Commitments and Contingencies *(Notes 4, 5, 8 and 12)*

See accompanying notes to the interim consolidated financial statements.

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

Three Months Ended March 31 *(millions of dollars)*	**2026**	**2025**
Common shares *(Note 11)*	**5,126**	5,126
Class A shares *(Note 11)*	**787**	787
Class B preferred shares *(Note 11)*		
Balance at beginning of period	**1,002**	-
Paid-in-kind dividends	**13**	-
Balance at end of period	**1,015**	-
Contributed surplus		
Balance at beginning of period	**26**	28
Reclassification to income of amounts related to gain on deconsolidation of Fair Hydro Trust	**(1)**	(1)
Balance at end of period	**25**	27
Retained earnings		
Balance at beginning of period	**16,976**	15,469
Net income attributable to the Shareholder	**475**	505
Paid-in-kind dividends	**(13)**	-
Balance at end of period	**17,438**	15,974
Accumulated other comprehensive income, net of income taxes *(Note 7)*		
Balance at beginning of period	**130**	193
Derecognition of cumulative translation adjustments on sale of Eagle Creek	**(83)**	-
Other comprehensive loss	**(8)**	(9)
Balance at end of period	**39**	184
Equity attributable to the Shareholder	**24,430**	22,098
Equity attributable to non-controlling interest		
Balance at beginning of period	**239**	196
Non-controlling interest derecognized on disposition	**(11)**	-
Income attributable to non-controlling interest	**5**	4
Distribution to non-controlling interest	**(4)**	(4)
Balance at end of period	**229**	196
Total equity	**24,659**	22,294

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 months ended March 31, 2026 and 2025 include the accounts of Ontario Power Generation Inc. and its subsidiaries (OPG or the Company). 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, 2025.

For prior periods presented, OPG wholly or jointly owned and operated, and held minority interests in, hydroelectric and solar generation and development assets in the United States (Eagle Creek). The Company has included the operating results from Eagle Creek within the Contracted Generation segment. Eagle Creek was sold on January 9, 2026, resulting in the Company no longer having electricity generation operations or facilities in the United States (US). Further details regarding the transaction can be found in Note 15.

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 also has received exemptive relief from the Ontario Securities Commission (OSC) from the requirements of section 3.2 of National Instrument 52-107, *Acceptable Accounting Policies and Auditing Standards*. The exemption allows OPG to file consolidated financial statements prepared in accordance with US GAAP, rather than International Financial Reporting Standards (IFRS), without becoming a US Securities and Exchange Commission registrant.

In December 2025, OPG received an extension to its previous exemptive relief from the OSC. The exemptive relief will terminate on the earliest of the following:

- January 1, 2032;
- The financial year that commences after OPG ceases to have activities subject to rate regulation; and
- The financial year that commences on or following the later of:
    - I. The effective date prescribed by the International Accounting Standards Board (IASB) for the mandatory application of a standard within IFRS specific to entities with rate regulated activities (Mandatory Rate-regulated Standard); and
    - II. Four years after the IASB publishes the final version of a Mandatory Rate-regulated Standard.

All dollar amounts are presented in Canadian dollars, unless otherwise noted. Certain 2025 comparative amounts have been reclassified from consolidated financial statements previously presented to conform to the 2026 interim consolidated financial statement presentation.

Seasonal Variations

OPG's quarterly electricity generation from the Regulated – Hydroelectric Generation, Contracted 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 surplus baseload generation conditions is mitigated by a regulatory variance account authorized by the Ontario Energy Board (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 a regulatory variance account authorized by the OEB.

The financial impact of variability in electricity generation from the Contracted Generation business segment and the Atura Power business segment is largely 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

Disaggregation of Income Statement Expenses

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (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 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. OPG is currently evaluating the impact of adoption of the standard update on the disclosures contained within its 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. OPG is currently evaluating the impact of adoption of the standard update to its annual and interim consolidated financial statements.

Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*, an update to Subtopic 350-40, *Intangibles – Goodwill and Other – Internal-Use Software*. The update amends the guidance by removing all references to software development project stages such that the guidance is neutral to different software development methods. The amendments also apply to website development costs in accordance with Subtopic 350-50, *Intangibles – Goodwill and Other – Website Development Costs*. The update is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. OPG is currently evaluating the impact of adoption of the standard update to its annual and interim consolidated financial statements.

Accounting for Government Grants Received by Business Entities

In December 2025, the FASB issued ASU 2025-10, *Accounting for Government Grants Received by Business Entities*, an update to Topic 832, *Government Grants*. The update establishes authoritative guidance on the accounting for government grants received by business entities with the purpose of improving financial reporting by clarifying the appropriate accounting, reducing diversity in practice and increasing consistency across business entities. The update is effective for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years, with early adoption permitted. OPG is currently evaluating the impact of adoption of the standard update to its annual and interim consolidated financial statements.

Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock

In April 2026, the FASB issued ASU 2026-01, *Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Stock*, an update to Topic 505, *Equity*. The update establishes authoritative guidance for the initial measurement of paid-in-kind dividends on equity-classified preferred stock. The amendments in this update require that paid-in-kind dividends on equity classified preferred stock be initially measured on the basis of the paid-in-kind dividend rate stated in the preferred stock agreement. 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 expected to have minimal impact upon adoption as OPG's current policy is aligned with the amendments in this update.

3. REGULATORY ASSETS AND REGULATORY LIABILITIES

The regulatory assets and regulatory liabilities consist of the following:

As at *(millions of dollars)*	**March 31 2026**	**December 31 2025**
Regulatory assets		
Deferral and variance accounts authorized by the OEB or Ontario Regulation 53/05		
Rate Smoothing Deferral Account	**708**	702
Capacity Refurbishment Variance Account	**452**	442
Nuclear Liability Deferral Account	**433**	447
Hydroelectric Surplus Baseload Generation Variance Account	**186**	214
Nuclear Development Variance Account	**132**	128
Pension & OPEB Cash Versus Accrual Differential Deferral Account	**114**	166
Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account	**109**	99
Pickering B Variance Account	**104**	349
Other deferral and variance accounts [1]	**91**	79
	2,329	2,626
Deferred income taxes	**2,348**	2,262
Other	**18**	-
Total regulatory assets	**4,695**	4,888
Less: current portion	**405**	540
Non-current regulatory assets	**4,290**	4,348
Regulatory liabilities		
Deferral and variance accounts authorized by the OEB or Ontario Regulation 53/05		
Pension and OPEB Cost Variance Account	**386**	395
Pension & OPEB Cash Payment Variance Account	**193**	218
Bruce Lease Net Revenues Variance Account	**191**	170
Nuclear Deferral and Variance Over/Under Recovery Variance Account	**157**	101
Ancillary Services Net Revenue Variance Account	**102**	71
Other deferral and variance accounts [2]	**242**	259
	1,271	1,214
Pension and OPEB Regulatory Liability *(Note 8)*	**578**	583
Total regulatory liabilities	**1,849**	1,797
Less: current portion	**185**	246
Non-current regulatory liabilities	**1,664**	1,551

[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 Changes to Pickering Station End-of-Life Dates (December 31, 2017) Deferral Account and Pickering B Refurbishment Project Variance Account.

[2] Represents amounts for the Hydroelectric Water Conditions Variance Account, Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges Variance Account, Income and Other Taxes Variance Account, SR&ED ITC Variance Account and Sale of Unprescribed Kipling Site Deferral Account.

