



2025

First Quarter Report

Year-to-date results for the
period ended
June 30, 2025



Énergie NB Power

Message from the President

This quarter was a pivotal one for all of us at NB Power as we made substantial headway on a number of our key focus areas, as well as reaffirming our commitment to supporting our customers.

In May, I joined with representatives of the Town of Shediac and other partners to mark the successful completion of the Shediac Smart Energy Community Project. For the last five years, the Town, which is on track to become our province's first net-zero community, has hosted this critical research project, part of Smart Grid Atlantic. The initiative, which was also made possible through the support of the provincial and federal governments, Siemens Canada and hundreds of residential customers in Shediac, was focused on testing innovative technologies, like smart meters, designed to help New Brunswickers save energy, reduce emissions, and support a more affordable and sustainable grid. We also continue to be proud of NB Power's first grid-connected solar farm, which was established in the community as part of the project.

During the quarter, we continued our rollout of smart meters provincewide and also hosted a number of fact-focused in-person information events in different communities to dispel myths and address concerns.

We also hosted the Energizing Efficiency Conference in Fredericton in May. The annual two-day event was focused on exploring how technology and human behaviour can come together to create smarter, more sustainable energy solutions and was well-attended by thought leaders, industry experts and innovators.

We continued to introduce new renewable energy projects. We signed four wind Power Purchase Agreements being developed by First Nations communities in partnership with developers. These projects are expected to be in service by 2027/28. We also issued a new Request for Expressions of Interest for more renewable energy to power our provincial grid. In addition to helping reduce upward pressure on rates with a low-cost energy source on windy days, these additional renewables minimize environmental impact and support job creation and the growth of local businesses, while creating long-term service partnerships.

Point Lepreau Nuclear Generating Station continues to be a major focus of ours as we prepare for the future and work to ensure energy security for New Brunswickers. In the Lepreau area, we hosted public information sessions providing an opportunity for community members to engage with our team members to discuss recent and planned future maintenance work at PLNGS, the Station's current operations, the long-term storage of used nuclear fuel, regulatory requirements, small modular reactors, and our commitment to safety, the environment and community. During the first quarter, PLNGS' performance exceeded budget as the Station prepared for its outage in the second quarter.

In June, our employees and community safety partners participated in a one-day evaluated security exercise involving Point Lepreau's Nuclear Security Response Team. NB Power remains committed to the highest standards of security and safety, and this important exercise was evaluated by the Canadian Nuclear Safety Commission.

This quarter, we also made progress on some of our large capital projects. For example, we received an Environmental Impact Assessment approval for the Mactaquac Life Achievement project, a major milestone that reflects years of meaningful work, careful planning, and collaboration, including important consultation with First Nations communities.

We registered the Environmental Impact Assessment for the Saint John Corridor Project and are seeking public input on this project. The Saint John Corridor Project will enable us to add more renewable energy, help reduce the impacts of climate change and make it easier for New Brunswickers to use electricity in their homes and communities.

In April, we shared the results of an independent residential billing and metering assessment, launched in response to concerns from customers regarding higher-than-expected energy bills this past winter. The assessment, which confirmed our systems are functioning properly, found no differences in how smart meters and legacy meters record electricity use. We presented this information to the legislative committee on Public Accounts in April.

We know our customers are looking to us for support to help them manage their energy use and bills, which is why we are focusing on improving our communication and customer education initiatives. We're promoting tangible steps that can be taken to help customers

reduce their energy consumption. For example, we are actively promoting our online account portal. For those with smart meters, this is an incredibly powerful tool that can help customers understand their energy use better and therefore take steps to manage it. We are also making changes to our bill management services.

During the quarter, we were pleased to officially launch our new Vulnerable Populations Committee to help us better understand and improve the experiences of our customers who have trouble paying their bills, are facing energy poverty or are living with disabilities. Membership includes representatives of NB Power, as well as government and community-based organizations with relevant insight or experience into the challenges faced by those in our province who are experiencing energy poverty.

