

Schedule of Use of Green Bond Proceeds

BRUCE POWER L.P.

(and Independent Auditor's Report thereon)

As at December 31, 2021

(in millions of Canadian dollars)



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INDEPENDENT AUDITORS' REPORT

To the Management of Bruce Power L.P.

Opinion

We have audited the Green Bond Use of Proceeds Report of Bruce Power L.P. (the Entity) for the period from November 22, 2018 to December 31, 2021, and notes to the report, including a summary of significant accounting policies (Hereinafter referred to as the "schedule").

In our opinion, the accompanying schedule for the period from November 22, 2018 to December 31, 2021 of the Entity is prepared, in all material respects, in accordance with the financial reporting provisions of the Bruce Power Green Financing Framework dated June 2021 (the "Green Financing Framework").

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 "Auditors' Responsibilities for the Audit of the Schedule" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the schedule 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 in the schedule, which describes the basis of accounting. The schedule was prepared to assist the Entity in disclosing its use of proceeds allocation activities related to the Green Bond.

As a result, the schedule may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the schedule in accordance with the financial reporting provisions of the Green Financing Framework, and for such internal control as management determines is necessary to enable the preparation of a schedule that is free from material misstatement, whether due to fraud or error.



Page 2

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the schedule.

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 schedule, 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants
Kitchener, Canada
June 7 ,2022

BRUCE POWER L.P.

(a Limited Partnership)

SCHEDULE OF USE OF GREEN BOND PROCEEDS

As at December 31, 2021

(in millions of Canadian dollars)

	2021
Balance as of December 31, 2020	\$ —
Add:	
Net proceeds from 2021-1 Green Bonds	496.8
Net proceeds available for allocation	496.8
Proceeds used for the allocation to Eligible Projects:	
Unit 6 Major Component Replacement Project	496.8
Total allocated proceeds	496.8
Remaining unallocated proceeds	\$ —

BRUCE POWER L.P.

(a Limited Partnership)

SCHEDULE OF USE OF GREEN BOND PROCEEDS

As at December 31, 2021

(in millions of Canadian dollars)

1. Background

In November 2021, Bruce Power L.P. completed a private placement offering with the issuance of \$500 million of green bonds based on Bruce Power's Green Bond Framework. The offering consisted of a \$500 million 7-year tranche with a coupon interest rate of 2.68%. The net proceeds (net of \$3.2 million issuance fees) were fully allocated to the Unit 6 Major Component Replacement project, which is part of Bruce Power's broader life extension program described in the Bruce Power Green Financing framework. As at December 31, 2021, the net proceeds from the above green bond offering were fully allocated to Eligible Projects.

2. Basis of Accounting

Net proceeds obtained from Bruce Power's Green Bonds will be allocated or used to finance and/or re-finance, in part or in full, new and/or existing Green investments and expenditures made by Bruce Power that meet the Eligibility Criteria defined in Bruce Power's green financing framework that offer environmental benefits. The Schedule of Use of Green Bond Proceeds was prepared to track and report the allocation of proceeds to the Eligible Projects that were approved under the Bruce Power's Green Financing Framework. This Schedule of Use of Green Bond Proceeds was prepared to assist Bruce Power in disclosing its use of proceeds allocation activities related to the bond. As a result, it may not be suitable for another purpose.