



2025 Third Quarter Report

Year-to-date results for the
period ended
December 31, 2025



Énergie NB Power

Message from the President

This quarter, we advanced a wide range of initiatives designed to better support our customers—both today and in the years ahead. From new, proactive energy efficiency education programs to major renewable energy and grid security projects, New Brunswickers' needs remained at the forefront of every effort we undertook.

One of our most impactful initiatives this quarter was the launch of our Energy Education Roadshow. As part of our “Knowledge is Power” fall public education campaign, our mobile unit visited Bathurst, Quispamsis, Fredericton, Moncton, and other communities, giving customers direct access to NB Power energy efficiency experts. Customers asked questions and received hands on demonstrations such as tips for operating heat pumps efficiently and navigating the smart meter online portal. Attendance and customer feedback were overwhelmingly positive.

The campaign also featured an interactive webpage with resources on topics ranging from bill payment options to explanations of why winter energy bills rise and how customers can manage them. With temperatures 20 per cent colder from mid-November to mid-December 2025 than during the same period in 2024, we aimed to deliver this information when customers needed it most.

We also continued collaborating with the Vulnerable Populations Committee. In response to their recommendation, we introduced an interim moratorium on disconnections for vulnerable customers for non-payment of bills, effective December 1, 2025 through March 31, 2026. Although we have always used disconnections only as a last resort, this pilot will help us gather data on arrears, payment plans, and customer outcomes to inform a long term affordability and service continuity framework.

Along with directly supporting customers, we made important progress on province wide energy and infrastructure initiatives.

We moved forward with integrating more renewable energy into the grid, which is essential as New Brunswick faces a projected energy shortfall as early as 2028. These efforts directly support our Strategic Plan: *Energizing our Future*, which prioritizes grid modernization and renewable integration.

In October, we celebrated the official opening of the 25 MW Neweg Wind Energy Project with partners from First Nations, government, utilities, and the private sector. A ribbon cutting and handprint ceremony symbolized our unity and collaboration.

We also announced a new 200 MW power purchase agreement with Brighton Mountain Wind Limited, a subsidiary of J.D. Irving, Limited. This project emerged from our May 2025 Request for Expression of Interest (REOI) for quickly deployable, large scale renewable energy. Fourteen additional projects—each requiring First Nations involvement and government support—remain under review, and we will provide updates in future quarters.

Separately, we issued an REOI for 50 MW of Battery Energy Storage Systems (BESS). These short duration systems will give us essential flexibility to manage intermittent wind and solar resources, which is an innovation our customers increasingly request.

The Renewable Integration Grid Security (RIGS) Project also continues to advance through the Environmental Impact Assessment process. We have engaged community members through open houses and filed our application with the New Brunswick Energy and Utilities Board (EUB), which will hold a hearing next quarter.

Several other matters are currently before the EUB. On October 1, 2025, we filed a General Rate Application seeking a 4.75 per cent increase across all rate classes. For an average residential customer using 1,350 kWh, this change would add approximately \$10.90 per month. Although we consider rate increases a last resort, we need these funds to upgrade infrastructure, ensure reliable service, and support clean energy transitions. The EUB has scheduled a hearing for March 2026.

On December 15, 2025, we submitted our annual Variance Account Recovery application for 2026/27. If the EUB approves it, the rate will increase by 0.04¢/kWh beginning April 1, 2026 or approximately 54 cents per month for an average residential customer. Key drivers include previous year balances, reduced industrial load, and lower nuclear and hydro production due to drought, partially offset by higher export revenues.

In December, we also marked World Nuclear Day. On December 14, 2025, the Point Lepreau Nuclear Generating Station (PLNGS) returned to service following a planned maintenance outage. The team completed more than 23,000 tasks, including a complex generator rewind. Although an issue with a turbine bearing required additional work and delayed synchronization to the grid by two weeks, our team successfully replaced the bearing and returned the station to operation after extensive testing. I am exceptionally proud of the expertise and dedication our employees and partners demonstrated throughout this process.

Partnerships remain a key pillar of our Strategic Plan. In October, we participated in the Atlantic Indigenous Led Energy Symposium, where NB Power leaders emphasized the importance of Indigenous leadership, meaningful collaboration and internal changes that better support Indigenous led energy development.