We remain committed to helping New Brunswickers who need support to more effectively manage their bills and remove any barriers preventing them from reaching out for help. As well, we are continuing to support our customers by educating them about their energy usage and providing access to energy efficiency programs.

There are a lot of changes and good things happening at NB Power. These are just a few of the highlights. Thank you for reading, and I look forward to continued opportunities to connect with you.



President and CEO
Lori Clark

Year-over-Year Financial Highlights¹

On November 8, 2024, the New Brunswick Energy and Utilities Board (EUB) approved NB Power’s general rate application for the 2025/26 fiscal year and the impact of that rate increase is seen in the year-to-date results. After a successful extended planned maintenance outage last year, the Point Lepreau Nuclear Generating Station was online and operating effectively. The Station’s net capacity factor of 100 per cent during the first three months of the year had a strong positive impact on the supply cost of in-province electricity sales.

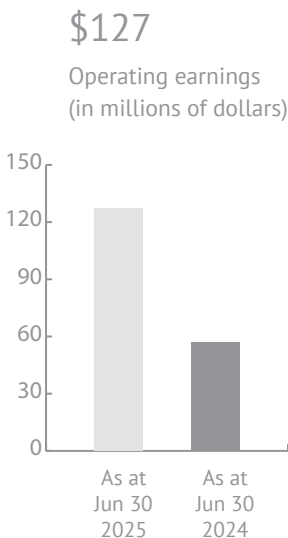
Electricity Operations

NB Power’s operating earnings were \$127 million for the three-month period ended June 30, 2025, which was \$70 million or 120 per cent higher than the same period last year.

Revenue from electricity sales in New Brunswick totalled \$426 million, a \$35 million or nine per cent increase over the same period last year. The primary driver was an increase in sales prices resulting from the rate increase effective April 2025.

Out-of-province revenue was \$176 million, a \$59 million or 50 per cent increase over the same period last year. The market outside New Brunswick is a competitive market with inherent variability in sales opportunities and service contracts available at any given time. Such variability can result in swings in year-to-year out-of-province results. Export sales volumes were 1,523 GWh, an increase of 452 GWh as a result of increased contracts with customers in both the United States and Canada in the current period as compared to the same period in 2024/25.

Fuel and purchased power costs were \$224 million, a \$15 million or six per cent decrease over the same period last year. This was primarily due to the increased availability of the Point Lepreau Nuclear Generating Station during the first three months of the year. The positive impact was partially offset by increased purchased power volumes required to meet increased out-of-province demand and higher electricity prices due to market conditions.



¹ The financial information contained in the report includes abbreviated and condensed financial statements that have not been audited and contains financial estimates that are subject to change.

Operations, maintenance and administration (OM&A) costs were \$162 million, a \$28 million or 21 per cent increase over the same period last year. Rescheduling the PLNGS outage to the second quarter of 2025/26 led to lower allocations of OM&A costs to capital during the first quarter of the current fiscal year.

Depreciation and amortization expense was \$106 million, a \$16 million or 18 per cent increase over the same period last year. The increase reflects continued investments in infrastructure aimed at enhancing reliability and modernizing the grid. These investments encompass major maintenance outages at the generating stations and spending to reinforce both transmission and distribution networks. In addition, the economic life of the PLNGS generator has changed, which is another contributor to increased depreciation costs.

Finance Costs

Finance costs were \$60 million, a \$5 million or eight per cent decrease as compared to the same period last year. This is mainly due to changes in foreign exchange and interest rates during the period.

Accretion on Decommissioning Liabilities

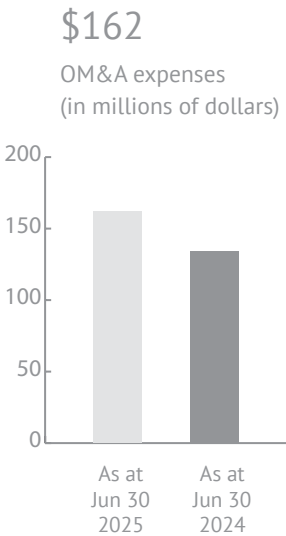
Accretion on decommissioning liabilities was \$14 million, an increase of \$1 million or eight per cent as compared to the same period last year. This is mainly due to higher accretion expenses from increased decommissioning liabilities balances.