In December 2025, the Province amended *Ontario Regulation 53/05* under the *Ontario Energy Board Act, 1998* (*Ontario Regulation 53/05*) to establish, among others, a mechanism for recovery through regulated prices of interest amounts in respect of the capital expenditures on the refurbishment of Units 5 to 8 of the Pickering nuclear generating station (Pickering GS) and the capital expenditures on the Darlington New Nuclear Project (DNNP) prior to such assets being placed in service, effective January 1, 2026. Under the mechanism, the OEB-approved revenue requirement used to set regulated prices for OPG's existing nuclear facilities and the DNNP facilities must include an amount equal to the product of such forecast cumulative capital expenditures and OPG's cost of long-term borrowing approved by the OEB. The amendments also established variance accounts for OPG to record the differences between such forecast interest amounts and the amounts determined by multiplying such actual cumulative capital expenditures by OPG's cost of long-term borrowing as approved by the OEB, effective January 1, 2026. The regulation requires the OEB to authorize disposition of the balances in these accounts, together with interest at OPG's cost of long-term borrowing approved by the OEB, on an annual basis in the year following the year in which the amounts are recorded in the account. Amounts earned under the mechanism are recognized as revenue. As a result of such revenue being recognized concurrently with the expenditures, effective January 1, 2026, interest is no longer capitalized to the construction in progress balance for the Pickering Refurbishment Project and the DNNP.

During the first quarter of 2026, the Company recorded a regulatory liability of $249 million related to additions in the Pickering B Variance Account previously established by *Ontario Regulation 53/05*. For the period from January 1, 2026 to September 30, 2026, the account records the revenues earned by OPG from the electricity generated by the Pickering GS, net of the associated fuel expense and operations, maintenance and administration (OM&A) expenses, for subsequent return to customers. The account is designed to return such amounts to customers in recognition of OPG's approved nuclear base prices for the 2022-2026 period having been set on the assumption of the continued operation of Units 5 to 8 of the Pickering GS until the end of 2025. The OM&A expenses applied against the revenue recorded in the account include those incurred to preserve the ability to operate Units 5 to 8 of the Pickering GS upon refurbishment. The disposition of the balance recorded in the account is subject to the OEB's review.

4. LONG-TERM DEBT AND NET INTEREST EXPENSE

Long-term debt consists of the following:

As at *(millions of dollars)*	**March 31 2026**	**December 31 2025**
Medium Term Note Program senior notes	**6,550**	6,550
Senior notes payable under corporate credit facilities	**2,811**	2,811
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	**157**	157
Other	**25**	25
	11,783	11,783
Less: unamortized bond issuance fees	**(44)**	(44)
Less: amounts due within one year	**(698)**	(673)
Long-term debt	**11,041**	11,066

On April 22, 2026, OPG repaid long-term debt of $400 million under the Company's Medium Term Note Program.

Net Interest Expense

The following table summarizes the net interest expense:

(millions of dollars)	Three Months Ended March 31 2026	2025
Interest on long-term debt	**117**	108
Interest on short-term debt	**9**	6
Interest income	**(24)**	(20)
Interest capitalized to property, plant and equipment and intangible assets	**(41)**	(30)
Interest related to regulatory assets and regulatory liabilities [1]	**(10)**	(8)
Net interest expense	**51**	56

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

5. SHORT-TERM DEBT

Committed credit facilities and maturity dates as at March 31, 2026 were as follows:

(millions of dollars)		Amount	Maturity
Bank facilities:			
Corporate		**1,000**	May 2030 [1]
Corporate	US Dollars	**750**	May 2026 [2]
Lower Mattagami Energy Limited Partnership		**460**	June 2030 [3]
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] The facility has a one-year extension option beyond the maturity date of May 2026.
[3] A letter of credit of $65 million was outstanding under this facility as at March 31, 2026.

Short-term debt consists of the following:

As at *(millions of dollars)*	March 31 2026	December 31 2025
Lower Mattagami Energy Limited Partnership	**115**	170
Corporate commercial paper	**873**	503
Total short-term debt	**988**	673

As at March 31, 2026, a total of $793 million of letters of credit had been issued (December 31, 2025 – $799 million). As at March 31, 2026, this included $345 million for the supplementary pension plans, $274 million for general corporate purposes, $75 million for Atura Power, $65 million for Lower Mattagami Energy Limited Partnership, $14 million for UMH Energy Partnership, $10 million for Laurentis Energy Partners, $9 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 March 31, 2026 is 2.43 percent (December 31, 2025 – 2.58 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)*	**March 31** **2026**	**December 31** **2025**
Liability for used nuclear fuel management	**16,649**	16,542
Liability for nuclear decommissioning and nuclear low and intermediate level waste management	**9,903**	9,853
Liability for non-nuclear fixed asset removal	**278**	270
Fixed asset removal and nuclear waste management liabilities	**26,830**	26,665