I also joined provincial and federal partners to announce a three-year Support Services Agreement with Laurentis Energy Partners, a subsidiary of Ontario Power Generation. Under this agreement, Laurentis Energy Partners will provide targeted expertise to strengthen PLNGS operations and ensure long-term performance.

Additionally, we established a strategic partnership with the University of New Brunswick to support energy innovation, research, and workforce development. Our long standing collaboration includes projects such as the Atlantic Digital Grid, aquaculture ecosystem studies, and nuclear research. As the university's largest co-op employer, we look forward to expanding opportunities that support our mandate and benefit New Brunswickers for generations.

Thank you for reading this report and for your ongoing support and interest in our operations and future plans.



Lori Clark
President and CEO

Year-over-Year Financial Highlights¹

NB Power improved its operational performance over last year despite lower net earnings. Stronger export margins, higher output from the Point Lepreau Nuclear Generating Station (PLNGS) and approved rate adjustments strengthened results. These improvements enabled NB Power to continue meeting customer needs while advancing reliability initiatives.

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, contributing to stronger year to date results. Operating earnings reached \$98 million, supported by \$1,363 million in in province electricity sales and \$662 million in out-of-province revenue from increased contract volumes and renewable energy credit sales. These outcomes enhanced NB Power’s ability to deliver reliable service and invest in a sustainable, long term energy future for New Brunswick.

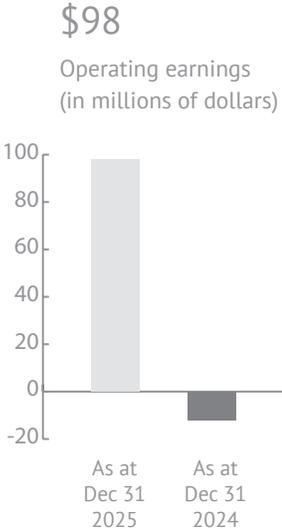
PLNGS operated effectively during the first quarter, reducing supply costs before its planned maintenance outage on July 14. The Bayside Generating Station also entered a planned maintenance outage in October. NB Power safely completed both outages by mid-December to ensure dependable power during the winter heating season. NB Power advanced its Strategic Plan — *Energizing Our Future* — by completing the mass deployment of smart meters and investing \$111 million in energy efficiency initiatives and grid modernization.

Electricity Operations

NB Power generated \$98 million in operating earnings for the nine months ended December 31, 2025, an improvement of \$110 million over the same period last year.

Revenue from New Brunswick electricity sales grew to \$1,363 million, an increase of \$115 million (nine per cent). Higher sales prices driven by an EUB approved rate increase (effective April 1, 2025) and cooler weather contributed to the increase. Lower industrial demand partially offset these gains.

Out-of-province revenue rose to \$662 million, a \$287 million (76 per cent) increase. This significant change reflected fluctuating sales opportunities and service contracts in competitive external markets. Export sales volumes increased 1,705 GWh to 4,967 GWh, supported by new contracts in both Canada and the United States.



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.

Fuel and purchased power costs reached \$1,199 million, up \$291 million (32 per cent). Higher purchased power volumes and elevated market prices drove the increase. Greater PLNGS availability, which rose to 1,869 GWh from 284 GWh, partially offset these pressures.

Miscellaneous revenue increased \$19 million (21 per cent) to \$109 million, largely due to natural gas supply optimization opportunities at the Bayside Generating Station.

Operation, maintenance and administration expenses rose slightly to \$479 million, up \$1 million. Increased workforce demand from storm response, additional trouble calls and other operational activities drove the increase.

Depreciation and amortization increased \$19 million (six per cent) to \$322 million. Ongoing infrastructure investments, including major generating station maintenance and grid reinforcement, contributed to higher depreciation. Asset retirements and adjustments to useful lives also increased expenses.

Finance Costs

Finance costs decreased \$14 million (seven per cent) to \$190 million, primarily due to favourable foreign exchange movements on U.S. transactions and lower interest expenses from reduced short term borrowing rates.

Accretion on Decommissioning Liabilities

Accretion on decommissioning liabilities increased \$4 million (11 per cent) to \$42 million, reflecting higher projected future asset retirement costs that increased the overall liability.

