New Brunswick Power Corporation
Nuclear Fuel Waste Trust

Financial Statements

March 31, 2025

Independent auditor's report

To the Honourable Louise Imbeault,
Lieutenant-Governor of New Brunswick

Opinion

We have audited the financial statements of **New Brunswick Power Corporation Nuclear Fuel Waste Trust** [the "Trust"], which comprise the statement of assets as at March 31, 2025, and the statement of income and comprehensive income, statement of changes in assets for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2025, and its financial performance for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Trust for the year ended March 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on June 18, 2024.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants

Saint John, Canada
June 17, 2025

NEW BRUNSWICK POWER CORPORATION
NUCLEAR FUEL WASTE TRUST
STATEMENT OF ASSETS

(Amounts are expressed in thousands of Canadian dollars except where indicated)

March 31	Note	2025	2024
Assets			
Investments			
Investments - fixed income		**$ 229,074**	$ 205,612
Total assets		**$ 229,074**	$ 205,612

The accompanying notes form part of the consolidated financial statements

NEW BRUNSWICK POWER CORPORATION
NUCLEAR FUEL WASTE TRUST
STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(Amounts are expressed in thousands of Canadian dollars except where indicated)

For the year ended March 31	Note	2025	2024
Income			
Mark-to-market of fair value through profit and loss		**$ 17,569**	$ 6,961
Net earnings		**17,569**	6,961
Comprehensive income		**$ 17,569**	$ 6,961

The accompanying notes form part of the consolidated financial statements

NEW BRUNSWICK POWER CORPORATION
NUCLEAR FUEL WASTE TRUST
STATEMENT OF CHANGES IN ASSETS

(Amounts are expressed in thousands of Canadian dollars except where indicated)

For the Year Ended March 31	Note	2025	2024
Assets, Beginning of Year		**$ 205,612**	$ 192,827
Transfers from Point Lepreau Used Fuel Management and Decommissioning Segregated Funds		5,893	5,824
Increase in fair value of assets		17,569	6,961
Assets, End of Year		**$ 229,074**	$ 205,612

The accompanying notes form part of the consolidated financial statements

NEW BRUNSWICK POWER CORPORATION
NUCLEAR FUEL WASTE TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended March 31, 2025

(Amounts are expressed in thousands of Canadian dollars except where indicated)

1. DESCRIPTION OF THE FUNDS

On October 1, 2013, New Brunswick Power Nuclear Corporation amalgamated with New Brunswick Power Corporation, as such the Nuclear Fuel Waste Trust funds are now held by New Brunswick Power Corporation.

As required under the *Nuclear Fuel Waste Act (NFWA)*, owners of nuclear fuel waste established, by incorporation, the Nuclear Waste Management Organization (NWMO). The NWMO will report regularly to the Government of Canada and make recommendations on long-term management of nuclear fuel waste.

The *Nuclear Fuel Waste Act* requires major owners of used nuclear fuel in Canada to establish trust funds to finance the long-term management of used nuclear fuel. In June 2007, the Government of Canada announced its decision to accept the long-term disposal plan proposed by the NWMO. The funding requirement is based on the accepted proposal and was approved on April 7, 2009. The funding requirement for 2024/25 was $5.9 million ($5.8 million in 2023/24).

The Trust is managed by Vestcor Investment Management Corporation (“Vestcor”) in accordance with the *Statement of Investment Policy and Guidelines* that have been established. The NWMO is the beneficiary of the Trust. The Trust has been accepted by the Canadian Nuclear Safety Commission as satisfaction of New Brunswick Power Corporation's financial guarantee requirement of the operating license.

The financial statements present the assets of the Trust as at March 31, 2025 and the statements of operations and comprehensive income and changes in assets for the year then ended.

2. BASIS OF PREPARATION

The financial statements of the Trust have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations adopted by the International Accounting Standards Board (“IASB”). The financial statements of the Trust have been prepared on the historical cost basis except for fair value through other comprehensive income and fair value through profit and loss financial assets that are measured at fair value. The financial report has been prepared on a going concern basis. The financial statements are presented in Canadian dollars, which is the Trust’s functional currency. The financial statements of the Trust have been rounded off to the nearest thousand dollars, unless otherwise stated. The financial statements of the Trust were authorized for issue by the Trustee on June 17, 2025.

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of the assets, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable when making the judgment about carrying values of assets that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in note 4.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity (for example, accounts receivable / accounts payable).

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued and their characteristics.

Financial instrument	Classification
Investments in various New Brunswick Investment Management Corporation unit trust funds	Fair value through profit and loss

Fair value through profit or loss (FVTPL)

Financial instruments in this category are typically acquired principally for the purpose of selling in the short-term or are designated as such upon initial recognition. Financial instruments are measured as FVTPL if NB Power manages these investments and makes purchase and sale decisions based on their value according to NB Power's documented risk management of investment strategy. Financial instruments classified as FVTPL are subsequently measured at fair value at the statement of assets date. Changes in fair value of these instruments are included in net earnings. These changes include realized and unrealized earnings.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Credit risk

The Trust's principal financial assets are cash and investments which are subject to credit risk. The Trust limits its credit risk associated with the bonds held in the Nuclear Fuel Waste Trust Fund. The current portfolio is comprised of investment grade ratings of BBB or above for longer-term securities and R-1 for short-term debt. The following table outlines the allocation of the maximum credit exposure by investment grade ratings.

	AAA	AA	A	BBB	R - 1	Other	2025	2024
Maximum Credit Exposure	**$ 59,995**	$ 57,837	$ 53,273	$ 55,423	$ 2,180	$ -	**$ 228,708**	**$ 205,235**

Market risk

Market risk is the risk that the Trust's operating income or financial instrument values will fluctuate due to changes in market prices.

The Trust is exposed to the market price risks such as changes in interest rates.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

The Trust is managed by Vestcor Investment Management Corporation. The *Nuclear Fuel Waste Trust* is invested in New Brunswick Management Investment Corporation (NBIMC) unit trusts. The NBIMC unit trusts contain fixed income securities. These are subject to market risk and will fluctuate in value due to changes in market prices.

These funds are in place to cover the expected expenditures related to the used fuel management obligations. The nature of the investments and level of market risk are consistent with the long-term nature of the related liability

The following table provides a sensitivity analysis which shows the dollar value impact of small changes in various market rates and prices. The amounts shown are derived from outstanding financial instruments that existed at March 31, 2025

		Impact on earnings
Exchange and interest rates		
1 % change in investment yields	**$**	**15,578**

Fair Value

The fair value of cash approximates their carrying values due to their short-term maturity.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair Value (Continued)

The financial instruments carried at fair value are classified using a fair value hierarchy which has 3 levels as follows

- Level 1: Fair value determination is based on inputs that are quoted prices in active markets for identical assets or liabilities.

- Level 2: Fair value is determined using inputs, other than quoted prices in level 1, that are observable for the financial asset or financial liability, either directly or indirectly. These inputs include quoted prices for similar financial instruments in active markets, quoted price for similar instruments that are not active, and inputs other than quoted prices that are observable for the instrument. These are inputs that are derived principally from, or corroborated by, observable market data.

- Level 3: Fair value is determined based on valuation models using inputs that are not based on observable market data. Unobservable inputs reflect subjective assumptions that market participants may use in pricing the investments.

Hierarchy Level	Financial Instruments	Fair Value
1	N/A	The Trust does not have any fair values in level 1
2	Investments held in various NBIMC unit trust funds	Total fair values of $229,074
3	N/A	The Trust does not have any fair values in level 3