7. ACCUMULATED OTHER COMPREHENSIVE INCOME

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

	Three Months Ended March 31, 2026			
(millions of dollars)	**Unrealized Gains and Losses on Cash Flow Hedges**	**Pension and OPEB**	**Currency Translation Adjustment**	**Total**
Balance, beginning of period	**9**	**40**	**81**	**130**
Net loss on cash flow hedges	**(8)**	**-**	**-**	**(8)**
Derecognition of cumulative translation adjustments on sale of Eagle Creek *(Note 15)*	**-**	**-**	**(83)**	**(83)**
Other comprehensive loss for the period	**(8)**	**-**	**(83)**	**(91)**
Balance, end of period	**1**	**40**	**(2)**	**39**

	Three Months Ended March 31, 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	(6)	-	-	(6)
Translation of foreign operations	-	-	(3)	(3)
Other comprehensive loss for the period	(6)	-	(3)	(9)
Balance, end of period	(1)	6	179	184

8. PENSION AND OTHER POST-EMPLOYMENT BENEFITS

OPG's pension and other post-employment benefit (OPEB) costs for the three months ended March 31, 2026 and 2025 were as follows:

	Registered Pension Plans		Supplementary Pension Plans		Other Post-Employment Benefits	
(millions of dollars)	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Components of Cost Recognized for the period						
Current service costs	**70**	74	**2**	2	**29**	26
Interest on projected benefit obligation	**193**	192	**4**	5	**34**	32
Expected return on plan assets, net of expenses	**(271)**	(269)	**-**	-	**-**	-
Amortization of past service costs [1]	**-**	-	**-**	-	**1**	1
Amortization of net actuarial loss (gain)[1]	**-**	-	**1**	1	**(7)**	(7)
Costs recognized [2]	**(8)**	(3)	**7**	8	**57**	52

[1] The net impact of amortization of past service costs and net actuarial loss (gain) is recognized as an increase (a decrease) to other comprehensive income. This decrease in the first quarter of 2026 was partially offset by a decrease in the Pension and OPEB Regulatory Liability of $5 million (three months ended March 31, 2025 – decrease in the Pension and OPEB Regulatory Liability of $5 million).

[2] These pension and OPEB costs for the three months ended March 31, 2026 exclude the net addition of costs of $12 million resulting from the recognition of changes in the regulatory 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 March 31, 2025 – net addition of costs of $21 million).

9. RISK MANAGEMENT AND DERIVATIVES

OPG is exposed to risks related to changes in market interest rates on debt; movements in interest rates and foreign currency that affect the Company's assets, liabilities, and forecasted transactions; and fluctuations in commodity prices. Select derivative instruments may be 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 related interest rates. Interest rate risk for OPG also 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.

Foreign Exchange

OPG's financial results are exposed to volatility in 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, other currencies. To manage this risk, the Company may employ various financial instruments such as forwards and other derivative contracts, in accordance with approved corporate risk management policies.

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 impact OPG's earnings and cash flow provided by operating activities. Prolonged geopolitical conflicts could heighten broader price volatility in North American markets resulting in potential disruption and cost escalations within OPG's supply chain. 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.

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 as at March 31, 2026 was $1 million (December 31, 2025 – $1 million).

The fair value of the derivative instruments totalled a net liability of $26 million as at March 31, 2026 (December 31, 2025 – net liability of $14 million).

No existing pre-tax net losses for derivatives deferred in AOCI as at March 31, 2026 are expected to be reclassified to net income within the next 12 months.