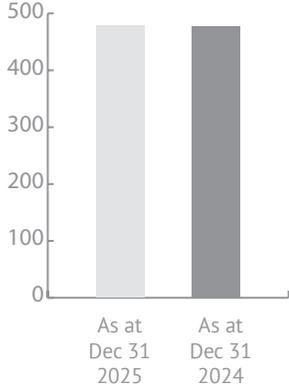
Sinking Fund and Other Investment Income

Sinking fund and other investment income totaled \$14 million, consistent with last year’s results.

Unrealized Gains on Investments

Unrealized gains on investments were \$39 million, a decrease of \$36 million (48 per cent). Gains remained solid despite less favourable market conditions driven by economic uncertainty, tariff concerns and slower growth.

\$479
OM&A expenses
(in millions of dollars)

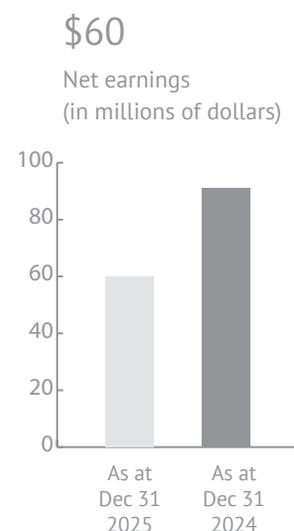


Net Changes in Regulatory Balances

Net changes in regulatory balances increased net earnings by \$141 million, a \$115 million decrease from last year. Reductions in accounts used to spread outage costs and smooth customer rates—unique to the previous two-year EUB rate application—contributed to the decline. These reductions were partially offset by margin variance adjustments and new amounts added for meter replacements and enterprise resource planning upgrades.

Net Earnings

Net earnings for the period ended December 31, 2025, totaled \$60 million, compared to \$91 million last year, an unfavourable variance of \$31 million. Strong operational performance was offset by declines in regulatory balances and unrealized investment returns.



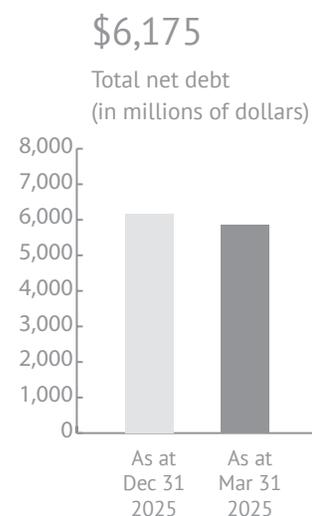
Debt Management

NB Power has entered a period of significant capital investment to address infrastructure deficits, resulting in higher debt levels. Net debt reached \$6,175 million as of December 31, 2025, an increase of \$320 million since March 31, 2025. NB Power invested \$532 million in capital projects during the period and funded part of this through \$228 million in positive operating cash flows.

Consolidated Net Debt

In millions of dollars (Unaudited)

	As at Dec 31, 2025	As at Mar 31, 2025	Variance
Lease liabilities	\$40	\$45	\$(5)
Finance liability	35	35	-
Short-term debt	1,033	954	79
Long-term debt	5,688	5,396	292
Cash	3	9	(6)
Sinking fund receivable	618	566	52
Total net debt	\$6,175	\$5,855	\$320
Retained earnings	\$592	\$532	\$60
Accumulated other comprehensive (loss) (AOCI)	(85)	(48)	(37)
Total capital	6,682	6,339	343
Percentage of net debt in capital structure	92.4%	92.4%	0.0%



Consolidated Statement of Financial Position

In millions of dollars (Unaudited)

	As at Dec 31, 2025	As at Dec 31, 2024	As at Mar 31, 2025
Assets			
Current			
Cash	\$3	\$2	\$9
Accounts receivable	536	438	520
Materials, supplies and fuel	281	324	230
Prepaid expenses	46	34	23
Derivative assets	69	119	86
Total current assets	935	917	868
Non-current assets			
Property, plant and equipment	5,232	4,991	5,028
Intangible assets	47	43	55
Nuclear decommissioning and used fuel management funds	1,055	1,015	1,017
Sinking fund receivable	618	551	566
Derivative assets	9	59	30
Other non-current assets	19	19	17
Total non-current assets	6,980	6,678	6,713
Total assets	7,915	7,595	7,581
Regulatory balances	1,290	1,162	1,150
Total assets and regulatory balances	\$9,205	\$8,757	\$8,731