Sinking Fund and Other Investment Income

Sinking fund and other investment income were \$4 million, a \$1 million or 20 per cent decrease over the same period last year due to changes in amortization of discounts/premiums.

Unrealized Gains on Investments

Unrealized gains on investments were \$3 million, a \$12 million or 80 per cent decrease as compared to the same period last year. Market returns were mixed and volatile during the first three months of the year due to several external factors including concerns over tariffs and rising inflation.



Net Changes in Regulatory Balances

Net changes in regulatory balances of \$57 million were recognized in earnings, a \$104 million decrease compared to the same period last year. During the three-month period, favourable gross margin variances compared to plan reduced the regulatory account balance. Variance account charges also reduced the account balance, partially offset by associated interest. The current year's decrease in regulatory account balances is also being impacted by the two new regulatory accounts approved by the EUB during the prior fiscal year.

Net Earnings

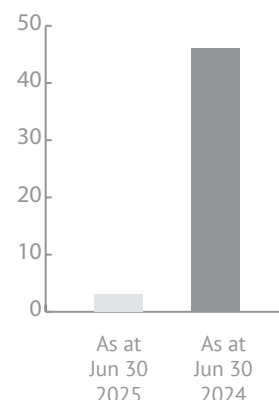
NB Power achieved \$3 million in net earnings for the period ended June 30, 2025, compared to net earnings of \$46 million in the same period last year, which represents a \$43 million unfavourable variance.

Debt Management

Net debt is \$5,677 million as at June 30, 2025, a \$98 million decrease since March 31, 2025. As a result of positive operating earnings, lower levels of borrowing were required to fund operating activities and capital spending on major projects in the current period.

\$3

Net earnings
(in millions of dollars)



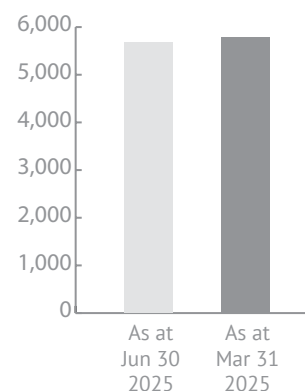
Consolidated Net Debt

In millions of dollars (Unaudited)

	As at Jun 30, 2025	As at Mar 31, 2025	Variance
Total debt	\$6,269	\$6,350	\$(81)
Cash	4	9	(5)
Sinking fund receivable	588	566	22
Total net debt	\$5,677	\$5,775	\$(98)
Retained earnings	\$517	\$532	\$(15)
Accumulated other comprehensive (loss) (AOCI)	(87)	(48)	(39)
Total capital	6,107	6,259	(152)
Percentage of net in debt capital structure	93.0%	92.3%	0.7%

\$5,677

Total net debt
(in millions of dollars)



Consolidated Statement of Financial Position

In millions of dollars (Unaudited)

	As at Jun 30, 2025	As at Jun 30, 2024	As at Mar 31, 2025
Assets			
Current			
Cash	\$4	\$5	\$9
Accounts receivable	354	309	520
Materials, supplies and fuel	314	302	230
Prepaid expenses	50	53	23
Derivative assets	20	43	86
Total current assets	742	712	868
Non-current assets			
Property, plant and equipment	5,074	4,935	5,028
Intangible assets	52	48	55
Nuclear decommissioning and used fuel management funds	1,021	956	1,017
Sinking fund receivable	588	516	566
Derivative assets	18	53	30
Other non-current assets	19	18	17
Total non-current assets	6,772	6,526	6,713
Total assets	7,514	7,238	7,581
Regulatory balances	1,092	954	1,150
Total assets and regulatory balances	\$8,606	\$8,192	\$8,731