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 March 31, 2026 and December 31, 2025 was as follows:

	Fair Value		Carrying Value [1]		
(millions of dollars)	**2026**	**2025**	**2026**	**2025**	**Balance Sheet Line Item**
Nuclear Segregated Funds (includes current portion) [2]	**23,111**	22,817	**23,111**	22,817	Nuclear fixed asset removal and nuclear waste management funds
Loan receivable - from Fair Hydro Trust	**825**	829	**898**	899	Loan receivable from related party
Investment in Hydro One Limited Shares	**171**	170	**171**	170	Equity securities
Long-term debt (includes current portion)	**(10,949)**	(11,064)	**(11,739)**	(11,739)	Long-term debt
Other financial instruments, net	**150**	165	**150**	165	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 *(millions of dollars)*	**March 31, 2026** **Level 1**	 **Level 2**	 **Level 3**	 **Total**
Assets				
Used Fuel Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	**7,073**	**7,483**	**-**	**14,556**
Investments measured at NAV [1]				**5,490**
				20,046
Due to Province				**(6,850)**
Used Fuel Segregated Fund, net				**13,196**
Decommissioning Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	**5,359**	**5,704**	**-**	**11,063**
Investments measured at NAV [1]				**4,285**
				15,348
Due to Province				**(5,433)**
Decommissioning Segregated Fund, net				**9,915**
Equity securities	**171**	**-**	**-**	**171**
Other financial assets	**18**	**-**	**177**	**195**
Liabilities				
Other financial liabilities	**(45)**	**-**	**-**	**(45)**

As at *(millions of dollars)*	**December 31, 2025** **Level 1**	 **Level 2**	 **Level 3**	 **Total**
Assets				
Used Fuel Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	7,083	7,400	-	14,483
Investments measured at NAV [1]				5,299
				19,782
Due to Province				(6,754)
Used Fuel Segregated Fund, net				13,028
Decommissioning Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	5,352	5,653	-	11,005
Investments measured at NAV [1]				4,140
				15,145
Due to Province				(5,356)
Decommissioning Segregated Fund, net				9,789
Equity securities	170	-	-	170
Other financial assets	23	11	181	215
Liabilities				
Other financial liabilities	(50)	-	-	(50)

[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 three months ended March 31, 2026, 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 three months ended March 31, 2026 were as follows:

(millions of dollars)	**Other financial instruments**
Opening balance, January 1, 2026	**181**
Unrealized losses included in revenue	**(1)**
Realized losses included in revenue	**(1)**
Distributions	**(2)**
Closing balance, March 31, 2026	**177**

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 March 31, 2026 were as follows:

(millions of dollars except where noted)	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice**
Real assets				
Infrastructure	**5,082**	**1,830**	**n/a**	**n/a**
Real estate	**3,644**	**1,081**	**n/a**	**n/a**
Private debt	**624**	**589**	**n/a**	**n/a**
Other	**425**	**14**	**n/a**	**n/a**
Pooled funds				
Fixed income	**2,425**	**n/a**	**Daily**	**1-5 days**
Equity	**1,212**	**n/a**	**Daily**	**1-5 days**
Total	**13,412**	**3,514**		

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

11. SHARE CAPITAL

Common Shares

As at March 31, 2026 and December 31, 2025, OPG had 256,300,010 common shares issued and outstanding at a stated value of $5,126 million. OPG is authorized to issue an unlimited number of common shares without nominal or par value. Any issue of new shares is subject to the consent of OPG's shareholder, the Province.

Class A Shares

The Company's Articles of Amalgamation were amended effective December 1, 2017 to allow for the creation and issuance of non-voting Class A shares to the Province in exchange for equity injections in OPG. All of the outstanding shares are owned directly by the Province, and OPG is authorized to issue an unlimited number of Class A shares without nominal or par value. The Class A and common shares rank equally as to entitlement to dividends, and all dividends declared by OPG must be declared in equal amounts per share on all outstanding shares without preference or distinction. Upon the liquidation, dissolution or wind-up of OPG, whether voluntary or involuntary, the holders of Class A shares and common shares are entitled to share equally, on a share for share basis, in all distributions of property and assets without preference or distinction. OPG is entitled to redeem outstanding Class A shares as may be approved by OPG's Board of Directors.