	As at Dec 31, 2025	As at Dec 31, 2024	As at Mar 31, 2025
Liabilities and equity			
Current liabilities			
Short-term indebtedness	\$1,033	\$1,133	\$954
Accounts payable and accrued interest	422	381	425
Accrued interest on short and long-term debt	61	58	30
Current portion of long-term debt	-	200	200
Current portion of lease liabilities	7	7	7
Derivative liabilities	40	13	20
Total current liabilities	1,563	1,792	1,636
Non-current liabilities			
Long-term debt	5,688	5,043	5,196
Lease liabilities	33	39	38
Decommissioning and used fuel management liability	1,179	1,081	1,150
Post-employment benefits	100	98	101
Finance liability	35	35	35
Derivative liabilities	17	7	20
Other non-current liabilities	83	69	71
Total non-current liabilities	7,135	6,372	6,611
Total liabilities	8,698	8,164	8,247
Accumulated other comprehensive (loss)	(85)	(7)	(48)
Retained earnings	592	600	532
Total equity	507	593	484
Total liabilities and equity	\$9,205	\$8,757	\$8,731

Consolidated Statement of Earnings

In millions of dollars (Unaudited)

Period ended December 31

	2025	2024	Variance
Revenue			
Sales of electricity			
In-province	\$1,363	\$1,248	\$115
Out-of-province	662	375	287
Miscellaneous	109	90	19
Total revenue	2,134	1,713	421
Expenses			
Fuel and purchased power	1,199	908	291
Operation, maintenance and administration expenses	479	478	1
Depreciation and amortization	322	303	19
Property/utility taxes	36	36	-
Total operating expenses	2,036	1,725	311
Operating earnings (losses)	98	(12)	110
Finance costs and investment income			
Finance costs	(190)	(204)	14
Accretion on decommissioning liabilities	(42)	(38)	(4)
Unrealized gains on investments	39	75	(36)
Sinking fund and other investment income	14	14	-
Total finance costs and investment income	(179)	(153)	(26)
Net earnings (losses) before changes in regulatory balances	(81)	(165)	84
Net changes in regulatory balances	141	256	(115)
Net earnings	\$60	\$91	\$(31)

Operating Statistics

(Unaudited)

Period ended December 31

	2025	2024	Variance
Operating highlights			
In-province sales (GWh)	9,187	9,299	(112)
Heating degree days	2,397	2,139	258
Export sales (GWh)	4,967	3,262	1,705
Hydro flows below long-term average %	(22.0%)	(22.0%)	0.0%
PLNGS net capacity factor (%)	42.9%	6.5%	36.4%
Return on nuclear investment funds (%)	5.0%	10.5%	(5.6%)
Return on nuclear investment funds (\$)	39	75	(36)

Consolidated Statement of Cash Flows

In millions of dollars (Unaudited)

Period ended December 31

	2025	2024
Operating activities		
Net Earnings	\$60	\$91
Depreciation and amortization, net of gain and loss on disposal	322	303
Finance charges	190	204
Change in regulatory balances	(141)	(256)
Unrealized investment income	(53)	(88)
Accretion on decommissioning liabilities	42	38
Other amounts charged to operations not requiring a cash payment	20	(39)
Net change in non-cash working capital balances	(84)	(55)
	356	198
Interest paid	(159)	(184)
Customer contributions	14	6
Post-employment benefit payments	(5)	(6)
Long-term prepayments	(3)	(2)
Cash provided by operating activities	\$203	\$12
Investing activities		
Expenditures on property, plant and equipment and intangibles, net of proceeds	\$(516)	\$(461)
Cash expenditures on decommissioning	(16)	(27)
Nuclear investment fund withdrawals	-	-
Cash used in investing activities	\$(532)	\$(488)
Financing activities		
Proceeds from long-term debt issuances	\$489	\$-
Debt retirements	(200)	(50)
Increase in short-term indebtedness	79	562
Sinking fund installments	(43)	(41)
Sinking fund withdrawals	6	5
Principle repayment of lease obligation	(8)	(8)
Cash provided by financing activities	\$323	\$488
Net cash (outflow)	\$(6)	\$(8)
Cash, beginning of period	9	10
Cash, end of period	\$3	\$2