	As at Jun 30, 2025	As at Jun 30, 2024	As at Mar 31, 2025
Liabilities and equity			
Current liabilities			
Short-term indebtedness	\$872	\$678	\$954
Accounts payable and accrued interest	384	370	425
Accrued interest on short and long-term debt	60	57	30
Current portion of long-term debt	200	0	200
Current portion of lease liabilities	7	7	7
Derivative liabilities	26	20	20
Total current liabilities	1,549	1,132	1,636
Non-current liabilities			
Long-term debt	5,197	5,241	5,196
Lease liabilities	38	38	38
Decommissioning and used fuel management liability	1,162	1,078	1,150
Post-employment benefits	101	99	101
Finance liability	35	35	35
Derivative liabilities	21	5	20
Other non-current liabilities	73	67	71
Total non-current liabilities	6,627	6,563	6,611
Total liabilities	8,176	7,695	8,247
Accumulated other comprehensive (loss)	(105)	(58)	(48)
Retained earnings	535	555	532
Total equity	430	497	484
Total liabilities and equity	\$8,606	\$8,192	\$8,731

Consolidated Statement of Earnings

In millions of dollars (Unaudited)

Period ended June 30

	2025	2024	Variance
Revenue			
Sales of electricity			
In-province	\$426	\$391	\$35
Out-of-province	176	117	59
Miscellaneous	29	24	5
Total revenue	631	532	99
Expenses			
Fuel and purchased power	224	239	(15)
Operation, maintenance and administration expenses	162	134	28
Depreciation and amortization	106	90	16
Property/utility taxes	12	12	0
Total operating expenses	504	475	29
Operating earnings	127	57	70
Finance costs and investment income			
Finance costs	(60)	(65)	5
Accretion on decommissioning liabilities	(14)	(13)	(1)
Unrealized gains on investments	3	15	(12)
Sinking fund and other investment income	4	5	(1)
Total finance costs and investment income	(67)	(58)	(9)
Net earnings (losses) before changes in regulatory balances	60	(1)	61
Net changes in regulatory balances	(57)	47	(104)
Net earnings	\$3	\$46	\$(43)

Operating Statistics

(Unaudited)

Period ended June 30

	2025	2024	Variance
Operating highlights			
In-province sales (GWh)	2,951	2,995	(44)
Heating degree days	734	654	80
Export sales (GWh)	1,523	1,071	452
Hydro flows below long-term average %	0.0%	(22.0%)	22.0%
PLNGS net capacity factor (%)	100.4%	5.1%	95.3%
Return on nuclear investment funds (%)	1.2%	6.4%	(5.2%)
Return on nuclear investment funds (\$)	3	15	(12)

Consolidated Statement of Cash Flows

In millions of dollars (Unaudited)

	Period ended June 30	
	2025	2024
Operating activities		
Net Earnings	\$3	\$46
Depreciation and amortization, net of gain and loss on disposal	106	90
Finance charges	60	65
Change in regulatory balances	57	(47)
Unrealized investment income	(8)	(20)
Accretion on decommissioning liabilities	14	13
Other amounts charged to operations not requiring a cash payment	30	(3)
Net change in non-cash working capital balances	5	48
	267	192
Interest paid	(18)	(29)
Customer contributions	3	1
Post-employment benefit payments	(2)	(2)
Long-term prepayments	(1)	(1)
Cash provided by operating activities	\$249	\$161
Investing activities		
Expenditures on property, plant and equipment and intangibles, net of proceeds	\$(150)	\$(209)
Cash expenditures on decommissioning	(4)	(4)
Cash used in investing activities	\$(154)	\$(213)
Financing activities		
Debt retirements	\$ -	\$(50)
(Decrease) increase in short-term indebtedness	(82)	108
Sinking fund installments	(17)	(15)
Sinking fund withdrawals	-	5
Principle repayment of lease obligation	(1)	(1)
Cash (used in) provided by financing activities	\$(100)	\$47
Net cash (outflow)	\$(5)	\$(5)
Cash, beginning of period	9	10
Cash, end of period	\$4	\$5