As at March 31, 2026 and December 31, 2025, OPG had 18,343,815 Class A shares issued and outstanding at a stated value of $787 million.

Class B Preferred Shares

The Company's Articles of Amalgamation were amended effective November 26, 2025 to allow for the creation and issuance of Class B non-voting preferred shares, issuable in one or more series, to the Province. Each series of Class B preferred shares ranks on parity with every other series of Class B preferred shares, and is entitled to a preference over the common shares and the Class A shares, with respect to dividends and the return of capital in the event of the liquidation, dissolution or winding up of OPG.

As at March 31, 2026, OPG had 1,000,000 Class B preferred shares issued and outstanding at a stated value of $1,015 million (December 31, 2025 – 1,002 million), including accrued and unpaid paid-in-kind dividends. The accrued and unpaid paid-in-kind dividends within the stated value of Class B preferred shares as at March 31, 2026 were $15 million (December 31, 2025 – $2 million).

In April 2026, OPG issued 1,000,000 non-voting Class B preferred shares to the Province at $1,000 per share, generating $1 billion in proceeds.

Any issue of new shares is subject to the consent of the Province.

12. 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, individually and in the aggregate, is not likely to have a material adverse impact on its interim consolidated financial position.

Guarantees and Indemnifications

Periodically, OPG and its subsidiaries may enter into various agreements to provide financial or performance assurance to third parties. Such agreements include guarantees, indemnifications, standby Letters of Credit and surety bonds.

The Company has entered into certain guarantees and indemnifications, which in aggregate have a maximum potential of future payments totalling $449 million (December 31, 2025 – $454 million). As at March 31, 2026, in relation to the events covered by these agreements, the Company had recognized $55 million (December 31, 2025 – $69 million) in liabilities on the consolidated balance sheets. As current estimates change, additional losses related to guarantees, indemnifications, standby Letters of Credit and surety bonds to third parties, which could be material, may be recorded by the Company in the future.

Contractual Obligations

OPG's contractual obligations as at March 31, 2026 were as follows:

(millions of dollars)	2026 [1]	2027	2028	2029	2030	Thereafter	Total
Fuel supply agreements	96	273	200	250	273	1,501	2,593
Contributions to the OPG registered pension plan [2]	102	134	-	-	-	-	236
Long-term debt repayment	674	530	5	505	805	9,264	11,783
Interest on long-term debt	333	440	423	422	394	5,488	7,500
Commitments related to Darlington Refurbishment project [3]	97	-	-	-	-	-	97
Commitments related to Atura Power development projects [3]	231	12	9	-	-	-	252
Commitments related to Pickering Refurbishment project	481	-	-	-	-	-	481
Commitments related to Darlington New Nuclear Project [3]	441	-	-	-	-	-	441
Operating licences	62	63	61	62	59	181	488
Operating lease obligations	22	28	23	23	20	55	171
Other	98	53	49	37	26	498	761
Total	2,637	1,533	770	1,299	1,577	16,987	24,803

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, 2025. The next actuarial valuation of the OPG registered pension plan must have an effective date no later than January 1, 2028. The pension contributions are affected by various factors including market performance, changes in actuarial assumptions, plan experience, changes in the pension regulatory environment and the timing of funding valuations. Funding requirements after January 1, 2028 are excluded due to significant variability in the assumptions required to project the timing of future cash flows. The amount of OPG's additional, voluntary contribution, if any, is revisited from time to time.

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.

13. 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, 2025.

During the first quarter of 2026, following the sale of Eagle Creek, OPG renamed its Contracted Hydroelectric and Other Generation business segment to the Contracted Generation business segment to reflect the nature of the segment following the completion of the sale of Eagle Creek.

Segment Income (Loss) For the Three Months Ended March 31, 2026 *(millions of dollars)*	**Regulated**			**Unregulated**				
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Generation**	**Atura Power**	**Other**	**Elimination**	**Total**
Revenue	827	-	428	190	410	16	-	1,871
Leasing revenue	7	-	-	-	-	2	-	9
Other revenue	-	51	-	-	-	58	(77)	32
Total revenue	834	51	428	190	410	76	(77)	1,912
Fuel expense	59	-	71	40	238	-	-	408
Gross margin	775	51	357	150	172	76	(77)	1,504
Operations, maintenance and administration expenses	337	51	108	46	23	43	(77)	531
Depreciation and amortization expenses	199	-	67	25	40	20	-	351
Accretion on fixed asset removal and nuclear waste management liabilities	-	318	-	2	1	-	-	321
Earnings on nuclear fixed asset removal and nuclear waste management funds	-	(295)	-	-	-	-	-	(295)
Property taxes	6	-	-	1	1	-	-	8
Other losses (gains)	1	-	-	1	1	(9)	-	(6)
Income (loss) before interest and income taxes	232	(23)	182	75	106	22	-	594
Net interest expense								51
Income before income taxes								543
Income tax expense								63
Net income								480

Segment Income (Loss) For the Three Months Ended March 31, 2025 *(millions of dollars)*	**Regulated**			**Unregulated**				
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Generation**	**Atura Power**	**Other**	**Elimination**	**Total**
Revenue	1,132	-	408	231	344	12	-	2,127
Leasing revenue	7	-	-	-	-	1	-	8
Other revenue (expense)	-	36	-	(1)	-	48	(61)	22
Total revenue	1,139	36	408	230	344	61	(61)	2,157
Fuel expense	82	-	72	23	195	-	-	372
Gross margin	1,057	36	336	207	149	61	(61)	1,785
Operations, maintenance and administration expenses	505	36	101	78	23	29	(61)	711
Depreciation and amortization expenses	194	-	66	41	33	21	-	355
Accretion on fixed asset removal and nuclear waste management liabilities	-	310	-	2	1	-	-	313
Earnings on nuclear fixed asset removal and nuclear waste management funds	-	(284)	-	-	-	-	-	(284)
Property taxes	7	-	-	5	-	1	-	13
Other losses (gains)	3	-	-	-	-	(19)	-	(16)
Income (loss) before interest and income taxes	348	(26)	169	81	92	29	-	693
Net interest expense								56
Income before income taxes								637
Income tax expense								128
Net income								509

Selected Interim Consolidated Balance Sheets Information as at March 31, 2026 *(millions of dollars)*	**Regulated**			**Unregulated**			
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Generation**	**Atura Power**	**Other**	**Total**
Segment property, plant and equipment in-service, net	**15,752**	**-**	**8,408**	**4,187**	**3,168**	**472**	**31,987**
Segment construction in progress	**5,760**	**-**	**888**	**71**	**1,131**	**231**	**8,081**
Segment property, plant and equipment, net	**21,512**	**-**	**9,296**	**4,258**	**4,299**	**703**	**40,068**
Segment intangible assets in-service, net	**51**	**-**	**6**	**4**	**87**	**137**	**285**
Segment development in progress	**9**	**-**	**1**	**-**	**-**	**56**	**66**
Segment intangible assets, net	**60**	**-**	**7**	**4**	**87**	**193**	**351**
Segment fuel inventory	**329**	**-**	**-**	**22**	**4**	**-**	**355**
Segment materials and supplies inventory							
Current	**152**	**-**	**-**	**3**	**36**	**-**	**191**
Long-term	**406**	**-**	**-**	**3**	**-**	**-**	**409**
Nuclear fixed asset removal and nuclear waste management funds (current and non-current portions)	**-**	**23,111**	**-**	**-**	**-**	**-**	**23,111**
Loan receivable from related party	**-**	**-**	**-**	**-**	**-**	**898**	**898**
Fixed asset removal and nuclear waste management liabilities	**-**	**(26,552)**	**-**	**(169)**	**(57)**	**(52)**	**(26,830)**

Selected Consolidated Balance Sheets Information as at December 31, 2025 *(millions of dollars)*	**Regulated**			**Unregulated**			
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Generation** [1]	**Atura Power**	**Other**	**Total**
Segment property, plant and equipment in-service, net	13,937	-	8,386	4,210	3,191	468	30,192
Segment construction in progress	6,445	-	757	57	1,016	213	8,488
Segment property, plant and equipment, net	20,382	-	9,143	4,267	4,207	681	38,680
Segment intangible assets in-service, net	54	-	4	4	88	150	300
Segment development in progress	8	-	1	-	-	42	51
Segment intangible assets, net	62	-	5	4	88	192	351
Segment fuel inventory	258	-	-	37	2	-	297
Segment materials and supplies inventory							
Current	142	-	-	3	33	-	178
Long-term	383	-	-	2	-	-	385
Nuclear fixed asset removal and nuclear waste management funds (current and non-current portions)	-	22,817	-	-	-	-	22,817
Loan receivable from related party	-	-	-	-	-	899	899
Fixed asset removal and nuclear waste management liabilities	-	(26,395)	-	(161)	(56)	(53)	(26,665)

[1] The Contracted Generation business segment excludes assets held for sale and liabilities associated with assets held for sale as a result of the classification of Eagle Creek as held for sale in the fourth quarter of 2025.

Segment Capital Expenditure	**Regulated**		**Unregulated**				
(millions of dollars)	**Nuclear Generation**	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Generation**	**Atura Power**	**Other**	**Total**
Three months ended March 31, 2026							
Investment in property, plant and equipment and intangible assets	**1,284**	**-**	**199**	**15**	**128**	**48**	**1,674**
Net change in accruals and other non-cash items							**(55)**
Investment in property, plant and equipment and intangible assets – cash flow							**1,619**
Three months ended March 31, 2025							
Investment in property, plant and equipment and intangible assets	940	-	124	34	168	76	1,342
Net change in accruals and other non-cash items							(260)
Investment in property, plant and equipment and intangible assets – cash flow							1,082

14. NET CHANGES IN NON-CASH WORKING CAPITAL BALANCES

	Three Months Ended March 31	
(millions of dollars)	**2026**	**2025**
Receivables from related parties	**(46)**	(18)
Fuel inventory	**(58)**	(125)
Materials and supplies	**(10)**	(32)
Prepaid expenses	**2**	8
Other current assets	**(66)**	33
Accounts payable, accrued charges and other payables	**(380)**	31
Net changes in non-cash working capital balances	**(558)**	(103)

15. SALE OF US ELECTRICITY GENERATION OPERATIONS

On January 9, 2026, OPG completed the sale of Eagle Creek for consideration of USD $1.48 billion (C$2.05 billion) inclusive of debt to be assumed by the buyer and other closing adjustments. During the fourth quarter of 2025, upon classification of the assets and liabilities of Eagle Creek as held for sale, OPG recognized a pre-tax loss of $477 million. All assets and liabilities of Eagle Creek were derecognized effective January 9, 2026, including the cumulative translation adjustment and non-controlling interests associated with Eagle Creek's operations. No additional loss or gain was recognized in the three months ended March 31, 2026 as a result of the completed sale.

The sale resulted in net proceeds of $1,741 million being received in the three months ended March 31, 2026. The proceeds include $31 million held in escrow pending the final resolution of all post-closing adjustments, which are expected to be finalized later in 2026.

16. SUBSEQUENT EVENT

In April 2026, OPG's subsidiary, DNNP LP, received approximately $390 million in equity contributions from the federal Canada Growth Fund (CGF) and approximately $195 million from the provincial Building Ontario Fund (BOF), through their respective subsidiaries, under previously entered equity financing arrangements for the four-small modular reactor DNNP, representing the initial funding for Unit 1. Upon such contributions, through their respective subsidiaries, CGF and BOF hold minority equity interests of 15 percent and 7.5 percent, respectively, in DNNP LP, which OPG recognized as non-controlling interests subsequent to period end. OPG consolidates the results of DNNP LP in its consolidated financial statements.